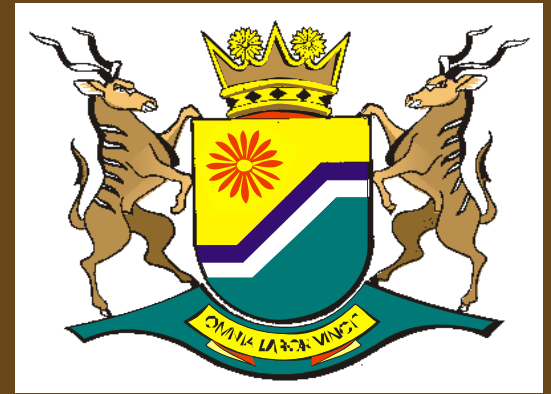


MPUMALANGA ECONOMIC PROFILE



**Volume 3
July 2008**

**DEPARTMENT OF ECONOMIC
DEVELOPMENT AND PLANNING**

**MPUMALANGA
PROVINCIAL
GOVERNMENT**

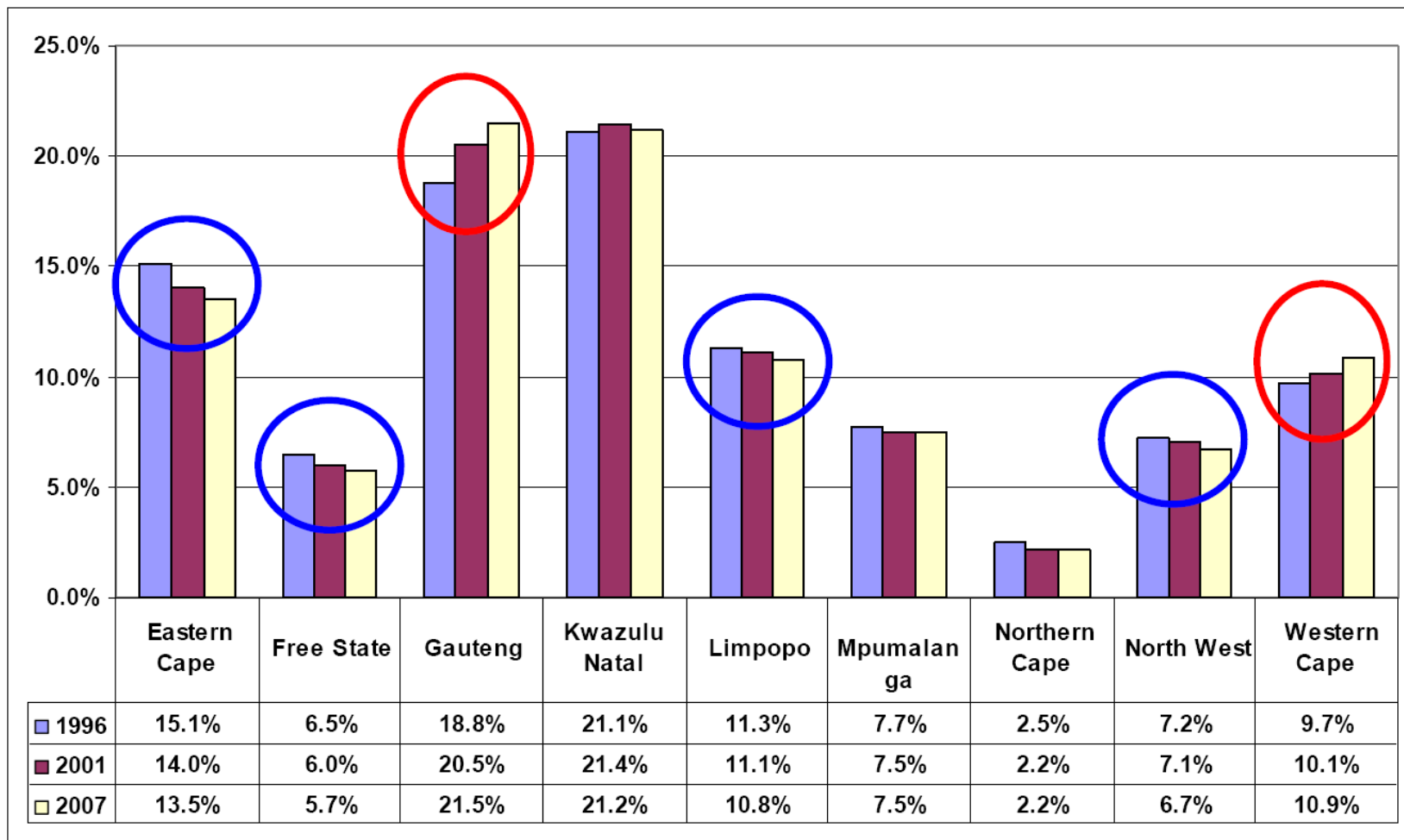


Total population by province - Census 1996, Census 2001, Community Survey 2007

Provinces	Census 1996	Census 2001	%Change 1996/2001	CS 2007	% Change 2001/2007
Eastern Cape	6 147 244	6 278 651	2,1	6 527 747	4,0
Free State	2 633 504	2 706 775	2,8	2 773 059	2,4
Gauteng	7 624 893	9 178 873	20,4	10 451 713	13,9
KwaZulu-Natal	8 572 302	9 584 129	11,8	10 259 230	7,0
Limpopo	4 576 133	4 995 534	9,2	5 238 286	4,9
Mpumalanga	3 124 203	3 365 885	7,7	3 643 435	8,2
Northern Cape	1 011 864	991 919	-2,0	1 058 060	6,7
North West	2 936 554	3 193 676	8,8	3 271 948	2,5
Western Cape	3 956 875	4 524 335	14,3	5 278 585	16,7
South Africa	40 583 573	44 819 778	10,4	48 502 063	8,2

POPULATION

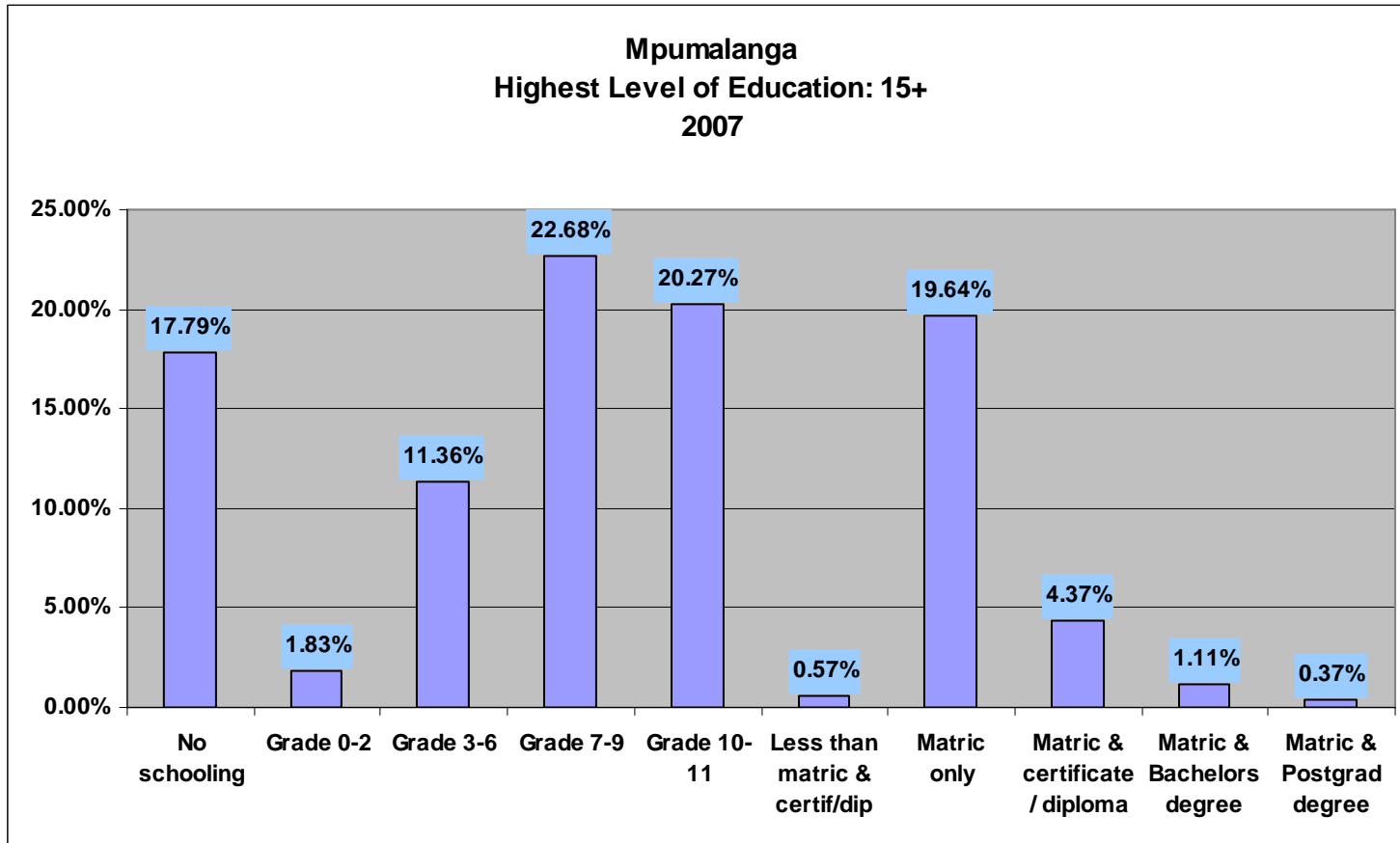
Percentage distribution of population by province -1996, 2001 and 2007



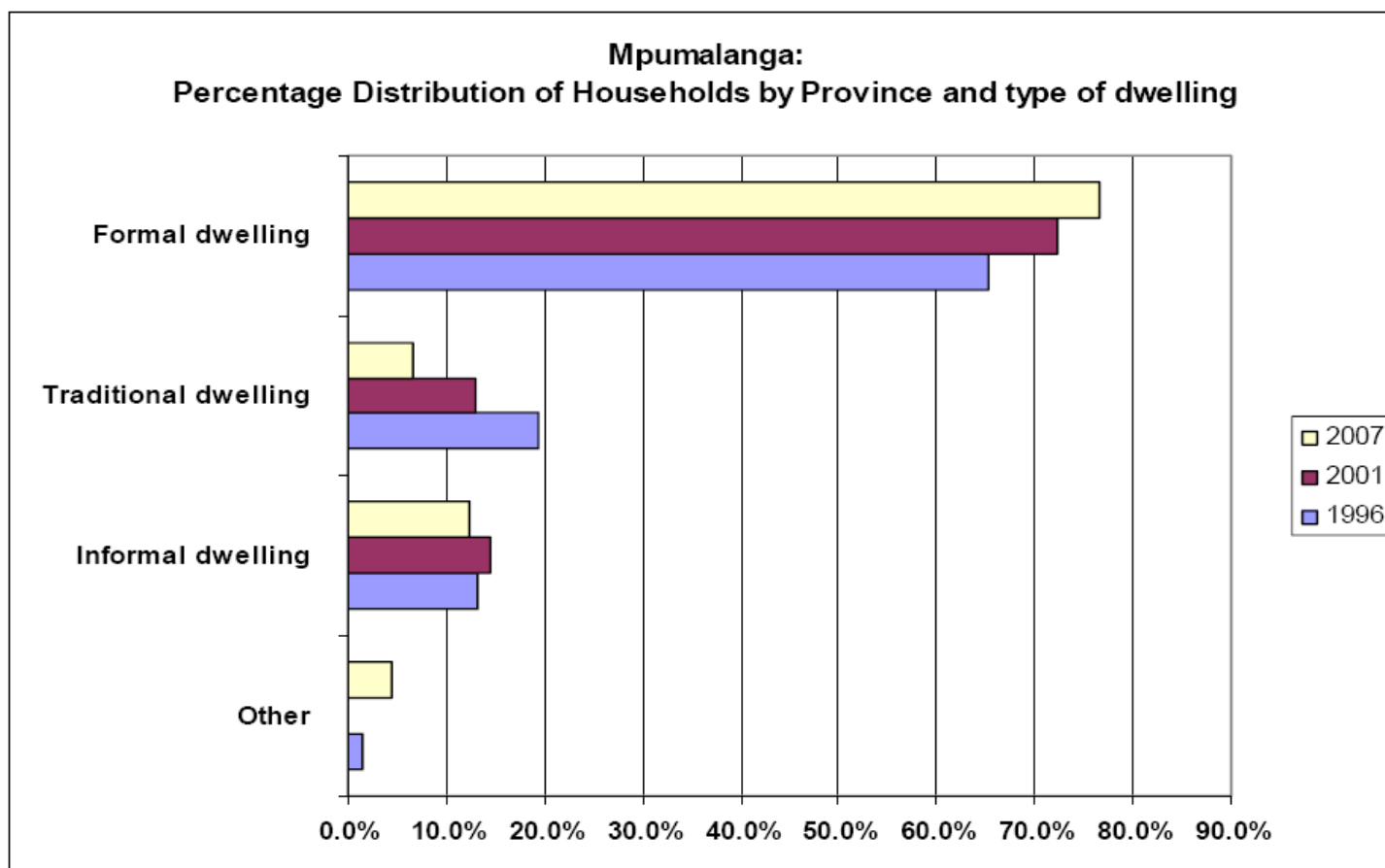
Percentage of persons aged 5–24 years attending an educational institution by type of institution and province, 2001 and 2007

	Pre-School		School		College		University/Technicon		Abet		Other	
	2001	2007	2001	2007	2001	2007	2001	2007	2001	2007	2001	2007
Eastern Cape	3.9%	3.6%	93.7%	93.2%	0.7%	1.2%	1.4%	1.4%	0.1%	0.0%	0.2%	0.6%
Free State	3.8%	3.9%	92.5%	90.9%	1.2%	2.0%	1.9%	2.6%	0.4%	0.0%	0.2%	0.6%
Gauteng	5.7%	4.8%	84.0%	84.1%	3.8%	4.4%	5.8%	5.8%	0.3%	0.0%	0.4%	0.8%
KwaZulu-Natal	3.3%	3.9%	93.5%	91.5%	0.9%	1.4%	1.9%	2.4%	0.2%	0.0%	0.2%	0.7%
Limpopo	3.6%	4.1%	94.8%	93.1%	0.6%	1.0%	0.8%	1.2%	0.1%	0.0%	0.2%	0.5%
Mpumalanga	3.8%	4.0%	94.3%	92.7%	0.8%	1.5%	0.7%	1.1%	0.1%	0.0%	0.2%	0.7%
Northern Cape	4.7%	4.2%	93.5%	93.0%	0.9%	1.6%	0.5%	0.7%	0.2%	0.0%	0.2%	0.5%
North West	4.8%	4.0%	92.4%	92.4%	0.9%	1.5%	1.4%	1.6%	0.3%	0.0%	0.2%	0.6%
Western Cape	5.4%	4.2%	87.7%	87.7%	1.9%	2.7%	4.3%	4.8%	0.2%	0.0%	0.4%	0.7%
South Africa	4.2%	4.1%	91.7%	90.6%	1.4%	2.0%	2.3%	2.7%	0.2%	0.0%	0.2%	0.7%

Table 3: focuses on attendance rates amongst persons aged 5–24 years by type of education institution and province in 2001 and 2007. Table 3 shows that in 2001 and 2007 across all provinces, large proportions of learners aged 5–24 years were attending school as compared to other types of education institutions. Gauteng has the largest percentage of people in this aged group who attended University/Technicon. Attendance and University/Technicon increased from 2,3% in 2001 to 2,7% in 2007. In Mpumalanga, persons in pre-School, College and varsity increased while those in school decreased from 94.3% to 92.7% in 2007.



The above table shows that 22.68% of the Mpumalanga population have between grade 7 and grade 9 qualification, 17.79% have no schooling, 20.27% have a Grade 10 or Grade 11 highest qualification and 19.64% have matric as a highest qualification.



*Grouping "formal dwelling" includes the following categories: house, flat, semi-detached house, unit in a complex (e.g. simplex), room in backyard and room not in backyard. "Other" includes caravan, private ship and workers hostel.

Mpumalanga show a significant increase of households living in the formal dwelling, a decrease in Traditional and Informal dwelling.

Government and other stakeholders have invested substantial resources to ensure that the population particularly the disadvantage groups are catered for.

access to water supply, main type of toilet facilities, main type of energy or fuel used by households for lighting, cooking and heating, refuse disposal and households' goods owned by households

Percentage of households that have access to piped water by province

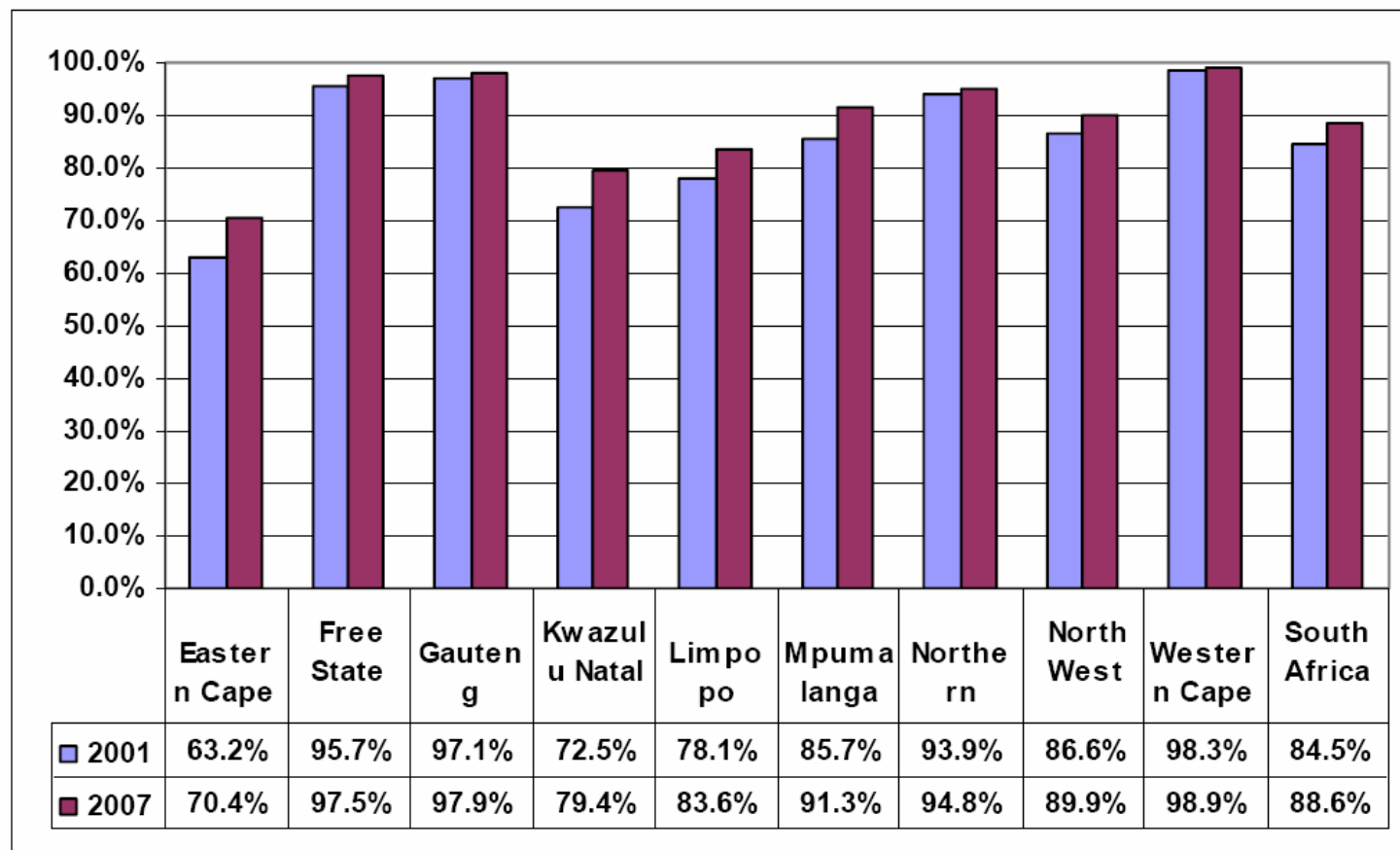
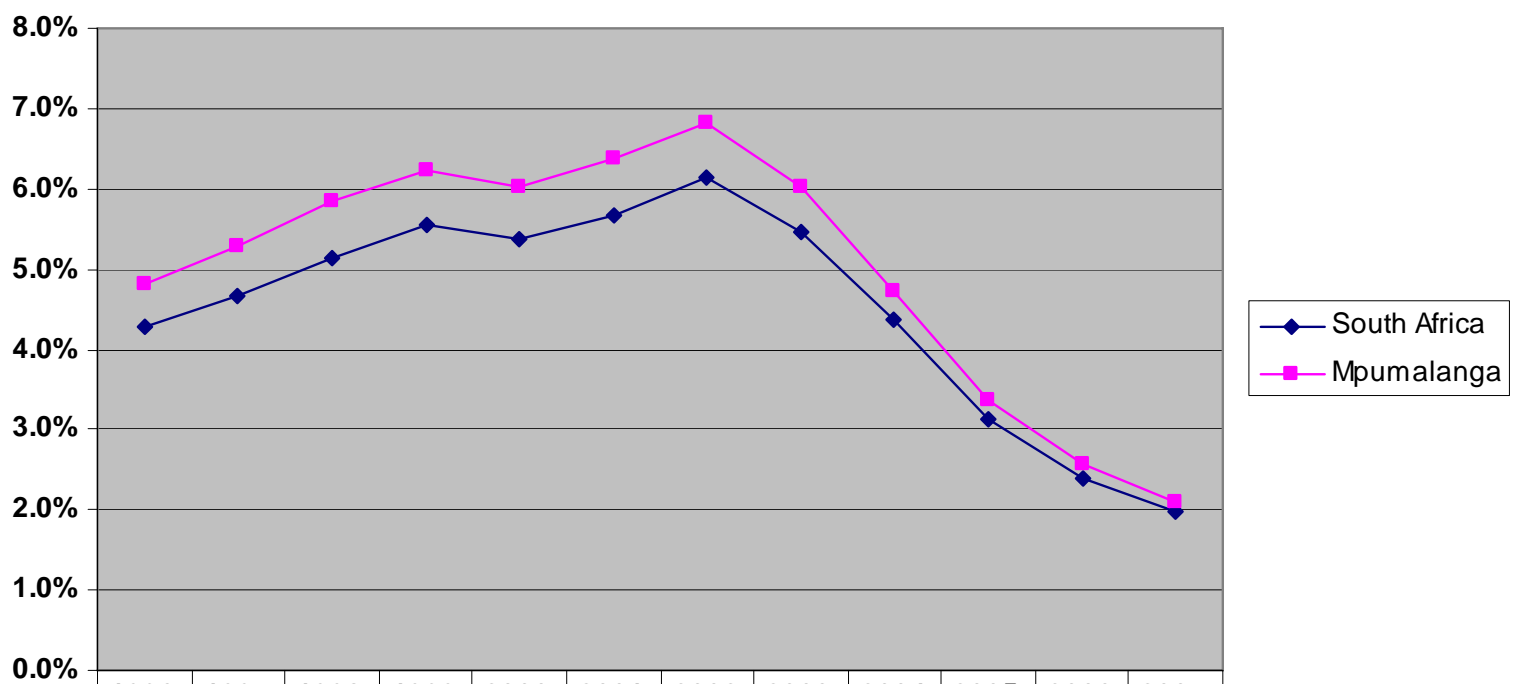
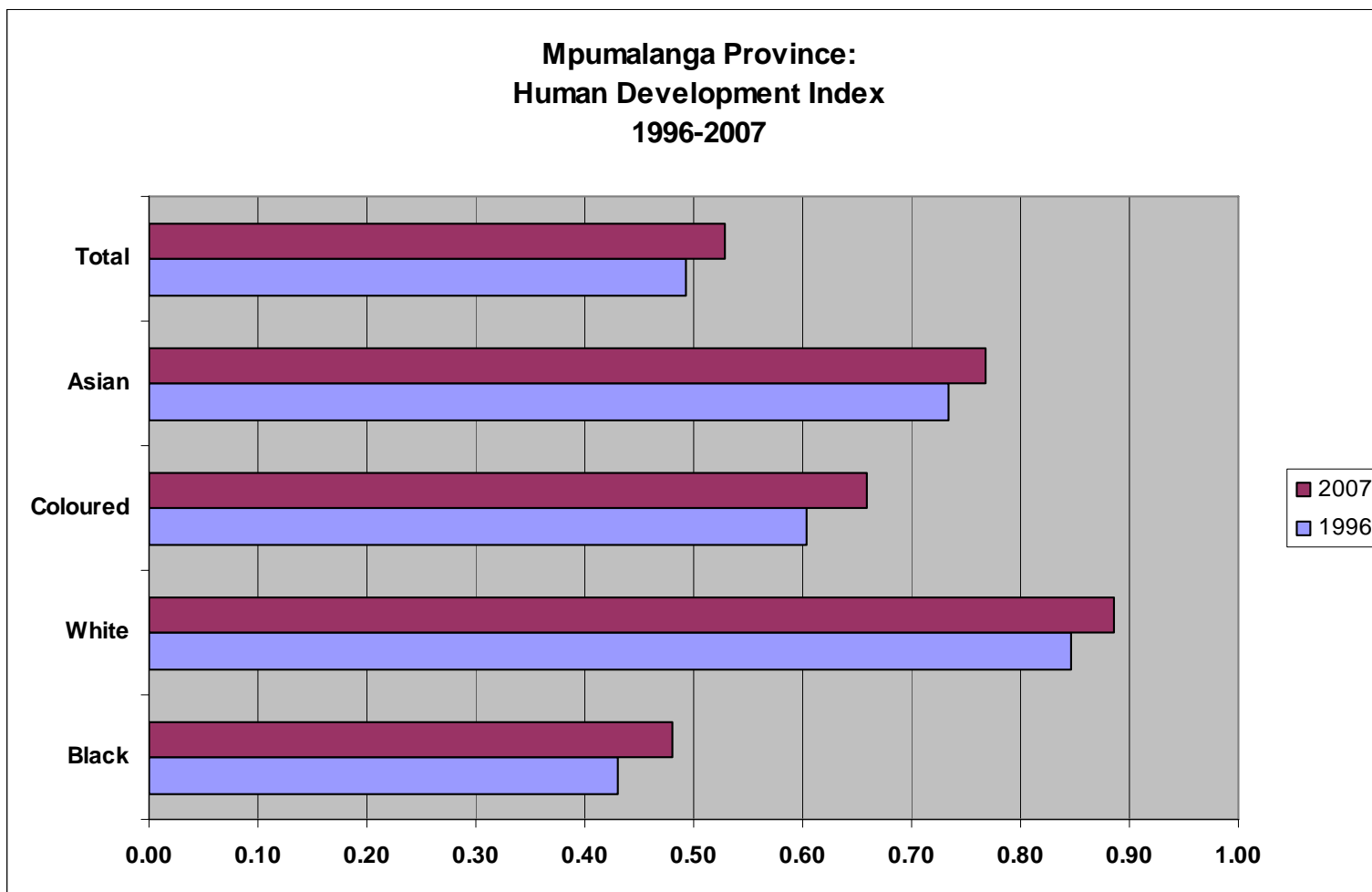


Figure D: shows that the percentage of households with access to piped water has increased in all the nine provinces. Western Cape is the province with highest percentage (98,9%) of households with access to piped water, followed by Gauteng and Free State with 97,9% and 97,5% respectively. The percentage of households that have access to piped water in Eastern Cape, KwaZulu-Natal and Limpopo is below the national average while Mpumalanga households with access to piped water increased from 85.7% in 2001 to 91.3% in 2007.

Mpumalanga
Percentage of people living on less than a Dollar(\$) per Day 2007



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
—◆— South Africa	4.3%	4.7%	5.1%	5.6%	5.4%	5.7%	6.1%	5.5%	4.4%	3.1%	2.4%	2.0%
—■— Mpumalanga	4.8%	5.3%	5.8%	6.2%	6.0%	6.4%	6.8%	6.0%	4.7%	3.4%	2.6%	2.1%

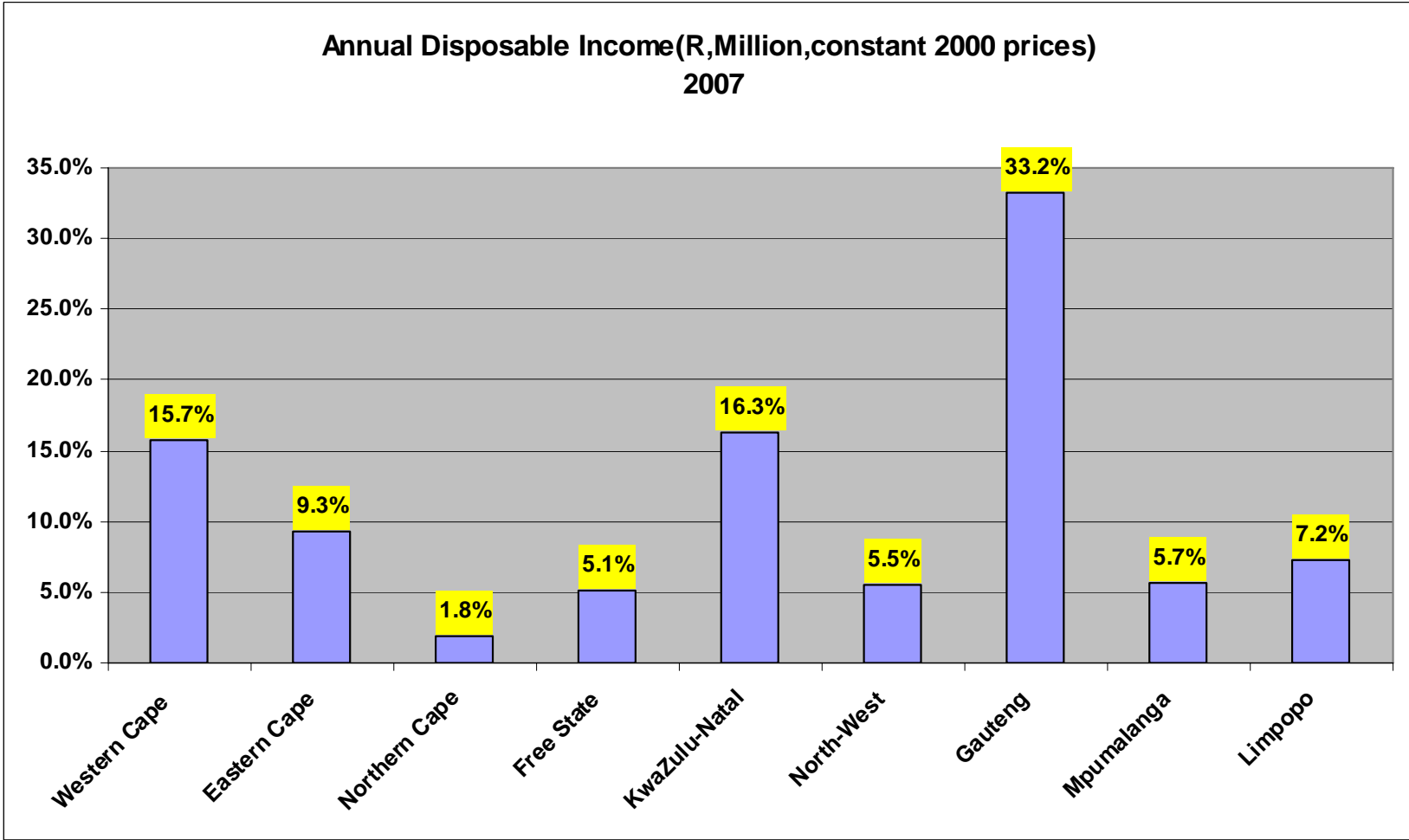


Human development Index (HDI) measures the standard of living by the population. The standard of living of the black population is still the lowest when compared to the other population group. The standard of living of the Black population has shown an improved in the past ten years. The white population is still enjoying the high living standards followed by the Asian population then the Coloured population.

Percentage distribution of non-migrants and migrants based on place of birth

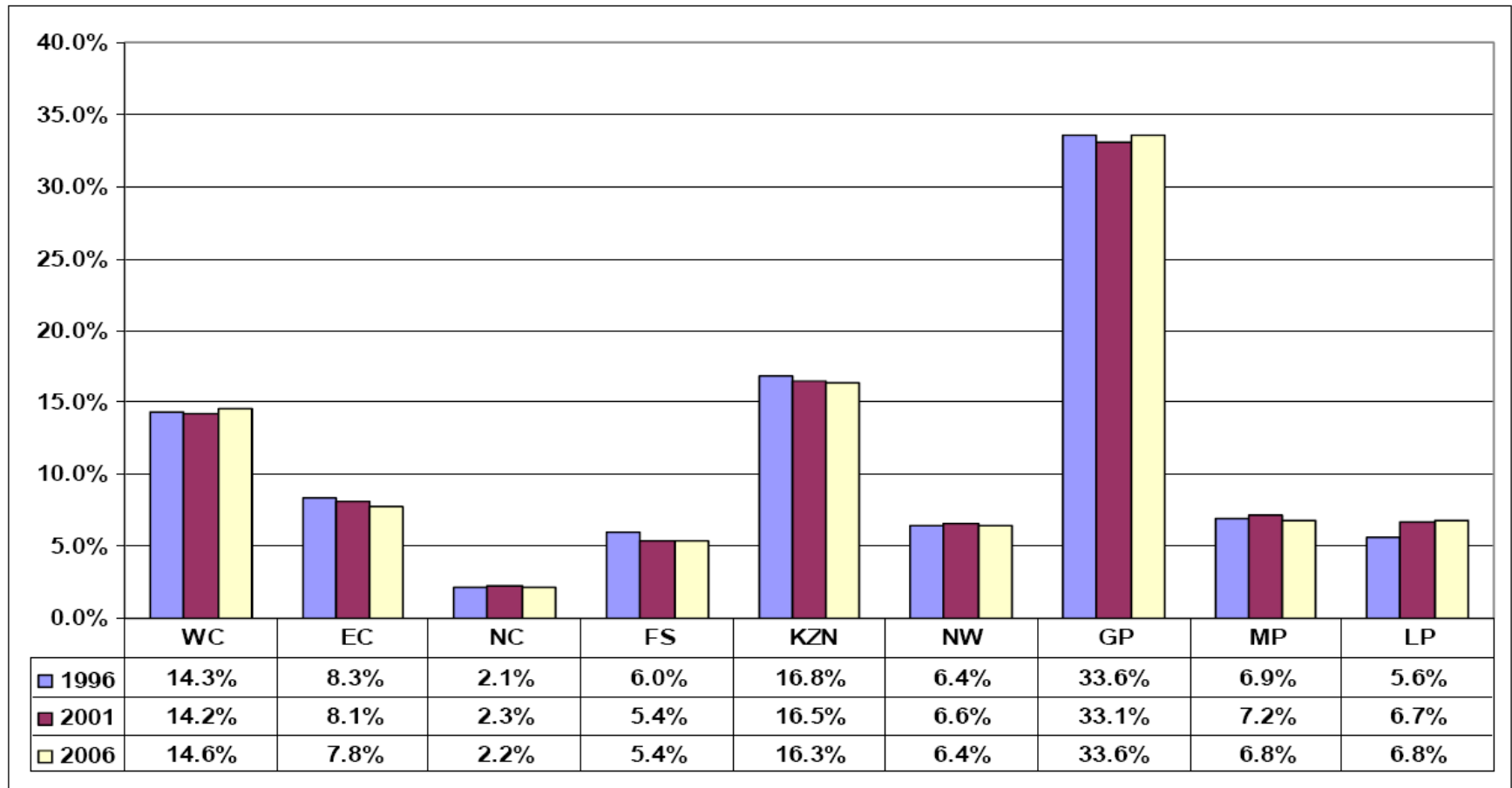
Province	% of resident population born in the province	% of in-migrants (resident population not born in the province)	% of out-migrants (population born in the province but residing elsewhere)
Eastern Cape	93,4	6,6	23,0
Free State	85,6	14,4	21,5
Gauteng	58,1	41,9	15,3
KwaZulu-Natal	93,5	6,5	9,4
Limpopo	93,6	6,4	22,9
Mpumalanga	76,3	23,7	20,0
Northern Cape	84,4	15,6	29,3
North West	76,9	23,1	16,6
Western Cape	71,7	28,3	8,1

The above table shows internal migrants based on province of birth and that of usual residence. Proportionally, Gauteng received most migrants followed by the Western Cape. The provinces that received least proportion of migrants were Eastern Cape, KwaZulu-Natal and Limpopo with about 6,4% of the resident population being born in other provinces. Northern Cape has a proportionally higher percentage (29,3%) of out-migrants.



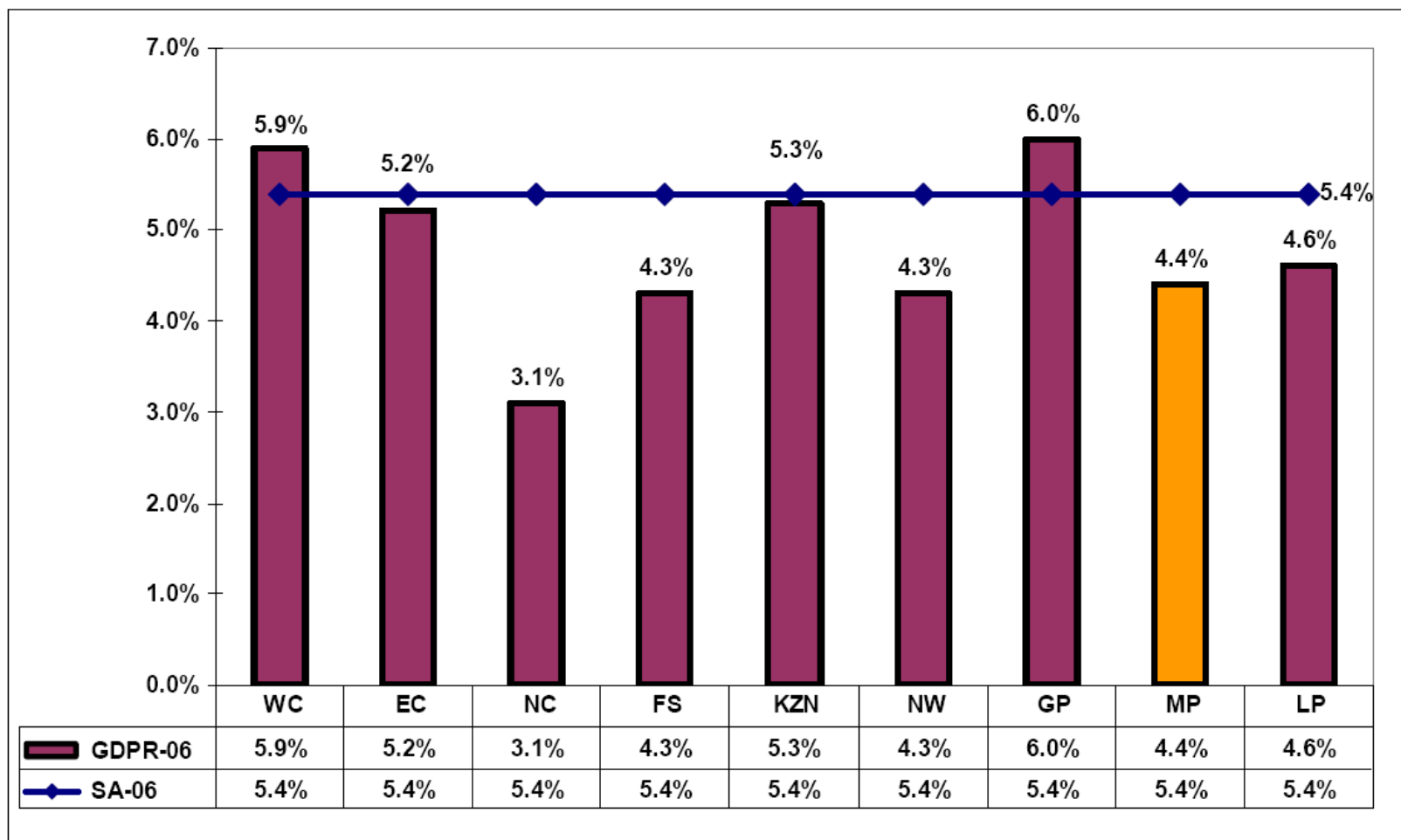
The total disposable income for Mpumalanga is only 5.7% of South Africa's total disposable income. This puts the province at a disadvantage, in proportion to its neighboring provinces (i.e. Gauteng, Kwa-Zulu Natal and Limpopo), which all have higher total disposable incomes, for businesses to grow their markets at a provincial level. This means that for businesses to grow, they will need to target markets outside the province, in addition to the provincial market.

GDPR contribution to the economy of South Africa in 1996, 2001 and 2006



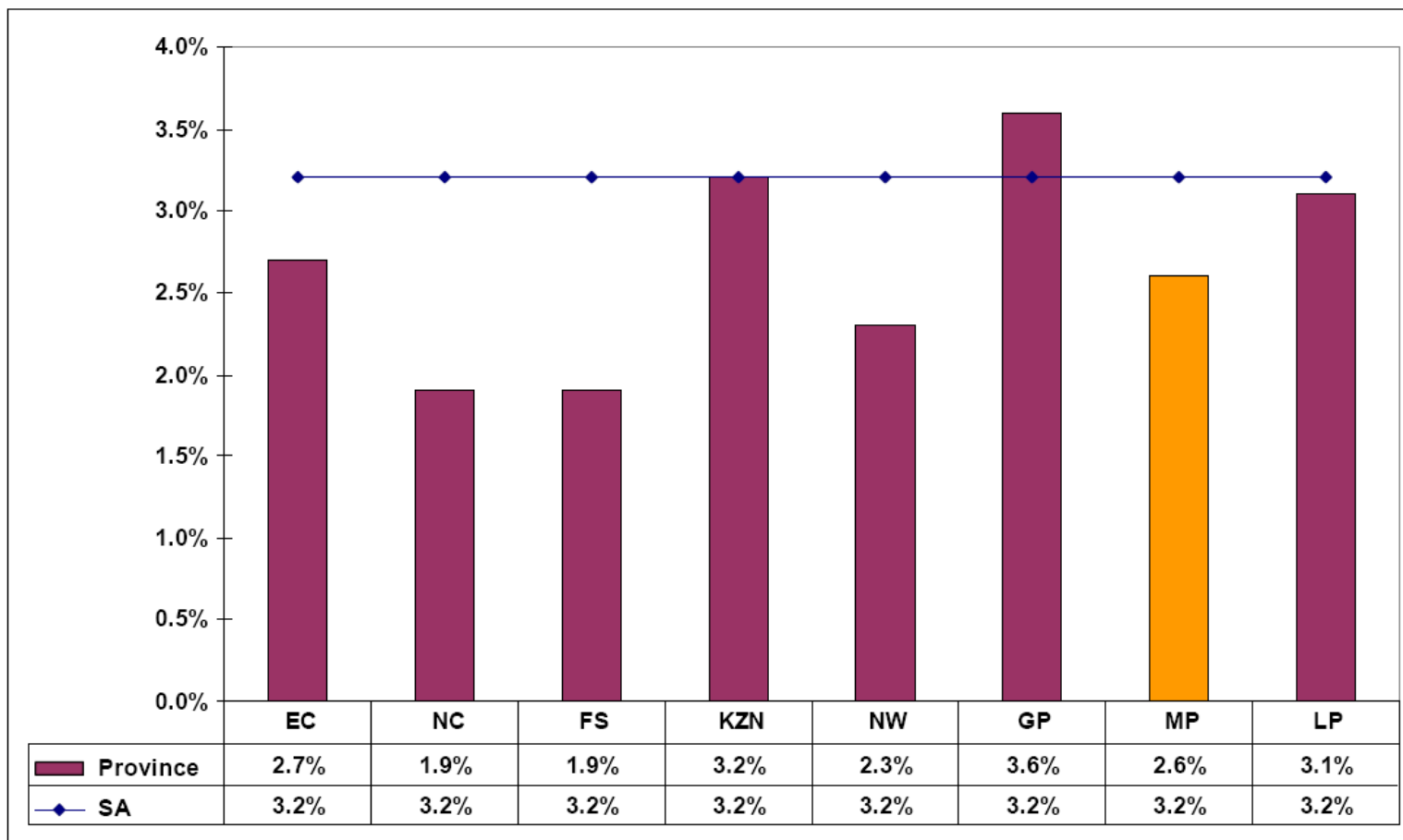
In 2006, Gauteng contributed 33,6 percent to the economy of South Africa, followed by KwaZulu-Natal with 16,3 percent and Western Cape with 14,6 percent. Northern Cape made the smallest contribution of 2,2 percent to the economy of South Africa in 2006. Mpumalanga’s share contribution to the South African GDP has remained largely unchanged over the past ten years. The Province will need to start by broadening its economic base in the coming 3-10 years as a means to laying the foundation for increasing its contribution to the South African Economy. Limpopo on the other hand has increased its share contribution to South Africa’s GDP by 1.2% over the past ten years.

Real Annual Economic Growth Rate per Province :2006

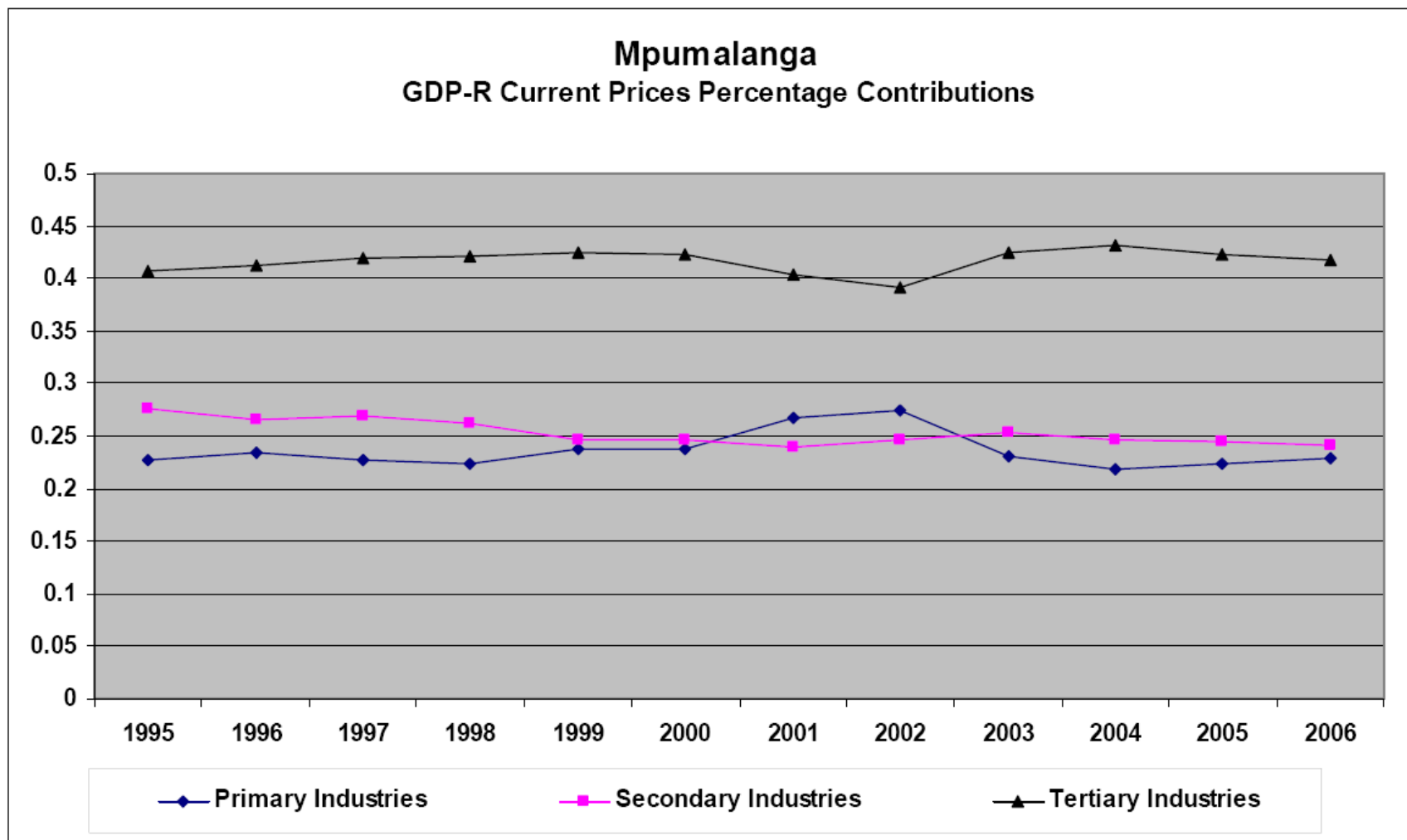


Despite the rising trend in interest rates, the South African economy has managed to sustain growth rates above 4% per annum in the run up to 2010. Mpumalanga’s economy grew by 4.3% in 2005 and then by 4.4% in 2006 respectively, placing the Province in sixth position out of nine provinces, in terms of economic growth, and a percentage point lower than the national average, which registered a 25 year high of 5.4% in 2006.

Average annual economic growth: 1996 – 2006

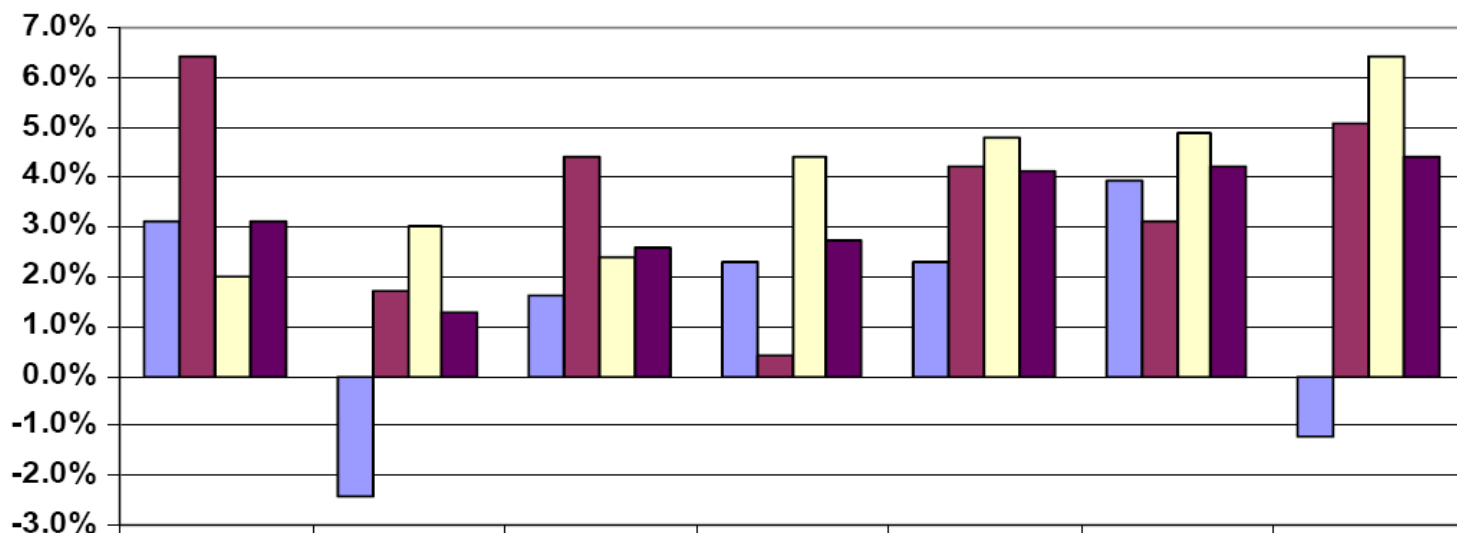


The highest average real annual economic growth rate recorded in the nine provinces over the period 1996 to 2006, was that of Western Cape, with an average real annual economic growth rate of 3,7 percent. Northern Cape and Free State recorded the lowest average real annual economic growth rate over the period with an average real annual economic growth rate of 1,9 percent. The average real annual economic growth rate of South Africa for the period 1996 to 2006 is 3,2 percent (see Above Table).



The intention is to significantly grow the manufacturing sector as well as tertiary industries

**Percentage Changes of GDP-R in Mpumalanga
Constant 2000 prices 2006**



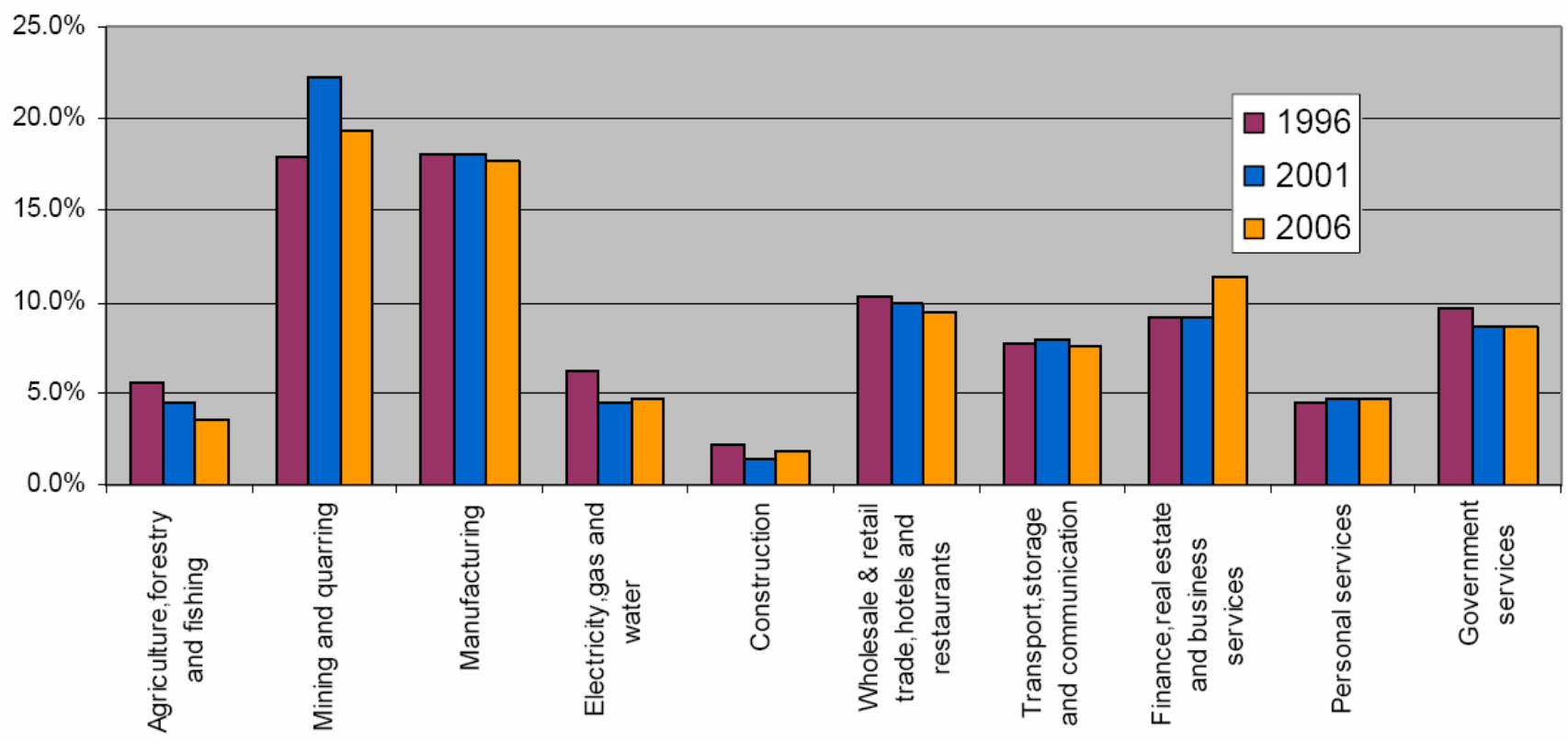
	2000	2001	2002	2003	2004	2005	2006
Primary Industries	3.1%	-2.4%	1.6%	2.3%	2.3%	3.9%	-1.2%
Secondary Industries	6.4%	1.7%	4.4%	0.4%	4.2%	3.1%	5.1%
Tertiary Industries	2.0%	3.0%	2.4%	4.4%	4.8%	4.9%	6.4%
GDP-R at market prices	3.1%	1.3%	2.6%	2.7%	4.1%	4.2%	4.4%

Primary Industries Secondary Industries Tertiary Industries GDP-R at market prices

Percentage changes of Primary industries have declined from 3.1% in 2000 to -2.4% in 2001, increased to 1.6% in 2002 and reached 3.9% in 2005 only to decline to -1.2% in 2006.

Secondary industries percentage changes have been increasing from 2003 at 0.4% to 2006 at 5.1%. While Tertiary industries have shown an improvement by the increase in percentage changes over the years from 2.0% in 2000 to 6.4% in 2006.

Mpumalanga Sector Contributions



Percentage changes of Primary industries have declined from 3.1% in 2000 to -2.4% in 2001, increased to 1.6% in 2002 and reached 3.9% in 2005 only to decline to -1.2% in 2006.

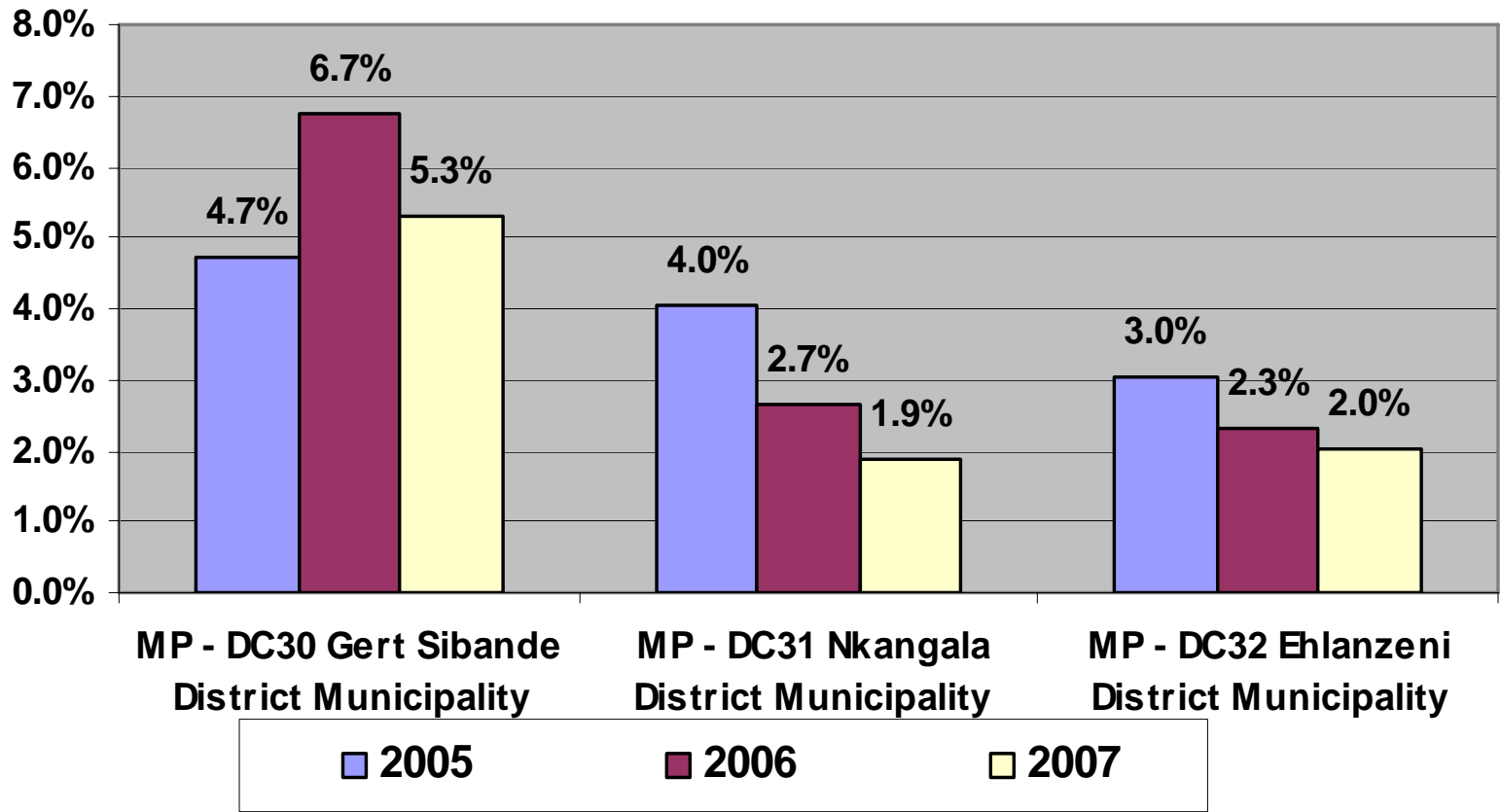
Secondary industries percentage changes have been increasing from 2003 at 0.4% to 2006 at 5.1%. While Tertiary industries have shown an improvement by the increase in percentage changes over the years from 2.0% in 2000 to 6.4% in 2006.

Although the growth in private consumption expenditure, fuelled by consumer spending, has declined progressively in 2007 following the national trend, due to interest rate hikes as well as the introduction of FICA, overall GDP-R for Mpumalanga is expected to be driven by higher levels of fixed investment associated with large infrastructure investment programmes.

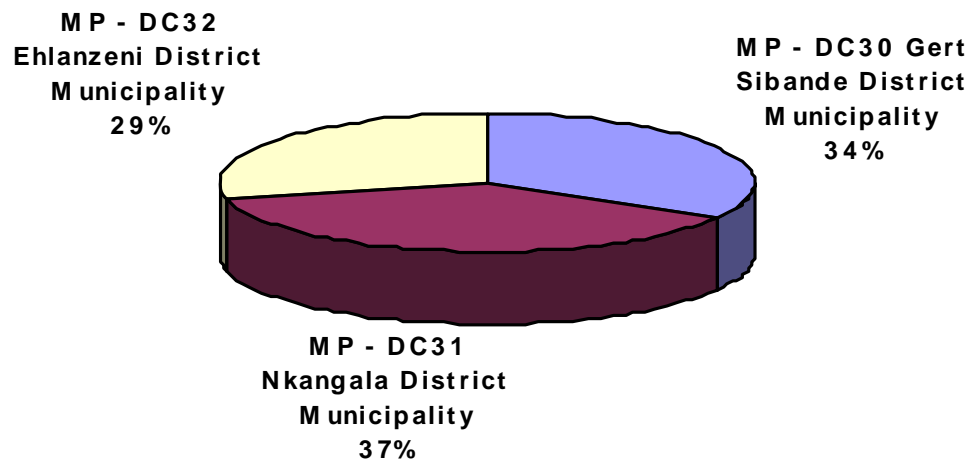
The mining sector in particular, has witnessed higher levels of infrastructural investment. The worldwide growth in demand for energy has resulted in greater demand for coal, as an input for power generation.

Global demand for steel is growing at a rate of 6% per annum and this means greater activity for the province's steel industry. Substantial expansion of stainless steel manufacturing capacity is expected in the near future. Per capita GDP-R for Mpumalanga (constant 2000 prices), has increased from R20 352* in 2003, to R21 296* in 2005 as a result of higher growth rates.

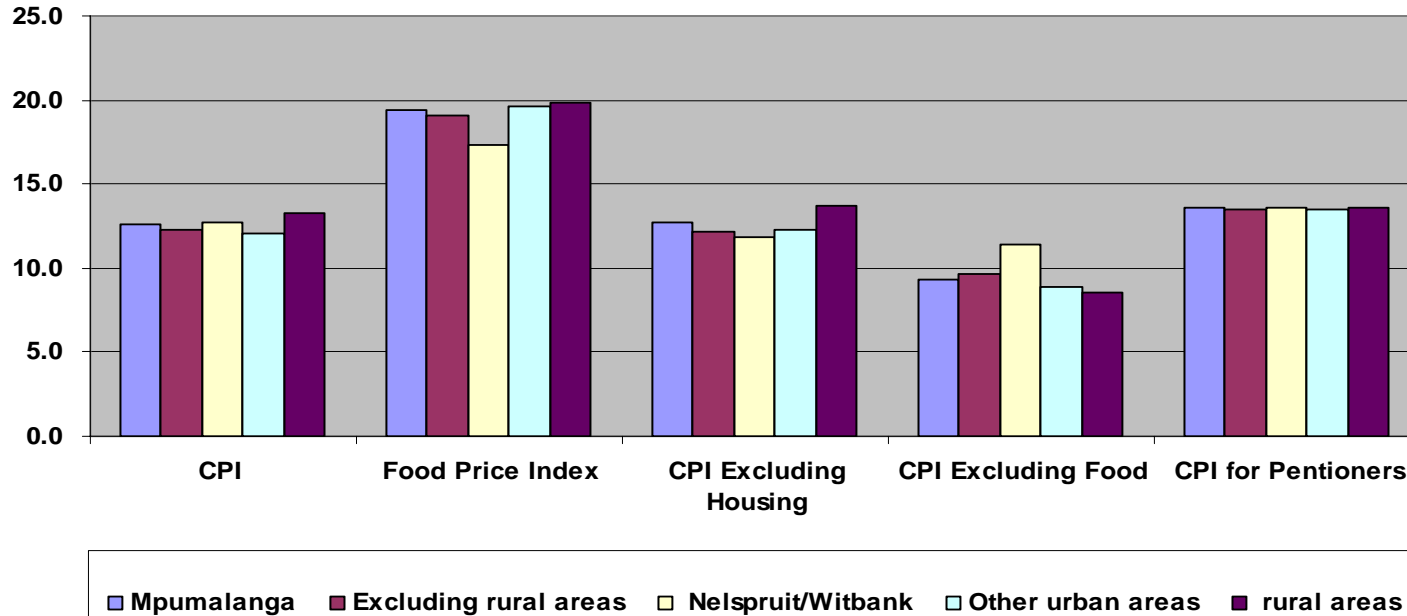
Mpumalanga Districts GDP-R Average Annual Growth (Constant 2000 Prices)



**Mpumalanga Districts
GDP-R Current Prices(R 1000)
2007**



**Mpumalanga
Consumer Price Index May 2007 -May 2008**



Mpumalanga CPI May 2007- May 2008	CPI	Food Price Index	CPI Excluding Housing	CPI Excludin g Food	CPI for Pensioners
Mpumalanga	12.6	19.4	12.7	9.3	13.6
Excluding rural areas	12.3	19.1	12.2	9.7	13.5
Nelspruit/Witbank	12.7	17.3	11.8	11.4	13.6
Other urban areas	12.1	19.6	12.3	8.9	13.5
rural areas	13.3	19.8	13.7	8.5	13.6

Although South Africa's CPIX (CPI excluding interest rates on mortgage bonds) rose to **10.9%** in May 2008, Mpumalanga's CPI, excluding housing, stood at 12.6%. For the Nelspruit-Witbank areas, the figure was 12.7%. For the rural areas however, the figure stood at a much higher level of 13.3%. Mpumalanga has a large rural population, which is also dominated by female headed households. This puts rural women under pressure to confront the brunt of higher inflation in order to make ends meet.

This scenario is mirrored across the provinces and indicates that inflation is felt more vigorously by the poorer communities of our society. To bring this point into sharper focus, Mpumalanga's food inflation alone, stood at 19.4% whereas without food inflation, the figure was a much lower 9.3%.

The poorer of our community use a larger portion of their income on food as compared with the more affluent, hence the real effects of rising inflation are felt more by the poor. It is therefore necessary that measures be brought into place to cushion these negative effects. One way will be to look at giving relief to basic food products by introducing subsidies. Another would be to accelerate programmes that empower communities to produce more food for own consumption with lower input costs and higher efficiency whilst using sustainable means of production.

Gross fixed capital formation
At constant 2000 prices

Economic Focus

R millions

	1999	2000	2001	2002	2003	2004	2005	2006
By kind of economic activity								
Agriculture, forestry and fishing (6080Y)	4 120	4 101	4 272	5 131	4 732	4 861	4 483	5 089
Mining and quarrying (6081Y)	12 401	13 847	14 949	16 977	17 795	14 243	12 365	17 654
Manufacturing..... (6082Y)	29 971	30 339	32 191	31 230	32 382	36 996	41 052	44 869
Electricity, gas and water (6085Y)	6 553	5 411	5 293	6 056	8 071	9 343	10 326	11 701
Construction (contractors)..... (6086Y)	1 658	2 003	2 233	2 359	2 589	3 390	3 433	3 576
Wholesale and retail trade, catering and accommodation (6087Y)	9 469	9 846	10 502	9 910	10 321	12 932	14 564	16 539
Transport, storage and communication..... (6088Y)	19 135	18 561	19 581	20 162	23 567	24 160	27 969	31 289
Financial intermediation, insurance, real-estate and business services ¹ (6091Y)	28 864	31 091	31 733	33 092	36 821	43 983	51 745	57 873
Community, social and personal services..... (6094Y)	21 752	24 448	23 794	24 978	27 274	28 219	28 110	32 190
Total fixed capital formation (6009Y)	133 923	139 647	144 548	149 895	163 552	178 127	194 047	220 780
By type of organisation								
General government (6100Y)	23 039	24 908	24 077	25 210	27 160	27 770	27 628	31 329
<i>Functional classification: Economic infrastructure</i> ² (6101Y)	11 472	11 481	10 627	11 280	12 394	12 616	12 833	14 236
<i>Social infrastructure</i> ³ (6102Y)	7 305	7 478	7 715	8 020	9 164	9 307	9 732	10 911
<i>Economic services</i> ⁴ (6103Y)	4 262	5 949	5 735	5 910	5 602	5 847	5 063	6 182
General government services..... (6104Y)	18 695	20 271	19 828	20 899	23 205	23 910	24 122	27 470
Business enterprises..... (6105Y)	4 344	4 637	4 249	4 311	3 955	3 860	3 506	3 859
Public corporations (6106Y)	18 325	14 642	13 989	15 566	18 586	19 739	21 973	25 328
<i>Functional classification: Economic infrastructure</i> ² (6107Y)	16 408	12 763	13 219	13 760	16 802	18 266	20 894	23 631
<i>Economic services</i> ⁴ (6108Y)	1 917	1 880	770	1 805	1 785	1 473	1 078	1 697
Private business enterprises ¹ (6109Y)	92 559	100 097	106 482	109 119	117 806	130 618	144 446	164 123

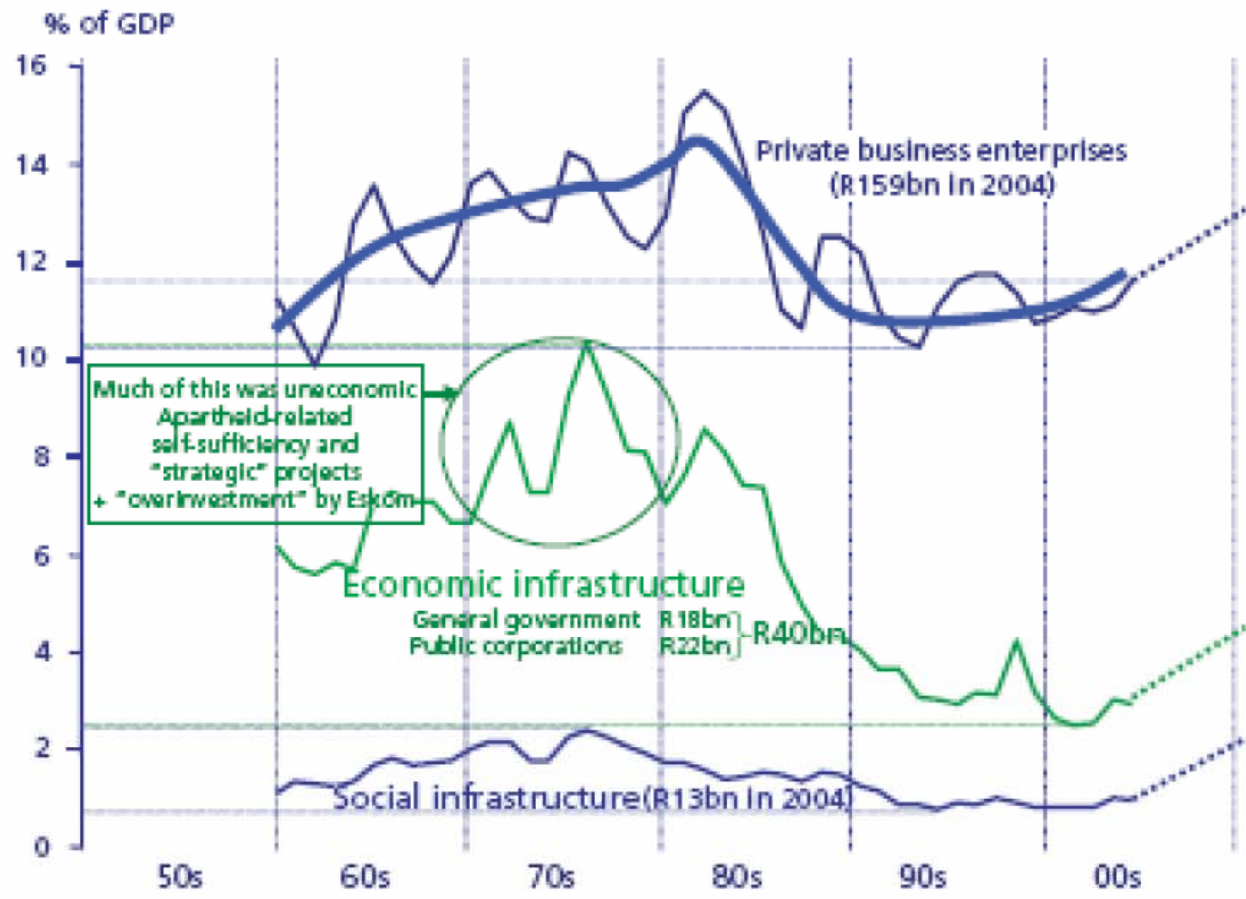
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1. Including transfer costs.
2. Roads, bridges, dams, electricity and water supply, etc.
3. Schools, hospitals, etc. and administrative services.
4. Business enterprises not included in economic infrastructure.

A massive 42.8% increase in Gross Fixed Capital Formation within the South Africa's mining sector as well as 9.3% in its manufacturing and 13.5% in the agriculture sectors, are good signs that these industries will be on a better infrastructural base heading into the future. The above figures, although national, have a strong bearing on Mpumalanga since these three, are the main drivers to Mpumalanga's economy.

Although the growth in private consumption expenditure, fuelled by consumer spending, has declined progressively in 2007 following the national trend, due to interest rate hikes as well as the introduction of FICA, overall GDP-R for Mpumalanga is expected to be driven by higher levels of fixed investment associated with large infrastructure investment programmes.

Figure 1: Infrastructure investment as a percentage of GDP



The growing economy has come with it a need for massive spending on government's infrastructural investment programme. This has resulted in a sharp rise in imports.

A case in point would be that the cost of a new power station amounts to approximately R84bn. Out of this amount, approximately 60% of the value of the power station has to be imported. This has given rise to the national current account deficit.

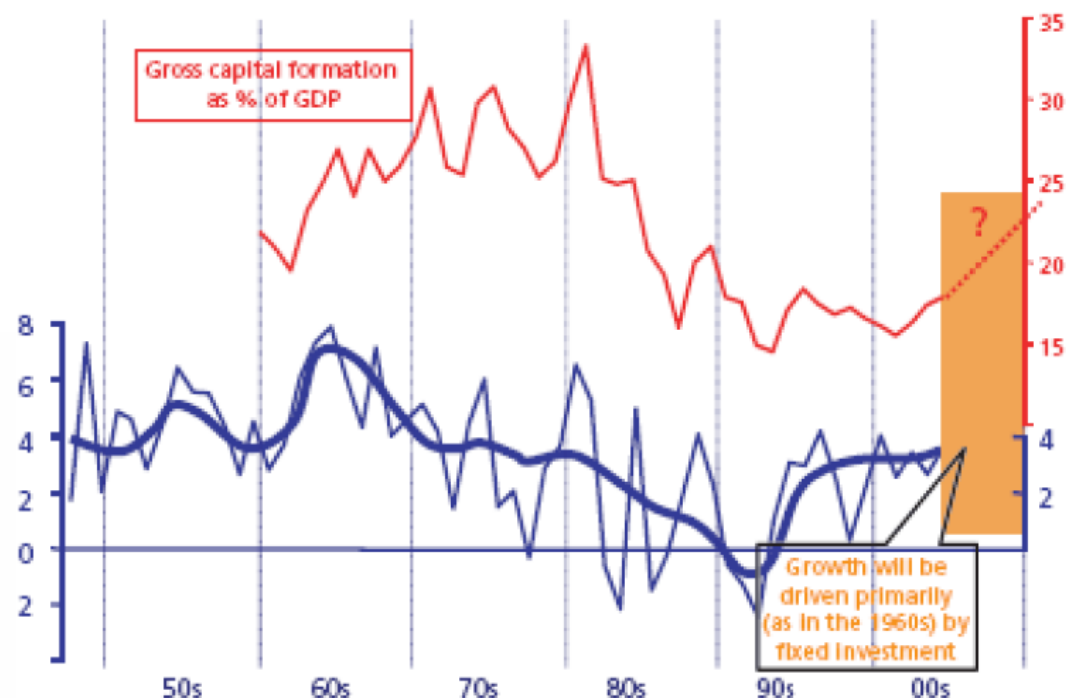
Since the late seventies, investment in infrastructure substantially decreased. This infrastructure is at the end of its lifespan and the country needs to re-invest heavily in transport, water and energy and economic infrastructure.

Box 1: South Africa's infrastructure and economic growth

During the 1960s, South Africa's growth in gross capital formation (investment in social and economic infrastructure as well as private business enterprise) as a percentage of GDP mirrored economic growth (Figures 1 & 2). Subsequent to the 1960s, trade sanctions against South Africa began to take effect and, notwithstanding continuing investment in economic infrastructure, economic growth declined.

During the 1970s, much of the "balloon" of apartheid economic investment was aimed at self-sufficiency. During the next period, the rates of both investment and economic growth had dropped dramatically and, by the mid-1990s, had reached an all-time low. This trend is reversing and both investment and economic growth are increasing. However, matching the economic growth rates of the 1960s will require a significant leap in the rate of capital formation as a percentage of GDP.

Figure 2: Gross capital formation compared to growth



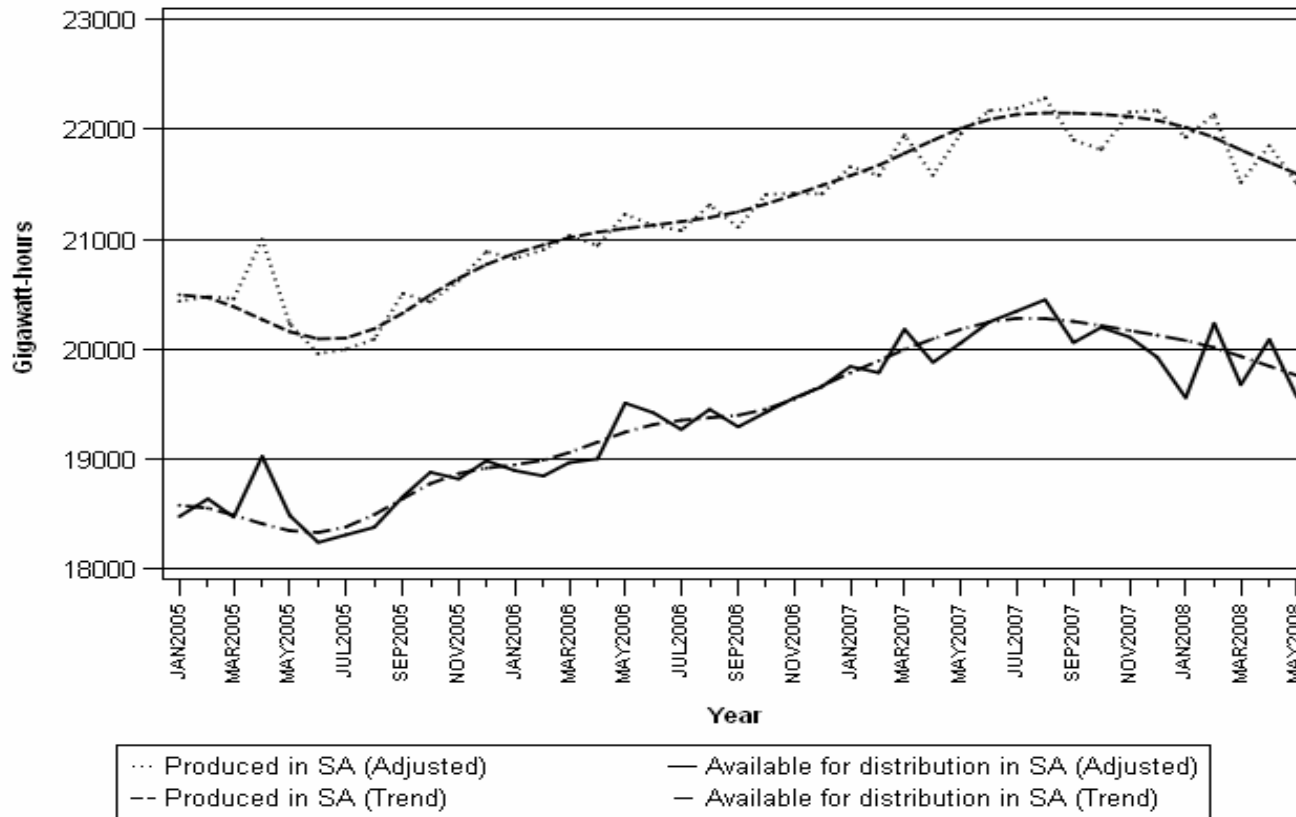
source: RMB Economics and Reserve Bank Quarterly Bulletin, 2004

The mining sector in particular, has witnessed higher levels of infrastructural investment. The worldwide growth in demand for energy has resulted in greater demand for coal, as an input for power generation.

Global demand for steel is growing at a rate of 6% per annum and this means greater activity for the province's steel industry. Substantial expansion of stainless steel manufacturing capacity is expected in the near future. Per capita GDP-R for Mpumalanga (constant 2000 prices), has increased from R20 352* in 2003, to R21 296* in 2005 as a result of higher growth rates.

Spending by private business enterprises in South Africa grew from R144bn in 2005 to R164bn in 2006. Government also increased spending in economic infrastructure from R12.8bn to R14.2bn in 2005 and 2006 respectively.

Electricity produced and available for distribution in South Africa from 2005 to 2008



Although concrete figures are yet to be available, our inability to produce more electricity will hamper the continued growth of our economy. The current scenario has potentially dire consequences to the attainment of a sustained 6% growth rate leading up to 2014. The re-habilitation of the road network, more especially in the Gert Sibande District Municipality, together with the introduction of targeted rail, although themselves not self sustaining, will assist in rescuing the country's economy as a whole.

Source: Stats SA Electricity generated and available for distribution (preliminary), August 2007 P4141

Table 18: Licensed Eskom power stations, 2002

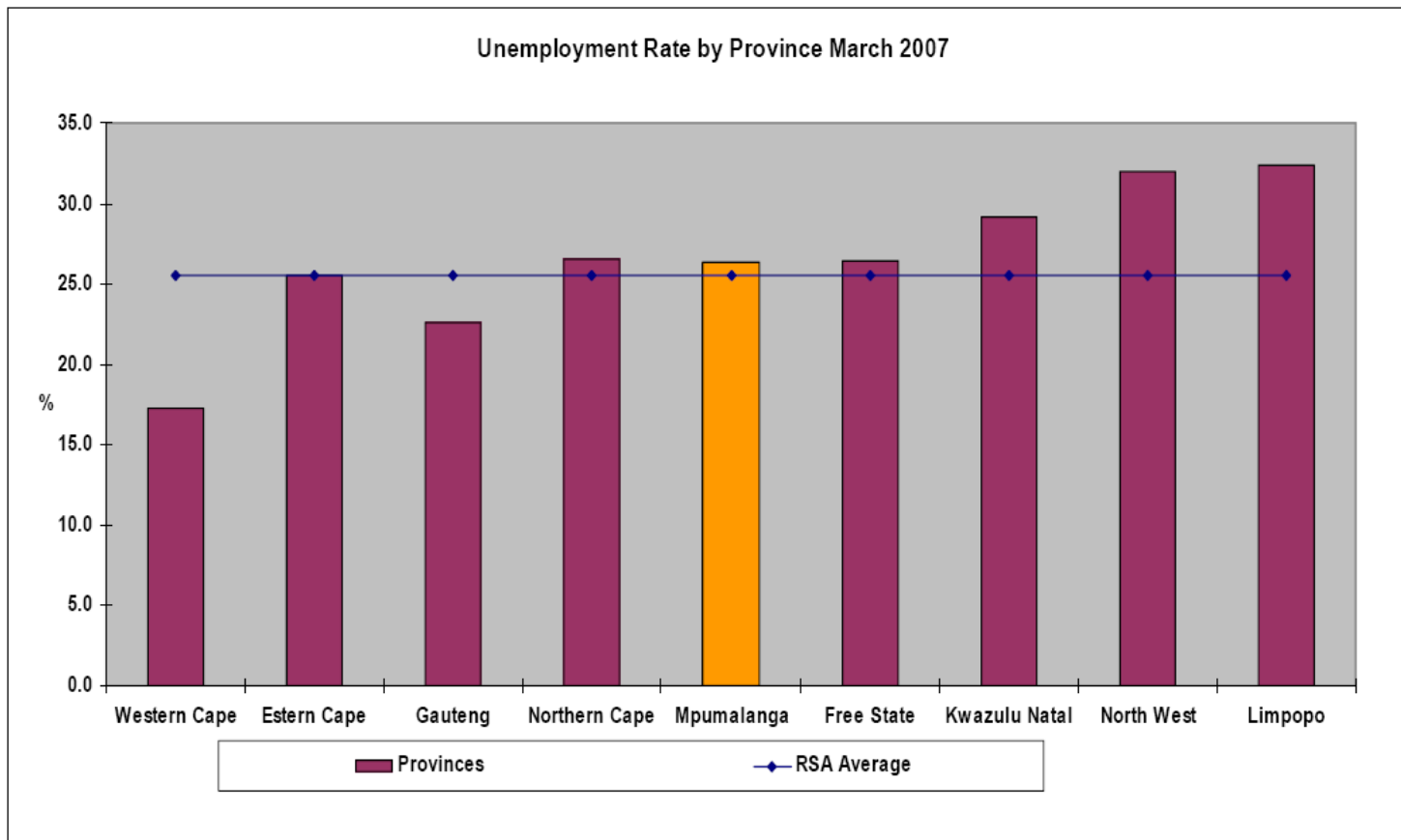
Station	Type	Location	Licensed capacity (MW)	Max power produced (MW)	Net electricity sent out (GWh)	Load factor (%)	Year last unit commissioned
Arnot	Coal	Middelburg	1 980	2 100	11 974	61.1	1975
Camden	Coal	Ermelo	1 520	Mothballed	n/a	n/a	1969
Duhva	Coal	Witbank	3 450	3 600	23 320	73.9	1984
Grootvlei	Coal	Balfour	1 130	Mothballed	n/a	n/a	1977
Hendrina	Coal	Hendrina	1 895	2 000	12 752	72.9	1977
Kendal	Coal	Witbank	3 840	4 116	26 006	72.1	1993
Komati	Coal	Bethal	891	Mothballed	n/a	n/a	1966
Kriel	Coal	Bethal	2 850	3 000	19 165	72.9	1979
Lethabo	Coal	Sasolburg	3 558	3 798	22 019	66.2	1990
Majuba	Coal	Volksrust	3 843	4 110	4 600	12.8	2001
Matimba	Coal	Ellisras	3 690	3 990	25 145	71.9	1991
Matla	Coal	Bethal	3 450	3 600	25 577	81.1	1983
Tutuka	Coal	Standerton	3 510	3 645	11 185	35	1990

Three power station, Grootvlei, Komati and Camden, were mothballed during the time the country had surplus electricity supply. The re-commissioning of these power stations has come at a time when demand exceeds supply. New power stations, using clean coal technology will need to be built. Maintenance of existing power stations as well as addressing the backlog of skilled personnel is crucial.

Table 23: Change in status of electrification over time

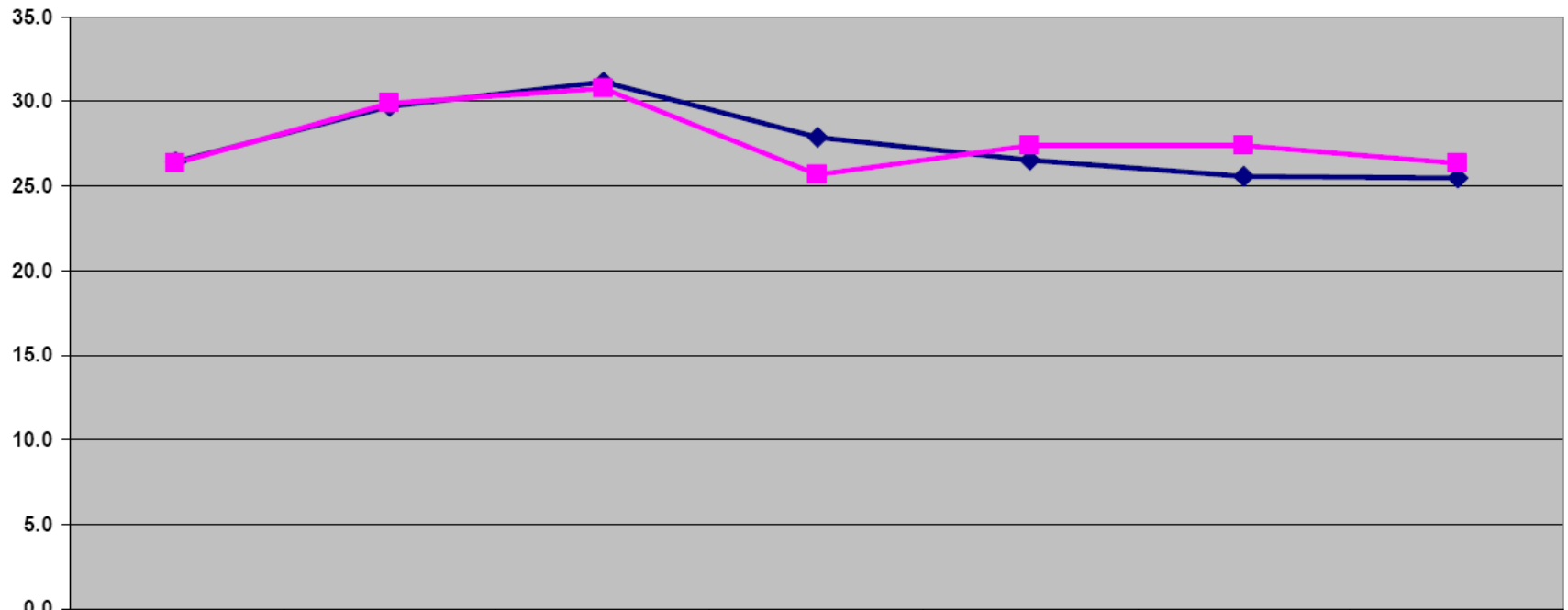
Province	% of urban households electrified			% of rural households electrified			% of total households electrified			Connections made 1995 to 2002
	1995	2002	% change	1995	2002	% change	1995	2002	% change	
Eastern Cape	67	95	42	6	38	533	28	60	114	580 663
Free State	68	83	22	33	51	55	53	73	38	266 142
Gauteng	78	73	-6	54	29	-46	77	71	-8	407 619
KwaZulu-Natal	79	69	-13	14	39	179	43	56	30	490 505
Limpopo	71	98	38	24	61	154	29	66	128	536 500
Mpumalanga	59	83	41	37	67	81	45	74	64	345 553
Northern Cape	76	80	5	47	62	32	66	74	12	71 113
North West	70	100	43	21	56	167	36	74	106	455 388
Western Cape	88	86	-2	47	65	38	82	84	2	221 815
Total	76	80	5	21	50	138	50	68	36	3 375 298

From 1995-2002, the number of households electrified, increased by 64%, translating to 345 553 connections made. The majority of these households are in rural areas. The electrification programme has contributed positively towards the livelihoods of Mpumalanga's population.



The above graph indicates that the unemployment rate in the Western Cape has been on a downward trend since March 2003. In March 2007, the unemployment rate was highest in Limpopo (32,4%) and lowest in Western Cape (17,2%) while Mpumalanga is at 26.3%.

**Mpumalanga
Unemployment Rate March 2001-March 2007**

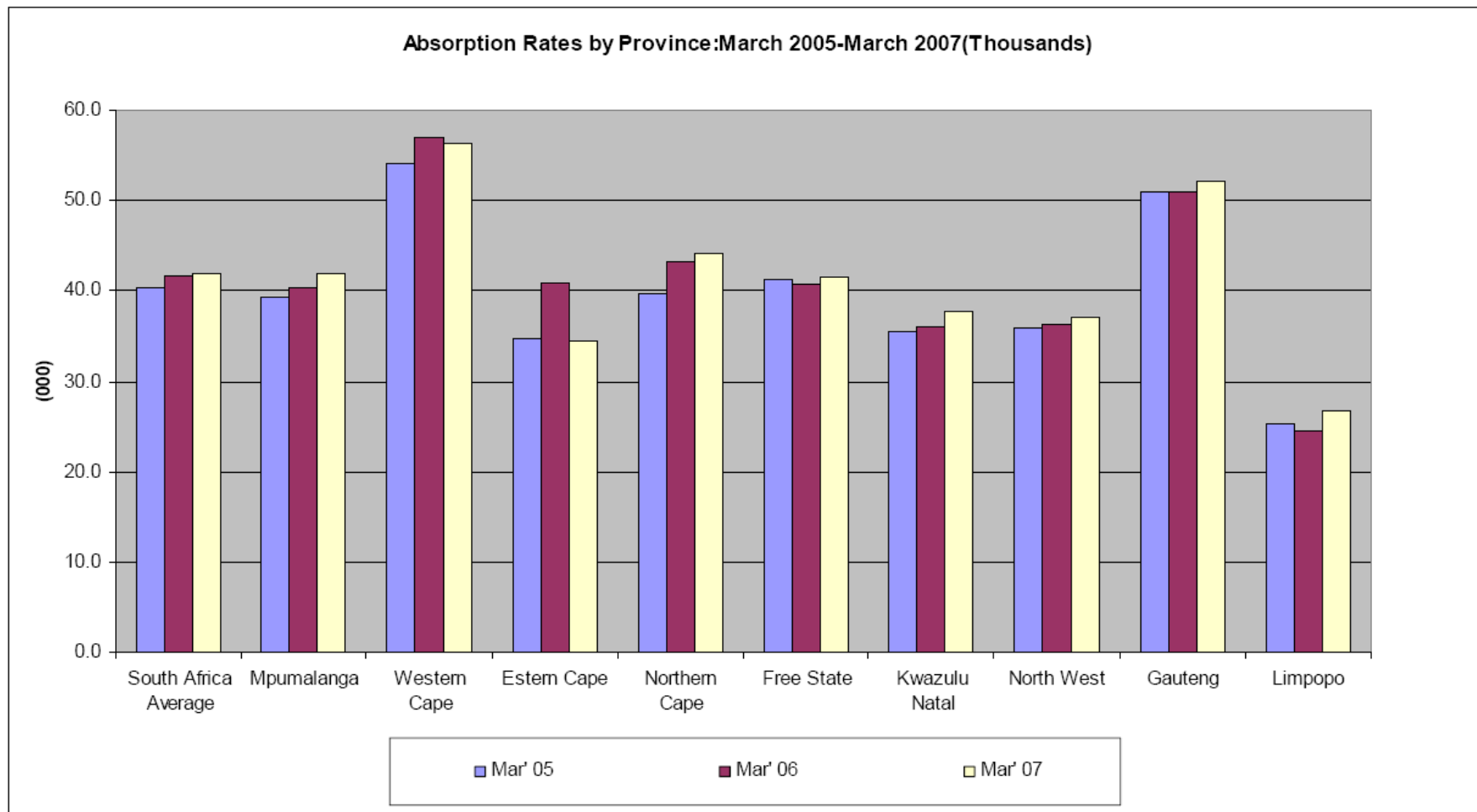


	Mar' 01	Mar' 02	Mar' 03	Mar' 04	Mar' 05	Mar' 06	Mar' 07
RSA	26.4	29.7	31.2	27.9	26.5	25.6	25.5
Mpumalanga	26.3	29.9	30.8	25.7	27.4	27.4	26.3

◆ RSA
 ■ Mpumalanga

Over the past six years, Mpumalanga’s unemployment rate has largely remained the same. The increase in unemployment experienced during the earlier two years of the millennium, seems to have stabilised towards a percentage rate within the mid-twenties. Unemployment as at March 2007, reduced slightly from the previous year of 27.4% by 0.9% to 26.3%

Source: Stats-SA Labour Force Survey March 2007



The above figure indicate that in March 2007, the percentage of working-age South Africans with jobs rose in every province except Western Cape and Eastern Cape. In Mpumalanga the percentage rose from 39.3% in March 2005 to 40.1% in March 2006 an is at 40.3% in March 2007.

For the whole of South Africa, assuming a starting point in 2004, when the unemployment rate was 27.9%, in order to halve unemployment rate by 2014, this would mean we would be targeting an unemployment rate of approximately 14%.

In order to achieve this, we would need to have to consistently maintained a reduction in unemployment by 6.7% per annum over the ten year period from 2004 to 2014.

Furthermore, if we were to maintain the same targets, given the current unemployment rate of 25.5% as of March 2007, we would then need to dramatically reduce our unemployment by at least 8.2% per annum over the next seven years.

The current scenario does not auger well for us reaching our targets unless key interventions act as catalysts towards accelerated job growth.

A key consideration however, would be to match job growth to skills availability.

A mixed approach of firstly, training and skilling people to be absorbed in areas of growth and secondly, targeting the promotion of industries that have the capacity to absorb mass based skills that are already available in the community.

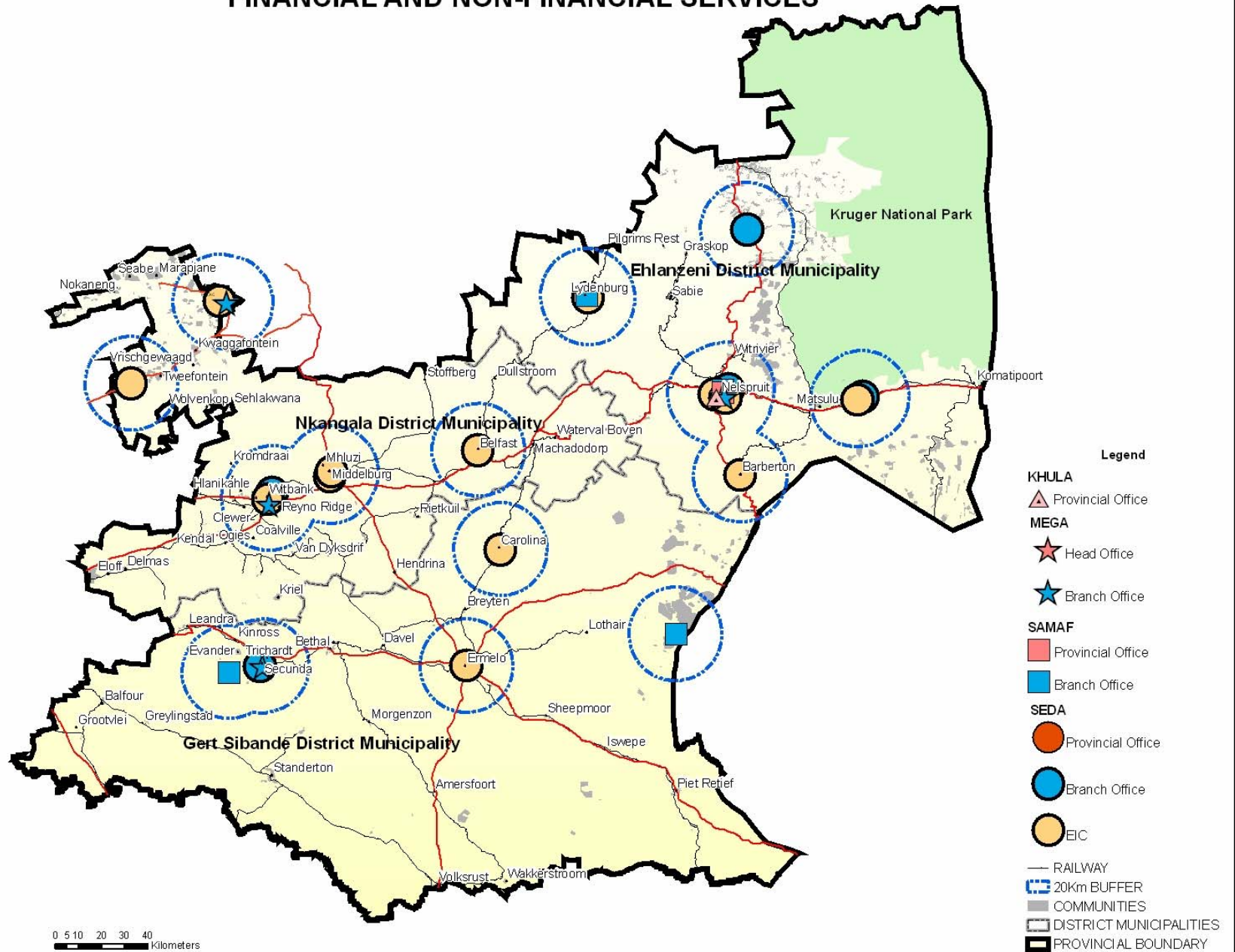
The latter option should be seen as a temporary measure, as industries evolve, the ability of people to evolve in addressing new needs, becomes a competitive advantage.

Sector Employment by Provinces March 2007

Main industry	Agriculture, hunting, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Construction	Wholesale and retail trade	Transport, storage and communication	Financial intermediation, insurance and business services	Community, social and personal services	Private households	Exterior organisations and foreign government	
Province												
Western Cape	156515	4718	271015	15598	144579	467556	85419	226552	336872	136122	267	1845213
Eastern Cape	216560	2984	173779	5466	114660	321932	61067	91290	285775	119625	-	1393138
Northern Cape	52281	21279	14848	1549	18438	51753	8939	15078	52171	24623	65	261024
Free State	68143	85779	68086	2782	48477	174170	33796	55647	178085	84816	-	799781
KwaZulu-Natal	284655	11350	390257	17699	131157	518868	108878	210940	418386	194360	-	2286550
North West	64854	125090	97654	4498	58968	186907	32180	69168	175477	97959	-	912755
Gauteng	61202	86131	581756	32916	318820	791531	181622	542737	549299	286445	2005	3434464
Mpumalanga	96929	50119	87851	14121	83680	209696	35326	53762	121412	89319	1377	843592
Limpopo	73451	67622	73259	5533	46871	239165	28824	54955	192815	74783	-	857278
	1074590	455072	1758505	100162	965650	2961578	576051	1320129	2310292	1108052	3714	12633795
% For Mpumalanga	11.5%	5.9%	10.4%	1.7%	9.9%	24.9%	4.2%	6.4%	14.4%	10.6%	0.2%	100.0%

In Mpumalanga 24.9% of the employed were employed in the Trade sector, 11.5% in the Agriculture sector, 10.6% in the private households sector while Manufacturing was at 10.4%, and Construction at 9.9%.

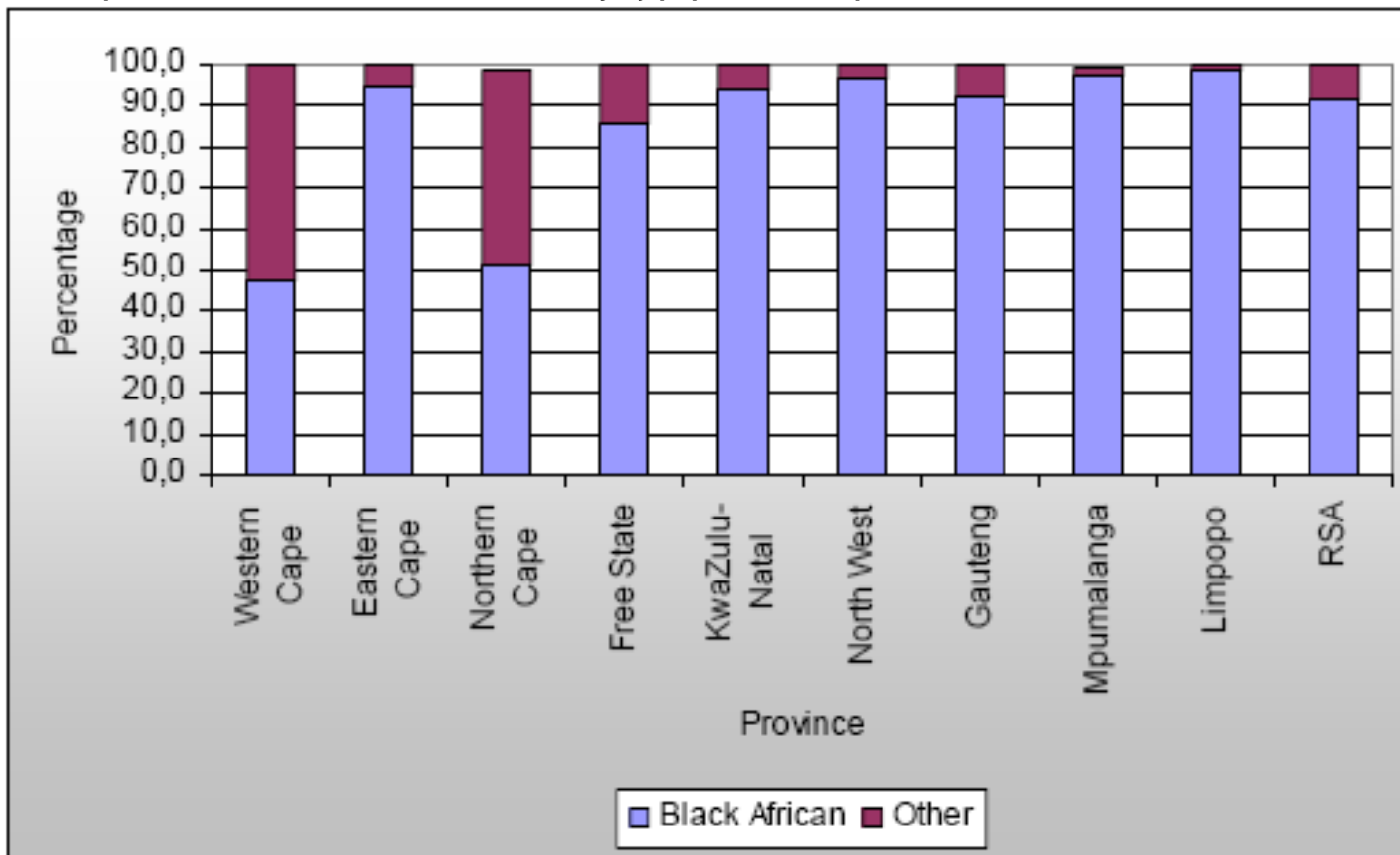
FINANCIAL AND NON-FINANCIAL SERVICES



- Legend**
- KHULA**
 - Provincial Office (Red Triangle)
 - Head Office (Red Star)
 - Branch Office (Blue Star)
 - MEGA**
 - Branch Office (Blue Star)
 - SAMA F**
 - Provincial Office (Red Square)
 - Branch Office (Blue Square)
 - SEDA**
 - Provincial Office (Orange Circle)
 - Branch Office (Blue Circle)
 - EIC (Yellow Circle)
 - RAILWAY (Red Line)
 - 20Km BUFFER (Dashed Blue Circle)
 - COMMUNITIES (Grey Area)
 - DISTRICT MUNICIPALITIES (Black Outline)
 - PROVINCIAL BOUNDARY (Thick Black Outline)

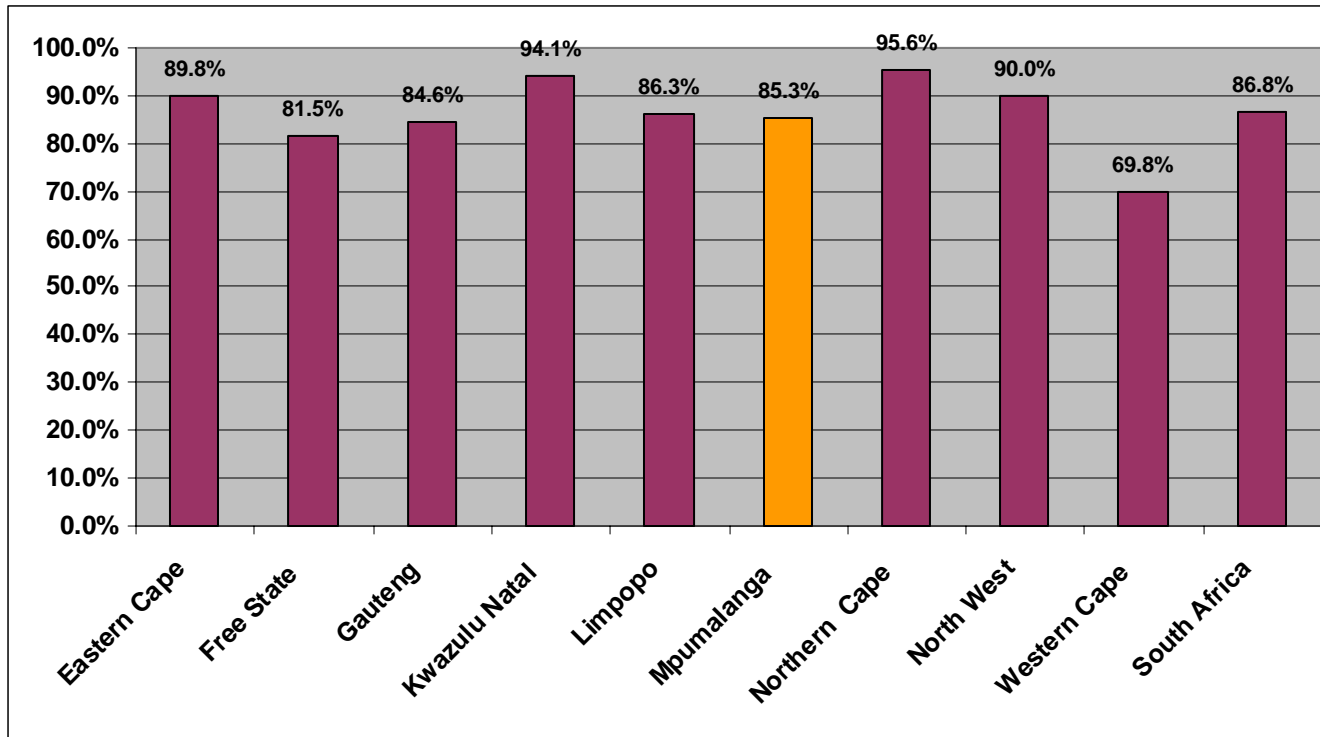


Participation in micro to small business activity by population and province



*unspecified population group not included in the total percentage.

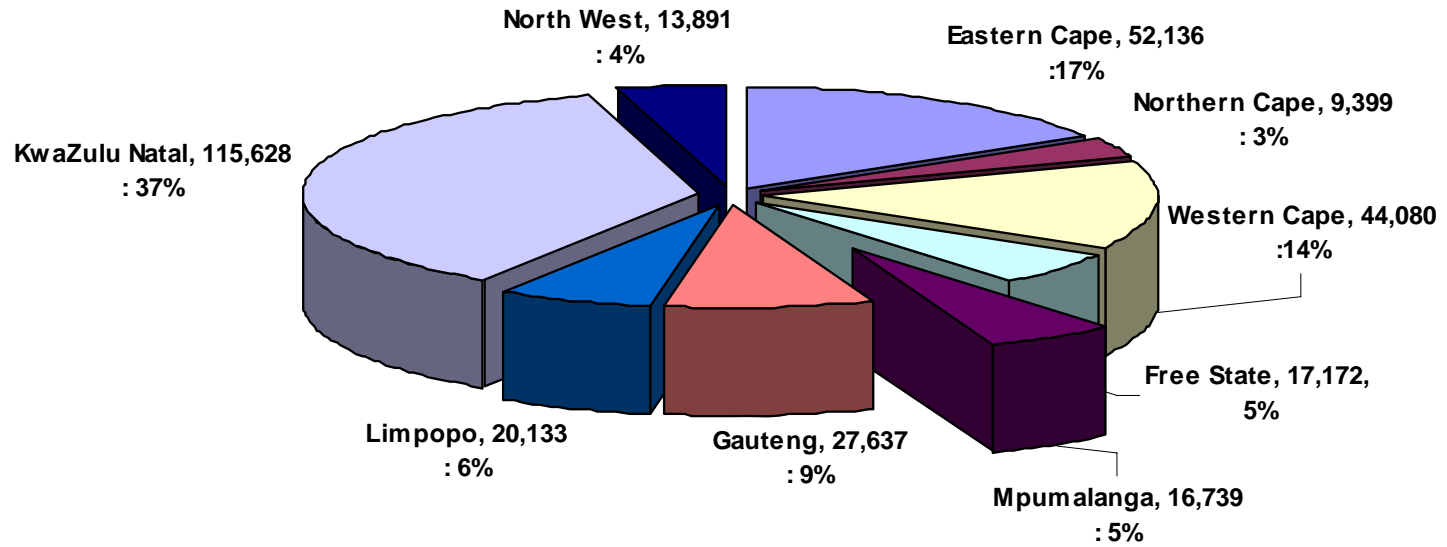
A very small percentage(5.2 %) of the persons running non-Vat registered business owned more than one non-Vat registered business. More businesses in Western Cape are owned by population group other than black Africans, and in Northern Cape, a little more than half of the population(51,3%) were black Africans. More than half of the businesses in Northern Cape(54,6%) were owned by women.

Percentage of self-employed people running a business by province

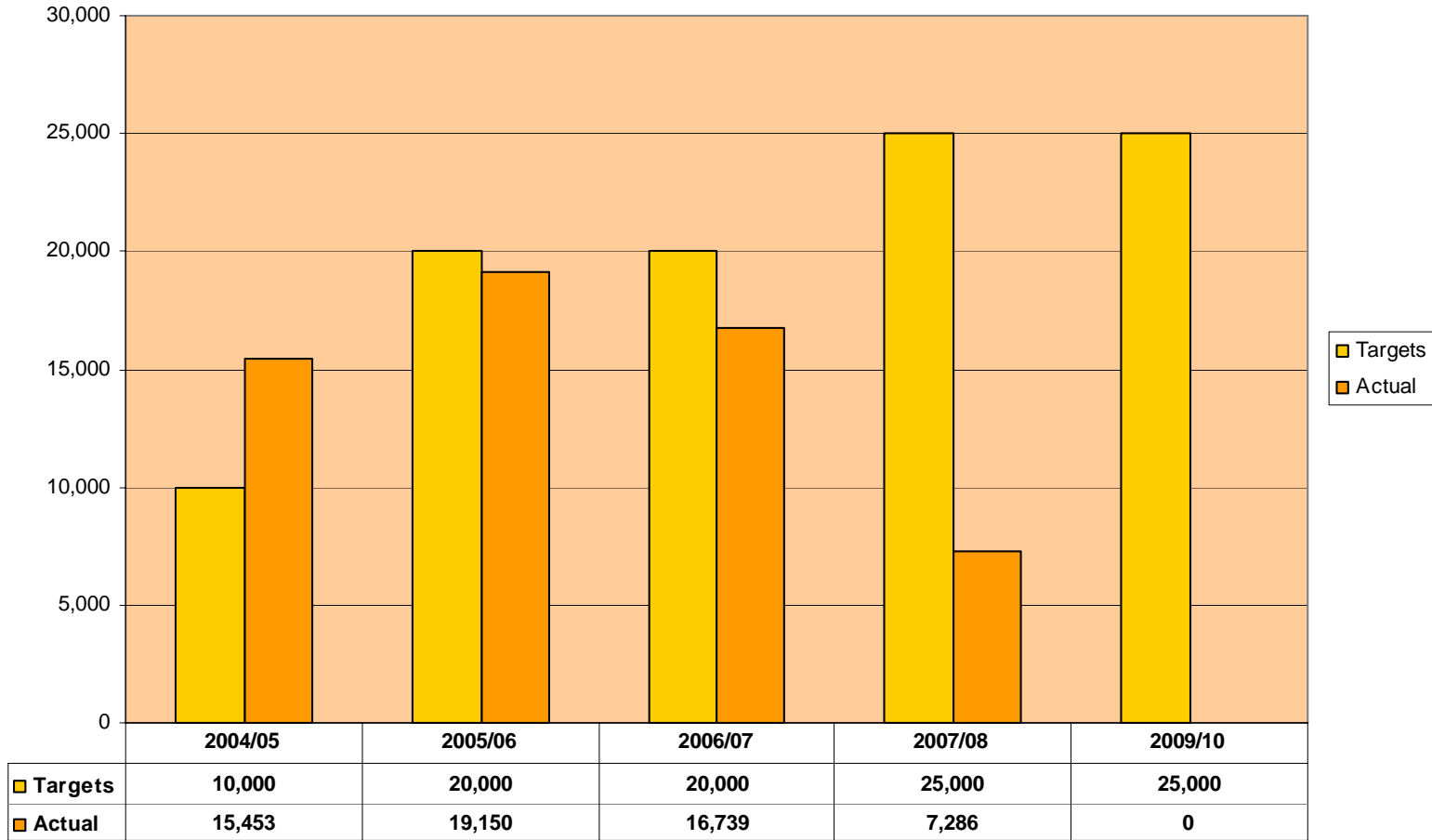
Among 1.7 million people who were of non-VAT registered businesses, only 15.7% had one or more employees, either paid or unpaid, working in their businesses and could therefore be defined as employers. The graph shows that non-VAT registered business owners in Northern Cape were mostly self-employed at 95.6% followed by KwaZulu-Natal at 94,1% while Mpumalanga is 6th at 85,3%. Fewer people in non-VAT registered businesses were self-employed in Western Cape than elsewhere at 69.8%.

National Total number of NET Work Opportunities Created per province

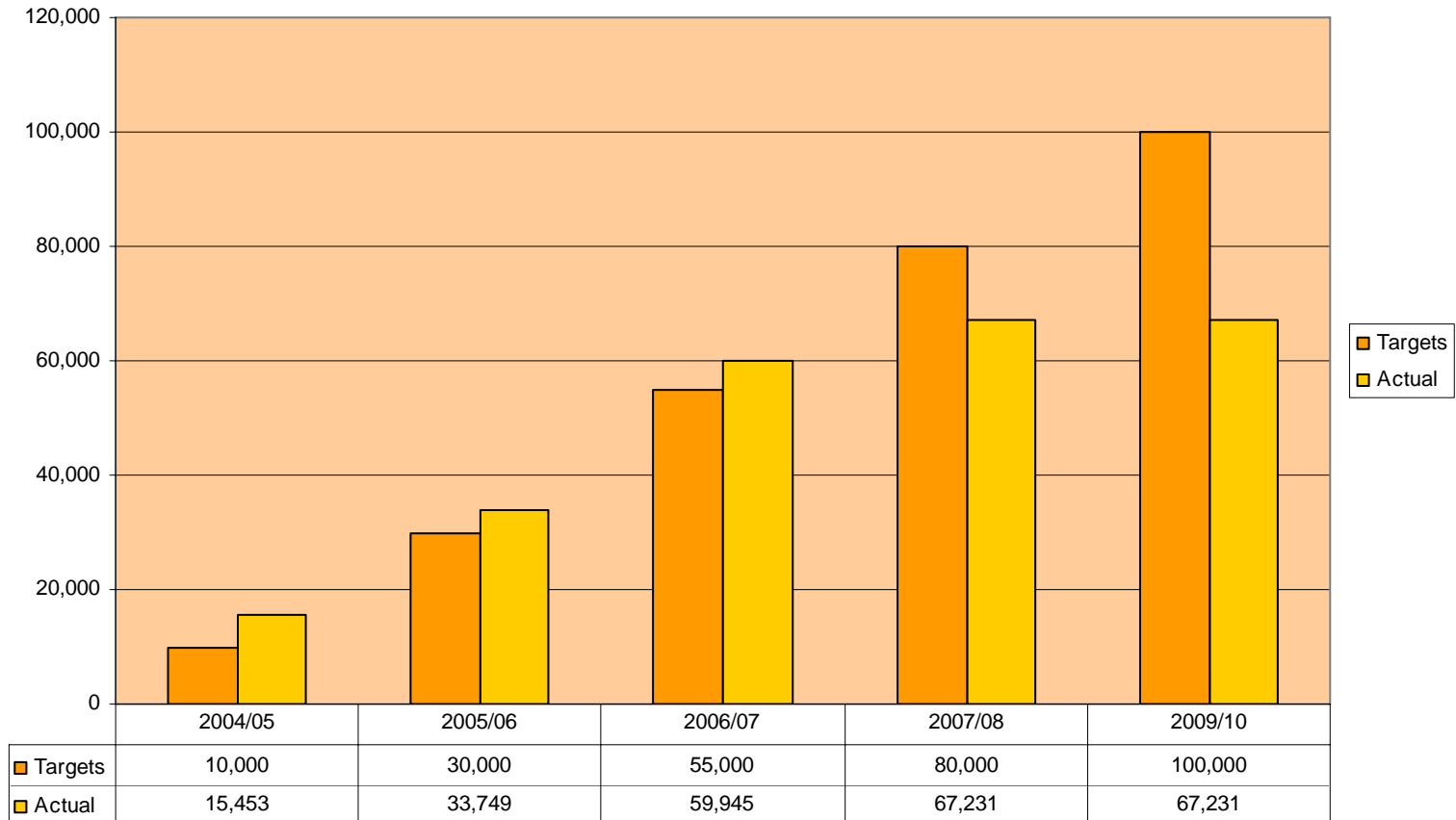
EPWP: Total Opportunities Created in the 2006/07 Financial year per province



Extended Public Works Programme (EPWP) Provincial Net Work Opportunities vs Targets



Expanded Public Works Programme (EPWP) Provincial Cumulative Net Work Opportunities vs Cumulative Targets



MAPUTO DEVELOPMENT CORRIDOR (MDC)- PROJECTS



Legend

- ▲ INFLEXIBLE SITES
- WOOD PROCESSING
- ▲ TOURISM
- ◆ SECONDARY INDUSTRIES
- INFRASTRUCTURAL
- APPROVED RAILWAY TO MAPUTO
- CORRIDOR
- PETROLEUM PIPELINE
- ROAD A104
- PROVINCIAL BOUNDARY
- MUNICIPALITY
- RAILWAY
- RIVERS NATIONAL PARK
- COMMUNITIES
- DISTRICT MUNICIPALITY

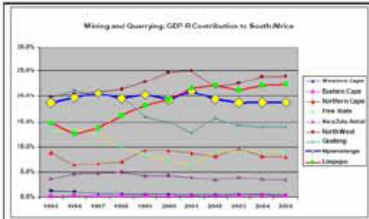


Source Data
Mpumalanga DEDP
Municipal Demarcation Board
DVAE
CSIR

MPUMALANGA PROVINCIAL GOVERNMENT

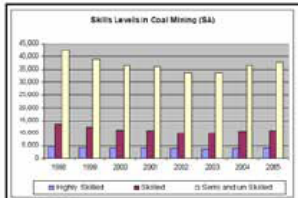
Department of Economic Development and Planning
Municipal Demarcation Board
No. 101, 104, 105A
1001, Grahamstown

MPUMALANGA: MINING AND QUARRYING



Mpumalanga ranks third behind North West and Limpopo in terms of contribution to national mining GVA. Coal mining dominates the mining industry in the province. Other minerals are: Gold, Chrome, Vanadium, Iron Ore, Granite and Magnetite.

Mining is the second largest contributor to Mpumalanga's economy and was the 10th largest employer in 2005. Platinum Group Metals (Platinum, Vanadium and Chrome) are found in the northern part of the province. These metals are essential for the manufacture of a variety of metal products including catalytic converters and stainless steel. Mpumalanga is the main producer of coal in South Africa. Coal mining is linked to electricity generation by power stations located in the Ntugata and Geri Stande district municipalities.



The coal mining industry has shed 5,000 jobs between 1998 and 2005, and at least 5,000 of these were lost in the semi and unskilled category. In the skilled category, just over 2,000 jobs were lost over the period.

The Coal Mining Industry in Mpumalanga's makes, primarily used as energy source and there are limited opportunities for coal beneficiation.

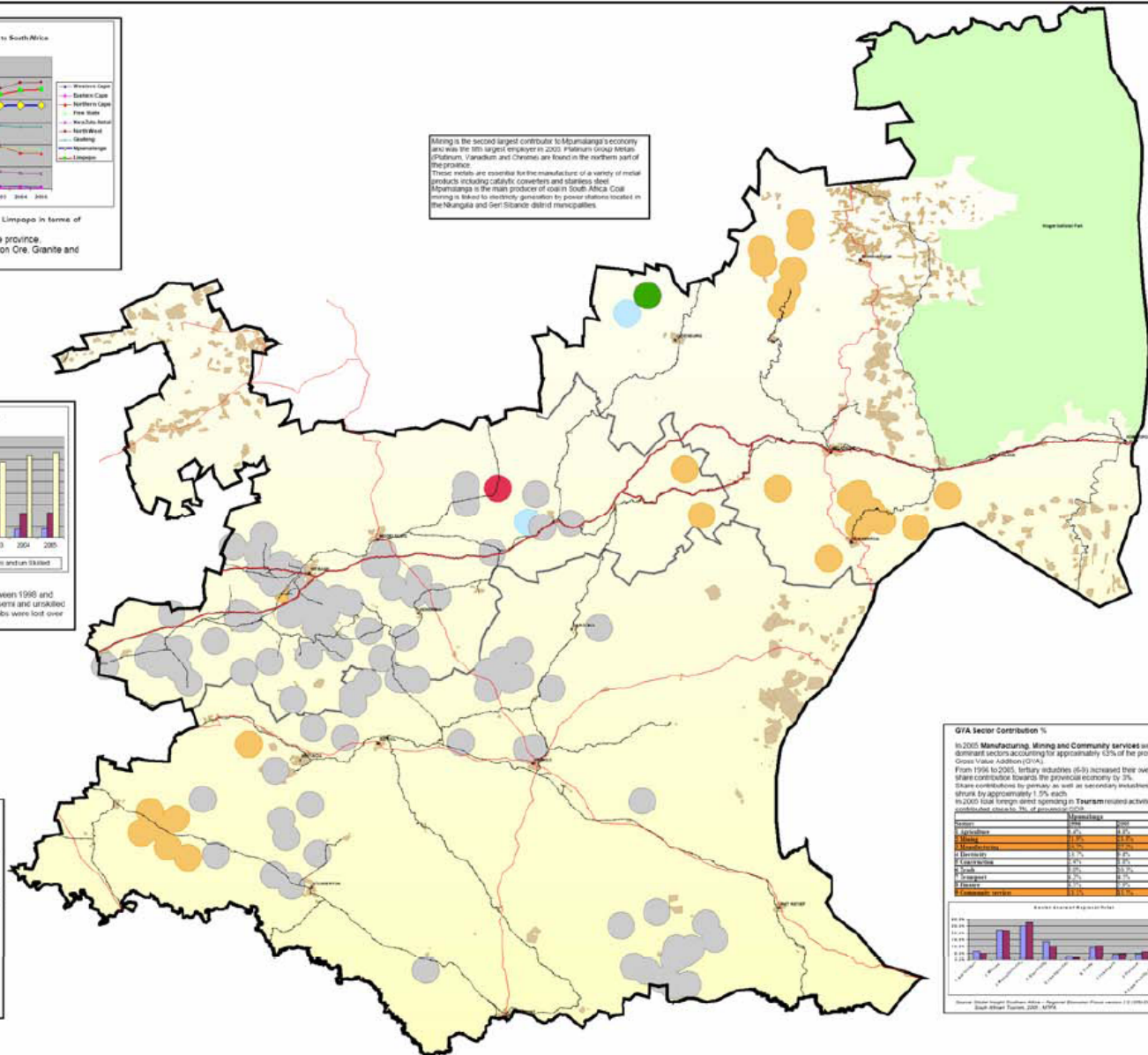
- Opportunities that can be exploited:**
- Development of new coal mines.
 - Development of SMME, and BEE around coal mines processing.
 - Carbon Steel Fabrication.
 - Production of mine support systems from wood & steel.
 - Coal Dumps for liquefactive manufacture.
 - Various coal-based chemicals such as coal based tar, activated carbon, carbon fibre, silicon metal etc. (>10% value added metal & wood products water Mpumalanga in primary form only to be re-exported after value addition).
 - Inputs to soap, aspirin, solvents, dyes, plastics and fibres, such as lignin and tannin.

The irrevocable interdependencies:

Development of back owned SMME's working towards supplying the coal mines with their needs.

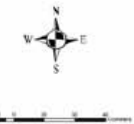
This represents a significant cross over with the metals, wood and chemicals sector since, as much of what is required by the coal mine is manufactured in metals and wood and many chemicals are by-products.

Source: Mpumalanga Provincial Strategic and Programme



Legend

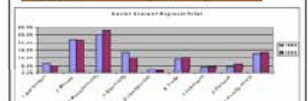
- MUNICIPALITY
- RAILWAY
- COAL
- GOLD
- PLATINUM
- CHROME
- DIAMOND
- COMPLEXES
- INDUSTRIAL/AGRICULTURAL
- UNDEVELOPED NATURAL AREA



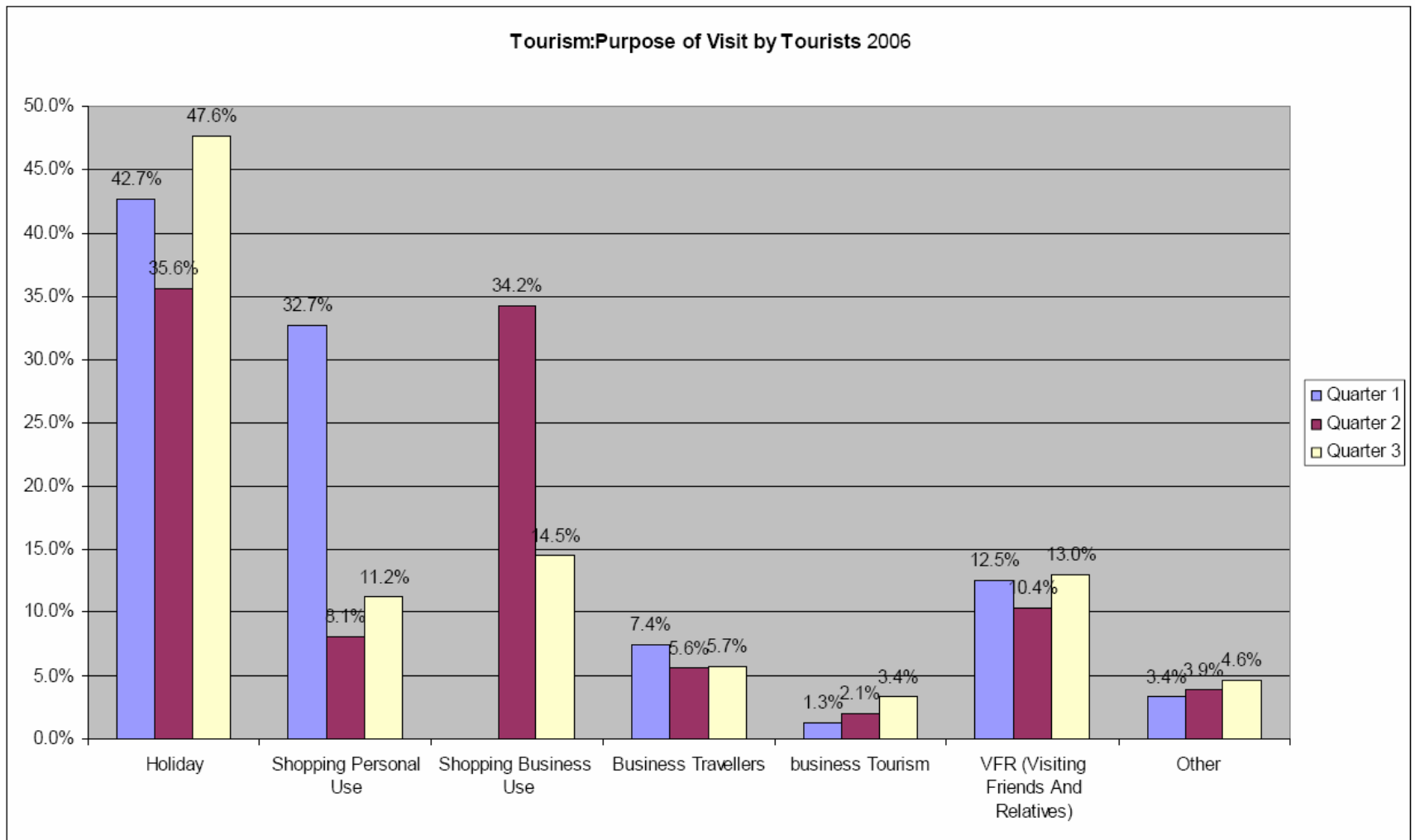
Source Data
Mpumalanga DEEP
Municipal Demarcation Board
DMSA
CSIR

GVA Sector Contribution %
In 2005 Manufacturing, Mining and Community services were the dominant sectors accounting for approximately 43% of the province's Gross Value Added (GVA).
From 1996 to 2005, tertiary activities (5-6) increased their overall share contribution towards the provincial economy by 2%.
Share contributions by province, as well as secondary industries, shrunk by approximately 1.5% each.
In 2005, total foreign direct investment in Tourism related activities contributed close to 2% of provincial GDP.

Province	2005	2004
1. Agriculture	2.1%	2.1%
2. Mining	17.3%	17.3%
3. Manufacturing	13.2%	13.2%
4. Electricity	2.1%	2.2%
5. Construction	3.1%	3.2%
6. Retail	2.1%	2.2%
7. Transport	2.1%	2.2%
8. Finance	2.1%	2.2%
9. Other services	11.1%	11.2%

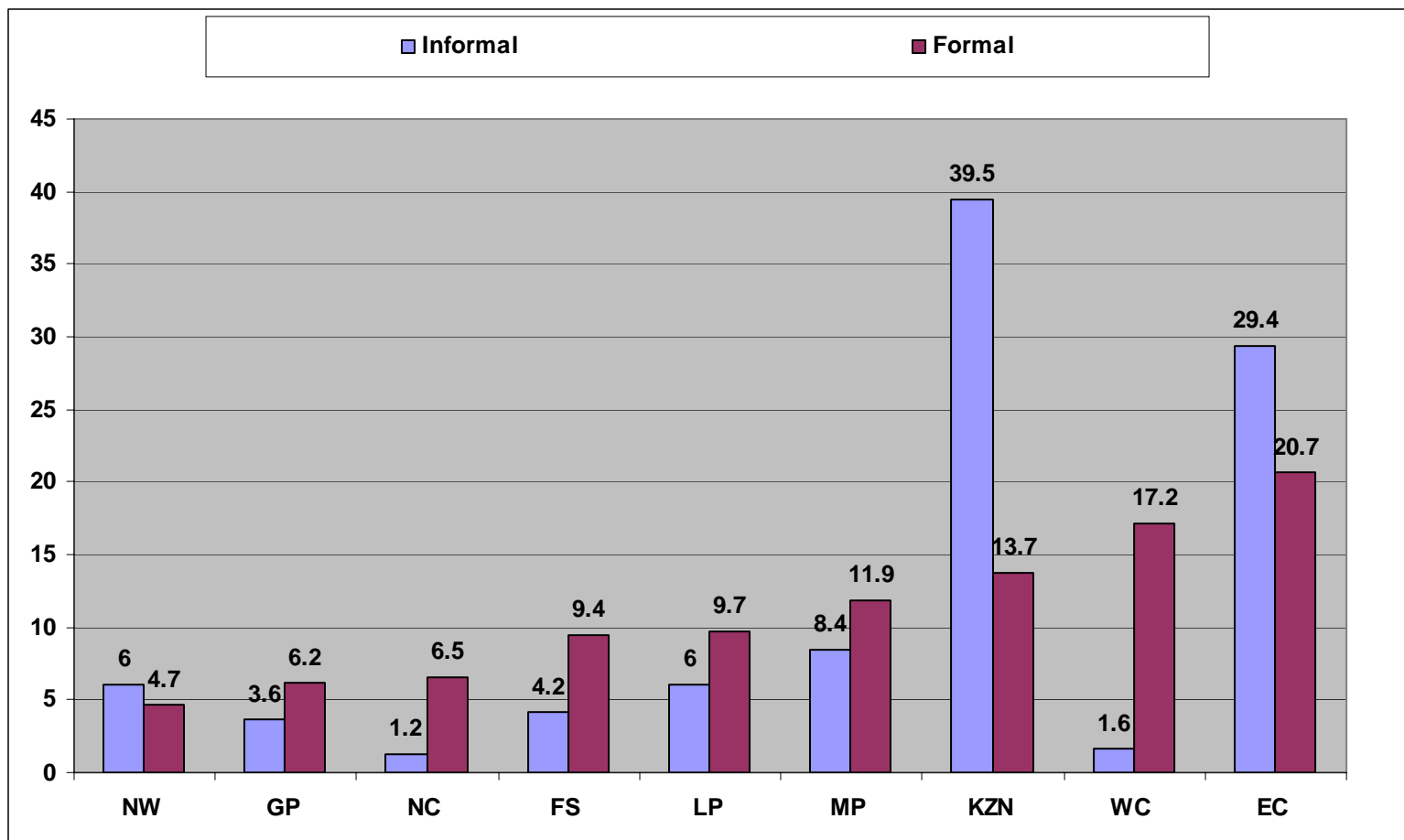


Source: Statistics South Africa - Annual Economic Review released 12/05/05 2005
South African Bureau of Statistics, 2005 - 2006



Source: MTPA (Mpumalanga Tourism and Parks Agency)

Formal and informal sector agriculture by province, September 2007

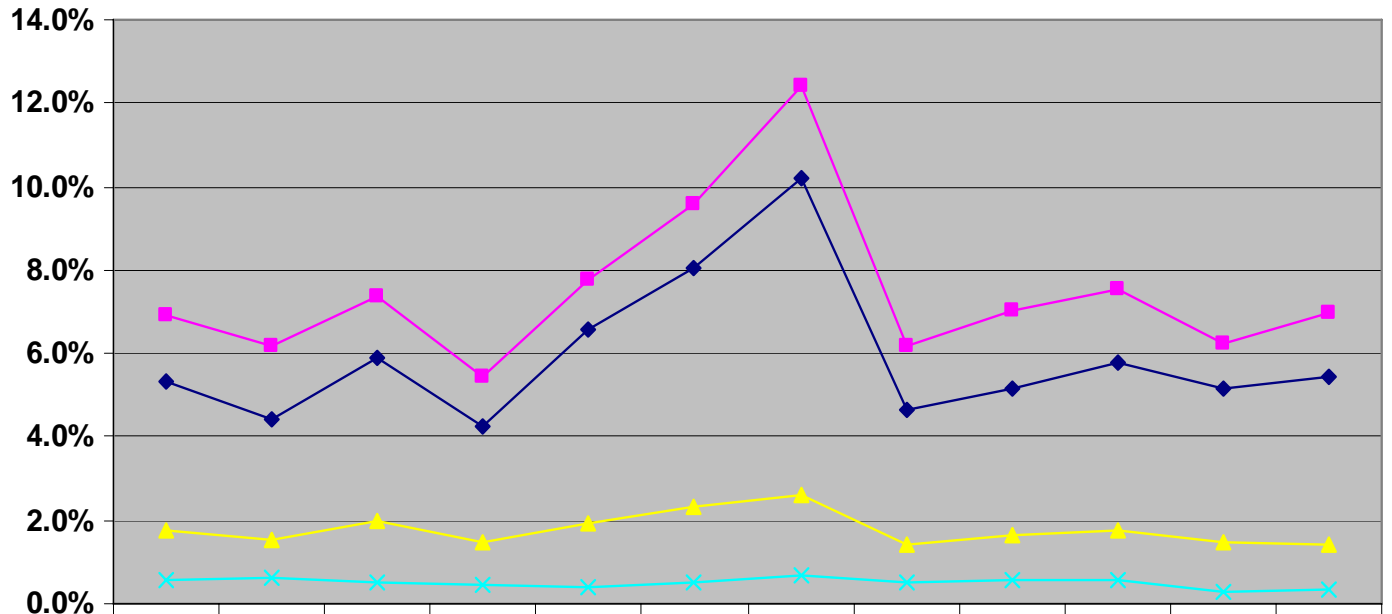


The above figure shows that formal sector agriculture is generally more widespread across the provinces than informal sector agriculture.

In September 2007:

- Among persons engaged in formal sector agriculture, Eastern Cape (20,7%) had the highest percentage followed by Western Cape (17,2%), KwaZulu-Natal (13,7%), Mpumalanga (11,9%) and Limpopo (9,7%). Only 4,7% of formal sector agricultural employment occurred in North West.
- On the other hand, informal sector agriculture is overwhelmingly a feature of the labour market in Eastern Cape and KwaZulu-Natal. As many as 39,5% of persons engaged in informal sector agriculture were located in KwaZulu-Natal and an additional 29,4% were in Eastern Cape

Mpumalanga International Trade 2007



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Exports as % of GDP	5.3%	4.4%	5.9%	4.2%	6.5%	8.1%	10.2%	4.6%	5.2%	5.8%	5.2%	5.5%
Total trade as % of GDP	6.9%	6.2%	7.3%	5.5%	7.8%	9.6%	12.4%	6.2%	7.0%	7.5%	6.2%	6.9%
Regional share - Exports	1.8%	1.5%	2.0%	1.4%	1.9%	2.3%	2.6%	1.4%	1.6%	1.8%	1.5%	1.4%
Regional share - Imports	0.6%	0.6%	0.5%	0.5%	0.4%	0.5%	0.7%	0.5%	0.6%	0.5%	0.3%	0.4%



DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING

Litiko letekutfufukiswa Kwetemnotfo nekuHlela
Umnyango Wezekuthuthukiswa koMnotho nezokuTlanywa
Department van Ekonomiese Ontwikkeling en Beplanning

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