



**economic development
& tourism**

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



SOCIO-ECONOMIC REVIEW & OUTLOOK OF MPUMALANGA

SERO

March 2022



COMPILED BY: ECONOMIC ANALYSIS

**CONTACT DETAILS: No 7 Government Boulevard
Nokuthula Simelane Building
Riverside Park Extension 2
Mbombela
1201
Tel: 013 766 4409
Fax: 013 766 9139
Email: lcvanvuren@mpg.gov.za**

KEY FINDINGS

- In 2021, Mpumalanga's percentage share of the national population of 60.1 million was 7.9%, or 4.74 million.
- In 2020, Mpumalanga's share of the national household number was 7.8% or 1.35 million.
- In total over the last year, Mpumalanga recorded 95 617 less jobs and the province registered a decline of 51 440 jobs over the last quarter.
- The employment number of 1.05 million was down at levels last recorded in 2012.
- The latest employment level of 1.05 million was still 193 256 jobs short of the 1.25 million persons employed in Q1 2020 before the lockdown was instituted.
- Community services (21.6%) and trade (17.6%) were the two industries that employed the highest number of individuals, whereas the utilities industry (2.6%) employed the lowest number.
- Mpumalanga (39.7%), recorded the second highest/eighth lowest strict unemployment rate among the nine provinces.
- In Q4 2021, the male strict unemployment rate was 37.3%, the female unemployment was 42.8% and the youth (15-34 years) unemployment rate was 57.7%.
- By 2020, 5.1% of the people 20 years and older in Mpumalanga had not received any schooling.
- In 2021, Mpumalanga's Grade 12 pass rate (73.6%) was the sixth highest among the provinces.
- In 2020, Mpumalanga recorded a HDI score of 0.62, an improvement from the relatively low level (0.50) achieved in 1996.
- The poorest 40% of households in Mpumalanga earned 7.4% of income in 2020, which was higher (better) than the national figure of 6.4% for 2020, but lower/worse than the 8.6% share the province achieved in 1996.
- In 2020, 50.8% or approximately 2.3 million of Mpumalanga population lived below the lower-bound poverty line of R840 per month.
- A major share of households (46.6%) in Mpumalanga reported expenditure of less than R2 500 per month in 2020.
- Mpumalanga's contribution to the national economy was the fifth largest with a share of 7.2% (current prices) in 2021.
- In 2021, the three largest contributors to the provincial economy were community services (20.0%), mining (17.7%), and finance (16.0%).
- Mpumalanga's average annual GDP contraction of 0.3% per annum between 2016 and 2021 was the joint fourth deepest/worst.
- In Q4 2021 the Mpumalanga economy was approximately the same size than it was in Q1 2014.
- Current 2022 growth estimates for South Africa by the IMF (1.9%) and World Bank (2.1%) points to a slowdown in economic activity in 2022.
- Mpumalanga's forecasted GDP growth for 2022 and 2023 is 1.7%, respectively.
- The February 2022 inflation measurement in Mpumalanga of 5.7% was equal to the national level and within the inflation target zone for the twelfth consecutive month.

TABLE OF CONTENTS

KEY FINDINGS	i
PREFACE	iii
1. INTRODUCTION	1
2. DEMOGRAPHICS	1
2.1. Population figures and growth	1
2.2 Fertility	4
2.3 Life expectancy	5
2.4 Migration	5
2.5 Disability	6
3. LABOUR PROFILE	6
3.1 Labour force profile	6
3.2 Employment	8
3.3 Occupational profile	13
3.4 Unemployment	14
4. EDUCATION PROFILE	19
5. HEALTH AND SOCIAL SERVICES	22
6. HOUSEHOLD SERVICES	24
7. DEVELOPMENT AND INCOME ASPECTS	27
7.1 Human development index	27
7.2 Income inequality.....	28
7.3 Poverty aspects	29
7.4 Ownership of household goods	33
7.5 Income and expenditure aspects	33
8. ECONOMIC SECTORS AND PERFORMANCE	37
8.1 GDP contribution and growth.....	37
8.2 Inclusive growth.....	45
8.3 Regional contribution	46
8.4 Sectoral contribution and performance	48
8.5 Diversification of the economy	51
8.6 Comparative advantage of the economy.....	51
8.7 Labour intensity	53
8.8 Employment elasticity	53
8.9 Labour productivity	54
8.10 Regional competitiveness	55
8.11 Tourism.....	56
8.12 Inflation	58
9. INTERNATIONAL TRADE	59
10. CRIME RATES	60
11. SUMMARY AND RECOMMENDATIONS	61

PREFACE

Economic outlook

Following the collapse in 2020 caused by the COVID-19 pandemic, global economic output experienced a strong but highly uneven recovery in 2021. Global growth is estimated at 5.9% in 2021 and 2022 growth was forecasted to moderate to 4.4% in 2022. This latest forecast by the International Monetary Fund (IMF) was completed in January 2022 before the war in Ukraine started.

The slower global growth in 2022 that was expected in January 2022, largely reflected lower forecasts for the USA and China because of continued international supply shortages. Global growth was expected to continue slowing down and was anticipated to decline to 3.8% in 2023. The economic growth in emerging market and developing economies was estimated at 6.5% in 2021 and was forecasted to slow down to 4.8% in 2022.

While the current situation in Ukraine remains highly fluid and the outlook is subject to extraordinary uncertainty, the economic consequences are already very serious. Energy and commodity prices, which includes wheat and other grains, have surged, adding to inflationary pressures from supply chain disruptions and the rebound from the COVID-19 pandemic. Price shocks will have an impact worldwide, especially on poor households for whom food and fuel are a higher proportion of expenses. Should the conflict escalate, the economic damage would be all the more devastating. The sanctions on Russia will also have a substantial impact on the global economy and financial markets, with significant spill overs to other countries.

The domestic economy tracked world growth relatively closely up to 2000 (Figure A). 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 2020, the South African economy contracted by 6.4% which was deeper than most other countries and regions. The key measure of economic success identified in the National Development Plan 2030 (NDP) is that South Africa achieves annual average gross domestic product (GDP) growth of over 5% up to 2030.

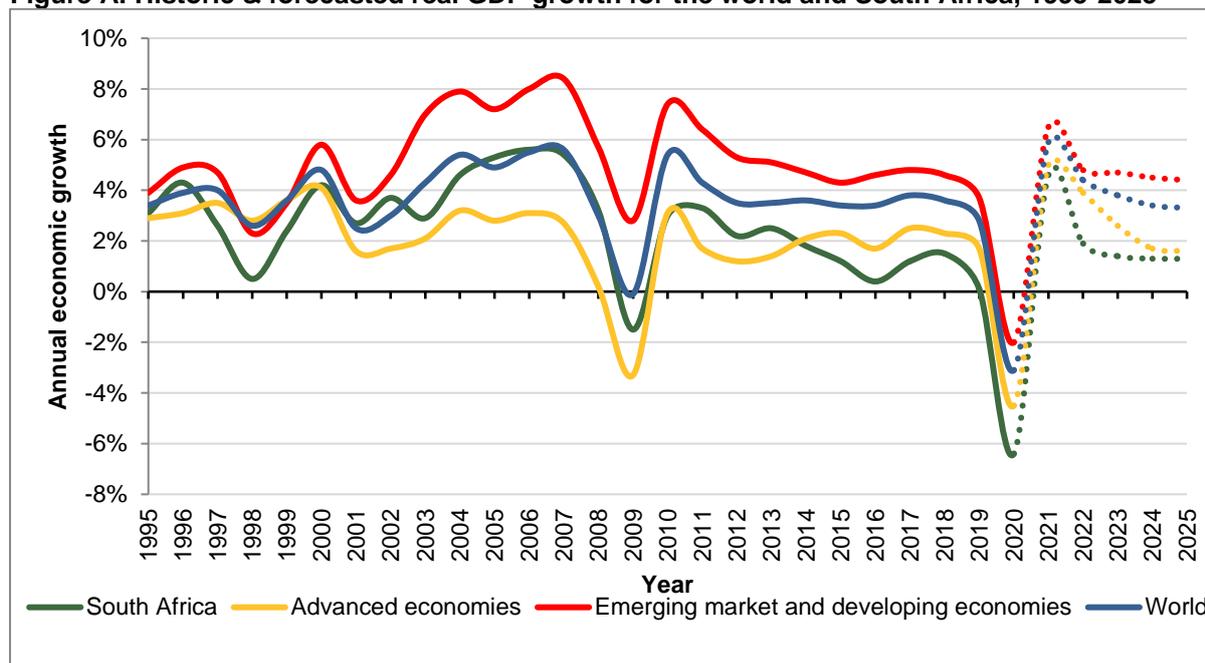
The expansion over the last two quarters of 2020 was not enough to result in an annual expansion and the South African economy contracted by 6.4% in 2020, following an increase of only 0.1% in 2019. The annual real GDP contraction in 2020 was primarily as a result of the severe contraction suffered in Q2 2020 brought on by the COVID-19 pandemic and the resultant lockdown.

The domestic economy expanded in three of the four quarters in 2021, and ultimately recorded growth of 4.9% in 2021 (Table A). The recovery, however, has been very uneven with all the industries, except personal services, recording at least one quarterly contraction through the course of 2021. Construction and mining have respectively recorded three and two consecutive quarterly contractions, and was therefore technically in recession in Q4 2021.

The IMF forecast an economic recovery for South Africa of 1.9% in 2022 and 1.4% in 2023 (Table B). The World Bank anticipates a slightly faster expansion for South Africa in 2022 (2.1%) as well as in 2023 (1.5%). At the Monetary Policy Committee (MPC) meeting in March 2022 the economic growth forecast by the South African Reserve Bank (SARB) was pronounced as 2.0% for 2022 and 1.9% for 2023. The Minister of Finance announced in the February 2022 Budget Speech that the expected

economic growth for 2022 is 2.1% and 1.6% for 2023.

Figure A: Historic & forecasted real GDP growth for the world and South Africa, 1995-2025



Source: International Monetary Fund (IMF) – World Economic Outlook Update, January 2022

Table A: Quarter-on-quarter GDP growth rates per industry (constant 2015 prices, seasonally adjusted), 2020-2021

Industry	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Agriculture ¹	-4.3%	-0.1%	6.6%	5.6%	10.1%	-20.6%	12.2%
Mining ²	-31.1%	45.0%	-0.9%	3.3%	2.3%	-0.6%	-3.1%
Manufacturing ³	-31.4%	35.3%	5.3%	0.4%	-1.5%	-4.2%	2.8%
Utilities ⁴	-11.6%	12.6%	-0.1%	-0.3%	0.7%	0.3%	-3.4%
Construction ⁵	-29.9%	16.0%	1.9%	0.5%	-0.8%	-0.6%	-2.2%
Trade ⁶	-26.7%	25.1%	1.5%	1.7%	3.2%	-5.5%	2.9%
Transport ⁷	-26.7%	17.3%	2.9%	-1.1%	6.3%	-1.7%	2.2%
Finance ⁸	-10.5%	6.6%	2.9%	1.2%	-0.6%	1.1%	-0.8%
Government services	-0.3%	0.2%	0.2%	0.2%	-0.5%	0.3%	-0.4%
Personal services	-5.9%	4.1%	1.7%	0.6%	2.5%	0.5%	2.7%
Total	-17.4%	13.9%	2.5%	1.0%	1.3%	-1.7%	1.2%

Source: Statistics SA (Stats SA) – GDP, 2022

Table B: Forecasted growth for South Africa, 2022-2023

Organisation	2022	2023
IMF	1.9%	1.4%
World Bank	2.1%	1.5%
SARB	2.0%	1.9%
National Treasury	2.1%	1.6%

Sources: IMF – World Economic Outlook Update, January 2022

World Bank – Global Economic Prospects, January 2022

SARB – MPC Statement, March 2022

National Treasury – Budget 2022 Budget Review, February 2022

¹ ISIC detailed description = Agriculture, forestry and fishing

² ISIC detailed description = Mining and quarrying

³ ISIC detailed description = Manufacturing

⁴ ISIC detailed description = Electricity, gas and water

⁵ ISIC detailed description = Construction

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

⁷ ISIC detailed description = Transportation, storage and communication

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

Domestic inflation outlook

The national average annual inflation rate as measured by the consumer price index (CPI) for 2021 was 4.5%. This was higher than the corresponding annual average rate of 3.3% in 2020 and the highest since 2018 when it was 4.7% for the year. The year-on-year CPI (for all urban areas) was 5.7% in February 2022, unchanged from 5.7% in January 2022. This was the tenth consecutive month where the annual increase was higher than the midpoint (4.5%) of the South African Reserve Bank's monetary policy target range. The Monetary Policy Committee (MPC) announced at the conclusion of its March 2022 meeting that the SARB's national inflation forecast was 5.8% for 2022, 4.6% for both 2023 and 2024.

Domestic balance of payments

The volume of South Africa's merchandise exports rebounded in Q4 2021 after a notable decline in Q3 2021. This occurred alongside the continued recovery in global trade volumes. The value of merchandise imports increased strongly to an all-time high in Q4 2021. Consequently, South Africa's trade surplus improved from R289 billion in 2020 to R448 billion in 2021 (Table C).

Although the trade surplus decreased between Q3 2021 and Q4 2021, the current account widened from 2.0% in 2020 to 3.7% in 2021. The annual surplus on the current account of the balance of payments more than doubled from R110 billion in 2020 to R227 billion in 2021 – the largest surplus on record.

Table C: South Africa's balance of payments on current account (R billions), 2020-2021

Components	2020	Q3 2021	Q4 2021	2021
Merchandise exports	1 286	1 652	1 692	1 688
Net gold exports	108	105	120	108
Merchandise imports	-1 105	-1 318	-1 487	-1 348
Trade balance	289	439	324	448
Net service, income & current transfer payments	-180	-222	-204	-220
Balance on current account	110	216	120	227
- As a % of GDP	2.0%	3.5%	1.9%	3.7%

Source: SARB – Quarterly Bulletin, March 2022

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

Domestic labour market

In Q4 2021, approximately 14.5 million South Africans between the ages of 15 and 64 were employed in the economy. The domestic economy lost 479 420 jobs in the year since Q4 2020. To demonstrate the employment change in the 5-year period since 2016, Table D also presents changes from Q3 2021 to Q4 2021 and the 5-year period from Q4 2016 to Q4 2021.

The latest employment level of 14.5 million was 1.8 million jobs short of the 16.4 million persons employed in Q1 2020 before the COVID-19 lockdown. Furthermore, the national economy lost 1.5 million jobs over the 5-year period for an average loss of 304 896 jobs per year. Over the 5-year period from 2016 to 2021, nine industries lost jobs and only finance (75 547) gained jobs. The highest number of job losses over the 5-year period were in manufacturing (-410 952) and construction (-349 878).

The data presented in Table D demonstrates that only four industries recorded job gains year-on-year.

Employment levels in finance (92 702) and private households (61 711) increased the most between Q4 2020 and Q4 2021. The highest job destruction over the 1-year period is evident in community services (-268 472) and manufacturing (-174 217).

Table D: South Africa's employment changes, 2016-2021

Industry	Employed number Q4 2021 '000	Employment change Q4 2016 to Q4 2021 '000	Employment change Q4 2020 to Q4 2021 '000	Employment change Q3 2021 to Q4 2021 '000
Agriculture	867 570	-51 824	57 361	38 280
Mining	369 991	-51 258	-13 565	25 254
Manufacturing	1 316 414	-410 952	-174 217	-85 302
Utilities	81 545	-49 710	-17 567	-14 002
Construction	1 132 857	-349 878	-33 224	-24 627
Trade	2 895 572	-326 544	-167 542	118 040
Transport	950 535	-10 772	7 730	-13 499
Finance	2 404 217	75 547	92 702	18 052
Community services	3 264 380	-307 075	-286 472	73 370
Private households	1 258 443	-40 084	61 711	128 691
Total	14 544 131	-1 524 481	-479 420	262 124

Source: Stats SA – Quarterly Labour Force Survey (QLFS), 2022

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

In Q4 2021, the unemployment rate was 35.3%, which was higher than the 32.5% recorded a year ago and was the highest unemployment rate on record. The labour absorption rate (employment to population ratio) was 36.5% in Q4 2021, which was lower/worse than the 43.5% registered in Q4 2016 and lower/worse than the 38.2% registered in Q4 2020. The labour force participation rate in Q4 2021 (56.3%) was respectively lower than a year (56.6%) and five years (59.2%) ago.

Labour productivity

According to the SARB *Quarterly Bulletin March 2022*, labour productivity in the formal non-agricultural sector decelerated from 17.9% in Q2 2021 to 2.5% in Q3 2021. The slow expansion in labour productivity can, nonetheless, be viewed as a positive development since labour productivity declined in 2019 as a whole, following an extended period of muted annual growth. Growth in the economy-wide nominal unit labour cost slowed from 4.6% in Q3 2021 to 3.4% in Q4 2021, as year-on-year output growth moderated at a slower pace than growth in the compensation of employees.

Trending jobs and most wanted skills

According to the *2020/21 Critical Skills Survey Report* of XPATWEB, the 10 most in demand skills that businesses are struggling to recruit in South Africa are Engineers, ICT specialists, Media & Marketing Specialists, Artisans, Foreign Language Speakers, Accounting professionals, Science professionals, Healthcare professionals, Senior financial executives and C-suite executives. Eight of these ten scarce skills have been at the top of the list over the past 5 years, which indicates a systemic shortage.

The *Career Junction Index (CJI)* provides an indication of positions that have become more popular in the South African online job market as well as which occupational fields are the most sought after skills sets in the job market. According to the March 2022 CJI, information technology, finance as well as business management were the most in demand jobs in South Africa. The top three scarce skills were cost and management accounting, change management as well as business development.

1. INTRODUCTION

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

The following socio-economic aspects of Mpumalanga and its three districts, as far as possible, were analysed in the March 2022 publication: demographics, labour, education, health and social services, household services, development and income indicators, economic sectors and performance, international trade as well as crime statistics. The concluding part of the document will give some comparative socio-economic statistics of Mpumalanga. Due to the dynamic nature of data and the regular release of the latest data sets, it is important to note that the cut-off date for data presented in the document was the last week of March 2022.

Data presented was primarily sourced from Statistics South Africa (Stats SA) with certain aspects gathered from Department of Basic Education, Mpumalanga Department of Education, Department of Health, Health Systems Trust (HST), the Regional eXplorer (ReX) of IHS Markit, IMF, National Planning Commission, Quantec, SARB, South African Social Security Agency (SASSA), South African Tourism, World Bank and World Economic Forum (WEF).

2. DEMOGRAPHICS

2.1. Population figures and growth

Population

Table 1: Population in South Africa by province, 2011, 2016 & 2021

Region	Census 2011		Community Survey 2016		Mid-year estimates 2021	
	Number	% share of national	Number	% share of national	Number	% share of national
Western Cape	5 822 734	11.2	6 279 730	11.3	7 113 776	11.8
Eastern Cape	6 562 053	12.7	6 996 976	12.6	6 676 590	11.1
Northern Cape	1 145 861	2.2	1 193 780	2.1	1 303 047	2.2
Free State	2 754 590	5.3	2 834 714	5.1	2 932 441	4.9
KwaZulu-Natal	10 267 300	19.8	11 065 240	19.9	11 513 575	19.1
North West	3 509 953	6.8	3 748 436	6.7	4 122 854	6.9
Gauteng	12 272 263	23.7	13 399 724	24.1	15 810 388	26.3
Mpumalanga	4 039 939	7.8	4 335 964	7.8	4 743 584	7.9
Limpopo	5 404 868	10.4	5 799 090	10.4	5 926 724	9.9
Total	51 770 560	100.0	55 653 655	100.0	60 142 978	100.0

Sources: Stats SA – Census 2011

Stats SA – Community Survey (CS) 2016

Stats SA – Mid-year population estimates (MYPE) 2021

According to Stats SA's *Mid-year population estimates (MYPE) 2021*, Mpumalanga's population was 4.74 million or 7.9% of the national total (Table 1). Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Gauteng (26.3%) was the province with the largest share of the national

population, followed by KwaZulu-Natal with a 19.1% share. Northern Cape recorded the lowest percentage share of the national population at 2.2%. Mpumalanga's population increased by approximately 407 600 from 4.3 million in 2016, whilst the share of the national total increased slightly.

Households

According to Stats SA's General Household Survey (GHS) 2020, Mpumalanga's households numbered 1.35 million or 7.8% of the national total in 2020 (Table 2). Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Gauteng (29.7%) was the province with the largest share of South Africa's households, followed by KwaZulu-Natal with a 17.4% share. Northern Cape (2.0%) recorded the lowest percentage share of households. Mpumalanga's household number increased by 114 700 from 1.24 million in 2016 and the share of the national total increased by 0.5 percentage points.

Table 2: Households in South Africa by province, 2011, 2016 & 2020

Region	Census 2011		Community Survey 2016		General Household Survey 2020	
	Number	% share of national	Number	% share of national	Number	% share of national
Western Cape	1 634 000	11.3	1 933 876	11.4	1 961 764	11.3
Eastern Cape	1 687 385	11.7	1 773 395	10.5	1 709 212	9.8
Northern Cape	301 405	2.1	353 709	2.1	354 306	2.0
Free State	823 316	5.7	946 639	5.6	931 459	5.3
KwaZulu-Natal	2 539 429	17.6	2 875 843	17.0	3 025 835	17.4
North West	1 062 015	7.3	1 248 766	7.4	1 267 425	7.3
Gauteng	3 909 022	27.1	4 951 137	29.3	5 173 607	29.7
Mpumalanga	1 075 488	7.4	1 238 861	7.3	1 353 561	7.8
Limpopo	1 418 102	9.8	1 601 083	9.5	1 641 064	9.4
Total	14 450 161	100.0	16 923 309	100.0	17 418 233	100.0

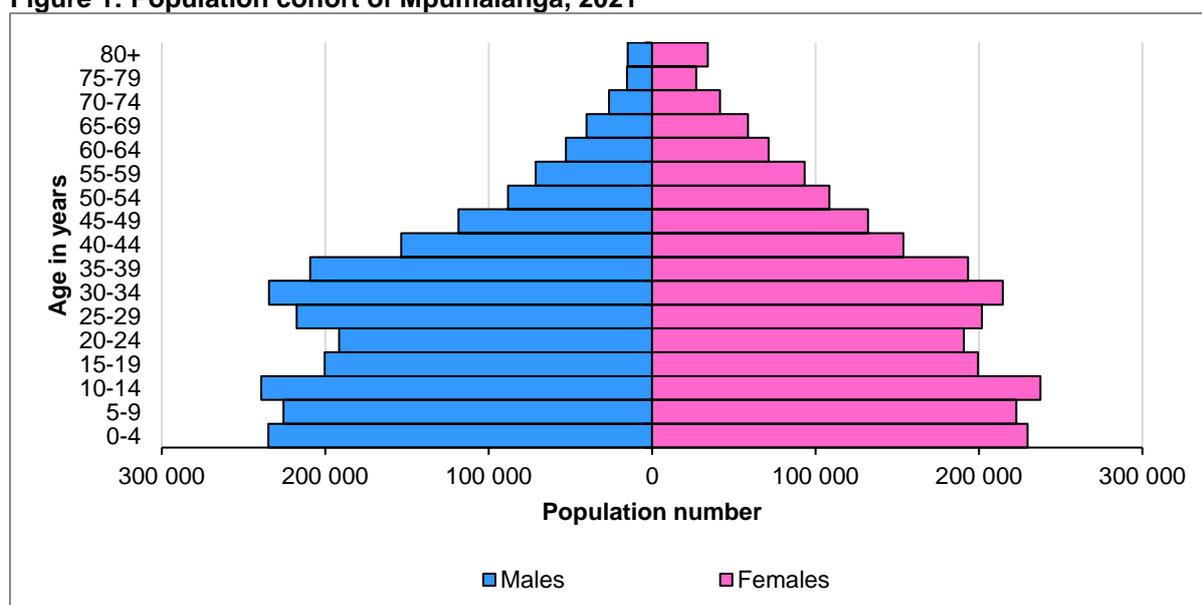
Sources: Stats SA – Census 2011

Stats SA – CS 2016

Stats SA – General Household Survey (GHS) 2020

Gender and age

Figure 1: Population cohort of Mpumalanga, 2021



Source: Stats SA – MYPE 2021

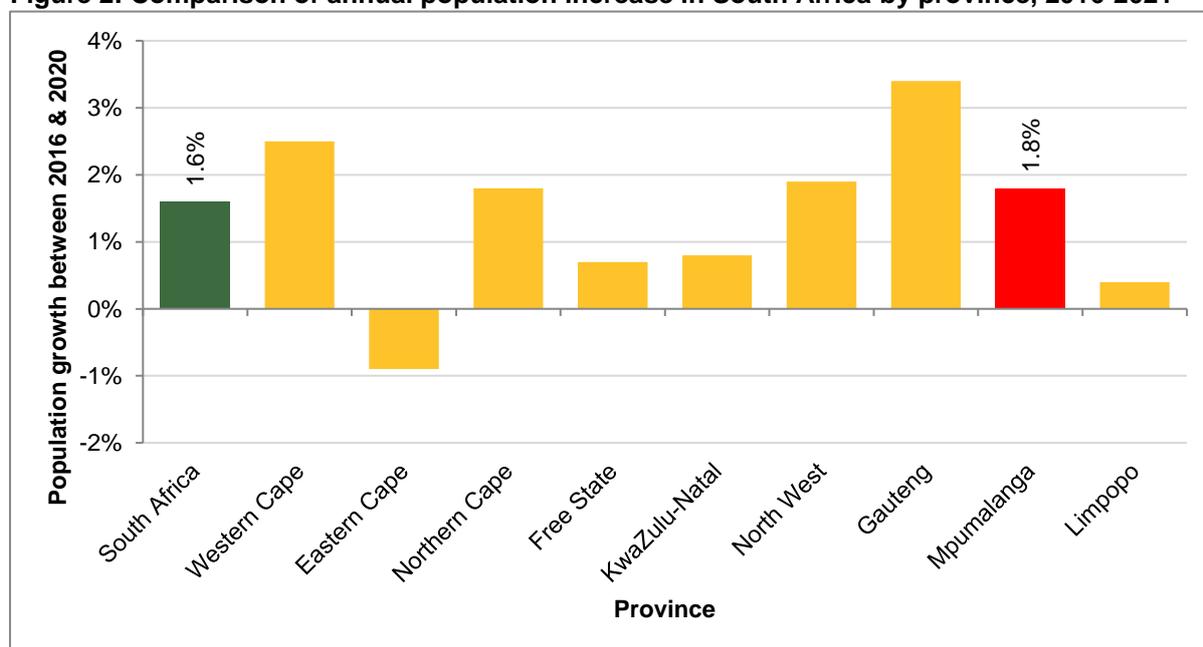
Figure 1 shows the population cohort of Mpumalanga according to the MYPE 2021. Females constituted

2.41 million or 50.8% of the provincial population distribution and males 2.3 million (49.2%). The youth cohort (0-34 year) made up 64.1% of the total population in the province and the age group 60 years and older, only 8.1%. The age cohort of 10-14 years represented the most populous age cohort with 476 664 individuals or some 10.0% of the provincial population. In South Africa, the youth cohort made up 62.6% of the total population and the age group 60 years and older, 8.3%. Nationally the most populous age cohort was the 0-4 year group that represented some 9.5% of the population.

Population growth

Over the last five years, the population of South Africa increased by 1.6% per annum and that of Mpumalanga by 1.8% per annum. Mpumalanga recorded the joint fourth fastest average annual increase behind Gauteng (3.4%) and Western Cape (2.5%). According to estimates, the population of Eastern Cape declined by 0.9% annually (Figure 2).

Figure 2: Comparison of annual population increase in South Africa by province, 2016-2021



Sources: Stats SA – Community Survey (CS) 2016
Stats SA – MYPE 2021

Population groups

The provincial MYPE 2021 population numbers were neither disaggregated by population group nor by district, therefore CS 2016 population numbers were used for the presentation according to these two indicators in Figures 3 and 4. The breakdown by population group for Mpumalanga in 2011 and 2016, is presented in Figure 3. The majority of Mpumalanga’s population in 2016 was Black Africans (93.6%) with Whites contributing 5.2%. Coloureds (0.8%) and Asians (0.5%) jointly contributed 1.3% to the total population in 2016.

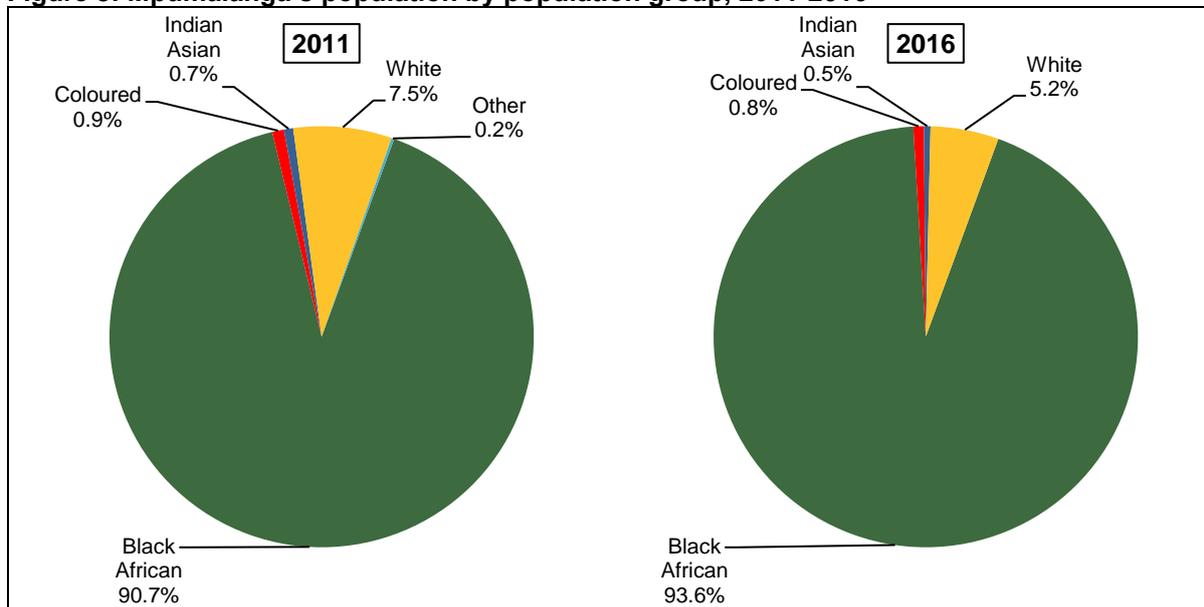
Population by district

In 2016⁹, 40.5% of Mpumalanga’s population resided in Ehlanzeni, 33.3% in Nkangala and 26.2% in Gert Sibande (Figure 4). Females were in the majority in both Ehlanzeni (51.9%) and Gert Sibande

⁹ It was estimated that Ehlanzeni’s share declined slightly to 39.2% in 2020, whereas the shares of Nkangala and Gert Sibande increased to 34.3% and 26.5%, respectively.

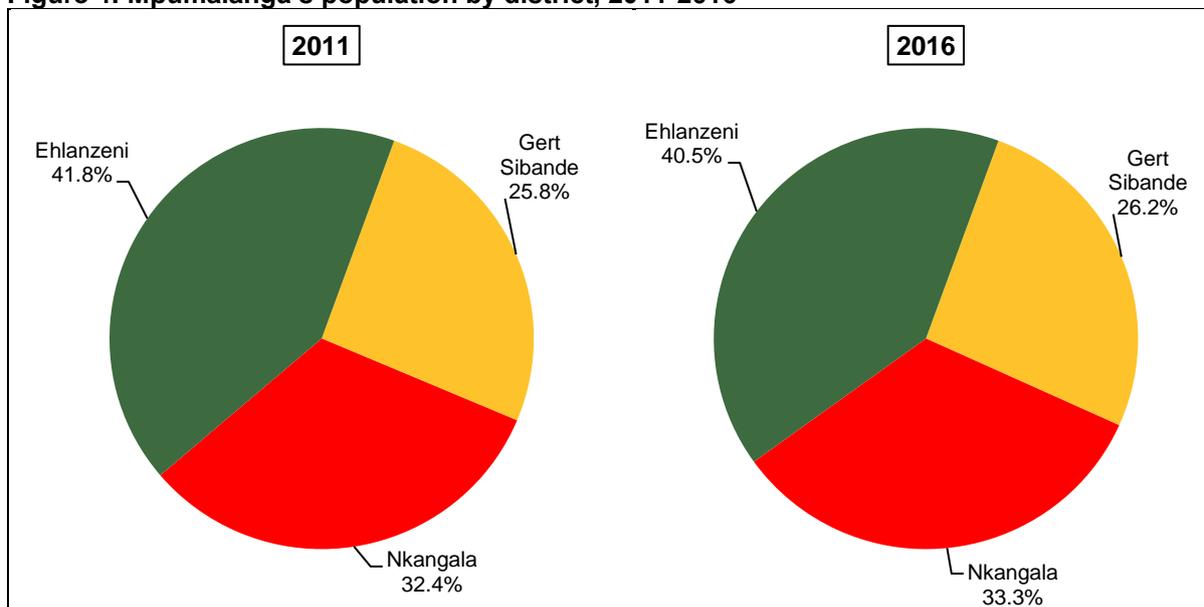
(50.3%), whereas males formed the bulk of Nkangala's population with a share of 50.5%, possibly due to the large role mining plays in Nkangala. In 2016, 72.2% of Ehlanzeni's population was younger than 35 years of age, followed by Gert Sibande (68.6%) and Nkangala (67.4%).

Figure 3: Mpumalanga's population by population group, 2011-2016



Source: Stats SA – Census 2011
Stats SA – CS 2016

Figure 4: Mpumalanga's population by district, 2011-2016



Source: Stats SA – Census 2011
Stats SA – CS 2016

2.2 Fertility

The fertility rate is defined as the number of children the average women would have in her lifetime. According to the *MYPE 2021*, Mpumalanga's average fertility rate for the period 2006 to 2011 was 2.97 and 2.49 in the period 2011 to 2016. When compared with the other provinces Mpumalanga registered the sixth highest fertility rate for the period 2011 to 2016, with Limpopo (3.16) the highest and Gauteng the lowest (2.11). It is anticipated that Mpumalanga's fertility rate will decline to 2.47 in the period 2016 to 2021. It is, however, it is expected to remain the sixth highest of the nine provinces.

2.3 Life expectancy

The NDP targets both average male and female life expectancy at birth to improve to 70 years by 2030. Due in large parts to COVID-19, life expectancy in South Africa in 2021 declined to 64.6 years for females and 59.3 years for males. Mpumalanga's male life expectancy at birth was 53.2 years for the period 2006 to 2011 and 58.5 years for the period 2011 to 2016. Mpumalanga's male life expectancy for the period 2011 to 2016 was the fourth highest of the nine provinces. Western Cape (64.3 years) had the highest/best male life expectancy with Free State (53.6 years) the lowest. According to the *MYPE 2021*, the projection for the period 2016 to 2021 is that male life expectancy in Mpumalanga could increase to 60.8 years, however, the full impact of COVID-19 could still negatively affect the provincial male life expectancy for 2016-2021.

Mpumalanga's female life expectancy for the periods 2006 to 2011 and 2011 to 2016 were 58.4 years and 64.9 years, respectively. Mpumalanga recorded the fourth highest female life expectancy for the period 2011 to 2016. Western Cape (69.9 years) had the highest/best female life expectancy and Free State (58.5 years) the lowest. According to the *MYPE 2021*, the projection for the period 2016 to 2021 is that female life expectancy in Mpumalanga could increase to 66.0 years, however, the full impact of COVID-19 could still negatively affect the provincial female life expectancy for 2016-2021..

2.4 Migration

Table 3 shows the net migration streams of the provinces over three periods. The data was sourced from the *MYPE 2021*. Gauteng and Western Cape recorded the highest number of persons who moved into these provinces as shown by the net migration 2006 to 2011 and 2011 to 2016. Mpumalanga registered a positive net migration of 55 896 from 2006 to 2011 and a positive net migration of 67 432 from 2011 to 2016. This was the fourth highest among the nine provinces. Four provinces recorded net outflows throughout, with Eastern Cape registering the largest net outflow.

Table 3: Net migration in South Africa by province, 2006-2011, 2011-2016 & 2016-2021

Region	Net migration		
	2006-2011	2011-2016	2016-2021
Western Cape	276 484	297 314	292 521
Eastern Cape	-341 975	-325 633	-319 665
Northern Cape	8 490	10 864	11 596
Free State	-41 225	-31 259	-29 135
KwaZulu-Natal	-76 669	-70 881	-84 367
North West	103 112	118 585	116 626
Gauteng	974 660	1 025 524	991 590
Mpumalanga	55 896	67 432	62 496
Limpopo	-206 558	-175 601	-188 671

Source: Stats SA – *MYPE 2021*

The net migration trends are estimated to continue to 2021, with five provinces recording net inflows and four, net outflows. It is anticipated that Gauteng should receive nearly 1 million migrants and Eastern Cape lose nearly 320 000. Mpumalanga should receive the fourth highest net inflow between 2016 and 2021 of more or less 62 500.

2.5 Disability

Stats SA's questions on disability require each person in the household to rate their ability level for a range of activities such as seeing, hearing, walking a kilometre or climbing a flight of steps, remembering and concentrating, self-care, and communicating in his/her most commonly used language, including sign language. During the analysis, individuals who said that they had some difficulty with two or more of the activities or had a lot of difficulty, or were unable to perform any one activity, were then classified as disabled.

Table 4 presents the findings of *Census 2011* and *CS 2016* on disability in South Africa. Using the described classification system, 7.5% of South Africans aged 5 years and older were classified as disabled in 2011 and 7.7% in 2016. Mpumalanga's percentage of persons aged 5 years and older with disability was 7.0% in 2011 and 7.5% in 2016. Mpumalanga recorded the sixth largest/fourth lowest share of people with disability compared with the other eight provinces. Free State (11.0%) recorded the highest share and Western Cape (6.3%) the lowest.

Table 4: Percentage of persons aged 5 years and older with disability by province, 2011-16

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

Source: Stats SA – CS 2016

3. LABOUR PROFILE

Apex Priority Area 2 - A key priority of the South African government for the next five years is Economic Transformation and Job Creation.

3.1 Labour force profile

The labour force comprises of all the employed and the unemployed population in a region. The national labour force of approximately 22.5 million individuals was 208 591 more in Q4 2021 than a year earlier. The number of employed in South Africa, however, decreased by 479 420 between Q4 2020 and Q4 2021. In Q4 2021, the number of employed increased on a quarterly basis by 262 124 when compared with the previous quarter (Q3 2021).

The strict unemployment rate for South Africa increased/worsened by 2.8 percentage points to 35.3% between Q4 2020 and Q4 2021. This is the highest that the strict unemployment rate has been, surpassing the previous high of 34.9% in Q3 2021. South Africa's unemployment rate according to the expanded definition was 46.2% in Q4 2021, which was higher than the Q4 2020 rate of 44.4%. The national labour absorption rate was 36.5% in Q4 2021, which was lower/worse than the 38.2% registered a year earlier. The labour force participation rate in Q4 2021 (56.3%) was also slightly lower/worse than the 56.6% rate recorded in Q4 2020.

The provincial labour force of close to 1.75 million individuals, according to the strict definition, was

32 077 more in Q4 2021 than a year earlier (Table 5). The number of employed was 1.05 million in Q4 2021, which numbered 95 617 less than in Q4 2020. The employment number in Q4 2021 can be compared with employment levels recorded in Q4 2012. The number of employed was also 51 440 less than the 1.1 million employed in the previous quarter.

The number of unemployed according to the strict definition in Mpumalanga increased by 127 694 to 693 531 between the end of Q4 2020 and the end of Q4 2021. This was the highest number of unemployed ever recorded in Mpumalanga. The number of unemployed according to the expanded definition increased by 163 168 on an annual basis to approximately 1.16 million, which was higher than the number of employed in Q4 2021. This was also a record high expanded unemployment number for Mpumalanga. On a quarterly basis the number of unemployed according to both definitions also increased.

Table 5: Labour force profile of Mpumalanga, 2020-2021

Indicator	Q4 2020	Q3 2021	Q4 2021	Q3 2021 to Q4 2021 change	Year-on-year change
	'000	'000	'000	'000	'000
	Number				
- Working age population (15-64 years)	3 016	3 045	3 057	11	41
- <u>Strict definition</u>					
- Not economically active	1 302	1 279	1 311	32	9
- Labour Force/EAP	1 714	1 767	1 746	-21	32
- Employed	1 148	1 104	1 052	-51	-96
- Unemployed	566	663	694	31	128
- Discouraged work-seekers	296	347	404	57	108
- <u>Expanded definition</u>					
- Not economically active	874	852	848	-5	-27
- Labour Force/EAP	2 141	2 193	2 209	16	68
- Employed	1 148	1 104	1 052	-51	-96
- Unemployed	993	1 089	1 157	67	163
	Rate				
- <u>Strict definition</u>	%	%	%	%	%
- Unemployment rate	33.0	37.5	39.7	2.2	6.7
- Absorption rate	38.1	36.2	34.4	-1.8	-3.7
- Labour force participation rate	56.8	58.0	57.1	-0.9	0.3
- <u>Expanded definition</u>					
- Unemployment rate	46.4	49.7	52.4	2.7	6.0
- Absorption rate	38.1	36.2	34.4	-1.8	-3.7
- Labour force participation rate	71.0	72.0	72.3	0.3	1.3

Source: Stats SA – QLFS, 2022

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

The unemployment rate (strict definition) of 39.7% was 6.7 percentage points higher/worse in Q4 2021 than a year earlier. The unemployment rate was higher than the previous record high unemployment rate recorded in Q3 2021 (37.5%) and the percentage increase was the largest annual increase since record keeping begun for Mpumalanga. Mpumalanga's unemployment rate according to the expanded definition was 52.4% in Q4 2021, which was also a record high and the first instance above 50%. Over the last year, the labour absorption rate declined/deteriorated to 34.4%, whereas the labour force participation rate (strict definition) recorded a slight annual increase/improvement to 57.1%.

3.2 Employment

The national labour market lost 1.5 million jobs in the 5-year period from Q4 2016 to Q4 2021 (Table 6). Therefore, the average annual jobs lost on a national level was 304 896 per year. Gauteng (587 635) recorded the largest decline in job numbers over the 5-year period and Limpopo (-3.5%) the largest average annual decline in percentage terms. Mpumalanga's decline in employment numbers over the 5-year period of 102 856 was the fourth lowest decline among the nine provinces and its average annual employment decrease of 1.8% per annum was also the fourth lowest. Not a single province recorded job gains over the 5-year period.

The national labour market lost 479 420 jobs between the end of Q4 2020 and the end of Q4 2021. Mpumalanga's employment declined over the 1-year period by 95 617 or by 8.3%. Limpopo (96 486) recorded the highest number of job losses over a 1-year period and Northern Cape (14.1%) the highest annual decline in percentage terms. Mpumalanga recorded the second highest number of job losses and the third highest average annual employment decrease. Only Eastern Cape recorded an increase in employment numbers over the last year.

Table 6: Changes in employment in South Africa and provinces, 2016-2021

Region	Q4 2016	Q4 2020	Q3 2021	Q4 2021	Q3 2021 – Q4 2021 change	Year-on-year change	5-year change
	'000	'000	'000	'000	'000	'000	'000
Western Cape	2 386	2 338	2 225	2 263	37	-75	-123
Eastern Cape	1 447	1 236	1 216	1 247	31	12	-200
Northern Cape	298	308	275	264	-11	-43	-34
Free State	757	745	720	727	8	-18	-30
KwaZulu-Natal	2 541	2 454	2 297	2 424	126	-31	-118
North West	959	944	851	858	7	-86	-101
Gauteng	5 111	4 570	4 448	4 524	76	-46	-588
Mpumalanga	1 155	1 148	1 104	1 052	-51	-96	-103
Limpopo	1 414	1 281	1 145	1 184	39	-96	-229
South Africa	16 069	15 024	14 282	14 544	262	-479	-1 524

Source: Stats SA – QLFS, 2022

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

Between the end of Q3 2021 and the end of Q4 2021, Mpumalanga's employment numbers declined by 51 440. Mpumalanga was only one of two province that registered a decrease in employment numbers quarter-on-quarter and registered a quarterly decline. In Q4 2021, total employment in Mpumalanga constituted 7.2% of employment in the country, which was lower than the 7.6% share recorded in Q4 2020.

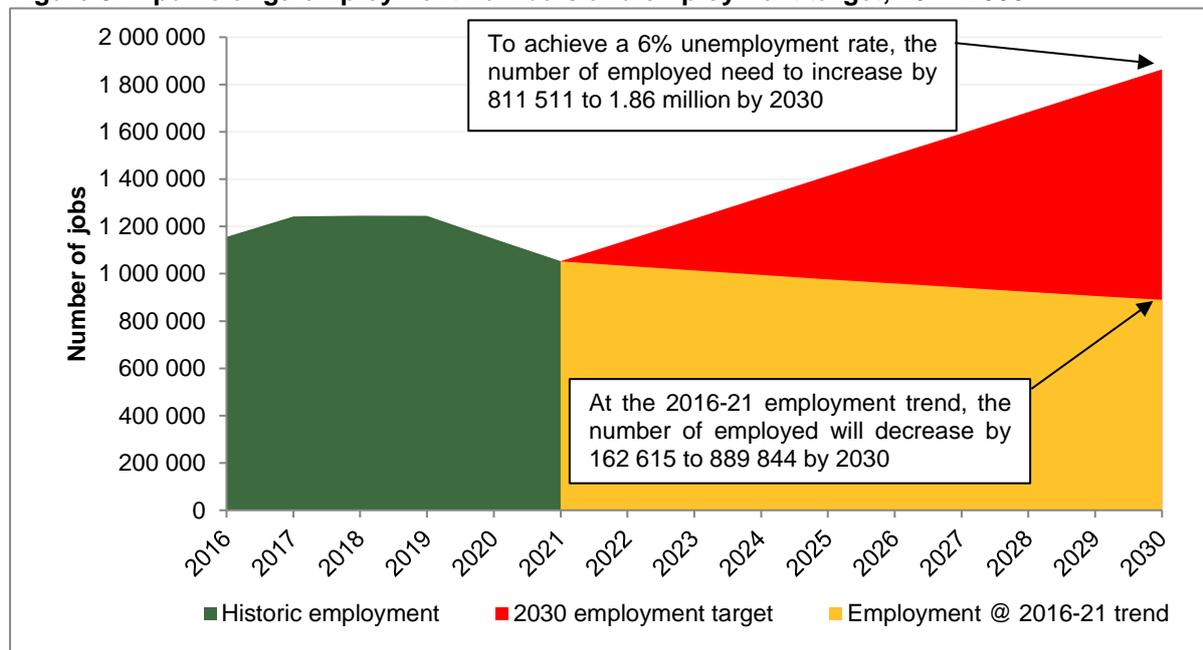
Employment target

The NDP targets a decline in the national unemployment rate to 6.0% by 2030. Similarly, the Provincial Vision 2030 targets a decline in the provincial unemployment rate to 25.0% by 2024 and 6.0% by 2030. In order to reach the unemployment rate target by 2030, it was calculated in 2013 that some 1.1 million new, sustainable jobs have to be created between 2013 and 2030. A recalculation based on Q4 2021 employment data was conducted in 2022. The result of the recalculation was that approximately 812 000 sustainable jobs must still be created between 2021 and 2030 to reach the desired unemployment rate.

The updated number of 812 000 jobs equates to more or less 90 200 jobs per annum or an annual

average employment growth of 6.6% per annum. Figure 5 depicts historical employment numbers and required employment growth in Mpumalanga. It is evident from the illustration that the employment decline of 1.1% per annum – the average annual employment growth between 2014 and 2021 – will result in a much lower employment number than the envisaged target of 1.86 million jobs by 2030.

Figure 5: Mpumalanga employment numbers and employment target, 2014-2030

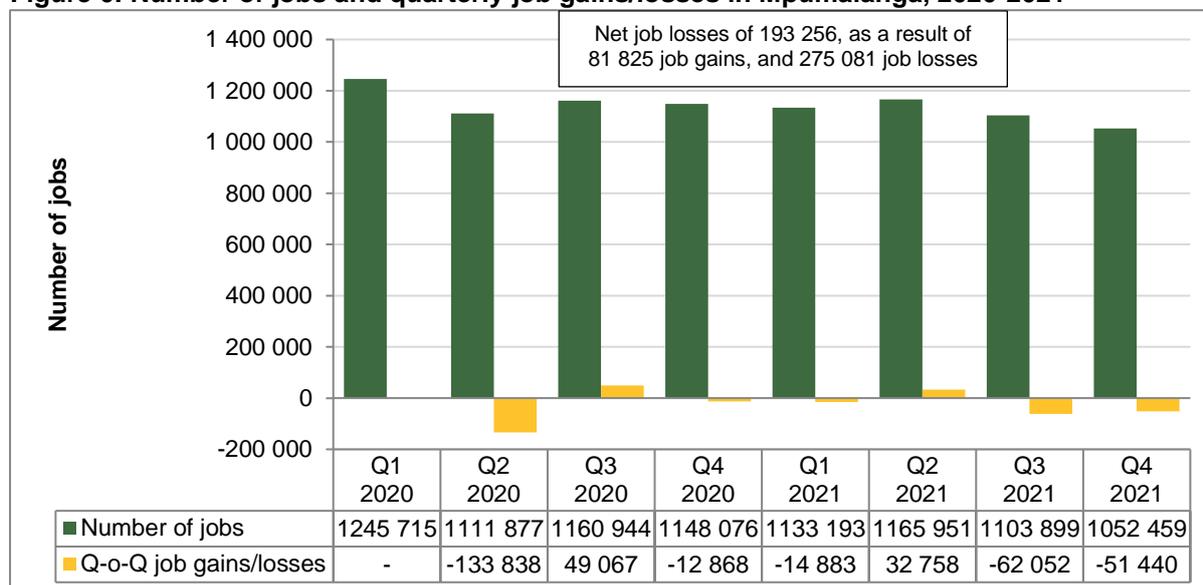


Source: Statistics South Africa – QLFS, 2022 & calculations based thereon

Impact of COVID-19 on employment

To demonstrate the employment change since before the COVID-19 lockdown, Figure 6 presents the quarterly employment changes up to Q4 2021. Job gains were recorded in Q3 2020 and Q2 2021 in the period under consideration and job losses in the other quarters. The latest employment level of 1.05 million was 193 256 jobs short of the 1.245 million persons employed in Q1 2020 before the lockdown was instituted. The net job losses of 113 492 in Q3 2021 and Q4 2021, is a concern.

Figure 6: Number of jobs and quarterly job gains/losses in Mpumalanga, 2020-2021



Source: Stats SA – QLFS, 2022

Aggregate employment

Table 7 shows the aggregated employment composition of employment in South Africa and the province from Q4 2020 to Q4 2021. In Mpumalanga, the formal employees' share of total employment declined from 59.8% in Q4 2020 to 55.7% in Q4 2021. The formal sector in Mpumalanga recorded a smaller share of total employment than was the case nationally (67.2%).

Table 7: Aggregate employment in South Africa & Mpumalanga, 2020-2021

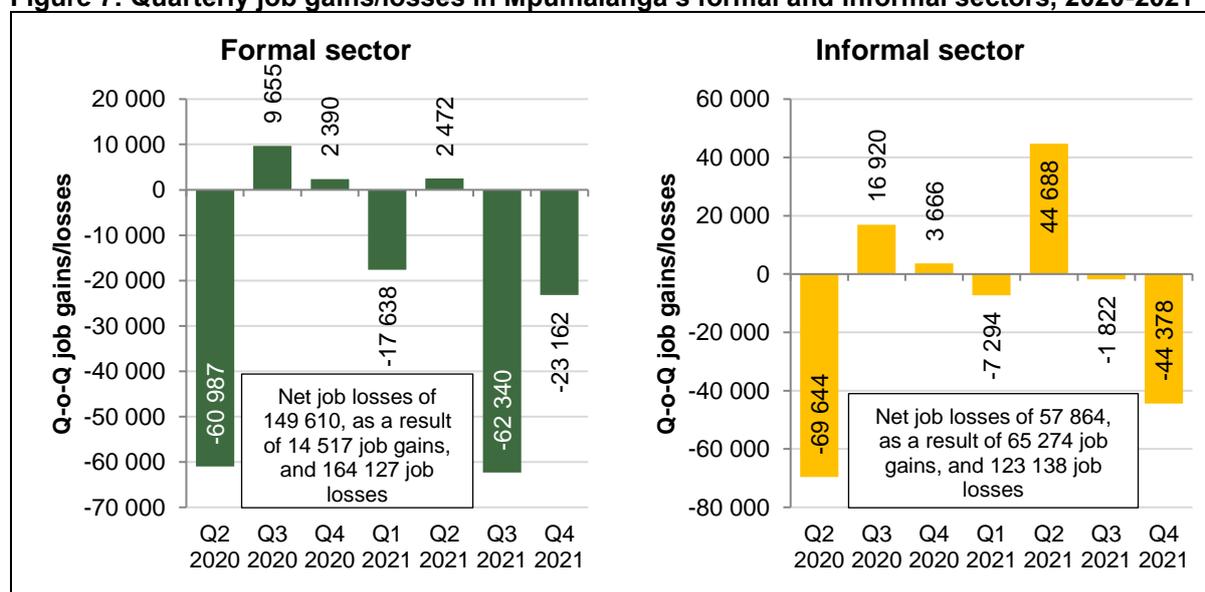
Sector	Q4 2020		Q3 2021		Q4 2021	
	SA	MP	SA	MP	SA	MP
Formal sector	69.9%	59.8%	67.4%	55.2%	67.2%	55.7%
Informal sector ¹⁰	16.8%	23.4%	18.9%	27.6%	18.2%	24.7%
Agriculture	5.4%	8.7%	5.8%	8.4%	6.0%	10.1%
Private households	8.0%	8.0%	7.9%	8.8%	8.7%	9.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Stats SA – QLFS, 2022

In Mpumalanga, the informal sector's share increased from 23.4% to 24.7% on an annual basis, whilst private households' and agriculture's share also increased to 9.5% and 10.1%, respectively. Over and above the 105 810 persons employed in Mpumalanga's agriculture industry, an additional 157 933 citizens were involved in subsistence farming. Private households and agriculture combined to post 13 856 job gains over the 1-year period, with the informal sector and formal sector recording job losses of 8 806 and 100 667, respectively.

Impact of COVID-19 on formal and informal employment

Figure 7: Quarterly job gains/losses in Mpumalanga's formal and informal sectors, 2020-2021



Source: Stats SA – QLFS, 2022

Figure 7 presents the quarterly aggregate employment changes up to Q4 2021. It is clear that, the formal and informal sectors are both not yet back to levels before the COVID-19 pandemic. The informal sector recorded job losses in four quarters (-123 138) and job gains in three quarters (65 274) for net job losses of 57 864. The formal sector recorded net job losses of 149 610 over the period under review

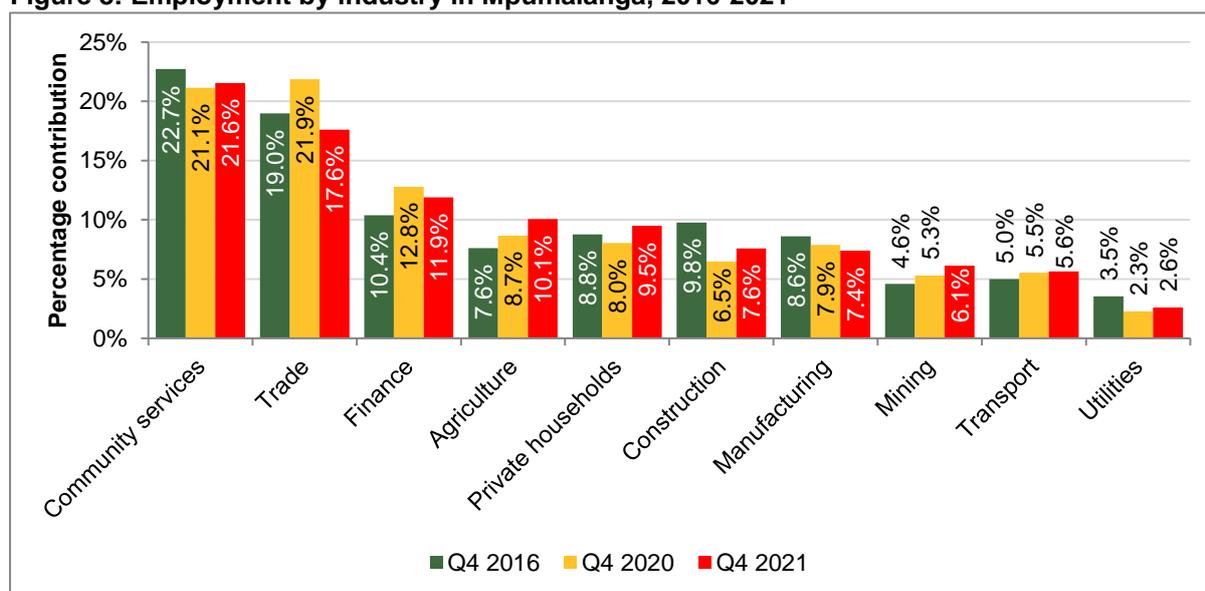
¹⁰ The informal sector comprises i) Employees working in establishments that employ less than 5 employees, who do not deduct income tax from their salaries & ii) Employers, own-account workers and persons helping unpaid in their household business who are not registered for either income tax or value-added tax.

with a combined 164 127 job losses over four quarters and a combined 14 517 job gains over three quarters.

Employment by industry

Figure 8 depicts employment by industry in Mpumalanga in the fourth quarters of 2016, 2020 and 2021, respectively. Community services (21.6%) employed the largest share of individuals in the province in Q4 2021. This was higher than the 21.1% share registered 12 months earlier, but lower than the 22.7% five years earlier in 2016. The trade industry (17.6%) was the second largest employer, but recorded smaller shares than in Q4 2020 (21.9%) and in Q4 2016 (19.0%).

Figure 8: Employment by industry in Mpumalanga, 2016-2021



Source: Stats SA – QLFS, 2022

Utilities was the smallest industry throughout while transport was the second smallest employing industry. Over the course of the last year, private households recorded the largest percentage point increase and trade the largest percentage point decrease. Over the course of the 5-year period, agriculture recorded the largest percentage point increase and construction the largest percentage point decrease.

Over the last year since Q4 2020, five employment industries recorded job gains, whilst the other five registered lower employment numbers (Figure 9). The five industries with job gains combined to record 24 247 new jobs over the 1-year period, whereas the five with job losses registered 119 865 destroyed jobs. Private households (31.5%) and agriculture (25.6%) made the largest contributions to job gains, whilst trade (54.9%) and finance (18.1%) made the largest contribution to job losses.

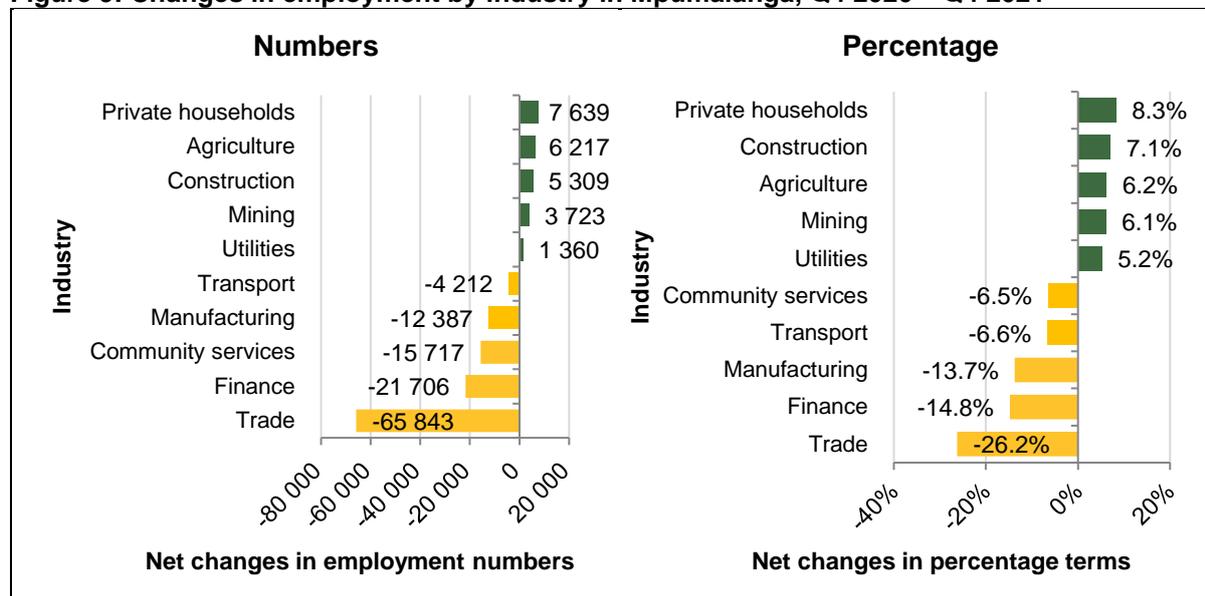
Figure 9 shows that over the last twelve months, the highest employment increase in percentage terms was in private households (8.3%). The largest declines in percentage terms were registered in trade (-26.2%) and finance (-14.8%).

Impact of COVID-19 on employment by industry

Table 8 presents the combined quarterly employment changes since the start of the COVID-19 lockdown up to Q4 2021. The employment numbers of only agriculture and utilities were higher in Q4

2021 than in Q1 2020. Agriculture (19 621) recorded the highest net job gains, which was the result of combined quarterly job gains over the period under review of 57 531 and combined quarterly job losses of 37 910. Trade recorded combined job quarterly losses of 115 748 and combined quarterly job gains of 36 092 to record the highest net job losses (-79 655) over the period under review.

Figure 9: Changes in employment by industry in Mpumalanga, Q4 2020 – Q4 2021



Source: Stats SA – QLFS, 2022

Table 8: Quarterly job gains/losses in Mpumalanga's industries, Q1 2020-Q4 2021

Industry	Employment numbers		Combined quarterly		Net job gains/(losses)
	Q1 2020	Q4 2021	Job gains	Job losses	
Agriculture	86 188	105 810	57 531	-37 910	19 621
Mining	68 782	64 654	18 501	-22 629	(4 128)
Manufacturing	104 829	77 952	23 397	-50 275	(26 878)
Utilities	26 371	27 458	24 208	-23 120	1 088
Construction	100 598	79 820	29 997	-50 775	(20 778)
Trade	264 859	185 204	36 092	-115 748	(79 655)
Transport	64 837	59 421	26 123	-31 539	(5 416)
Finance	149 934	125 227	25 910	-50 617	(24 707)
Community services	273 877	226 878	33 463	-80 462	(46 999)
Private households	105 439	100 036	25 104	-30 507	(5 404)
Total	1 245 715	1 052 459	300 326	-493 583	(193 256)

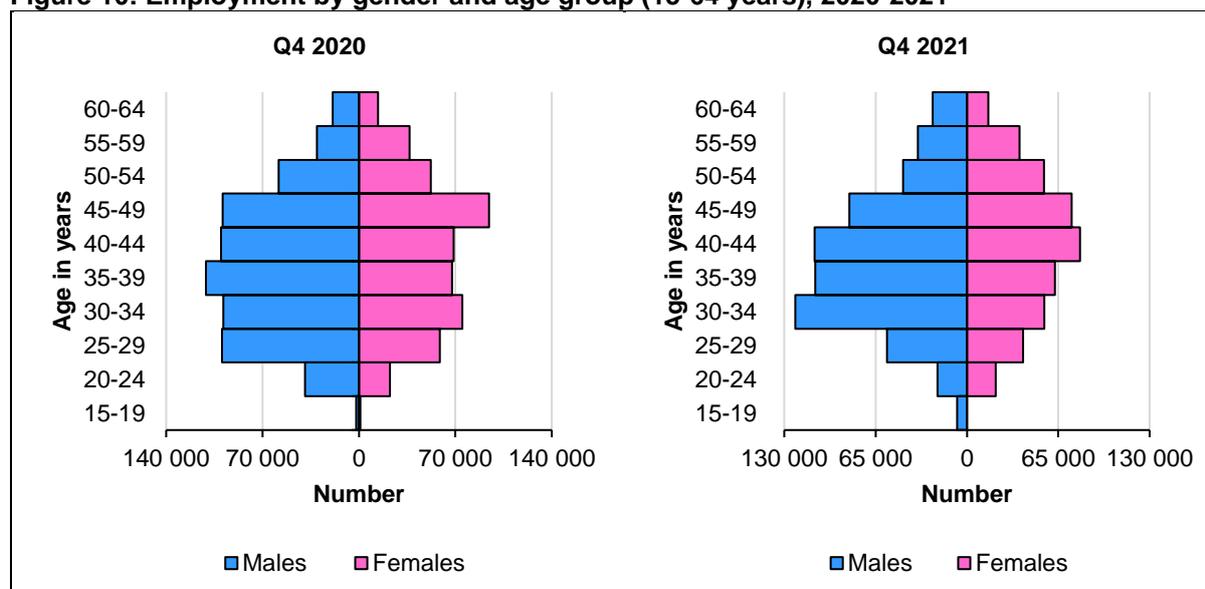
Source: Stats SA – QLFS, 2022

Employment by gender and age

Figure 10 displays the employment by gender and age for the fourth quarters of 2020 and 2021, respectively. More males (58.1%) than females (41.9%) were employed in Mpumalanga in Q4 2021. Over the past year, the male employment number declined to 611 803, a decrease of 45 625. Female employment numbers decreased by 49 992 to 440 656 and therefore recorded a smaller share in Q4 2021 than the 42.7% share of a year earlier.

In Q4 2021, adults (35-64 years) held the majority of jobs in Mpumalanga with a share of 69.4%. Adult employment numbers decreased by 21 927 from Q4 2020 and the share increased from 65.5% to 69.4%. The main reason for the increase in adult share, is that youth (15-34 years) employment numbers decreased by more than the adult employment numbers. In actual fact, youth employment numbers declined by 73 691, thus leaving the youth's share of employment lower on 30.6% in Q4 2021.

Figure 10: Employment by gender and age group (15-64 years), 2020-2021

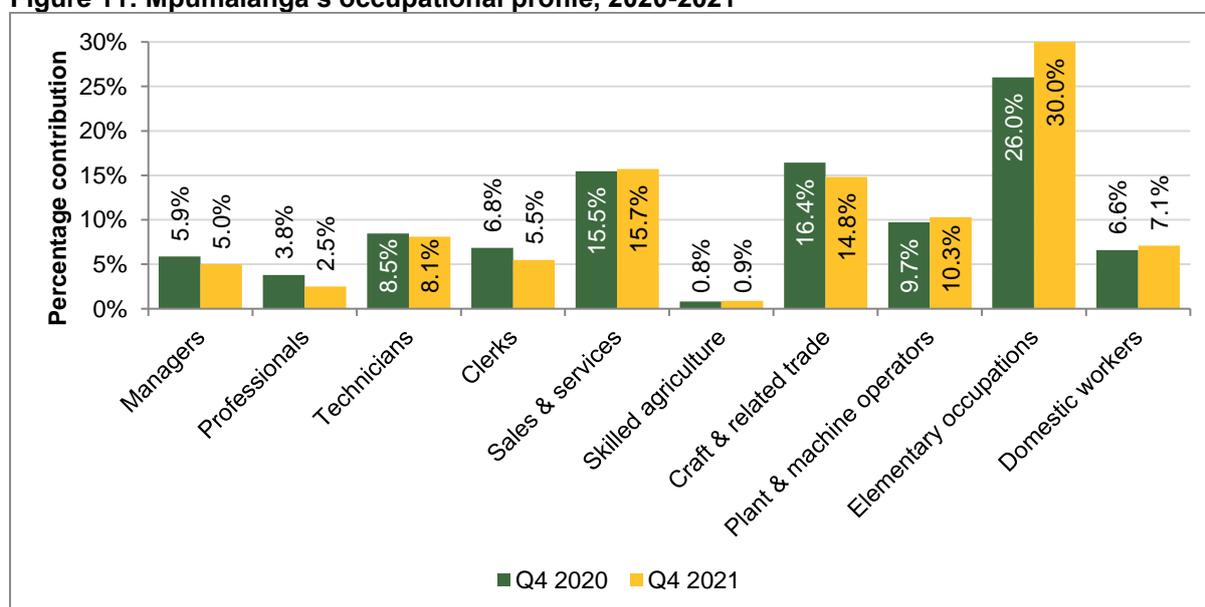


Source: Stats SA – QLFS, 2022

3.3 Occupational profile

Figure 11 illustrates the occupational profile of Mpumalanga in the fourth quarters of 2020 and 2021, respectively. The occupational profile is an indicator of the quality of the labour force. It provides information on the proficiency levels and assists in identifying the shortage of skills in the economy, by matching the demand for labour with its relative supply.

Figure 11: Mpumalanga’s occupational profile, 2020-2021



Source: Stats SA – QLFS, 2022

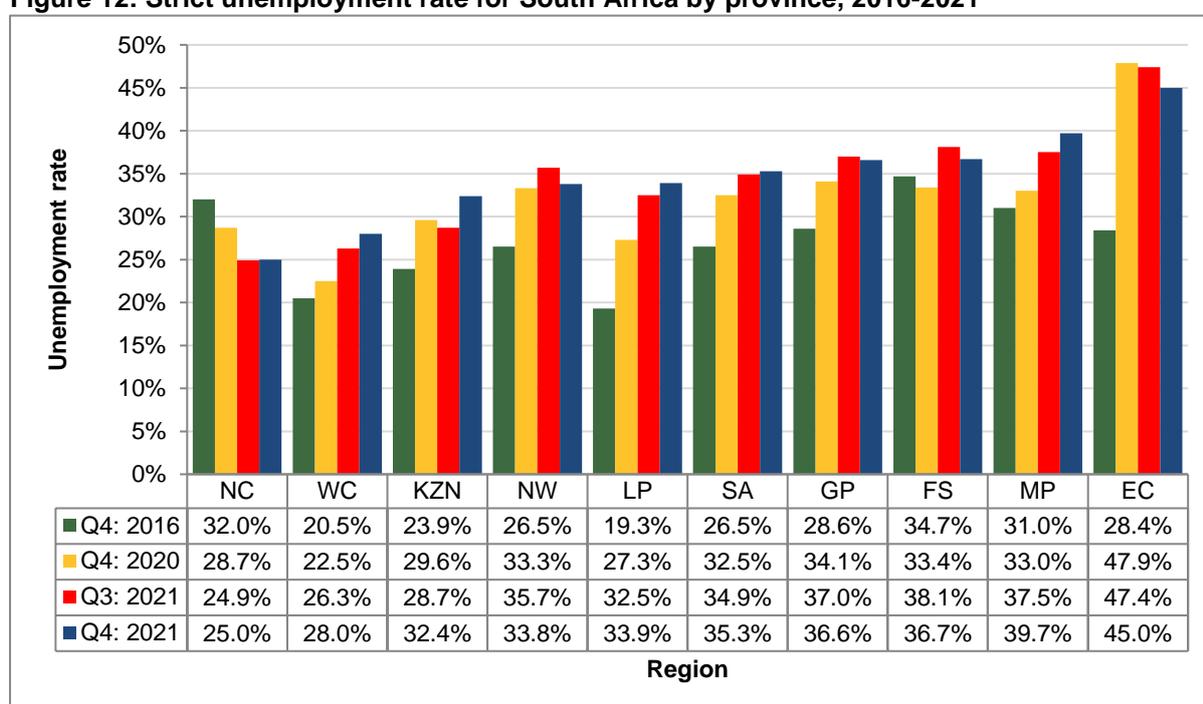
The occupational profile was skewed towards semi-skilled and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) declined from 18.1% in 2020 to 15.6% in 2021. The share of semi-skilled occupations declined from 49.3% to 47.2% over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 37.1% in Q4 2021, up from the 32.6% share of one year earlier.

3.4 Unemployment

Strict definition of unemployment

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 39.7% in Q4 2021, which was higher than the 33.0% recorded in Q4 2020, and substantially higher than the 31.0% in Q4 2016 (Figure 12). Mpumalanga's unemployment rate increased by 8.7 percentage points over the 5-year period and by a very high 6.7 percentage points over the past twelve months. Mpumalanga's deterioration over the 5-year period was the fourth worst among the provinces and over the last year it recorded the worst deterioration. Mpumalanga was one of eight provinces that registered a higher unemployment rate over the 5-year period and one of seven with a higher unemployment rate than twelve months before.

Figure 12: Strict unemployment rate for South Africa by province, 2016-2021



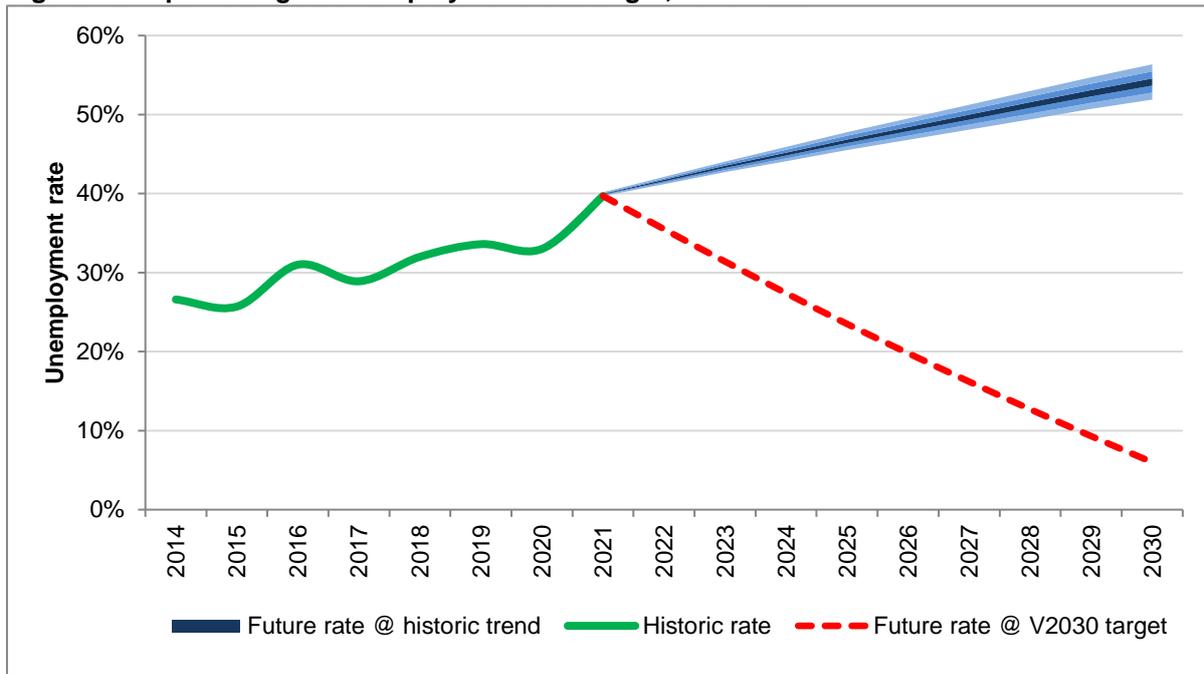
Source: Statistics South Africa – QLFS, 2022

In Q4 2021, Mpumalanga's unemployment rate was higher than the national average of 35.3%, as it has been throughout the 5-year period. Mpumalanga, recorded the second highest unemployment rate among the nine provinces with Eastern Cape (45.0%) registering the highest unemployment rate in Q4 2021. In Q4 2021, Mpumalanga's unemployment rate was the highest it has been since labour data became available at a sub-national level.

Target unemployment rate

The Mpumalanga Vision 2030 target unemployment rate for Mpumalanga is 6% by 2030. A significant unemployment rate sub-target is a reduction in the unemployment rate to 25% by 2024. If 812 000 jobs were to be created by 2030, the unemployment rate should, in all probability, drop to 6% as is displayed in Figure 13. If jobs, however, are to be created in a similar fashion than between 2014 and 2021, the unemployment rate should in all probability be much higher than the current rate by 2030.

Figure 13: Mpumalanga's unemployment rate target, 2016-2030

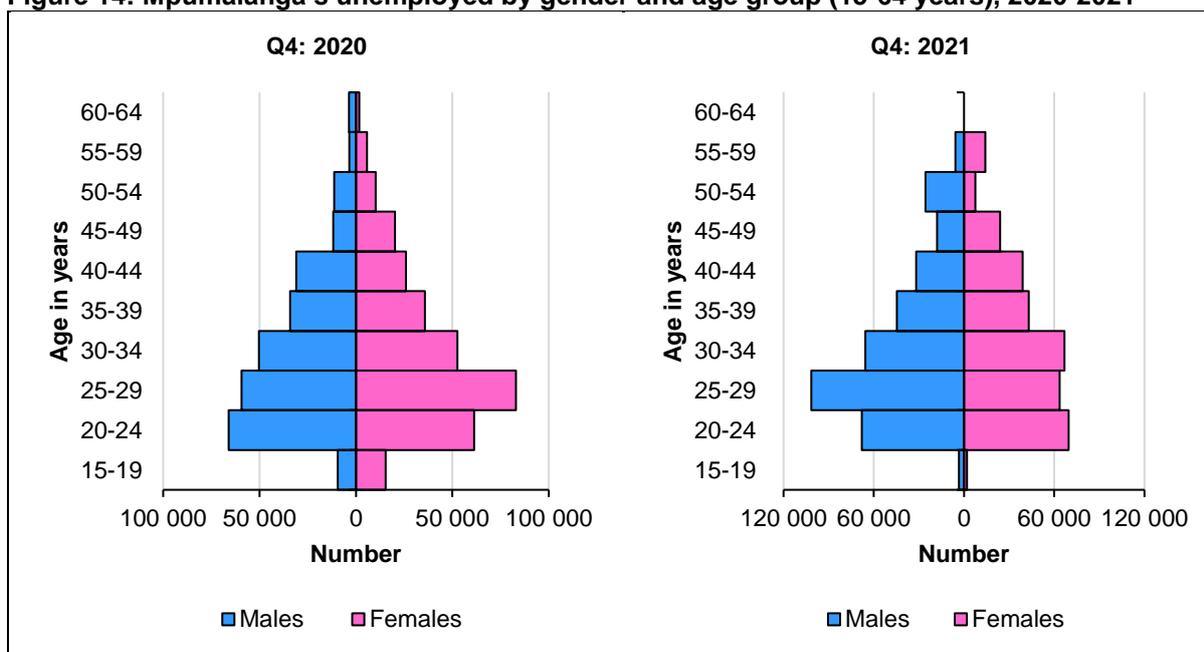


Source: Statistics South Africa – QLFS, 2022 & calculations based thereon

Strict unemployment by gender and age

Figure 14 displays the unemployment by gender and age for the fourth quarters of 2020 and 2021, respectively. In Q4 2021, females contributed 47.5% to the number of unemployed and males 52.5%. This was much different from twelve months earlier when females contributed 52.4%. The youth added 63.5% to the total number of unemployed in the province, which was marginally lower than the share in Q4 2020 (63.7%).

Figure 14: Mpumalanga's unemployed by gender and age group (15-64 years), 2020-2021



Source: Statistics South Africa – QLFS, 2022

In Q4 2021, the unemployment rate of males (37.3%) was lower than the female unemployment rate of

42.8%. The unemployment rate of youth of working age (15-34 years¹¹) was 57.7%, whilst the unemployment rate of adults (35-64 years) was 25.7%. At 63.6%, the female youth unemployment rate was considerably higher than the male youth unemployment rate of 53.6%. The unemployment rate of the 18-24 year age cohort was 75.5% in Q4 2021 and the 18-24 year old female unemployment rate was 77.2%.

Duration of strict unemployment

The incidence of long-term unemployment (1 year and longer) in Mpumalanga increased between the Q4 2020 and Q4 2021. The share of the unemployed in Mpumalanga that indicated they were unemployed in excess of 12 months, increased from 68.6% to 76.6% (Table 9).

The incidence of long-term unemployment was the highest among males in 2021. Both the number of males and females in long-term unemployment increased between 2020 and 2021. The youth cohort contributed 62.2% to the number of unemployed that has been struggling to secure employment for more than 12 months.

Table 9: Duration of unemployment in Mpumalanga, 2020-2021

Duration	Q4 2020			Q4 2021		
	Males	Females	Share of unemployed	Males	Females	Share of unemployed
1 year and longer	155 474	232 532	68.6%	271 157	260 240	76.6%
Less than 1 year	113 835	63 995	31.4%	92 887	69 248	23.4%
Total	269 309	296 527	100.0%	364 044	329 487	100.0%

Source: Statistics South Africa – QLFS, 2022

Expanded definition of unemployment

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

Figure 15 shows that South Africa's expanded unemployment rate was recorded at 35.6% in Q4 2016 and increased/deteriorated to 46.2% in Q4 2021. Mpumalanga's expanded unemployment rate was 52.4% in Q4 2021, which was higher than, respectively, a year and five years earlier. It was higher than the national average and the third highest expanded unemployment rate among the nine provinces.

Expanded unemployed by gender and age

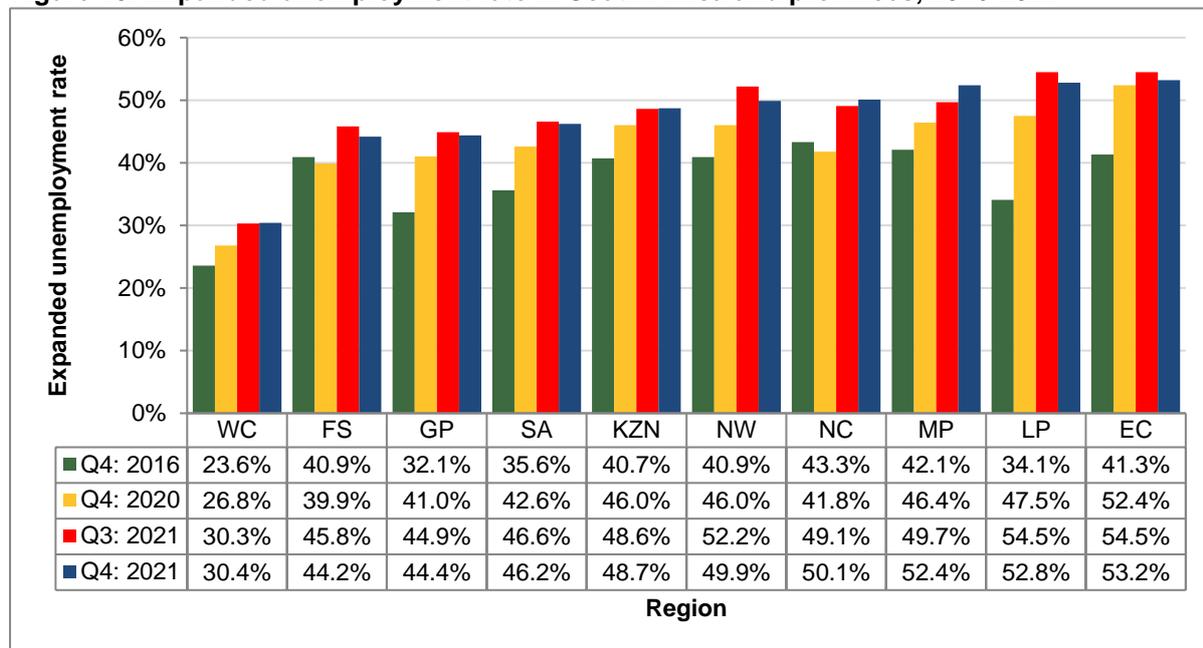
Figure 16 displays the expanded unemployment by gender and age for the fourth quarters of 2020 and 2021, respectively. In Q4 2021, females contributed 51.7% to the number of unemployed and males 48.3%. The share of females was lower than twelve months earlier when females contributed 55.3%. The youth cohort added 63.4% to the total number of unemployed in the province, which was higher than the share in Q4 2020 (62.3%).

In Q4 2021, the expanded unemployment rate of males (47.7%) was lower than the female unemployment rate of 57.6%. The expanded unemployment rate of youth of working age (15-34 years)

¹¹ The International Labour Organization defines youth as individuals between the ages of 15 to 24 years, with 15 being the minimum school-leaving age and legal employment age. It is important to note, however, that Statistics South Africa utilizes a broader definition, covering individuals between the ages of 15 and 34 years, which is also therefore used in this report.

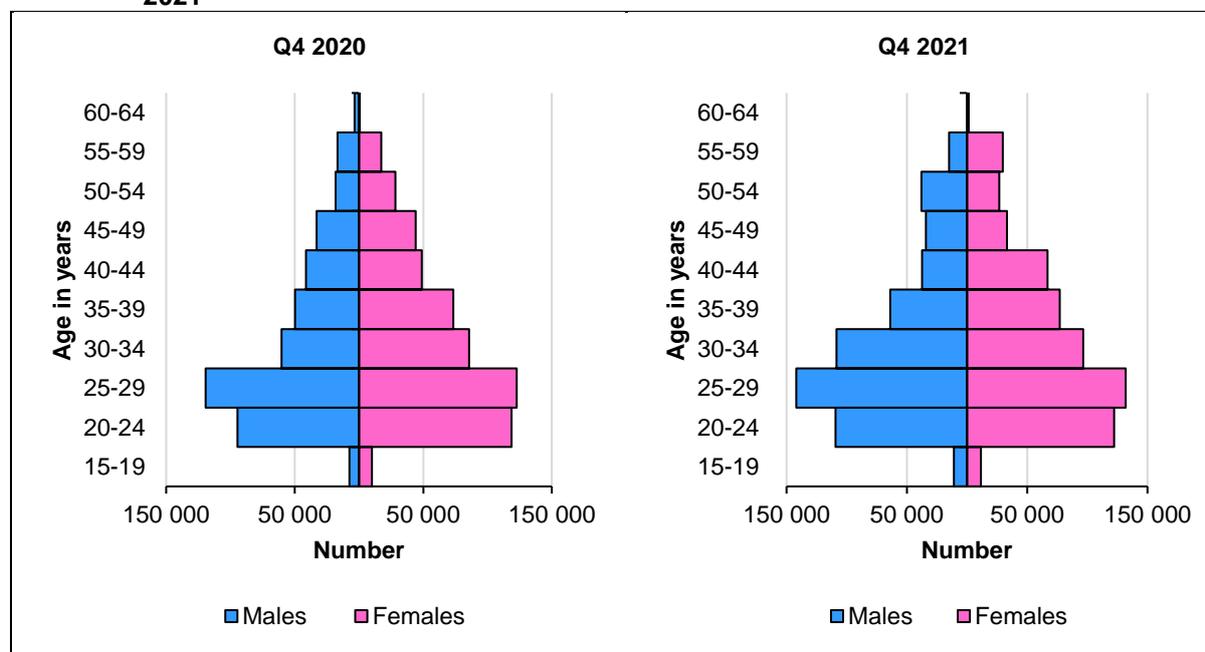
was 69.4%, whilst the unemployment rate of adults (35-64 years) was 36.7%. At 75.8%, the female youth unemployment rate was considerably higher than the male youth unemployment rate of 64.2%. The expanded unemployment rate of the 18-24 year age cohort was 84.6% in Q4 2021 and the 18-24 year old female unemployment rate was 86.5%.

Figure 15: Expanded unemployment rate in South Africa and provinces, 2016-2021



Source: Stats SA – QLFS, 2022

Figure 16: Mpumalanga’s expanded unemployed by gender and age group (15-64 years), 2020-2021



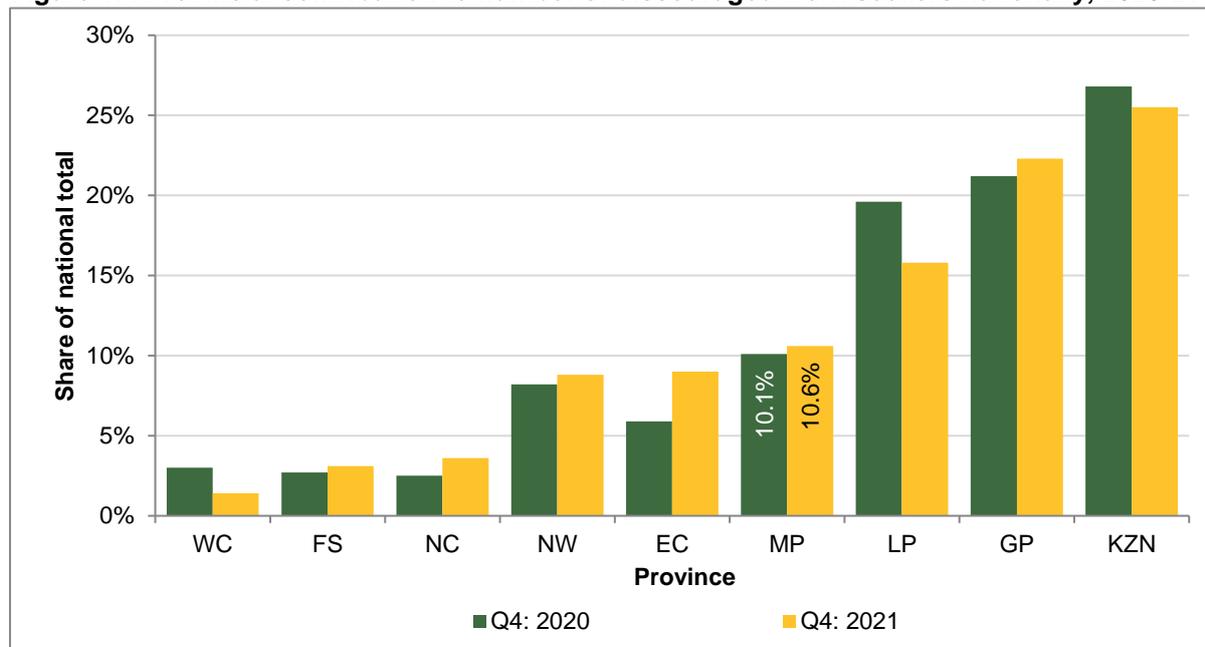
Source: Stats SA – QLFS, 2022

Discouraged work-seekers

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

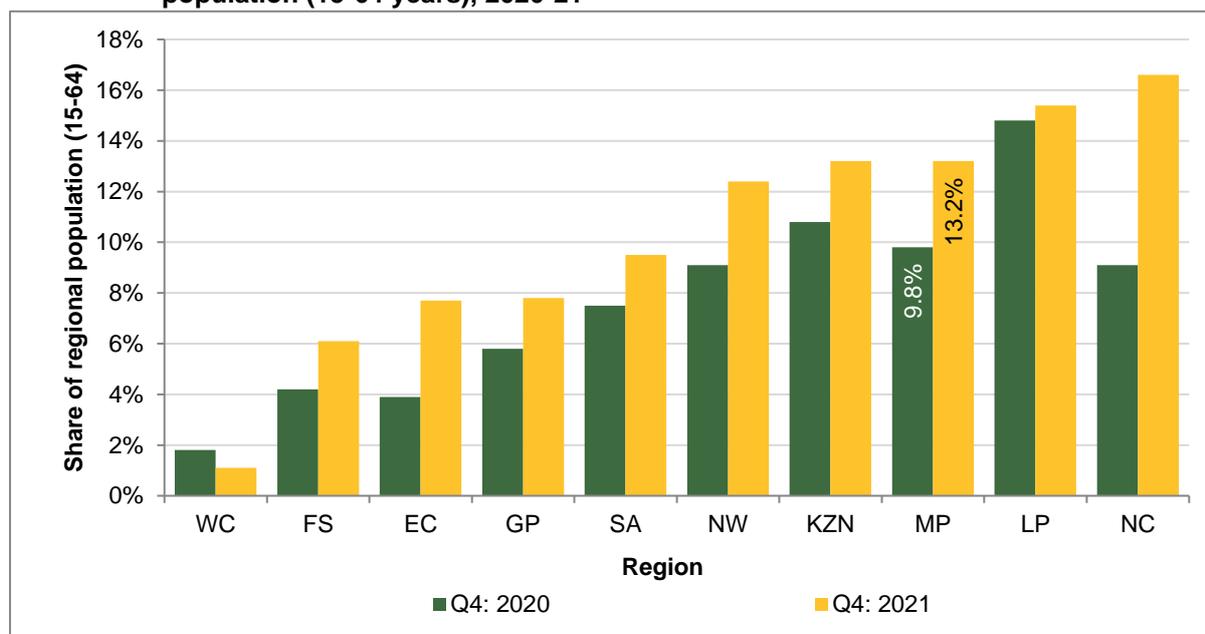
South Africa had approximately 3.8 million discouraged work-seekers in Q4 2021. This represents an increase of 876 093 from Q4 2020. Figure 17 indicates that Mpumalanga’s share was 403 878 or some 10.6% of South Africa’s discouraged work-seekers in Q4 2021, slightly higher than the 10.1% share a year earlier. The number of discouraged work-seekers in Mpumalanga increased by 108 141 from Q4 2020 to Q4 2021. When compared with other provinces, Mpumalanga registered the fourth highest/sixth lowest share of discouraged workers nationally.

Figure 17: Provincial contribution to number of discouraged work-seekers nationally, 2020-21



Source: Statistics South Africa – QLFS, 2022

Figure 18: Comparison of discouraged work-seekers as a ratio of regional working age population (15-64 years), 2020-21



Source: Statistics South Africa – QLFS, 2022

It is evident from Figure 18 that Mpumalanga’s discouraged work-seekers as a percentage of the provincial working age population (15-64 years) increased between Q4 2020 and Q4 2021. The discouraged work-seekers’ share of working age population in Mpumalanga (13.2%) was higher than

the national share (9.5%) in Q4 2021. Discouraged work-seekers in only two provinces constituted a larger share of the working age population than in Mpumalanga in Q4 2021.

4. EDUCATION PROFILE

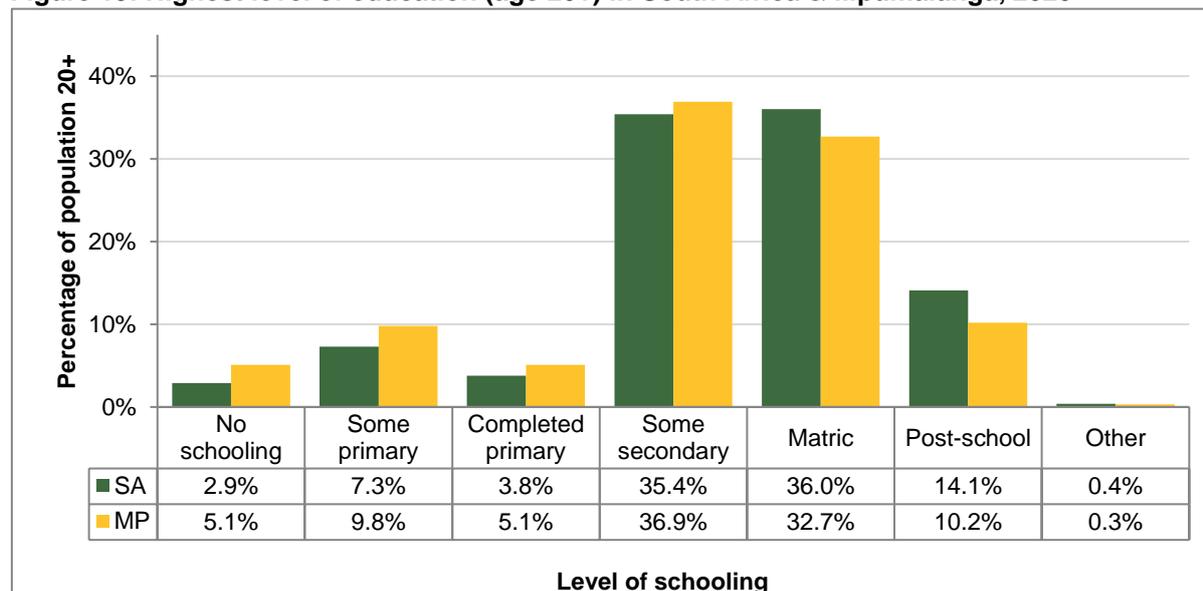
Apex Priority Area 3 - A key priority of the South African government is Education, Skills and Health.

Level of education

When Mpumalanga's highest level of schooling in 2020 is compared with the national figures, it is evident that there is less of Mpumalanga's population, over the age of 20 years, at the higher levels of education than what is the situation nationally. For example, 14.1% of the people 20 years and older in South Africa have completed a post school qualification compared to 10.2% in Mpumalanga (Figure 19). On the other end of the spectrum, there is a larger concentration of Mpumalanga's population, over the age of 20 years, at the lower levels of education than nationally.

It is further evident when comparing provinces (Figure 20), that Mpumalanga (5.1%) registered the second highest (worst) share of people 20 years and older with no schooling. It was 2.2 percentage points higher/worse than the national share of 2.9% in 2020. Mpumalanga (32.7%) recorded the fourth lowest/sixth highest share of people 20 years and older with matric among the nine provinces, lower than the national share of 36.0%.

Figure 19: Highest level of education (age 20+) in South Africa & Mpumalanga, 2020



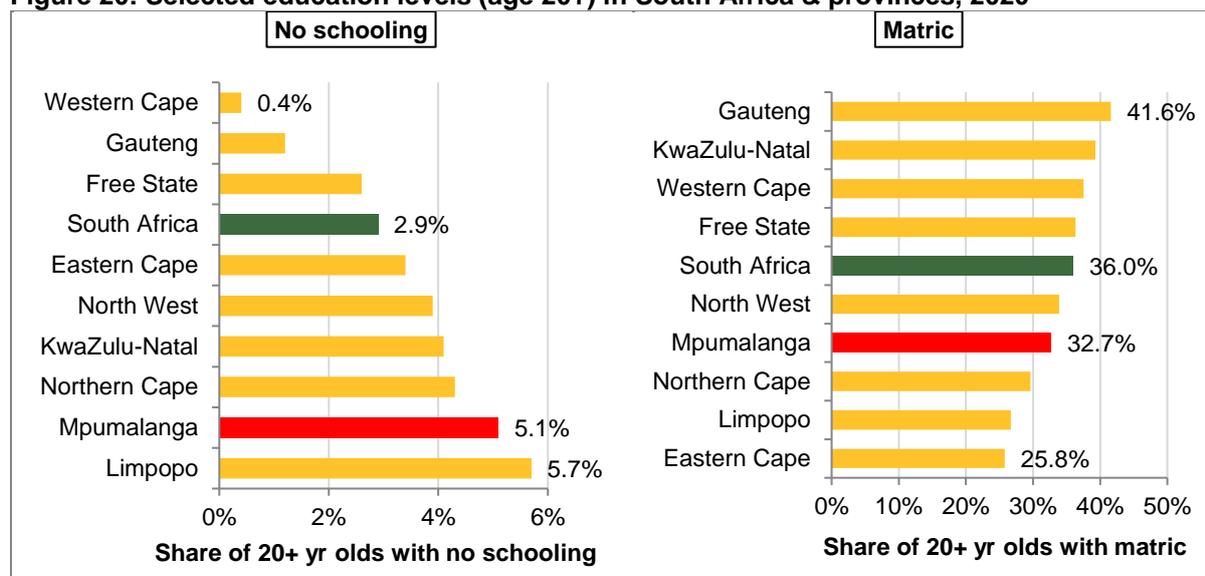
Sources: Stats SA – GHS 2020

Adult literacy

Literacy rates are used as a key social indicator of development by government and international development agencies. Although a simple definition of literacy is the ability to read and write, its simplicity is confounded by questions such as: "Read and write what, how well and to what purpose?"

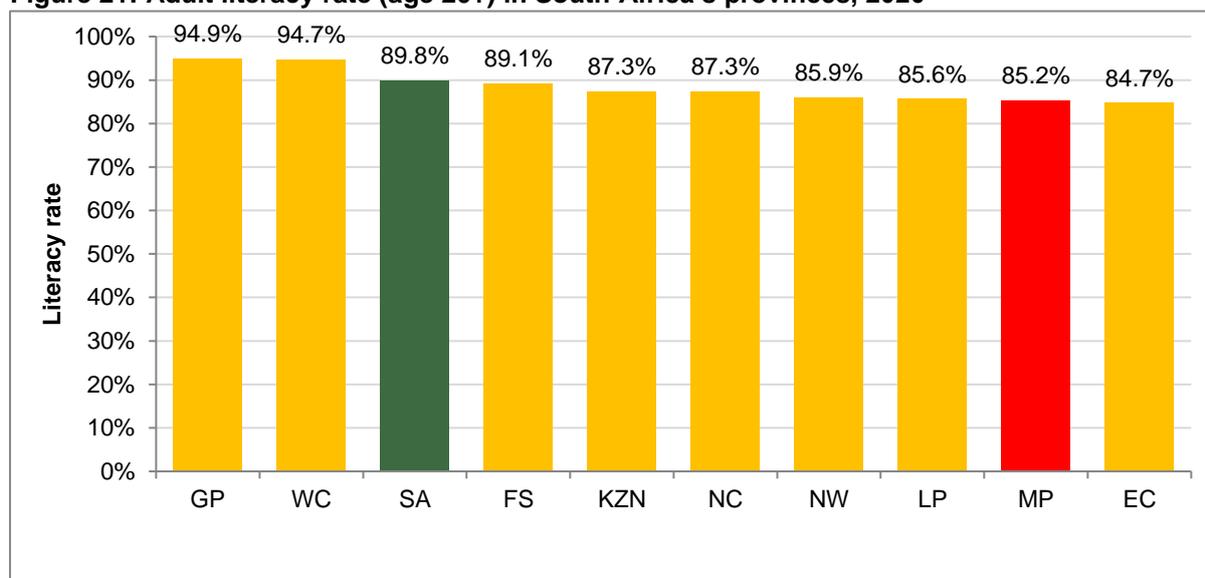
The regional picture, presented in Figure 21, reflects the literacy rates in South Africa and the provinces, of adults aged 20 and above. In 2020, the literacy rate in Mpumalanga was 85.2%. Mpumalanga's adult literacy rate was lower than the national rate of 89.8% in 2020 and the second lowest among the provinces.

Figure 20: Selected education levels (age 20+) in South Africa & provinces, 2020



Source: Stats SA – GHS 2020

Figure 21: Adult literacy rate (age 20+) in South Africa's provinces, 2020



Source: Stats SA – GHS 2020

Grade 12 results

The NDP states clearly that the throughput¹² rate should be between 80 and 90% by 2030 and that at least 80% of them should successfully pass the exit exams. When Mpumalanga's throughput rate for 2021 is calculated, 75.9% of the grade ones in 2010 wrote the national senior certificate examinations in 2021 compared with the national throughput rate of 65.3%. Mpumalanga's throughput rate improved from 61.2% in 2020. It must be noted that 6 516 progressed learners was included in the number of matriculants in Mpumalanga that sat down for the Grade 12 examinations.

Table 10 compares the grade 12 pass rates among the various provinces from 2014 to 2021. The national pass rate of matriculants increased from 75.8% in 2014 to 76.4% in 2021. Mpumalanga's Grade 12 pass rate declined from 79.0% in 2014 to 73.6% in 2021. Five provinces experienced an increase

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

between 2020 and 2021, whereas four provinces, including Mpumalanga, recorded a decrease.

Mpumalanga's pass rate was lower than the national grade 12 pass rate for the third consecutive year. Mpumalanga was the province with the sixth highest/fourth lowest pass rate in 2021, down from fifth highest in 2014. Free State (85.7%) recorded the highest Grade 12 pass rate in 2021 and Limpopo (66.7%) the lowest.

Table 10: Comparative grade 12 pass rate for South Africa and provinces, 2014-2021

Province	2014	2015	2016	2017	2018	2019	2020	2021
Eastern Cape	65.4%	56.8%	59.3%	65.0%	70.6%	76.5%	68.1%	73.0%
Free State	82.8%	81.6%	88.2%	86.1%	87.5%	88.4%	85.1%	85.7%
Gauteng	84.7%	84.2%	85.1%	85.1%	87.9%	87.2%	83.8%	82.8%
KwaZulu-Natal	69.7%	60.7%	66.4%	72.9%	76.2%	81.3%	77.6%	76.8%
Limpopo	72.9%	65.9%	62.5%	65.6%	69.4%	73.2%	68.2%	66.7%
Mpumalanga	79.0%	78.6%	77.1%	74.8%	79.0%	80.3%	73.7%	73.6%
North West	84.6%	81.5%	82.5%	79.4%	81.1%	86.8%	76.2%	78.2%
Northern Cape	76.4%	69.4%	78.7%	75.6%	73.3%	76.5%	66.0%	71.4%
Western Cape	82.2%	84.7%	86.0%	82.8%	81.5%	82.3%	79.9%	81.2%
National	75.8%	70.7%	72.5%	75.1%	78.2%	81.3%	76.2%	76.4%

Source: Department of Basic Education - National Senior Certificate Examinations Report 2022

A comparison of Grade 12 pass rates among the four education districts from 2014 to 2021 is presented in Table 11. None of the four educational districts recorded an improvement between 2014 and 2021. Ehlanzeni registered the highest Grade 12 pass rate in 2021 at 75.6%, whereas Nkangala and Gert Sibande's pass rate was the lowest at 72.2%.

Table 11: Comparative grade 12 pass rate for education districts in Mpumalanga, 2014-2021

Education district	% Pass rate							
	2014	2015	2016	2017	2018	2019	2020	2021
Bohlabela ¹³	76.8%	76.7%	72.3%	72.4%	76.9%	76.7%	74.6%	74.2%
Ehlanzeni ¹⁴	82.1%	82.4%	79.5%	76.8%	82.3%	84.6%	74.5%	75.6%
Gert Sibande	77.1%	72.6%	75.9%	76.5%	77.5%	79.3%	70.9%	72.2%
Nkangala	78.8%	81.7%	79.5%	73.5%	78.7%	80.6%	74.6%	72.2%

Source: Mpumalanga Department of Education, 2022

Education ratios

According to the Department of Basic Education's *School Realities* report of 2021, there were 1 134 889 learners in 1 654 ordinary public and 131 independent schools in Mpumalanga, who were served by 36 963 educators. The learner-educator ratio (LER) in public schools of Mpumalanga increased slightly between 2014 and 2021 from 30.8 to 31.6 learners per educator (Table 12). This was marginally higher than the national level of 31.4 learners per educator. The learner-school ratio (LSR) in public schools of Mpumalanga was higher than the national figure of 559 in 2021 and increased from 587 learners per school in 2014 to 666 in 2021. According to the educator-school ratio (ESR), the number of educators per public school increased between 2014 and 2021 from 19 to 21 and was higher than the national level of 18.

School nutrition programme

According to the *GHS 2020*, 88.7% of children attending public schools in Mpumalanga benefitted from the school nutrition programme in 2020. This was higher than the national average (79.3%) and

¹³ The Bohlabela education district includes schools in Bushbuckridge and Thaba Chweu

¹⁴ The Ehlanzeni education district includes schools in City of Mbombela and Nkomazi

Mpumalanga ranked second highest among the nine provinces. The share of public school learners benefitting from this programme in Mpumalanga increased from 86.4% in 2014.

Table 12: Comparison of education ratios in ordinary public schools for South Africa and provinces, 2014-2021

Province	LER ¹⁵		LSR		ESR	
	2014	2021	2014	2021	2014	2021
Eastern Cape	30.8	30.1	340	347	11	12
Free State	27.8	31.1	503	713	18	23
Gauteng	32.0	30.9	939	1 078	29	35
KwaZulu-Natal	31.3	30.7	479	488	15	16
Limpopo	30.4	34.5	425	469	14	14
Mpumalanga	30.8	31.6	587	666	19	21
Northern Cape	32.1	29.9	517	547	16	18
North West	31.4	31.6	518	585	17	19
Western Cape	31.8	31.9	704	826	22	26
National	31.0	31.4	504	559	16	18

Source: Department of Basic Education – 2014 & 2021 School Realities

Early Childhood Development

One of the most important educational priorities is to reach children of the age group 0–4 years with the intention of having universal access to Early Childhood Development (ECD) services by 2030. According to the *GHS 2020*, 23.4% of the provincial population aged 0-4 years attended an ECD centre, which was lower than the 2016 figure of 33.3%, and lower than the national level of 24.2% in 2020.

5. HEALTH AND SOCIAL SERVICES

Apex Priority Area 3 - A key priority of the South African government for the next five years is Education, Skills and Health.

Figure 22 compares some of Mpumalanga's health indicators with the national average level. The immunisation coverage (<1 year) in Mpumalanga of 96.8% was higher than the national level and the highest/best among the nine provinces in 2019/20. Mpumalanga's 2019/20 measles 2nd dose coverage was also the highest/best in the country at 85.9%. The TB drug-susceptible (DS) client treatment success rate of 80.3% in 2018/19 was better than the national average (76.3%) and the second highest/best in the country. Mpumalanga's maternal mortality rate of 67.1 per 100 000 live births was lower/better than the national rate of 88.0 and the second lowest/best among the provinces. In 2019/20, the inpatient early neonatal¹⁶ death rate in facility of 11.5 per 1 000 live births was also lower/better than the national rate and the third lowest/best among the provinces.

HIV targets

The 90–90–90 targets are a set of global goals established by the United Nations Programme on AIDS and HIV. By 2020, the goal is that 90% of people living with HIV will know their HIV status, 90% of those who know their HIV-positive status will be accessing treatment and 90% of people on treatment will have suppressed viral loads.

The World Health Organisation (WHO) recommends viral load (VL) testing as the preferred method for monitoring the clinical response to antiretroviral therapy (ART) of patients with HIV infection. Globally,

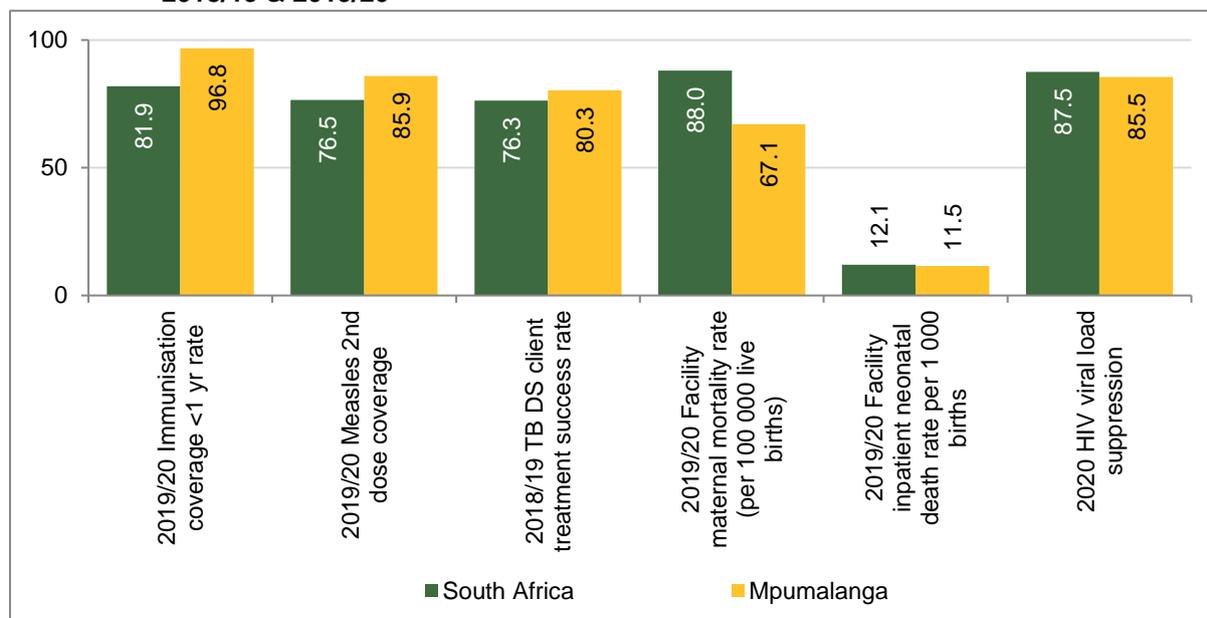
¹⁵ State paid and School Governing Body paid educators

¹⁶ 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.

HIV viral load suppression (VLS) is defined as a VL of less than 1 000 copies per millilitre and is a measure of ART effectiveness. VLS is also a proxy indicator for adherence to treatment and for the risk of HIV transmission.

In 2020, the national adult VLS rate was 87.5% and that of Mpumalanga 85.5%. Both were below the target of 90% and Mpumalanga recorded the sixth highest/fourth lowest VLS rate.

Figure 22: Comparison of selected health indicators between South Africa & Mpumalanga, 2018/19 & 2019/20



Source: Health Systems Trust – District Health Barometer 2019/20

Medical aid coverage

According to the *GHS 2020*, only 8.6% of individuals in Mpumalanga were members of medical aid schemes 2020. This was lower than the national average (15.2%) and Mpumalanga ranked eighth highest/second lowest among the nine provinces. The share of individuals that were members of medical aid schemes in Mpumalanga decreased from 14.9% in 2014.

COVID-19 related fatalities

A key challenge that is faced in measuring the COVID-19 pandemic is that the true number of infections or COVID-19 deaths are not known. According to the South African Medical Research Council (SAMRC), many infected people never get tested and therefore the number of confirmed cases is only a fraction of true infections. Furthermore, without detailed information about the underlying cause of death, it is impossible to know what proportion of the excess deaths are attributable to COVID-19 and what proportion are attributable to collateral causes to the pandemic and efforts to contain it.

The rapid weekly mortality surveillance system established by a collaboration between the SAMRC's Burden of Disease Research Unit and the University of Cape Town's Centre for Actuarial Research has provided near real-time estimates of the number of deaths from natural causes compared with the number of deaths that could be predicted from historical data. By the fourth week of February 2022, it was assessed that Mpumalanga had experienced more than 23 300 excess deaths due to natural causes since the first week of May 2020.

The excess deaths from natural causes obtained from the weekly surveillance by the SAMRC of deaths provides compelling insight into the overall impact of the epidemic on mortality in South Africa and Mpumalanga. Cumulatively these excess death numbers have been substantially higher than the numbers of reported COVID-19 related deaths reported daily by the Department of Health. The SAMRC published a report titled *Correlation of Excess Natural Deaths with Other Measures of the COVID-19 Pandemic in South Africa*, in which it presented evidence supporting the conclusion that the bulk of the excess deaths in South Africa and its provinces are attributable to COVID-19.

The estimated number of excess deaths from natural causes is contrasted in Table 13 with the officially reported COVID-19 deaths for Mpumalanga between 3 May 2020 and 26 February 2022. It is evident that Mpumalanga's 4 687 COVID-19 deaths as a proportion of excess deaths was only 20.1%. Mpumalanga recorded the second lowest proportion among the nine provinces, with Western Cape (70.3%) registering the highest proportion. According to the SAMRC, the bulk of the excess deaths in Mpumalanga are attributable to COVID-19 and therefore it can be assumed that the 4 687 COVID-19 related deaths in Mpumalanga are actually higher by a major proportion of the 23 319 excess deaths.

Table 13: Cumulative officially reported/confirmed COVID-19 deaths and proportion of excess deaths, 3 May 2020-26 Feb 2022

Region	Official COVID-19 deaths	Excess deaths from natural causes	COVID-19 deaths as proportion of excess deaths
Western Cape	21 697	30 854	70.3%
Eastern Cape	16 490	52 209	31.6%
Northern Cape	2 995	8 677	34.5%
Free State	7 563	16 974	44.6%
KwaZulu-Natal	15 981	61 810	25.9%
North West	4 699	16 755	28.0%
Gauteng	20 571	59 032	34.8%
Mpumalanga	4 687	23 319	20.1%
Limpopo	4 508	32 617	13.8%
South Africa	99 191	302 245	32.8%

Source: SAMRC – Burden of Disease Research Unit 2022

6. HOUSEHOLD SERVICES

Apex Priority Area 4 - A key priority of the South African government for the next five years is Consolidating the Social Wage through Reliable and Basic Services.

According to Figure 23, the share of households in Mpumalanga that occupied informal dwellings declined between 2016 (10.9%) and 2020 (6.5%). Fewer households access to improved sanitation¹⁷ (64.4%) in 2020 than in 2016 (67.5%). The proportion of Mpumalanga's households with access to piped water¹⁸ (87.9%) was marginally lower in 2020 than in 2016, and the households connected to electricity¹⁹ increased to 92.0%. Households with municipal refuse removal (40.0%) improved slightly from its 2016 level.

It is clear from Table 14 that 164 396 households in Mpumalanga still lacked access to piped water in any form and 87 599 households were still living in informal dwellings. The number of households that were not connected to electricity numbered 108 176, whereas 481 112 households did not have access

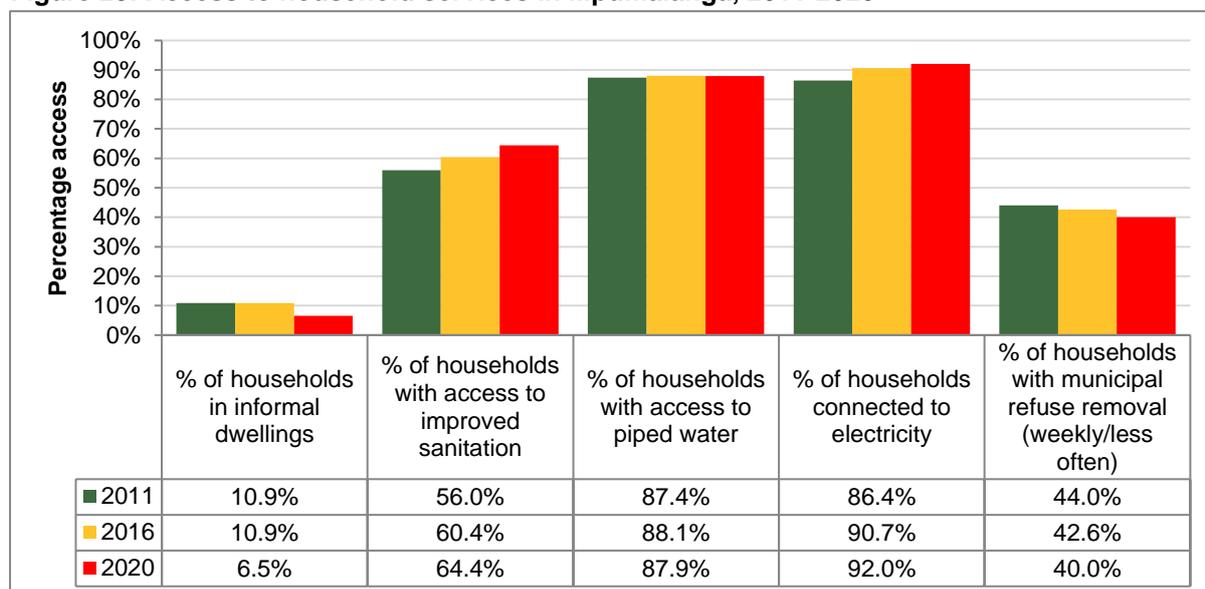
¹⁷ Improved sanitation is defined as flush toilets connected to a public sewerage system or a septic tank, or 'n pit toilet with a ventilation pipe.

¹⁸ The CS 2016 question on piped water was not phrased in the same way as in Census 2011; therefore, the results are not completely comparable.

¹⁹ The CS 2016 groupings for electricity were different than for Census 2011; therefore, the results are not completely comparable.

to a hygienic toilet²⁰ and 812 385 households indicated that it received no municipal refuse removal at least weekly or less often.

Figure 23: Access to household services in Mpumalanga, 2011-2020



Sources: Stats SA – Census 2011
 Stats SA – CS 2016
 Stats SA – GHS 2020

Table 14: Household services backlog number in Mpumalanga, 2020

Household service	Backlog number
Unhygienic toilets (i.e. pit toilet, open defecation & bucket)	481 112
Other sources of water for drinking (no piped water)	164 369
No electricity connection	108 176
Informal dwellings	87 599
No municipal refuse removal (weekly/less often)	812 385

Sources: Stats SA – GHS 2020

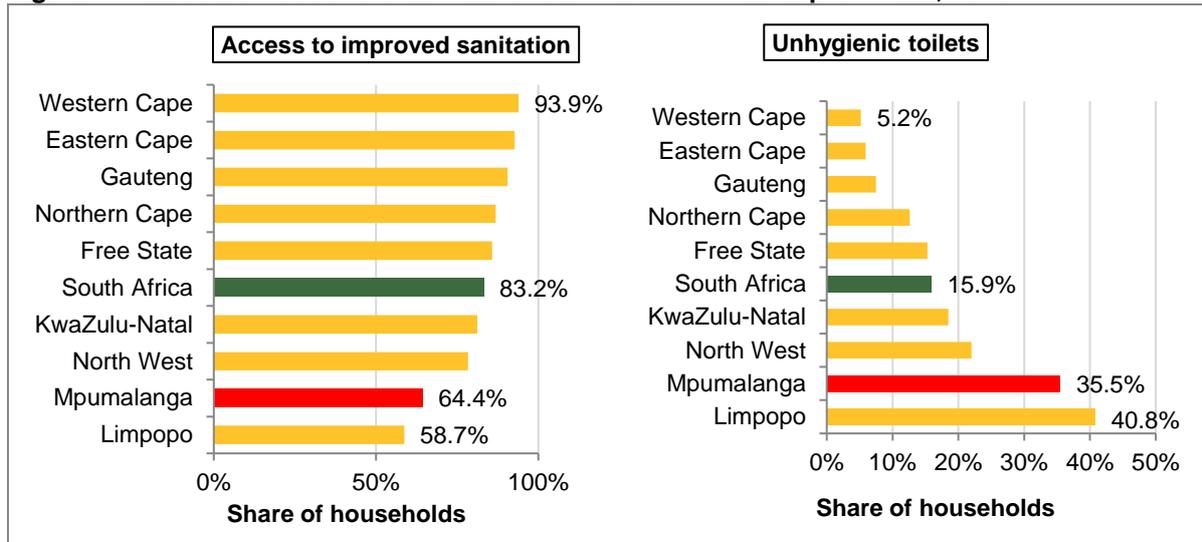
The percentage of households in Mpumalanga with access to improved sanitation was 64.4% in 2020 and was the second lowest among the nine provinces. Figure 24 further reveals that Mpumalanga had the second highest/worse share of households with unhygienic toilets (35.5%).

In 2020, the percentage of households not connected to piped water in Mpumalanga was recorded at 12.1% (Figure 25). This was the fifth highest/lowest backlog among the nine provinces and worse than the national backlog of 10.9%. The percentage of households in Mpumalanga not connected to electricity was recorded at 8.0% in 2020. In 2020, the electricity backlog in Mpumalanga was the sixth lowest/fourth highest and better than the national backlog of 10.0%.

A relatively small percentage of households in Mpumalanga (6.5%) occupied informal dwellings in 2020, compared to the national figure of 11.4% (Figure 26). Mpumalanga ranked joint third lowest (best) among the nine provinces. The percentage of households that did not benefit from weekly refuse removal was recorded at 60.0% in 2020. This was the second highest/worst share among the nine provinces.

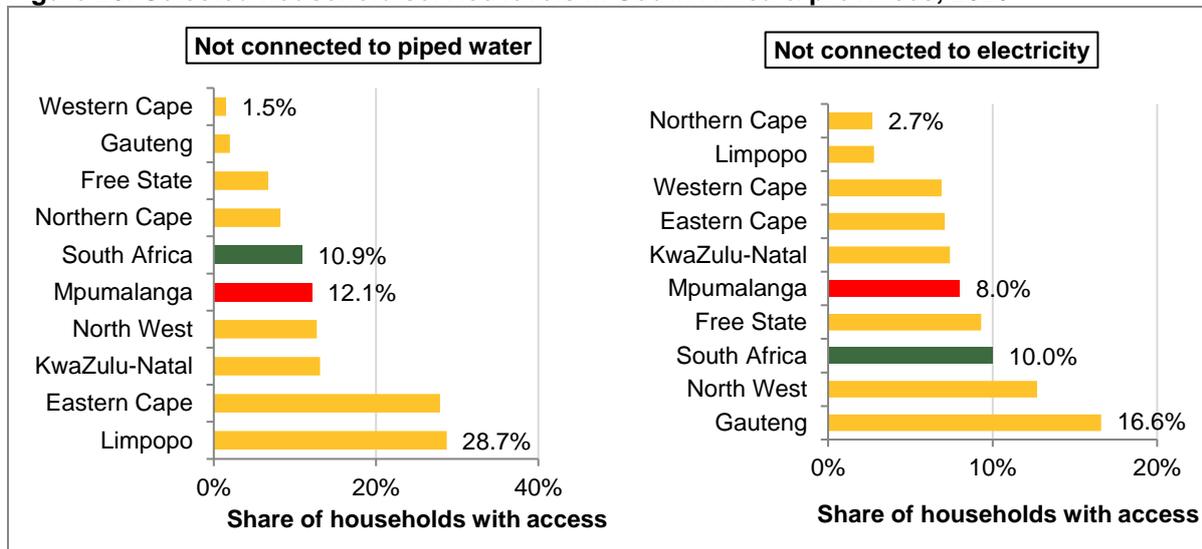
²⁰ Hygienic toilets refers to flush toilets, chemical toilets, ecological sanitation or pit latrines with ventilation pipes (VIP).

Figure 24: Selected household service levels in South Africa & provinces, 2020



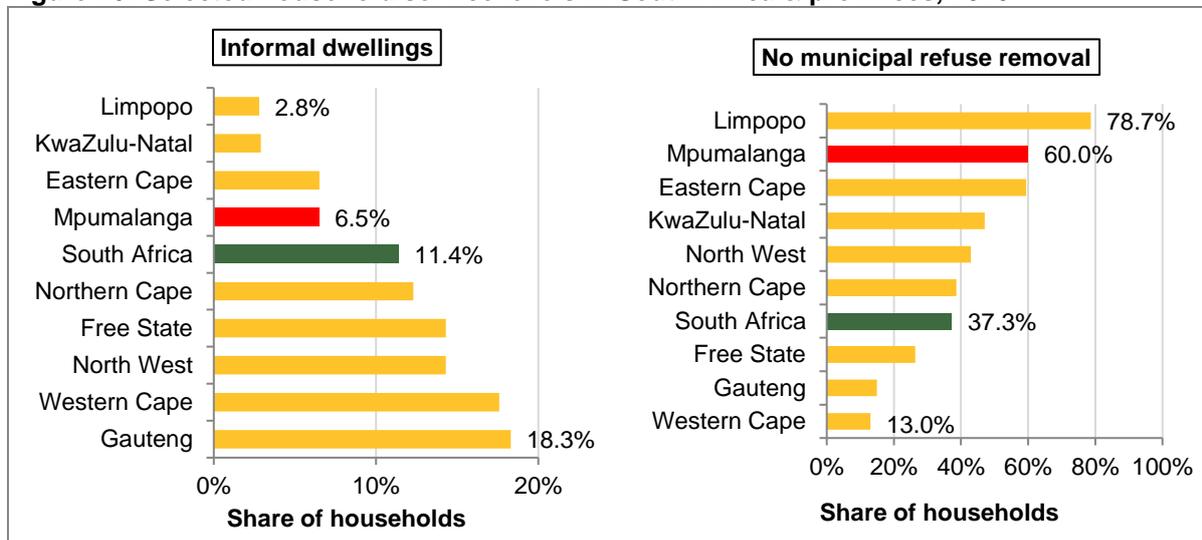
Source: Stats SA – GHS 2020

Figure 25: Selected household service levels in South Africa & provinces, 2020



Source: Stats SA – GHS 2020

Figure 26: Selected household service levels in South Africa & provinces, 2020



Source: Stats SA – GHS 2020

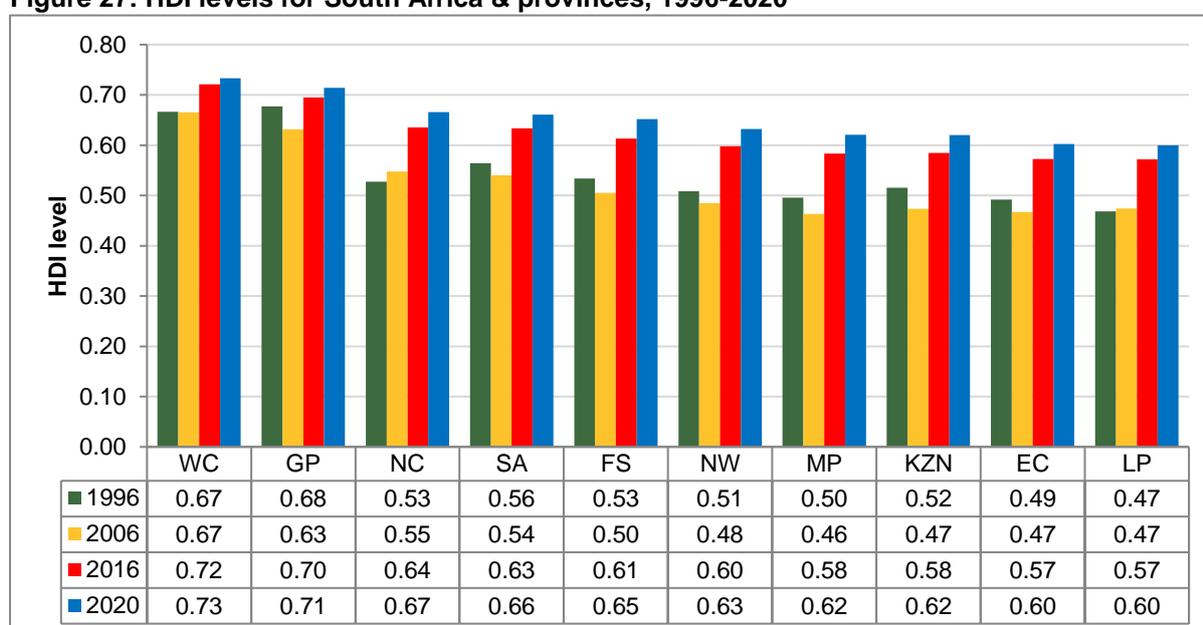
7. DEVELOPMENT AND INCOME ASPECTS

7.1 Human development index

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

It is clear from the depiction in Figure 27 that Western Cape registered the highest HDI between 1996 and 2020. Mpumalanga's HDI level improved over the 24-year period from 0.50 in 1996 to 0.62 in 2020. Despite improving between 1996 and 2020, it was still lower than the national level of 0.66 in 2020. Mpumalanga recorded the fourth lowest/sixth highest HDI level among the nine provinces in 2020 with Western Cape (0.73) the highest. Between the three districts in the province, Nkangala recorded the highest HDI level of 0.64 in 2020 and Ehlanzeni the lowest at 0.60 (Table 15).

Figure 27: HDI levels for South Africa & provinces, 1996-2020



Source: IHS Markit – Regional eXplorer (ReX), January 2022

Table 15: HDI levels for South Africa, Mpumalanga & districts, 1996-2020

Region	1996	2001	2006	2011	2016	2020
South Africa	0.56	0.55	0.54	0.60	0.63	0.66
Mpumalanga	0.50	0.46	0.46	0.54	0.58	0.62
Gert Sibande	0.50	0.46	0.47	0.55	0.58	0.62
Nkangala	0.53	0.49	0.49	0.56	0.61	0.64
Ehlanzeni	0.46	0.43	0.44	0.52	0.56	0.60

Source: IHS Markit – ReX, January 2022

When the HDI levels of the various population groups in Mpumalanga are analysed, it is evident that the White population recorded the highest HDI level of 0.90 in 2020. Asians and Coloureds followed with HDI levels of 0.78 and 0.67, respectively. The Black African population registered the lowest HDI level of 0.58 (Table 16), however, the largest HDI improvement over the 24-year period was registered in this population group.

Table 16: HDI level by population group in Mpumalanga, 1996-2020

Population group	1996	2001	2006	2011	2016	2020
Black African	0.44	0.40	0.40	0.50	0.54	0.58
White	0.84	0.85	0.87	0.87	0.88	0.90
Coloured	0.57	0.61	0.63	0.67	0.68	0.67
Asian	0.75	0.78	0.79	0.77	0.77	0.78
Total	0.50	0.46	0.46	0.54	0.58	0.62

Source: IHS Markit – ReX, January 2022

7.2 Income inequality

Gini-coefficient

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

South Africa has one of the highest imbalanced income distributions in the world. The national Gini-coefficient was calculated to be 0.64 in 2020 (Table 17). The most recent national level still reflects a more unequal income distribution than was the case in 1996, and income inequality has worsened between 2016 and 2020.

The provincial income distribution followed the national trend and was still more unequal in 2020 (0.62) than in 1996 (0.60). Similar to the national situation, the provincial income inequality also increased/worsened between 2016 and 2020. Among the provinces, Mpumalanga (0.62) registered the joint second lowest level of income inequality in 2020, with Limpopo on 0.60, experiencing the lowest income inequality and KwaZulu-Natal (0.64) the highest income inequality. In 2020, all three districts registered Gini-coefficients of 0.62, which indicates higher inequality than in 1996 for all three areas.

Table 17: Gini-coefficient for South Africa, Mpumalanga & districts, 1996-2020

Region	1996	2001	2006	2011	2016	2020
South Africa	0.62	0.66	0.64	0.64	0.63	0.64 ²¹
Mpumalanga	0.60	0.64	0.63	0.62	0.61	0.62 ²²
Gert Sibande	0.60	0.64	0.64	0.62	0.60	0.62
Nkangala	0.59	0.62	0.62	0.61	0.60	0.62
Ehlanzeni	0.59	0.63	0.63	0.62	0.61	0.62

Source: IHS Markit – ReX, January 2022

Share of income

The NDP targets that the poorest 40% of households in South Africa must earn at least 10% of total income by 2030. In practise, one is able to calculate that the poorest 40% of households in Mpumalanga earned 7.4% of income in 2020 (Table 18). This was higher/better than the national figure of 6.4% for 2020, however, it was lower/worse than the 7.7% share achieved in 2015. Among the provinces, Mpumalanga registered the third highest/best share behind Limpopo (8.6%) and Eastern Cape (7.6%). In 2020, Ehlanzeni registered the highest share of income by the poorest 40% in Mpumalanga (7.9%),

²¹ Comparable with national Gini-coefficient of 0.65 in 2015 - Stats SA, 2019, *Inequality Trends in South Africa*.

²² Comparable with Mpumalanga Gini-coefficient of 0.62 in 2015 - Stats SA, 2019, *Inequality Trends in South Africa*.

whereas the poorest 40% in Gert Sibande and Nkangala recorded shares of 7.2% and 7.1%, respectively.

Table 18: Share of income earned by poorest 40% in South Africa, Mpumalanga & districts, 1996-2020

Region	1996	2001	2006	2011	2016	2020
South Africa	7.3%	6.0%	6.3%	6.4%	6.6%	6.4% ²³
Mpumalanga	8.6%	6.9%	7.1%	7.5%	7.7%	7.4% ²⁴
Gert Sibande	8.4%	6.6%	6.7%	7.3%	7.6%	7.2%
Nkangala	8.1%	7.0%	7.0%	7.4%	7.4%	7.1%
Ehlanzeni	9.5%	7.6%	7.9%	8.3%	8.2%	7.9%

Source: IHS Markit – ReX, January 2022

Palma ratio

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

Table 19 displays the Palma ratio for South Africa, Mpumalanga and the districts over the period 1996 to 2020. South Africa's high Palma ratio of 8.10 in 2020 is comparable to the 7.05 calculated by Cobham and Sumner (2013) using World Bank indicators of 2010. The interpretation of South Africa's high Palma reveals that for every R1 of total income that the poorest 40% received, the richest 10% received R8.10. Although the ratio has declined/improved from a high of 8.82 in 2001, the 2020 ratio increased/worsened when compared with 2016 and indicates some of the devastation induced by the COVID-19 pandemic.

Table 19: Palma ratio in South Africa, Mpumalanga & districts, 1996-2020

Region	1996	2001	2006	2011	2016	2020
South Africa	6.76	8.82	8.00	8.00	7.64	8.10 ²⁵
Mpumalanga	5.63	7.64	7.29	6.65	6.19	6.73 ²⁶
Gert Sibande	5.70	7.98	7.58	6.88	6.17	6.89
Nkangala	5.59	7.06	6.97	6.52	6.20	6.93
Ehlanzeni	5.26	7.10	6.62	6.17	6.06	6.41

Source: IHS Markit – ReX, January 2022

Mpumalanga's Palma ratio of 6.73 in 2020 was lower/better than the national total. It increased/worsened from 6.19 in 2016 and it was unacceptably high according to international standards. Mpumalanga's ratio was the second lowest/least unequal among the provinces with the lowest/least unequal ratio in Limpopo (5.86) and the highest in Gauteng (8.46). In 2020, Nkangala's Palma ratio of 6.93 was the highest/most unequal among the three districts.

7.3 Poverty aspects

Poverty lines

In 2012, Stats SA published a set of three national poverty lines based on expenditure data collected.

²³ Comparable with national 40% share of 6.6% in 2015 - Stats SA, 2019, *Inequality Trends in South Africa*.

²⁴ Comparable with Mpumalanga 40% share of 8.0% in 2015 - Stats SA, 2019, *Inequality Trends in South Africa*.

²⁵ Comparable to the national Palma ratio of 7.9 in 2015 - Stats SA, 2019, *Inequality Trends in South Africa*.

²⁶ Comparable to the Mpumalanga Palma ratio of 6.3 in 2015 - Stats SA, 2019, *Inequality Trends in South Africa*.

The three lines were described as the food poverty line (FPL²⁷), lower-bound poverty line (LBPL²⁸) and upper-bound poverty line (UBPL²⁹). The NDP refers to the LBPL when it states that the proportion of citizens in poverty must reduce to zero by 2030.

It is evident from Table 20 that the share of South Africa's population below the LBPL declined from 56.8% in 1996 to 47.4% in 2020. Mpumalanga's population share below the LBPL improved from 64.3% in 1996 to 50.8% in 2020. Although South Africa and Mpumalanga registered an improvement over the 24-year period, the share of population below the LBPL increased between 2011 and 2020.

In 2020, Mpumalanga's share below the LBPL was higher than the national figure and the sixth lowest/fourth highest among the nine provinces with Limpopo (57.6%) registering the highest share and Western Cape (34.8%) the lowest. In 2020, Nkangala (45.4%) registered the lowest share of population below the LBPL and Ehlanzeni (55.7%) the highest. As with Mpumalanga, all three districts recorded a deterioration in the share below the LBPL between 2016 and 2020.

Table 20: Share of population below the LBPL in South Africa & Mpumalanga, 1996-2020

Region	% of population					
	1996	2001	2006	2011	2016	2020
South Africa	56.8%	54.5%	49.9%	35.4%	41.5%	47.4%
Mpumalanga	64.3%	61.7%	55.9%	39.0%	44.7%	50.8%
Gert Sibande	61.7%	60.4%	54.5%	37.5%	43.6%	49.8%
Nkangala	57.8%	55.7%	50.4%	33.3%	39.0%	45.4%
Ehlanzeni	70.4%	66.7%	60.8%	44.2%	49.8%	55.7%

Source: IHS Markit – ReX, January 2022

It is evident from Table 21 that the share of South Africa's population below the FPL decreased/improved from 34.2% in 1996 to 32.8% in 2020. The sharp deterioration between 2011 (20.6%) and 2020 (32.8%) is a big concern. Mpumalanga's population share below the FPL improved from 39.0% in 1996 to 35.5% in 2020, however, as with the national share, Mpumalanga registered a deterioration/increase between 2011 and 2020.

Table 21: Share of population below the FPL in South Africa & Mpumalanga, 1996-2020

Region	% of population					
	1996	2001	2006	2011	2016	2020
South Africa	34.2%	33.7%	27.0%	20.6%	27.3%	32.8%
Mpumalanga	39.0%	38.7%	31.0%	23.0%	29.5%	35.5%
Gert Sibande	37.1%	38.1%	30.2%	21.9%	28.8%	34.8%
Nkangala	33.6%	33.4%	26.7%	19.0%	25.0%	30.8%
Ehlanzeni	44.0%	42.9%	34.6%	26.8%	33.6%	39.8%

Source: IHS Markit – ReX, January 2022

In 2020, Mpumalanga's share was higher than the national figure and the sixth lowest/fourth highest among the nine provinces with Eastern Cape (41.6%) registering the highest/worst share and Western Cape (21.9%) the lowest. In 2020, Nkangala (30.8%) registered the lowest share of population below the FPL and Ehlanzeni (39.8%) the highest. As with Mpumalanga, all three districts recorded a sharp deterioration in the share below the FPL between 2011 and 2020.

The share of South Africa's population below the UBPL declined/improved from 72.6% in 1996 to 62.5%

²⁷ The level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet and amounted to R585 per capita per month in 2020.

²⁸ Includes expenditure on non-food items, but requires that individuals sacrifice food in order to obtain it and amounted to R840 per capita per month in 2020.

²⁹ Includes expenditure on adequate food and non-food items and amounted to R1 268 per capita per month in 2020.

in 2020 (Table 22). Mpumalanga’s population share below the UBPL also improved from 80.6% in 1996 to 66.2% in 2020. Similar to the findings of the LBPL and FPL, South Africa and Mpumalanga recorded a deterioration/increase between 2015 and 2020.

In 2020, Mpumalanga’s share was higher than the national figure and the sixth lowest/fourth highest among the nine provinces with Limpopo (73.7%) registering the highest share and Western Cape (50.0%) the lowest. In 2020, Nkangala (60.8%) recorded the lowest share of population below the UBPL and Ehlanzeni (71.1%) the highest.

Table 22: Share of population below the UBPL in South Africa & Mpumalanga, 1996-2020

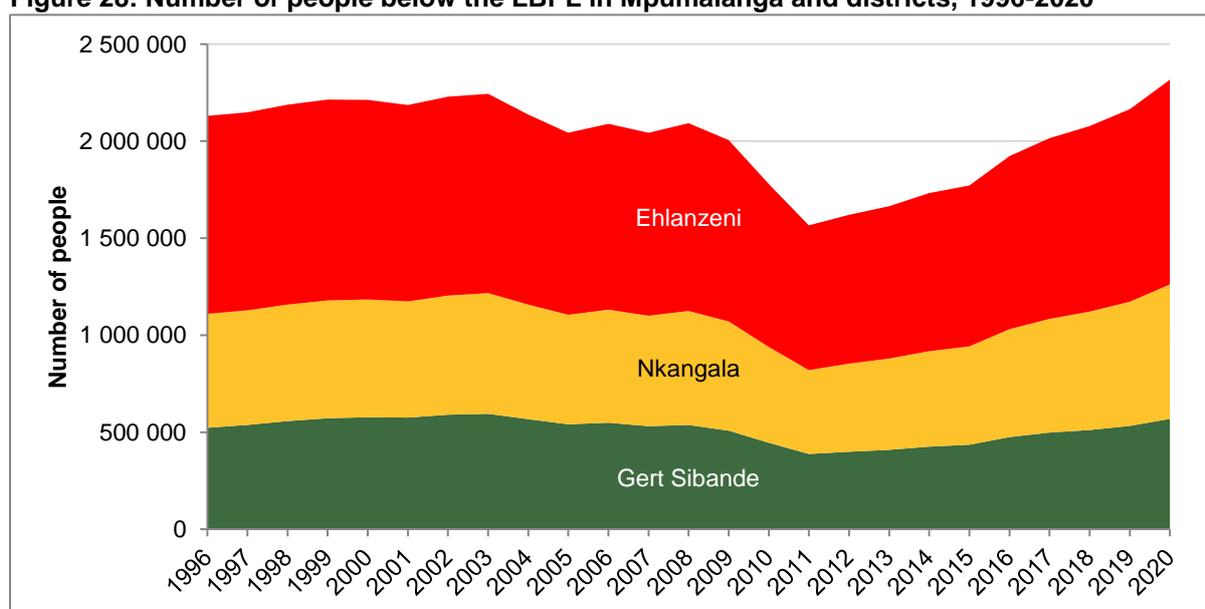
Region	% of population					
	1996	2001	2006	2011	2016	2020
South Africa	72.6%	70.0%	65.9%	53.0%	57.0%	62.5%
Mpumalanga	80.6%	77.1%	72.0%	57.6%	60.7%	66.2%
Gert Sibande	77.4%	75.3%	70.2%	55.9%	59.5%	65.0%
Nkangala	75.2%	72.3%	67.1%	51.4%	54.8%	60.8%
Ehlanzeni	86.2%	81.7%	76.7%	63.5%	66.2%	71.1%

Source: IHS Markit – ReX, January 2022

Number in poverty

Between 1996 and 2020, the number of people below the LBPL in Mpumalanga increased by 185 710 from 2.13 million to 2.32 million (Figure 28). Amongst the three districts, Ehlanzeni recorded the largest number of people below the LBPL throughout the 24-year period and Gert Sibande the lowest. However, the number of people in poverty in Ehlanzeni increased by 34 985 over the 24-year period, whereas Nkangala recorded 104 526 more people below the LBPL in 2020 than in 1996. It is evident how the number in poverty in all three districts (and Mpumalanga) increased sharply from 2011 onwards.

Figure 28: Number of people below the LBPL in Mpumalanga and districts, 1996-2020



Source: IHS Markit – ReX, January 2022

Multidimensional poverty

Poverty is often defined by income or expenditure. While this provides a very useful way of measuring absolute poverty, it does not fully capture all the aspects that constitute poverty. Multidimensional

poverty constitutes several factors that amount to the poor's experience of deprivation such as poor health, lack of education, inadequate living standards, lack of income and lack of decent work.

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

In 2011, the poverty headcount showed that 7.9% of households in Mpumalanga were multidimensionally poor, with the average intensity at 41.8% amongst the poor households (Table 23). By 2016, the fraction of poor households decreased/improved to 7.8% and the average intensity was higher/worse at 42.7%. Mpumalanga's 2016 poverty headcount was the sixth lowest/fourth highest and higher than the national headcount. Mpumalanga's intensity of poverty was the seventh lowest/third highest but lower than the national indicator.

Table 23: Multidimensional poverty in South Africa & provinces, 2011-2016

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

Source: Stats SA – CS 2016

Impact of COVID-19 on poverty

A key finding of the UNDP socio-economic impact assessment study mentioned under the Gini-coefficient, was that poverty levels (LBPL) in South Africa will increase by 0.45% (about 264 510 households) in the optimistic scenario and by 0.66% (about 387 948 households) in the pessimistic scenario in 2020. As the impact of the COVID-19 lockdown were felt in equal measures around South Africa, it is safe to assume that the poverty impact will be spread among the provinces in relation to its household share. Mpumalanga should therefore see between 72 000 and 105 000 more individuals below the LBPL in 2020.

The study further found:

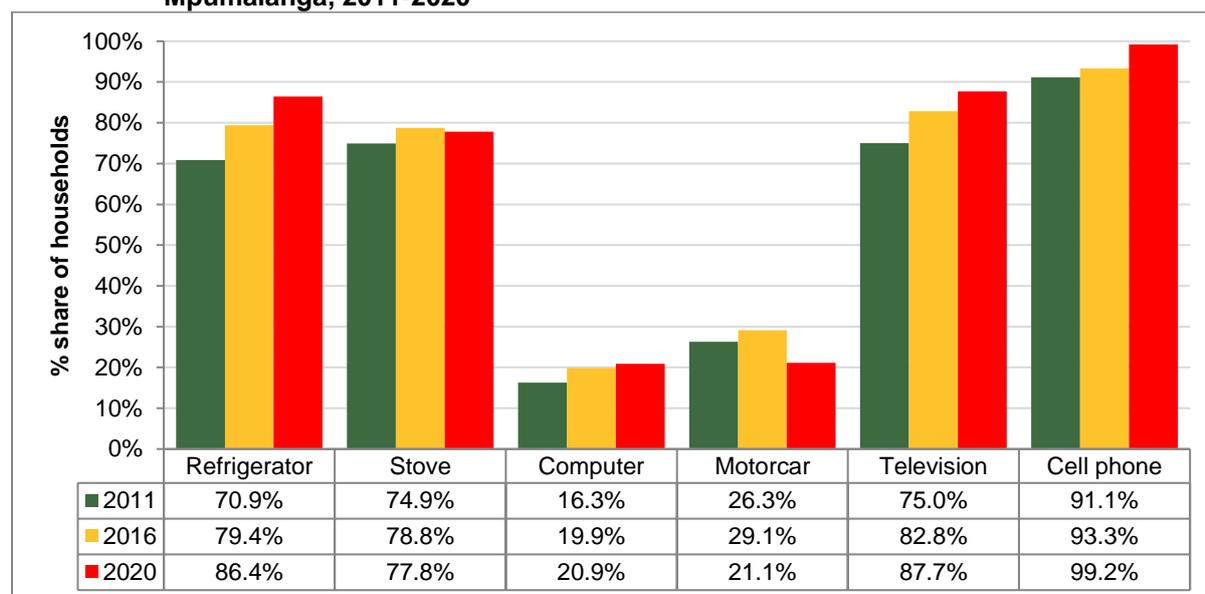
- That 34% of households are likely to exit the middle class into vulnerability.
- The households whose employment type changes from permanent to contract employment have a 44% chance of falling into poverty (switching contract types from permanent to temporary is a coping mechanism for many businesses affected by COVID-19).
- A household that is pushed from permanent employment to informal work after the six-month

stimulus package is over will have a 54% chance of falling into poverty.

7.4 Ownership of household goods

Figure 29 compares the ownership levels of certain household goods in Mpumalanga between 2011 and 2020. It is evident that more households in Mpumalanga owned specific assets in 2020 than in 2011, except for motorcars. The ownership of refrigerators (15.5 percentage point increase) increased the most between 2011 and 2020, followed by televisions (12.7 percentage point increase).

Figure 29: Percentage distribution of households owning various household goods in Mpumalanga, 2011-2020



Sources: Stats SA – Census 2011
 Stats SA – CS 2016
 Stats SA – GHS 2020

7.5 Income and expenditure aspects

Household income

According to the *Living Conditions of Households 2014/15*, the average annual household income for all households in South Africa increased from R103 204 per annum in 2011 (*Census 2011*) to R138 168 per annum (R11 514 per month) in 2014/15. Average household income in Mpumalanga increased from R77 609 per annum in 2011 to R107 561 per annum (R8 963 per month) in 2014/15 (Figure 30).

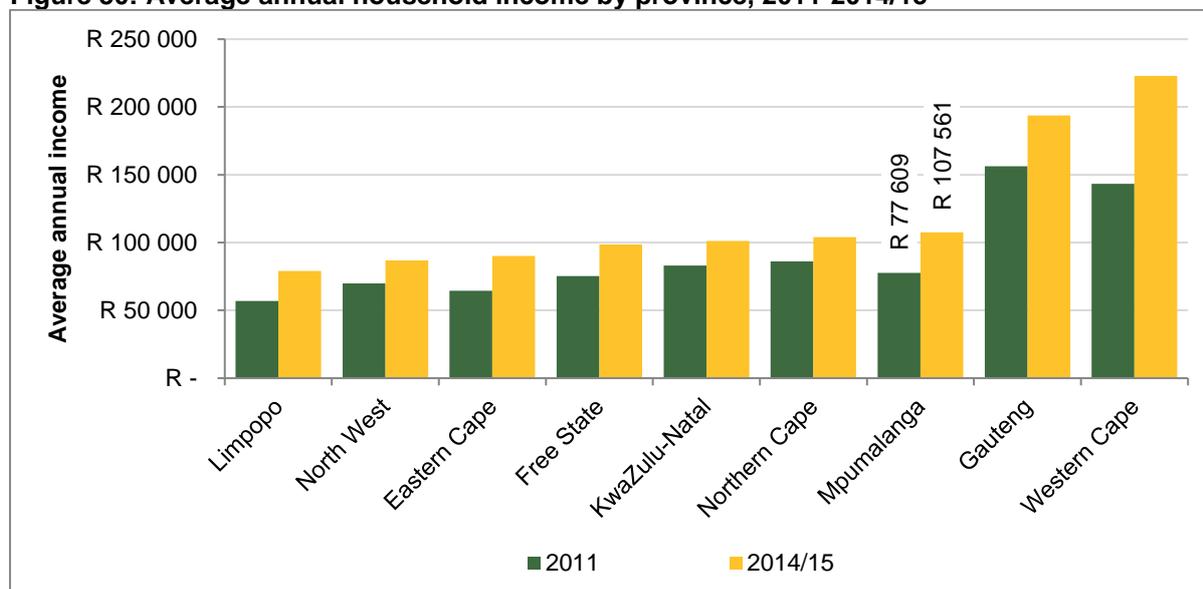
Mpumalanga's average household income was the fifth highest in 2011 and the third highest in 2014/15. In 2014/15, the average household income of Western Cape households (R222 959 per annum) was the highest and that of Limpopo households (R79 152 per annum) the lowest.

Expenditure categories

In the *GHS 2020*, respondents indicated what expenditure category best describes the monthly household expenditure in 2020. The results of this question for South Africa and Mpumalanga is summarised in Table 24. It is evident that a major share of households in Mpumalanga (46.6%) indicated expenditure of less than R2 500 per month. A smaller share of households in South Africa (38.8%) indicated expenditure of less than R2 500 per month. Some 16.4% of households in South

Africa indicated expenditure of more than R10 000 per month compared with 9.5% of households in Mpumalanga.

Figure 30: Average annual household income by province, 2011-2014/15



Sources: Stats SA – Census 2011
Stats SA – Living Conditions of Households 2014/15

Table 24: Household expenditure in South Africa & Mpumalanga, 2020

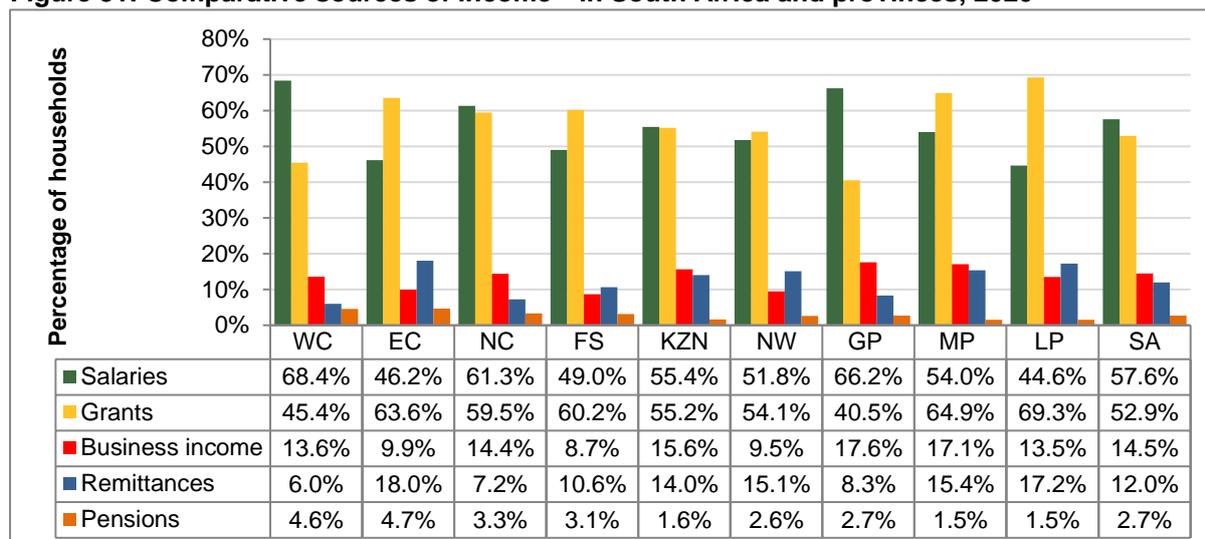
Expenditure category	Mpumalanga		South Africa	
	% of total	Cumulative %	% of total	Cumulative %
R0	0.0%	0.0%	0.1%	0.1%
R1-R199	0.0%	0.0%	0.2%	0.3%
R200-R399	1.6%	1.6%	1.2%	1.5%
R400-R799	6.0%	7.7%	4.9%	6.4%
R800-R1 199	8.7%	16.3%	7.3%	13.7%
R1 200-R1 799	12.0%	28.3%	10.7%	24.4%
R1 800-R2 499	18.2%	46.6%	14.4%	38.8%
R2 500-R4 999	28.9%	75.5%	25.3%	64.1%
R5 000-R9 999	13.4%	88.9%	14.9%	79.0%
R10 000 or more	9.2%	98.1%	16.4%	95.5%
Do not know	1.7%	99.8%	2.2%	97.7%
Refused	0.2%	100.0%	2.2%	99.9%
Unspecified	0.0%	100.0%	0.1%	100.0%
Total	100.0%	-	100.0%	-

Source: Stats SA – GHS 2020

Household income sources

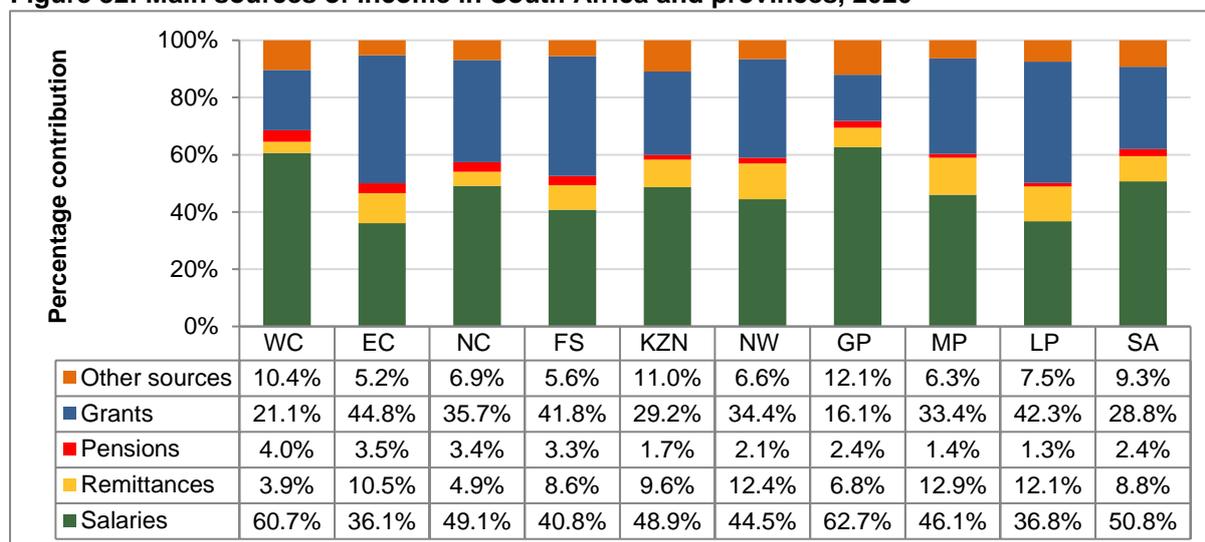
Figures on comparative of sources of income²² of households are presented in Figure 31. The majority of households in South Africa are dependent on incomes from salaries with 57.6% of households that received an income from salaries in 2020. In Mpumalanga, 54.0% of households received an income from salaries, however, more households received income from grants (64.9) in Mpumalanga. Some 69.3% of households in Limpopo received income from grants, whilst only 40.5% of households in Gauteng received income from grants.

Figure 31: Comparative sources of income³⁰ in South Africa and provinces, 2020



Source: Stats SA – GHS 2020

Figure 32: Main sources of income in South Africa and provinces, 2020



Source: Stats SA – GHS 2020

As part of GHS 2020, households were asked to indicate their main source of income. As a result, salaries were indicated to be the main source for 50.8% of households nationally, whereas grants were the main source for 28.8% of households (Figure 32). In Mpumalanga, salaries were also the main source for the majority (46.1%) of households with grants the main source for 33.4% of households in the province. It is concerning that, between 2015 and 2020, grants as a main source of household income has increased from only 8.1% to 33.4% in Mpumalanga, whilst salaries' share declined from 75.9% to 46.1%.

Social assistance grants

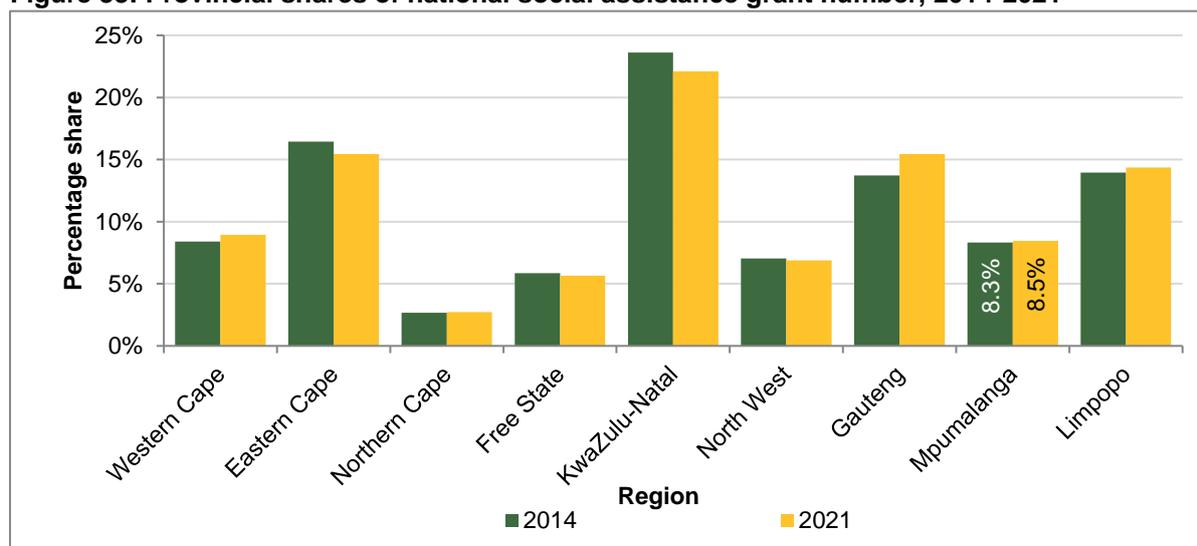
Together with providing income security to certain income insecure groups, the payments of grants made a positive impact on poverty and income inequality in Mpumalanga. Grants assisted to reduce poverty and redistribute income in Mpumalanga and its sub regions through the provision of income security. According to the South African Social Security Agency (SASSA), the number of South Africans

³⁰ Households can have more than one source of income; therefore, shares do not add up to 100%.

that received social assistance grants increased from 15.9 million in March 2014 to 18.4 million by September 2021. In March 2014, 1.32 million citizens of Mpumalanga received social assistance grants. This was equal to an 8.3% share of the total national grant recipients in 2014. By September 2021, the number of recipients in Mpumalanga increased to 1.56 million or 8.5% of the total number of national grant recipients. Mpumalanga registered the sixth highest/fourth lowest number of social assistance recipients among the nine provinces (Figure 33). KwaZulu-Natal (4.1 million) registered the highest number of grant recipients by September 2021 and Northern Cape (501 618) the lowest.

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

Figure 33: Provincial shares of national social assistance grant number, 2014-2021



Source: SASSA - 2022

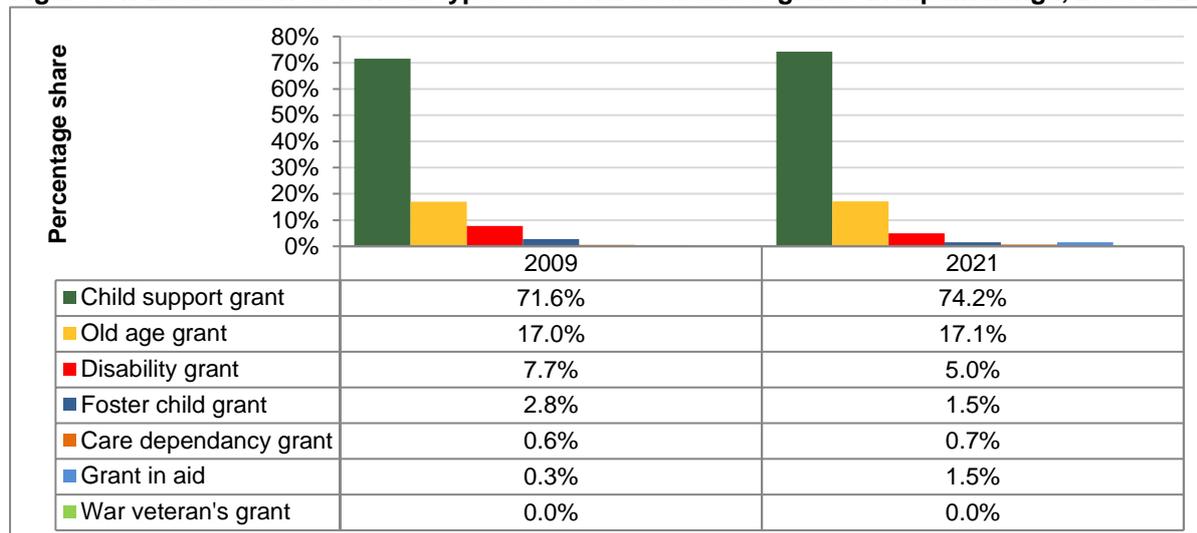
It is evident from Figure 34, that 74.2% of Mpumalanga's total social assistance grants in September 2021 were child support grants, which was higher than the 71.6% share in 2009. In actual numbers, child support grant beneficiaries increased from 735 648 in 2009 to 1 156 223 in 2021. The number of old age grant beneficiaries increased from 174 343 in 2009 to 265 889 in 2021 and their share of the total number of grant beneficiaries increased marginally to 17.1% in 2021. Disability grant recipients decreased in number from 79 244 in 2009 to 77 738 in 2021 and recorded a smaller share in 2021 (5.0%) of the total number of assistance grant beneficiaries than in 2009 (7.7%). In September 2021, the total number of grant recipients in Mpumalanga numbered nearly 1.56 million, whereas the number of employed was lower at 1.1 million.

Special COVID-19 Social Relief of Distress grant

As part of the Department of Social Development's response to the COVID-19 pandemic, a Special

COVID-19 Social Relief of Distress (SRD) grant to the value of R350 per person per month was announced at the start of the lockdown period. SASSA paid some 5.7 million SRD grants per month in the first phase. In the first phase, recipients from Mpumalanga received 8.4% of the payments. In the second phase up to the end of September 2021, some 13.8 million applications were received nationally. In the second phase, applicants from Mpumalanga contributed 8.8% to the national total.

Figure 34: Distribution of various types of social assistance grants in Mpumalanga, 2009-2021



Source: SASSA - 2022

8. ECONOMIC SECTORS AND PERFORMANCE

Apex Priority Area 2 - A key priority of the South African government for the next five years is Economic Transformation and Job Creation.

8.1 GDP contribution and growth

Rebased and reweighted national GDP figures

The base year for the national accounts must be updated every few years because prices and economic structures change over time. The national GDP estimates must also be benchmarked and reweighted using the latest available socio-economic surveys. Rebasings and reweighting are essential activities for maintaining GDP as a reliable measure of economic performance of a country or region.

In August 2021, Stats SA published newly reweighted GDP measured at constant 2015 prices, which replaces the previous GDP measured at constant 2010 prices. Stats SA also published revised estimates of nominal GDP measured at current prices, since these are inevitably affected by new methods, data sources and reweighting.

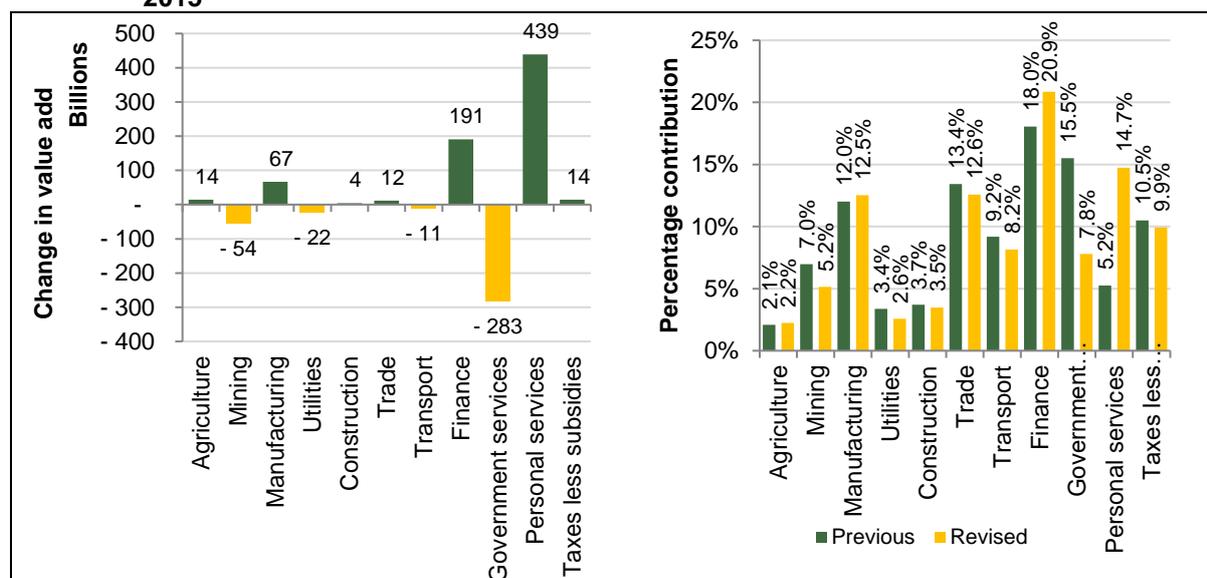
The result was the rebasing to 2015 prices and an upward revision of the economy as well as changes in the structure of and contribution by the various industries and subindustries. The changes are evident in Figure 35, where the value addition of mining, utilities, transport and community services decreased, whilst the value addition of the other industries increased. The largest increase in value addition was recorded in personal services (R439 billion) and the largest decline in government services (R283 billion).

The provincial GDP estimates were, however, not rebased or revised and given the significant changes

at the national level, Stats SA is still considering whether it will be viable to produce regional estimates in future. Therefore, for the purpose of this publication, and until further notice, the provincial GDP estimates will be sourced from IHS Markit.

IHS Markit's regional model is dependent upon the national GDP estimates by Stats SA and therefore the relative changes in the national structure also filters through to the regional GDP estimates of provinces. In Mpumalanga's particular case, the changes in the national economy, in particular the decrease in the mining industry's value addition, will definitely impact the composition of the provincial economy.

Figure 35: Changes in rebased GDP value add & contribution per industry in the new base year 2015



Source: Stats SA – National Accounts: Sources and Methods, 2021

Provincial contribution

It is estimated that in 2021, Mpumalanga contributed some R444.6 billion in current prices or some 7.2% to the GDP of South Africa. Converted to constant 2015 prices, Mpumalanga's contribution was R299.4 billion. Mpumalanga's contribution in constant 2015 prices was the joint fifth largest among the nine provinces. Mpumalanga's contribution in constant 2015 prices decreased from 7.7% in 1996 to 6.7% in 2021. Gauteng (36.5%) was the main contributor to the national economy in 2021.

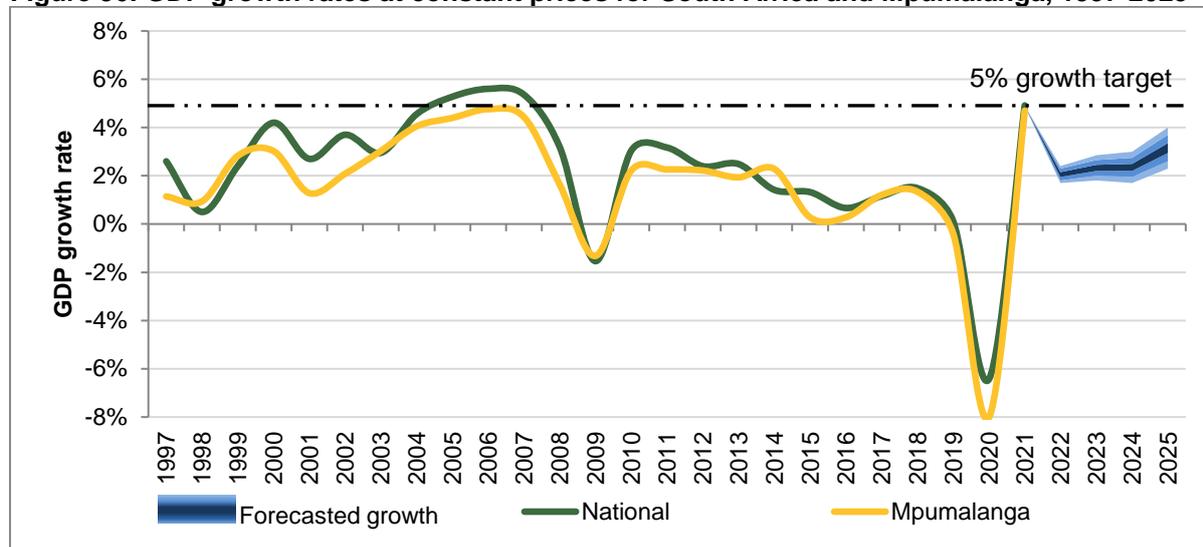
Historic growth patterns

In general, the economic growth of the province, as measured by growth in the GDP, was lower than the national rate (Figure 36). The provincial economy has outperformed the national economy in terms of GDP growth only in 1998, 1999, 2003, 2009, and 2014. The average annual growth rate for the country and Mpumalanga over the period 1996 to 2021 was 2.3% and 1.7%, respectively. It is of great concern that the average annual economic growth for South Africa was only 0.2% between 2016 and 2021, whereas Mpumalanga's economy contracted by 0.3% per annum over the same period (Table 25). Mpumalanga recorded the joint seventh highest annual average GDP growth rate in the 25-year period and the joint deepest contraction between 2016 and 2021.

In 2021, Mpumalanga's economy expanded by an estimated 4.7%, which was an improvement from the COVID-19 induced contraction of more than 7% registered in 2020. In 2021, Mpumalanga's growth

of 4.7% was marginally lower than the national growth of 4.9%. In 2021, Northern Cape (5.9%) recorded the fastest growth among the nine provinces and Eastern Cape (4.1%) the slowest expansion, with Mpumalanga ranking fifth fastest/slowest.

Figure 36: GDP growth rates at constant prices for South Africa and Mpumalanga, 1997-2025



Sources: Stats SA – GDP, 2022
IHS Markit – ReX, January 2022

The NDP set a target for average annual national GDP growth up to 2030 of more than 5%. It is apparent from Table 25, that only Western Cape achieved the desired growth in the 2001 to 2006 period. Mpumalanga’s highest period of growth was between 2001 and 2006, whereas the lowest period of growth was between 2016 and 2021. It is expected that Mpumalanga’s economy will expand by 1.7% per annum between 2021 and 2025. This should be marginally lower than the expected national expansion of 1.9% per annum and the joint sixth highest among the provinces. After the strong recovery in 2021, it is expected that the Mpumalanga economy will only expand by 1.7% in 2022 and 2023, respectively.

Table 25: Historic and forecasted GDP growth rates at constant prices for South Africa and provinces, 1996-2025

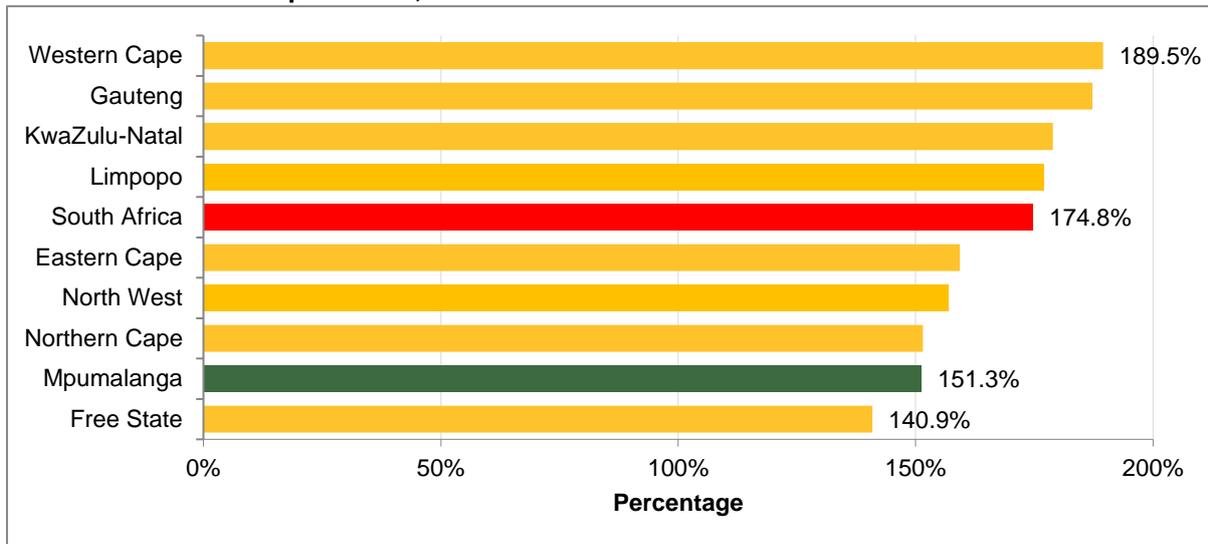
Province	1996-2021	1996-2001	2001-2006	2006-2011	2011-2016	2016-2021	2021-2025
Western Cape	2.6%	2.9%	5.1%	2.8%	2.0%	0.3%	2.0%
Eastern Cape	1.9%	2.4%	3.8%	2.4%	1.2%	-0.3%	1.7%
Northern Cape	1.7%	1.7%	3.1%	1.5%	1.8%	0.4%	1.7%
Free State	1.4%	0.5%	3.8%	1.7%	1.3%	-0.3%	1.2%
KwaZulu-Natal	2.4%	2.7%	4.2%	2.9%	1.8%	0.1%	1.8%
North West	1.8%	1.6%	4.9%	2.5%	0.6%	-0.3%	2.1%
Gauteng	2.5%	2.9%	4.8%	2.8%	1.9%	0.4%	2.1%
Mpumalanga	1.7%	1.8%	3.7%	1.8%	1.4%	-0.3%	1.7%
Limpopo	2.3%	4.4%	3.8%	1.9%	1.4%	0.1%	2.3%
South Africa	2.3%	2.5%	4.4%	2.6%	1.7%	0.2%	1.9%

Sources: Stats SA – GDP, 2022
IHS Markit – ReX, January 2022

Because of the moderate economic growth experienced in South Africa over the last 25 years, the South African economy has not doubled in size over this period. From Figure 37 it is also evident that no provincial economy was by 2025, double its size of 1996. By 2021, the Western Cape economy, which grew the fastest between 1996 and 2021, was 189.5% of its 1996 size. Mpumalanga’s economy was 151.3% of its 1995 size and registered the eight highest/second lowest increase. For an economy

to double in size over a 25-year period, an annual average growth rate of 2.8% is required.

Figure 37: GDP at constant prices expressed as a percentage of 1996 GDP values in South Africa & provinces, 2021

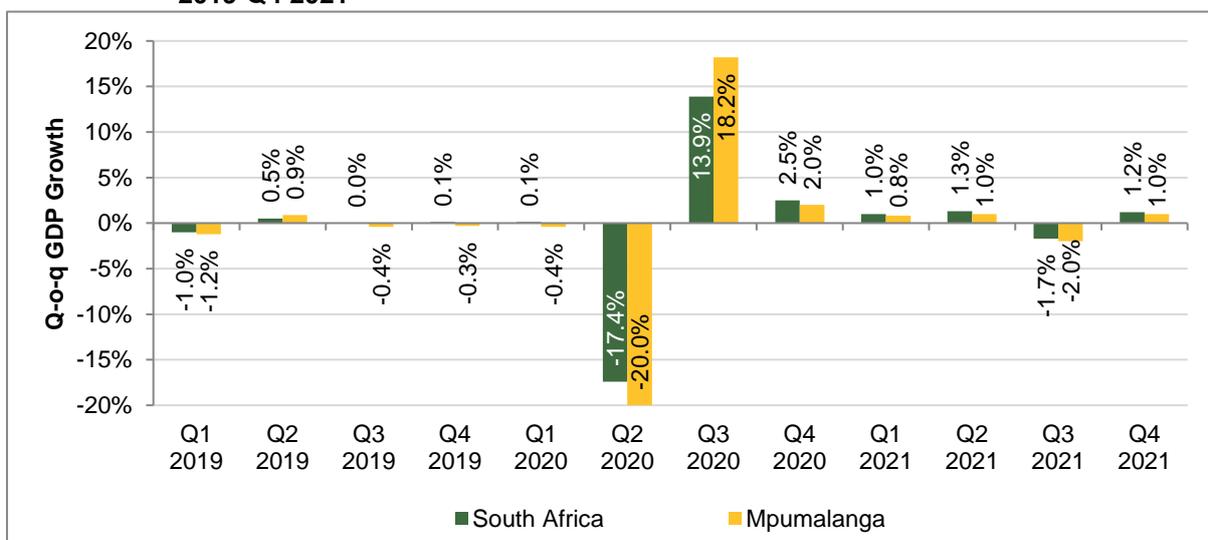


Sources: Stats SA – GDP, 2022
IHS Markit – ReX, January 2022

Impact of COVID-19

Prior to the COVID-19 outbreak in 2019, the economy of South Africa was already underperforming with a very low 0.1% growth rate and a quarter-on-quarter³¹ (q-o-q) GDP growth (seasonally adjusted) in Q1 2020 of only 0.1%. In Q2 2020, when the COVID-19 lockdown was at its most severe, the South African economy contracted by 17.4% (seasonally adjusted) and the Mpumalanga economy by 20.0% (Figure 38). With the easing of the lockdown, the national and provincial economies expanded again in Q3 2020 by 13.9% and 18.2%, respectively. The latest data release by Stats SA saw the national economy expand by 1.2% and the Mpumalanga economy by 1.0% in Q4 2021.

Figure 38: Real q-o-q GDP growth (seasonally adjusted) in South Africa & Mpumalanga, Q1 2019-Q4 2021



Sources: Stats SA – GDP, 2022
IHS Markit – ReX, January 2022

³¹ Q-o-q analysis compares the current quarter to the previous quarter.

The impact of the COVID-19 lockdown was the most devastating shock for the South African economy since the 1929 depression. The real GDP at market prices for the twelve months of 2020 in South Africa and Mpumalanga contracted by 6.4% and more than 7% (estimated), respectively, when compared with 2019. The difference between the growth rates of South Africa and Mpumalanga can be attributed to the structural differences between the national and provincial economies.

Seven of Mpumalanga's nine industries declined during 2020 compared with 2019. The largest GDP growth detractors in 2020 were mining and manufacturing. The only positive contributors to growth in GDP were agriculture and finance.

Stimulus plans

The President of South Africa launched the *South African Economic Reconstruction and Recovery Plan* (ERRP) in October 2020 to restore the national economy following the devastation caused by COVID-19.

The plan has four priority interventions:

- Aggressive roll-out of infrastructure throughout the country. To ensure that there is active implementation of the infrastructure built programme, government has established Infrastructure SA and the Infrastructure Fund with the capacity to prepare and package projects.
- Rapid expansion of energy generation capacity. The regulatory framework is being adapted to facilitate new generation projects and the restructuring of Eskom.
- Employment stimulus to create jobs and support livelihoods. It is focused on those interventions that can be rolled out most quickly and have the greatest impact on economic recovery.
- Reindustrialising the economy by supporting a substantial growth in local production and making South African exports much more competitive through effective partnerships, targeted deployment of resources and the right policies.

Current economic climate

In Q4 2021, the South African economy recovered from the quarterly contraction recorded in Q3 2021 with a modest q-o-q growth of 1.2%. Over the last six quarters since the severe slump in Q2 2020, the South African economy has recorded five quarters of expansion, with Q3 2021 registering the lone quarterly decline (Figure 38). Despite the gains made over the past six quarters, the national economy was still 1.8% smaller in Q4 2021 than what it was in Q1 2020, before the COVID-19 pandemic.

When one considers the year-on-year³² (y-o-y) growth in 2021, it is apparent that all the industries, with the exception of construction, registered y-o-y growth (Table 26). Mining and agriculture recorded the highest annual growth rates in 2021, whereas construction contracted and government services experienced no growth. Only four of the ten industries recorded a q-o-q expansion in production in Q3 2021, whilst five industries recorded higher value addition in Q4 2021. Over the last four quarters, three quarterly declines were recorded in construction and two quarterly declines were recorded in mining, utilities, transport, finance, as well as government services. Construction and mining have respectively

³² Y-o-y analysis compares the current period to the same period one year prior.

recorded three and two consecutive quarterly contractions, and are therefore technically in recession.

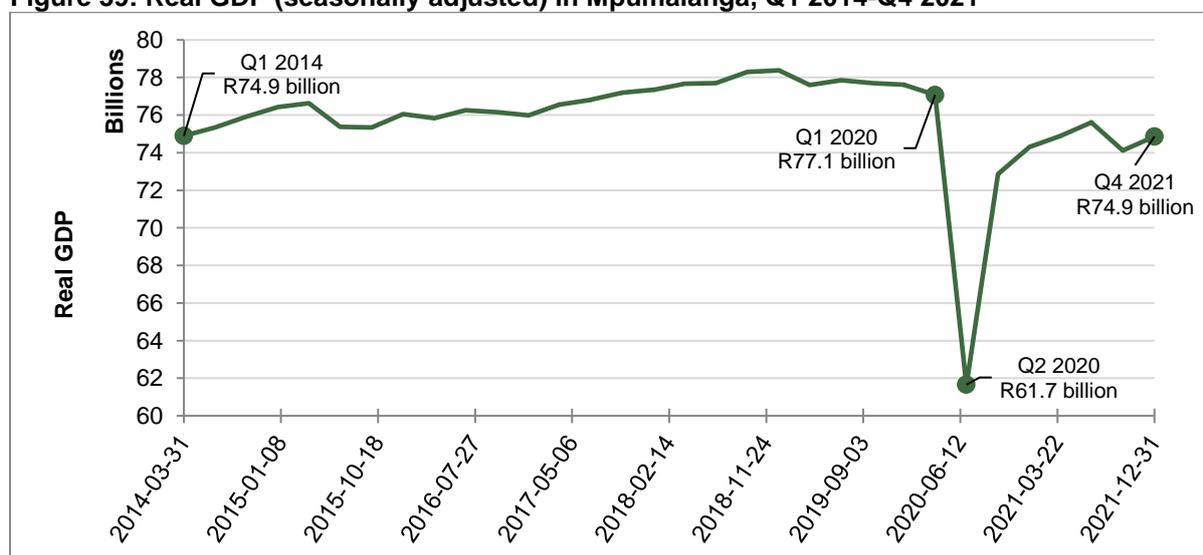
Table 26: Real GDP at market prices (seasonally adjusted) q-o-q & y-o-y growth per industry in South Africa, 2020-2021

Industry	Quarter-on-quarter growth				Year-on-year growth 2021
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	
Agriculture	5.6%	10.1%	-20.6	12.2	8.3%
Mining	3.3%	2.3%	-0.6	-3.1	11.8%
Manufacturing	0.4%	-1.5%	-4.2	2.8	6.6%
Utilities	-0.3%	0.7%	0.3	-3.4	2.2%
Construction	0.5%	-0.8%	-0.6	-2.2	-1.9%
Trade	1.7%	3.2%	-5.5	2.9	6.0%
Transport	-1.1%	6.3%	-1.7	2.2	5.1%
Finance	1.2%	-0.6%	1.1	-0.8	3.7%
Government services	0.2%	-0.5%	0.3	-0.4	0.0%
Personal services	0.6%	2.5%	0.5	2.7	5.3%
Total	1.0%	1.3%	-1.7	1.2	4.9%

Sources: Stats SA – GDP, 2022

Similar to the national economy, the provincial economy have now registered five quarters of growth and one 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 five quarters of expansion, was still 2.9% smaller than what it was in Q1 2020. The sharp decline in economic activity during Q2 2020, when lockdown restrictions were at their most severe, is evident in Figure 39 below. In Q1 2020, real GDP was R77.1 billion, which shrunk to R61.7 billion in Q2 2020 as the economy was severely impeded by the strict lockdown regulations. In Q4 2021 the Mpumalanga economy was approximately the same size than it was in Q1 2014.

Figure 39: Real GDP (seasonally adjusted) in Mpumalanga, Q1 2014-Q4 2021

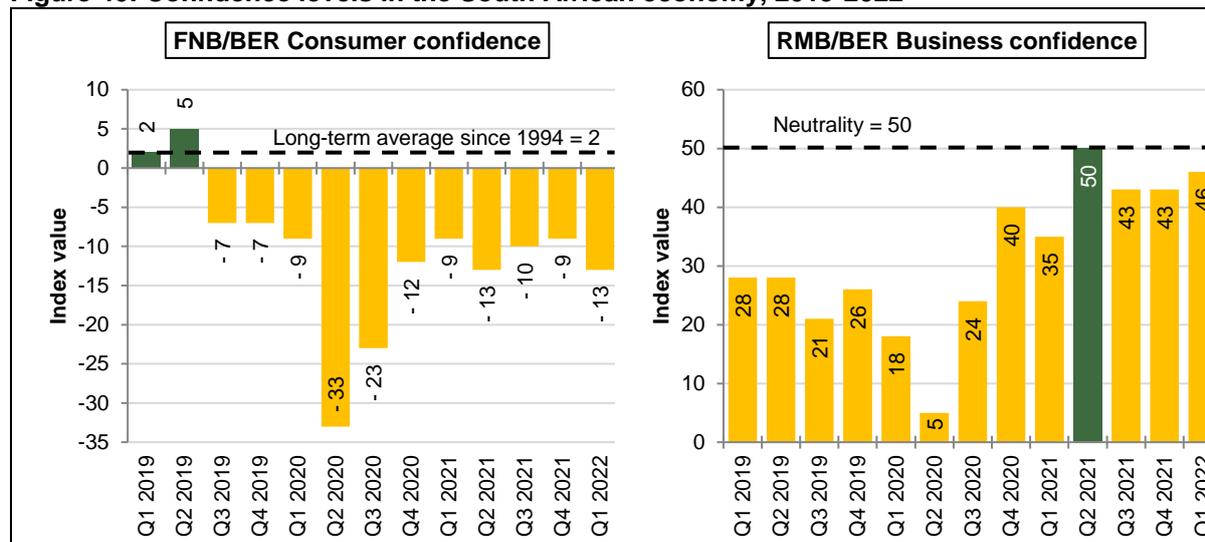


Source: IHS Markit – ReX, January 2022

At the start of 2022, both business and consumer confidence in South Africa was negative (Figure 40). Business confidence rose to 46 in Q1 2022, but it remained below the neutral point of 50 and therefore in negative territory. The fieldwork for the Q1 2022 business confidence survey, however, was completed before Ukraine was invaded and therefore does not take the global uncertainty and surging oil price into account. Consumer confidence in the economy has been negative since Q3 2019. The fieldwork for the Q1 2022 consumer confidence survey was completed a week later than the business confidence survey and the concern about the economic ramifications of the war in Ukraine clearly shows

in the Q1 2022 weakening to -13.

Figure 40: Confidence levels in the South African economy, 2019-2022



Sources: **Bureau for Economic Research (BER) – FNB/BER Consumer Confidence Index, 2022**
BER – RMB/BER Business Confidence Index, 2022

Forecasted growth

Current 2022 growth estimates for South Africa by the IMF (1.9%) and World Bank (2.1%) points to a slowdown in economic growth in 2022. The latest SARB forecast in March 2022 estimated the national economy to expand by 2.0% in 2022 and the Minister of Finance announced in the February 2022 Budget speech that the expected economic growth for 2022 is 2.1%.

The annual average growth rates for South Africa and Mpumalanga, from 2021 to 2025, are forecasted at 1.9% and 1.7%, respectively (Table 24). Mpumalanga’s economy is forecasted to achieve the joint sixth fastest annual average growth over the period 2021 to 2025. Mpumalanga’s forecasted GDP growth for 2022 and 2023 is 1.7%, respectively.

Mpumalanga Economic Reconstruction and Recovery Plan (MERRP)

The Mpumalanga Provincial Government adopted the MERRP and roadmap for further consultation with private sector, organised labour and civil society. The objective of the MERRP is to align with the national plan and prioritising specific areas that are relevant to Mpumalanga. The MERRP will therefore seek to address the negative impact of COVID-19 on the provincial economy and the livelihoods of its citizens. The eventual MERRP Implementation Plan will predominantly be project-based to stimulate growth and create jobs.

The priority areas of the MERRP are the following:

- Rollout of infrastructure – i.e. improvement of tourism road infrastructure;
- Industrialisation through localisation and export promotion – i.e. establishment of the Mpumalanga International Fresh Produce Market, three Industrial Technology Parks and the Nkomazi SEZ;
- Energy security and green economy – i.e. recycling and waste to energy;
- Employment stimulus – i.e. increased access to funding for SMMEs and Cooperatives;
- Tourism, cultural and creative industries – i.e. Barberton Makhonjwa Mountains World Heritage

Site, and

- Agriculture and food security – i.e. increase in agricultural production (Zonda Indlala).

The key enabling factors of the MERRP are seen as the following:

- Resource mobilisation and the fight against corruption;
- Building social compacts;
- Strengthening the capacity of the State;
- Accelerating the rollout of broad-band infrastructure;
- Skills development;
- Cooperation with African countries to promote trade through the African Continental Free Trade Agreement, and
- Support for SMMEs, cooperatives and start-ups.

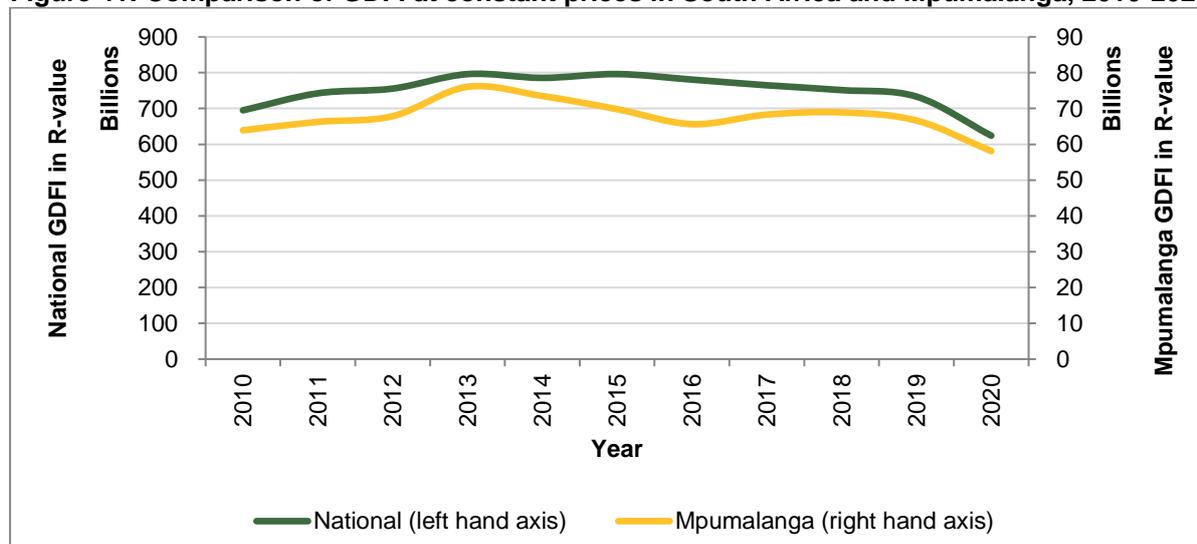
GDP per capita

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 R70 100 in 2010 to R140 000 by 2030. In 2020, the provincial GDP per capita was, however, lower than in 2010 with an estimate of only R63 000 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

Investment in infrastructure builds economic capacity and enhances competitiveness, while contributing to the quality of life of poor people. In 2020, the gross domestic fixed investment (GDFI) in Mpumalanga amounted to R58.1 billion which was equal to 9.3% of total GDFI in South Africa (Figure 41). From 2010 to 2020, GDFI in South Africa contracted on average by 1.1% per annum and by 0.9% annually in Mpumalanga.

Figure 41: Comparison of GDFI at constant prices in South Africa and Mpumalanga, 2010-2020



Source: Quantec, 2022

According to the NDP, public infrastructure investment must be equal to 10% of GDP by 2030. In 2020,

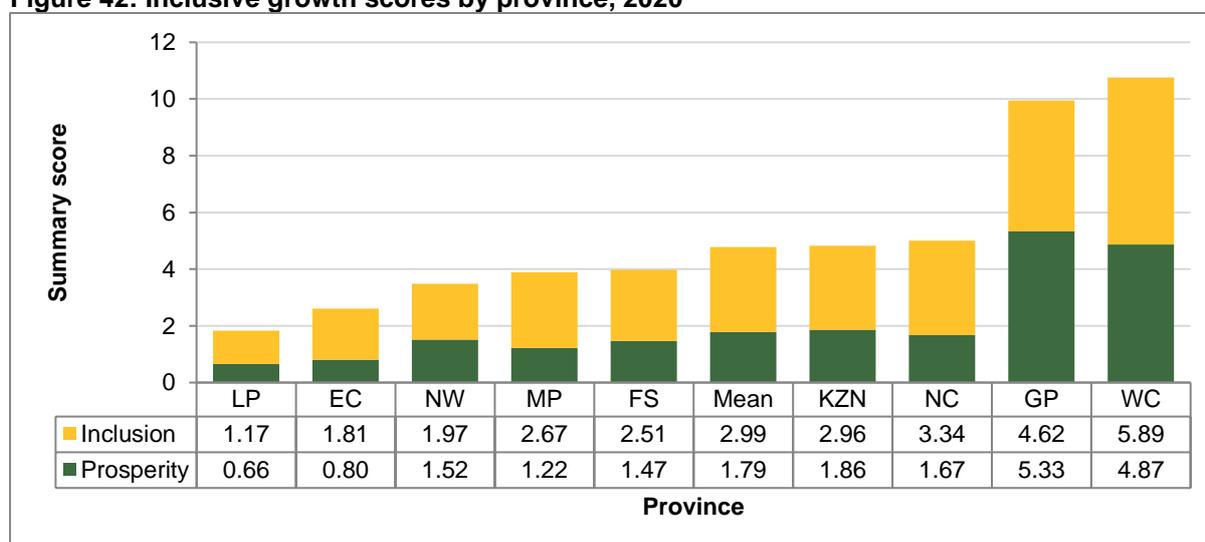
expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was equal to approximately 1.5% of provincial GDP. If the 2020 Municipal Infrastructure Grant (MIG) expenditure by municipalities is added to MPG infrastructure expenditure, then public expenditure on infrastructure was equal to 2.4%. In order to reach the stated goal of 10% of GDP by 2030 in Mpumalanga, public expenditure on infrastructure in Mpumalanga has to increase annually by more than 20%.

8.2 Inclusive growth

The overall Inclusive Growth Index³³ (IGI) 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 2020, Western Cape and Gauteng recorded the highest overall IGI scores of 10.76 and 9.95, respectively. Limpopo (1.83) and Eastern Cape (2.61), registered the lowest overall scores among the nine provinces. Mpumalanga’s overall IGI score of 3.89 was the sixth highest/fourth lowest among the nine provinces (Figure 42). Mpumalanga’s score was considerably lower than Western Cape and Gauteng in the first two positions and lower than the mean (4.78) for the nine provinces. The economic inclusion theme made the largest contribution in eight provinces and only in Gauteng did the prosperity theme make the largest contribution.

Figure 42: Inclusive growth scores by province, 2020



Source: DEDT - Economic Analysis Inclusive Growth Model, 2021

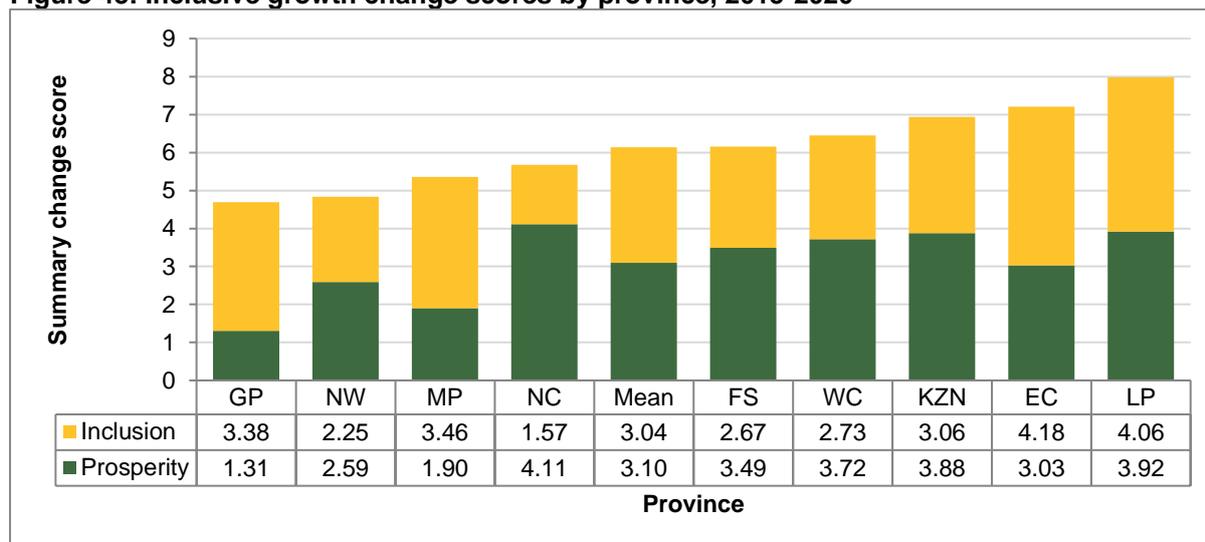
If the individual prosperity and economic inclusion themes are considered, there were differences in rankings compared with the overall IGI score. For example, North West scored seventh highest/third lowest in the economic inclusion theme and fifth highest/lowest in the prosperity theme. Mpumalanga ranked fifth highest in the economic inclusion theme and only seventh highest/third lowest in the

³³ 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 zero for the lowest scoring area and a maximum of one for the highest scoring. This means that each dimension has a minimum score of zero and a maximum score of two, therefore each theme can have a minimum score of zero and maximum of six.

prosperity theme.

The normalised change scores, displayed in Figure 43, provide a way of assessing overall change on the two themes based upon percentage change in the underlying indicators. Here an area with the lowest score has the least improvement or greatest deterioration on a given theme, whereas the area with the highest score has the biggest improvement or least deterioration. The change scores provide a way of summarising the performance of different regions in inclusive growth over the 5-year period between 2015 and 2020.

Figure 43: Inclusive growth change scores by province, 2015-2020



Source: DEDT - Economic Analysis Inclusive Growth Model, 2021

When examining change in economic inclusion and prosperity together, the overall IGI change scores show that between 2015 and 2020, Limpopo (7.97), Eastern Cape (7.21), and KwaZulu-Natal (6.94) experienced the biggest improvement in their respective scores. Mpumalanga (5.36) recorded only the seventh highest/third lowest IGI change score, and therefore it is evident that Mpumalanga’s IGI did not improve as much as most other provinces between 2015 and 2020.

When one considers the change in individual theme scores, it is apparent that the majority of improvement 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.

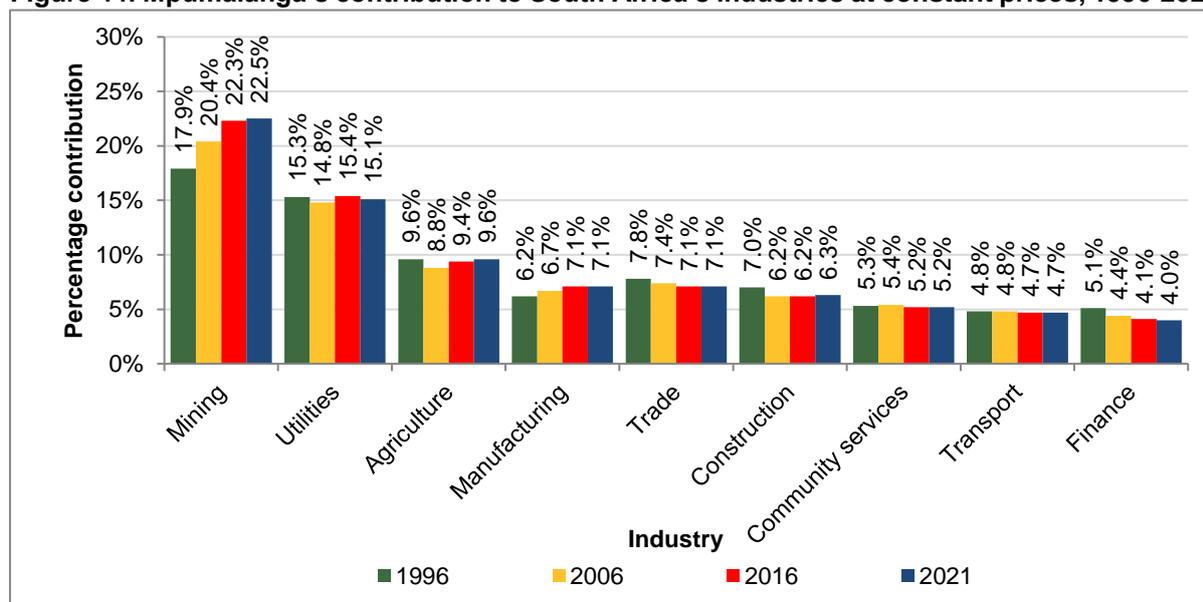
Between 2015 and 2020, Eastern Cape (4.18) registered the highest improvement in economic inclusion and Northern Cape (1.57) the lowest. Over the same period, Northern Cape (4.11) recorded the highest change score in the prosperity theme and Gauteng (1.31) the lowest. Mpumalanga recorded the third highest change score in the economic inclusion theme and the second lowest change score in the prosperity theme between 2015 and 2020.

8.3 Regional contribution

The economic industries are classified according to the International Standard Industrial Classification of all Economic Activities (ISIC). This classification system, employed by Stats SA, 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.

Figure 44 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry between 1996 and 2021. It is estimated that in 2021, the province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective shares of 22.5% and 15.1%. It is noticeable that the contribution by the mining and manufacturing industries increased between 1996 and 2021, whereas the other industries' contribution to the respective national industries either remained unchanged or declined.

Figure 44: Mpumalanga's contribution to South Africa's industries at constant prices, 1996-2021



Source: IHS Markit – ReX, January 2022

Table 27 exhibits the contribution by each of the three districts to the provincial industries in 2016 and 2021. Nkangala was the largest contributor to the provincial GVA with a share of 38.5% in 2016 and 39.0% in 2021. In 2021, the contribution by Gert Sibande was 27.0% and that of Ehlanzeni 34.0%. Nkangala made considerable contributions to the province's mining (64.9%), manufacturing (39.2%), and utilities (41.2%) in 2021. Gert Sibande made substantial contributions to agriculture (38.4%) and manufacturing (34.2%) and Ehlanzeni played a major role in the province's construction (42.5%), trade (45.8%), finance (45.8%), and community services (45.7%).

Table 27: Regional contribution to Mpumalanga's industries, GVA at constant prices, 2016-2021

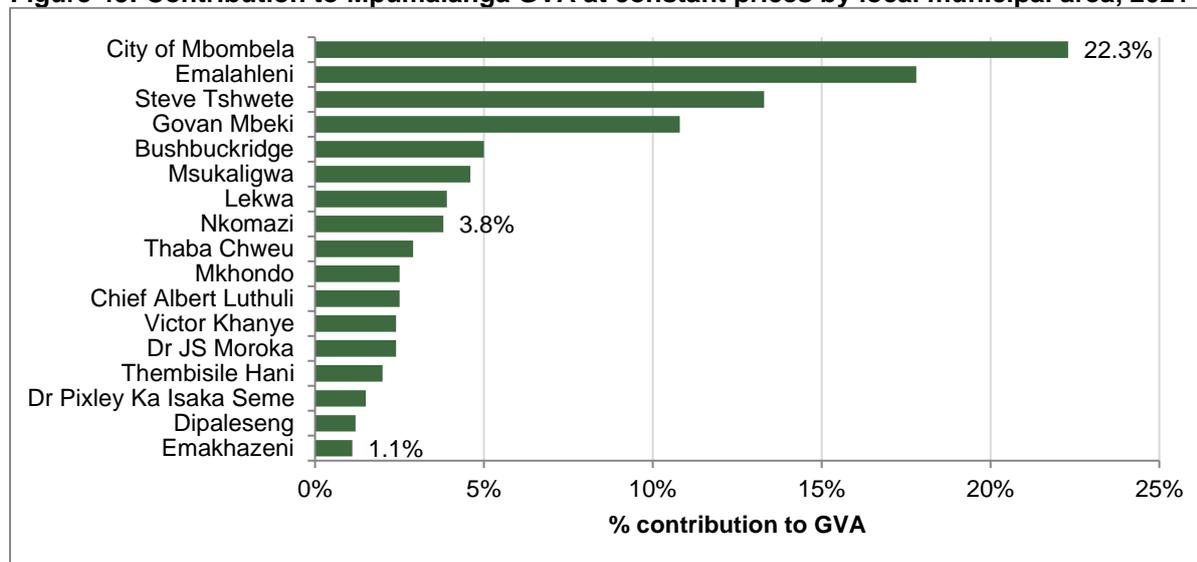
Industry	Gert Sibande		Nkangala		Ehlanzeni	
	2016	2021	2016	2021	2016	2021
Agriculture	36.2%	38.4%	28.7%	29.2%	35.1%	32.4%
Mining	27.3%	28.1%	64.3%	64.9%	8.4%	7.1%
Manufacturing	35.5%	34.2%	36.4%	39.2%	28.2%	26.7%
Utilities	26.1%	27.3%	46.2%	41.2%	27.7%	31.5%
Construction	22.4%	23.8%	32.9%	33.8%	44.7%	42.5%
Trade	24.8%	26.1%	29.3%	30.2%	45.9%	43.7%
Transport	27.3%	28.7%	32.3%	33.2%	40.4%	38.1%
Finance	18.8%	20.5%	32.8%	33.7%	48.4%	45.8%
Community services	23.1%	24.0%	29.4%	30.3%	47.6%	45.7%
Total	26.1%	27.0%	38.5%	39.0%	35.4%	34.0%

Source: IHS Markit – ReX, January 2022

Figure 45 depicts the percentage contribution by the seventeen local municipal areas to the provincial GVA in 2021. In 2021, City of Mbombela (22.3%), Emalahleni (17.8%), Steve Tshwete (13.3%) and

Govan Mbeki (10.8%) contributed 64.2% to the Mpumalanga economy. Emakhazeni (1.1%) made the smallest contribution to the provincial economy.

Figure 45: Contribution to Mpumalanga GVA at constant prices by local municipal area, 2021



Source: IHS Markit – ReX, January 2022

8.4 Sectoral contribution and performance

Contribution to the provincial economy

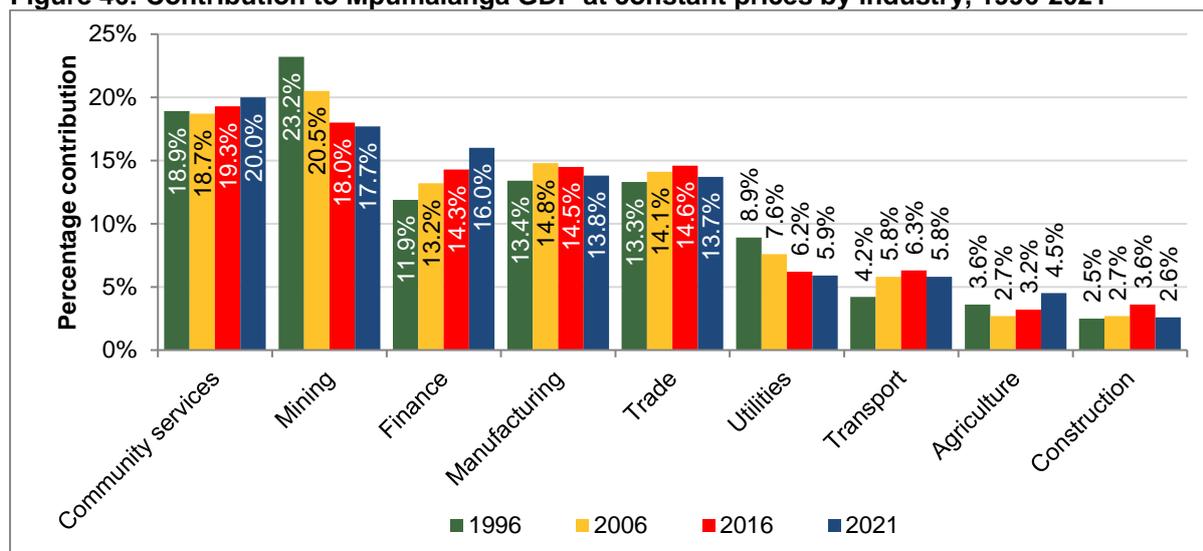
In 2021, the primary sector in Mpumalanga contributed 22.1%, the secondary sector 22.4% and the tertiary sector 55.5% to the provincial GDP at basic prices. Although the economy depended less on the primary sector in 2021 than in 1996 (26.9%), it continued to stand in contrast to the national primary sector's small contribution of 8.5% in 2021. The much smaller contribution by mining to the national economy (5.4% versus 17.7% in Mpumalanga) was the main reason for the difference in primary sector contribution. Nationally, the secondary sector added 18.1% and the tertiary sector 73.3% in 2021, with community services (26.3%) the single largest industry.

Figure 46 displays the share of each economic industry in the provincial economy between 1996 and 2021. It is estimated that in 2021, the three largest contributors to the provincial economy were community services (20.0%), mining (17.7%), and finance (16.0%). The top three's ranking was somewhat different from 1996, when mining contributed 23.2%, community services 18.9%, and manufacturing 13.4%.

Historic and forecasted growth for the economic industries of Mpumalanga is presented in Table 28. Between 1996 and 2021, the industries with the fastest economic growth were transport (3.1%), finance (3.0%), and agriculture (2.6%). Over the period 2021-2025, it is expected that construction (2.5%) and finance (2.3%) will record the highest average annual growth per annum. The relatively low growth expectation for mining as well as community services and the expected contraction in agriculture are real concerns.

Figure 47 illustrates the change in value by industry from 2016 to 2021. The real value of only finance, agriculture, and community services increased between 2016 and 2021, whereas the real value of the other six industries shrunk. Finance (R4.3 billion) registered the largest increase over the 5-year period and trade (-R2.8 billion) the largest decline.

Figure 46: Contribution to Mpumalanga GDP at constant prices by industry, 1996-2021



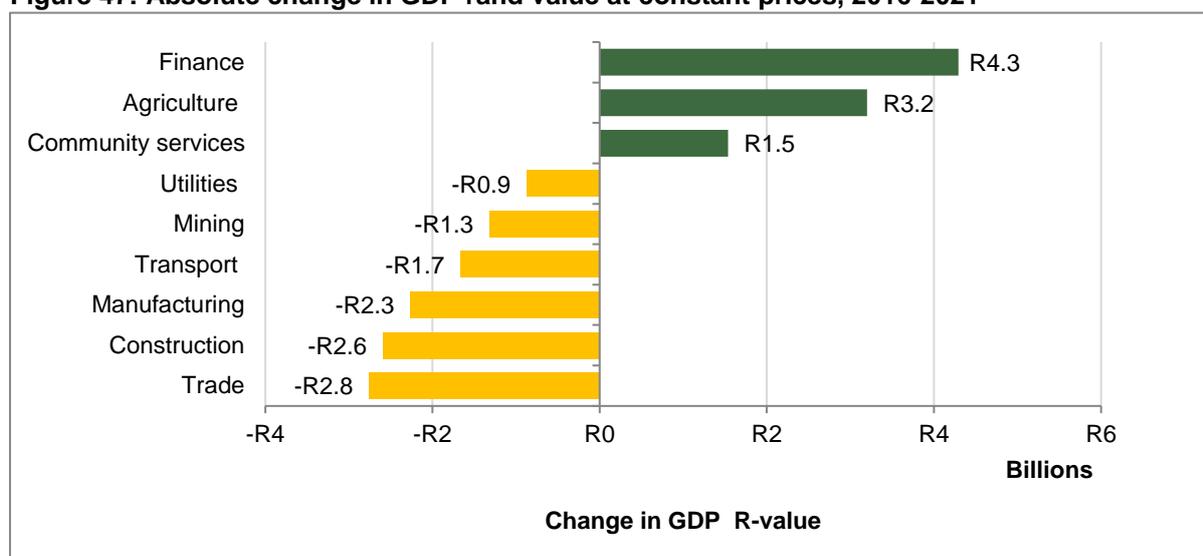
Source: IHS Markit – ReX, January 2022

Table 28: Historic and forecasted GDP growth rates at constant prices for Mpumalanga's economic industries, 1996-2025

Industry	1996-2021	1996-2001	2001-2006	2006-2011	2011-2016	2016-2021	2021-2025
Agriculture	2.6%	-0.4%	0.3%	3.8%	3.3%	6.4%	-0.2%
Mining	0.7%	2.2%	1.4%	-1.2%	1.7%	-0.5%	0.3%
Primary sector	1.0%	1.9%	1.3%	-0.5%	2.0%	-1.2%	0.2%
Manufacturing	2.0%	3.8%	4.4%	1.8%	1.0%	-1.1%	1.3%
Utilities	0.2%	-1.3%	4.3%	0.8%	-1.8%	-6.0%	1.0%
Construction	2.0%	-1.0%	8.7%	7.6%	1.5%	-1.8%	2.5%
Secondary sector	1.4%	1.6%	4.8%	2.2%	0.3%	-1.8%	1.4%
Trade	2.0%	3.9%	3.5%	2.5%	1.4%	-1.4%	1.7%
Transport	3.1%	6.4%	6.3%	3.0%	2.1%	-2.0%	2.2%
Finance	3.0%	1.8%	6.5%	2.8%	2.1%	2.1%	2.3%
Community services	2.1%	2.7%	3.2%	1.9%	1.9%	0.6%	0.9%
Tertiary sector	2.4%	3.2%	4.4%	2.4%	1.8%	0.2%	1.7%
Total	1.7%	1.8%	3.7%	1.8%	1.4%	-0.3%	1.7%

Source: IHS Markit – ReX, January 2022

Figure 47: Absolute change in GDP rand value at constant prices, 2016-2021



Source: IHS Markit – ReX, January 2022

According to Table 29, finance is expected to be the main driver of provincial economic growth between

2021 and 2025. Manufacturing, trade, and community services are expected to aid provincial growth to a lesser degree, whereas agriculture and mining are expected to be the largest dampers on economic growth between 2021 and 2025.

Table 29: Industry contribution to GDP at constant prices in Mpumalanga, 2021-2025

Industry	GDP share		Forecasted industry growth	Estimated contribution to provincial economic growth
	2021		2021-2025	2021-2025
Agriculture	4.5%		-0.2%	-0.0%
Mining	17.7%		0.3%	0.0%
Manufacturing	13.8%		1.3%	0.2%
Utilities	5.9%		1.0%	0.1%
Construction	2.6%		2.5%	0.1%
Trade	13.7%		1.7%	0.2%
Transport	5.8%		2.2%	0.1%
Finance	16.0%		2.3%	0.4%
Community services	20.0%		0.9%	0.2%
Total	100.0%		1.7%	-

Source: IHS Markit – ReX, January 2022

Contribution to the economies of the districts

Table 30 displays the share of each economic industry in the three districts' economies in 2016 and 2021. The mining industry was the largest industry in Gert Sibande in 2021 with an 18.4% share. Mining activities also made the largest contribution to the Nkangala economy as it added 29.4% to the district's economy in 2021. In 2021, the largest contributing industry in Ehlanzeni was community services with a share of 26.9%. The contributions by the primary and tertiary sectors in all three districts increased between 2016 and 2021, whereas the contribution of the secondary industries declined in all three districts.

Table 30: Contribution to individual districts' GVA at constant prices by industry, 2016-2021

Industry	Gert Sibande		Nkangala		Ehlanzeni	
	2016	2021	2016	2021	2016	2021
Agriculture	4.5%	6.3%	2.4%	3.3%	3.2%	4.2%
Mining	18.8%	18.4%	30.1%	29.4%	4.3%	3.7%
Primary sector	23.3%	24.8%	32.5%	32.7%	7.5%	7.9%
Manufacturing	19.7%	17.5%	13.7%	13.9%	11.5%	10.8%
Utilities	6.2%	6.0%	7.5%	6.3%	4.9%	5.5%
Construction	3.1%	2.3%	3.0%	2.3%	4.5%	3.3%
Secondary sector	28.9%	25.8%	24.2%	22.4%	20.9%	19.6%
Trade	13.9%	13.3%	11.1%	10.6%	18.9%	17.6%
Transport	6.6%	6.1%	5.3%	4.9%	7.2%	6.5%
Finance	10.3%	12.2%	12.1%	13.8%	19.5%	21.5%
Community services	17.0%	17.8%	14.7%	15.6%	25.9%	26.9%
Tertiary sector	47.8%	49.4%	43.3%	44.9%	71.6%	72.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: IHS Markit – ReX, January 2022

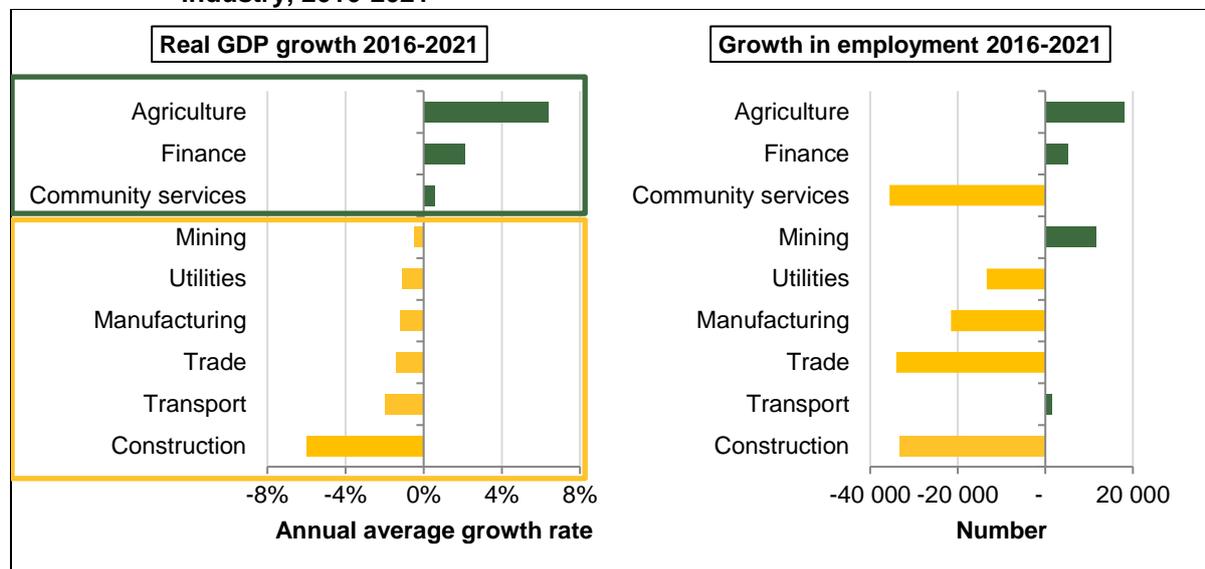
Performance and employment in the provincial economy

Figure 48 depicts the real growth per industry over the period 2016 to 2021 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 2021, some 101 418 less people were employed by the nine industries in Mpumalanga than in 2016. In the right hand diagram, it is observable that two of the industries that expanded over the 5-year

period, recorded more employees in 2021 than in 2016, but that community services lost jobs despite growing in GDP terms. Among the six industries that contracted, mining and transport recorded job gains instead of the expected job losses over the 5-year period.

Figure 48: Real GDP growth at constant prices and contribution to employment changes by industry, 2016-2021



Sources: IHS Markit – ReX, January 2022
Stats SA – QLFS, 2022

8.5 Diversification of the economy

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

In 2020, the economy of Mpumalanga appears to be more diversified than that of South Africa with an index score of 37.2 compared to a national score of 46.4. Among the nine provinces, Mpumalanga had the most diversified economy in terms of the Tress Index.

8.6 Comparative advantage of the economy

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

Table 31 provides the location quotients of the various industries in Mpumalanga, indicating their respective comparative advantages. In Mpumalanga, agriculture (1.69), mining (2.41), and utilities (4.65) 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 31: Comparative advantage of industries in Mpumalanga and districts, 2021

Industry	Mpumalanga
Agriculture	1.69
Mining	2.41
Manufacturing	0.82
Utilities	4.65
Construction	0.97
Trade	0.88
Transport	0.86
Finance	0.72
Community services	0.96
Total	1.00

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2022

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 2016 and 2021). 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, agriculture, mining, and utilities (ranked according to employment number) can be regarded as “standout” industries (Table 32).

Table 32: Dynamic location quotient classification of industries in Mpumalanga, 2016-2021

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

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2022

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, finance, manufacturing, and transport (ranked according to employment size) can be regarded as “pre-emergent” industries.

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, no industry recorded a location quotient in excess of 1.2 that also declined over time.

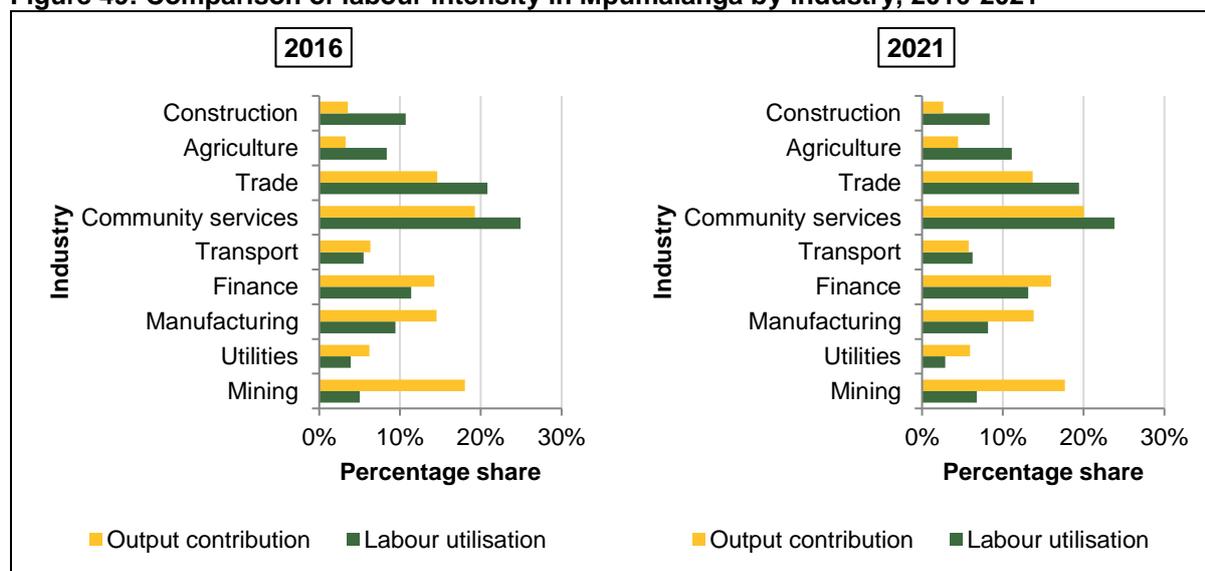
Finally, the lower left quadrant (location quotient < 1.2 and negative change in location quotient) contains industries which are less important regionally than nationally and are also declining in employment.

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, trade, and construction were the industries in Mpumalanga that ranked in this quadrant.

8.7 Labour intensity

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

Figure 49: Comparison of labour intensity in Mpumalanga by industry, 2016-2021



Sources: *Stats SA – QLFS, 2022*
IHS Markit – ReX, January 2022

Figure 49 provides a comparison of the utilisation of labour with output at industry level for 2016 and 2021. In 2021, the following five industries in Mpumalanga exhibited higher employment shares relative to their output shares, thereby indicating a high level of labour intensity: construction, agriculture, trade, community services, and transport. In 2016, the first four of these industries registered larger labour utilisation shares than output contribution. The labour intensity in mining, finance, transport, and construction improved by varying degrees between 2016 and 2021.

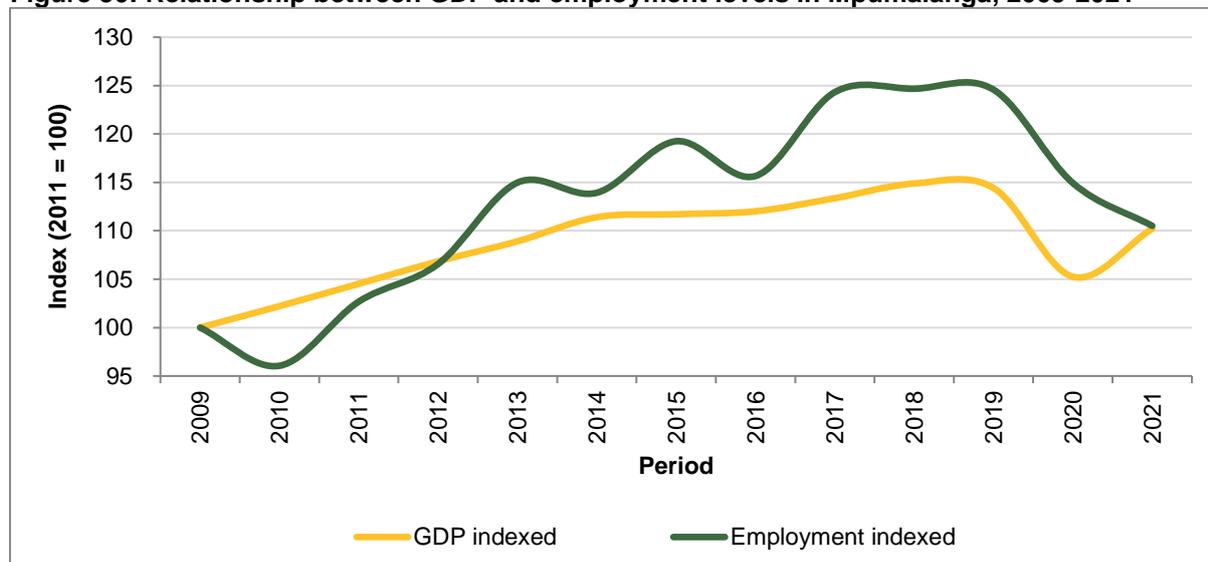
8.8 Employment elasticity

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

Between 2009 and 2021, economic output did not keep up with provincial employment for most of the period and only drew level because of the large job losses in 2020 and 2021 (Figure 50). Mpumalanga’s employment elasticity over the period 2009 to 2021 was 0.53. In other words, on average over the

12-year period, every 1% of real economic growth in the province's economy translated into a 0.53% increase in employment in the economy.

Figure 50: Relationship between GDP and employment levels in Mpumalanga, 2009-2021



Sources: Stats SA – QLFS, 2022
IHS Markit – ReX, January 2022

The employment elasticity of the various industries in Mpumalanga's over the period 2009 to 2021 is displayed in Table 33. Transport recorded the highest employment elasticity of 5.88 over the period 2009 to 2021. Therefore, on average over the 12-year period, every 1% of real economic growth in trade translated into a 5.9% increase in employment in the industry.

Table 33: Comparative employment elasticity per industry in Mpumalanga, 2009-2021

Industry	Employment elasticity 2009-2021
Agriculture	0.85
Mining	1.16
Manufacturing	-1.53 ³⁴
Utilities	-3.51
Construction	0.65
Trade	-6.79
Transport	5.88
Finance	1.13
Community services	1.49
Total	0.53

Sources: Stats SA – QLFS, 2022
IHS Markit – ReX, January 2022

8.9 Labour productivity

Productivity can be measured by relating changes in output to changes in one or more input to production. Should an industry achieve a score of more than unity (1) then that industry is regarded as experiencing higher labour productivity than all industries combined. When comparing Mpumalanga's industry specific labour productivity with that of the province's total industries, it is evident that four industries achieved higher labour productivity than the total industries combined in 2021 (Table 34).

³⁴ A negative employment elasticity is possible because of, either a decline in the particular industry's employment numbers, or a contraction in the economic value of the industry over time. A negative employment elasticity is usually interpreted as follows: on average over the 12-year period, every 1% of real economic growth in manufacturing translated into a -1.5% decrease in employment in the industry.

The mining industry (2.35) recorded the highest labour productivity index score in 2021, followed by utilities (1.86), and manufacturing (1.52). The mining industry also registered the highest labour productivity index score in 2016 of 3.21, followed by utilities. Agriculture, manufacturing, utilities, trade, and community services experienced increased labour productivity between 2016 and 2021.

Table 34: Comparison of Mpumalanga's labour productivity per industry, 2016-2021

Industry	Labour productivity index	
	2016	2021
Agriculture	0.35	0.36
Mining	3.21	2.35
Manufacturing	1.38	1.52
Utilities	1.44	1.86
Construction	0.30	0.28
Trade	0.63	0.64
Transport	1.03	0.84
Finance	1.12	1.10
Community services	0.69	0.76
Total industries	1.00	1.00

Sources: *Stats SA – QLFS, 2022*
IHS Markit – ReX, January 2022

8.10 Regional competitiveness

Shift share is a standard regional analysis method that attempts to determine how much of regional job growth can be attributed to national trends and how much is due to unique regional factors. In using a shift share analysis a regional economy (Mpumalanga) is indexed against a base economy (South Africa). The technique 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.

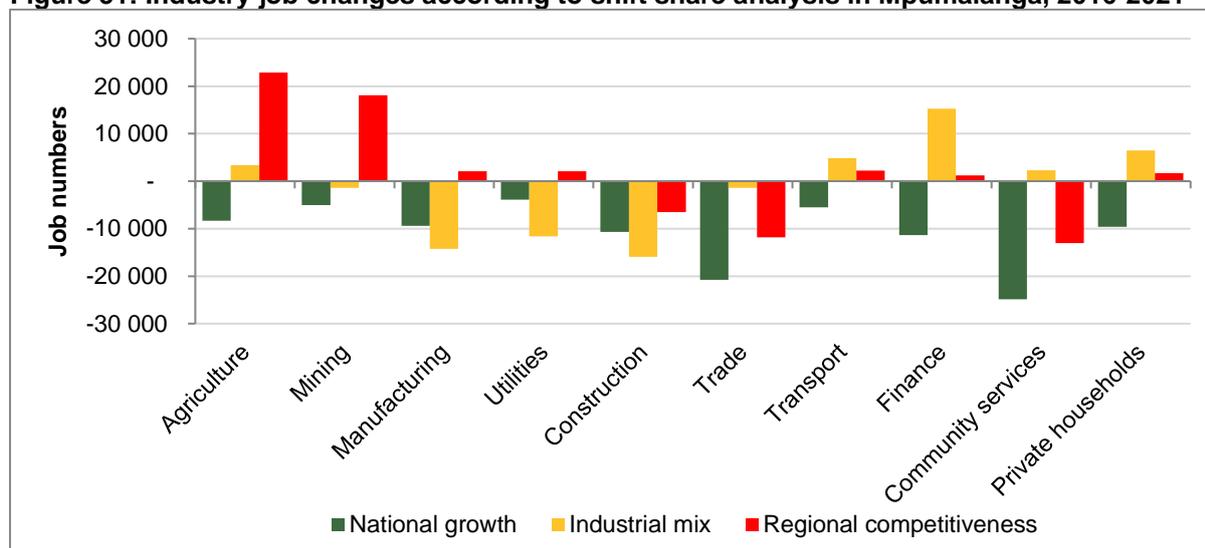
The regional competitiveness effect is the most important of the three indicators, as it explains how much of the labour change in a given industry is due to some unique competitive advantage that the province possesses. This effect is calculated by taking the total provincial employment growth and subtracting 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 51 displays what job change took place per industry in Mpumalanga between 2016 and 2021 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 17 921 between 2016 and 2021. Using shift share, job losses of 8 330 might have been expected due to the national trend in the economy as a whole, while 3 376 extra jobs might have been expected due to national trends in the agriculture industry specifically. Therefore, a total of 4 954 job losses might have been expected in Mpumalanga's agriculture industry from national trends.

The regional competitiveness effect was 22 875 jobs, indicating that some specific condition in the provincial agriculture industry resulted in job gains in excess of the expected job losses of 4 954. Therefore, agriculture’s employment increased mainly as a result of positive regional factors and despite negative national factors. The transport, finance, and private household industries in Mpumalanga reveal similar shift share results with positive regional factors and national trends in the respective industries boosting job growth despite negative national growth factors.

Figure 51: Industry job changes according to shift share analysis in Mpumalanga, 2016-2021



Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2022

Job numbers in Mpumalanga’s manufacturing industry declined by 21 573 over the 5-year period. Shift share analysis reveals that national growth factors and trends in the national manufacturing industry was the main reason for the provincial manufacturing industry not achieving higher job growth. Utilities also recorded lower employment numbers as a result of national growth and national industry factors.

Job numbers in Mpumalanga’s mining industry increased by 11 678 between 2016 and 2021. Despite losses stemming from national growth (-5 021) and national mining industry factors (-1 425), specific factors in the province (18 124) resulted in a net job growth for the mining industry.

Community services was the only industry to display a pattern of both negative national growth and regional competitiveness effects as well as positive national industry effects. The positive effects of the national community services industry was not large enough cancel out the negative effect of the other two factors.

Construction and trade were the only two industries in Mpumalanga that recorded job losses over the 5-year period due to factors in all three categories. For example in the construction industry, shift share analysis reveal that national growth (-10 708), specific national construction industry factors (-15 951), as well as negative regional factors (-6 495) resulted in a total of 33 154 job losses.

8.11 Tourism

Because tourism is not a clearly defined industry in the ISIC, it was therefore the first economic activity to use Satellite Account³⁵ standards to measure its impact on national economies – as approved by the

³⁵ 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.

United Nations (UN) in March 2000.

Stats SA calculates a Tourism Satellite Account (TSA) for tourism in South Africa. According to the latest preliminary TSA for 2019, the national tourism sector was simulated to have directly contributed some 3.7% to GDP. Some 773 533 persons were directly engaged in producing goods and services purchased by visitors, which accounted for 4.7% of total employment in 2019.

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 DEDT³⁶, the contribution that tourism makes to the Mpumalanga economy could be as small as 3.7% and as large as 7.2%. Furthermore, the tourism industry's contribution to employment in Mpumalanga could be as small as 3.7% or as large as 5.7% depending on which simulation is preferred.

It is, however, possible to express tourism spend as a percentage of regional GDP in order to indicate how large an impact it makes and whether its contribution is growing. In terms of this indicator, tourism spend in 2015 was equal to 5.8% of South Africa and 5.4% of Mpumalanga's GDP. Due to the COVID-19 pandemic in 2020, tourism spend in South Africa decreased to 1.7% of GDP, whilst in Mpumalanga it decreased to 1.9% of the provincial GDP. In 2020, among the nine provinces, Western Cape (2.4%) registered the largest tourism spend to GDP share and Mpumalanga the joint second largest (Table 35).

Table 35: Tourism spend in South Africa and provinces, 2015-2020

Province	2015		2020	
	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	45 570	7.4%	18 254	2.4%
Eastern Cape	19 030	5.4%	6 686	1.6%
Northern Cape	4 747	5.2%	1 876	1.7%
Free State	12 387	5.6%	5 326	1.9%
KwaZulu-Natal	43 536	6.1%	15 863	1.8%
North West	12 159	4.9%	4 982	1.5%
Gauteng	82 466	5.3%	28 239	1.4%
Mpumalanga	17 105	5.4%	7 465	1.9%
Limpopo	17 229	5.8%	7 093	1.8%
Total	254 229	5.8%	95 784	1.7%

Source: IHS Markit – ReX, January 2022

Impact of COVID-19 on tourism

The global lockdown measures had a devastating effect on all associated to and dependent on tourism. Confidence in world travel and tourism was dealt a heavy blow and even opening the sector fully will not necessarily see a quick recovery in international arrivals and spending. Global tourism suffered its worst year on record in 2020, with international arrivals dropping by 74% according to the latest data from the United Nations World Tourism Organization (UNWTO).

Data collected by the Department of Home Affairs up to December 2020 shows that foreign arrivals into South Africa declined by 73% in 2020 compared with 2019. Mpumalanga's loss in foreign arrivals for 2020 is estimated at approximately 66%. The loss in Mpumalanga's tourism spend for 2020 is estimated

³⁶ Research Report on Tourism in Mpumalanga, December 2020

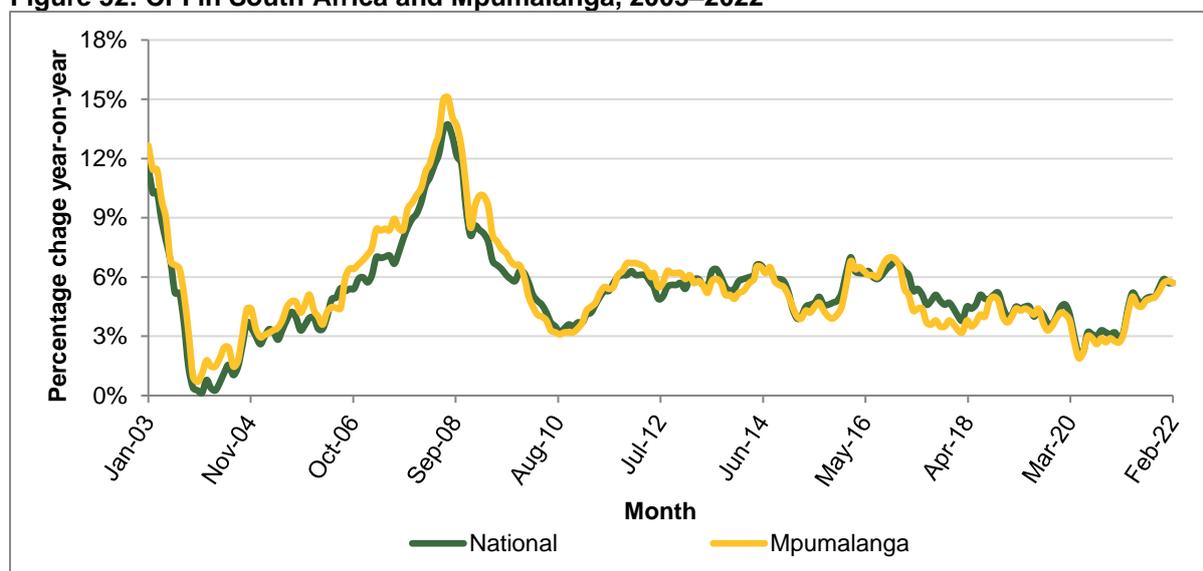
at 65% of the 2019 value of R21.6 billion and the loss in bednights for 2020 is estimated at 67%.

8.12 Inflation

The most common way to measure inflation is by reference to a CPI, which measures the changes in prices of a basket of goods and services purchased by a representative set of households. Mpumalanga's average annual inflation rate for 2021 was 3.7%, which was the lowest among the provinces and lower than the average for South Africa (4.5%). Mpumalanga's average annual inflation rate for 2021 was higher than the 3.0% average for 2020.

In February 2022, Mpumalanga recorded an inflation measurement of 5.7%, a slight decrease from the 5.8% registered in January 2022. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2003 to February 2022 is displayed in Figure 52. Mpumalanga's inflation rate was equal to the national rate in February 2022 and within the inflation target bands for the twelfth month in succession. Mpumalanga recorded the joint fourth lowest inflation measurement among the nine provinces in February 2022.

Figure 52: CPI in South Africa and Mpumalanga, 2003–2022



Source: Stats SA – CPI, 2022

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

It appears from Table 36 that the transport index accounted for 37.3% of the average price increase in Mpumalanga during February 2022. The FNAB index was responsible for 24.6% of the average price increase, whereas the housing and utilities index as well as the MGS index were responsible for 15.4% and 6.4%, respectively. Together, the four main determinants contributed 83.7% of the average price increase in Mpumalanga during February 2022.

Within the transport index, the price increases of fuel provided the bulk of the upward momentum. The higher price of insurance products drove the MGS index higher. Furthermore, the price increase for electricity in the housing and utilities index, as well as the price increases of meat in the FNAB index,

provided most of the respective changes.

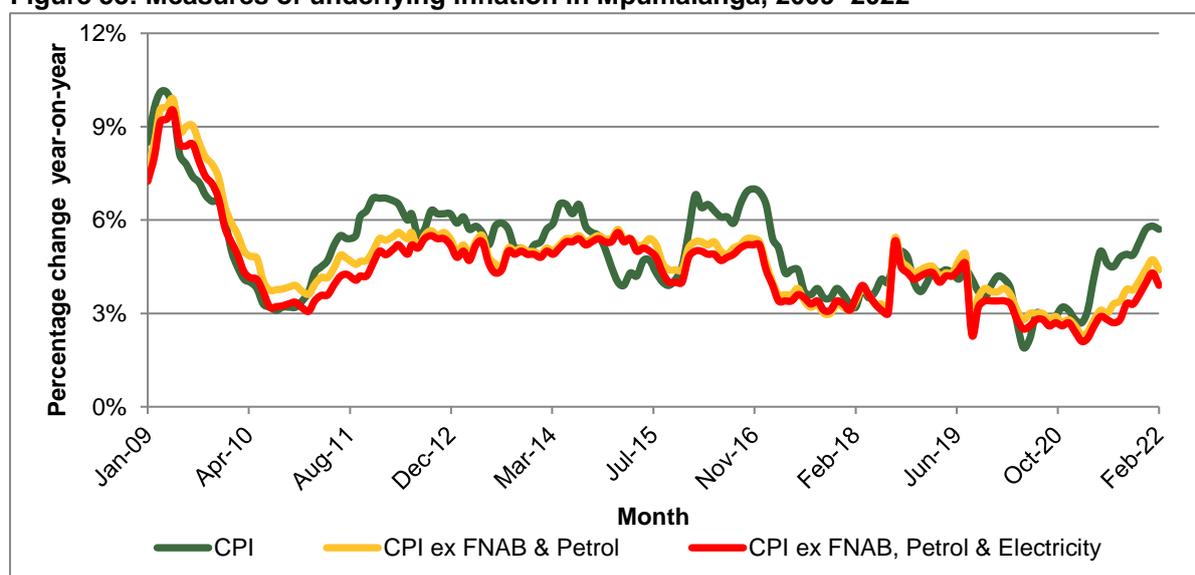
Table 36: Mpumalanga’s CPI group indices, weights, percentage change & contribution to inflation, February 2022

Index description	Weight	Percentage change		Estimated contribution to inflation
		Month-on-month	Year-on-year	
Food & non-alcoholic beverages	21.19	+0.9	+6.6%	24.6%
Alcoholic beverages and tobacco	5.53	+1.0	+5.0%	4.9%
Clothing and footwear	4.65	+0.1	+1.7%	1.4%
Housing and utilities	19.94	+0.1	+4.4%	15.4%
Household contents and services	3.71	-0.1	+2.4%	1.6%
Health	0.57	+1.8	+4.1%	0.4%
Transport	18.77	+1.1	+11.3%	37.3%
Communication	2.38	-0.1	-0.9%	-0.4%
Recreation and culture	5.33	+0.1	+1.3%	1.2%
Education	1.91	+0.0	+5.7%	1.9%
Restaurants and hotels	3.96	+1.2	+7.6%	5.3%
Miscellaneous goods and services	12.06	+0.7	+3.0%	6.4%
All items	100.0	+0.6	+5.7%	100.0%

Source: Stats SA – CPI Additional Tables, 2022

When the impact of the more volatile FNAB and fuel prices are excluded from the consumer price index as in Figure 53, the underlying annual inflation amounted to 4.4% in February 2022. If the electricity price is also excluded from the calculation of headline CPI inflation, Mpumalanga’s resultant core inflation would have been 3.9% in February 2022.

Figure 53: Measures of underlying inflation in Mpumalanga, 2009–2022



Source: Stats SA – CPI Additional Tables, 2022

9. INTERNATIONAL TRADE

Mpumalanga’s contribution to total national trade³⁷ was 1.5% in 2020, slightly larger than the 1.2% share in 2015. The two leading provinces, in terms of total trade contribution in 2020, were Gauteng with a share of 65.0% and Western Cape with 13.1%. Mpumalanga contributed 1.9% and 1.0% to national exports and national imports, respectively.

³⁷ ReX international trade data is derived from administrative data collected by the South African Revenue Service’s (SARS) Department of Customs and Excise. The postal code of the registered post office or street address of the South African importer or exporter is captured as part of the documentation of a particular transaction, thus enabling HIS Markit to disaggregate trade data to a regional level.

The value of Mpumalanga’s exports increased by 7.8% per annum between 2015 and 2020, whilst imports increased by 13.2% over the same 5-year period. In contrast, the national exports increased by 6.3% per annum, whereas the value of national imports increased by 0.6% per annum.

Mpumalanga registered a positive trade balance of R15.7 billion in 2020, continuing the trend of exports exceeding imports since the start of the period under review in 1996. During the same period, the trade balance of South Africa fluctuated between positive and negative territory, finishing 2020 with a surplus of R289 billion. Mpumalanga was the province with the fourth largest positive trade balance in 2020.

Among the three districts, Nkangala (48.4%) was the main contributor to provincial exports in 2020, followed by Ehlanzeni and Gert Sibande with respective contributions of 38.9% and 12.7% (Table 37). Exports from Nkangala (22.3% per annum) recorded the highest increase between 2015 and 2020, and those from Gert Sibande the only decrease (-7.9% per annum).

Ehlanzeni attracted 52.2% of Mpumalanga’s imports in 2020, followed by Nkangala and Gert Sibande. Imports flowing to Ehlanzeni recorded the highest increase (18.3% per annum) over the 5-year period and those to Gert Sibande the lowest increase (2.7% per annum).

Among the three districts, Nkangala recorded the largest positive trade balance of R9.7 billion in 2020, followed by Ehlanzeni (R4.6 billion). Gert Sibande is the only district in Mpumalanga that, from time to time in the 24-year period, recorded a negative trade balance.

Table 37: Mpumalanga districts’ contribution to provincial exports and imports, 1996-2020

District	Exports			Imports		
	Share of Mpumalanga 2020	Growth per annum		Share of Mpumalanga 2020	Growth per annum	
		1996-2020	2015-20		1996-2020	2015-20
Gert Sibande	12.7%	13.0%	-7.9%	18.2%	6.7%	2.7%
Nkangala	48.4%	10.7%	22.3%	29.6%	12.7%	14.1%
Ehlanzeni	38.9%	10.2%	4.1%	52.2%	19.1%	18.3%

Source: IHS Markit – ReX, January 2022

Impact of COVID-19 on international trade

World trade fell as the COVID-19 pandemic disrupted normal economic activity and life around the world. In Q2 2020, the volume of world merchandise trade slumped by 15.6% year-on-year and was down by 5.6% in Q3 2020. UNCTAD’s latest *Global Trade Update* shows that the value of global trade declined by 5.6% in 2020 and increased again in 2021 by 25.0%.

In 2020, South Africa’s exports increased by 7.5% compared to 2019. The cumulative import value for 2020 was 11.8% less than in 2019. South Africa’s trade surplus increased from R23.7 billion in 2019 to R271.6 billion in 2020. Preliminary trade statistics shows that, in 2021, South Africa’s exports and imports increased by 30.5% and 22.8%, respectively. In 2021, South Africa’s trade surplus increased further to R440.8 billion.

10. CRIME RATES

Apex Priority Area 5 - A key priority of the South African government for the next five years is Social Cohesion, Safer Communities.

Crime in South Africa occupies centre stage in the hearts and minds of the public. Unacceptably high levels of crime, especially serious and violent crimes, result in people in South Africa living in fear and

feeling unsafe. It also impacts negatively on the country's economic development, undermines the wellbeing of people in the country and hinders their ability to achieve their potential.

Among the four categories of serious community reported crimes displayed in Table 38, it is evident that all four categories decreased/improved between 2019/20 and 2020/21 in South Africa as well as Mpumalanga. Mpumalanga's percentage decrease in all four crimes categories was not as much as the national average and therefore the improvement was not as decent as in the national averages. Mpumalanga's improvement in the contact crimes category was eight best/second worst among the provinces, fourth best/sixth worst in the contact related crimes, fifth best/worst in the property related crimes, and eight best/second worst in the other serious crimes category.

Table 38: Serious community reported crimes in South Africa and provinces, 2020/2021

Provinces	Contact crimes ³⁸		Contact related crimes ³⁹		Property related crimes ⁴⁰		Other serious crimes ⁴¹	
	Number	% change	Number	% change	Number	% change	Number	% change
Western Cape	94 118	-17.2%	25 033	-10.4%	64 795	-25.1%	78 433	-21.5%
Eastern Cape	59 079	-13.9%	11 702	-8.4%	43 141	-14.3%	39 235	-12.8%
Northern Cape	15 277	-13.2%	3 152	-3.1%	11 479	-10.1%	9 699	-17.1%
Free State	31 694	-12.2%	5 789	0.4%	22 811	-17.9%	21 057	-14.9%
KwaZulu-Natal	88 749	-12.4%	13 270	-6.4%	62 931	-16.9%	60 814	-16.2%
North-West	31 650	-12.9%	6 040	-3.4%	25 454	-15.5%	21 022	-11.1%
Gauteng	152 086	-14.6%	25 166	-14.4%	90 934	-28.4%	115 018	-17.3%
Mpumalanga	31 473	-11.8%	5 706	-8.3%	27 494	-17.4%	23 994	-12.6%
Limpopo	31 149	-10.7%	6 895	-1.2%	23 144	-19.1%	23 390	-14.7%
Total	535 275	-14.0%	102 753	-8.9%	372 183	-21.2%	392 662	-16.7%

Source: South African Police Service – Crime Situation in South Africa 2020/21

11. SUMMARY AND RECOMMENDATIONS

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

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

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

³⁸ The 7 serious community reported contact crimes are murder, sexual offences, attempted murder, assault grievous bodily harm (GBH), common assault, common robbery & aggravated robbery.

³⁹ The 2 serious community reported contact related crimes are arson & malicious damage to property.

⁴⁰ The 5 serious community reported property related crimes are burglary at residential premises, burglary at non-residential premises, theft of motor vehicle and motorcycle, theft out of or from motor vehicle & stock theft.

⁴¹ The 4 serious community reported other serious crimes are other theft, commercial crime, shoplifting & rape.

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

Assistance and support must be provided to struggling industries and as far as possible in line with the mandate of Provincial Government. Key industries such as agriculture, tourism, SMMEs (including the informal sector) and construction can be identified in this regard. A clear vision per industry is necessary as well as focussed Government infrastructure spending to assist industries.

Table 39 presents a summary of relevant provincial trends and comparisons of certain socio-economic indicators. There are a few improvements in terms of the trends in a provincial context, however, the deterioration in the unemployment rate, the income share, the share of people below the LBPL and the declining GDP growth are worrying factors. When the provincial figures are compared with the national figures, only one of the provincial indicators (income share of the bottom 40%) recorded a level better than the national figure.

Table 39: Comparative socio-economic indicators of Mpumalanga

Socio-economic indicators	Statistics	Trend: improve (+) or deteriorate (-)	Better (+) or worse (-) than South Africa	Provincial ranking: best (1) – worst (9)
Share of population (2021)	7.9%	+	N/A	6
Unemployment rate (Q4 2021)	39.7%	-	-	8
Age 20+ & no schooling (2020)	5.1%	+	-	8
Age 20+ & completed matric (2020)	32.7%	+	-	6
Adult literacy rate (2020)	85.2%	+	-	8
HDI (2020)	0.62	+	-	6
Income share of bottom 40% (2020)	7.4%	-	+	3
Share of population below LBPL (2020)	50.8%	-	-	6
GDP average annual growth 2016-2021	-0.3%	-	-	9
% contribution to national GDP (2021)	7.2%	-	N/A	5

Table 40 presents a comparison between the districts in the province of virtually the same socio-economic indicators used in the first table. When comparing the results of the districts, it is apparent that Nkangala ranked better in the majority of the selected socio-economic indicators than either Gert Sibande or Ehlanzeni.

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

Socio-economic indicators	Gert Sibande	Nkangala	Ehlanzeni
Share of population (2016)	26.2%	33.3%	40.5%
Unemployment rate (2020)	27.2%	34.2%	33.8%
Adult literacy rate (2020)	84.3%	86.7%	83.7%
HDI (2020)	0.62	0.64	0.60
Income share of bottom 40% (2020)	7.2%	7.1%	7.9%
Share of population below LBPL (2020)	49.8%	45.4%	55.7%
% contribution to provincial GDP (2020)	27.0%	39.0%	34.0%

Table 41 presents a summary of the relevant national and provincial targets as expressed in the Medium Term Strategic Framework (MTSF) 2024, NDP and Mpumalanga Vision 2030.

Table 41: Relevant national and provincial targets

Indicator	Target		
	MTSF 2024 (provincial targets)	NDP 2030 (national targets)	Mpumalanga Vision 2030 (provincial targets)
Number of employed	447 000 additional jobs by 2024 in Mpumalanga. Total employment numbers should rise to at least 1.66 million by 2024 to achieve 25% unemployment rate.	About 11 million additional jobs by 2030.	About 1.1 million additional jobs between 2013 and 2030. Total employment numbers should rise to at least 2.15 million to achieve 6% unemployment rate.
Unemployment rate	The unemployment rate should be 25% by 2024.	The unemployment rate should be 6% by 2030.	The unemployment rate should be 6% by 2030.
Annual average GDP growth rate	Average annual GDP growth of 2-3%.	Average annual GDP growth above 5%	Average annual GDP growth above 5%.
GDP per capita	Raise per capita GDP to R60 000 by 2024 in constant prices.	Raise per capita GDP to R110 000 by 2030 in constant prices.	GDP per capita, in constant prices, should increase to R110 000 by 2030.
Poverty rate (LBPL)	The poverty rate should be reduced to 35% by 2024.	The poverty rate should be reduced to 0% by 2030.	The poverty rate should be reduced to 5% by 2030.
Income inequality	The proportion of income earned by the bottom 40% in Mpumalanga should rise to 8-9% by 2024.	The proportion of income earned by the bottom 40% in South Africa should rise to 10% by 2030.	The proportion of income earned by the bottom 40% in Mpumalanga should rise to 10% by 2030.