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MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



SOCIO-ECONOMIC REVIEW & OUTLOOK FOR MPUMALANGA

SERO

September 2024

COMPILED BY: ECONOMIC ANALYSIS

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KEY FINDINGS

- In 2022, Mpumalanga's population of 5.14 million was equal to 8.3% of the national population.
- In 2022, Mpumalanga's share of the national household number was 8.0% or 1.42 million.
- Between Q2 2023 and Q2 2024, Mpumalanga recorded 33 901 more jobs, however, the province registered a decline of 49 806 jobs over the last quarter.
- In Q2 2024, the employed in Mpumalanga was equal to 7.2% of the national number of employed.
- The latest employment level of 1.19 million was 53 530 less than the number employed in Q1 2020 before the lockdown was instituted.
- Community services (20.7%) and trade (19.9%) were the two industries that employed the highest number of individuals, whereas the utilities industry (2.3%) employed the lowest number.
- Mpumalanga (37.4%), recorded the fourth highest/sixth lowest strict unemployment rate among the nine provinces.
- In Q2 2024, the male strict unemployment rate was 35.4%, the female unemployment 39.6% and the youth (15-34 years) unemployment rate was 51.3%.
- By 2022, 11.7% of the people 20 years and older in Mpumalanga had not received any schooling.
- In 2023, Mpumalanga's Grade 12 pass rate (77.0%) was the eighth highest among the provinces.
- In 2023, Mpumalanga recorded a HDI score of 0.63, an improvement from the relatively low level (0.50) achieved in 1996.
- The poorest 40% of households in Mpumalanga earned 7.7% of income in 2023, which was higher (better) than the national figure of 7.0% for 2023, but lower/worse than the 8.6% share the province achieved in 1996.
- In 2023, 51.2% or approximately 2.42 million of Mpumalanga population lived below the lower-bound poverty line of R1 058 per capita per month.
- A major share of households (71.0%) in Mpumalanga reported expenditure of less than R5 000 per month in 2023.
- In terms of current prices, Mpumalanga's contribution to the national economy was the fourth largest with a share of 7.8% in 2023. In terms of constant 2015-prices, the contribution was, however, equal to 7.4% and placed Mpumalanga fifth largest.
- In 2023, the three largest contributors to the provincial economy in constant 2015-prices were community services (24.3%), finance (17.7%) and mining (15.1%).
- Mpumalanga's average annual GDP growth of 0.2% per annum between 2019 and 2023 was the fourth slowest.
- In Q2 2024 the Mpumalanga economy was approximately the same size than it was in Q2 2019.
- Current growth estimates for South Africa by the IMF points to subdued growth in 2024 (0.9%) and 2025 (1.2%).
- Mpumalanga's GDP is forecasted to experience the same slow growth in 2024 and 2025 as is forecasted for the national economy.
- The August 2024 inflation measurement in Mpumalanga of 4.2% was lower than the national level for the seventh consecutive month. It was also below the upper band of the inflation target zone for the ninth consecutive month.

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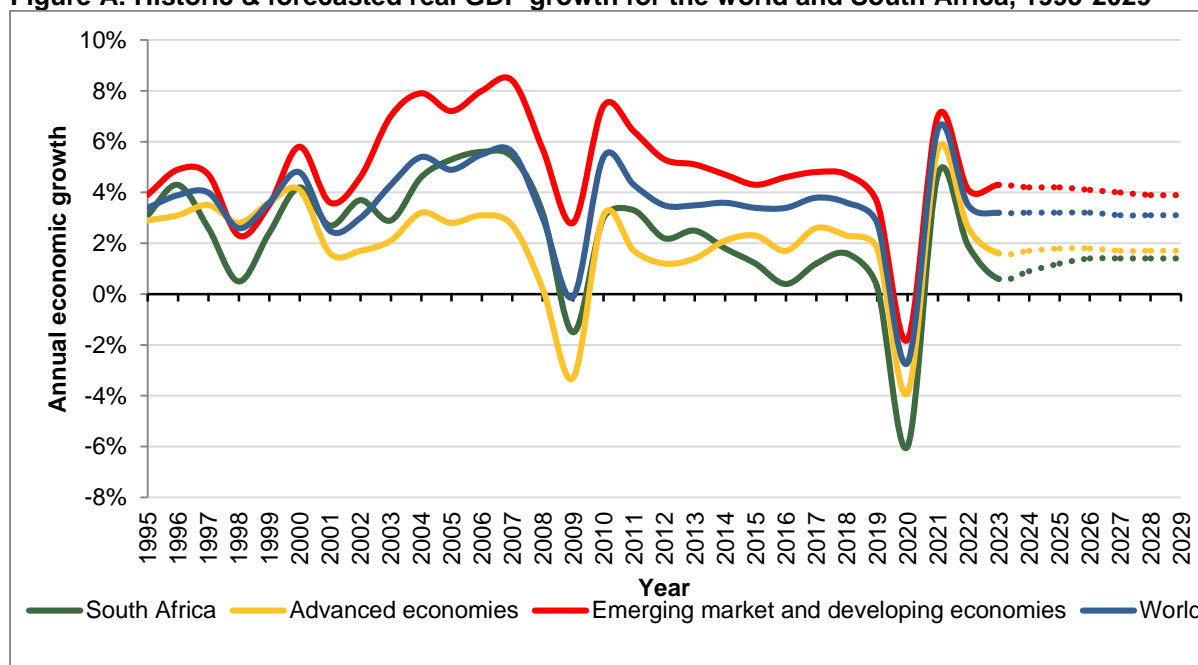
PREFACE

Economic outlook

In 2023, the global economy decelerated, with growth rates dipping from 3.5% in 2022 to 3.1%. This period was marked by significant challenges, including persistent inflationary pressures, rising interest rates, constrained labour markets and geopolitical tensions, all contributing to a climate of uncertainty and revised economic projections. Initially, a mild recession was anticipated in the United States, while Europe was bracing for a more pronounced downturn, and China was expected to make a vigorous recovery. Contrary to these forecasts, the United States avoided a recession, Europe achieved modest growth, and China faced hurdles in restoring its previous rapid growth trajectory. Meanwhile, low-income nations bore the brunt of the slowdown, enduring substantial output deficits when benchmarked against their pre-pandemic growth trajectories.

The global economic outlook for 2024 and 2025 is projected to stabilise at 3.2%. Inflation is expected to moderate further, improving real incomes and relieve tight monetary policy in many economies. These projections fall below the 3.8% annual average witnessed from 2000 to 2019, reflecting the impact of stringent monetary policies, fiscal support rollback and subdued productivity growth. Advanced economies may see a slight increase in growth for 2024, followed by a further upturn in 2025, on the back of monetary policy easing and an improvement in credit availability. The forecast for growth in emerging market and developing economies is revised upward; the projected increase is powered by stronger activity in Asia, particularly China and India. The global economy's gradual pace underscores the need for strategic economic policies to foster sustainable growth.

Figure A: Historic & forecasted real GDP growth for the world and South Africa, 1995-2029



Source: International Monetary Fund (IMF) – World Economic Outlook, July 2024

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 2023, the South African economy expanded by only 0.7% which was not as fast as the other regions in the depiction. 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.

Over the last two and a half years, the economic growth was not uniform across the various industries (Table A). The trade, finance and personal services industries managed to avoid any quarterly contractions, while industries like agriculture, mining, utilities and construction faced significant downturns. Real GDP expanded by 0.4% in Q2 2024. The boost came from recoveries in finance, trade, government and personal services, driven by renewed domestic spending as lower inflation lifted confidence. The improvements in electricity supply also facilitated a turnaround in manufacturing. In contrast, value added by mining declined further, albeit at a slower rate. Adverse weather conditions and animal diseases hurt agriculture, while transport contracted sharply.

Table A: GDP growth rates per industry at market prices (constant 2015 prices), 2022-2024

| Industry | Year-on-Year | | Quarter-on-Quarter – seasonally adjusted | |
|----------------------------|--------------|-------------|--|-------------|
| | 2022 | 2023 | Q1 2024 | Q2 2024 |
| Agriculture ¹ | 2.0% | -4.8% | 13.5% | -2.1% |
| Mining ² | -7.3% | -0.5% | -1.7% | -0.8% |
| Manufacturing ³ | -0.4% | 0.3% | -1.4% | 1.1% |
| Utilities ⁴ | -2.9% | -4.0% | -0.4% | 3.1% |
| Construction ⁵ | -3.2% | -0.1% | -3.1% | 0.5% |
| Trade ⁶ | 3.4% | -1.8% | 0.3% | 1.2% |
| Transport ⁷ | 8.6% | 4.1% | -0.5% | -2.2% |
| Finance ⁸ | 3.3% | 1.6% | 0.2% | 1.3% |
| Government services | 0.4% | 0.5% | -0.1% | 0.5% |
| Personal services | 2.5% | 1.8% | 0.1% | 0.2% |
| Total | 1.9% | 0.7% | 0.0% | 0.4% |

Source: Statistics SA (Stats SA) – GDP, 2024

Table B: Forecasted growth for South Africa, 2024-2025

| Organisation | 2024 | 2025 |
|-------------------|------|------|
| IMF | 0.9% | 1.2% |
| OECD | 1.0% | 1.4% |
| World Bank | 1.2% | 1.3% |
| SARB | 1.1% | 1.6% |
| National Treasury | 1.3% | 1.6% |

Sources: IMF – World Economic Outlook, July 2024

OECD – OECD Economic Outlook Interim Report, September 2024

World Bank – Global Economic Prospects, June 2024

SARB – Monetary Policy Committee (MPC) Statement, September 2024

National Treasury – Budget 2024 Budget Review, February 2024

The IMF predicts a moderate increase in South Africa's real GDP, projecting a growth of 0.9% in 2024, primarily due to escalating logistical constraints (Table B). The Organisation for Economic Cooperation and Development (OECD) projects that economic growth will expand by 1.0% in 2024, with an expected rise to 1.4% in 2025. The World Bank anticipates a slightly faster expansion for South Africa in 2024 (1.2%) followed by modest growth in 2025 (1.3%). At the Monetary Policy Committee (MPC) meeting in September 2024 the economic growth forecast by the South African Reserve Bank (SARB) was

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

pronounced as 1.1% for 2024 and 1.6% for 2025. The Minister of Finance announced in the February 2024 Budget Speech that the expected economic growth for 2024 is 1.3% and 1.6% for 2025.

Domestic inflation outlook

The national average annual inflation rate as measured by the consumer price index (CPI) for 2023 was 6.0%. This was lower than the corresponding annual average rate of 6.9% in 2022. The year-on-year CPI (for all urban areas) was 4.4% in August 2024, lower than the 4.6% in July 2024. Inflation was below the upper limit of the SARB's monetary policy target range for the fifteenth month in succession. August 2024 was the first time in forty months where the annual increase was lower than the midpoint (4.5%) of the SARB's monetary policy target range. The MPC announced at the conclusion of its September 2024 meeting that the SARB's national inflation forecast was 4.6% for 2024, and 4.0% and 4.4% for 2025 and 2026, respectively.

Domestic balance of payments

South Africa's trade surplus widened further from R165.8 billion in Q1 2024 to R187.4 billion in Q2 2024 as the value of goods exports increased more than that of merchandise imports. The increase in the value of exports of goods and services in Q2 2024 reflected higher prices while the increase in imports of goods and services reflected both higher volumes and prices. The shortfall on the services, income and current transfer account narrowed from R272.7 billion in Q1 2024 to R252.1 billion in Q2 2024. The deficit on the current account of the balance of payments narrowed noticeably to R64.6 billion in Q2 2024 from a revised R106.9 billion in Q1 2024. The current account deficit as a ratio of GDP narrowed further to 0.9% in Q2 2024 from 1.5% in Q1 2024.

Table C: South Africa's balance of payments on current account (R billions), 2023-2023

| Components | 2023 | 2024 Q1 | 2024 Q2 |
|---|--------|---------|---------|
| Merchandise exports | 1 922 | 1 895 | 1 927 |
| Net gold exports | 116 | 113 | 151 |
| Merchandise imports | -1 934 | -1 842 | -1 890 |
| Trade balance | 103 | 166 | 187 |
| Net service, income & current transfer payments | -215 | -273 | -252 |
| Balance on current account | -112 | -107 | -65 |
| - As a % of GDP | -1.6% | -1.5% | -0.9% |

Source: SARB – Balance of Payments, September 2024

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

Domestic labour market

In Q2 2024, approximately 16.65 million South Africans between the ages of 15 and 64 were employed in the economy. The domestic economy gained 306 140 jobs in the twelve months between Q2 2023 and Q2 2024. To demonstrate the employment change in the 5-year period since 2019, Table D presents changes from the 5-year period from Q2 2019 to Q2 2024, annual changes from Q2 2023 to Q2 2024 as well as quarterly changes between Q1 2024 to Q2 2024.

The latest employment level of 16.65 million was 369 778 jobs more than the 16.38 million persons employed in Q1 2020 before the COVID-19 lockdown. Furthermore, the national economy gained 339 627 jobs over the 5-year period for an average gain of 67 925 jobs per year. Over the 5-year period from 2019 to 2024, five industries lost jobs and five added jobs. The highest number of job losses over

the 5-year period were in construction (-158 349) and the highest number of job gains were in finance (409 552).

The data presented in Table D demonstrates that six industries recorded job gains year-on-year. Employment levels in finance (305 647) and manufacturing (96 705) increased the most between Q2 2023 and Q2 2024. The highest job destruction over the 1-year period is evident in community services (-137 804).

In Q2 2024, the unemployment rate was 33.5%, which was higher than the 32.6% recorded a year ago, and considerably higher than the 29.0% in Q2 2019. The labour absorption rate (employment to population ratio) was 40.3% in Q2 2024, which was lower/worse than the 42.4% registered in Q2 2019, but marginally higher/better than the 40.1% registered in Q2 2023. The labour force participation rate in Q2 2024 (60.6%) was higher than a year (59.5%) and five years (59.8%) ago, respectively.

Table D: South Africa's employment changes, 2018-2024

| Industry | Employed number Q2 2024 '000 | 5-year employment change Q2 2019 to Q2 2024 '000 | Annual employment change Q2 2023 to Q2 2024 '000 | Quarterly employment change Q1 2024 to Q2 2024 '000 |
|--------------------|------------------------------------|---|---|--|
| Agriculture | 895 924 | 53 863 | 1 480 | -45 466 |
| Mining | 456 702 | 75 620 | 13 181 | 2 419 |
| Manufacturing | 1 654 803 | -134 585 | 96 705 | 48 658 |
| Utilities | 114 104 | -37 235 | -15 040 | 8 797 |
| Construction | 1 204 409 | -158 349 | -99 944 | -10 880 |
| Trade | 3 360 108 | -68 513 | -757 | -111 021 |
| Transport | 1 064 453 | 81 950 | 78 665 | 2 693 |
| Finance | 2 904 791 | 409 552 | 305 647 | -9 059 |
| Community services | 3 827 211 | 204 719 | -137 804 | 36 108 |
| Private households | 1 160 223 | -91 193 | 66 822 | -17 939 |
| Total | 16 652 333 | 339 627 | 306 140 | -92 416 |

Source: Stats SA – Quarterly Labour Force Survey (QLFS), 2024

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

Labour productivity

According to the SARB *Quarterly Bulletin September 2024*, labour productivity in the formal non-agricultural sector accelerated marginally from 1.6% in Q4 2023 to 1.7% in Q1 2024 as the year-on-year growth in non-agricultural output moderated at a slower pace than that in employment. Likewise, growth in nominal unit labour cost accelerated from 2.6% in Q4 2023 to 3.4% in Q1 2024 as year-on-year growth in output slowed at a faster pace than that in total remuneration.

Employment activity in 2024

The latest research by Career Junction shows hiring activity in Q2 2024 has seen a slight increase of 5%, compared to Q1 2024. Year-on-year, however, the number of vacancies has declined by -7.2%. Over the past two years (Q2 2022 to Q2 2024) hiring activity has declined by -5.5%. Despite a slight increase in recruitment activity in Q2 2024, hiring activity has been relatively slow in the first half of 2024.

When comparing hiring activity over the last three months (April, May, June 2024) with the previous three months (January, February, March 2024), hiring activity has increased for finance professionals

(+9%), business and management professionals (+7%) and IT professionals (+5%). No significant decline in hiring activity was evident for any sector over the past three months.

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 September 2024 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 September 2024.

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 S&P Global, IMF, National Planning Commission, OECD, 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

Although the mid-year population estimates for 2024 are available, the official population figures remain those from Census 2022, and as such the analysis is not based on the 2024 estimate. According to Stats SA's Census 2022, Mpumalanga's population was 5.1 million or 8.3% of the national total (Table 1). Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Gauteng (24.3%) was the province with the largest share of the national population, followed by KwaZulu Natal with a 20.0% share. Northern Cape recorded the lowest percentage share of the national population at 2.2%. Mpumalanga's population increased by 1.1 million from 4.0 million in 2011, whilst the share of the national total increased from 7.8%.

Households

Although the household numbers from the General Household Survey (GHS) for 2023 are available, the official household figures remain those from Census 2022, and as such the analysis is not based on the 2023 survey. According to Stats SA's Census 2022, Mpumalanga's households numbered slightly more than 1.4 million or 8.0% of the national total in 2022 (Table 2). Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Gauteng (29.8%) was the province with the largest share of South Africa's households, followed by KwaZulu Natal with a 16.0% share. Northern

Cape (1.9%) recorded the lowest percentage share of households. Mpumalanga's household number increased by 346 233 from 1.08 million in 2011 and the share of the national total increased by 0.6 percentage points.

Table 1: Population in South Africa by province, 2011, 2016, 2022 & 2024

| Region | Census | | Community Survey | | Census | | Mid-year Population Estimate | |
|---------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|------------------------------|---------------------|
| | 2011 | | 2016 | | 2022 | | 2024 | |
| | Number | % share of national | Number | % share of national | Number | % share of national | Number | % share of national |
| Western Cape | 5 822 734 | 11.2 | 6 279 730 | 11.3 | 7 433 019 | 12.0 | 7 562 588 | 12.0 |
| Eastern Cape | 6 562 053 | 12.7 | 6 996 976 | 12.6 | 7 230 204 | 11.7 | 7 176 230 | 11.4 |
| Northern Cape | 1 145 861 | 2.2 | 1 193 780 | 2.1 | 1 335 946 | 2.2 | 1 372 943 | 2.2 |
| Free State | 2 754 590 | 5.3 | 2 834 714 | 5.1 | 2 964 412 | 4.8 | 3 044 050 | 4.8 |
| KwaZulu-Natal | 10 267 300 | 19.8 | 11 065 240 | 19.9 | 12 423 907 | 20.0 | 12 312 712 | 19.5 |
| North West | 3 509 953 | 6.8 | 3 748 436 | 6.7 | 3 804 548 | 6.1 | 4 155 303 | 6.6 |
| Gauteng | 12 272 263 | 23.7 | 13 399 724 | 24.1 | 15 099 422 | 24.3 | 15 931 824 | 25.3 |
| Mpumalanga | 4 039 939 | 7.8 | 4 335 964 | 7.8 | 5 143 324 | 8.3 | 5 057 662 | 8.0 |
| Limpopo | 5 404 868 | 10.4 | 5 799 090 | 10.4 | 6 572 720 | 10.6 | 6 402 594 | 10.2 |
| Total | 51 770 560 | 100.0 | 55 653 655 | 100.0 | 62 027 503 | 100.0 | 63 015 904 | 100.0 |

Sources: Stats SA – Census 2011

Stats SA – Community Survey (CS) 2016

Stats SA – Census 2022

Stats SA – Mid-year Population Estimates (MYPE) 2024

Table 2: Households in South Africa by province, 2011, 2016, 2022 & 2023

| Region | Census | | Community Survey | | Census | | General Household Survey | |
|---------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|--------------------------|---------------------|
| | 2011 | | 2016 | | 2022 | | 2023 | |
| | Number | % share of national | Number | % share of national | Number | % share of national | Number | % share of national |
| Western Cape | 1 634 000 | 11.3 | 1 933 876 | 11.4 | 2 264 032 | 12.7 | 2 163 494 | 11.2 |
| Eastern Cape | 1 687 385 | 11.7 | 1 773 395 | 10.5 | 1 838 960 | 10.3 | 1 760 977 | 9.3 |
| Northern Cape | 301 405 | 2.1 | 353 709 | 2.1 | 333 553 | 1.9 | 379 837 | 2.0 |
| Free State | 823 316 | 5.7 | 946 639 | 5.6 | 845 250 | 4.7 | 999 122 | 5.3 |
| KwaZulu-Natal | 2 539 429 | 17.6 | 2 875 843 | 17.0 | 2 853 741 | 16.0 | 3 292 373 | 17.3 |
| North West | 1 062 015 | 7.3 | 1 248 766 | 7.4 | 1 141 291 | 6.4 | 1 389 694 | 7.3 |
| Gauteng | 3 909 022 | 27.1 | 4 951 137 | 29.3 | 5 318 665 | 29.8 | 5 779 139 | 30.4 |
| Mpumalanga | 1 075 488 | 7.4 | 1 238 861 | 7.3 | 1 421 721 | 8.0 | 1 492 924 | 7.9 |
| Limpopo | 1 418 102 | 9.8 | 1 601 083 | 9.5 | 1 811 565 | 10.2 | 1 774 688 | 9.3 |
| Total | 14 450 161 | 100.0 | 16 923 309 | 100.0 | 17 828 778 | 100.0 | 19 005 248 | 100.0 |

Sources: Stats SA – Census 2011

Stats SA – CS 2016

Stats SA – Census 2022

Stats SA – General Household Survey (GHS) 2023

Gender and age

Figure 1 shows the population cohort of Mpumalanga according to Census 2022. Females constituted 2.67 million or 52.0% of the provincial population distribution and males 2.47 million (48.0%). The youth cohort (0-34 year) made up 64.3% of the total population in the province and the age group 60 years and older, only 8.1%. The age cohort of 0-4 years represented the most populous age cohort with 542 593 individuals or some 10.6% of the provincial population. In South Africa, the youth cohort made up 61.1% of the total population and the age group 60 years and older, 9.9%. Nationally the most populous age cohort was also the 0-4 year group that represented some 9.4% of the population.

Population growth

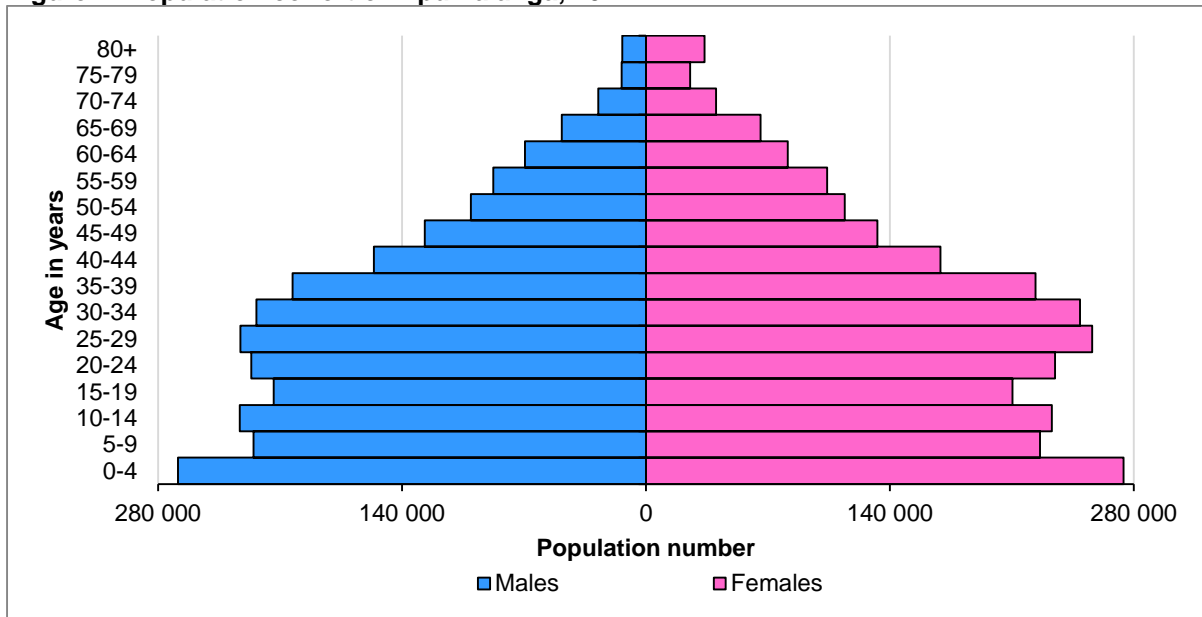
Over the period 2011 to 2022, the population of South Africa increased by 1.8% per annum and that of

Mpumalanga by 2.3% per annum. Mpumalanga recorded the second fastest average annual increase behind Western Cape (2.4%). According to estimates, the population of Free State increased the slowest - 0.7% annually (Figure 2).

Population groups

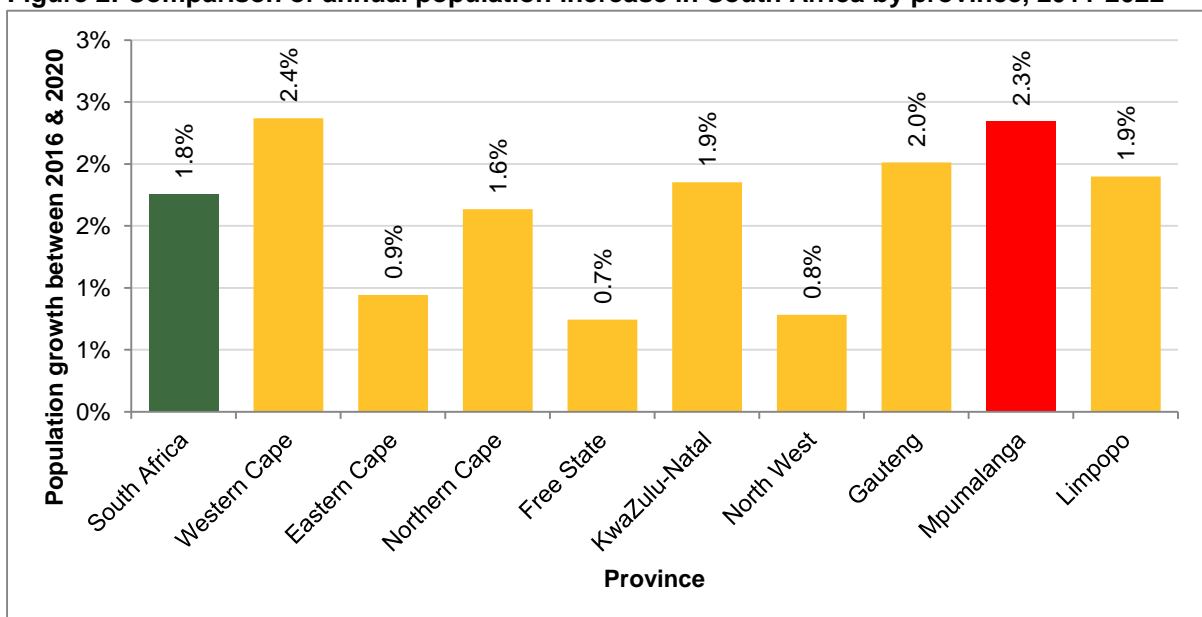
The breakdown by population group for Mpumalanga in 2011 and 2022, is presented in Figure 3. The majority of Mpumalanga’s population in 2022 was Black Africans (95.2%) with Whites contributing 3.6%. Coloureds (0.6%) and Asians (0.5%) jointly contributed 1.1% to the total population in 2022.

Figure 1: Population cohort of Mpumalanga, 2022



Source: Stats SA – Census 2022

Figure 2: Comparison of annual population increase in South Africa by province, 2011-2022



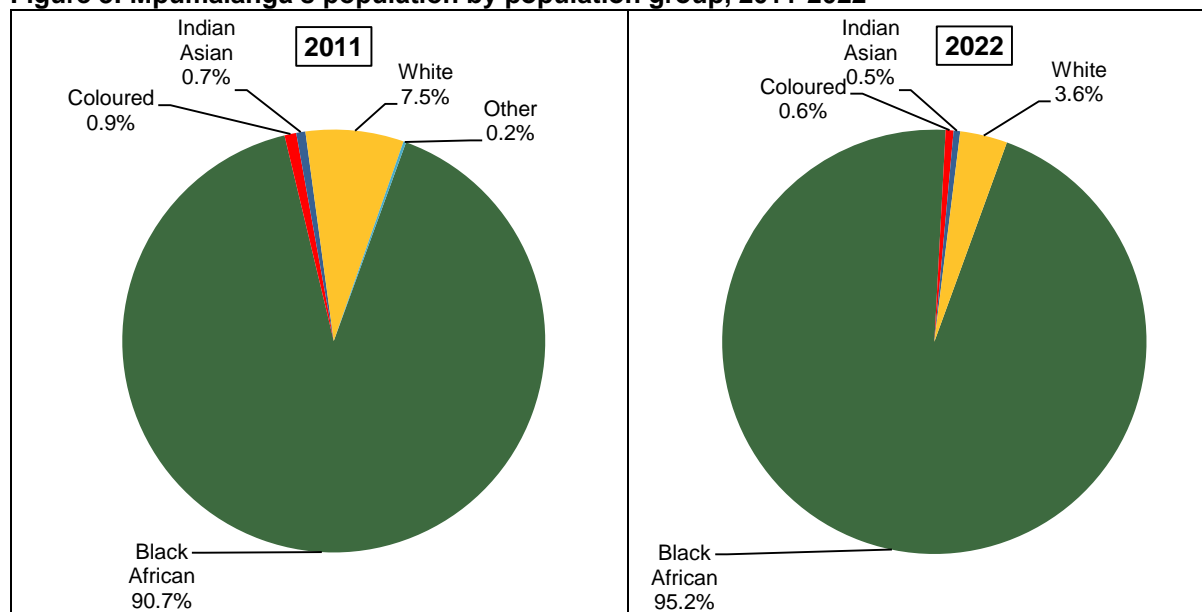
Sources: Stats SA – Census 2011
Stats SA – Census 2022

Population by district

In 2022, 44.2% of Mpumalanga’s population resided in Ehlanzeni, 30.9% in Nkangala and 25.0% in

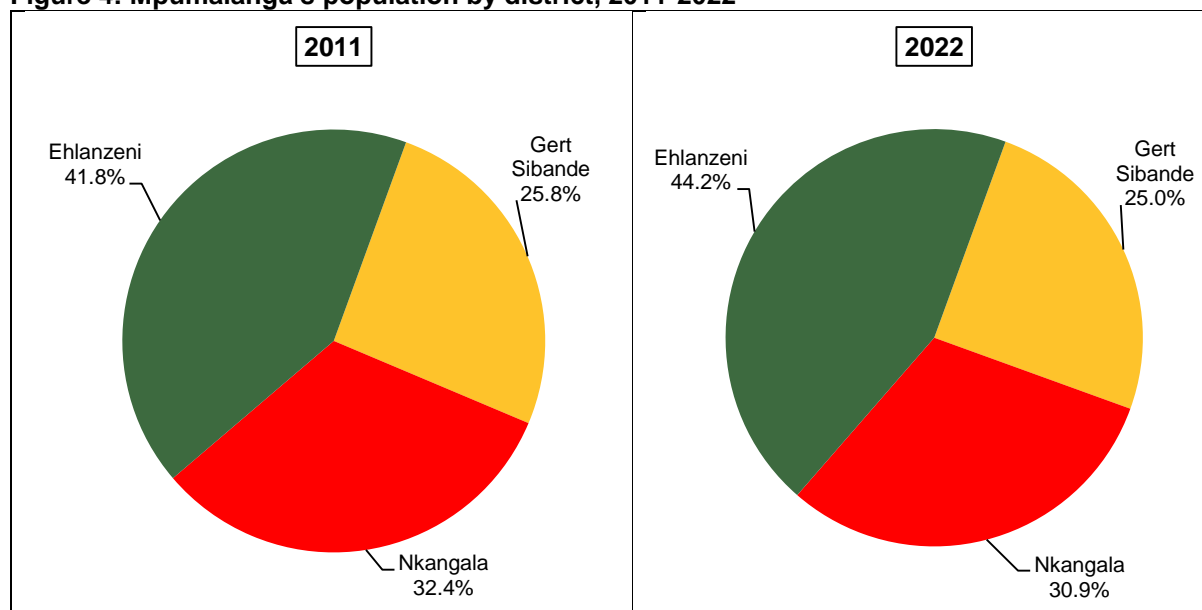
Gert Sibande (Figure 4). Females were in the majority in Ehlanzeni (52.8%), Gert Sibande (51.7%), as well as in Nkangala (51.0%). In 2022, 66.0% of Ehlanzeni's population was younger than 35 years of age, followed by Gert Sibande (64.3%) and Nkangala (61.8%).

Figure 3: Mpumalanga's population by population group, 2011-2022



Source: Stats SA – Census 2011
Stats SA – Census 2022

Figure 4: Mpumalanga's population by district, 2011-2022



Source: Stats SA – Census 2011
Stats SA – Census 2022

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 2024, Mpumalanga's average fertility rate for the period 2011 to 2016 was 2.56 and 2.38 in the period 2016 to 2021. When compared with the other provinces Mpumalanga registered the sixth highest/fourth lowest fertility rate for the period 2016 to 2021, with Limpopo (3.09) the highest and Gauteng (1.89) the lowest. It is anticipated that Mpumalanga's fertility rate will increase to 2.40 in the period 2021 to 2026. It is expected to be 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. In 2024, life expectancy in South Africa was 69.2 years for females and 63.6 years for males. Mpumalanga's male life expectancy at birth was 59.3 years for the period 2011 to 2016 and 61.4 years for the period 2016 to 2021. Mpumalanga's male life expectancy for the period 2016 to 2021 was the joint third highest of the nine provinces. Western Cape (66.2 years) had the highest/best male life expectancy with Free State (55.5 years) the lowest. According to the *MYPE 2024*, the projection for the period 2021 to 2026 is that male life expectancy in Mpumalanga could increase to 62.8 years.

Mpumalanga's female life expectancy for the periods 2011 to 2016 and 2016 to 2021 were 64.4 years and 66.1 years, respectively. Mpumalanga recorded the fourth highest female life expectancy for the period 2016 to 2021. Western Cape (70.5 years) had the highest/best female life expectancy and Free State (61.9 years) the lowest. According to the *MYPE 2024*, the projection for the period 2021 to 2026 is that female life expectancy in Mpumalanga could increase to 67.4 years.

2.4 Migration

Table 3 shows the net migration streams of the provinces over the period 2011 to 2022. The data was sourced from Census 2022. Intercensal migration analysis looks at migration flows between censuses. Western Cape, Northern Cape, North West, Gauteng and Mpumalanga showed positive intercensal net-migration. Therefore, between 2011 and 2022, more people migrated into these provinces than migrated out.

Gauteng and Western Cape recorded the highest number of persons who moved into these provinces since their birth as shown by the lifetime net migration. Mpumalanga registered a negative lifetime net migration of 24 246. This was the lowest negative lifetime migration.

Table 3: Net migration in South Africa by province, 2011-2022

| Region | Intercensal migration | Lifetime migration |
|---------------|-----------------------|--------------------|
| Western Cape | 294 029 | 1 740 389 |
| Eastern Cape | -62 629 | -1 577 976 |
| Northern Cape | 12 094 | -80 491 |
| Free State | -9 878 | -330 218 |
| KwaZulu-Natal | -10 067 | -428 786 |
| North West | 47 275 | 126 439 |
| Gauteng | 399 353 | 4 137 735 |
| Mpumalanga | 12 650 | -24 246 |
| Limpopo | -114 328 | -1 202 122 |

Source: Stats SA – Census 2022

2.5 Disability

The disability status indicator is computed as prescribed by the United Nations (UN) disability index computation guidelines. A person is regarded as having a disability if they reported any of the following degrees of difficulty in the six functional domains of seeing, hearing, communicating, walking/climbing stairs, remembering or concentrating and self-care:

- A person who reported 'some difficulty' in at least two domains of functioning.
- A person who reported 'a lot of difficulty' in any of the six domains of functioning.
- A person who reported 'unable to do' in any of the six domains of functioning.

Table 4 presents the findings of Census 2011 and Census 2022 on disability in South Africa. Using the described classification system, 7.4% of South Africans aged 5 years and older were classified as disabled in 2011 and 6.0% in 2022. Mpumalanga's percentage of persons aged 5 years and older with disability was 7.0% in 2011 and declined to 5.1% in 2022. Mpumalanga recorded the seventh largest/third lowest share of people with disability compared with the other provinces. Eastern Cape (8.5%) recorded the highest share and Gauteng (4.9%) the lowest.

Table 4: Percentage of persons aged 5 years and older with disability by province, 2011-22

| Region | Census 2011 | Census 2022 |
|---------------|-------------|-------------|
| Western Cape | 5.3% | 5.4% |
| Eastern Cape | 9.5% | 8.5% |
| Northern Cape | 11.0% | 7.6% |
| Free State | 10.9% | 8.4% |
| KwaZulu-Natal | 8.3% | 6.1% |
| North West | 9.8% | 7.0% |
| Gauteng | 5.2% | 4.9% |
| Mpumalanga | 7.0% | 5.1% |
| Limpopo | 6.7% | 5.0% |
| South Africa | 7.4% | 6.0% |

Source: Stats SA – Census 2022

3. LABOUR PROFILE

3.1 Labour force profile

South Africa's employment figure increased from 16.35 million in Q2 2023 to 16.65 million in Q2 2024. The national economy gained 306 140 jobs on an annual basis, but lost 92 416 jobs on a quarterly basis. The national unemployment rate (official definition) was 33.5% in Q2 2024, which was 0.9 of a percentage point higher/worse than the 32.6% recorded in Q2 2023. The unemployment rate according to the expanded definition increased/worsened from 42.1% in Q2 2023 to 42.6% in Q2 2024.

The provincial labour force (official definition) of 1.90 million individuals was 22 741 more in Q2 2024 than a year earlier (Table 5). Mpumalanga's provincial labour force, however, declined by 41 498 on a quarterly basis. In Q2 2024, the province experienced year-on-year increase in employment, with 33 901 more individuals employed compared to Q2 2023. However, on a quarterly basis, employment in Mpumalanga decreased for the second consecutive quarter. The employment figure declined by 49 806 in Q2 2024, following the decline of 8 148 in Q1 2024.

The number of unemployed people (official definition) in the province increased by 8 308 on a quarterly basis and declined by 11 160 on an annual basis. On an annual basis, the official unemployment rate of the province declined/improved from 38.4% in Q2 2023 to 37.4% in Q2 2024. The provincial unemployment rate according to the expanded definition improved from 49.5% in Q2 2023 to 48.7% in Q2 2024. Both the official and expanded unemployment rates, however, increased/deteriorated sharply on a quarterly basis.

The labour force participation rate is the proportion of the working-age population that is either employed or unemployed. Mpumalanga's participation rate deteriorated on an annual as well as on a quarterly basis to 60.1% in Q2 2024. The absorption rate is the proportion of the working age population that is employed. Mpumalanga's absorption rate improved on an annual basis to 37.6% in Q2 2024, however, it deteriorated sharply on a quarterly basis by 1.7 percentage points from 39.3% recorded in Q1 2024.

The gap between the labour force participation rate and the absorption rate – the labour market slack – was 22.3 percentage points in Q1 2024 and widened to 22.5 percentage points in Q2 2024. This gap represents the proportion of the working-age population that is actively seeking work but is not currently employed. When the gap widens, as in this quarterly change, it usually indicates that more people are looking for work but aren't finding jobs.

Table 5: Labour force profile of Mpumalanga, 2023-2024

| Indicator | Q2 2023 | Q1 2024 | Q2 2024 | Year-on-year change | Q1 2024-Q2 2024 change |
|--|---------------|---------|---------|---------------------|------------------------|
| | '000 | '000 | '000 | '000 | '000 |
| | Number | | | | |
| - Working age population (15-64 years) | 3 124 | 3 157 | 3 168 | 43 | 11 |
| - <u>Strict definition</u> | | | | | |
| - Not economically active | 1 243 | 1 212 | 1 264 | 21 | 52 |
| - Labour Force/EAP | 1 881 | 1 945 | 1 904 | 23 | -41 |
| - Employed | 1 158 | 1 242 | 1 192 | 34 | -50 |
| - Unemployed | 723 | 703 | 712 | -11 | 8 |
| - Discouraged work-seekers | 351 | 321 | 358 | 7 | 36 |
| - <u>Expanded definition</u> | | | | | |
| - Not economically active | 832 | 814 | 843 | 11 | 29 |
| - Labour Force/EAP | 2 293 | 2 343 | 2 325 | 32 | -18 |
| - Employed | 1 158 | 1 242 | 1 192 | 34 | 50 |
| - Unemployed | 1 135 | 1 101 | 1 133 | -2 | 32 |
| | Rate | | | | |
| - <u>Strict definition</u> | % | % | % | % | % |
| - Unemployment rate | 38.4 | 36.2 | 37.4 | -1.0 | 1.2 |
| - Absorption rate | 37.1 | 39.3 | 37.6 | 0.5 | -1.7 |
| - Labour force participation rate | 60.2 | 61.6 | 60.1 | -0.1 | -1.5 |
| - <u>Expanded definition</u> | | | | | |
| - Unemployment rate | 49.5 | 47.0 | 48.7 | -0.8 | 1.7 |
| - Absorption rate | 37.1 | 39.3 | 37.6 | 0.5 | -1.7 |
| - Labour force participation rate | 73.4 | 74.2 | 73.4 | 0.0 | -0.8 |

Source: Stats SA – QLFS, 2024

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

3.2 Employment

The national labour market gained 339 627 jobs in the 5-year period from Q2 2019 to Q2 2024 (Table 6). Therefore, the average annual jobs gained on the national level was 67 925 per year. KwaZulu-Natal (207 595) recorded the largest increase in job numbers over the 5-year period and Free State (-63 274) recorded the largest decline. Mpumalanga's decline in employment numbers over the 5-year period of 50 857 was the second largest decline among the four provinces that lost jobs. Mpumalanga's average annual employment decline of 0.8% per annum was also the second highest of the four provinces.

The national labour market gained 306 140 jobs between Q2 2023 and Q2 2024. Mpumalanga's employment increased by 33 901 over the same period. KwaZulu-Natal (200 102) also recorded the highest number of job gains over a 1-year period and the highest annual increase in percentage terms of 7.6%. Mpumalanga recorded the fourth highest number of job gains and the third highest average annual employment increase.

Between Q1 2024 and Q2 2024, Mpumalanga's employment numbers declined by 49 806 or by 4.0%. Gauteng (41 889) recorded the highest number of quarterly job gains and Limpopo (2.1%) the highest

quarterly increase in percentage terms. In Q2 2024, total employment in Mpumalanga constituted 7.2% of employment in the country, which was higher than the 7.1% share recorded in Q2 2023, but lower than the 7.6% share recorded in Q2 2019.

Table 6: Changes in employment in South Africa and provinces, 2019-2024

| Region | Q2 2019 | Q2 2023 | Q1 2024 | Q2 2024 | 5-year change | 1-year change | Q1 to Q2 2024 |
|---------------|---------|---------|---------|---------|---------------|---------------|---------------|
| | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Western Cape | 2 497 | 2 711 | 2 740 | 2 675 | 177 | -37 | -65 |
| Eastern Cape | 1 388 | 1 444 | 1 344 | 1 369 | -19 | -75 | 25 |
| Northern Cape | 301 | 322 | 331 | 314 | 12 | -9 | -17 |
| Free State | 808 | 730 | 742 | 745 | -63 | 15 | 3 |
| KwaZulu-Natal | 2 635 | 2 642 | 2 891 | 2 842 | 208 | 200 | -49 |
| North West | 918 | 881 | 899 | 887 | -31 | 6 | -12 |
| Gauteng | 5 066 | 4 988 | 5 061 | 5 103 | 37 | 115 | 42 |
| Mpumalanga | 1 243 | 1 158 | 1 242 | 1 192 | -51 | 34 | -50 |
| Limpopo | 1 456 | 1 469 | 1 495 | 1 526 | 70 | 57 | 31 |
| South Africa | 16 313 | 16 346 | 16 745 | 16 652 | 340 | 306 | -92 |

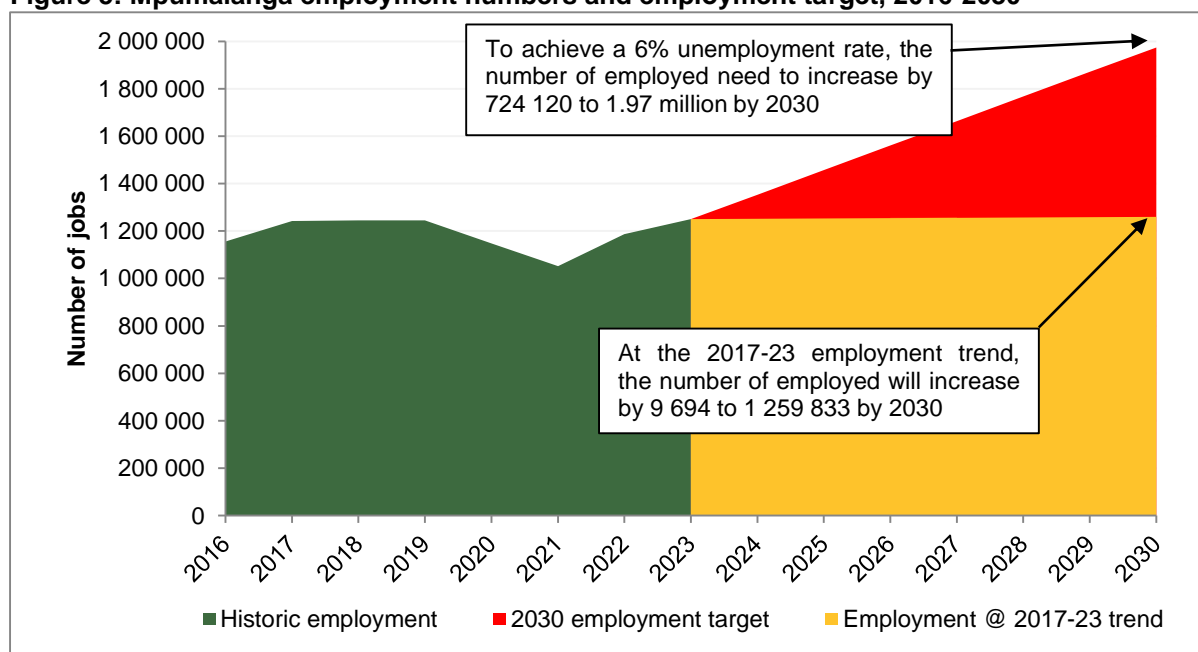
Source: Stats SA – QLFS, 2024

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

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 2023 employment data was conducted in 2024. The result of the recalculation was that approximately 724 100 sustainable jobs must still be created between 2024 and 2030 to reach the desired unemployment rate.

Figure 5: Mpumalanga employment numbers and employment target, 2016-2030



Source: Statistics South Africa – QLFS, 2024 & calculations based thereon

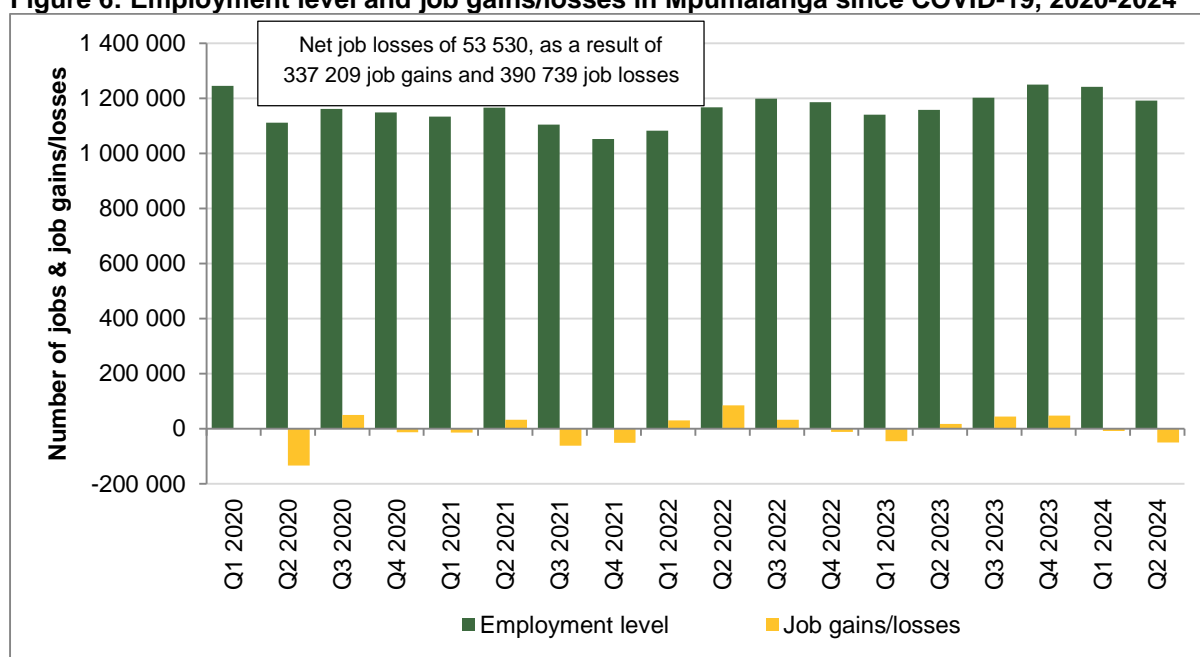
The updated number of 724 100 jobs equates to more or less 103 400 jobs per annum or an annual average employment growth of 6.7% per annum. Figure 5 depicts historical employment numbers and required employment growth in Mpumalanga. It is evident from the illustration that the employment

increase of 0.1% per annum – the average annual employment growth between 2017 and 2023 – will result in a much lower employment number than the envisaged target of 1.97 million jobs by 2030.

Changes in employment since COVID-19

To demonstrate the employment change since before the COVID-19 lockdown, Figure 6 presents the quarterly employment changes up to Q2 2024. Over the seventeen quarters under consideration, job gains were recorded in eight quarters and job losses in nine. The latest employment level of 1.19 million in Mpumalanga was 53 530 less than the number employed in Q1 2020 before the lockdown was instituted. Mpumalanga was one of six provinces that has not yet recovered fully to pre-COVID levels. The best recovery in job numbers post-COVID were recorded in Western Cape (173 937) and KwaZulu-Natal (170 520).

Figure 6: Employment level and job gains/losses in Mpumalanga since COVID-19, 2020-2024



Source: Stats SA – QLFS, 2024

Aggregate employment

Table 7 shows the aggregated employment composition of employment in South Africa and the province between Q2 2023 and Q2 2024. In Mpumalanga, the formal employees' share of total employment declined from 58.1% in Q2 2023 to 55.4% in Q2 2024. The formal sector in Mpumalanga (55.4%) recorded a significantly smaller share of total employment than was the case nationally (68.9%).

In Mpumalanga, the informal sector's share declined from 27.3% to 25.3% on an annual basis. The share of agriculture increased to 10.6% and that of private households to 8.7% in Q2 2024. Over and above the 126 244 persons employed in Mpumalanga's agriculture industry in Q2 2024, an additional 120 820 citizens were involved in subsistence farming.

The formal sector, agriculture and private households posted combined job gains of 48 084 over the 1-year period, whereas the informal sector recorded job losses of 14 184. The net result was that Mpumalanga registered 33 901 job gains year-on-year. On a quarterly basis, Mpumalanga recorded a net decline of 49 806 jobs. This was due to combined job losses of 82 582 in the formal and informal sectors, offsetting the combined 32 776 quarterly job gains in agriculture and private households.

Table 7: Aggregate employment in South Africa & Mpumalanga, 2023-2024

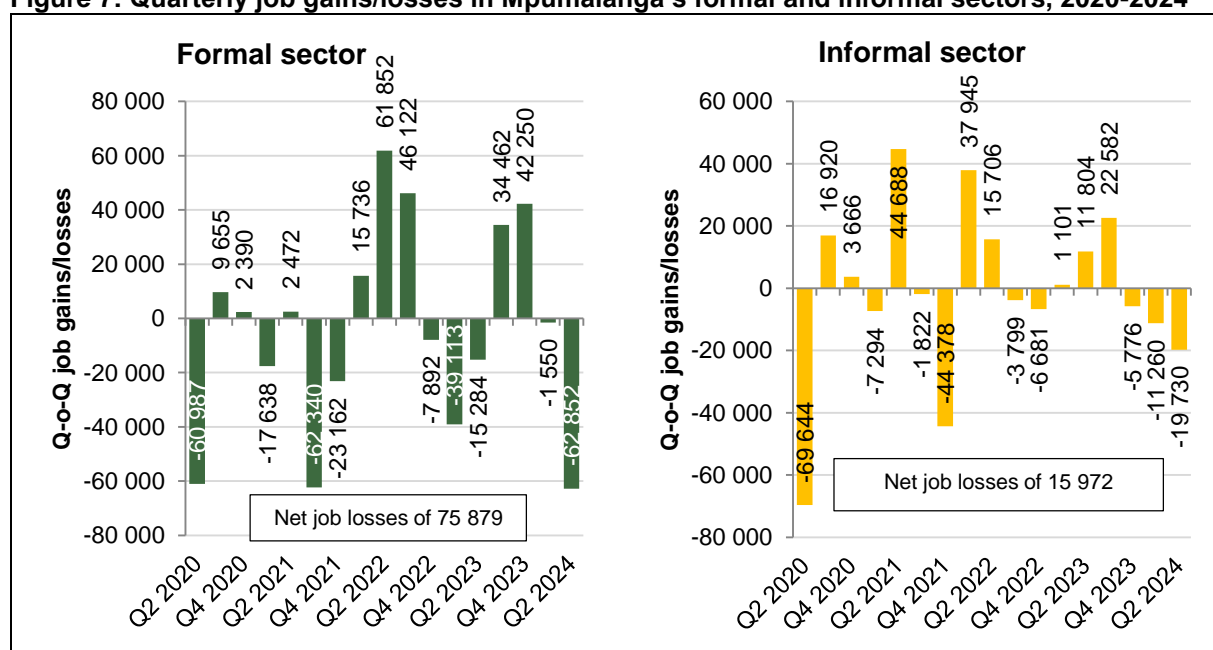
| Sector | Q2 2023 | | Q1 2024 | | Q2 2024 | |
|------------------------------|---------|--------|---------|--------|---------|--------|
| | SA | MP | SA | SA | MP | SA |
| Formal sector | 69.3% | 55.9% | 68.9% | 69.3% | 55.9% | 68.9% |
| Informal sector ⁹ | 18.5% | 27.3% | 18.4% | 18.5% | 27.3% | 18.4% |
| Agriculture | 5.5% | 8.7% | 5.6% | 5.5% | 8.7% | 5.6% |
| Private households | 6.7% | 8.1% | 7.0% | 6.7% | 8.1% | 7.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: Stats SA – QLFS, 2024

Changes in formal and informal employment since COVID-19

Figure 7¹⁰ presents the quarterly aggregate employment changes up to Q2 2024. Over the period under consideration, the informal sector recorded combined job losses of 170 384 in nine quarters and combined job gains of 154 412 in eight quarters. Consequently, there was a net loss of 15 972 jobs in the informal sector. On the other hand, the formal sector encountered combined job losses of 290 818 in nine quarters and combined job gains of 214 939 in eight quarters. As a result, there was a net loss of 75 879 jobs in the formal sector during the specified timeframe.

Figure 7: Quarterly job gains/losses in Mpumalanga’s formal and informal sectors, 2020-2024



Source: Stats SA – QLFS, 2024

Employment by industry

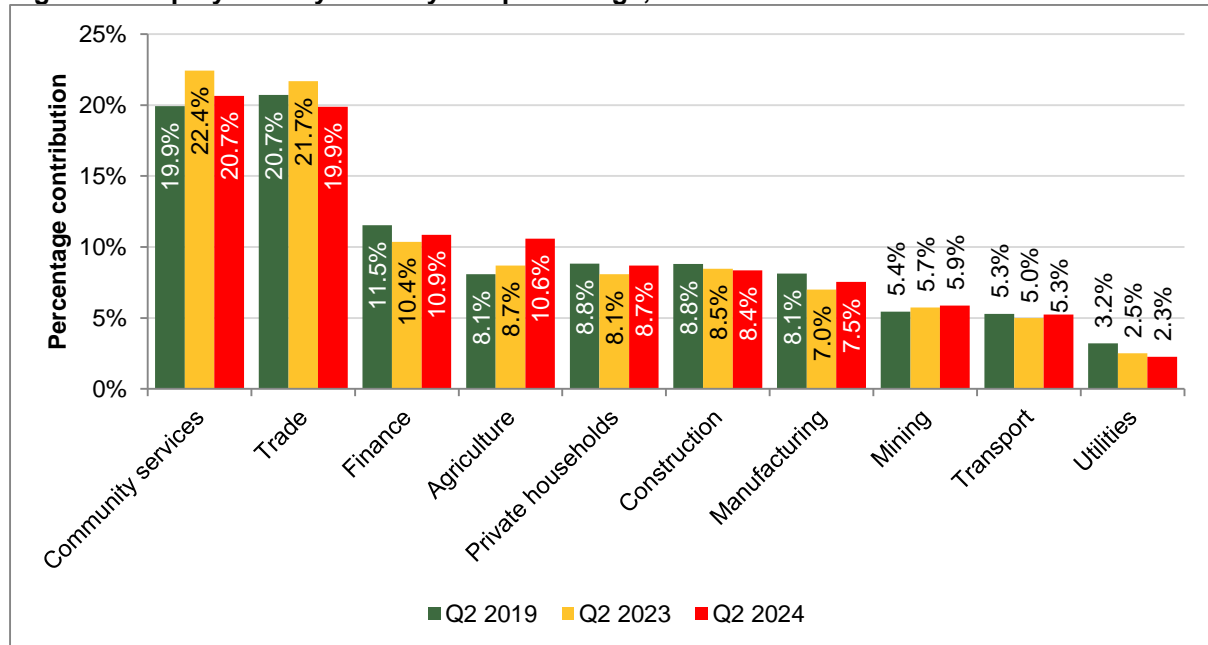
Figure 8 depicts employment by industry in Mpumalanga in the second quarters of 2019, 2023 and 2024, respectively. Community services (20.7%) and trade (19.9%), employed the largest shares of individuals in the province in Q2 2024. The shares of both community services and trade, however, declined over the last 12 months. Over the 5-year period, the contribution of community services increased, whereas that of trade declined.

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

¹⁰ Excludes agriculture and private households, the other two components of aggregate employment that are addressed in Table 7.

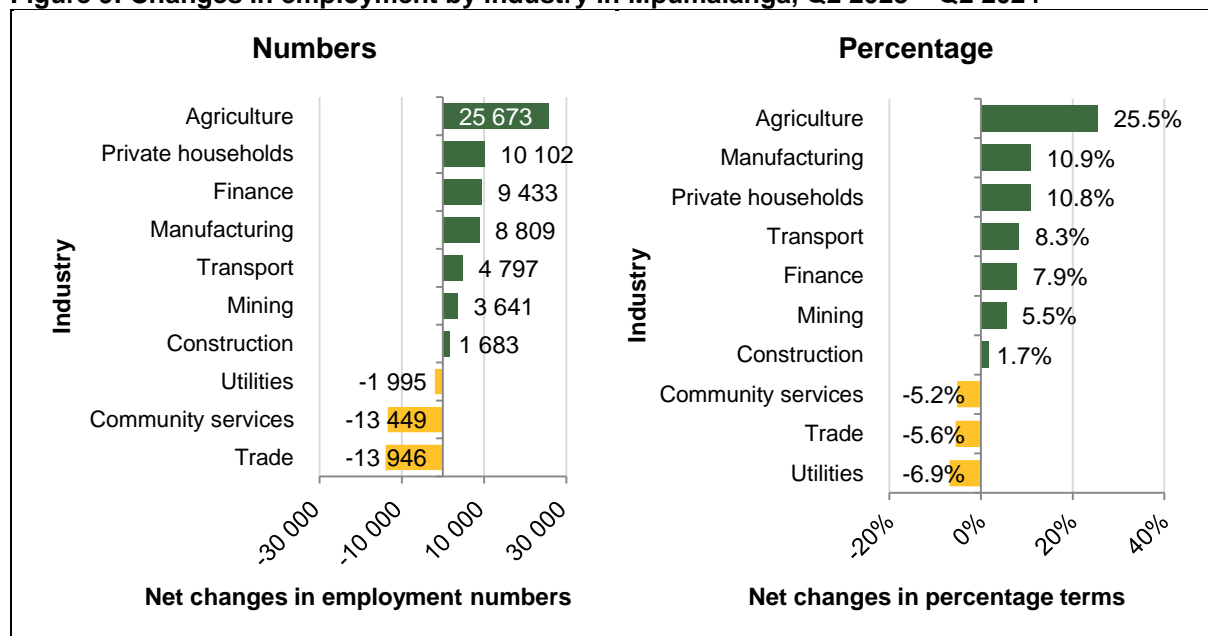
Utilities was the smallest industry throughout while transport was the second smallest employing industry in Q2 2024. Over the course of the last year, agriculture recorded the largest percentage point increase and the largest percentage point decline was recorded by both community services and trade. Over the course of the 5-year period, agriculture also recorded the largest percentage point increase and utilities the largest percentage point decrease.

Figure 8: Employment by industry in Mpumalanga, 2019-2024



Source: Stats SA – QLFS, 2024

Figure 9: Changes in employment by industry in Mpumalanga, Q2 2023 – Q2 2024



Source: Stats SA – QLFS, 2024

Over the last year since Q2 2023, seven employment industries recorded job gains, whilst three registered lower employment numbers (Figure 9). The seven industries, combined to record 64 138 new jobs over the 1-year period, whereas the three industries registered 29 389 destroyed jobs. Agriculture (40.0%) and private households (15.8%) showed the contribution to the increase, whilst trade (47.5%) and community services (45.8%) made the largest contribution to the destroyed jobs.

The largest employment increase between Q2 2023 and Q2 2024 was in agriculture (25 673) and the largest decline in trade (-13 946). Figure 9 also shows that over the last twelve months, agriculture (25.5%) and manufacturing (10.9%) showed the highest increases in percentage terms, whilst utilities (6.9%) and trade (5.6%) declined the most in percentage terms.

Employment by industry since COVID-19

Table 8 presents the combined quarterly employment changes since the start of the COVID-19 lockdown up to Q2 2024. Only the employment numbers of agriculture, mining and utilities were higher in Q2 2024 than in Q1 2020. Agriculture (40 055) recorded the highest net job gains, which was the result of combined quarterly job gains over the period under review of 126 031 and combined quarterly job losses of 80 851. Trade recorded combined quarterly job losses of 175 021 and combined quarterly job gains of 147 234 to record the highest net job losses (-27 788) over the period under review.

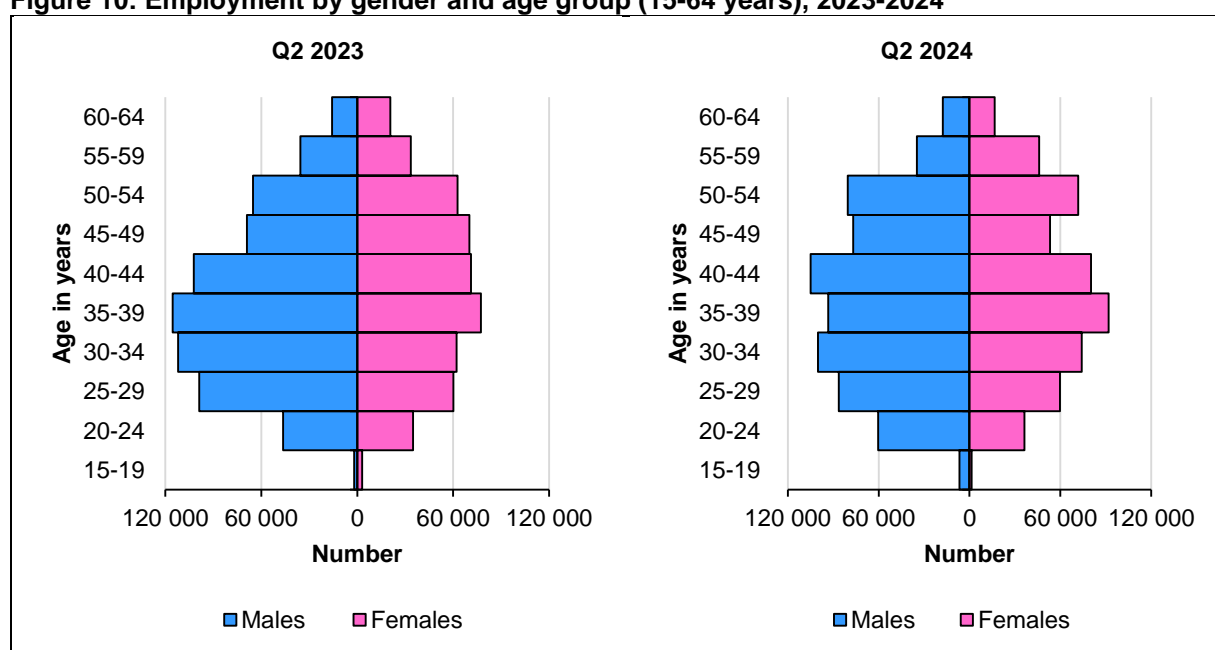
Table 8: Quarterly job gains/losses in Mpumalanga’s industries, Q1 2020-Q2 2024

| Industry | Employment numbers | | Combined quarterly | | Net job gains/(losses) |
|--------------------|--------------------|------------------|--------------------|----------------|------------------------|
| | Q1 2020 | Q2 2024 | Job gains | Job losses | |
| Agriculture | 86 188 | 126 244 | 126 031 | 85 976 | 40 055 |
| Mining | 68 782 | 70 137 | 62 226 | 60 870 | 1 356 |
| Manufacturing | 104 829 | 89 903 | 97 664 | 112 591 | (14 927) |
| Utilities | 26 371 | 27 048 | 37 084 | 36 406 | 678 |
| Construction | 100 598 | 99 742 | 71 363 | 72 220 | (856) |
| Trade | 264 859 | 237 072 | 147 234 | 175 021 | (27 788) |
| Transport | 64 837 | 62 613 | 67 339 | 69 563 | (2 224) |
| Finance | 149 934 | 129 475 | 105 338 | 125 797 | (20 459) |
| Community services | 273 877 | 246 246 | 110 473 | 138 103 | (27 630) |
| Private households | 105 439 | 103 705 | 56 911 | 58 645 | (1 735) |
| Total | 1 245 715 | 1 192 185 | 881 664 | 935 193 | (53 530) |

Source: Stats SA – QLFS, 2024

Employment by gender and age

Figure 10: Employment by gender and age group (15-64 years), 2023-2024



Source: Stats SA – QLFS, 2024

Figure 10 displays the employment by gender and age for Q2 2023 and Q2 2024, respectively. There

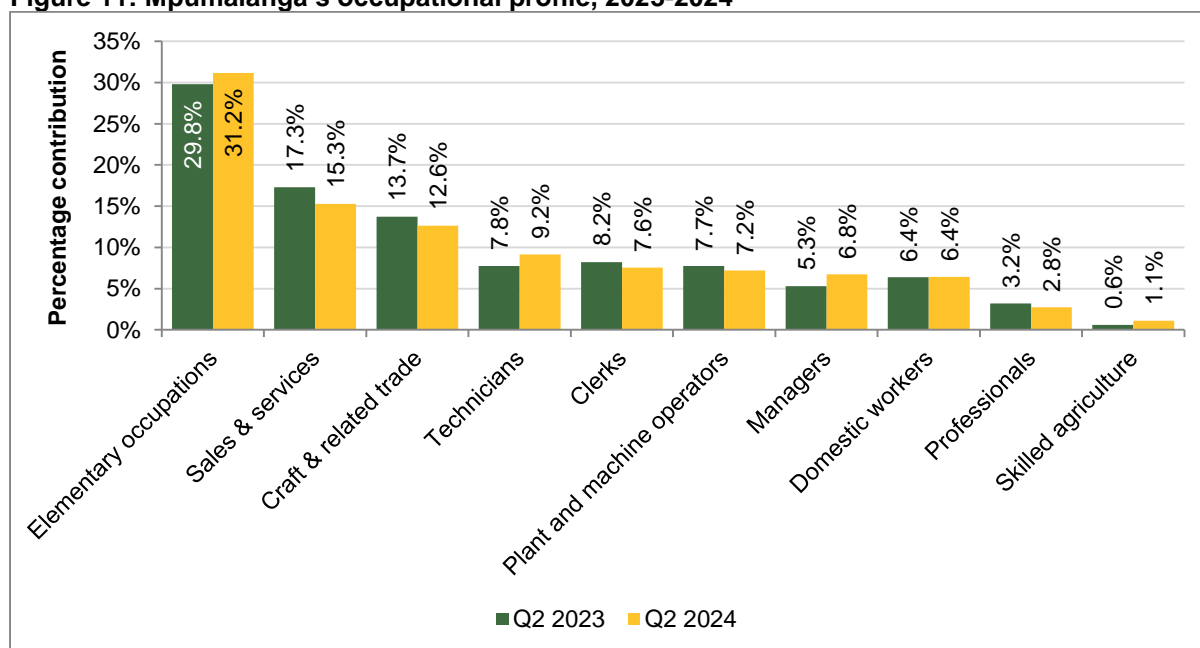
were more males (55.5%) employed in Mpumalanga in Q2 2024 than females. Over the past year, the male employment number declined by 1 793 to 661 109. Female employment numbers increased by 35 693 to 531 076, and therefore recorded a higher share in Q2 2024 (44.5%) than a year earlier (42.8%).

In Q2 2024, adults (35-64 years) held the majority of jobs in Mpumalanga with a share of 64.4%. The adult employment numbers increased by 28 480 from a year earlier and the share increased from 63.8% in Q2 2023 to the current 64.4%. The youth (15-34 years) employment numbers increased by 5 420 and therefore the youth share declined from 36.2% in Q2 2023 to 35.6% in Q2 2024.

3.3 Occupational profile

Figure 11 illustrates the occupational profile of Mpumalanga in the second quarters of 2023 and 2024, 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, 2023-2024



Source: Stats SA – QLFS, 2024

The occupational profile was skewed towards semi-skilled and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) increased from 16.3% in Q2 2023 to 18.7% in Q2 2024. The share of semi-skilled occupations declined from 47.6% to 43.8% over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 37.6% in Q2 2024, up from the 36.2% share of one year earlier.

3.4 Unemployment

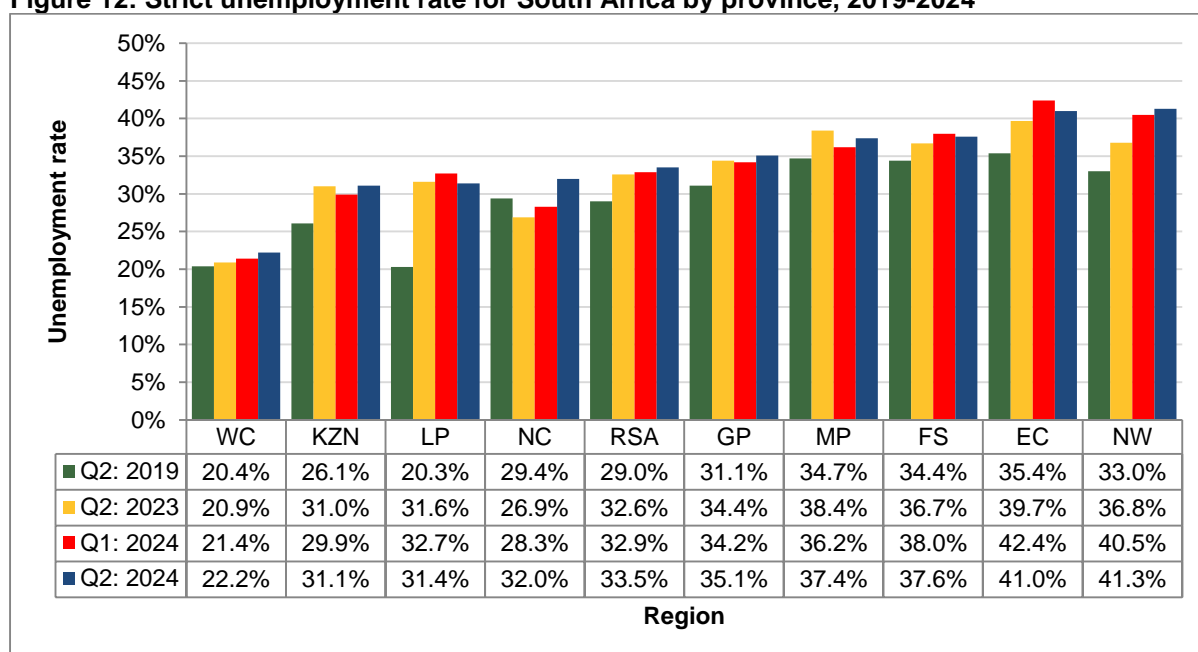
Official definition of unemployment

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 37.4% in Q2 2024, which was lower than the 38.4% recorded in Q2 2023, but substantially higher than the 34.7% in Q2 2019 (Figure 12). Mpumalanga's unemployment rate increased/deteriorated by 2.7 percentage

points over the 5-year period, however, it declined/improved by 1.0 percentage point over the last year. All the provinces registered a higher unemployment rate over the 5-year period. Mpumalanga’s deterioration over the 5-year period was, however, not as pronounced as for example Limpopo and North West. Mpumalanga was only one of three provinces with a lower unemployment rate than the previous quarter.

In Q2 2024, Mpumalanga’s unemployment rate was higher than the national average of 33.5%, as it has been throughout the 5-year period. Mpumalanga, recorded the fourth highest unemployment rate among the nine provinces, with North West (41.3%) registering the highest unemployment rate in Q2 2024.

Figure 12: Strict unemployment rate for South Africa by province, 2019-2024



Source: Statistics South Africa – QLFS, 2024

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 724 100 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 2017 and 2023, the unemployment rate should in all probability be much higher than the current rate by 2030.

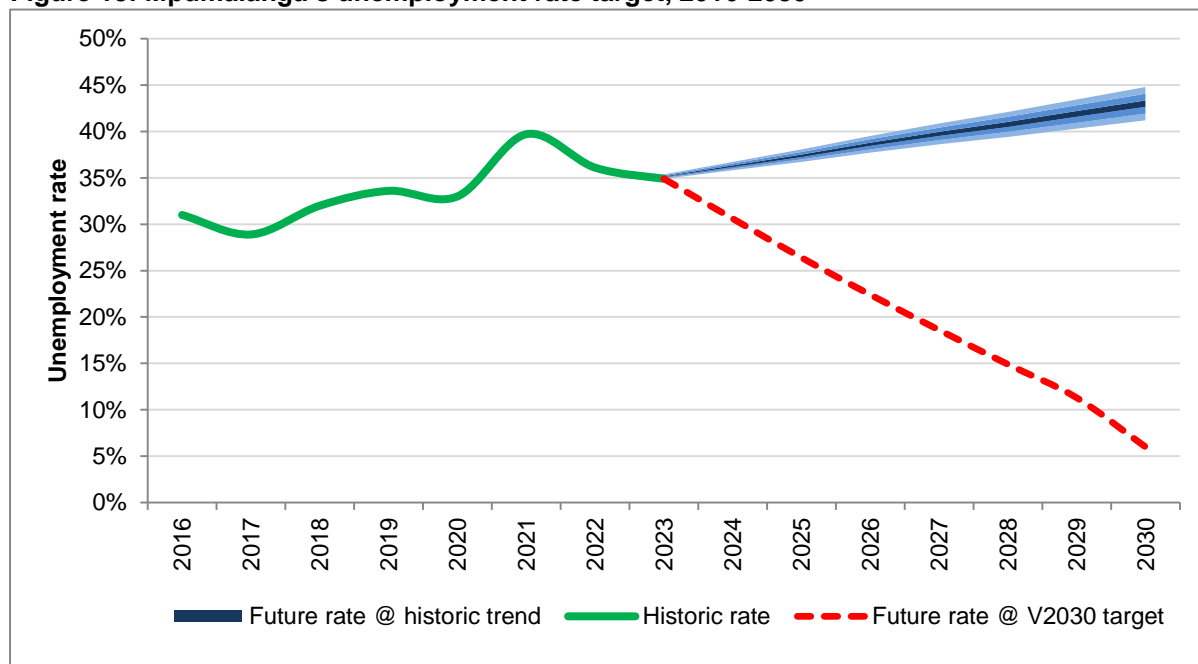
Official unemployment by gender and age

Figure 14 displays the breakdown of unemployment by gender and age for the second quarters of 2023 and 2024, respectively. In Q2 2024, females accounted for 49.0% of the total number of unemployed individuals, while males constituted 51.0%. This female share was lower compared to twelve months earlier when females made up 50.9% of the unemployed population. Among the unemployed, the youth cohort represented 62.9% of the total in the province, which was higher than the share recorded in Q2 2023 of 60.4%.

In Q2 2024, the unemployment rate of males stood at 35.4%, which was lower than the female

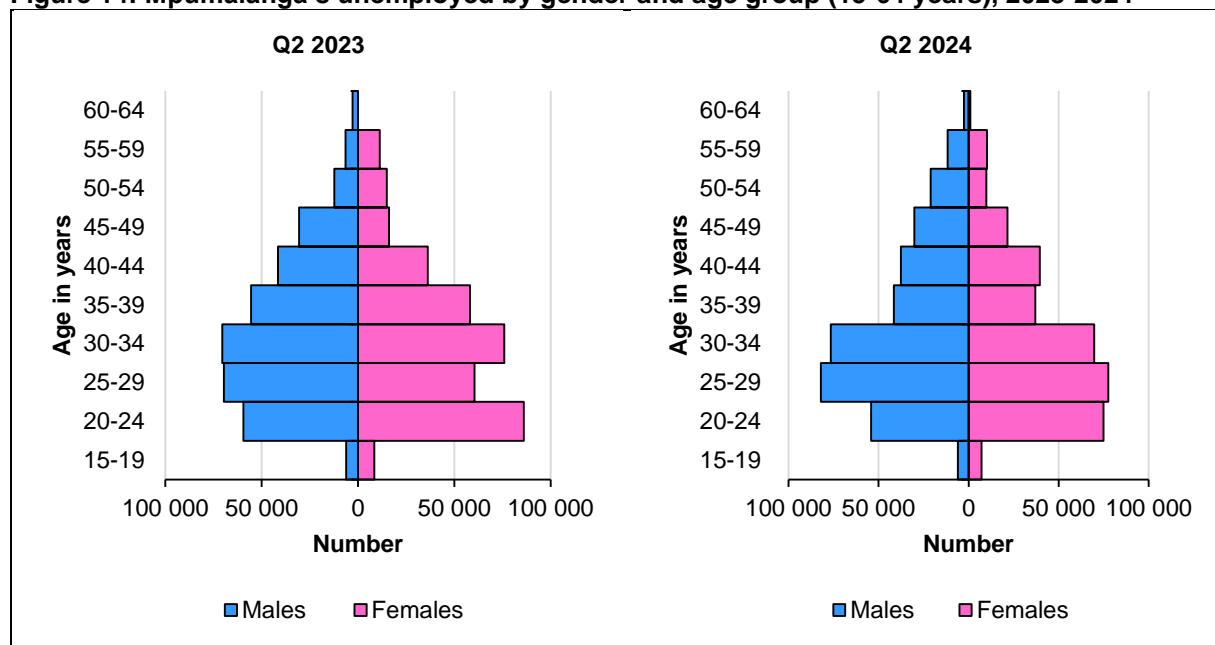
unemployment rate of 39.6%. The unemployment rate for youth of working age (15-34 years¹¹) was 51.3%, whereas the unemployment rate of adults (35-64 years) was only 25.6%. The female youth unemployment rate of 57.2% was substantially higher than the male youth unemployment rate of 46.3%. Additionally, the unemployment rate of the 18-24-year age cohort of males was 47.1% in Q2 2024, with the female unemployment rate in that age group reaching 68.6%.

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



Source: Statistics South Africa – QLFS, 2024 & calculations based thereon

Figure 14: Mpumalanga's unemployed by gender and age group (15-64 years), 2023-2024



Source: Statistics South Africa – QLFS, 2024

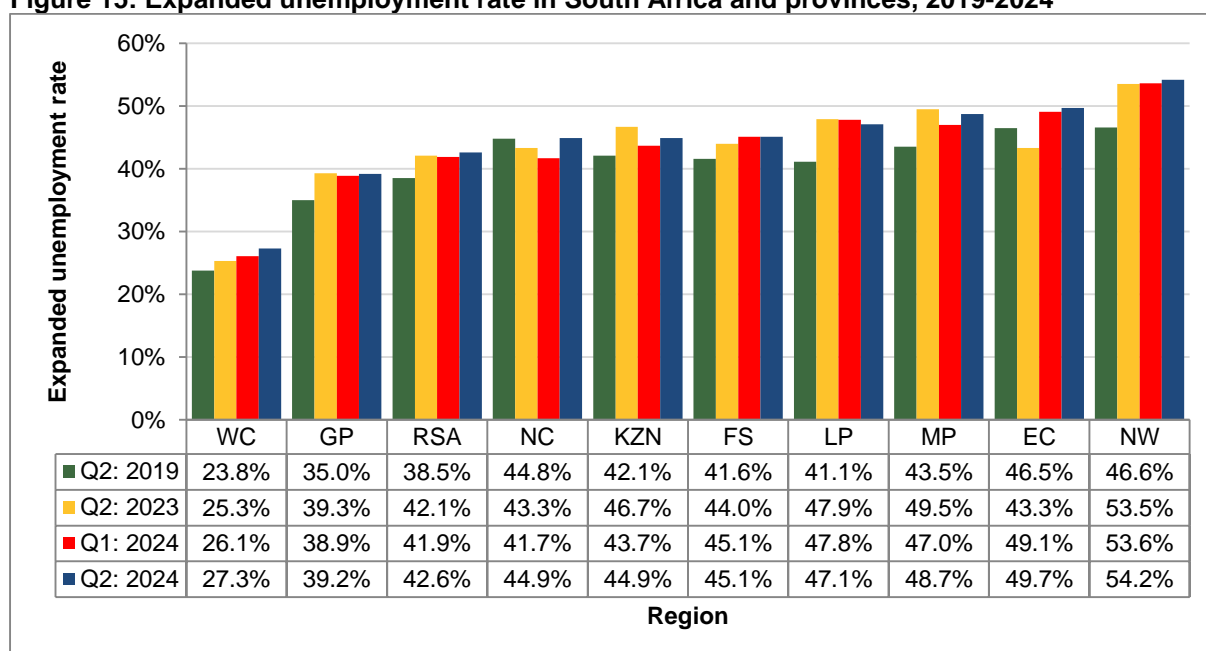
¹¹ The International Labour Organization defines youth as individuals between the ages of 15 to 24 years, with 15 being the minimum school-leaving age and legal employment age. It is important to note, however, that Statistics South Africa utilizes a broader definition, covering individuals between the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

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 38.5% in Q2 2019 and increased/deteriorated to 42.6% in Q2 2024. Mpumalanga's expanded unemployment rate was 48.7% in Q2 2024, which was lower than one year earlier, but higher than five years earlier in Q2 2019. It was higher than the national average and the third highest expanded unemployment rate among the nine provinces.

Figure 15: Expanded unemployment rate in South Africa and provinces, 2019-2024



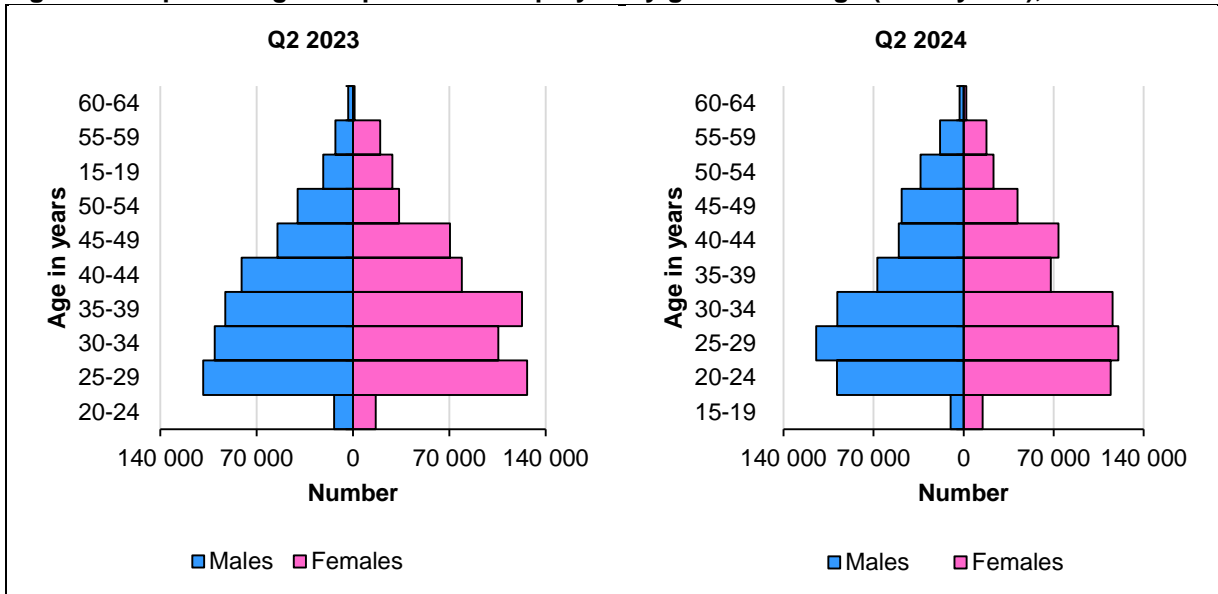
Source: Stats SA – QLFS, 2024

Expanded unemployed by gender and age

Figure 16 displays the expanded unemployment by gender and age for the second quarters of 2023 and 2024, respectively. In Q2 2024, the share of females accounted for 52.2% of the total number of unemployed individuals and males for 47.8%. The share of females was lower than twelve months earlier when females contributed 53.3%. The youth segment contributed 60.6% to the overall number of unemployed individuals in the province, which remained unchanged from Q2 2023.

In Q2 2024, the expanded unemployment rate of males stood at 45.0%, which was lower than the rate among females of 52.7%. The expanded unemployment rate of youth working age (15-34 years) was 61.8%, while for adults it was 36.8%. The unemployment rate among female youth in Q2 2024 was significantly higher at 68.0% compared to the male youth unemployment rate of 55.9%. The expanded unemployment rate of the 18-24-year age cohort of males was 61.8% in Q2 2024 and the 18-24-year-old female unemployment rate was 77.4%.

Figure 16: Mpumalanga’s expanded unemployed by gender and age (15-64 years), 2023-2024

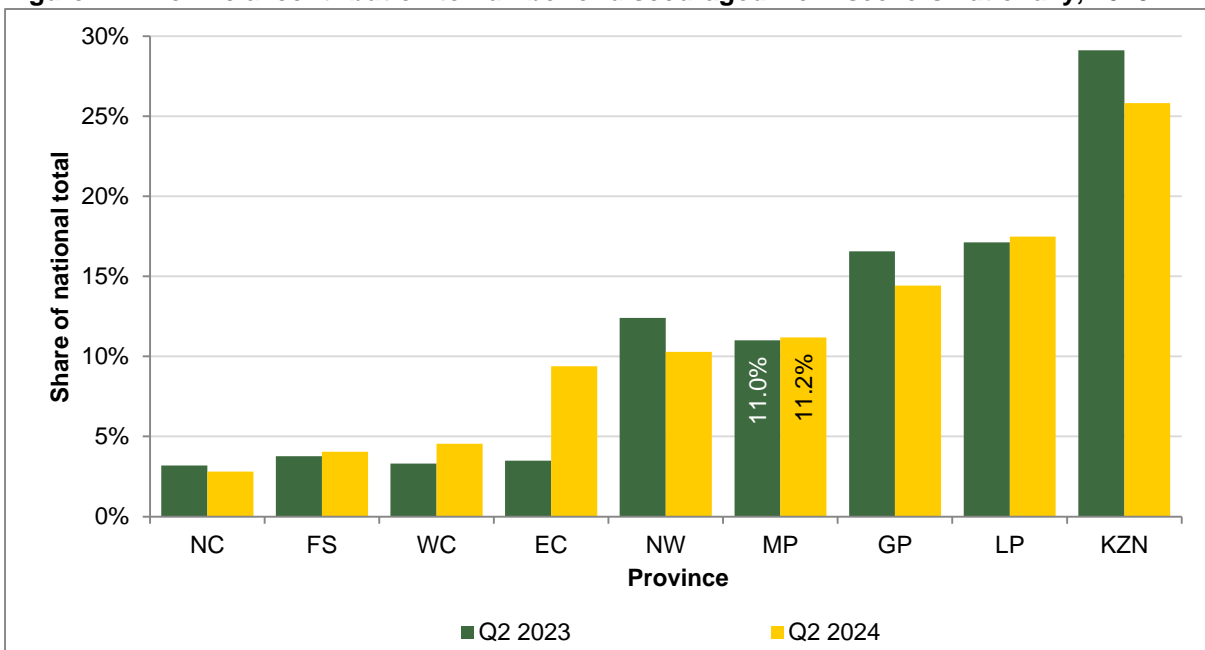


Source: Stats SA – QLFS, 2024

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.

Figure 17: Provincial contribution to number of discouraged work-seekers nationally, 2023-24



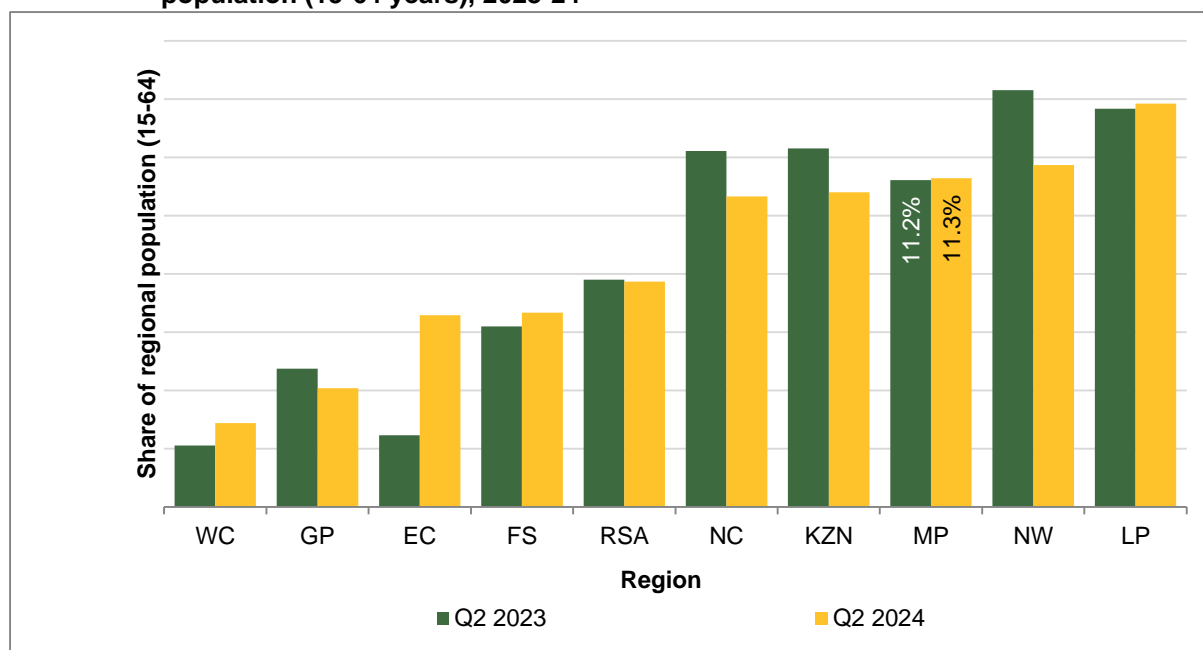
Source: Statistics South Africa – QLFS, 2024

South Africa’s discouraged work-seekers declined by 147 210 workers on a quarterly basis and by 12 601 workers on an annual basis. The number of discouraged work-seekers in Mpumalanga increased by 36 301 compared to the previous quarter, and increased by 7 049 on an annual basis. Figure 17 indicates that Mpumalanga accounted for 11.2% of South Africa’s discouraged work seekers in Q2 2024. This represents a slight increase compared to the 11.0% share recorded one year earlier.

When comparing Mpumalanga to other provinces, it ranked fourth highest/sixth lowest in terms of the share of discouraged workers at the national level.

It is evident from Figure 18 that in Q2 2024, the share of discouraged work seekers in relation to the working age population in Mpumalanga was 11.3%, which was higher than the national average of only 7.7%. In Q2 2024, two provinces, Limpopo and North West, had a larger share of discouraged work seekers in relation to their respective working age populations compared to Mpumalanga.

Figure 18: Comparison of discouraged work-seekers as a ratio of regional working age population (15-64 years), 2023-24



Source: Statistics South Africa – QLFS, 2024

4. EDUCATION PROFILE

Level of education

When Mpumalanga's highest level of schooling in 2022 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, 12.2% of the people 20 years and older in South Africa have completed a post school qualification compared to 7.3% in Mpumalanga (Figure 19). On the other end of the spectrum, there is a slightly larger concentration of Mpumalanga's population, over the age of 20 years, at the lower levels of education than nationally.

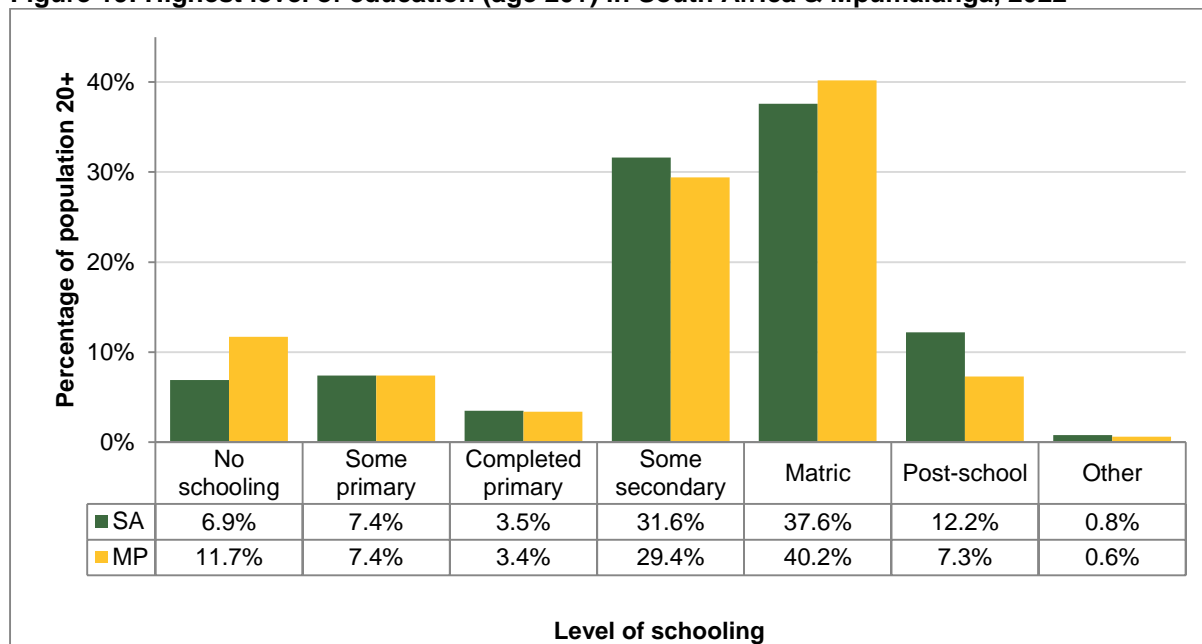
It is further evident when comparing provinces (Figure 20), that Mpumalanga (11.7%) registered the second highest (worst) share of people 20 years and older with no schooling. It was 4.8 percentage points higher/worse than the national share of 6.9% in 2022. Mpumalanga (40.2%) recorded the third highest/seventh lowest share of people 20 years and older with matric among the nine provinces, higher than the national share of 37.6%.

School attendance

Access to educational institutions is an important step to universal education, but the ultimate goal would be to keep children at school until completion of their education. Considering the relatively high

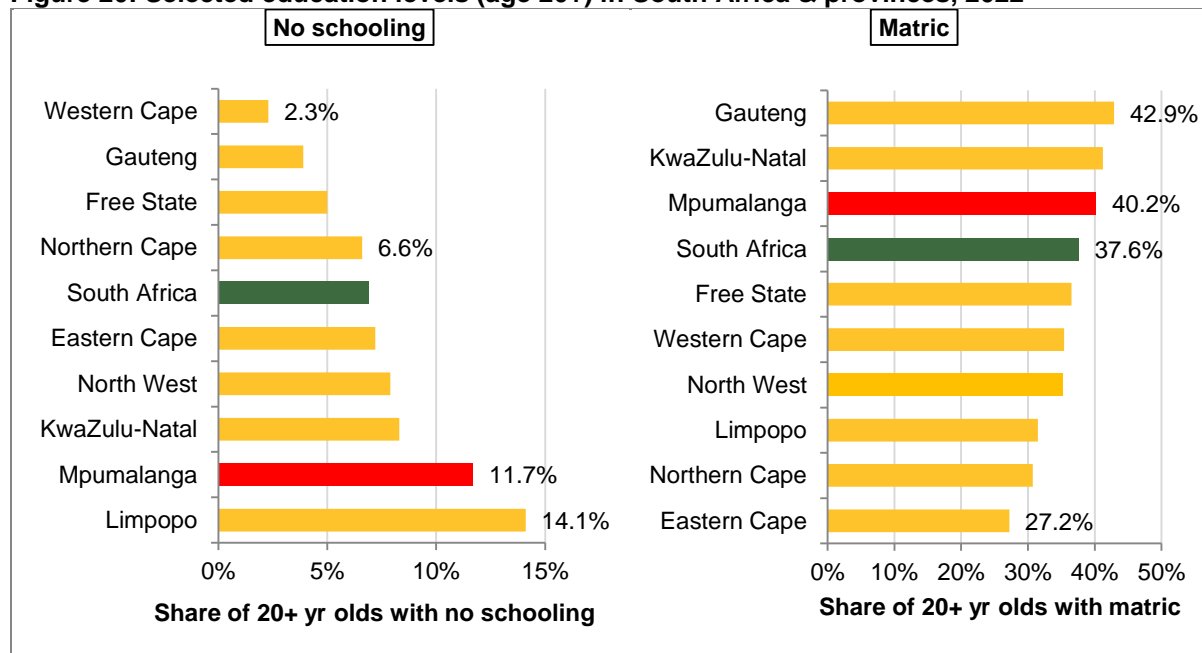
children and youth population due to the demographic dividends of the country, concerted efforts have been made to expand the education system through establishing more institutions.

Figure 19: Highest level of education (age 20+) in South Africa & Mpumalanga, 2022



Sources: Stats SA – Census 2022

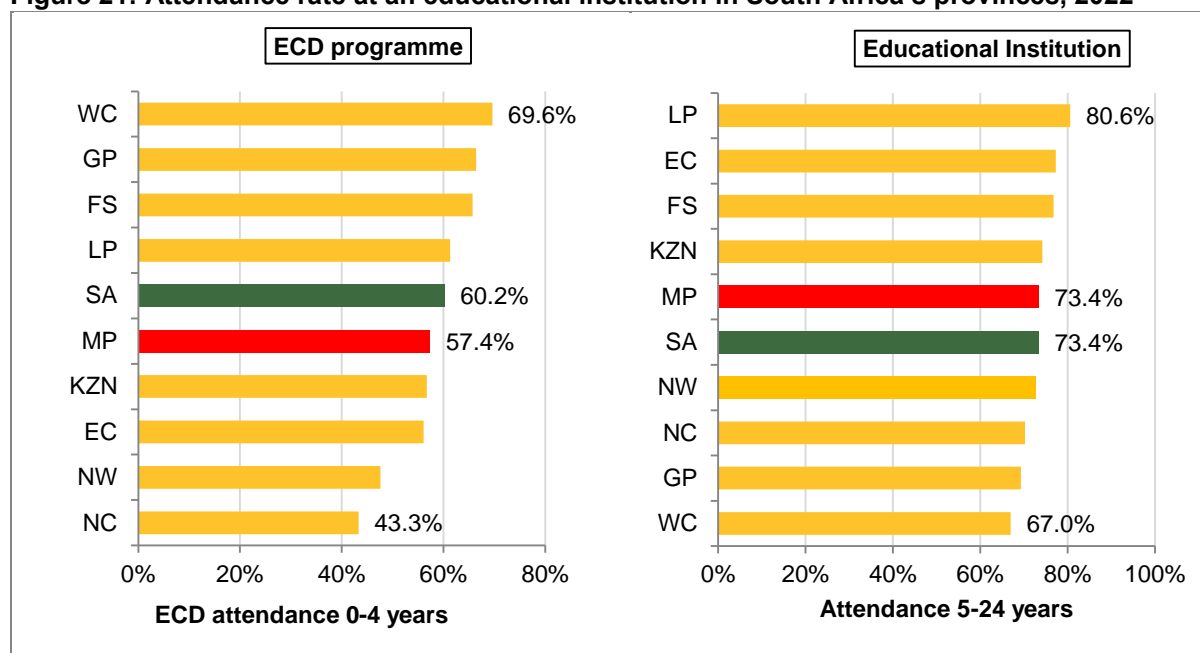
Figure 20: Selected education levels (age 20+) in South Africa & provinces, 2022



Source: Stats SA – Census 2022

The regional picture, presented in Figure 21, reflects the attendance rates in South Africa and the provinces. In 2022, the early childhood development (ECD) attendance rate in Mpumalanga was 57.4%. Mpumalanga’s ECD attendance rate was lower than the national rate of 60.2% in 2022 and the fifth highest/lowest among the provinces. In 2022, the attendance rate for people 5 years to 24 years was 73.4% in 2022 in Mpumalanga. This rate for Mpumalanga was the same as that of South Africa and was the fifth highest/lowest among the provinces.

Figure 21: Attendance rate at an educational institution in South Africa’s provinces, 2022



Source: Stats SA – Census 2022

Grade 12 NSC 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. In 2023, Mpumalanga’s national senior certificate (NSC) pass rate was 77.0%, which was lower than the national NSC pass rate of 82.9%. When Mpumalanga’s throughput rate for 2023 is calculated, it is evident that 67.2% of the grade ones in 2012 wrote the national senior certificate examinations in 2023, compared with the national throughput rate of only 59.2%. Mpumalanga’s throughput rate was the highest/best among the nine provinces and higher/better than the national throughput rate of 59.2%.

Table 10 compares the grade 12 pass rates among the various provinces from 2015 to 2023. The national pass rate of matriculants increased from 70.7% in 2015 to 82.9% in 2023. In contrast, Mpumalanga’s Grade 12 pass rate declined from 78.6% in 2015 to 77.0% in 2023. Between 2022 and 2023, Mpumalanga’s pass rate improved marginally from 76.8% to 77.0%. All nine provinces experienced an increase between 2022 and 2023, and Mpumalanga’s increase of 0.2 percentage points was the eighth highest/second lowest increase.

Mpumalanga’s pass rate was lower than the national grade 12 pass rate for the fifth consecutive year. Mpumalanga was the province with the eighth highest/second lowest pass rate in 2023, down from fifth highest in 2015. Free State (89.0%) recorded the highest Grade 12 pass rate in 2023 and Northern Cape (75.8%) the lowest.

A comparison of Grade 12 pass rates among the four education districts from 2015 to 2023 is presented in Table 11. Gert Sibande recorded an improvement between 2015 and 2023, whereas the other three education districts deteriorated over the 8-year period. Ehlanzeni registered the highest Grade 12 pass rate in 2023 at 81.8%, whereas Bohlabela’s pass rate was the lowest at 69.1%.

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

Table 10: Comparative grade 12 pass rate for South Africa and provinces, 2015-2023

| Province | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| EC ¹³ | 56.8% | 59.3% | 65.0% | 70.6% | 76.5% | 68.1% | 73.0% | 77.3% | 81.4% |
| FS ¹⁴ | 81.6% | 88.2% | 86.1% | 87.5% | 88.4% | 85.1% | 85.7% | 88.5% | 89.0% |
| GP ¹⁵ | 84.2% | 85.1% | 85.1% | 87.9% | 87.2% | 83.8% | 82.8% | 84.4% | 85.4% |
| KZN ¹⁶ | 60.7% | 66.4% | 72.9% | 76.2% | 81.3% | 77.6% | 76.8% | 83.0% | 86.4% |
| LP ¹⁷ | 65.9% | 62.5% | 65.6% | 69.4% | 73.2% | 68.2% | 66.7% | 72.1% | 79.5% |
| MP ¹⁸ | 78.6% | 77.1% | 74.8% | 79.0% | 80.3% | 73.7% | 73.6% | 76.8% | 77.0% |
| NW ¹⁹ | 81.5% | 82.5% | 79.4% | 81.1% | 86.8% | 76.2% | 78.2% | 79.8% | 81.6% |
| NC ²⁰ | 69.4% | 78.7% | 75.6% | 73.3% | 76.5% | 66.0% | 71.4% | 74.2% | 75.8% |
| WC ²¹ | 84.7% | 86.0% | 82.8% | 81.5% | 82.3% | 79.9% | 81.2% | 81.4% | 81.5% |
| National | 70.7% | 72.5% | 75.1% | 78.2% | 81.3% | 76.2% | 76.4% | 80.1% | 82.9% |

Source: Department of Basic Education - National Senior Certificate Examinations Report 2024

Table 11: Comparative grade 12 pass rate for education districts in Mpumalanga, 2014-2023

| Education district | % Pass rate | | | | | | | | |
|-------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Bohlabela ²² | 76.7% | 72.3% | 72.4% | 76.9% | 76.7% | 74.6% | 74.2% | 79.3% | 69.1% |
| Ehlanzeni ²³ | 82.4% | 79.5% | 76.8% | 82.3% | 84.6% | 74.5% | 75.6% | 76.2% | 81.8% |
| Gert Sibande | 72.6% | 75.9% | 76.5% | 77.5% | 79.3% | 70.9% | 72.2% | 77.7% | 79.8% |
| Nkangala | 81.7% | 79.5% | 73.5% | 78.7% | 80.6% | 74.6% | 72.2% | 74.5% | 76.4% |

Source: Mpumalanga Department of Education, 2024

Education ratios

According to the Department of Basic Education's *School Realities* report of 2023, there were 1 150 356 learners (Grade 0 to 12) in 1 632 ordinary public and 139 independent schools in Mpumalanga, who were served by 37 143 educators. The learner-educator ratio (LER) in public schools of Mpumalanga declined between 2015 and 2023 from 31.4 to 30.9 learners per educator (Table 12). This was marginally higher than the national level of 30.8 learners per educator. The learner-school ratio (LSR) in public schools of Mpumalanga was higher than the national figure of 564 in 2023 and increased from 603 learners per school in 2015 to 682 in 2023. According to the educator-school ratio (ESR), the number of educators per public school increased between 2015 and 2023 from 19 to 22 and was higher than the national level of 19.

School nutrition programme

According to the *GHS 2023*, 86.0% of children attending public schools in Mpumalanga benefitted from the school nutrition programme in 2023. This was higher than the national average (76.7%) and Mpumalanga ranked third highest among the nine provinces. The share of public school learners benefitting from this programme in Mpumalanga declined marginally from 86.4% in 2014.

¹³ Eastern Cape

¹⁴ Free State

¹⁵ Gauteng

¹⁶ KwaZulu-Natal

¹⁷ Limpopo

¹⁸ Mpumalanga

¹⁹ North West

²⁰ Northern Cape

²¹ Western Cape

²² The Bohlabela education district includes schools in Bushbuckridge and Thaba Chweu

²³ The Ehlanzeni education district includes schools in City of Mbombela and Nkomazi

Table 12: Comparison of education ratios in ordinary public schools for South Africa and provinces, 2015-2023

| Province | LER ²⁴ | | LSR | | ESR | |
|-----------------|-------------------|-------------|------------|------------|-----------|-----------|
| | 2015 | 2023 | 2015 | 2023 | 2015 | 2023 |
| Eastern Cape | 31.0 | 29.1 | 343 | 345 | 11 | 12 |
| Free State | 29.4 | 29.3 | 529 | 750 | 18 | 25 |
| Gauteng | 32.4 | 25.8 | 961 | 1 107 | 30 | 37 |
| KwaZulu-Natal | 34.4 | 29.8 | 477 | 486 | 14 | 16 |
| Limpopo | 31.8 | 31.8 | 435 | 473 | 14 | 14 |
| Mpumalanga | 31.4 | 30.9 | 603 | 682 | 19 | 22 |
| Northern Cape | 32.5 | 28.2 | 519 | 551 | 16 | 20 |
| North West | 33.1 | 30.0 | 535 | 589 | 16 | 19 |
| Western Cape | 31.8 | 26.8 | 717 | 818 | 23 | 28 |
| National | 32.3 | 30.8 | 512 | 564 | 16 | 19 |

Source: Department of Basic Education – 2015 & 2023 School Realities

5. HEALTH AND SOCIAL SERVICES

Figure 22 compares some of Mpumalanga's health indicators with the national average level. The immunisation coverage (<1 year) in Mpumalanga of 89.1% was higher than the national level and the second highest/best among the nine provinces in 2022. Mpumalanga's 2022 measles 2nd dose coverage was the highest/best in the country at 97.4%. The TB drug-susceptible (DS) client treatment success rate of 82.8% in 2021 was better than the national average (77.9%) and the highest/best in the country. Mpumalanga's maternal mortality rate of 114.5 per 100 000 live births was higher/worse than the national rate of 101.0 and the fourth highest/worst among the provinces. In 2022, the inpatient early neonatal²⁵ death rate in facility of 10.5 per 1 000 live births was higher/worse than the national rate and the joint fourth highest/worst among the provinces.

HIV prevalence and targets

According to survey results from the Human Sciences Research Council (HSRC), Mpumalanga recorded the highest HIV prevalence at 17.4% in 2022. This translates to an estimated 890 000 people living with HIV in the province. By locality, HIV prevalence was higher among those residing in rural formal/farms (21.1%) compared to rural informal areas (18.4%) and lower in urban areas (15.5%).

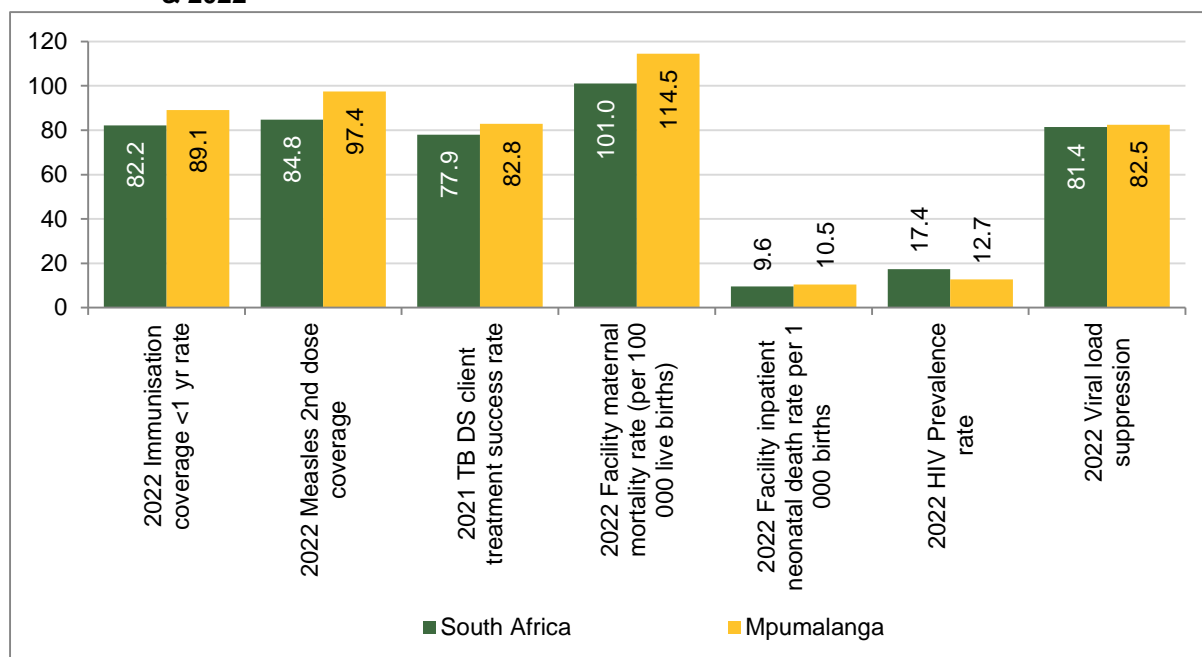
The 95–95–95 targets are a set of global goals established by the United Nations Programme on AIDS and HIV. By 2025, the goal is that 95% of people living with HIV will know their HIV status, 95% of those who know their HIV-positive status will be accessing antiretroviral therapy (ART), and 95% of people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

It is estimated that in 2022, 87.3% of people living with HIV aged 15 years and older were aware of their HIV status, 94.5% of those diagnosed were on ART and 94.0% of those on ART were virally suppressed in Mpumalanga. Nationally, 89.6% of people living with HIV aged 15 years and older knew their HIV status, 90.7% of those who knew their HIV status were on ART, and 93.9% of those on ART were virally suppressed.

²⁴ State paid and School Governing Body paid educators

²⁵ 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.

Figure 22: Comparison of selected health indicators between South Africa & Mpumalanga, 2021 & 2022



Sources: *Health Systems Trust – Indicator Tool 2023*
Human Science Research Council (HSRC) – 6th South African National HIV Prevalence, Incidence and Behaviour Survey, 2024

Medical aid coverage

According to the *GHS 2023*, only 10.4% of individuals in Mpumalanga were members of medical aid schemes in 2023. This was lower than the national average (15.7%) and Mpumalanga ranked sixth highest/fourth lowest among the nine provinces. The share of individuals that were members of medical aid schemes in Mpumalanga decreased from 14.9% in 2014.

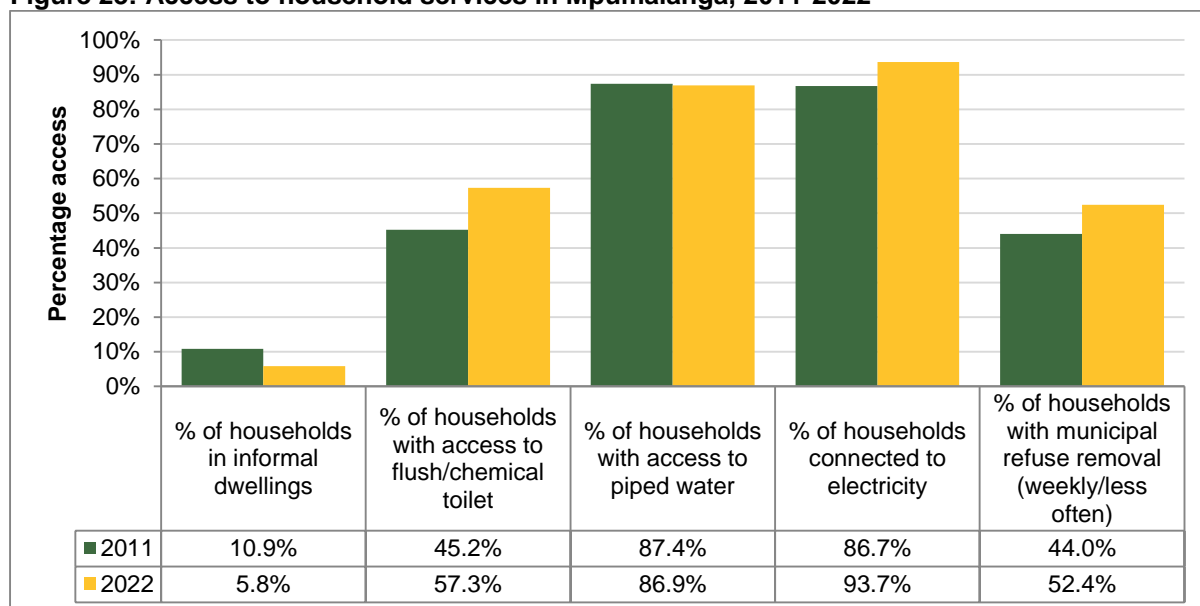
6. HOUSEHOLD SERVICES

According to Figure 23, the share of households in Mpumalanga that occupied informal dwellings declined between 2011 (10.9%) and 2022 (5.8%). More households had access to flush/chemical toilets (57.3%) in 2022 than in 2011 (45.2%). The proportion of Mpumalanga’s households with access to piped water (86.9%) was slightly lower in 2022 than in 2011, and the households connected to electricity increased to 93.7%. Households with municipal refuse removal (52.4%) also improved from its 2011 level.

It is clear from Table 13 that 185 541 households in Mpumalanga still lacked access to piped water in any form and 82 428 households were still living in informal dwellings in 2022. The number of households that were not connected to electricity numbered 89 984, whereas 607 751 households did not have access to a flush/chemical toilet and 677 242 households indicated that it received no municipal refuse removal at least weekly or less often.

The percentage of households in Mpumalanga without access to flush/chemical toilets was 42.7% in 2022 and was the second highest among the nine provinces. Figure 24 further reveals that Mpumalanga had the joint lowest/best share of households with no toilets and bucket toilets (2.9%).

Figure 23: Access to household services in Mpumalanga, 2011-2022



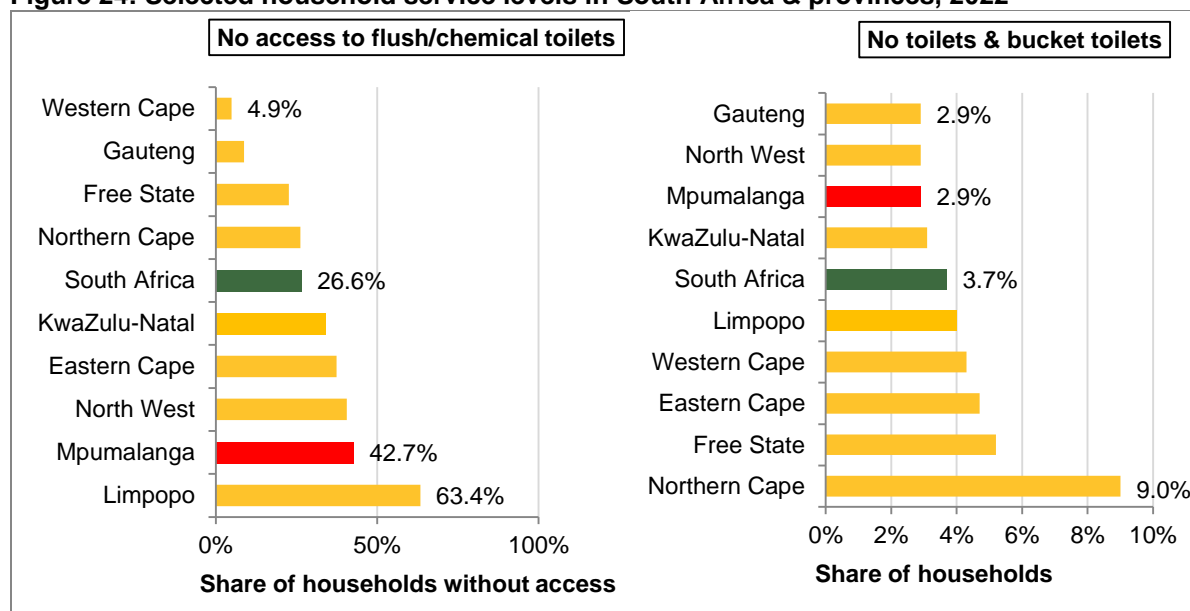
Sources: Stats SA – Census 2011
Stats SA – Census 2022

Table 13: Household services backlog number in Mpumalanga, 2022

| Household service | Backlog number |
|--|----------------|
| Without flush/chemical toilets | 607 751 |
| Other sources of water for drinking (no piped water) | 185 541 |
| No electricity connection | 89 984 |
| Informal dwellings | 82 428 |
| No municipal refuse removal (weekly/less often) | 677 242 |

Sources: Stats SA – Census 2022

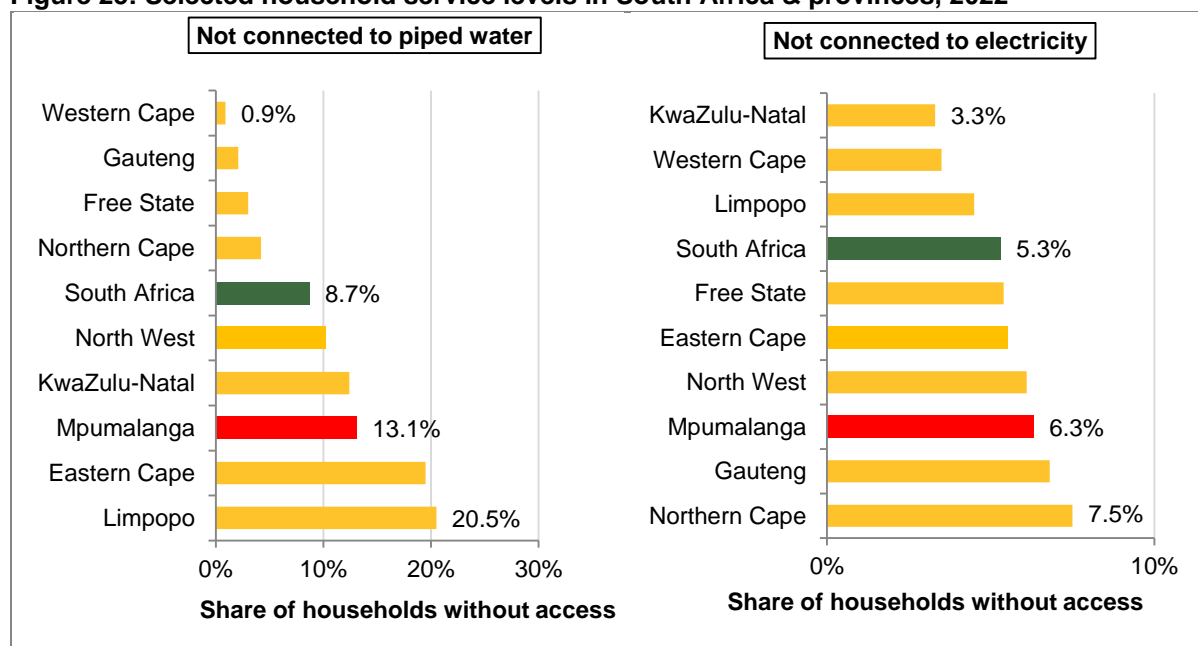
Figure 24: Selected household service levels in South Africa & provinces, 2022



Source: Stats SA – Census 2022

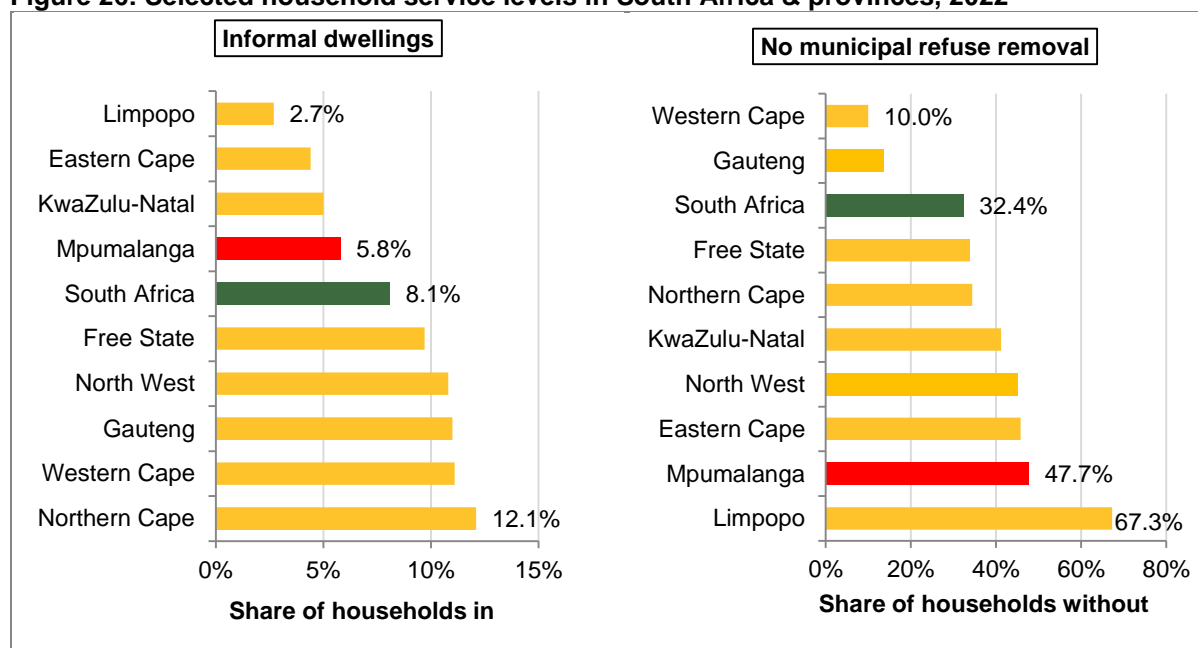
In 2022, the percentage of households not connected to piped water in Mpumalanga was recorded at 13.1% (Figure 25). This was the third highest/worst backlog among the nine provinces and worse than the national backlog of 8.7%. The percentage of households in Mpumalanga not connected to electricity was recorded at 6.3% in 2022. In 2022, the electricity backlog in Mpumalanga was the third highest/worst and worse than the national backlog of 5.3%.

Figure 25: Selected household service levels in South Africa & provinces, 2022



Source: Stats SA – Census 2022

Figure 26: Selected household service levels in South Africa & provinces, 2022



Source: Stats SA – Census 2022

A relatively small percentage of households in Mpumalanga (5.8%) occupied informal dwellings in 2022, compared to the national figure of 8.1% (Figure 26). Mpumalanga ranked fourth lowest (best) among the nine provinces. The percentage of households that did not benefit from regular municipal refuse removal was recorded at 47.7% in 2022. This was the second highest/worst share among the nine provinces.

7. DEVELOPMENT AND INCOME ASPECTS

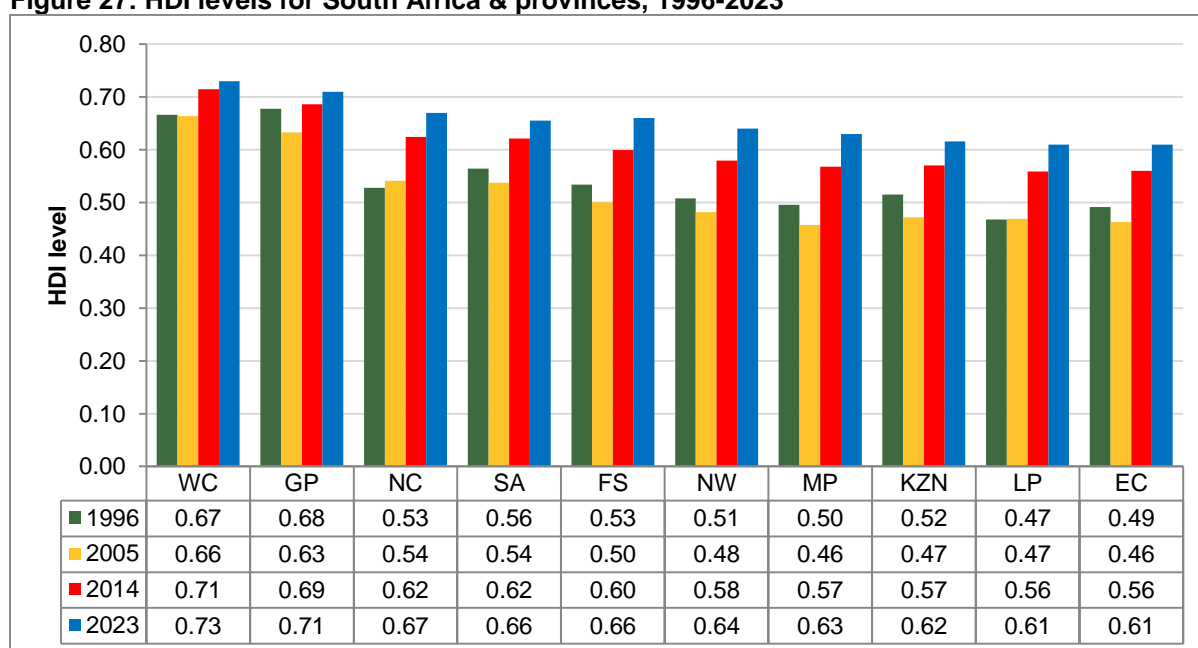
7.1 Human development index

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 2023. Mpumalanga's HDI level improved over the 27-year period from 0.50 in 1996 to 0.63 in 2023. Despite improving between 1996 and 2023, it was still lower than the national level of 0.66 in 2023. Mpumalanga recorded the fourth lowest/sixth highest HDI level among the nine provinces in 2023 with Limpopo and Eastern Cape the joint lowest. Between the three districts in Mpumalanga, Nkangala recorded the highest HDI level of 0.65 in 2023 and Ehlanzeni the lowest at 0.61 (Table 14).

Figure 27: HDI levels for South Africa & provinces, 1996-2023



Source: S&P Global – Regional eXplorer (ReX), July 2024

Table 14: HDI levels for South Africa, Mpumalanga & districts, 1996-2023

| Region | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
|--------------|------|------|------|------|------|------|------|
| South Africa | 0.56 | 0.55 | 0.54 | 0.57 | 0.62 | 0.65 | 0.66 |
| Mpumalanga | 0.50 | 0.47 | 0.46 | 0.50 | 0.57 | 0.61 | 0.63 |
| Gert Sibande | 0.50 | 0.47 | 0.46 | 0.51 | 0.57 | 0.61 | 0.63 |
| Nkangala | 0.53 | 0.50 | 0.48 | 0.53 | 0.59 | 0.63 | 0.65 |
| Ehlanzeni | 0.46 | 0.44 | 0.43 | 0.48 | 0.55 | 0.58 | 0.61 |

Source: S&P Global – ReX, July 2024

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 2023. Asians and Coloureds followed with HDI levels of 0.79 and 0.71, respectively. The Black African population registered the lowest HDI level of 0.59 (Table 15), however, the largest HDI improvement over the 27-year period was registered in this population group.

Table 15: HDI level by population group in Mpumalanga, 1996-2023

| Population group | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
|------------------|------|------|------|------|------|------|------|
| Black African | 0.44 | 0.41 | 0.40 | 0.45 | 0.52 | 0.57 | 0.59 |
| White | 0.84 | 0.85 | 0.87 | 0.86 | 0.88 | 0.89 | 0.90 |
| Coloured | 0.57 | 0.61 | 0.62 | 0.64 | 0.68 | 0.70 | 0.71 |
| Asian | 0.75 | 0.77 | 0.79 | 0.76 | 0.78 | 0.78 | 0.79 |
| Total | 0.50 | 0.47 | 0.46 | 0.50 | 0.57 | 0.61 | 0.63 |

Source: S&P Global – ReX, July 2024

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 0.61 in 2023 (Table 16). The most recent national level only reflects a slightly less unequal income distribution than was the case in 1996. Income inequality has declined/improved steadily between 2009 and 2023.

The provincial income distribution was as unequal in 2023 (0.60) than what it was in 1996 (0.60). Similar to the national situation, the provincial income inequality also remained declined/improved steadily between 2009 and 2023. Among the provinces, Mpumalanga (0.60) registered the joint second lowest level of income inequality in 2023, with Limpopo on 0.59, experiencing the lowest income inequality. In 2023, all three districts registered Gini-coefficients of 0.60, which indicates that inequality remained unchanged in Gert Sibande, whilst it deteriorated slightly in Nkangala and Ehlanzeni.

Table 16: Gini-coefficient for South Africa, Mpumalanga & districts, 1996-2023

| Region | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
|--------------|------|------|------|------|------|------|------|
| South Africa | 0.62 | 0.66 | 0.64 | 0.65 | 0.64 | 0.63 | 0.61 |
| Mpumalanga | 0.60 | 0.64 | 0.63 | 0.63 | 0.62 | 0.61 | 0.60 |
| Gert Sibande | 0.60 | 0.64 | 0.64 | 0.63 | 0.62 | 0.61 | 0.60 |
| Nkangala | 0.59 | 0.62 | 0.62 | 0.62 | 0.61 | 0.61 | 0.60 |
| Ehlanzeni | 0.59 | 0.63 | 0.62 | 0.62 | 0.61 | 0.61 | 0.60 |

Source: S&P Global – ReX, July 2024

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 7.7% of income in 2023 (Table 17). This was higher/better than the national figure of 7.0% for 2023, however, it was lower/worse than the 8.6% share achieved in 1996. Among the provinces, Mpumalanga registered the joint third highest/best share behind Limpopo (8.9%) and Eastern Cape (8.0%). In 2023, Ehlanzeni registered the highest share of income by the poorest 40% in Mpumalanga (8.2%), whereas the poorest 40% in Gert Sibande and Nkangala recorded shares of 7.5%, respectively.

Table 17: Share of income earned by poorest 40% in South Africa, Mpumalanga & districts, 1996-2023

| Region | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
|--------------|------|------|------|------|------|------|------|
| South Africa | 7.3% | 6.0% | 6.3% | 6.3% | 6.5% | 6.5% | 7.0% |
| Mpumalanga | 8.6% | 7.0% | 7.3% | 7.4% | 7.5% | 7.5% | 7.7% |
| Gert Sibande | 8.4% | 6.7% | 6.9% | 7.1% | 7.2% | 7.3% | 7.5% |
| Nkangala | 8.1% | 6.9% | 6.9% | 7.1% | 7.4% | 7.3% | 7.5% |
| Ehlanzeni | 9.5% | 7.7% | 8.0% | 8.1% | 8.1% | 8.0% | 8.2% |

Source: S&P Global – ReX, July 2024

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 18 displays the Palma ratio for South Africa, Mpumalanga and the districts over the period 1996 to 2023. South Africa's high Palma ratio of 6.84 in 2023 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 ratio reveals that for every R1 of total income that the poorest 40% received, the richest 10% received R6.84. The ratio has declined/improved from a high of 8.86 in 2000, however, the 2023 ratio was higher/worse when compared with 1996.

Mpumalanga's Palma ratio of 6.32 in 2023 was lower/better than the national total. It declined/improved from 7.50 in 2000, however, it was still unacceptably high according to international standards. Mpumalanga's ratio was the fourth lowest/best among the provinces. Gauteng (7.05) recorded the highest Palma ration in 2023. In 2023, Gert Sibande's Palma ratio of 6.36 was the highest/least unequal among the three districts.

Table 19: Palma ratio in South Africa, Mpumalanga & districts, 1996-2023

| Region | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
|--------------|------|------|------|------|------|------|------|
| South Africa | 6.76 | 8.86 | 8.04 | 8.23 | 7.76 | 7.84 | 6.84 |
| Mpumalanga | 5.63 | 7.50 | 7.09 | 6.80 | 6.58 | 6.38 | 6.32 |
| Gert Sibande | 5.70 | 7.88 | 7.45 | 7.12 | 6.74 | 6.54 | 6.36 |
| Nkangala | 5.59 | 7.18 | 7.07 | 6.86 | 6.35 | 6.48 | 6.27 |
| Ehlanzeni | 5.26 | 6.99 | 6.50 | 6.51 | 6.18 | 6.18 | 5.95 |

Source: S&P Global – ReX, July 2024

7.3 Poverty aspects

Poverty lines

In 2012, Stats SA published a set of three national poverty lines based on expenditure data collected. The three lines were described as the food poverty line (FPL²⁶), lower-bound poverty line (LBPL²⁷) and upper-bound poverty line (UBPL²⁸). 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 19 that the share of South Africa's population below the LBPL declined from 56.8% in 1996 to 47.9% in 2023. Mpumalanga's population share below the LBPL improved from 64.3% in 1996 to 51.2% in 2023. Although South Africa and Mpumalanga registered an improvement over the 27-year period, the share of population below the LBPL increased between 2014 and 2023.

In 2023, Mpumalanga's share below the LBPL was higher than the national figure and the fourth highest/worst among the nine provinces with Eastern Cape (58.0%) registering the highest share and

²⁶ The level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet and amounted to R796 per capita per month in 2023.

²⁷ Includes expenditure on non-food items, but requires that individuals sacrifice food in order to obtain it and amounted to R1 058 per capita per month in 2023.

²⁸ Includes expenditure on adequate food and non-food items and amounted to R1 634 per capita per month in 2023.

Western Cape (35.5%) the lowest. In 2023, Nkangala (45.7%) registered the lowest share of population below the LBPL and Ehlanzeni (56.2%) the highest. As with Mpumalanga, all three districts recorded a deterioration in the share below the LBPL between 2014 and 2022.

Table 19: Share of population below the LBPL in South Africa & Mpumalanga, 1996-2023

| Region | % of population | | | | | | |
|--------------|-----------------|-------|-------|-------|-------|-------|-------|
| | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
| South Africa | 56.8% | 56.0% | 48.9% | 46.5% | 38.4% | 43.6% | 47.9% |
| Mpumalanga | 64.3% | 63.1% | 55.3% | 51.5% | 41.4% | 46.7% | 51.2% |
| Gert Sibande | 61.7% | 61.6% | 54.0% | 49.8% | 40.0% | 45.6% | 50.4% |
| Nkangala | 57.8% | 57.1% | 49.8% | 45.5% | 36.0% | 41.3% | 45.7% |
| Ehlanzeni | 70.4% | 68.3% | 60.0% | 57.0% | 46.6% | 51.6% | 56.2% |

Source: S&P Global – ReX, July 2024

It is evident from Table 20 that the share of South Africa's population below the FPL increased/deteriorated from 34.2% in 1996 to 34.9% in 2023. The sharp deterioration between 2014 (23.7%) and 2023 (34.9%) is, however, a big concern. Mpumalanga's population share below the FPL improved from 39.0% in 1996 to 37.7% in 2023, however, as with the national share, Mpumalanga registered a deterioration/increase between 2014 and 2023.

Table 20: Share of population below the FPL in South Africa & Mpumalanga, 1996-2023

| Region | % of population | | | | | | |
|--------------|-----------------|-------|-------|-------|-------|-------|-------|
| | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
| South Africa | 34.2% | 35.2% | 29.0% | 31.9% | 23.7% | 29.2% | 34.9% |
| Mpumalanga | 39.0% | 40.3% | 33.5% | 35.9% | 25.7% | 31.5% | 37.7% |
| Gert Sibande | 37.1% | 39.4% | 32.8% | 34.6% | 24.7% | 30.7% | 37.2% |
| Nkangala | 33.6% | 34.9% | 29.0% | 30.7% | 21.7% | 27.0% | 32.8% |
| Ehlanzeni | 44.0% | 44.7% | 37.2% | 40.5% | 29.5% | 35.5% | 42.0% |

Source: S&P Global – ReX, July 2024

In 2023, Mpumalanga's FPL share was higher than the national figure and the fourth highest/worst among the nine provinces with KwaZulu-Natal (43.8%) registering the highest/worst share and Western Cape (23.6%) the lowest. In 2023, Nkangala (32.8%) registered the lowest share of population below the FPL and Ehlanzeni (42.0%) the highest. As with Mpumalanga, all three districts recorded a sharp deterioration in the share below the FPL between 2014 and 2023.

The share of South Africa's population below the UBPL declined/improved from 72.6% in 1996 to 62.7% in 2023 (Table 21). Mpumalanga's population share below the UBPL also improved from 80.6% in 1996 to 66.2% in 2023. Similar to the findings of the LBPL and FPL, South Africa and Mpumalanga recorded a deterioration/increase between 2014 and 2023.

Table 21: Share of population below the UBPL in South Africa & Mpumalanga, 1996-2023

| Region | % of population | | | | | | |
|--------------|-----------------|-------|-------|-------|-------|-------|-------|
| | 1996 | 2000 | 2005 | 2009 | 2014 | 2018 | 2023 |
| South Africa | 72.6% | 70.8% | 65.7% | 61.9% | 55.1% | 58.9% | 62.7% |
| Mpumalanga | 80.6% | 78.0% | 72.2% | 67.4% | 58.8% | 62.4% | 66.2% |
| Gert Sibande | 77.4% | 75.9% | 70.4% | 65.6% | 57.1% | 61.1% | 65.2% |
| Nkangala | 75.2% | 73.1% | 67.3% | 61.7% | 53.0% | 56.8% | 60.6% |
| Ehlanzeni | 86.2% | 82.7% | 76.9% | 72.9% | 64.4% | 67.6% | 71.3% |

Source: S&P Global – ReX, July 2024

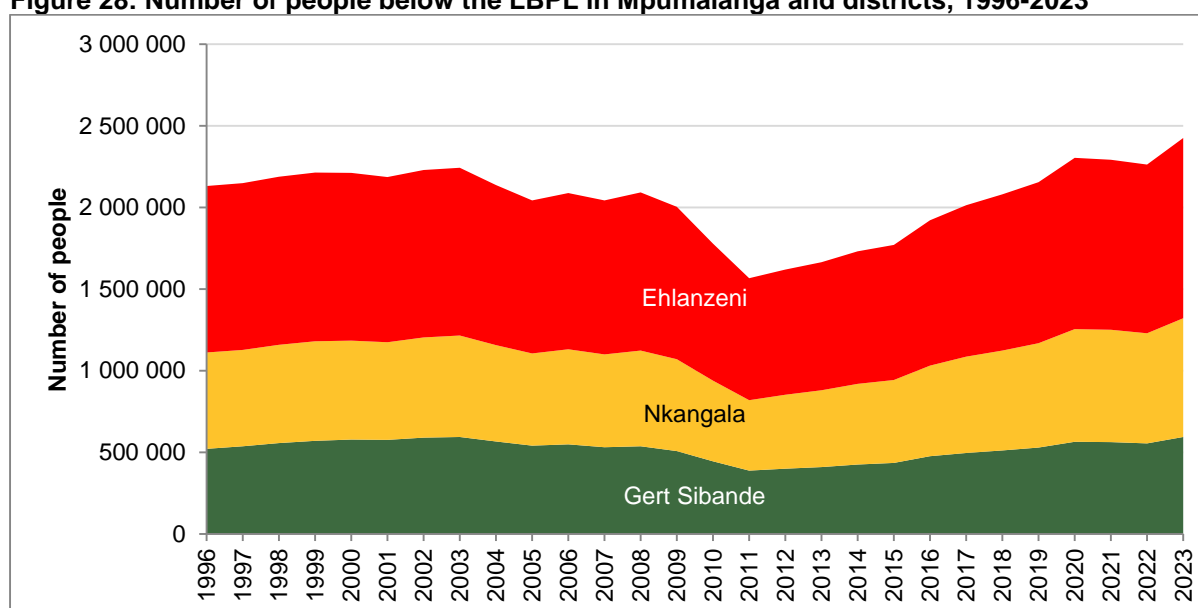
In 2022, Mpumalanga's share was higher than the national figure and the fourth highest/worst among the nine provinces with Limpopo (73.3%) registering the highest share and Western Cape (49.8%) the

lowest. In 2023, Nkangala (60.6%) recorded the lowest share of population below the UBPL and Ehlanzeni (71.3%) the highest.

Number in poverty

Between 1996 and 2023, the number of people below the LBPL in Mpumalanga increased by 293 871 from 2.13 million to 2.42 million (Figure 28). Amongst the three districts, Ehlanzeni recorded the largest number of people below the LBPL throughout the 27-year period and Gert Sibande the lowest. The number of people in poverty in Ehlanzeni increased by 82 372 over the 27-year period, whereas Nkangala recorded 139 552 more people below the LBPL in 2023 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, 1996-2023



Source: S&P Global – ReX, July 2024

Subjective poverty

Subjective poverty can be used as an additional measure to objective poverty, which allows for more robust measurements of welfare. Stats SA made use of data from the 2019 GHS and 2022 GHS and recently published *Subjective Poverty in South Africa, 2019 & 2022*. The GHS, among other things, measures the living standards of South Africans. The three indicators used to measure subjective poverty, are Self –perceived Wealth (SPW), Minimum Income (MI) and Income Evaluation (IE).

Based on the SPW indicator, North West (44.3%) had the highest incidence of poverty and Western Cape (18.0%) the lowest. Mpumalanga recorded the fifth lowest/highest incidence of poverty. According to the SPW indicator between 2019 and 2022, the proportion of households who perceived themselves as poor from Mpumalanga increased/deteriorated from 19.3% to 22.6% (Table 22).

Based on the MI indicator, Eastern Cape (59.9%) had the highest incidence of poverty and KwaZulu-Natal (43.3%) the lowest. Mpumalanga again recorded the fifth lowest/highest incidence of poverty. According to the MI indicator between 2019 and 2022, the proportion of households who perceived themselves as poor from Mpumalanga declined/improved from 58.8% to 51.7%.

Based on the IE indicator, Mpumalanga (58.2%) had the highest incidence of poverty and Western

Cape (31.7%) the lowest. According to the IE indicator between 2019 and 2022, the proportion of households who perceived themselves as poor from Mpumalanga declined/improved from 63.9% to 58.2%.

Table 22: Poverty incidence by subjective poverty indicator in South Africa & provinces, 2019 & 2022

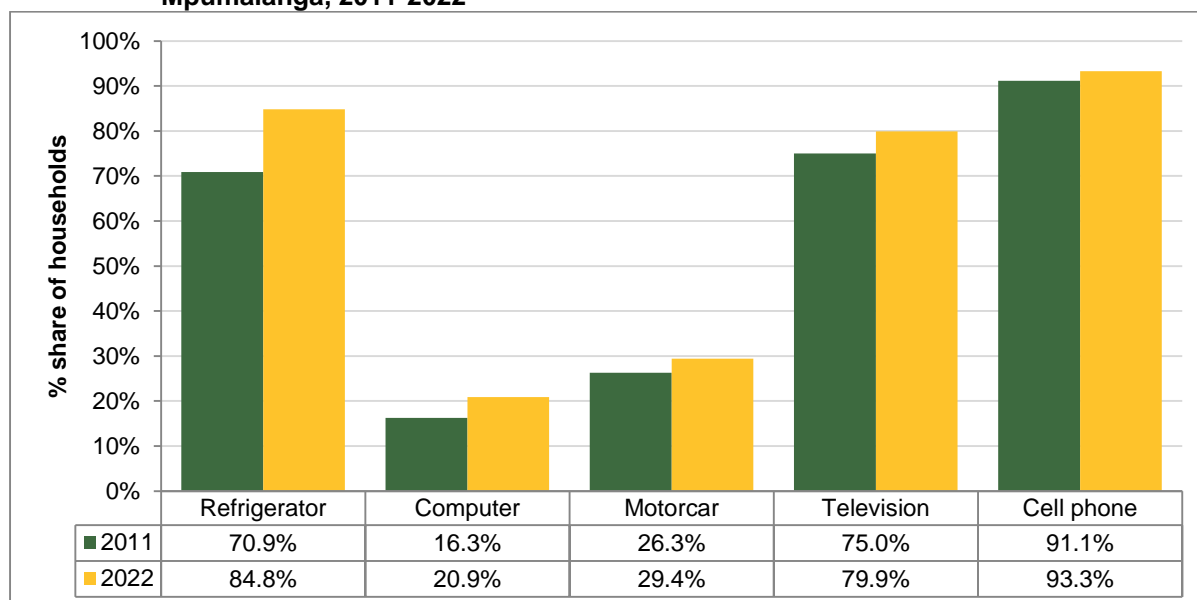
| Province | Self-perceived Wealth | | Minimum Income | | Income Evaluation | |
|---------------|-----------------------|--------------|----------------|--------------|-------------------|--------------|
| | 2019 | 2022 | 2019 | 2022 | 2019 | 2022 |
| Western Cape | 16.8% | 18.0% | 52.0% | 44.7% | 31.7% | 31.7% |
| Eastern Cape | 27.6% | 29.1% | 59.5% | 59.9% | 62.4% | 55.6% |
| Northern Cape | 18.0% | 21.6% | 46.9% | 55.8% | 41.5% | 50.4% |
| Free State | 26.5% | 22.2% | 65.7% | 47.4% | 52.6% | 42.8% |
| KwaZulu-Natal | 30.5% | 31.1% | 52.1% | 43.3% | 33.9% | 36.9% |
| North West | 38.9% | 44.3% | 64.7% | 53.2% | 57.7% | 49.9% |
| Gauteng | 21.1% | 21.3% | 60.9% | 58.8% | 47.7% | 47.7% |
| Mpumalanga | 19.3% | 22.6% | 58.8% | 51.7% | 63.9% | 58.2% |
| Limpopo | 42.9% | 34.9% | 47.3% | 43.9% | 43.4% | 46.0% |
| South Africa | 26.3% | 26.5% | 57.0% | 51.6% | 46.7% | 45.4% |

Source: Stats SA – Subjective Poverty in South Africa, 2024

7.4 Ownership of household goods

Figure 29 compares the ownership levels of certain household goods in Mpumalanga between 2011 and 2022. It is evident that more households in Mpumalanga owned specific assets in 2022 than in 2011. The ownership of refrigerators (13.9 percentage point increase) increased the most between 2011 and 2022, followed by televisions (4.9 percentage point increase).

Figure 29: Percentage distribution of households owning various household goods in Mpumalanga, 2011-2022



Sources: Stats SA – Census 2011
Stats SA – Census 2022

7.5 Income and expenditure aspects

Expenditure categories

In the GHS 2023, respondents indicated what expenditure category best describes the monthly household expenditure in 2023. The results of this question for South Africa and Mpumalanga is summarised in Table 23. It is evident that a major share of households in Mpumalanga (71.0%)

indicated expenditure of less than R5 000 per month. A smaller share of households in South Africa (60.0%) indicated expenditure of less than R5 000 per month.

Table 23: Household expenditure in South Africa & Mpumalanga, 2023

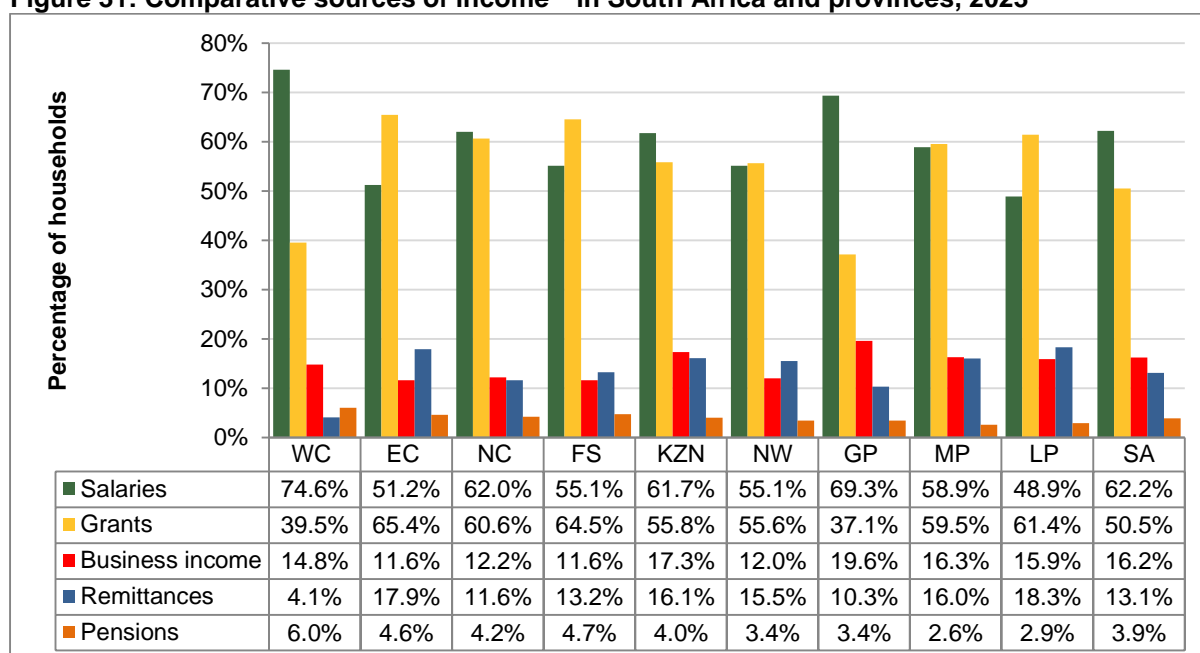
| Expenditure category | Mpumalanga | | South Africa | |
|----------------------|---------------|--------------|---------------|--------------|
| | % of total | Cumulative % | % of total | Cumulative % |
| R0 | 0.2% | 0.2% | 0.2% | 0.2% |
| R1-R199 | 0.3% | 0.5% | 0.2% | 0.3% |
| R200-R399 | 1.7% | 2.1% | 1.7% | 2.1% |
| R400-R799 | 5.1% | 7.2% | 3.6% | 5.7% |
| R800-R1 199 | 7.6% | 14.8% | 6.2% | 11.8% |
| R1 200-R1 799 | 10.2% | 25.0% | 9.0% | 20.8% |
| R1 800-R2 499 | 15.8% | 40.8% | 14.2% | 35.0% |
| R2 500-R4 999 | 30.2% | 71.0% | 25.0% | 60.0% |
| R5 000-R9 999 | 16.0% | 87.1% | 18.3% | 78.3% |
| R10 000-R19 999 | 7.9% | 94.9% | 11.0% | 89.4% |
| R20 000-R39 999 | 3.7% | 98.6% | 6.1% | 95.4% |
| R40 000 or more | 0.7% | 99.3% | 2.6% | 98.0% |
| Do not know | 0.5% | 99.8% | 1.4% | 99.4% |
| Refused | 0.2% | 100.0% | 0.6% | 100.0% |
| Total | 100.0% | - | 100.0% | - |

Source: Stats SA – GHS 2023

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 62.2% of households that received an income from salaries in 2023. In Mpumalanga, 58.9% of households received an income from salaries, however, more households received income from grants (59.5%) in Mpumalanga. Some 65.4% of households in Eastern Cape received income from grants in 2023, whilst only 37.1% of households in Gauteng received income from grants.

Figure 31: Comparative sources of income²⁹ in South Africa and provinces, 2023



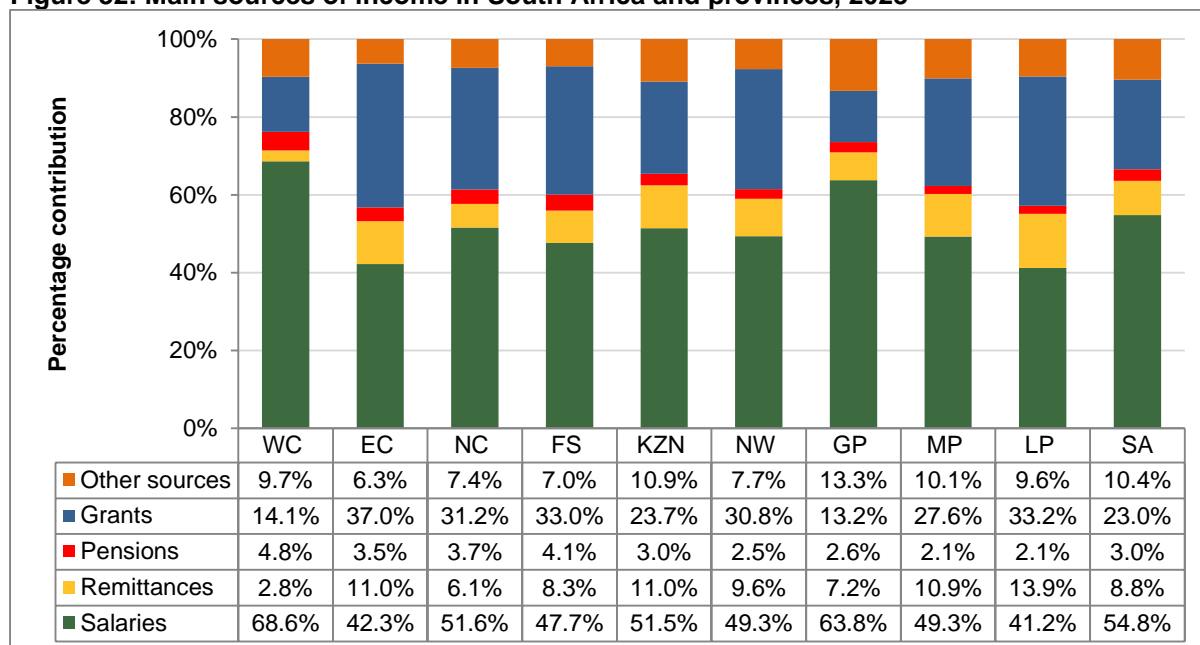
Source: Stats SA – GHS 2023

As part of GHS 2023, households were asked to indicate their main source of income. As a result,

²⁹ Households can have more than one source of income; therefore, shares do not add up to 100%.

salaries were indicated to be the main source for 54.8% of households nationally, whereas grants were the main source for 23.0% of households (Figure 32). In Mpumalanga, salaries were also the main source for the majority (49.3%) of households with grants the main source for 27.6% of households in the province.

Figure 32: Main sources of income in South Africa and provinces, 2023



Source: Stats SA – GHS 2023

Social assistance grants

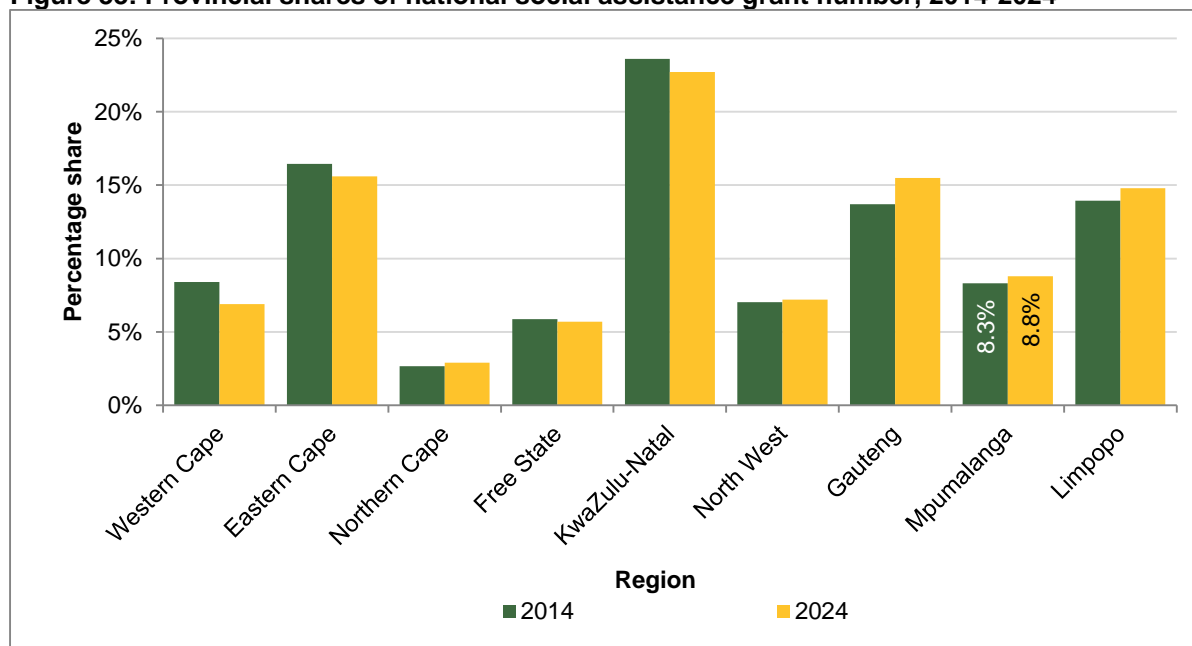
Together with providing income security to certain income insecure groups, the payments of grants made a positive impact on poverty and income inequality in Mpumalanga. Grants assisted to reduce poverty and redistribute income in Mpumalanga and its sub regions through the provision of income security. According to the South African Social Security Agency (SASSA), the number of South Africans that received social assistance grants increased from 15.9 million in 2014 to 18.5 million by January 2024.

In 2014, 1.32 million social assistance grants were paid to citizens of Mpumalanga. This was equal to an 8.3% share of the total national grant paid in 2014. By August 2024, the number of grants paid to citizens in Mpumalanga increased to 1.62 million or 8.8% of the total number of national grants. Mpumalanga registered the fifth highest/lowest number of social assistance grants among the nine provinces (Figure 33). KwaZulu-Natal (4.1 million) registered the highest number of grants paid by 2024 and Northern Cape (506 255) 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.

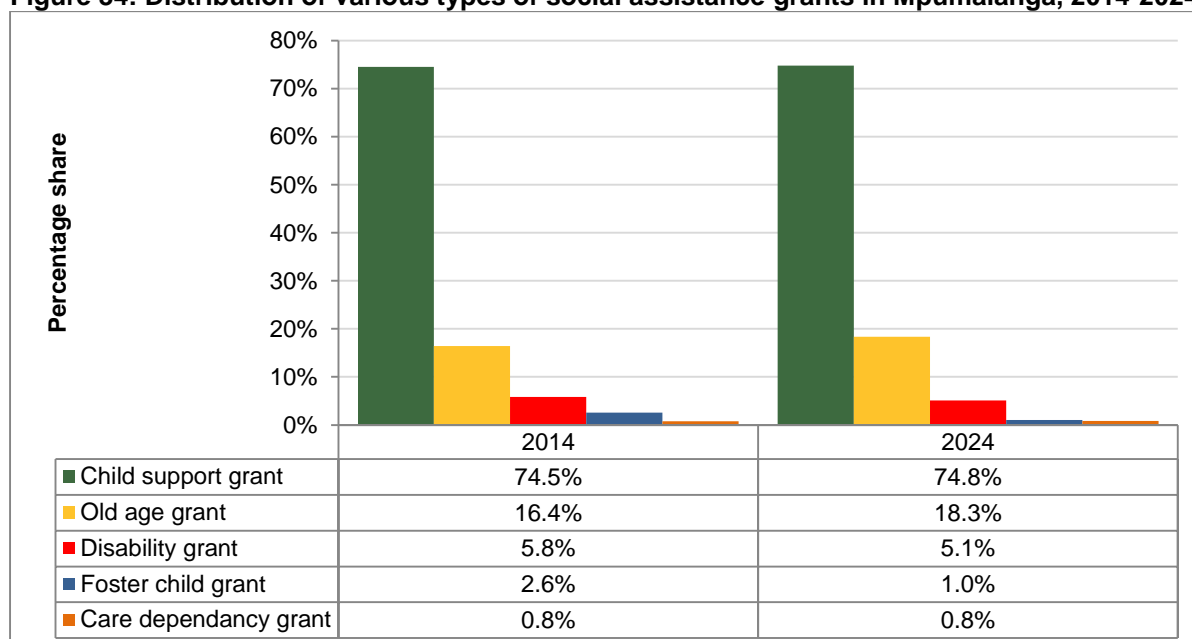
Figure 33: Provincial shares of national social assistance grant number, 2014-2024



Source: SASSA, 2024

It is evident from Figure 34, that 74.8% of Mpumalanga’s total social assistance grants by August 2024 were child support grants, which was only slightly higher than the 74.5% share in 2014. In actual numbers, child support grants increased from 984 641 in 2014 to 1 208 923 in 2024. The number of old age grants increased from 217 045 in 2014 to 296 214 in 2024 and their share of the total number of grants increased to 18.3% in 2024. Disability grant recipients increased in number from 79 244 in 2014 to 82 385 in 2024, however, it recorded a smaller share in 2024 (5.1%) of the total number of assistance grants than in 2014 (5.8%). In 2024, the total number of grants in Mpumalanga numbered 1.62 million, whereas the number of employed was lower at 1.19 million.

Figure 34: Distribution of various types of social assistance grants in Mpumalanga, 2014-2024



Source: SASSA - 2024

8. ECONOMIC SECTORS AND PERFORMANCE

8.1 GDP contribution and growth

In September 2024, Stats SA published statistics on provincial GDP from 2013 to 2023. Therefore, for the purpose of this publication, and to fill in the gap between 1996 and 2013, the provincial GDP estimates will combine the statistics from Stats SA as well as provincial GDP estimates from S&P Global.

Provincial contribution

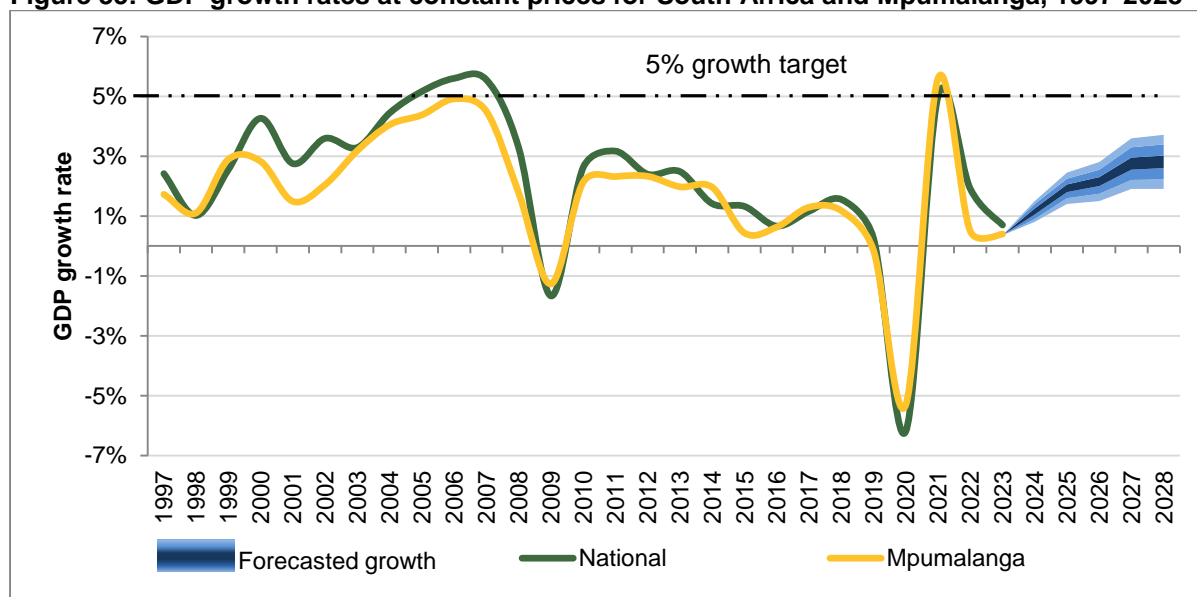
It is estimated that in 2023, Mpumalanga contributed some R549.5 billion in current prices, or some 7.8%, to the GDP of South Africa. Converted to constant 2015 prices, Mpumalanga's contribution was R342.1 billion in 2023. In 2023, Mpumalanga's contribution in constant 2015 prices was the fifth largest among the nine provinces. Mpumalanga's contribution in constant 2015 prices decreased from 8.3% in 1996 to 7.4% in 2023. Gauteng (33.6%) was the main contributor to the national economy in 2023.

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 35). The provincial economy has outperformed the national economy in terms of GDP growth only in 1998, 1999, 2014, 2017 and 2021. The average annual growth rate for the country and Mpumalanga over the period 1996 to 2023 was 2.2% and 1.8%, respectively.

It is of great concern that the average annual economic growth for South Africa was only 0.3% between 2019 and 2023, whereas Mpumalanga's economy expanded by only 0.2% per annum over the same period (Table 24). Mpumalanga recorded the joint second lowest annual average GDP growth rate in the 27-year period and the fourth slowest growth between 2019 and 2023. In 2023, Mpumalanga's economy expanded by an estimated 0.4%, which was even slower than the 0.5% growth registered in 2022. In 2022, Mpumalanga's growth was the joint slowest overall and the 2023 estimate is third slowest.

Figure 35: GDP growth rates at constant prices for South Africa and Mpumalanga, 1997-2028



Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024

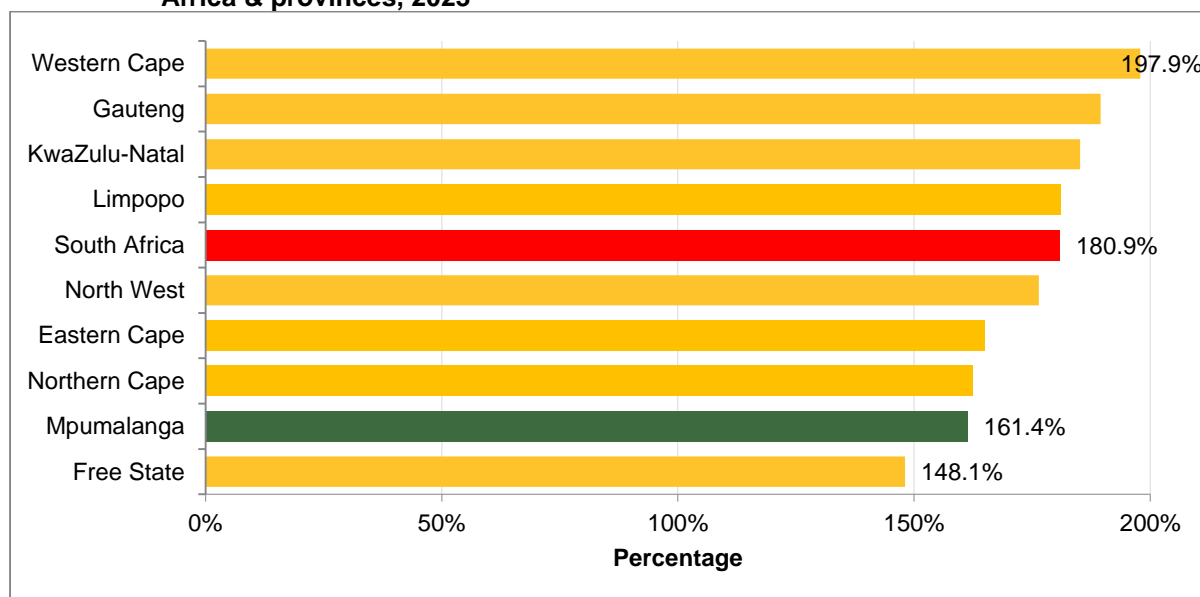
Table 24: Historic and forecasted GDP growth rates at constant prices for South Africa and provinces, 1996-2028

| Province | 1996-2023 | 1996-2000 | 2001-2006 | 2007-2012 | 2013-2018 | 2019-2023 | 2024-2028 |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Western Cape | 2.8% | 2.8% | 5.2% | 2.2% | 1.4% | 0.5% | 2.2% |
| Eastern Cape | 1.9% | 2.4% | 3.6% | 1.8% | 0.8% | 0.5% | 1.7% |
| Northern Cape | 1.8% | 2.7% | 3.4% | 1.5% | 1.4% | 0.4% | 1.9% |
| Free State | 1.5% | 1.1% | 3.8% | 1.6% | 0.8% | 0.0% | 1.7% |
| KwaZulu-Natal | 2.3% | 2.1% | 4.2% | 2.3% | 1.4% | 0.4% | 1.9% |
| North West | 1.9% | 0.9% | 5.0% | 1.5% | 0.4% | 0.5% | 1.8% |
| Gauteng | 2.5% | 3.1% | 4.8% | 2.1% | 1.4% | 0.1% | 2.2% |
| Mpumalanga | 1.8% | 2.1% | 3.7% | 1.5% | 1.1% | 0.2% | 1.7% |
| Limpopo | 2.2% | 3.9% | 3.7% | 1.4% | 1.1% | 0.1% | 2.1% |
| South Africa | 2.2% | 2.6% | 4.4% | 1.9% | 1.2% | 0.3% | 2.0% |

**Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024**

Because of the moderate economic growth experienced in South Africa over the last 27 years, the South African economy has not doubled in size between 1996 and 2023. From Figure 36 it is also evident that no provincial economy was in 2023 double its size of 1996. By 2023, the Western Cape economy, which grew the fastest between 1996 and 2023, was 197.9% of its 1996 size. Mpumalanga's economy was 161.4% of its 1996 size and registered the eight highest/second lowest increase. For an economy to double in size over a 27-year period, an annual average growth rate of 2.6% is required.

Figure 36: GDP at constant prices expressed as a percentage of 1996 GDP values in South Africa & provinces, 2023



**Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024**

Economic growth since COVID-19

Prior to the COVID-19 outbreak in 2019, the economy of South Africa was already underperforming with a very low 0.3% growth rate and a quarter-on-quarter³⁰ (q-o-q) GDP growth (seasonally adjusted) in Q1 2020 of 0.0%. In Q2 2020, when the COVID-19 lockdown was at its most severe, the South African economy contracted by 16.8% (seasonally adjusted) and the Mpumalanga economy by 18.5% (Figure 37). With the easing of the lockdown, the national and provincial economies expanded again in Q3 2020 by 13.8% and 17.7%, respectively. The national economy would eventually contract by 6.2%

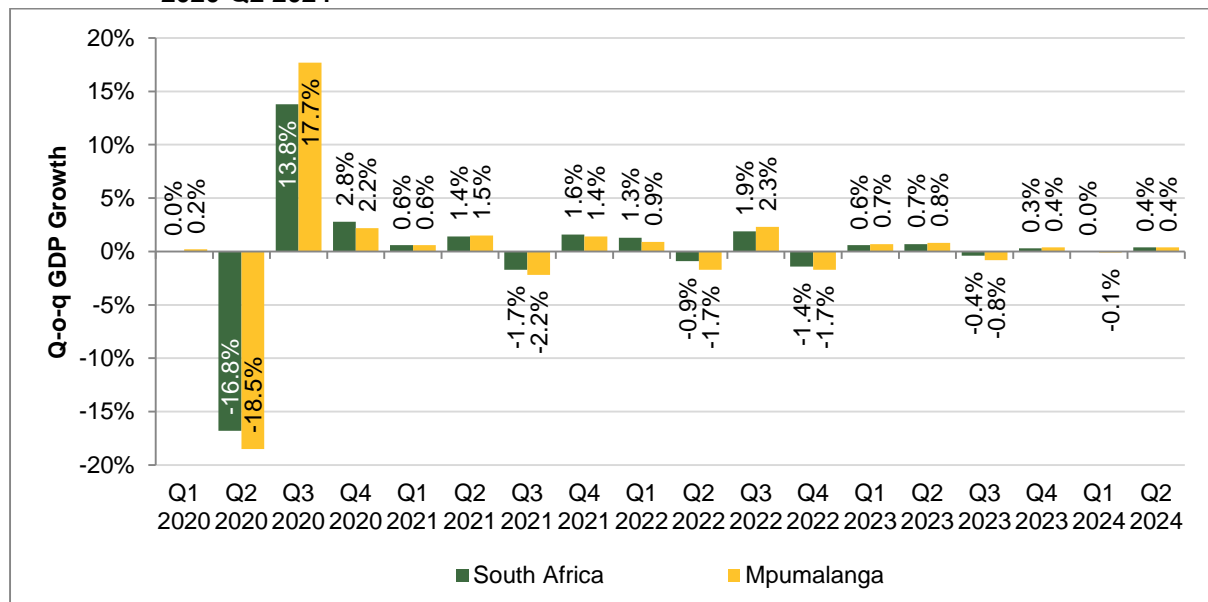
³⁰ Q-o-q analysis compares the current quarter to the previous quarter.

in 2020 and the Mpumalanga economy by 5.3%.

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

In Q2 2024, the South African economy expanded by only 0.4% after a stagnant 0.0% in the previous quarter. Over the last sixteen quarters since the severe slump in Q2 2020, the South African economy has recorded twelve quarters of expansion and four of decline (Figure 37). Despite the twelve quarters of expansion, the national economy was only 1.7% larger in Q2 2024 than what it was in Q1 2020, before the COVID-19 pandemic.

Figure 37: Real q-o-q GDP growth (seasonally adjusted) in South Africa & Mpumalanga, Q1 2020-Q2 2024

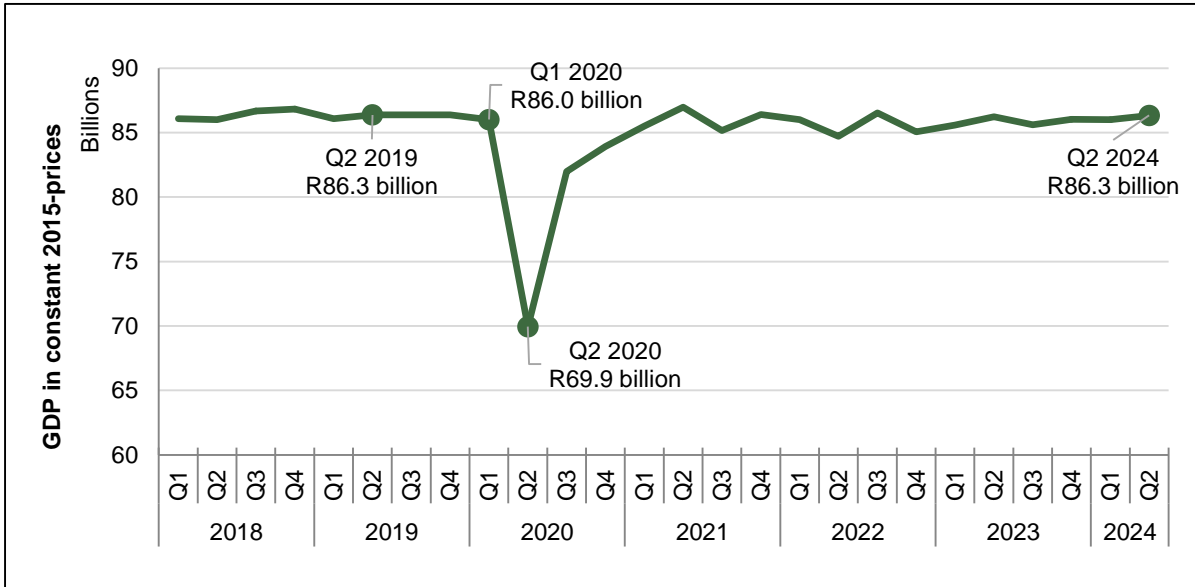


**Sources: Stats SA – GDP, 2024
S&P Global – ReX, July 2024 & calculations based thereon**

The national economy experienced real GDP growth of only 0.7% in 2023. The 2023 growth was below the growth target and South Africa's economic progress since COVID-19 has been predominantly stagnant.

The provincial economy has now registered eleven quarters of growth and five of contraction since the drop in economic activity during Q2 2020. The contraction in Q2 2020 was so severe that the provincial economy, despite the eleven quarters of expansion, was only 0.4% larger in Q2 2024 than what it was in Q1 2020. The sharp decline in Mpumalanga's economic activity during Q2 2020, when lockdown restrictions were at their most severe, is evident in Figure 38. In Q1 2020, real GDP was R85.6 billion, which shrunk to R69.9 billion in Q2 2020 as the economy was severely impeded by the strict lockdown regulations. In Q2 2024 the Mpumalanga economy was approximately the same size than it was in Q2 2019.

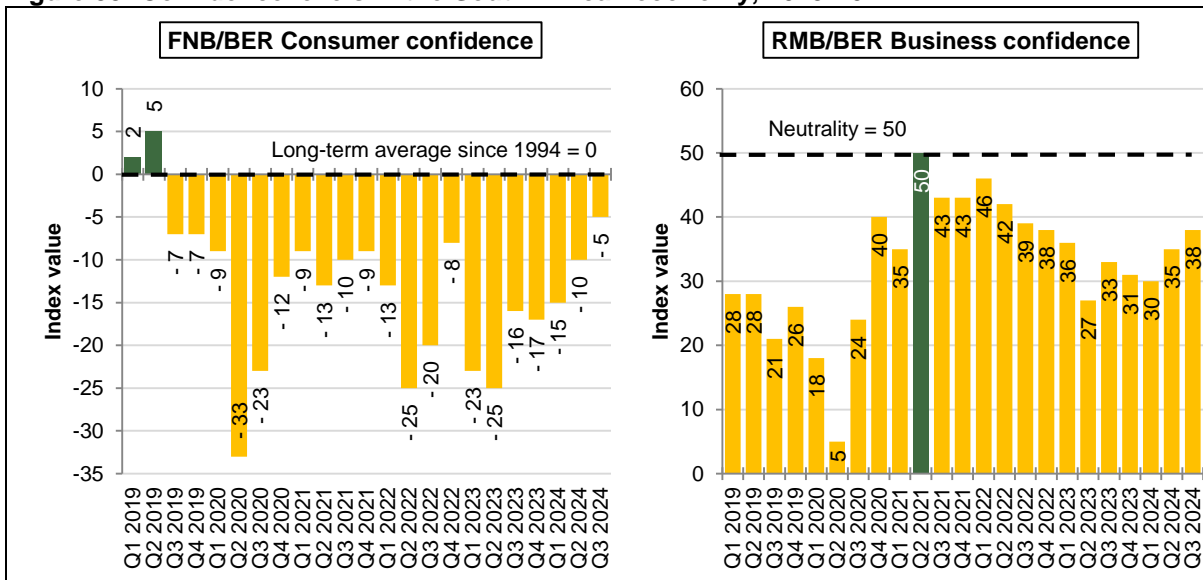
Figure 38: Real GDP (seasonally adjusted) in Mpumalanga, Q1 2018-Q2 2024



Source: S&P Global – ReX, July 2024 & calculations based thereon

Consumer confidence as well as business confidence in South Africa has been predominantly negative over the last six years (Figure 39). Consumer confidence improved from -10 in Q2 2024 to -5 in Q3 2024 and is significantly higher than the -25 reading recorded during Q2 2023 when stage-6 load-shedding, surging food prices and successive interest rate hikes rocked consumer confidence. Following the five point improvement in Q2 2024, business confidence further improved by three points to reach 38 in Q3 2024. This was the first business sentiment survey in South Africa following the formation of the Government of National Unity (GNU) and reflects cautious optimism about improving business conditions.

Figure 39: Confidence levels in the South African economy, 2019-2024



Sources: Bureau for Economic Research (BER) – FNB/BER Consumer Confidence Index, 2024
BER – RMB/BER Business Confidence Index, 2024

Forecasted growth

Current 2024 growth estimates for South Africa by the IMF (0.9%) and World Bank (1.2%) points to lacklustre economic growth in 2024. The latest SARB forecast in September 2024 estimated the

national economy to expand by 1.1% in 2024 and the Minister of Finance announced in the February 2024 Budget Speech that the expected economic growth for 2024 is 1.3%.

The annual average growth rates for South Africa and Mpumalanga, from 2024 to 2028, are forecasted at 2.0% and 1.7%, respectively (Table 25). Mpumalanga’s economy is forecasted to achieve the joint slowest annual average growth over the period 2024 to 2028. It is expected that the Mpumalanga economy will expand in 2024 by 0.8%.

GDP per capita

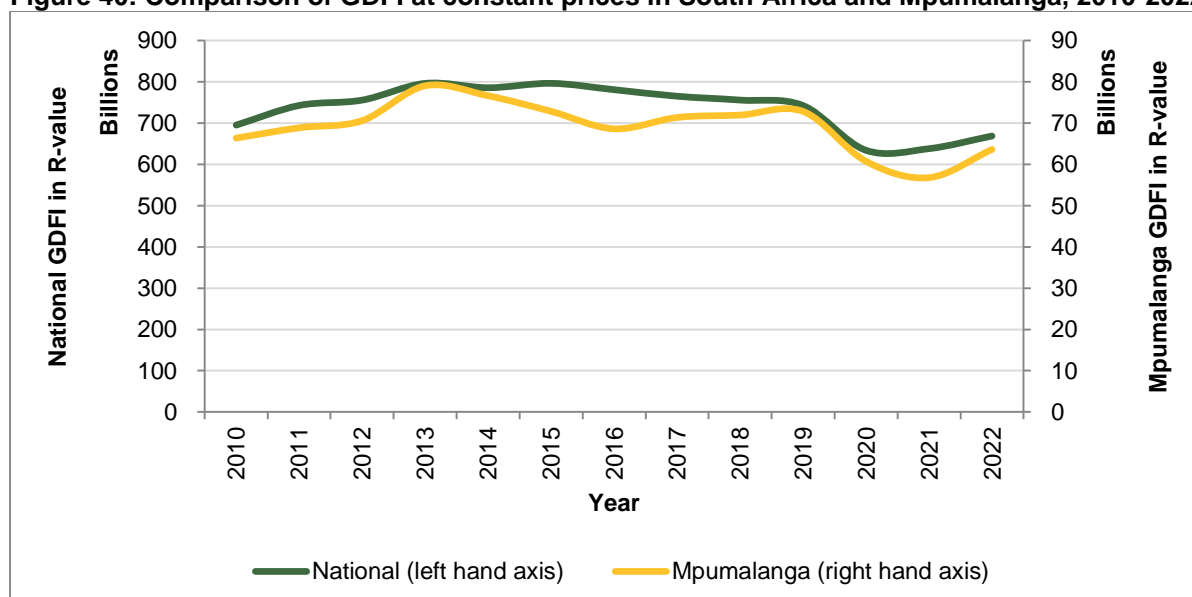
GDP per capita is often considered an indicator of a region's standard of living on the rationale that all citizens would benefit from the region's increased economic production. Mpumalanga Vision 2030, states that the GDP per capita expressed in constant 2015 prices must increase from an estimated R77 672 in 2010 to R140 000 by 2030. In 2023, the provincial GDP per capita was, however, lower than in 2010 with an estimate of only R76 068 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 2022, the gross domestic fixed investment (GDFI) in Mpumalanga amounted to R63.6 billion which was equal to 9.5% of total GDFI in South Africa (Figure 40). From 2010 to 2022, GDFI contracted on average by 0.3% per annum in South Africa and by 0.4% per annum in Mpumalanga.

According to the NDP, public infrastructure investment must be equal to 10% of GDP by 2030. In 2023, expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was equal to approximately 1.1% of provincial GDP. If the 2023 Municipal Infrastructure Grant (MIG) expenditure by municipalities is added to MPG infrastructure expenditure, then public expenditure on infrastructure was equal to 1.7%. 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%.

Figure 40: Comparison of GDFI at constant prices in South Africa and Mpumalanga, 2010-2022



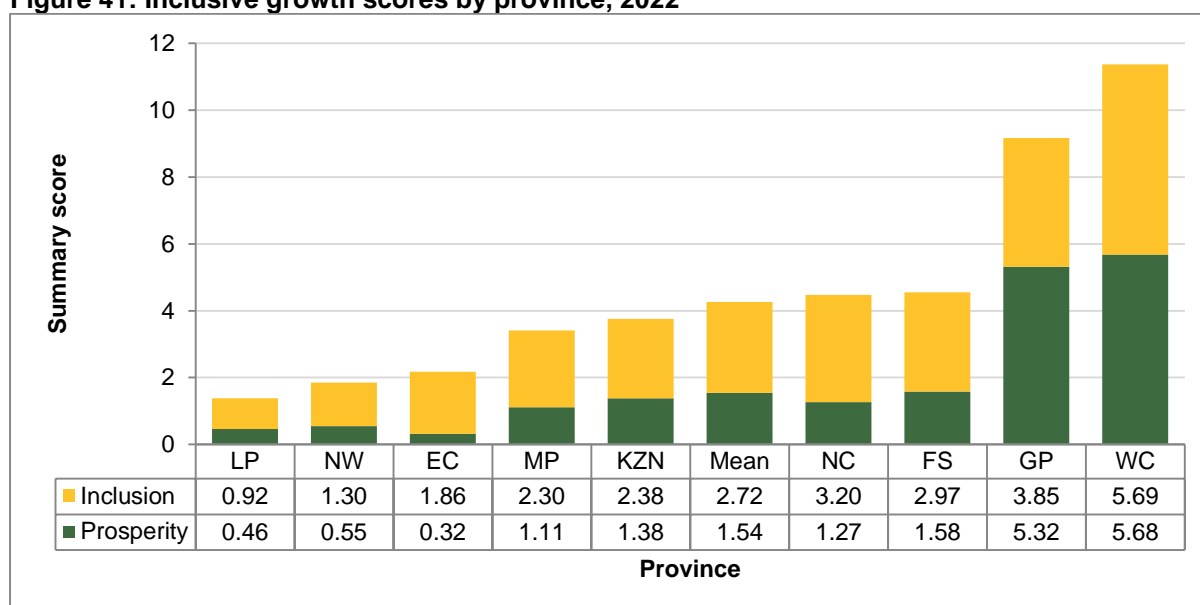
Source: Quantec, 2023

8.2 Inclusive growth

The overall Inclusive Growth Index³¹ (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 2022, Western Cape and Gauteng recorded the highest overall IGI scores of 11.37 and 9.17, respectively. Limpopo (1.38) and North West (1.88), registered the lowest overall scores among the nine provinces. Mpumalanga’s overall IGI score of 3.41 was the sixth highest/fourth lowest among the nine provinces (Figure 41). Mpumalanga’s score was considerably lower than Western Cape and Gauteng in the first two positions and lower than the mean (4.26) for the nine provinces. The economic inclusion theme made the largest contribution in eight provinces (including Mpumalanga) and the prosperity theme made the largest contribution in Gauteng only.

Figure 41: Inclusive growth scores by province, 2022



Source: DEDT - Economic Analysis Inclusive Growth Model, 2023

If the individual prosperity and economic inclusion themes are considered, there were differences in rankings compared with the overall IGI score. For example, Northern Cape scored eighth highest/second lowest in the prosperity theme and third highest/seventh lowest in the economic inclusion theme. Mpumalanga ranked joint fifth highest/lowest in the economic inclusion theme and sixth highest/fourth lowest in the prosperity theme.

The normalised change scores, displayed in Figure 42, 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

³¹ 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.

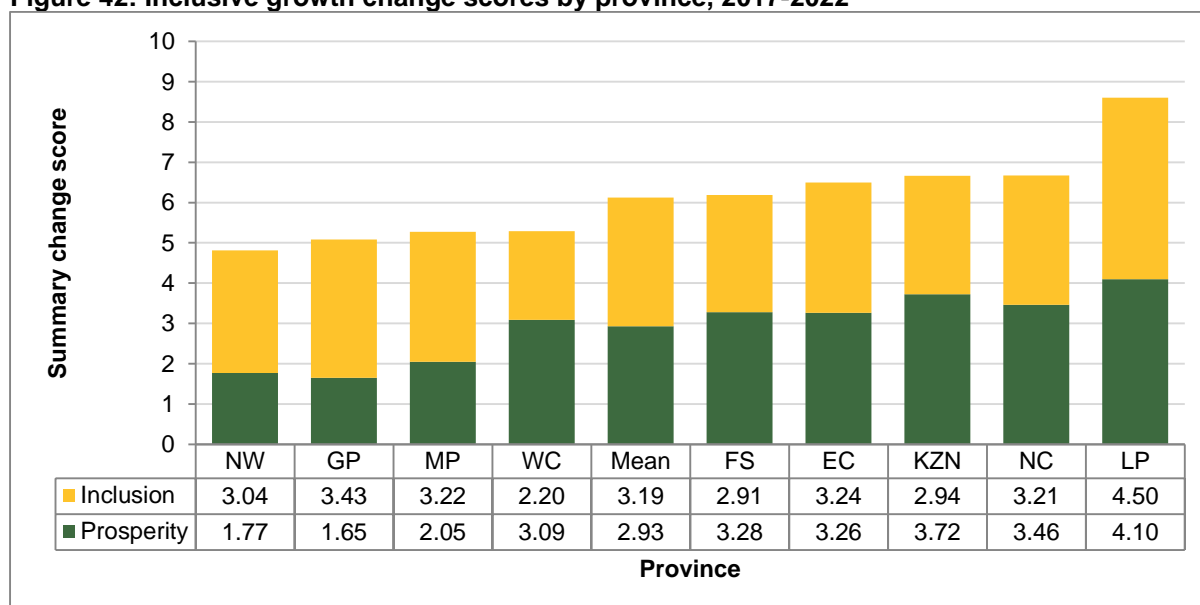
with the highest score has the biggest improvement or least deterioration. The change scores provide a way of summarising the performance of different regions in inclusive growth over the 5-year period between 2017 and 2022.

When examining change in economic inclusion and prosperity together, the overall IGI change scores show that between 2017 and 2022, Limpopo (8.60), Northern Cape (6.67), and KwaZulu-Natal (6.66) experienced the biggest improvement in their respective scores (Figure 42). Mpumalanga (5.27) recorded the third lowest/seventh highest IGI change score, and it is evident that Mpumalanga's IGI change score was lower than the mean IGI change score (6.12) between 2017 and 2022.

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

Between 2017 and 2022, Limpopo (4.49) registered the highest improvement in economic inclusion and Western Cape (2.19) the lowest. Over the same period, KwaZulu-Natal (3.72) recorded the highest change score in the prosperity theme and Gauteng (1.65) the lowest. Mpumalanga recorded the third highest change score in the economic inclusion theme between 2017 and 2022, however, it could only register the seventh highest change score in the prosperity theme.

Figure 42: Inclusive growth change scores by province, 2017-2022



Source: DEDT - Economic Analysis Inclusive Growth Model, 2023

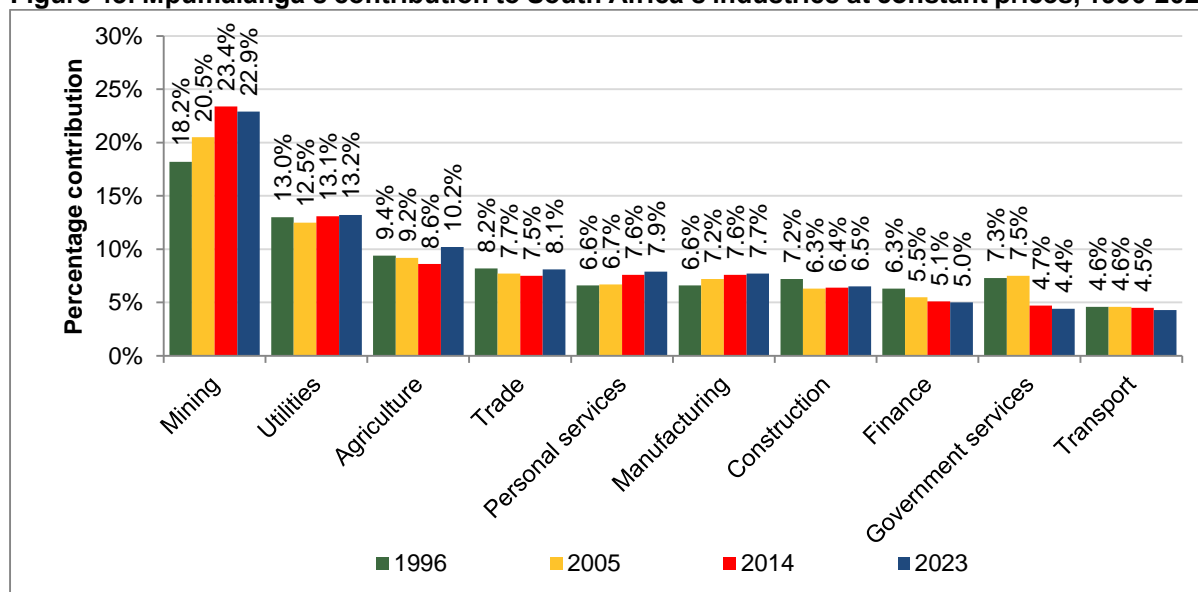
8.3 Regional contribution

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 43 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry between 1996 and 2023. It is estimated that in 2023, the province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective

shares of 22.9% and 13.2%. It is noticeable that the contribution by Mpumalanga’s mining, utilities, agriculture, personal services and manufacturing industries increased between 1996 and 2023, whereas the other industries’ contribution, declined.

Figure 43: Mpumalanga’s contribution to South Africa’s industries at constant prices, 1996-2023



Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024

Table 25 exhibits the contribution by each of the three districts to the provincial industries in 2018 and 2023. Nkangala was the largest contributor to the provincial GVA with a share of 37.0% in 2023. In 2023, the contribution by Gert Sibande was 26.2% and that of Ehlanzeni 36.8%. Nkangala made considerable contributions to the province’s mining (65.9%), manufacturing (39.5%) and utilities (36.2%) in 2023. Gert Sibande made substantial contributions to agriculture (38.1%) and manufacturing (31.0%) and Ehlanzeni played a major role in the province’s construction (43.2%), trade (44.4%), finance (45.5%), and community services (47.1%).

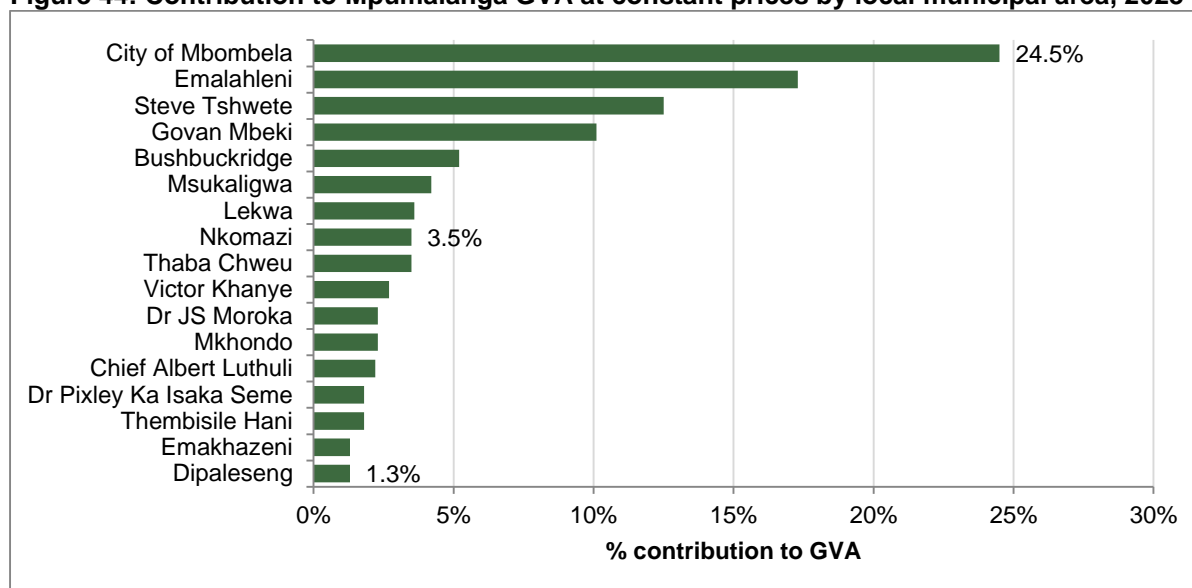
Table 25: Regional contribution to Mpumalanga’s industries, GVA at constant prices, 2018-2023

| Industry | Gert Sibande | | Nkangala | | Ehlanzeni | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2018 | 2023 | 2018 | 2023 | 2018 | 2023 |
| Agriculture | 36.7% | 38.1% | 28.4% | 28.7% | 34.9% | 33.2% |
| Mining | 27.8% | 25.5% | 63.8% | 65.9% | 8.4% | 8.6% |
| Manufacturing | 35.1% | 31.0% | 35.6% | 39.5% | 29.3% | 29.5% |
| Utilities | 27.5% | 27.8% | 40.4% | 36.2% | 32.1% | 36.0% |
| Construction | 23.1% | 23.6% | 32.1% | 33.2% | 44.8% | 43.2% |
| Trade | 25.1% | 25.2% | 29.1% | 30.4% | 45.9% | 44.4% |
| Transport | 27.4% | 27.8% | 32.4% | 34.4% | 40.3% | 37.8% |
| Finance | 19.8% | 20.8% | 32.4% | 33.7% | 47.8% | 45.5% |
| Community services | 22.9% | 23.0% | 28.8% | 30.0% | 48.3% | 47.1% |
| Total | 27.0% | 26.2% | 36.4% | 37.0% | 36.6% | 36.8% |

Source: S&P Global – ReX, July 2024

Figure 44 depicts the percentage contribution by the seventeen local municipal areas to the provincial GVA in 2023. In 2023, City of Mbombela (24.5%), Emalahleni (17.3%), Steve Tshwete (12.5%) and Govan Mbeki (10.1%) contributed 64.4% to the Mpumalanga economy. Dipaleseng (1.3%) made the smallest contribution to the provincial economy.

Figure 44: Contribution to Mpumalanga GVA at constant prices by local municipal area, 2023



Source: S&P Global – ReX, July 2024

8.4 Sectoral contribution and performance

Current prices and constant prices

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

Table 26 and Figure 45 displays the GDP contribution in 2023 of the various economic industries in Mpumalanga in terms of current and constant 2015 prices. In terms of current prices in 2023, mining (R98.2 billion) was the largest industry and personal services (R81.8 billion) the second largest industry in Mpumalanga. In terms of constant 2015 prices, personal services (R58.0 billion) was the largest industry in 2023 and finance (R54.7 billion) the second largest industry.

Table 26: Contribution of industries to Mpumalanga’s GDP at basic prices, 2023

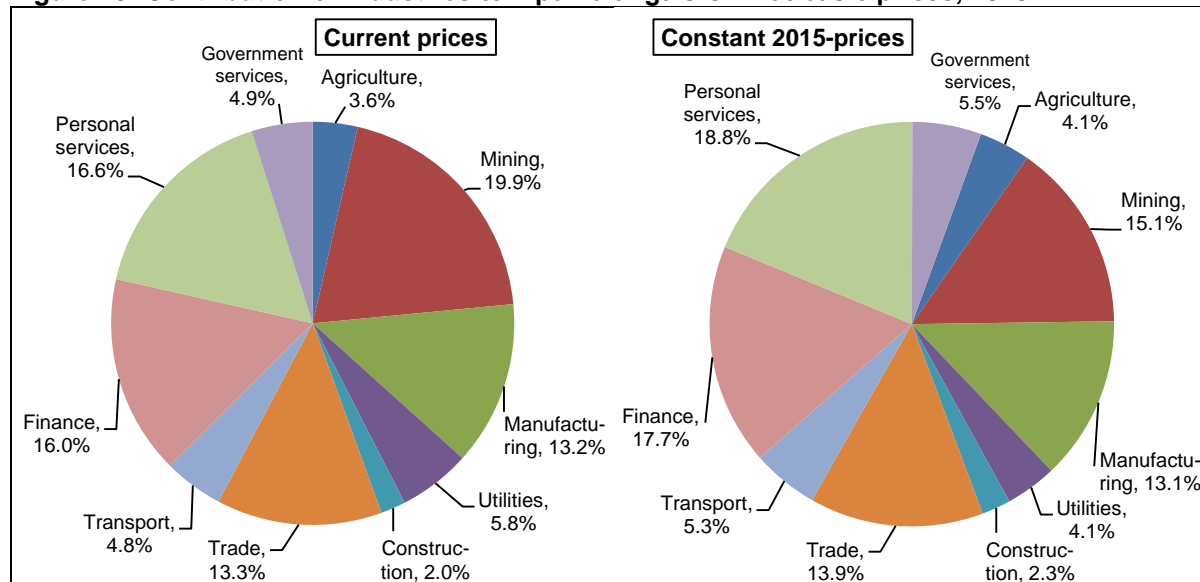
| Industry | Current prices | | Constant 2015 prices | |
|---------------------------------------|-----------------|----------------|----------------------|----------------|
| | Value R-billion | % contribution | Value R-billion | % contribution |
| Agriculture | R17.7 | 3.6% | R12.8 | 4.1% |
| Mining | R98.2 | 19.9% | R46.5 | 15.1% |
| Manufacturing | R65.1 | 13.2% | R40.5 | 13.1% |
| Utilities | R28.8 | 5.8% | R12.8 | 4.1% |
| Construction | R9.9 | 2.0% | R7.0 | 2.3% |
| Trade | R65.6 | 13.3% | R43.0 | 13.9% |
| Transport | R23.9 | 4.8% | R16.5 | 5.3% |
| Finance | R78.8 | 16.0% | R54.7 | 17.7% |
| Personal services | R81.8 | 16.6% | R58.0 | 18.8% |
| Government services | R24.0 | 4.9% | R17.0 | 5.5% |
| All industries at basic prices | R493.7 | 100.0% | R342.1 | 100.0% |

Source: Stats SA – Provincial Gross Domestic Product, 2023

In comparing the economy over different years, it is important to know if the economy is really producing more, or if the price of the products merely increased. If the GDP contribution of an industry went from R1 billion a year to R1.5 billion in the next year, that would seem to be a very substantial increase of 50% in production. However, if inflation was at 10% a year, the value of that extra 50% value addition would be reduced by the effects of inflation to 40%.

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

Figure 45: Contribution of industries to Mpumalanga's GDP at basic prices, 2023



Source: Stats SA – Provincial Gross Domestic Product, 2023

Structure of the provincial economy in constant 2015 prices

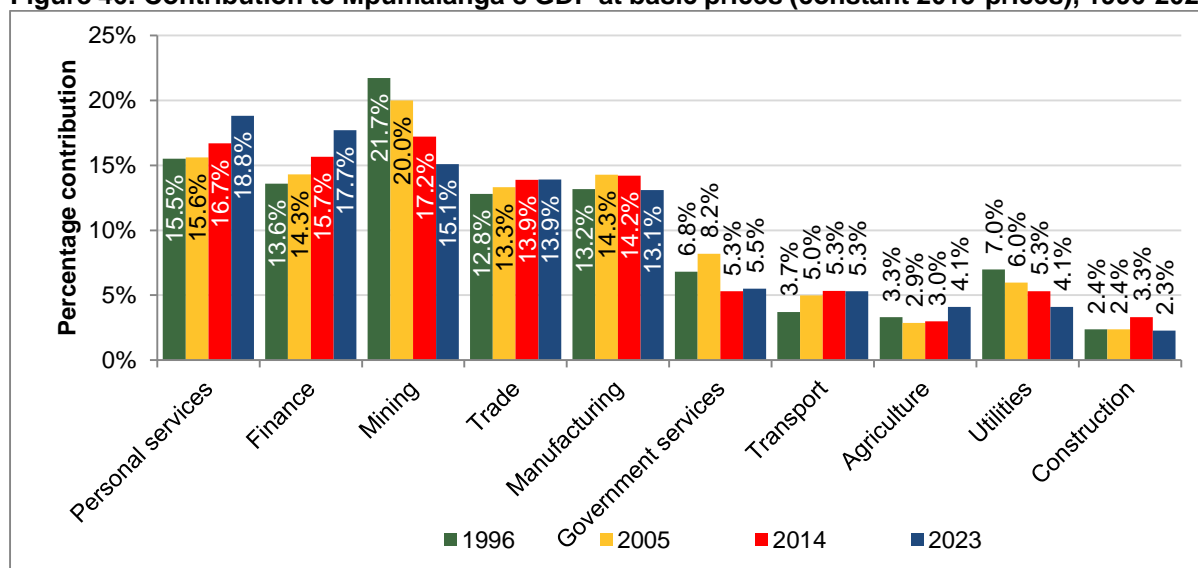
In 2023, the primary sector in Mpumalanga contributed 19.2%, the secondary sector 19.5% and the tertiary sector 61.2% to the provincial GDP at basic prices. Although the economy depended less on the primary sector in 2023 than in 1996 (25.0%), it continued to stand in contrast to the national primary sector's small contribution of 7.9% in 2023. The much smaller contribution by mining to the national economy (4.9% versus 15.1% in Mpumalanga) was the main reason for the difference in primary sector contribution. Nationally, the secondary sector added 17.4% and the tertiary sector 74.7% in 2023, with finance (26.4%) the single largest industry.

Figure 46 displays the share of each economic industry in the provincial economy between 1996 and 2023. It is estimated that in 2023, the three largest contributors to the provincial economy were personal services (18.8%), finance (17.7%) and mining (15.1%). The top three's ranking was somewhat different from 1996, when personal services contributed 15.5%, mining 21.7% and finance 13.6%.

Historic and forecasted growth for the economic industries of Mpumalanga is presented in Table 27. Between 1996 and 2023, the industries with the fastest economic growth were transport (3.3%) and finance (2.9%). Over the period 2024-2028, it is expected that finance (3.0%) and transport (2.9%) will record the highest average annual growth per annum. The relatively low growth expectation for mining and manufacturing are concerning.

Figure 47 illustrates the change in value by industry from 2019 to 2023. The real value of four industries increased whereas five industries declined. Community services (R6.2 billion) registered the largest increase over the 4-year period and mining (-R6.3 billion) the largest decline.

Figure 46: Contribution to Mpumalanga’s GDP at basic prices (constant 2015-prices), 1996-2023



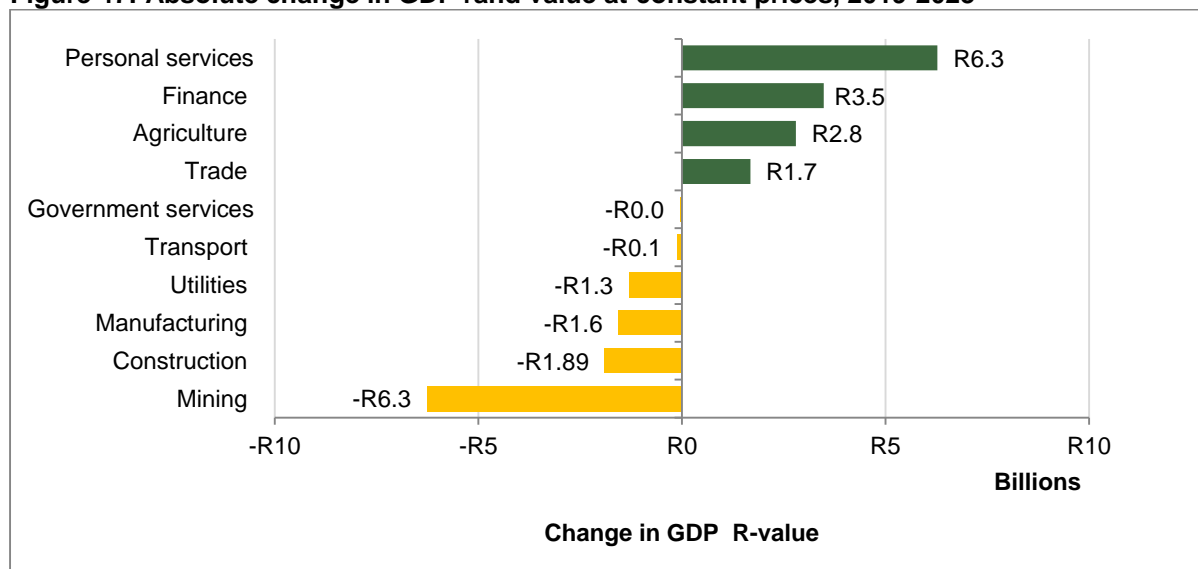
Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024

Table 27: Historic and forecasted GDP growth rates at constant prices for Mpumalanga’s economic industries, 1996-2028

| Industry | 1996-2023 | 1996-2000 | 2001-2006 | 2007-2012 | 2013-2018 | 2019-2023 | 2024-2028 |
|-------------------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------|
| Agriculture | 2.7% | 3.4% | 0.4% | 3.6% | 6.1% | 6.4% | 0.8% |
| Mining | 0.5% | 2.6% | 1.5% | -0.7% | 1.6% | -3.1% | 0.8% |
| Primary sector | 0.9% | 2.7% | 1.4% | -0.2% | 2.3% | -1.4% | 0.8% |
| Manufacturing | 1.9% | 4.1% | 4.4% | 1.0% | 0.4% | -0.9% | 1.3% |
| Utilities | -0.1% | 0.1% | 4.3% | 0.3% | -1.6% | -2.4% | 0.5% |
| Construction | 1.7% | -4.3% | 8.4% | 4.7% | -0.9% | -5.8% | 2.4% |
| Secondary sector | 1.3% | 2.1% | 4.8% | 1.3% | -0.2% | -1.9% | 1.3% |
| Trade | 2.2% | 4.0% | 3.5% | 2.1% | 0.4% | 1.0% | 0.9% |
| Transport | 3.3% | 6.8% | 6.2% | 2.1% | 1.8% | -0.2% | 2.9% |
| Finance | 2.9% | 1.0% | 6.5% | 2.2% | 2.1% | 1.7% | 3.0% |
| Personal services | 2.4% | 3.7% | 3.2% | 1.3% | 1.0% | 3.4% | 1.8% |
| Government services | 1.7% | 0.3% | 3.7% | 2.1% | 1.4% | -0.8% | 1.6% |
| Tertiary sector | 2.5% | 2.9% | 4.4% | 1.9% | 1.3% | 1.6% | 2.0% |
| Total | 1.8% | 2.7% | 3.8% | 1.3% | 1.1% | 0.2% | 1.7% |

Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024

Figure 47: Absolute change in GDP rand value at constant prices, 2019-2023



Source: Stats SA – Provincial Gross Domestic Product, 2023

According to Table 28, finance is expected to be the main driver of provincial economic growth between 2024 and 2028. Finance are expected to make the second largest contributor to provincial growth in the 4-year period, whereas mining is expected to add the same as construction and trade.

Table 28: Industry contribution to GDP at constant prices in Mpumalanga, 2024-2028

| Industry | GDP share | | Forecasted industry growth | Estimated contribution to provincial economic growth |
|---------------------|---------------|--|----------------------------|--|
| | 2023 | | 2024-2028 | 2024-2028 |
| Agriculture | 4.1% | | 0.8% | 0.0% |
| Mining | 15.1% | | 0.8% | 0.1% |
| Manufacturing | 13.1% | | 1.3% | 0.2% |
| Utilities | 4.1% | | 0.5% | 0.0% |
| Construction | 2.3% | | 2.4% | 0.1% |
| Trade | 13.9% | | 0.9% | 0.1% |
| Transport | 5.3% | | 2.9% | 0.2% |
| Finance | 17.7% | | 3.0% | 0.5% |
| Personal services | 18.8% | | 1.8% | 0.3% |
| Government services | 5.5% | | 1.6% | 0.1% |
| Total | 100.0% | | 1.7% | - |

**Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024**

Structure of the districts

Table 29 displays the share of each economic industry in the three districts' economies in 2018 and 2023. The community services industry was the largest industry in Gert Sibande in 2023 with a 22.2% share. Mining activities made the largest contribution to the Nkangala economy as it added 25.9% to the district's economy in 2023. In 2023, the largest contributing industry in Ehlanzeni was community services with a share of 31.5%. The contributions by the tertiary sector increased in all three districts over the 5-year period.

Table 29: Contribution to individual districts' GVA at constant prices by industry, 2018-2023

| Industry | Gert Sibande | | Nkangala | | Ehlanzeni | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2018 | 2023 | 2018 | 2023 | 2018 | 2023 |
| Agriculture | 4.9% | 6.1% | 2.7% | 3.1% | 3.4% | 3.7% |
| Mining | 18.2% | 14.9% | 29.3% | 25.9% | 3.9% | 3.5% |
| Primary sector | 23.1% | 21.1% | 32.0% | 29.1% | 7.2% | 7.2% |
| Manufacturing | 18.6% | 16.2% | 13.3% | 13.9% | 11.1% | 10.7% |
| Utilities | 5.0% | 4.6% | 5.2% | 4.0% | 4.2% | 4.1% |
| Construction | 2.7% | 2.1% | 2.6% | 2.0% | 3.7% | 2.7% |
| Secondary sector | 26.2% | 22.9% | 21.0% | 19.9% | 19.0% | 17.5% |
| Trade | 13.1% | 13.8% | 10.6% | 11.2% | 17.0% | 16.8% |
| Transport | 5.7% | 5.8% | 4.8% | 4.8% | 6.0% | 5.4% |
| Finance | 12.5% | 14.3% | 14.3% | 15.5% | 21.5% | 21.6% |
| Community services | 19.4% | 22.2% | 17.2% | 19.5% | 29.3% | 31.5% |
| Tertiary sector | 50.7% | 56.0% | 47.0% | 51.0% | 73.8% | 75.4% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

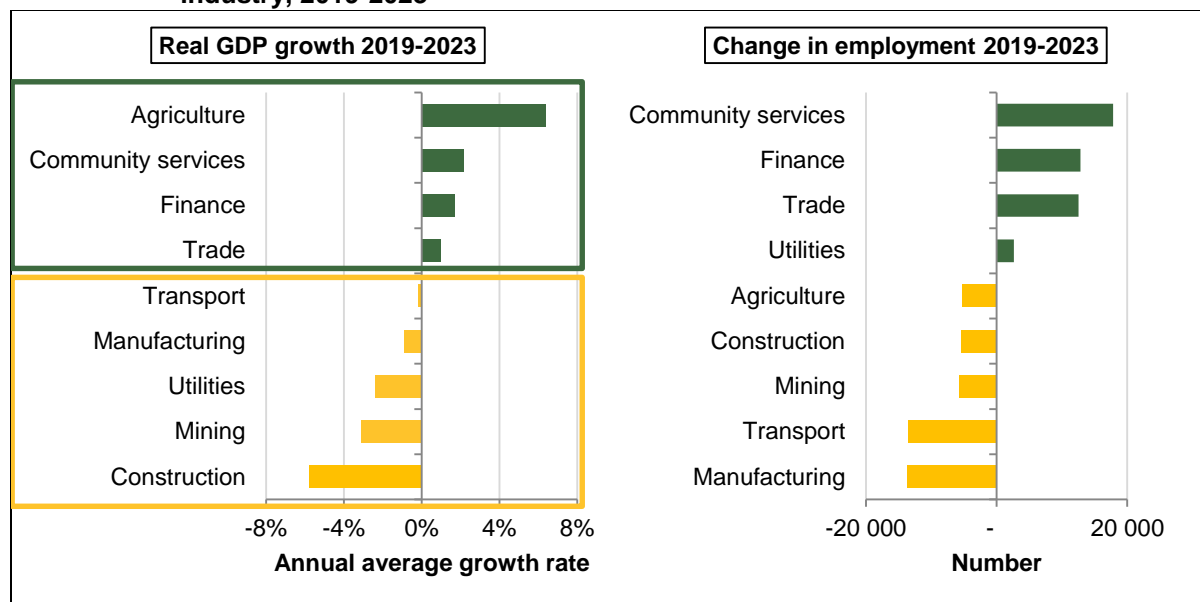
Source: S&P Global – ReX, July 2024

Performance and employment in the provincial economy

Figure 48 depicts the real growth per industry over the period 2019 to 2023 in the left-hand diagram and the contribution to changes in employment numbers over the same period in the right-hand diagram. Over the 4-year period agriculture registered the highest average annual growth rates, whereas construction recorded the lowest.

In 2023, some 2 234 more people were employed by the nine industries in Mpumalanga than in 2019. In the right-hand diagram, it is observable that only four of the industries, namely utilities, trade, finance and community services, gained jobs over the 4-year period. Agriculture lost jobs despite expanding in GDP terms.

Figure 48: Real GDP growth at constant prices and contribution to employment changes by industry, 2019-2023



Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, July 2024

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 2023, the economy of Mpumalanga appears to be more diversified than that of South Africa with an index score of 40.3 compared to a national score of 44.7. 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 30 provides the location quotients of the various industries in Mpumalanga, indicating their respective comparative advantages. In Mpumalanga, agriculture (1.25), mining (2.22), utilities (3.37) and trade (1.10) 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 30: Comparative advantage of industries in Mpumalanga and districts, 2023

| Industry | Mpumalanga |
|--------------------|-------------|
| Agriculture | 1.25 |
| Mining | 2.22 |
| Manufacturing | 0.79 |
| Utilities | 3.37 |
| Construction | 1.00 |
| Trade | 1.10 |
| Transport | 0.74 |
| Finance | 0.71 |
| Community services | 0.94 |
| Total | 1.00 |

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2024

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 2018 and 2023). 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, mining and utilities (ranked according to employment number) can be regarded as “standout” industries (Table 31).

Table 31: Dynamic location quotient classification of industries in Mpumalanga, 2018-2023

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

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2024

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, community services, trade and manufacturing (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, agriculture recorded a location quotient in excess of 1.2 that also declined over time.

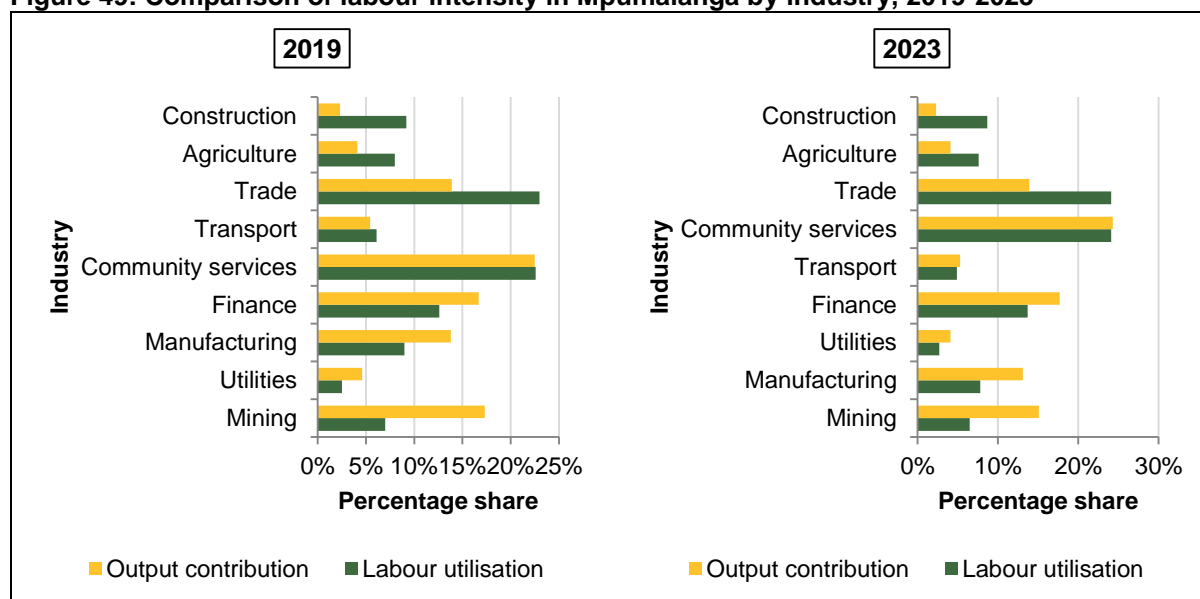
Finally, the lower left quadrant (location quotient <1.2 and negative change in location quotient) contains industries which are less important regionally than nationally and are also declining in employment. These industries holds “little promise” in terms of relative employment size and labour growth, 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. Finance, construction and transport 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 provides a comparison of the utilisation of labour with output at industry level for 2019 and 2023. In 2023, the following three industries in Mpumalanga exhibited higher employment shares relative to their output shares, thereby indicating a high level of labour intensity: construction, agriculture and trade. In 2019, construction, agriculture, trade and transport registered larger labour utilisation shares than output contribution. The labour intensity in mining, utilities, and finance improved by varying degrees between 2019 and 2023.

Figure 49: Comparison of labour intensity in Mpumalanga by industry, 2019-2023



Sources: Stats SA – Provincial Gross Domestic Product, 2023
Stats SA – QLFS, 2024

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 2015 and 2023, economic output did not keep up with provincial employment for most of the period and only caught up because of the large job losses in 2020 and 2021 (Figure 50). Mpumalanga’s employment elasticity over the period 2015 to 2023 was 1.13. In other words, on average over the 8-year period, every 1% of real economic growth in the province’s economy translated into a 1.13% increase in employment in the economy.

Figure 50: Relationship between GDP and employment levels in Mpumalanga, 2015-2023



Sources: Stats SA – QLFS, 2024
Stats SA - Provincial Gross Domestic Product, 2023

The employment elasticity of the various industries in Mpumalanga’s over the period 2015 to 2023 is displayed in Table 32. Manufacturing recorded the highest employment elasticity of 7.68 over the period 2015 to 2023. Therefore, on average over the 8-year period, every 1% of real economic growth in manufacturing translated into a 7.68% increase in employment in the industry.

Table 32: Comparative employment elasticity per industry in Mpumalanga, 2015-2023

| Industry | Employment elasticity 2015-2023 |
|--------------------|------------------------------------|
| Agriculture | -0.31 |
| Mining | -3.74 |
| Manufacturing | 7.68 |
| Utilities | -0.91 |
| Construction | 0.13 |
| Trade | 3.64 |
| Transport | -1.95 |
| Finance | 1.34 |
| Community services | 0.53 |
| Total | 1.13 |

Sources: Stats SA – QLFS, 2024
S&P Global – ReX, July 2024

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 six

industries achieved higher labour productivity than the total industries combined in 2023 (Table 33).

The mining industry (2.32) recorded the highest labour productivity index score in 2023, followed by manufacturing (1.68) and utilities (1.53). The mining industry also registered the highest labour productivity index score in 2015 of 3.13, followed by utilities. Agriculture, manufacturing, transport and community services experienced increased labour productivity between 2015 and 2023.

Table 33: Comparison of Mpumalanga’s labour productivity per industry, 2015-2023

| Industry | Labour productivity index | |
|-------------------------|---------------------------|-------------|
| | 2015 | 2023 |
| Agriculture | 0.34 | 0.55 |
| Mining | 3.13 | 2.32 |
| Manufacturing | 1.33 | 1.68 |
| Utilities | 2.04 | 1.53 |
| Construction | 0.35 | 0.26 |
| Trade | 0.64 | 0.58 |
| Transport | 0.99 | 1.08 |
| Finance | 1.34 | 1.30 |
| Community services | 0.94 | 1.01 |
| Total industries | 1.00 | 1.00 |

Sources: Stats SA – QLFS, 2024

Stats SA - Provincial Gross Domestic Product, 2023

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 2018 and 2023 and whether expected change (national and industrial) or regional competitiveness was the dominant factor in the change. Employment in the agriculture industry in Mpumalanga declined by 9 833 between 2018 and 2023. Using shift share, job gains of 1 127 were due to the national trend in the economy as a whole, while 6 921 extra jobs were created due to national trends in the agriculture industry

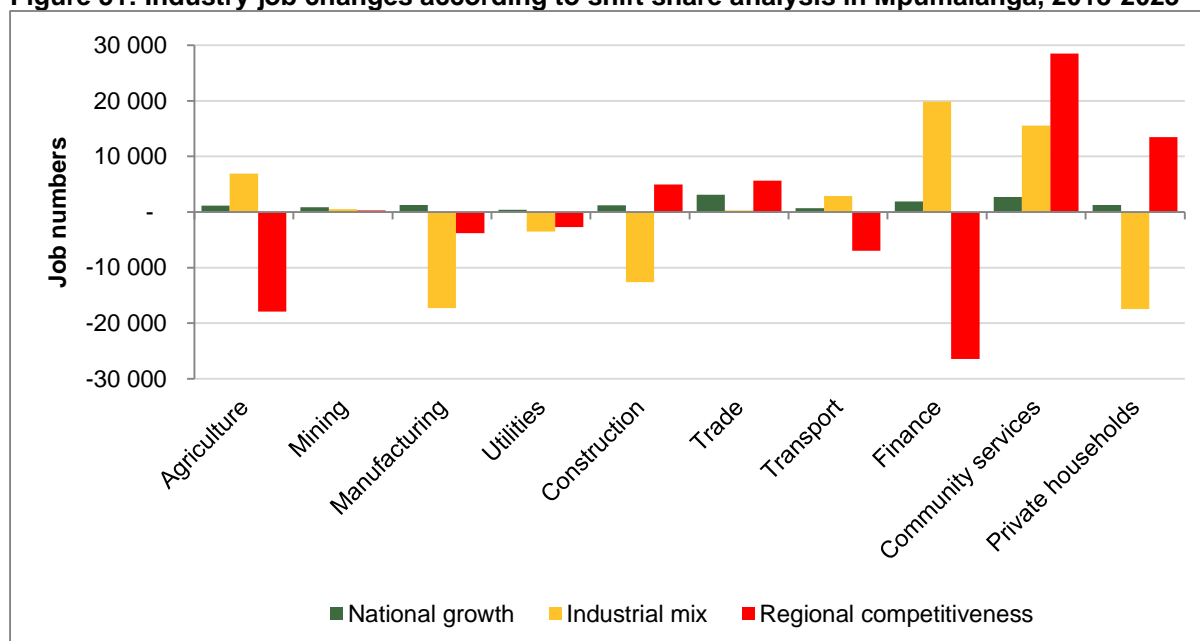
specifically. Therefore, a total of 8 048 job gains in the Mpumalanga agriculture industry were due to national trends.

The regional competitiveness effect was 17 881 job losses, indicating that some specific condition in the provincial agriculture industry resulted in job losses, contrary to the job gains of 8 048 due to national trends. Therefore, agriculture's employment decreased mainly as a result of negative regional factors despite some positive national factors. The transport and finance industries in Mpumalanga reveal similar shift share results with negative regional factors deterring job growth despite positive, industry specific national factors.

Job numbers in Mpumalanga's mining industry increased by 1 606 over the 5-year period. Shift share analysis reveals that national growth trends in the national mining industry as well as regional factors provided the impetus for job growth in the provincial mining industry. Trade, and community services also recorded higher employment numbers as a result of both national industry factors and regional competitiveness factors.

Job numbers in Mpumalanga's manufacturing industry decreased by 19 793 between 2018 and 2023. Despite gains stemming from national growth factors (1 279), negative national industry specific factors (-17 286) and negative regional competitiveness factors (-3 786) resulted in a net job loss for the manufacturing industry. Utilities also recorded lower employment numbers as a result of national industry and regional competitiveness factors.

Figure 51: Industry job changes according to shift share analysis in Mpumalanga, 2018-2023



Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2024

Construction and private households were the only two industries in Mpumalanga that recorded job losses over the 5-year period due to factors in all the national industries. For example in the construction industry, shift share analysis reveal that national growth (1 237) as well as positive regional factors (4 933) were not enough to curb the specific negative national industry factors (-12 609) that resulted in a total of 6 439 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 Account standards to measure its impact on national economies – as approved by the United Nations (UN) in March 2000.

Stats SA calculates a Tourism Satellite Account³² (TSA) for tourism in South Africa. According to the latest preliminary TSA for 2022, the national tourism sector was simulated to have directly contributed some 3.5% to GDP. Some 733 385 persons were directly engaged in producing goods and services purchased by visitors, which accounted for 4.7% of total employment in 2022.

The current lack of sufficient baseline data of tourism supply on a provincial level makes an assessment of the supply side, and therefore a similar exercise such as the TSA for South Africa on a provincial basis, virtually impossible. It is possible to simulate scenarios that can give an indication of the GDP and employment contribution by tourism in Mpumalanga. From a recent study conducted by DEDT³³, the contribution that tourism makes to the Mpumalanga economy could be between 2.3% and 3.4%. Furthermore, the tourism industry's contribution to employment in Mpumalanga could be between 3.4% and 4.6%.

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 2017 was equal to 5.2% of South Africa and 4.4% of Mpumalanga's GDP. In 2023, tourism spend in South Africa was equal to 6.8% of GDP, whilst in Mpumalanga it was equal to 5.6% of the provincial GDP. In 2023, Eastern Cape (9.9%) registered the largest tourism spend as share of GDP and Mpumalanga the smallest (Table 34).

Table 34: Tourism spend in South Africa and provinces, 2017-2023

| Province | 2017 | | 2023 | |
|---------------|-------------------------------|--|-------------------------------|--|
| | 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 | 51 599 | 7.3% | 83 236 | 8.4% |
| Eastern Cape | 18 586 | 4.6% | 52 952 | 9.9% |
| Northern Cape | 4 646 | 4.4% | 10 591 | 6.9% |
| Free State | 11 537 | 4.6% | 24 312 | 7.1% |
| KwaZulu-Natal | 41 110 | 4.9% | 78 141 | 7.0% |
| North West | 12 441 | 4.3% | 24 798 | 5.9% |
| Gauteng | 87 675 | 5.1% | 139 300 | 5.8% |
| Mpumalanga | 16 987 | 4.4% | 30 989 | 5.6% |
| Limpopo | 19 428 | 5.2% | 35 859 | 6.8% |
| Total | 264 009 | 5.2% | 480 178 | 6.8% |

Source: S&P Global – ReX, July 2024

According to South African Tourism's *Tourism Performance Report 2023*, Mpumalanga was the province that recorded the second highest number of foreign arrivals in 2023, with a share of 17.7% of total foreign arrivals. This was up from the 12.5% of total foreign arrivals in 2017. In 2023, Mpumalanga captured 14.0% of the total bednights spent by all foreign tourists in South Africa. This was higher than the 10.6% in 2017.

8.12 Inflation

The most common way to measure inflation is by reference to a CPI, which measures the changes in

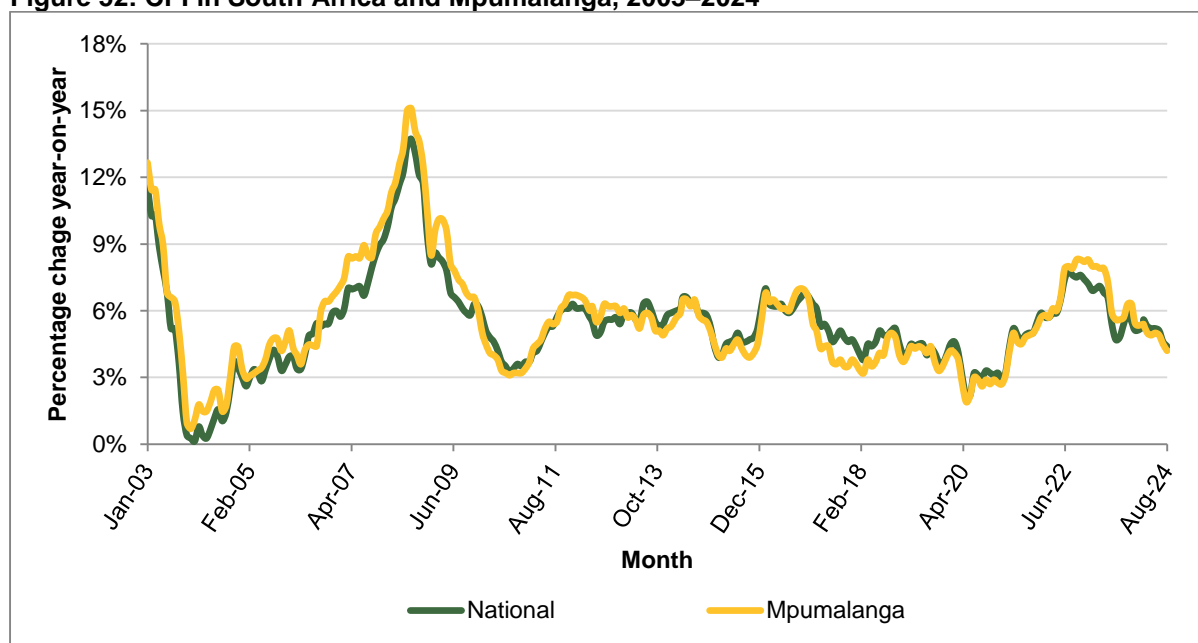
³² A Satellite Account is a term developed by the UN to measure the size of economic sectors that are not defined as industries in national accounts.

³³ Relevant Tourism Statistics & Perspectives with specific reference to Mpumalanga, December 2023.

prices of a basket of goods and services purchased by a representative set of households. Mpumalanga’s average annual inflation rate for 2023 was 6.6%, which was the third highest/seventh lowest among the provinces and higher than the average for South Africa (6.0%). Mpumalanga’s average annual inflation rate for 2023 was lower than the 7.3% average for 2022.

In August 2024, Mpumalanga recorded an inflation rate of 4.2%, which was lower than the 4.5% registered in July 2024. The provincial inflation rate was lower than the national inflation rate for the seventh consecutive month. In August 2024, Mpumalanga’s inflation rate was below the upper band of the inflation target zone for the ninth consecutive month. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2003 to August 2024 is displayed in Figure 52.

Figure 52: CPI in South Africa and Mpumalanga, 2003–2024



Source: Stats SA – CPI, 2024

The main determinants of inflation in Mpumalanga based on their respective weightings, as provided in Table 35, 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.

Table 35: Mpumalanga’s CPI group indices, weights, percentage change & contribution to inflation, August 2024

| Index description | Weight | Percentage change | | Estimated contribution to inflation |
|----------------------------------|--------------|-------------------|--------------|-------------------------------------|
| | | Month-on-month | Year-on-year | |
| Food & non-alcoholic beverages | +21.19% | +0.6% | +5.2% | 26.2% |
| Alcoholic beverages and tobacco | +5.53% | +0.0% | +3.7% | 4.9% |
| Clothing and footwear | +4.65% | +0.2% | +2.7% | 3.0% |
| Housing and utilities | +19.94% | +0.0% | +5.2% | 24.7% |
| Household contents and services | +3.71% | -0.1% | +1.6% | 1.4% |
| Health | +0.57% | -0.3% | +3.6% | 0.5% |
| Transport | +18.77% | -0.2% | +3.3% | 14.7% |
| Communication | +2.38% | +0.0% | +0.4% | 0.2% |
| Recreation and culture | +5.33% | -0.2% | +1.2% | 1.5% |
| Education | +1.91% | +0.0% | +7.0% | 3.2% |
| Restaurants and hotels | +3.96% | +0.4% | +3.0% | 2.8% |
| Miscellaneous goods and services | +12.06% | +0.2% | +5.9% | 16.9% |
| All items | 100.0 | +0.6% | +4.3% | 100.0% |

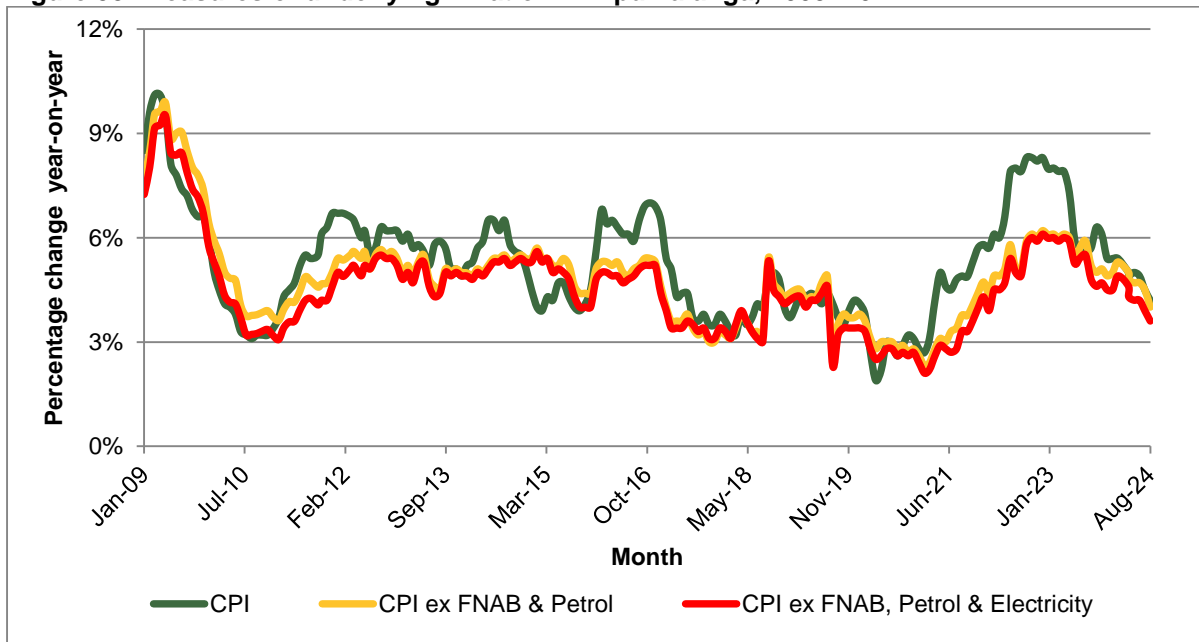
Source: Stats SA – CPI Additional Tables, 2024

It appears from Table 35 that the FNAB index accounted for 26.2% and the housing and utilities index for 24.7% of the average price increase in Mpumalanga during August 2024. The MGS index was accountable for 16.9% and the transport index was for 14.7%. Together, the four main determinants contributed 82.5% of the average price increase in Mpumalanga during August 2024.

The price increase of milk, eggs and cheese as well as bread and cereals provided most of the upward push in the FNAB index. Within the housing and utilities index, the price increases of electricity as well as owners' equivalent rent provided the bulk of the upward swell. The higher prices of vehicles as well as public transport pushed the transport index higher, whereas the price increases of insurance products drove the MGS index higher.

When the impact of the more volatile FNAB and fuel prices were excluded from the consumer price index as in Figure 53, the underlying annual inflation would have been 4.0% in August 2024. If the electricity price was also excluded from the calculation of headline CPI inflation, Mpumalanga's resultant core inflation would have been 3.6% in August 2024. Not only did the headline inflation rate decrease in August 2024, but so did the underlying and the core inflation rates.

Figure 53: Measures of underlying inflation in Mpumalanga, 2009–2024



Source: Stats SA – CPI Additional Tables, 2024

9. INTERNATIONAL TRADE

Mpumalanga's contribution to total national trade³⁴ was 2.5% in 2023, larger than the 1.1% share in 2017. The two leading provinces, in terms of total trade contribution in 2023, were Gauteng with a share of 65.1% and Western Cape with 14.0%. Mpumalanga contributed 4.0% and 0.9% to national exports and national imports, respectively.

The value of Mpumalanga's exports increased by 27.4% per annum between 2017 and 2023, whilst

³⁴ 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.

imports increased by 17.9% per annum over the same 6-year period. In contrast, the national exports increased by 9.6% per annum, whereas the value of national imports increased by 9.5% per annum.

Mpumalanga registered a positive trade balance of R62.8 billion in 2023, continuing the trend of exports exceeding imports since 1996. During the same period, the trade balance of South Africa fluctuated between positive and negative territory, finishing 2023 with a surplus of R109.4 billion.

Among the three districts, Nkangala (76.9%) was the main contributor to provincial exports in 2023, followed by Ehlanzeni and Gert Sibande with respective contributions of 16.9% and 6.1% (Table 36). Exports from Nkangala (53.3% per annum) recorded the highest increase between 2017 and 2023, and those from Gert Sibande the only decrease (-4.3% per annum).

Ehlanzeni attracted 51.1% of Mpumalanga's imports in 2023, followed by Nkangala and Gert Sibande. Imports flowing to Ehlanzeni recorded the highest increase (22.2% per annum) over the 6-year period and those to Gert Sibande the lowest increase (9.9% per annum).

Among the three districts, Nkangala recorded the largest positive trade balance of R56.3 billion in 2023, followed by Ehlanzeni (R4.6 billion). Gert Sibande is the only district in Mpumalanga that, from time to time in the 27-year period, recorded a negative trade balance.

Table 36: Mpumalanga districts' contribution to provincial exports and imports, 1996-2022

| District | Exports | | | Imports | | |
|--------------|--------------------------|------------------|---------|--------------------------|------------------|---------|
| | Share of Mpumalanga 2023 | Growth per annum | | Share of Mpumalanga 2023 | Growth per annum | |
| | | 1996-2023 | 2017-23 | | 1996-2023 | 2017-23 |
| Gert Sibande | 6.1% | 13.0% | -4.3% | 17.4% | 7.5% | 9.9% |
| Nkangala | 76.9% | 16.0% | 53.3% | 31.5% | 13.4% | 17.4% |
| Ehlanzeni | 16.9% | 10.1% | 10.1% | 51.1% | 18.7% | 22.2% |

Source: S&P Global – ReX, July 2024

10. CRIME RATES

Table 37: Serious community reported crimes in South Africa and provinces, 2022/2023

| Provinces | Contact crimes ³⁵ | | Contact related crimes ³⁶ | | Property related crimes ³⁷ | | Other serious crimes ³⁸ | |
|---------------|------------------------------|-------------|--------------------------------------|--------------|---------------------------------------|-------------|------------------------------------|--------------|
| | Number | % change | Number | % change | Number | % change | Number | % change |
| Western Cape | 112 707 | 11.0% | 28 595 | 5.7% | 66 272 | 7.8% | 96 174 | 13.0% |
| Eastern Cape | 71 191 | 7.0% | 13 459 | 2.2% | 43 066 | 4.8% | 39 447 | 7.7% |
| Northern Cape | 18 830 | 12.4% | 4 272 | 13.1% | 12 510 | 15.8% | 11 876 | 19.5% |
| Free State | 39 829 | 9.8% | 7 123 | 4.5% | 24 768 | 7.2% | 23 735 | 8.0% |
| KwaZulu-Natal | 109 916 | 6.6% | 14 749 | -10.3% | 59 887 | -4.2% | 63 665 | 9.0% |
| North-West | 40 642 | 10.8% | 7 171 | 6.1% | 26 082 | 3.6% | 23 921 | 17.7% |
| Gauteng | 181 837 | 6.5% | 29 252 | -0.6% | 94 057 | 3.4% | 128 695 | 10.5% |
| Mpumalanga | 36 565 | 1.6% | 6 024 | -3.5% | 26 434 | 4.3% | 22 758 | 3.5% |
| Limpopo | 42 142 | 11.9% | 8 171 | 5.1% | 24 614 | 4.7% | 26 767 | 17.3% |
| Total | 653 659 | 8.0% | 118 816 | 1.1% | 377 690 | 3.8% | 437 038 | 11.0% |

Source: South African Police Service – Crime Situation in South Africa 2022/23

Among the four categories of serious community reported crimes displayed in Table 37, it is evident that in South Africa crime increased/deteriorated between 2021/22 and 2022/23 in all four serious community reported crimes categories. Over the same period, community reported crime in

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

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

³⁷ 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.

³⁸ 3 serious community reported other serious crimes are other theft, commercial crime, & shoplifting.

Mpumalanga increased/deteriorated in three of the four categories. Mpumalanga was one of three provinces that recorded a decline/improvement in contact related crimes. Mpumalanga's deterioration in contact crimes as well as other serious crimes were not as bad as the national deterioration, however, the province fared worse when accounting for property related crimes.

These crime statistics hold significant economic and socio-economic implications for Mpumalanga and the broader South African context. The persistent high levels of crime, particularly serious and violent offenses, have created an atmosphere of fear and insecurity among the South African population. This climate of fear not only impacts the daily lives of individuals but also hinders the country's overall economic development. Investors are deterred, and businesses face higher security costs, both of which can negatively affect economic growth and job creation.

In this context, addressing crime is not just a matter of law enforcement but a crucial element of ensuring economic stability and improving the quality of life for all South Africans. It is imperative that comprehensive strategies are developed and implemented to tackle crime at its root causes, promote community safety, and foster an environment conducive to economic prosperity and social well-being.

11. SUMMARY AND CONSIDERATIONS

The influence of the national economic slowdown and infrastructure limitations, particularly the fragile electricity supply, is clearly discernible in the performance of the Mpumalanga economy, as illustrated by the presented data. A majority of industries within the province failed to make significant contributions to average annual economic growth.

To address these challenges, a concerted effort is required to expedite the transition towards a knowledge-based and service-oriented economy. This entails implementing targeted industry development strategies and attracting investments to bolster infrastructure and spur growth. Public infrastructure investment, aiming to reach 10% of the provincial GDP by 2030, is crucial, and the Mpumalanga Infrastructure Masterplan (MIMP) can play a pivotal role in achieving this goal.

Fostering higher economic growth necessitates a comprehensive approach to workforce development. Enhancing educational outcomes is paramount, as it not only creates more investment opportunities but also has the potential to increase employment rates and reduce unemployment. While social grants have positively impacted poverty alleviation in Mpumalanga, the primary driver for poverty reduction remains job creation. Therefore, a well-educated and skilled workforce is pivotal to expeditiously diminish poverty.

Improved educational outcomes also address skills constraints, diminishing the premium for skilled labour and contributing to a more equitable distribution of income. This shift can potentially reduce income inequality by eliminating the dominating factors causing significant salary gaps between skilled and unskilled workers.

Supporting struggling industries aligns with the Provincial Government's mandate, focusing particularly on key sectors such as agriculture, tourism, SMMEs (including the informal sector), and construction. Establishing a clear vision for each industry and directing government infrastructure spending accordingly will provide the necessary impetus to assist these sectors. In essence, a holistic and targeted approach is vital for propelling Mpumalanga towards sustainable economic growth and

prosperity.

Table 40 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 high unemployment rate, the low income share of the poorest households, the high share of people below the LBPL and the low GDP growth are worrying factors. When the provincial figures are compared with the national figures, only two of the provincial indicators (population ages 20+ and completed matric as well as income share of the bottom 40%) recorded a level better than the national figure.

Table 41 presents a comparison between the districts in the province of virtually the same socio-economic indicators used in the first table. Table 42 presents a summary of the relevant national and provincial targets as expressed in the NDP and Mpumalanga Vision 2030.

Table 40: 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 (2022) | 8.3% | + | N/A | 6 |
| Unemployment rate (Q2 2024) | 37.4% | - | - | 6 |
| Age 20+ & no schooling (2022) | 11.7% | + | - | 8 |
| Age 20+ & completed matric (2022) | 40.2% | + | + | 3 |
| HDI (2023) | 0.63 | + | - | 6 |
| Income share of bottom 40% (2023) | 7.7% | - | + | 3 |
| Share of population below LBPL (2022) | 51.2% | - | - | 6 |
| GDP average annual growth 2019-23 | 0.2% | - | - | 6 |
| % contribution to national GDP (2023) | 7.8% | + | N/A | 5 |

Table 41: Comparative socio-economic indicators of Gert Sibande, Nkangala & Ehlanzeni

| Socio-economic indicators | Gert Sibande | Nkangala | Ehlanzeni |
|---|--------------|----------|-----------|
| Share of population (2022) | 25.0% | 30.9% | 44.2% |
| Unemployment rate (2023) | 30.9% | 38.8% | 37.4% |
| Functional literacy rate (2023) | 86.7% | 88.9% | 86.5% |
| HDI (2023) | 0.63 | 0.65 | 0.61 |
| Income share of bottom 40% (2023) | 7.5% | 7.5% | 8.2% |
| Share of population below LBPL (2023) | 50.4% | 45.7% | 56.2% |
| % contribution to provincial GDP (2023) | 26.2% | 37.0% | 36.8% |

Table 42: Relevant national and provincial targets

| Indicator | Target | |
|--------------------------------|---|---|
| | NDP 2030 (national targets) | Mpumalanga Vision 2030 (provincial targets) |
| Number of employed | About 11 million additional jobs by 2030. | About 1.1 million additional jobs between 2013 and 2030. Total employment numbers should rise to at least 2.15 million to achieve 6% unemployment rate. |
| Unemployment rate | The unemployment rate should be 6% by 2030. | The unemployment rate should be 6% by 2030. |
| Annual average GDP growth rate | Average annual GDP growth above 5% | Average annual GDP growth above 5%. |
| GDP per capita (2010 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 0% by 2030. | The poverty rate should be reduced to 5% by 2030. |
| Income inequality | The proportion of income earned by the bottom 40% in South Africa should rise to 10% by 2030. | The proportion of income earned by the bottom 40% in Mpumalanga should rise to 10% by 2030. |