

Table of Contents

Executive Summary	v
Chapter 1: Economic Status	1
1.1 National Economic Performance and Outlook	1
1.1.1 National Production	1
1.1.2 Domestic Expenditure	2
1.1.3 Household Consumption and Debt Levels	2
1.1.4 National Savings Levels	3
1.1.5 Trends in Prices	3
1.1.6 Trade Balance and the Balance of Payments	4
1.1.7 Labour Market	5
1.1.8 National Economic Outlook	7
1.2 Provincial Economic Performance	9
1.2.1 Provincial Production	9
1.2.2 Provincial Consumption Expenditure	13
1.2.3 Provincial Trade Position	15
1.2.4 Provincial Labour Market Performance and Outlook ¹	20
1.3 Provincial Economic Outlook	25
1.3.1 Sectoral Composition of Output	25
1.3.2 Sectoral Output and Economic Growth	26
1.4 Conclusion	27
Chapter 2: Demographics	28
2.1 Introduction	28
2.2 Population	28
2.2.1 Population in National Context	28
2.2.2 Population on District Municipal Level	29
2.3 Gender	30
2.4 Age Distribution	31
2.5 Life Expectancy and Fertility	35
2.6 Race	37
2.6.1 Race Distribution in National Context	37
2.6.2 Race Distribution on District Municipal Level	37
2.7 HIV/Aids	38
2.7.1 HIV Prevalence in National Context	38
2.7.2 HIV/Aids Related Mortality	40
2.8 Conclusion	41

¹ Note: where labour statistics are quoted as being derived from Quantec Research, it should be noted that this data has not been revised according to the new Statistics South Africa (StatsSA) Quarterly Labour Force Surveys (QLFS). Adjustments have however been made to prior versions of the LFS.

Chapter 3: Labour Market	42
3.1 Introduction	42
3.2 Labour Market in Brief: Overview	42
3.3 Employment in Depth	44
3.4 Unemployment in Depth	49
3.5 Labour Market Outlook	52
3.6 Conclusion	60
 Chapter 4: Access to Basic Services and Infrastructure	 61
4.1 Introduction	61
4.2 Housing	61
4.3 Sanitation	65
4.4 Refuse Removal	67
4.5 Energy	69
4.6 Water	70
4.7 Other Indicators	73
4.7.1 Refrigerator	73
4.7.2 Radio	73
4.7.3 Television	74
4.7.4 Access to Technology: Computers	75
4.7.5. Access to Technology: Internet	76
4.7.6. Postal Facilities	77
4.8 Conclusion	78

List of Figures

Chapter 1: Economic Status

Figure 1.1: Movements in CPIX Inflation and the Repo Rate	4
Figure 1.2: Accounts of the Balance of Payments	5
Figure 1.3: Changes in Employment for Selected Industries	6
Figure 1.4: Annual Real Economic Growth Rates, South Africa and Limpopo, 1998 – 2007	9
Figure 1.5: Broad Sectoral Contributions to Output, Limpopo, 2007	10
Figure 1.6: Limpopo's Contribution to National Sectoral Output, 2007	11
Figure 1.7: Sectoral Growth, Limpopo and South Africa, 2007	12
Figure 1.8: Municipal Contributions to Output, Limpopo, 2007	12
Figure 1.9: Total Final Private Consumption Expenditure, South Africa and Limpopo, 1995 – 2007	14
Figure 1.10: Growth in Consumption Categories, Limpopo, 1996 – 2007	15
Figure 1.11: Shares of Household Expenditure, Limpopo: 1995, 2000 and 2007	15
Figure 1.12: Trade Balance of Goods and Services, Limpopo and South Africa, 1995 – 2007	16
Figure 1.13: Total Imports and Growth in Imports, Limpopo and South Africa, 1996 – 2007	17
Figure 1.14: Import Categories, Limpopo, 2007	18
Figure 1.15: Total Exports and Growth in Exports to the World, Limpopo and South Africa, 1996 – 2007	19
Figure 1.16: Export Categories, Limpopo, 2007	19
Figure 1.17: Sectoral Shares of Total Formal Employment, Limpopo, 2007	21
Figure 1.18: Shares of Total Formal Employment by Skills Level, South Africa and Districts of Limpopo – 2007	22
Figure 1.19: Unemployment and Absorption Rates, Limpopo and South Africa, 2000 – 2007	24
Figure 1.20: District Shares of Unemployment, Limpopo, 2007	24
Figure 1.21: District Level Unemployment and Absorption Rates, Limpopo, 2007	25

Chapter 2: Demographics

Figure 2.1: Limpopo Population as Percentage of National Population	29
Figure 2.2: Population by District, 2007	29
Figure 2.3: Population Growth by District	30
Figure 2.4: Gender Distribution of Population, 2007	31
Figure 2.5: Age Distribution of Population, 2007	32
Figure 2.6: Age Distribution by District	33
Figure 2.7: Dependency Ratios, 2007	34
Figure 2.8: Labour Replacement Ratios, 2007	35
Figure 2.9: Life Expectancy by Province, 2007	35
Figure 2.10: Fertility by Province, 2007	36
Figure 2.11: Population Distribution by Race, 2007	37
Figure 2.12: Race Distribution by District, 2007	38
Figure 2.13: HIV Prevalence Comparison	39
Figure 2.14: HIV Positive Population, 2007	39
Figure 2.15: HIV/Aids Related Mortality, 1995-2007	40

Chapter 3: The Labour Market

Figure 3.1: Levels of Employment, Unemployment and Labour Force, Limpopo, 2000 – 2007	44
Figure 3.2: Growth in Output and Formal Employment, Limpopo and South Africa, 1996 – 2007 (LP = Limpopo Province)	46
Figure 3.3: Sectoral Shares of Total Formal Employment, Limpopo, 2007	47
Figure 3.4: District Level Shares of Total (Formal and Informal) Employment, Limpopo, 2007	47
Figure 3.5: Shares of Total Formal and Informal Sector Employment, South Africa and Districts of Limpopo, 2007	48
Figure 3.6: Shares of Total Formal Employment by Skill Level, South Africa and Districts of Limpopo, 2007	49
Figure 3.7: Unemployment and Absorption Rates, Limpopo and South Africa, 2000 – 2007	51
Figure 3.8: District Shares of Unemployment, 2007	52
Figure 3.9: District Level Unemployment and Absorption Rates, Limpopo – 2007	52
Figure 3.10: Employment: RSA and Limpopo, 2005 – 2011	53
Figure 3.11: Total Formal and Informal Employment in South Africa and Limpopo, 2005 – 2011	54
Figure 3.12: Formal Employment by Sector in South Africa and Limpopo, 2005 – 2011	55
Figure 3.13: Average Contribution to Formal Labour Force in South Africa and Limpopo, 2005 – 2011	56
Figure 3.14: Growth in Formal Sector Employment in South Africa and Limpopo, 2005 – 2011	57
Figure 3.15: Average contributions to Formal Sector Employment in South Africa and Limpopo, 2008 – 2011	58
Figure 3.16: Unemployment in South Africa and Limpopo, 2005 – 2011	60

Chapter 4: Access to Basic Services and Infrastructure

Figure 4.1: Housing Types on a National and Provincial Level, 2007	63
Figure 4.2: Housing Types by District, 2007	64
Figure 4.3: Sanitation on National and Provincial Level, 2007	65
Figure 4.4: Sanitation at District Level, 2007	66
Figure 4.5: Refuse Removal on National and Provincial Level, 2007	67
Figure 4.6: Refuse Removal on District Level, 2007	68
Figure 4.7: Energy for Lighting on National and Provincial Level, 2007	69
Figure 4.8: Energy on District Level, 2007	70
Figure 4.9: Water Access on National and Provincial Level, 2007	70
Figure 4.10: Water Access at District Level, 2007	72
Figure 4.11: Percentage of Population Owning a Fridge, 2007	73
Figure 4.12: Percentage of Population Owning a Radio, 2007	74
Figure 4.13: Percentage of Population Owning a Television Set, 2007	75
Figure 4.14: Percentage of Population Owning a Computer, 2007	76
Figure 4.15: Percentage of Population with Access to the Internet, 2007	77
Figure 4.16: Percentage of Population with Access to Postal Facilities, 2007	78

List of Tables

Chapter 1: Economic Status

Table 1.1: Forecast of Selected Indicators of National Economy, 2008 – 2011	8
Table 1.2: Value-added (Constant 2000 prices) and Growth per Sector, Limpopo, 2000 – 2007	10
Table 1.3: Broad Sectoral Contributions to Output, Limpopo, 2007	11
Table 1.4: Limpopo Location Quotient, 2007	13
Table 1.5: Labour Market Statistics, Limpopo and South Africa, 2000 and 2007	20
Table 1.6: Demographics of Unemployed, Limpopo, 2000 and 2007	23

Chapter 2: Demographics

Table 2.1: Gender Distribution by District, 2007	31
Table 2.2: Dependency Ratios, 2007	34
Table 2.3: Labour Replacement Ratios, 2007	35
Table 2.4: Life Expectancy, Long Term Provincial and National Outlook	36
Table 2.5: Fertility, Long Term Provincial and National Outlook	36

Chapter 3: The Labour Market

Table 3.1: Demographics of Working Age Population, Limpopo, 2000 and 2007	42
Table 3.2: Labour Market Statistics, Limpopo and South Africa – 2000 and 2007	43
Table 3.3: Growth in Formal Employment and Output per Sector, Limpopo, 2000 – 2007	45
Table 3.4: Total Formal Employment by Skill Level, South Africa and Limpopo – 1995, 2000 and 2007	48
Table 3.5: Demographics of Unemployed, Limpopo, 2000 and 2007	50

Chapter 4: Access to Basic Services and Infrastructure

Table 4.1: Housing on National and Provincial Level, 2001 – 2007	61
Table 4.2: Refuse Removal on National and Provincial Level, 1996 – 2007	68
Table 4.3: Energy for Lighting on National and Provincial Level, 1996 – 2007	69
Table 4.4: Water Access on National and Provincial Level, 2007	71

Executive Summary

Chapter 1: Economic Status

1.1 National Economic Performance and Outlook

This section provides an analysis of the national economy. It commences with a discussion of the performance of the provincial economy in terms of production, followed by a brief discussion on trends in domestic demand. Consumption and debt behaviour of South African households is subsequently assessed. National saving behaviour is analysed next, followed by a discussion of price and monetary policy trends. The balance of payments is analysed, followed by a discussion of the national labour market. The section concludes with a forecast of key national indicators.

1.1.1 National Production

Though displaying imminent signs of slowdown, the South African economy still performed fairly well given the severe supply constraints it faced during 2008. Measured at a seasonally adjusted annualised rate, the economy expanded in real terms by 5.1 per cent in 2007. In the first two quarters of 2008, the economy grew at a much slower pace of 2.1 and 4.9 per cent respectively. First quarter growth was severely restrained by rampant interruptions in electricity supply in the first quarter of 2008. With some stability in electricity supply regained in the second quarter, real economic growth rebounded to 4.9 per cent, albeit from the comparatively low base recorded for the first quarter.

In the wake of softer global growth prospects and serious domestic energy provision constraints translating into significant supply side pressures as well as the domestic pressure to combat the inflationary forces brought primarily on by escalating food price inflation, consensus forecasts have been adjusted to a real economic growth rate of below 3 per cent for 2008.

In the first quarter, the disruptions in electricity provision caused noticeable decelerations in output by most of the traditional sectoral growth drivers in the South African economy. In the first quarter, real output in the mining sector contracted by 22.1 per cent, while the manufacturing sector output contracted by 1 per cent from the strong positive growth of 8.2 per cent recorded for the last quarter of 2007. Similarly, tertiary sector output also continued its decline to 4.2 per cent real growth from a recent peak in the third quarter of 2007 of 6.8 per cent.

Overall, the second quarter growth performance improved, though it was in part due to the “base effect” when compared to the first quarter. Real value added in the mining sector was able to overcome the first quarter contraction of 22.1 per cent to grow at 15.6 per cent due to a more stable electricity supply and robust international commodity prices.

On an annual basis, real growth in manufacturing output decelerated from 5.2 per cent in 2006 to 3.9 per cent in 2007. A host of factors contributed to the lower manufacturing output in the fourth quarter, such as the relatively strong external value of the currency at the time, impacting negatively on international competitiveness, relatively high input costs, slowdown in household consumption expenditure due to higher interest rates, and further on the supply side, a shortage of skilled and semi-skilled labour. The deceleration in the manufacturing sector in 2007 continued into the first quarter of 2008 contracting by 1 per cent. This trend was

reversed in the second quarter with growth in value added at 14.5 per cent, although the size of the expansion can in large part be attributed to the lower base value.

Tertiary sector activity slowed from the third to the fourth quarter of 2007, with the quarterly growth in real annualised value added decreasing from 6.8 per cent in the third quarter to 5.1 per cent in the last quarter of 2007. Activity continued to slow to 4.2 per cent in the first quarter of 2008 and 1.4 per cent in the second quarter. This was due to slower growth in the trade sectors, the transport, storage and communication sectors, as well as finance, real estate and business services in the last quarter. Though seasonally adjusted annualised growth in the latter sector contracted from 12.3 per cent in the third quarter to 8.5 per cent in the fourth quarter of 2007, it still contributed 1.8 percentage points to the overall growth in national output.

1.1.2 Domestic Expenditure

The first quarter of 2008 saw growth in domestic expenditure growing at 14.2 per cent. This was fuelled by a resiliently brisk rate of expansion in gross fixed capital formation (16.9 per cent in the first quarter) but also a significant rise in growth in real final consumption expenditure by general government of 12.8 per cent during this quarter. Subsequently, growth in real final consumption expenditure by general government dropped to -1.4 per cent in the second quarter. This, coupled with a marked slowdown in the real rate of growth in the gross fixed capital formation to 9.1 per cent in the second quarter, as well as a significant contraction of -6.8 per cent in inventory levels, caused the growth in overall real gross domestic expenditure to dwindle to -4.2 per cent due in the second quarter of this year. This served as further confirmation of the slowdown in the South African economy.

Having grown at an annualised rate of 3.3 per cent in the previous quarter, household expenditure growth abated to 1.2 per cent in the second quarter of 2008. Growth in real household expenditure on both durable and non-durable goods experienced a further contraction in 2008.

1.1.3 Household Consumption and Debt Levels

Real growth in household consumption continued to fall after peaking in the fourth quarter of 2006 at 9.5 per cent. This decline is mainly ascribed to the four consecutive interest rate hikes during 2007 that began to rein in domestic consumer demand. The prime lending rate increased to its current position of 15.5 per cent. The consequent erosion of consumer income has resulted in quarterly growth in real final consumption expenditure declining to the current 1.2 per cent in the second quarter of 2008.

Household debt as a ratio of disposable income of South African households increased to a record high of 78.2 per cent during the first quarter of 2008, despite a tighter monetary policy stance. This record high materialised on the back of an increase to 77.5 per cent in the third quarter of 2007 and rising further in the fourth quarter of 2007 to 77.6 per cent. Household indebtedness, though still growing positively, grew at a slower rate than before as a consequence of the higher interest rates. As the interest hikes took effect, households exercised more caution in their use of credit and concomitantly the debt/income ratio decreased in the second quarter of 2008 to 76.7 per cent. The growth in private sector credit extension also

moderated for the same reason. As compared to an average of 71 percent in 2006, the increasing household indebtedness represents a widening in the ability to service this debt. Debt service costs have risen to 10.25 percent in the third quarter of 2007, up from 9.5 percent in the second quarter.

1.1.4 National Savings Levels

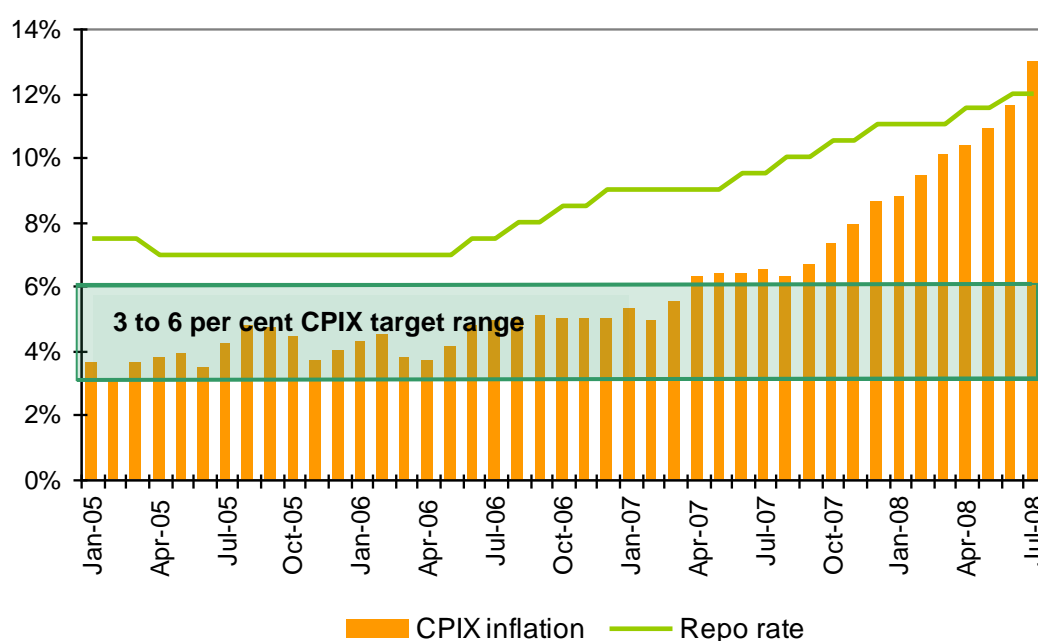
The ratio of total gross saving to gross domestic product (national savings ratio) came to 13.9 per cent in the first quarter of 2008 and increased by one percentage point to 14.9 per cent in the second quarter. In 2007, this ratio was 13.5 per cent in both the third and fourth quarters – slightly down from the 15.25 per cent recorded in the second quarter. The national savings ratio for 2007 stood at 14.1 per cent, a slight improvement when compared to 2006, where the ratio amounted to 14.0 per cent. However, this ratio remains sub-optimal considering the pressures on limited funds available for financing capital formation. The national saving behaviour in 2008 does not seem significantly different from the picture emerging in 2006-07, though rising interest rates have served to promote savings marginally.

Gross savings by households and the corporate sector increased during 2008 but was offset by a decrease in the savings of the general government. The decline in the national saving ratio witnessed during the middle of 2007 was due to reduced saving by the corporate and general government sectors, while saving by the household sector remained fairly stagnant at alarmingly low levels of 1.4 per cent of gross domestic product during the last two quarters of 2007. This ratio also remained largely unchanged from 2006 to 2007.

1.1.5 Trends in Prices

Heightened and intensifying inflationary pressures plagued the South African economy throughout the past year on the back of higher international energy costs and food prices, but also significant supply constraints in the domestic economy. The latter was evident from the widening output gap as capacity utilisation maintained an upward trajectory since 2002 with values exceeding unity by the end of quarter four in 2007, suggesting significant pressures on prices of an over-heating economy.

The rising general price level is compounded by imported inflation due to the economy's level of openness to global market activities and surges in prices of key production inputs. Consequently, CPIX inflation breached the upper limit of the South African inflation target band of 6 per cent in April 2007, and rose steadily to levels of 13.6 per cent in August 2008. This is therefore the sixteenth consecutive month that CPIX inflation is moving outside of the target band. In response, the South African Reserve Bank has increased its repurchase (repo-) rate by 300 basis points at four separate occasions since June 2007. Continued inflationary pressure resulted in further rate increases, and the repo-rate now stands at 12 per cent.

Figure 1.1: Movements in CPIX Inflation and the Repo Rate

Source: Afrinerm and South African Reserve Bank, 2008

Similarly, an increase in the all-goods production price index (PPI) of 10.9 per cent on average was recorded for 2007, representing a substantial increase on the average PPI for 2007 of 7.7 per cent. The PPI was further driven higher in 2008 by sharp increases in the prices of basic steel, other metals and crude oil to reach its current level of 19.1 per cent in August 2008 – levels last seen 21 years ago.

1.1.6 Trade Balance and the Balance of Payments

Despite a considerable slowdown in global economic growth in the fourth quarter of 2007, South Africa saw an improved performance in merchandise exports which allowed for a significant narrowing of the trade deficit, from R52bn in the third quarter of 2007 to R26.7bn in the fourth quarter. The observed 6.8 per cent growth in the value of merchandise exports was fuelled primarily by an increased demand for South Africa's mining products and the revival of international commodity prices in the later part of 2007. This dramatic reduction in the trade deficit served to mitigate the effects of the ever-widening shortfall on the service, income and current transfer account, allowing for a slight contraction of the cumulative deficit on the current account from R163.3bn in the third quarter to R157.7bn in the fourth quarter of 2007. Despite the temporary reprieve in the fourth quarter of 2007, the current account deficit deepened again over the first quarter of 2008 to R194.6bn or 8.9 per cent of GDP.

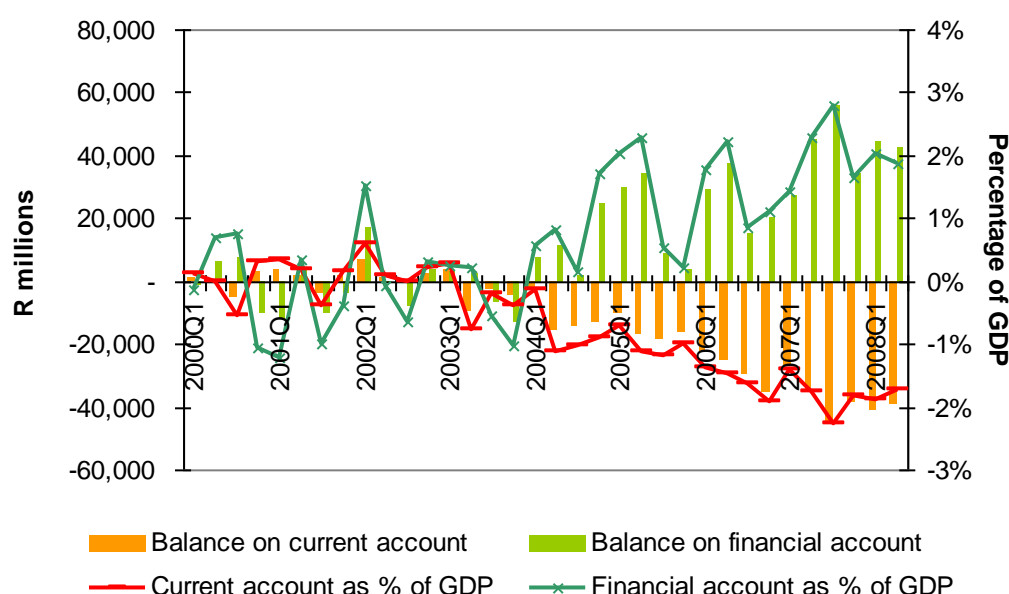
However, the second quarter experienced a narrowing of the trade deficit due to favourable exchange rate conditions and the continued beneficial international commodity prices, coupled with lower domestic demand. These conditions allowed for increased volumes and average prices of exports. This caused the trade deficit to ease significantly from R61.4 to R31.3bn in the second quarter of 2008. This impacted further on the narrowing current account deficit for the second quarter, with

the cumulative current deficit narrowing to R164.4bn or 7.3 per cent of GDP in the second quarter of 2008.

The overall deficit for 2007 was R145bn, which translates to an increase from 6.5 per cent of gross domestic product in 2006 to 7.3 per cent in 2007. Similarly, the deficit to GDP ratio for the first quarter of 2008 came to 8.9 per cent and for the second quarter to 7.3 per cent.

On the financial account, net inflows of capital subsided from R58bn in the third quarter of 2007 to R54.1bn in the fourth quarter. This brought the annual capital inflow for 2007 to R192.6bn, the largest ever recorded. As usual, the majority of this annual inward flow of capital was as a result of portfolio investment. However it should be noted that the fourth quarter of 2007 saw a significant reduction in the inflow of portfolio investment to levels last seen in the fourth quarter of 2005. Despite the current position of worldwide financial markets, the financial account performed better than expected in the first half of 2008. Net capital inflows recorded R47.8bn in the first quarter and R44.7bn in the second quarter of 2008, signalling the attractiveness of the South African economy. The present fall-out from the global financial turmoil will however also impact negatively on capital flows to South Africa in the mid-term.

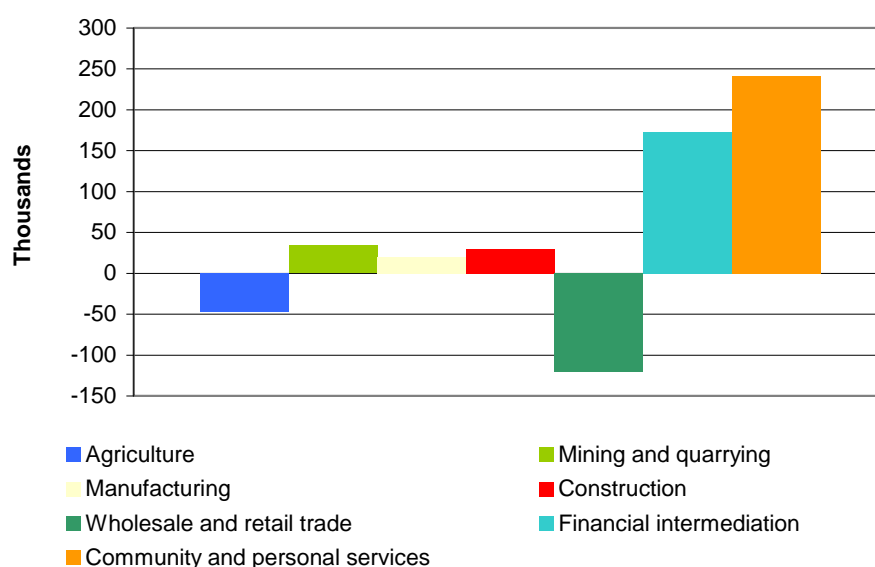
Figure 1.2: Accounts of the Balance of Payments



Source: Afrinem and South African Reserve Bank, 2008

1.1.7 Labour Market

The level of employment in South Africa has followed an upward trend since March 2003, with the number of employed reaching 13 306 000 in September 2007 up from 12 800 000 in March 2006. This represents a 3.95 per cent increase in the number of employed.

Figure 1.3: Changes in Employment for Selected Industries

Source: Afrinem and South African Reserve Bank, 2008

The unemployment rate has dropped substantially from 25.5 per cent in September 2006 to 22.7 per cent in September 2007. Currently, in the second quarter of 2008, unemployment sits at 23.1 per cent. The incidence of unemployment among women has decreased over the same period from 30.7 per cent to 26.1 per cent, whereas unemployment among males has dropped from 21.2 to 19.8 per cent.

According to the September 2008 Quarterly Employment Statistics (QES), employment in the formal non-agricultural business sector has increased by the seasonally adjusted annualised rate of 3.9 per cent in the first quarter of 2008. Average monthly earnings paid to employees in this sector increased by 7.2 per cent between August 2006 and August 2007. Although economic activity slowed over the first quarter of 2008, employment statistics did not decline as expected.

Labour cost as measured by the growth in the average nominal remuneration per worker in the formal non-agricultural sector of the economy and calculated by the South African Reserve Bank, increased substantially (12.3 per cent) in the first quarter of 2008, measured over a four-quarter period.

The year-on-year growth in nominal remuneration per worker in the private sector still outstripped that of nominal remuneration in the public sector. Average remuneration in the private sector increased with 12.6 per cent in the first quarter of 2008 compared to 6.1 per cent in the fourth quarter of 2007, whereas the growth in average remuneration in the public sector was recorded at 11 per cent in the first quarter of 2008.

1.1.8 National Economic Outlook²

The 2008/2009 National Budget was somewhat constrained by fears of a worsening global environment, a poor domestic inflationary outlook, and the unfolding electricity crisis. Despite this, the country's fiscal and economic policies remain firmly focussed on achieving the ASGISA goals. Specific policy priorities include: employment creation and skills and education development; infrastructure enhancement and maintenance; poverty reduction; industrial development; and the improvement of public service delivery.

In light of this, the government has announced significant expected increases in private and public sector investment. Short-term infrastructure projects include the upgrading and expansion of the electricity infrastructure, aimed at minimising the harmful effects of "load-shedding" felt by the economy in early 2008. Transport infrastructure improvements also feature strongly, along with the specific developments and projects associated with preparation for the 2010 FIFA Soccer World Cup. Public sector infrastructure expenditure is in fact expected to reach 7.6 per cent of GDP by 2010/11. More specifically, capital expenditure by government is anticipated to increase by an average of between 10.9 per cent (general government) and 19.4 per cent (public corporations) between 2006 and 2010/11.

Concerns raised by the South Africa Reserve Bank include the volatile international financial environment caused by the US subprime lending crisis, which is expected to have a significant effect on already dwindling global growth, leading to fears of a world recession. Consequently, the main drivers of domestic inflation are no longer limited to over-heated domestic demand and expenditure, but also international (cost-push) forces – namely rising international food and fuel prices. Food prices are being driven by high grain prices worldwide, and by increased demand for the use of food crops as biofuels. Fuel prices remain high, but dwindling global growth prospects and hence lower demand for such products is expected to further exert downward pressure to temper these prices.

Due to the fact that food prices are not expected to stabilise until later on in the year, and that significantly higher electricity tariffs can be anticipated as from mid-2008, coupled with steadily rising fuel prices, the inflationary outlook of the SARB is poor. In fact, it is envisaged that CPIX inflation will not revert back to the target band of 3 – 6 per cent within the next two years.

World growth declined to 3.7 per cent in 2007, and the global economy is facing increasingly restrictive challenges. The US recession, largely due to a slump in the housing market and the subprime lending crisis, is widely regarded as the driving force that is dragging down the global economy. The forecast for global economic growth in 2008 is 3.4 per cent, perpetuating the decreasing trend. Thereafter, it is anticipated that world markets will begin to rebound, and global GDP is forecast to grow at 5 per cent by 2011.

Monetary policy is expected to remain neutral in both the United States and the EU, whilst Japan is expected to raise interest rates in 2008. Global fiscal policy stances

² The forecast results discussed in this section are prepared by the African Institute for Economic Modelling (Afrinem) at the University of Pretoria's Department of Economics, based on their macro-econometric model. Therefore, the forecast does not necessarily agree with that of National Treasury (see Budget Review 2008). The macro-econometric model used is a neoclassical supply-side model with a well-developed supply-side specification on the national level.

will continue to be guided mainly by individual countries' budget policies or other general policy statements.

The assumptions underlying the forecast include a world recession, which given its nature and extent, is not expected to be resolved in the medium run. The subsequent significant slowdown in world trade is expected to result in a drop in commodity prices in the medium run. However, coordinated international policies are expected to facilitate a slow recovery in world growth from 2010.

Forecast values for a selection of macroeconomic indicators over the forecasting horizon 2008 to 2011 are presented in Table 1.1.

Table 1.1: Forecast of Selected Indicators of National Economy, 2008 – 2011

			2005	2006	2007	2008	2009	2010	2011
Gross Domestic Product	00P	Rm	1,115,135	1,175,216	1,235,627	1,277,638	1,317,245	1,372,569	1,434,335
% change			5.00	5.39	5.14	3.4	3.1	4.2	4.5
Gross Domestic Expenditure	00P	Rm	1,150,916	1,256,730	1,332,327	1,403,261	1,452,817	1,524,125	1,606,162
% change			5.72	9.19	6.02	5.3	3.5	4.9	5.4
Final Consumption									
Total expenditure by households	00P	Rm	731,620	791,947	847,122	867,453	883,067	913,091	947,789
% change			6.88	8.25	6.97	2.4	1.8	3.4	3.8
Final Consumption									
Expenditure by Gen. government	00P	Rm	213,566	224,717	235,851	245,993	255,832	266,066	276,708
% change			4.85	5.22	4.95	4.3	4.0	4.0	4.0
Gross fixed capital formation	00P	Rm	194,047	220,780	253,464	280,838	304,990	336,099	372,398
% change			8.94	13.78	14.80	10.8	8.6	10.2	10.8
Exports of goods & services	00P	Rm	295,580	312,173	338,038	344,123	349,629	365,712	386,191
% change			8.00	5.61	8.29	1.8	1.6	4.6	5.6
Imports of goods & services	00P	Rm	331,361	393,687	434,738	462,561	481,989	514,764	556,975
% change			10.35	18.81	10.43	6.4	4.2	6.8	8.2
Balance on the current account		Rm	-62,179	-112,346	-145,016	-173,660	-199,261	-234,827	-262,067
% of GDP			-4.03	-6.45	-7.27	-7.60	-7.80	-8.20	-8.2
Disposable income of households									
Per capita	00P	Rm	15,471	16,434	17,355	17,959	18,533	19,330	20,219
% change			5.13	6.22	5.60	3.50	3.20	4.30	4.6
Consumer Price index		2000=100	128.0	133.9	143.5	157.4	168.8	179.6	189.6
% change			3.39	4.61	7.17	9.70	7.20	6.40	5.6
Production Price index		2000=100	133.9	144.1	158.7	234.5	251.5	267.6	282.1
% change			2.92	7.62	10.13	9.21	7.24	6.40	5.4
M3-money supply	00P	Rm	1,101,130	1,349,293	1,668,320	1,968,618	2,244,224	2,513,531	2,815,155
% change			20.45	22.54	23.64	18.00	14.00	12.00	12
Short term interest rate		%	6.93	8.97	10.97	12.64	10.80	8.00	7.00
Long term interest rate		%	7.57	7.81	8.29	14.60	10.16	9.40	8.63
Exchange rate (SA cents/US dollar) Average		R/\$	636.23	676.72	705.44	850.00	820.00	790.00	750.00
% change			2.92	7.62	10.13	20.49	-3.53	-3.66	-5.06
Wage rate (Formal sector) at current prices		2000=100	143.74	156.33	169.47	186.70	201.63	216.15	229.98
% change			7.78	8.76	8.40	10.50	8.00	7.20	6.4
Employment, formal sector		Mill	9.634	9.800	10.094	10.04	10.33	10.73	11.14
% change			1.44	1.72	3.00	2.1	2.9	3.8	3.84
Employment rate (formal and informal sectors) (LFS)		%	0.74	0.75	0.75	0.76	0.77	0.78	0.79
% change			1.86	1.61	0.67	0.78	0.50	1.30	2.03
Gross National Saving		Rm	216,174	243,078	281,648	286,905	316,082	357,964	405,396
% change			7.14	12.45	15.87	1.87	10.17	13.25	13.25
% of GDP			14.03	13.96	14.13	12.56	12.37	12.50	12.68

Source: Afrinem, March 2008

Note: Formal sector includes both agricultural and non-agricultural sectors.

1.2 Provincial Economic Performance

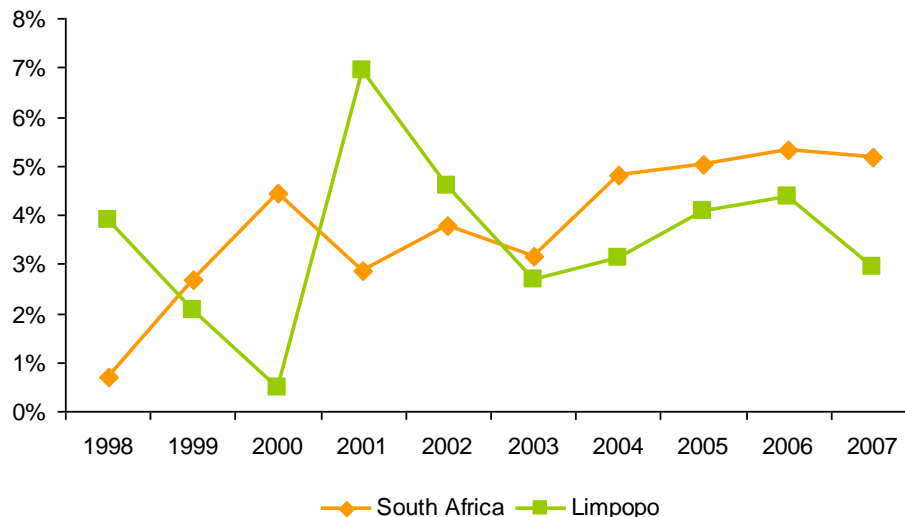
This section provides an analysis of the Limpopo economy. It commences with a discussion of the performance of the provincial economy in terms of production. Consumption and expenditure behaviour of Limpopo households is assessed. The trade components of the provincial economy, namely its exports and imports, are analysed, followed by a discussion and forecast of the intricacies of the provincial labour market. The section concludes with a forecast of key provincial indicators, including sectoral output, demand and trade.

1.2.1 Provincial Production

Limpopo comprises 11.6 per cent of the total population of the country, and generated 6.3 per cent of total South African GDP in 2007.

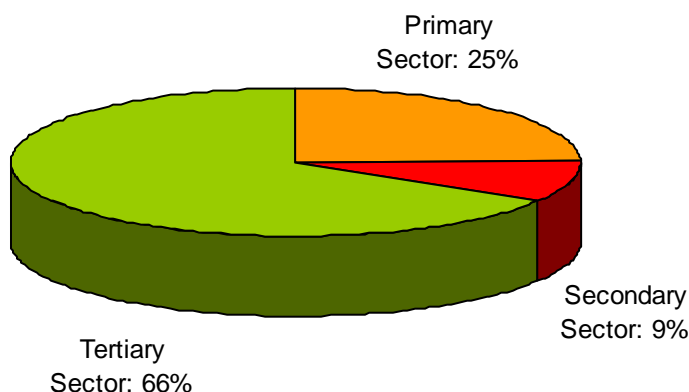
Figure 1.4 compares real annual economic growth rates in Limpopo with those of South Africa over the last decade. Limpopo's growth performance has consistently been below the national average, except in 1998, 2001 and 2002.

Figure 1.4: Annual Real Economic Growth Rates, South Africa and Limpopo, 1998 – 2007



Source: Afrinem and Quantec Research, 2008

The sectoral contributions of the broad primary, secondary and tertiary industries to provincial output are shown in Figure 1.5. The primary sector plays a larger role in the Limpopo economy (25 per cent) than the national economy (8 per cent), whilst the role of the secondary sector is more pronounced in the national economy (24 per cent) than the Limpopo economy (9 per cent). The tertiary sector has the largest share in both the Limpopo and national economies, contributing 66 per cent and 68 per cent to total output respectively.

Figure 1.5: Broad Sectoral Contributions to Output, Limpopo, 2007

Source: Afrinem and Quantec Research, 2008

An analysis of the growth in contributions of the primary, secondary and tertiary industries to output in Limpopo from 2000 to 2007 is presented in Table 1.2. It is evident that the tertiary sector has shown the most consistently rising growth rates, while the secondary sector has experienced more fluctuations in growth performance. The secondary sector did however perform better than the tertiary sector in 2000, 2002, 2004 and 2007, with growth rates of 7.4, 4.5, 4.3 and 5.8 per cent respectively. Primary sector growth in Limpopo is waning and has recorded negative rates since 2006. It would thus appear from this Table that the tertiary sector is a key target area for the Limpopo provincial government in terms of growth development strategies.

Table 1.2: Value-added (Constant 2000 prices) and Growth per Sector, Limpopo, 2000 – 2007

		2000	2001	2002	2003	2004	2005	2006	2007
Primary Sector	Rm	13,724	15,424	16,612	17,111	17,330	17,719	17,537	17,367
	%	-1.8%	12.4%	7.7%	3.0%	1.3%	2.2%	-1.0%	-1.0%
Secondary Sector	Rm	5,145	5,147	5,381	5,439	5,673	5,891	6,240	6,599
	%	7.4%	0.0%	4.5%	1.1%	4.3%	3.8%	5.9%	5.8%
Tertiary Sector	Rm	34,274	36,280	37,481	38,550	39,991	41,965	44,680	46,504
	%	0.5%	5.9%	3.3%	2.9%	3.7%	4.9%	6.5%	4.1%

Source: Afrinem and Quantec Research, 2008

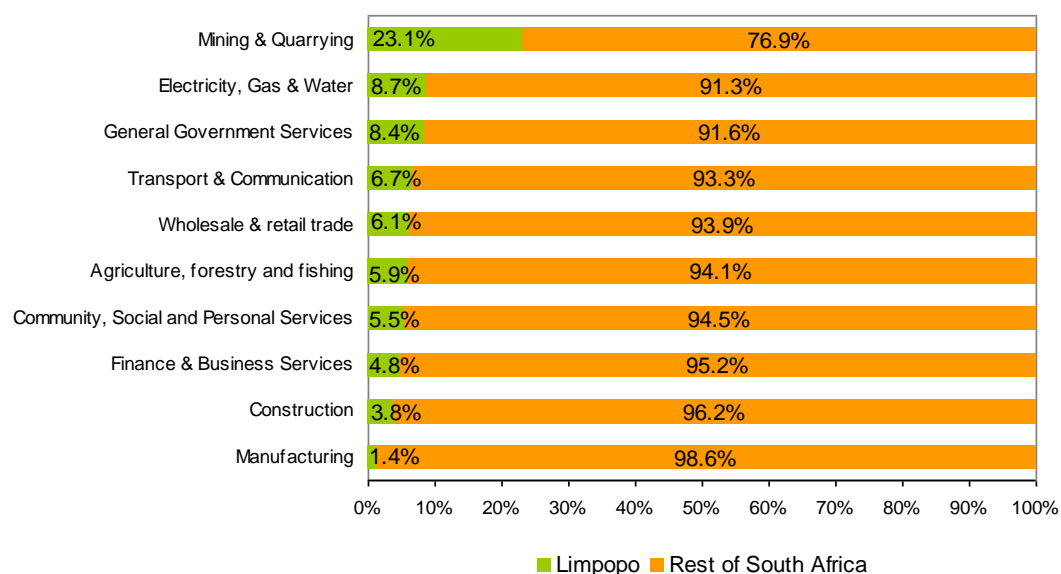
The major contributors to the three broad industry categories are shown in Table 1.3. In Limpopo, the bulk of the primary sector is accounted for by mining and quarrying (91 per cent), whilst manufacturing makes the largest contribution to the secondary sector (41 per cent). The predominant industry in the tertiary sector is general government services (28 per cent) followed closely by finance and business services (26 per cent).

Table 1.3: Broad Sectoral Contributions to Output, Limpopo, 2007

Primary Sector		Secondary Sector		Tertiary Sector	
Agriculture, forestry and fishing Mining and Quarrying	9%	Manufacturing	41%	Wholesale and retail trade	21%
		Electricity, Gas and Water	34%	Transport and communication	17%
	91%	Construction	25%	Finance and business services	26%
				Community, social and personal services	8%
				General government services	28%

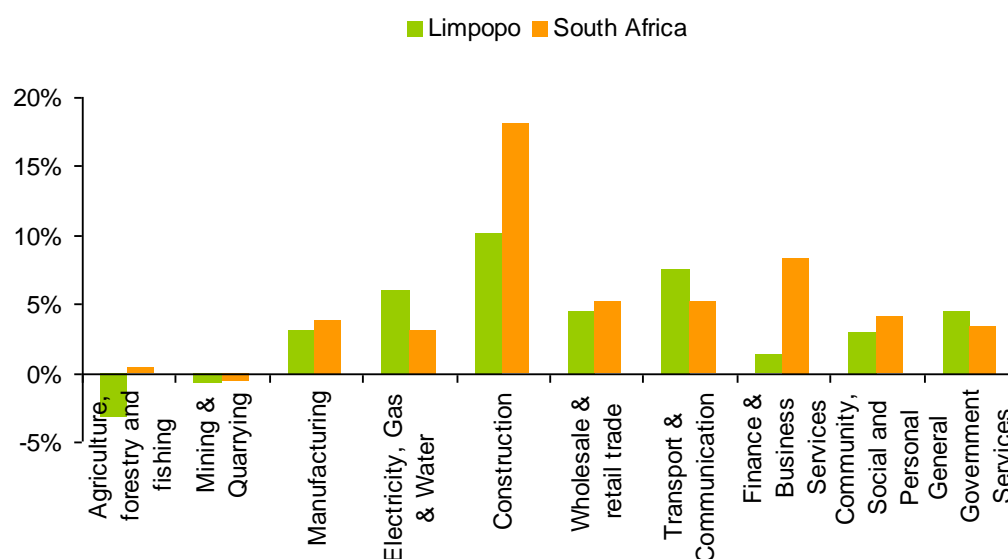
Source: Afrinem and Quantec Research, 2008

Limpopo's contribution to sectoral output in South Africa is shown in Figure 1.6. Quite apparent is the fact that Limpopo's mining and quarrying industry accounts for nearly one quarter of that of the national economy. The remaining sectors, however, are smaller role-players in the national economy contributing less than 10 per cent to total output.

Figure 1.6: Limpopo's Contribution to National Sectoral Output, 2007

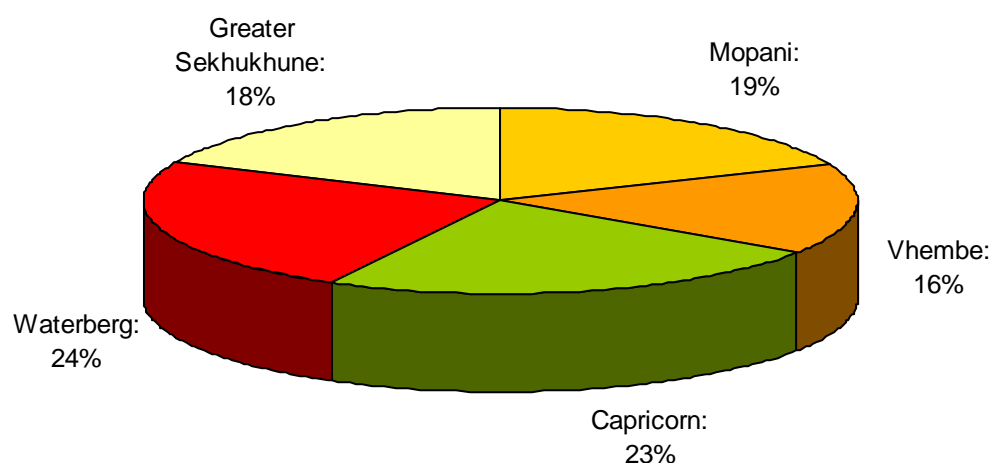
Source: Afrinem and Quantec Research, 2008

In Figure 1.7 growth per sector in Limpopo is compared to that of South Africa for 2007. It is apparent that sectoral growth in the province is predominantly below that of the national average, particularly in the construction, financial, wholesale and agriculture sectors. In general though, the sectoral growth rates in the province follow similar trends to those of the national economy.

Figure 1.7: Sectoral Growth, Limpopo and South Africa, 2007

Source: Afrinem and Quantec Research, 2008

In terms of district municipalities' contributions to Limpopo's output in 2007 (Figure 1.8), the spread appears to be relatively even. The Waterberg District Municipality is the province's largest contributor with 24 per cent of economic activity, while the Vhembe District Municipality is the smallest contributor with about 16 per cent of total output.

Figure 1.8: Municipal Contributions to Output, Limpopo, 2007

Source: Afrinem and Quantec Research, 2008

Table 1.4 presents the location quotient for Limpopo in 2007. The location quotient is a tool used to measure the significance of an economic sector in the province relative

to the same sector at the national level.³ This tool is used to further clarify the structural economic challenges facing a province. A desirable result is for the location quotient to exceed one.

Table 1.4: Limpopo Location Quotient, 2007

<i>Contribution to output</i>	Limpopo	South Africa	Location Quotient Limpopo
Primary Industries	24.5%	8.5%	5.3
Agriculture, forestry and fishing	2.3%	2.4%	1.6
Mining and quarrying	22.2%	6.1%	6.4
Secondary Industries	9.4%	23.7%	0.7
Manufacturing	3.9%	17.7%	0.4
Electricity, gas and water	3.2%	2.3%	2.8
Construction	2.3%	3.8%	1.1
Tertiary Industries	65.6%	67.8%	1.7
Wholesale and retail	14.0%	14.4%	1.7
Transport and communication	11.4%	10.7%	1.9
Finance and business services	16.9%	22.7%	1.3
Community, social and personal services	5.0%	5.8%	1.6
General government services	18.3%	13.7%	2.4
All Industries	99.5%	100%	1.8

Source: Afrinem, 2008

At the national level the industries that contributed most to the GDP in 2007 are finance and business services, manufacturing, wholesale and retail trade, general government services, transport and communication, and mining and quarrying respectively.

The Limpopo location quotient is higher in mining and quarrying with a value of 6.4 followed by electricity, gas and water with 2.8. The lowest location quotient is in the manufacturing industry with a value of 0.4 – a decline from the 0.5 recorded in 2004. Overall, Limpopo has a very strong location quotient in the primary sector (5.3) and the location quotient for the entire province (all industries) exceeds one, which is acceptable.

1.2.2 Provincial Consumption Expenditure

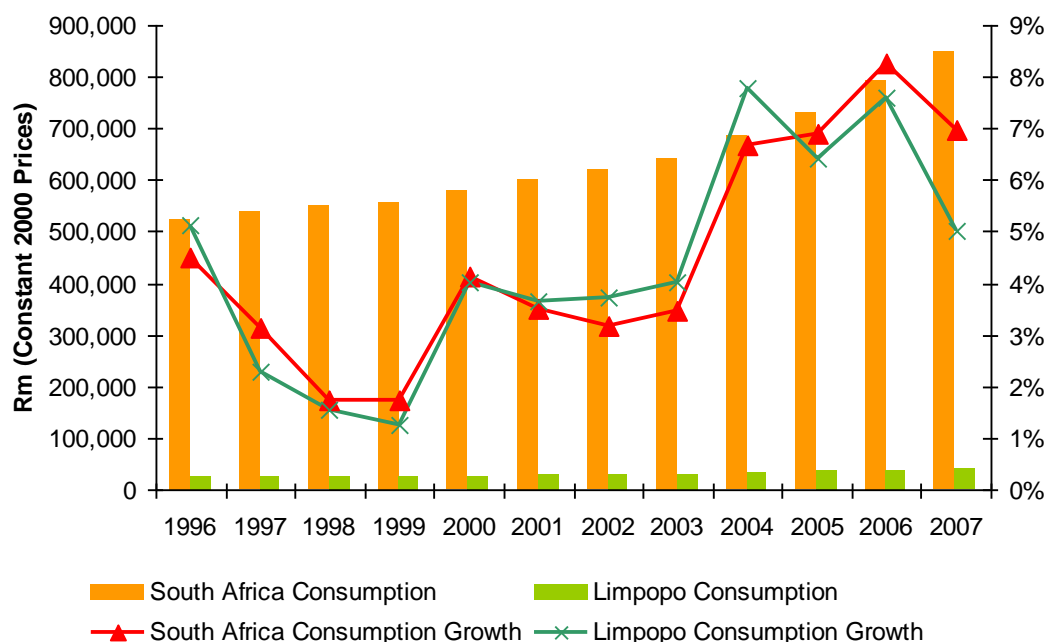
Household consumption expenditure in South Africa increased steadily in real terms from approximately R500bn in 1995 to absolute levels of R850bn in 2007. In comparison, Figure 1.9 shows that household consumption in Limpopo also increased from levels of approximately R24bn to R40bn during the same period.

In terms of real growth rates in total final consumption expenditure by households in Limpopo, it is evident from Figure 1.9 that final consumption expenditure in the province expanded at higher rates than was the case in the national economy between 2001 and 2004, but for the remainder of the sample period, did so at lower

³ The location quotient is calculated as the ratio of provincial sectoral contribution to provincial GDP growth (2.9% in 2007) divided by the ratio of national sectoral contribution to national GDP growth (5.2%).

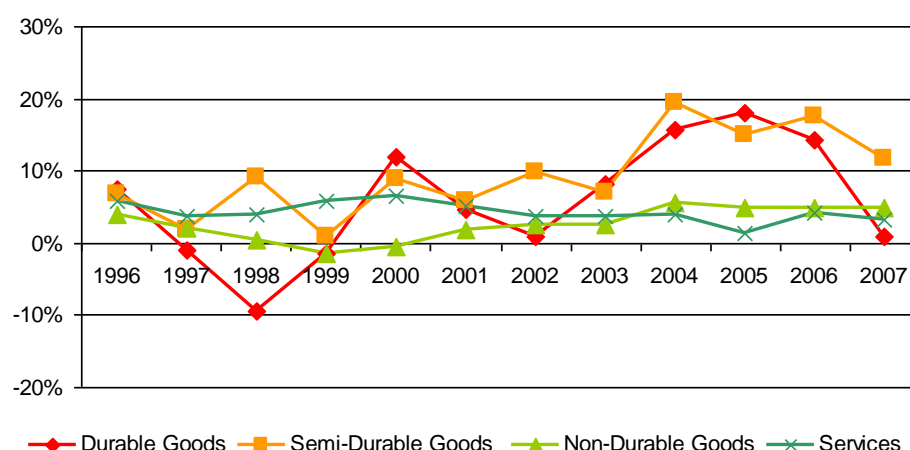
growth rates. A significant drop in Limpopo's household consumption expenditure growth was recorded in 2007 (5 per cent, down from 7.6 per cent in 2006).

Figure 1.9: Total Final Private Consumption Expenditure, South Africa and Limpopo, 1995 – 2007



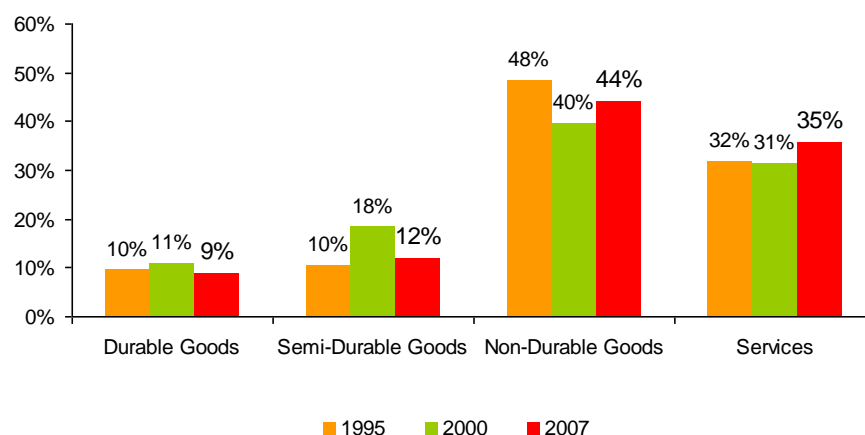
Source: Afrinem and Quantec Research, 2008

Figure 1.10 shows growth in the broad expenditure categories in Limpopo from 1996 to 2007. It appears that the fastest expanding consumption goods in the province are semi-durable goods. However, growth in consumption of these goods declined in 2007 to 11.8 per cent from 17.4 per cent in 2006, largely due to a contraction in expenditure on motor car accessories and parts and miscellaneous goods of 1 per cent and 9 per cent respectively. Durable goods experienced a significant decline in growth in 2007 to 0.9 per cent from 14.2 per cent in 2006, primarily caused by a decrease in the growth of personal transport equipment consumption of approximately 8 percent.

Figure 1.10: Growth in Consumption Categories, Limpopo, 1996 – 2007

Source: Afrinem and Quantec Research, 2008

Figure 1.11 shows the shares of the broad consumption categories of total consumption in Limpopo. Household expenditure in Limpopo is predominantly on non-durable goods (44 per cent of total consumption in 2007) and has been so since 1995. This is closely followed by services (35.5 per cent in 2007). The importance of non-durable goods in Limpopo households however appears to have declined since 1995, whilst the significance of services has increased over the same period.

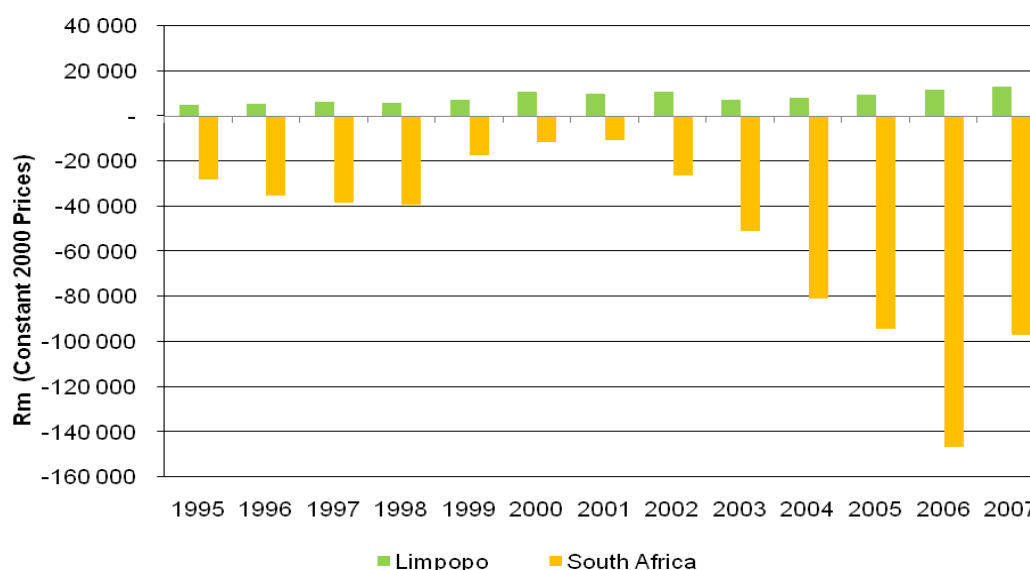
Figure 1.11: Shares of Household Expenditure, Limpopo: 1995, 2000 and 2007

Source: Afrinem and Quantec Research, 2008

1.2.3 Provincial Trade Position

Limpopo's share in overall national trade with the rest of the world is very small, with the province accounting for less than one per cent of the country's imports and about 5 per cent of its exports in 2007. Despite this, the province has recorded a positive trade balance since 1995, in contrast to the national trend, as evidenced in Figure 1.12. Limpopo predominantly trades in petroleum products, wholesale and retail products, and transport and storage.

Figure 1.12: Trade Balance of Goods and Services, Limpopo and South Africa, 1995 – 2007



Source: Afrinem and Quantec Research, 2008

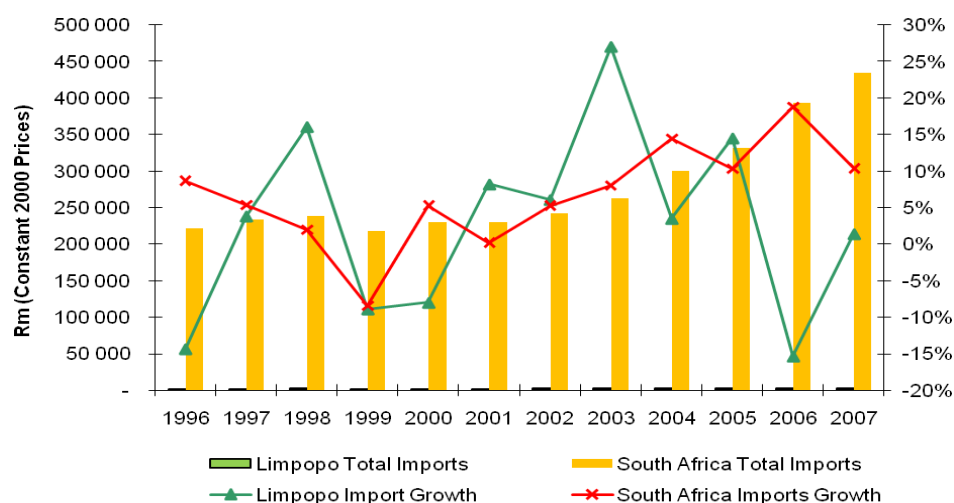
Imports

Limpopo accounts for a very small share of South Africa's imports from the rest of the world, a common trend since 1995. In fact, the contribution of Limpopo to national imports has nearly halved from 0.9 per cent in 1995 to 0.5 per cent in 2007.

Figure 1.13 shows total imports and growth in imports in both Limpopo and South Africa. In 1995, Limpopo imported goods to the value of R1.9 billion (constant 2000 prices), and this has grown by 24 per cent to a total of about R2.4 billion in 2007. Between 2006 and 2007, imports into Limpopo from the rest of the world expanded by 1.4 per cent.

Growth in imports into Limpopo has fluctuated significantly since 1996. Growth in provincial imports has been lower than the national average for the majority of the sample period, except for 1998, 2001, 2002, 2003 and 2005. Particularly steep growth of 27 per cent was experienced in 2003, outstripping the national rate of 8 per cent. However, this growth has since diverged from the national trend – a contraction of 15.4 per cent in 2006 preceded a slow improvement of 1.4 per cent in 2007.

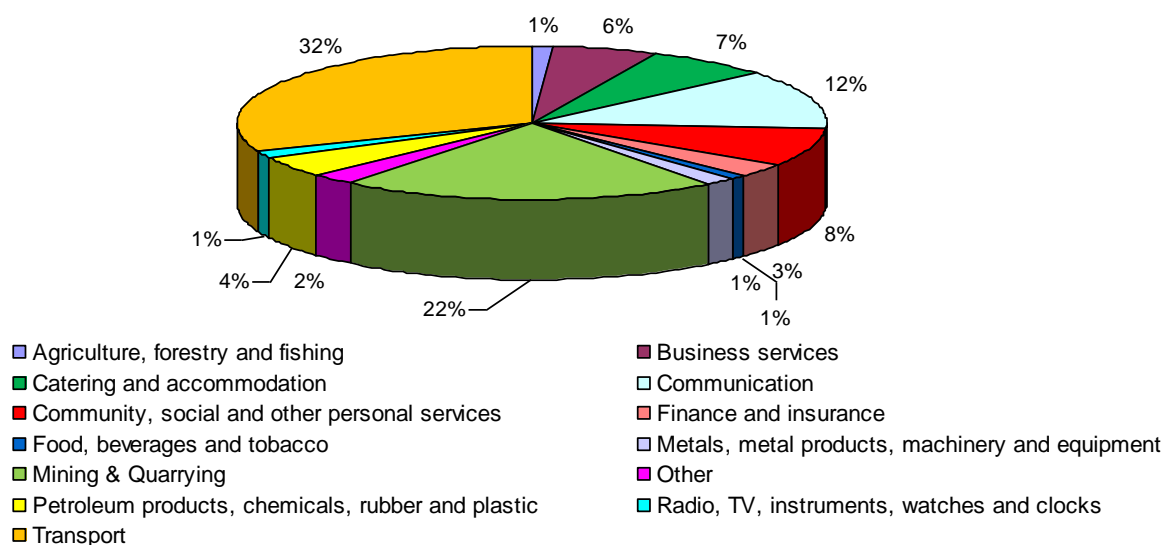
Figure 1.13: Total Imports and Growth in Imports, Limpopo and South Africa, 1996 – 2007



Source: Afrinem and Quantec Research, 2008

Figure 1.14 presents the predominant import categories in Limpopo in 2007. The transport industry with a share of 32 per cent accounts for the bulk of imports in Limpopo; this share has gone up from 26 per cent in 1995. Mining and quarrying also recorded a significant climb when compared to the 1995 figures with a 21 per cent share of imports, up from 0.01 per cent in 1995. Other key sectors include: communication (12 per cent), up from 6 per cent in 1995; community and other personal services (8 per cent), down from 16 per cent in 1995; catering and accommodation (7 per cent), down from 10 per cent in 1995; business services (6 per cent) down from 12 per cent in 1995; finance and insurance (3 per cent), down from 7 per cent in 1995; and petroleum products, chemicals, rubbers and plastics (4 per cent), up from 1.6 per cent in 1995.

In contrast to Limpopo, the largest import category in South Africa is metal products and machinery, with 24 per cent of total imports, compared to Limpopo's 1.5 per cent. Transport equipment is the second largest import category in the country (21 per cent, which in Limpopo accounts for less than 0.5 per cent), followed by petroleum products, chemicals, rubbers and plastics (14 per cent).

Figure 1.14: Import Categories, Limpopo, 2007

Source: Afrinem and Quantec Research, 2008

The key growth areas in imports into Limpopo include: wood and paper, which grew by about 1 500 per cent in 2007, up from approximately 500 per cent in 2006; textiles, clothing and leather goods, which grew by over 1 400 per cent in 2007, up from a contraction of 91 per cent in 2006; metal products, which grew by 580 per cent in 2007, up from a contraction of 27 per cent in 2006; and electrical machinery and apparatus, which grew by 173 per cent in 2007, up from a contraction of 37 per cent in 2006.

Most of the province's import categories however exhibit declining growth paths. Some of these industries include: food, beverages and tobacco, the growth in which fell from 190 per cent in 2006 to 82 per cent in 2007; petroleum products, chemicals, rubber and plastic, which contracted by 3.2 per cent in 2007, down from growth of 8 per cent in 2006; and transport equipment, which contracted by 92.3 per cent in 2007, down from growth of 215 per cent in 2006.

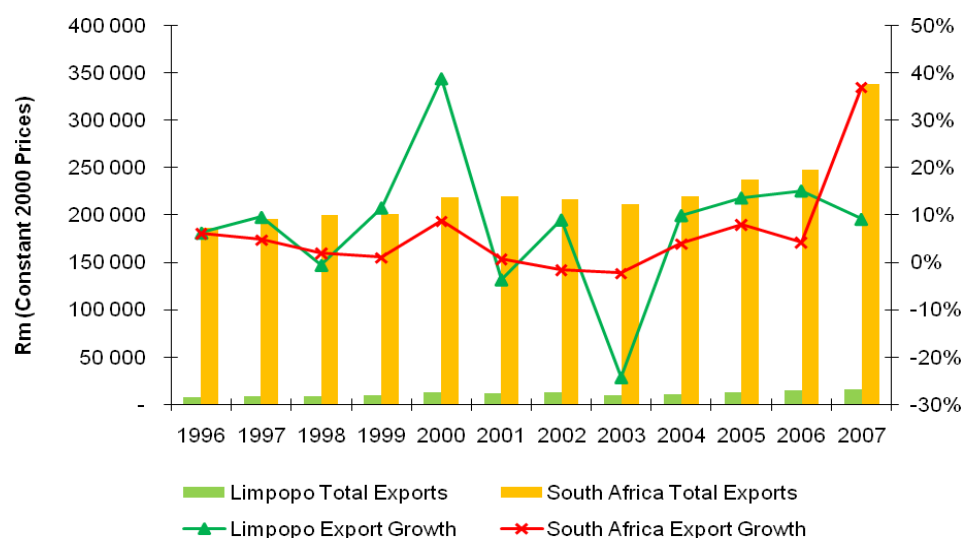
Exports

Limpopo accounts for approximately 5 per cent of South Africa's exports to the rest of the world. This contribution to national exports has risen marginally since 1998, though, with a slight decline of about 1 per cent in 2007.

Figure 1.15 shows total exports and growth in exports from Limpopo and South Africa. In 1995 Limpopo exported goods to the value of R6.9 billion (in constant 2000 prices), and this has grown by 123 per cent to a total of R15.4 billion in 2007. In 2007, exports from Limpopo to the rest of the world expanded by 6 per cent.

Limpopo export growth has fluctuated much over the sample period; it has outstripped national growth every year except in 1998, 2001, 2003 and 2007. In 2000 Limpopo exhibited record high export growth of 39 per cent, far surpassing the national average of 9 per cent. However, in 2003 Limpopo recorded a contraction in export growth of 24 per cent, significantly more drastic than the South African contraction of 2 per cent.

Figure 1.15: Total Exports and Growth in Exports to the World, Limpopo and South Africa, 1996 – 2007

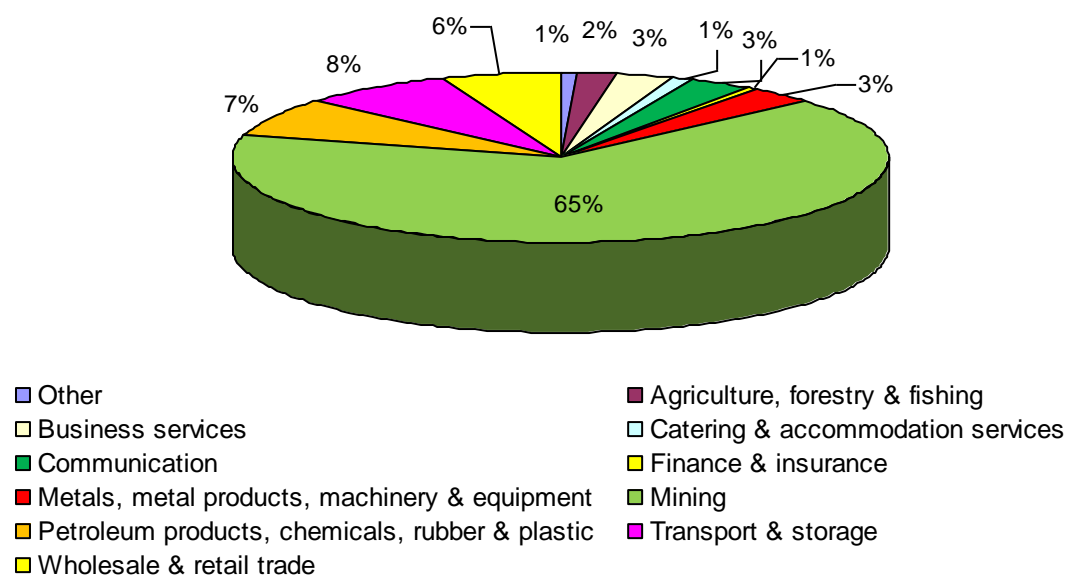


Source: Afrinem and Quantec Research, 2008

Figure 1.16 presents the major export categories of Limpopo in 2007. The major export categories from Limpopo include: mining and quarrying (65 per cent); transport and storage (8 per cent); petroleum products, chemicals, rubbers and plastics (7 per cent); and wholesale and retail trade (6 per cent).

Not surprisingly, as with Limpopo, the largest export category in South Africa is mining and quarrying, accounting for a third of exports from the country. Metal products and machinery is the second largest export category in the country (17 per cent), followed by transport equipments (11 per cent).

Figure 1.16: Export Categories, Limpopo, 2007



Source: Afrinem and Quantec Research, 2008

The key growth areas in exports from Limpopo to the rest of the world include: furniture and other manufacturing, which expanded by 448 per cent in 2007, up from a contraction of 44 per cent in 2006; transport and storage, which grew by 16 per cent in 2007, up from 3 per cent in 2006; mining, which expanded by 13 per cent in 2007, less than the 21 per cent of 2006; and finance and insurance, which grew by 13 per cent in 2007, also less than the 18 per cent of 2006.

Export categories that are showing negative growth trends include: electrical machinery and apparatus, which contracted by 31 per cent in 2007, a significant drop from the 46 per cent growth in 2006; and agriculture, forestry and fishing, which contracted by 18 per cent, a worsening of the 2006 contraction of 2 per cent.

1.2.4 Provincial Labour Market Performance and Outlook⁴

Employment

As evidenced from Table 1.5, Limpopo has experienced an encouraging trend of positive employment growth (14 per cent) between 2000 and 2007. This is in contrast to the national expansion in employment over the same period of 7.4 per cent. Furthermore, the number of unemployed in the province shrunk by 9 per cent over the same period, compared to the national growth in the number of unemployed of 5 per cent.

Table 1.5: Labour Market Statistics, Limpopo and South Africa, 2000 and 2007

	2000	2007	Change	Growth
Limpopo				
Employed ⁵	747 639	853 807	106 168	14.2%
Unemployed	410 418	373 113	-37 305	-9.1%
Not economically active ⁶	2 037 663	2 228 348	190 685	9.4%
Labour force ⁷	1 158 057	1 226 920	68 864	5.9%
Working age population ⁸	3 195 720	3 455 269	259 549	8.1%
South Africa				
Employed	11 532 095	12 383 068	850 973	7.4%
Unemployed	3 783 567	3 978 749	195 182	5.2%
Not economically active	8 566 015	10 308 482	1 742 468	20.3%
Labour force	15 315 662	16 361 817	1 046 155	6.8%
Working age population	23 881 677	26 670 299	2 788 622	11.7%

Source: Afrinem and Quantec Research, 2008

Employment in Limpopo has been notably declining (-2 per cent in 2007) in the agriculture, forestry and fishing industry – although this is somewhat understandable since it is coupled with negative growth in the activity of this industry (-3.2 per cent in 2007).

⁴ Note: where labour statistics are quoted as being derived from Quantec Research, it should be noted that this data has not been revised according to the new Statistics South Africa (StatsSA) Quarterly Labour Force Surveys (QLFS). Adjustments have however been made to prior versions of the LFS.

⁵ Informal and informal sector employment.

⁶ Includes students, learners, housewives, disabled.

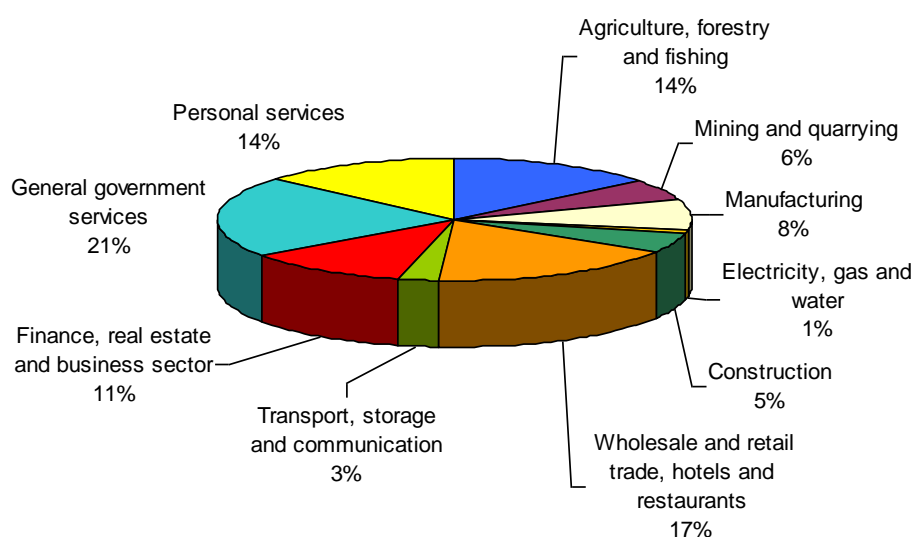
⁷ Employed + unemployed.

⁸ All persons ages 15 – 65: equal to labour force + not economically active.

The key sector for high, positive employment growth is the mining and quarrying sector (5.3 per cent in 2007) – this despite the fact that output in the sector declined by -0.3 per cent and -0.7 per cent in 2006 and 2007 respectively. This may be a cause for concern, as the growth in employment in this sector may not be sustainable in the near future.

It is interesting to note which sectors of the Limpopo province are the largest employers. Figure 1.17 details just this point. The government is Limpopo's largest employer (21 per cent of total employment), closely followed by the wholesale and retail trade, hotels and restaurants industry (17 per cent). The personal services (14 per cent), agriculture, forestry and fishing (14 per cent) and finance, real estate and business (11 per cent) sectors are also large employers in Limpopo.

Figure 1.17: Sectoral Shares of Total Formal Employment, Limpopo, 2007



Source: Afrinem and Quantec Research, 2008

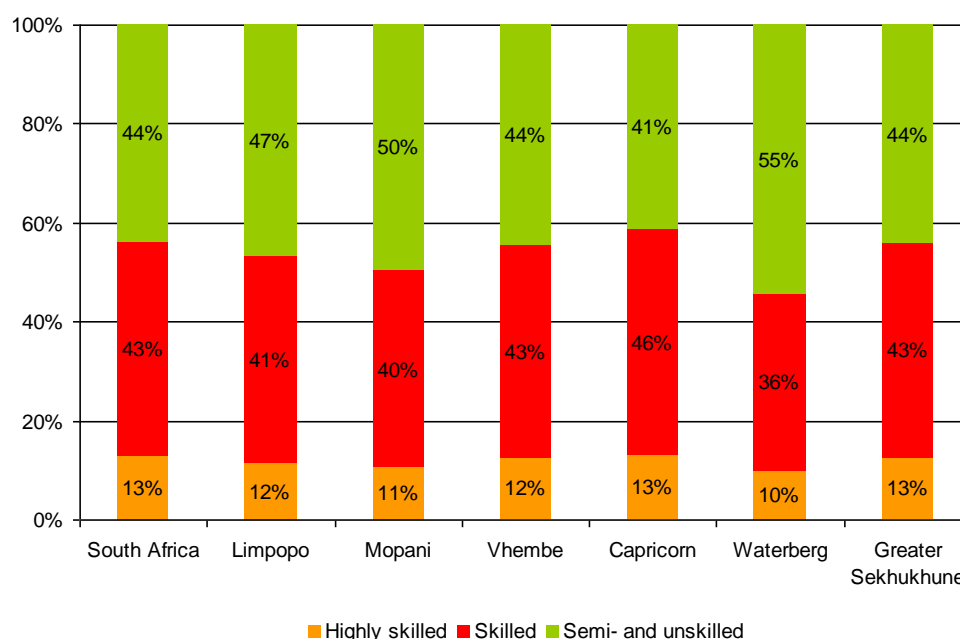
There appears to be a relatively even spread of employment amongst the five regional districts of Limpopo, with Mopani being the largest employment area (23 per cent of the total province).

All of the employment data discussed until this point refers to employment in the formal sector. However, it is common knowledge that there is a thriving informal sector in South Africa, with 19 per cent of the country's employed engaging in informal activities. The Limpopo province has a similar figure of 21 per cent informal sector employment, as do its districts. Mopani has the highest rate of informal sector employment (24 per cent), whilst Greater Sekhukhune has the lowest rate (19 per cent).

Of those individuals employed in the formal sector of the South African economy, only 13 per cent are highly skilled, whilst 43 per cent are skilled and 44 per cent are semi- or unskilled. The share of semi- and unskilled employment in Limpopo is even larger than the national average at 47 per cent, compared to 12 per cent in the province being highly skilled (see Figure 1.18).

Districts of concern within the province, where the provincial government may wish to investigate implementing skills- or education programmes include Waterberg, where 55 per cent of the employed are semi- or unskilled, 36 per cent are skilled, and only 10 per cent are highly skilled. 50 per cent of Mopani's employed are semi- or unskilled, 40 per cent are skilled, and 11 per cent are highly skilled. On the other hand, Capricorn (46 per cent) and Greater Sekhukhune (43 per cent) have better levels of skilled workers, equal to or greater than the national average.

Figure 1.18: Shares of Total Formal Employment by Skills Level, South Africa and Districts of Limpopo – 2007



Source: Afrinem and Quantec Research, 2008

Unemployment

Table 1.6 provides some key demographic characteristics of the unemployed in Limpopo. Not surprisingly, since this group makes up 97 per cent of the working age population, unemployment is worst amongst Blacks in the province (98.5 per cent in 2007). Again, unsurprisingly, since women hold the majority over men in terms of the working age population, they hold the majority in terms of unemployment (56 per cent in 2007).

The concern here is the unemployment rate amongst the younger age groups, especially aged 20 to 29 (51.5 per cent in 2007), since these individuals make up the majority of the workforce and are widely regarded as the most productive age group.

A further cause for concern is the unemployment rate amongst individuals with a secondary school level education (67 per cent in 2007, up from 60 per cent in 2000). This may lead to the conclusion that even completing a secondary education is insufficient to attain employment, thereby discouraging the workforce to complete their school education.

Table 1.6: Demographics of Unemployed, Limpopo, 2000 and 2007

		September 2000	September 2007
		Share	Share
Race	Black	98.0%	98.5%
	Coloured	0.2%	-
	Indian / Asian	0.5%	0.1%
	White	1.3%	1.4%
Gender	Male	48.1%	44.1%
	Female	51.9%	55.9%
Age	15 – 19	4.0%	2.9%
	20 – 29	56.5%	51.5%
	30 – 39	24.6%	26.2%
	40 – 49	10.3%	13.8%
	50 – 59	3.9%	5.0%
	60 – 64	0.6%	0.6%
Education	None	6.2%	4.2%
	Primary	25.0%	20.7%
	Secondary	59.8%	66.8%
	Diploma/Certificate	7.1%	6.9%
	Tertiary	1.7%	1.5%

Source: Afrinem and LFS, 2008

Figure 1.19 compares the unemployment and labour absorption rates in Limpopo to those of South Africa. The labour absorption rate indicates the percentage of the working age population (15 – 65 years) that is employed, i.e. that is absorbed by the economy. Of concern is that Limpopo's absorption rate (24.7 per cent in 2007) appears to be stagnant, and furthermore is significantly lower than that of South Africa's (46.4 per cent in 2007).

These poor absorption rates are coupled with high unemployment rates in the province (30.4 per cent in 2007), again which are consistently higher than those of the national average (25.7 per cent in 2007).

Figure 1.19: Unemployment and Absorption Rates, Limpopo and South Africa, 2000 – 2007

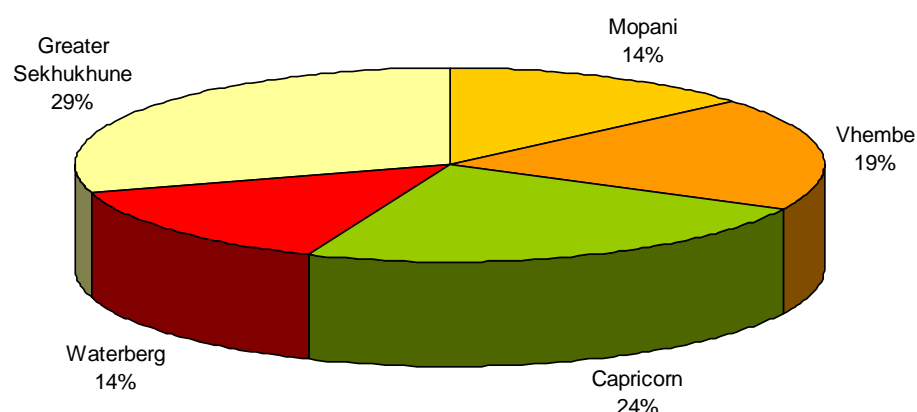


Source: Afrinem and Quantec Research, 2008

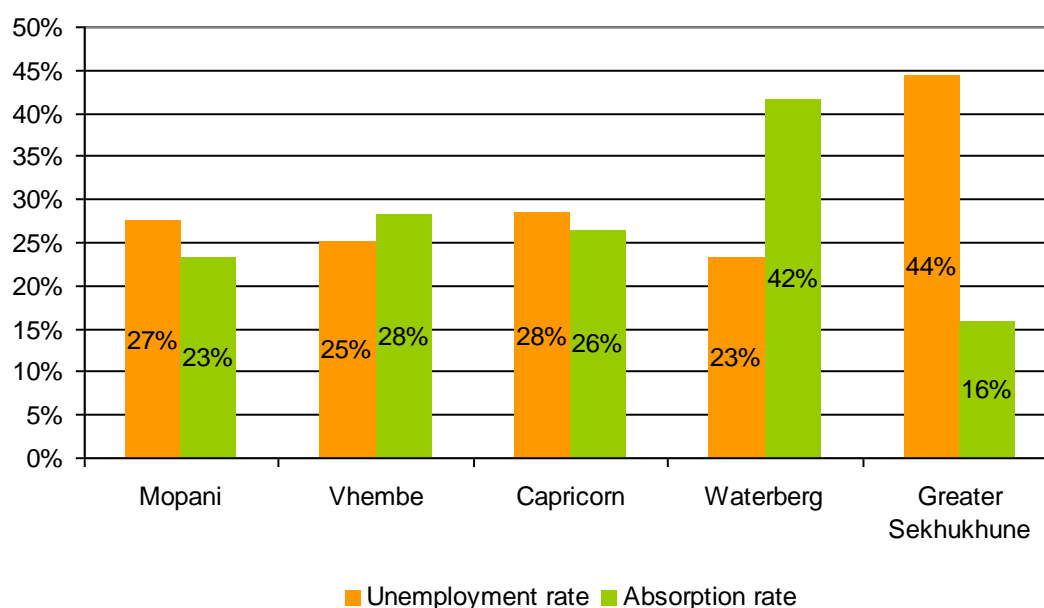
Evident from Figure 1.20 is that Greater Sekhukhune (at 29 per cent) is by far the largest contributing district to Limpopo's total unemployed, followed closely by Capricorn (24 per cent). Waterberg and Mopani are the smaller contributors to provincial unemployment at 14 per cent each.

Waterberg stands out again in Figure 1.21 as the district with the highest absorption rate (44 per cent), nearly double that of the provincial average, and the lowest unemployment rate (23 per cent).

Figure 1.20: District Shares of Unemployment, Limpopo, 2007



Source: Afrinem and Quantec Research, 2008

Figure 1.21: District Level Unemployment and Absorption Rates, Limpopo, 2007

Source: Afrinem and Quantec Research, 2008

Provincial Labour Market Outlook

The increase in job opportunities over the recent past, as pointed out in earlier sections, is indeed expected to continue over the forecasting horizon for both the national and provincial economy, albeit at a significantly slower rate. Total employment is expected to reach a forecasted number of 12.7 million in 2011, with 0.9 million of these job opportunities in the Limpopo province. The forecasted average growth rates leading to the abovementioned increases are 1.3 per cent for the national economy and 0.6 per cent for Limpopo, respectively.

The most important economic sectors expected to contribute to job opportunities over the forecasting period in Limpopo are general government services (21%), wholesale and retail trade (18%), followed by agriculture, forestry and fishing, business services, as well as community, social and other personal services, all three at 13 per cent of the total share. Although mining is an important sector in terms of output, only 6 per cent of Limpopo province's jobs are expected to come from this sector.

The current trend of declining unemployment is expected to continue into the future, with unemployment rates for the province anticipated to reach a low of 28.3 per cent in 2011. The same figure for the national economy is expected to be 25.4 per cent.

1.3 Provincial Economic Outlook

1.3.1 Sectoral Composition of Output

In line with historical trends, the Limpopo Province's contribution to national output is expected to remain constant at around 6 per cent, although with an expected marginal decline, from a contribution of 6.3 per cent in 2007 to a contribution of 6.2 per cent in 2011. The reason for this decline is economic growth rates for Limpopo that remain slightly below the national average.

Limpopo is represented in the production output of all sectors, with the primary sector and particularly the mining sector, contributing significantly to provincial output. The mining sector is in fact the sector with the highest individual contribution to output, both historically as well as over the forecasting horizon. Limpopo is however expected to see a contraction in mining output, in line with the national situation, with an expected average contribution of around 22 per cent, down from a share of 26 per cent in 1995 and an historic average of 24 per cent. The agricultural sector is expected to contribute 2 per cent of the total provincial output, marginally down from an historic average contribution of 2.6 per cent.

The secondary sector contributes the least to gross provincial output, namely less than 10 per cent on average. The contribution, according to the sectoral forecast, is expected to remain around 9.4 percent for 2008 to 2011. This contribution is much lower than the expected national average contribution of 24 per cent. When considering individual economic sectors within the secondary sector, it is evident that most of these sectors are fairly underdeveloped with contributions to output not exceeding 2 per cent. The only two sectors with contributions exceeding 2 per cent (averaging a contribution between 2 and 3 percent) are the electricity and construction sectors.

The tertiary sector is the largest contributor to provincial output, with an expected average contribution of 67 per cent. This is in line with the expected national figure of 68 per cent and marginally higher than the historic average contribution of 64 per cent for the province. The two largest role players within the tertiary sector are general government services and wholesale and retail trade, with expected average contributions of 18 and 15 per cent respectively. The increase in the contribution of wholesale and retail trade from levels of 13 per cent may possibly be attributed to the cross-border spending power of foreign nationals. Other significant contributions within the tertiary sector are expected to come from business services, finance and insurance, and the transport sectors.

1.3.2 Sectoral Output and Economic Growth

The Limpopo primary sector is expected to outperform the national economy in terms of growth rates, turning negative figures of 2006 and 2007 into low positive growth rates.

The secondary and tertiary sectors are however expected to grow at lower rates than the national economy. The expected growth rates for the secondary sector are 3.4, 2.7, 2.9 and 3.5 per cent for 2007 to 2011, respectively, compared to a national average growth rate of 4 per cent for the period. The largest sector of the Limpopo province, namely the tertiary sector, is expected to grow at similar rates than the secondary sector, although slightly higher rates towards the end of the forecasting period. The forecasted growth rates for the tertiary sector are 3.3, 2.5, 3.1 and 3.7 per cent for 2007 to 2011, respectively. This compares more favourable with an expected national average growth rate of 3.5 per cent.

Overall growth, both on the provincial and national level will be down from rates achieved in the recent past. Growth rates for Limpopo will remain below that of the national economy, in line with historic trends. The growth trend of both will however follow the business cycle, slowing down for the first part of the forecasting period and picking up towards the latter part. The expected growth rates for Limpopo are 2.8, 2.2, 3.1 and 3.7 per cent for 2007 to 2011 respectively. The corresponding national growth rates are 3.2, 2.5, 3.8 and 4.4 per cent.

1.4 Conclusion

Despite depressed global economic conditions, the South African economy has remained relatively resilient in 2008. In the first two quarters of 2008, the economy grew at 2.1 and 4.9 per cent respectively. It is expected that economic growth is going to slow to 3.4 per cent in 2008 from 5.1 per cent in 2007.

Further downside trends in the South African economy include inflationary pressures leading to tighter monetary policy in the short- to medium-term. The current account deficit remains a concern, forecast to expand from 7.3 per cent in 2007 to 8.2 per cent in 2011.

The Limpopo economy, although a small contributor to the national economy, has been growing at acceptable rates, and is forecast to continue doing so until 2011. Limpopo will continue to be major player in the national primary sector, through its contributions by the mining sector. The regional economy displays a number of unique trends, giving rise to dynamic processes, posing its own strengths and challenges to policy makers.

Of encouragement in the province is the trend of positive average employment growth between 2000 and 2007. Furthermore, the number of unemployed in the province shrunk over the same period. However, Limpopo's unemployment rate is significantly higher than the national average, and is specifically large in the Greater Sekhukhune district. Although, this unemployment trend is forecast to decline by 2011.

Entering a new era, after a relatively tumultuous year, it is expected that the South African economy will remain fairly robust, and that the government will continue to successfully implement ASGISA to generate sustainable and significant growth and poverty reduction.

Chapter 2: Demographics

2.1 Introduction

This chapter contains a review of the demographic profile of Limpopo province and its constituent districts. This section gives a brief overview of, among others, the population of Limpopo, its growth and its relation to the South African population; also its racial composition, age and gender distribution. Trends in fertility and life expectancy, migration as well as HIV/Aids in Limpopo province are also included. The information contained in this chapter is constructed with the view that it may aid policymakers, relevant stakeholders and laymen in understanding the social geography and demography of the Limpopo province.

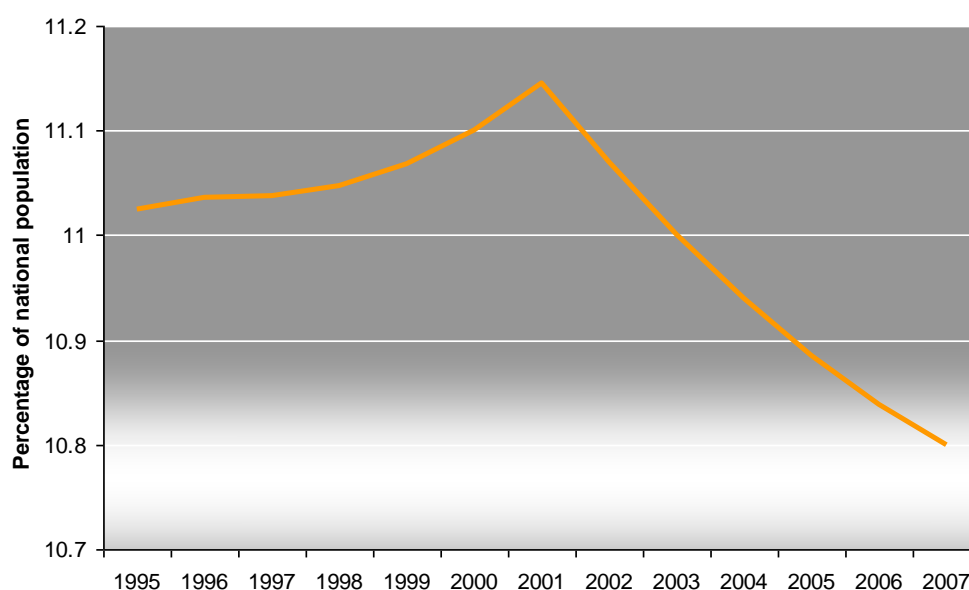
2.2 Population

Limpopo province constitutes around 10.2 per cent of the total area of South Africa, and comprises a combination of dense urban and rural areas. The total population has grown from some 4.44 million in 1995 to 5.24 million in 2007, an increase of 18 per cent. The growth rate of the half-decade 2002-2007 decelerated to 4.35 per cent, from 8.41 per cent for the half decade 1997-2002. The larger population base means an increased demand for municipal services.

The average household size decreased from 4.74 in 1995 to 4.31 in 2007. This is somewhat larger when compared to the South African average of 3.88 (2007).

2.2.1 Population in National Context

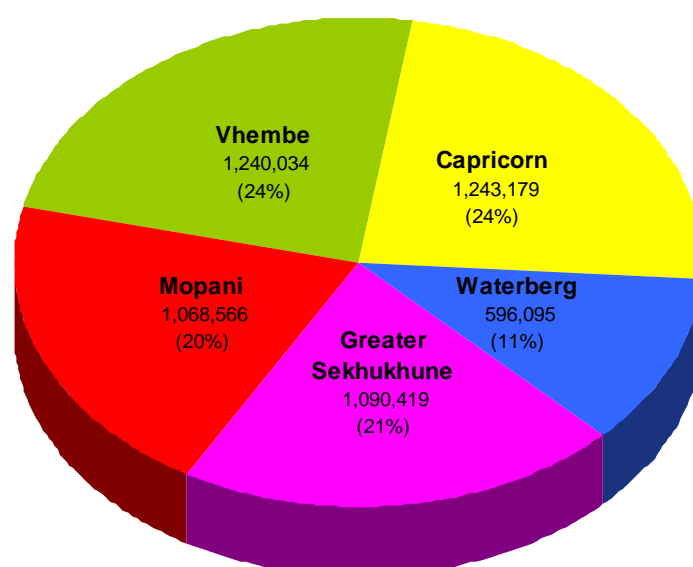
Estimates indicated that South Africa's population was 48.5 million in 2007. The Limpopo percentage share of the total South African population increased gradually from 11.02 per cent in 1995 to 11.15 per cent in 2001, before sliding sharply to 10.8 per cent in 2007.

Figure 2.1: Limpopo Population as Percentage of National Population

Source: Afrinem and Quantec Research, 2008

2.2.2 Population on District Municipal Level

Figure 2.2 reflects the distribution of the province's 5.24 million people among its constituent districts. The most populous districts are Vhembe and Capricorn, together making up approximately half of the total population of Limpopo. Waterberg had the smallest population, accounting for 11 per cent of the population of Limpopo.

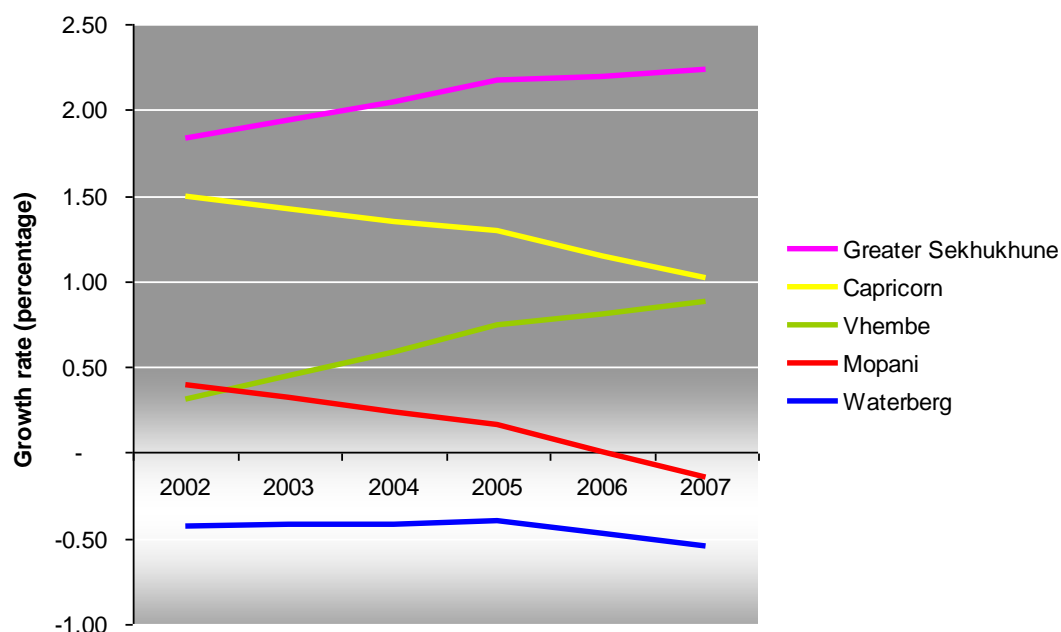
Figure 2.2: Population by District, 2007

Source: Afrinem and Quantec Research, 2008

However, as indicated in Figure 2.3, the Greater Sekhukhune population is the fastest growing. While the Capricorn and Vhembe districts also experienced

population growth in 2007, the Mopani and Waterberg districts experienced population loss.

Figure 2.3: Population Growth by District



Source: Afrinem and Quantec Research, 2008

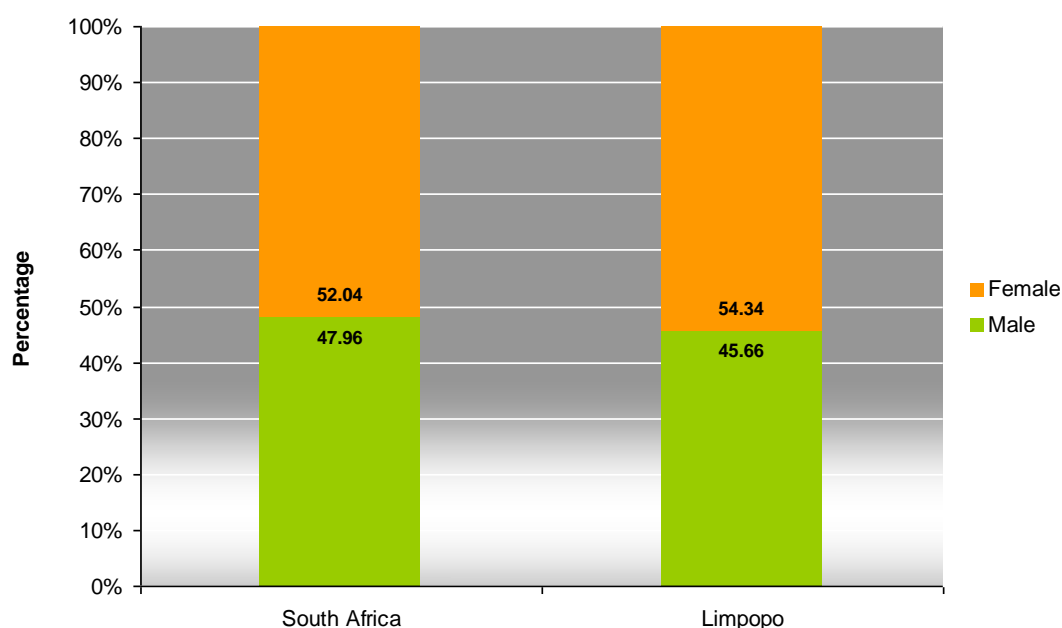
2.3 Gender

The percentage gender split in Limpopo, reflected in Figure 2.4, is largely in line with national gender distribution figures, with females comprising 54.34 per cent of the total provincial population, and males the remaining 45.66 per cent. Table 2.1 shows that this trend is further reflected in the district municipalities, with the percentage of females in Greater Sekhukhune being as high as 55.26 per cent.

The lower male population in the province is indicative of a fairly high rate of male absenteeism, and is likely related to working age males migrating to mining-intensive areas such as Gauteng, North West Province and the Free State in search of work.

It further suggests lower levels of economic activity in Limpopo province relative to other provinces. It also emphasises the need to explore opportunities that foster employment creation and economic development in the province, whilst promoting the role of women in these initiatives.

Furthermore, the skewed male-female distribution has a number of implications regarding planned spending, including the specific health and welfare needs of women.

Figure 2.4: Gender Distribution of Population, 2007

Source: Afrinem and Quantec Research, 2008

Table 2.1: Gender Distribution by District, 2007

District	Male (%)	Female (%)	Population
Mopani	45.84	54.16	1 068 566
Vhembe	44.82	55.18	1 240 034
Capricorn	45.82	54.18	1 243 179
Waterberg	48.30	51.70	596 095
Greater Sekhukhune	44.74	55.26	1 090 419

Source: Afrinem and Quantec Research, 2008

2.4 Age Distribution

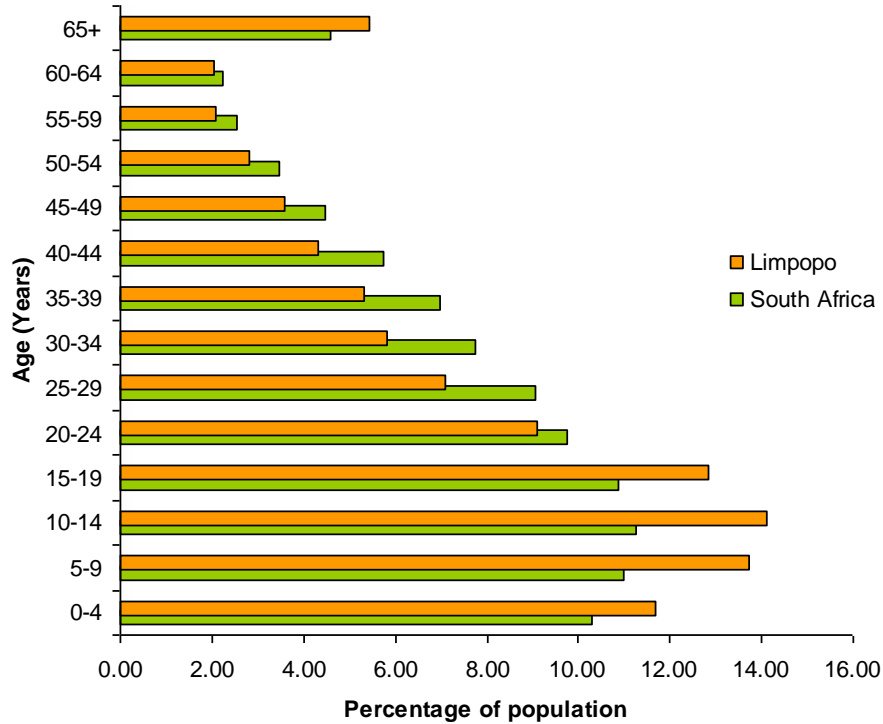
The Limpopo population profile is dominated by a large number of youths, with 52 per cent of the population under the age of 20 years. As shown in Figure 2.5, the age profile of the economically active population (EAP) in the province lies below the national average, reflecting on age profile younger than that of South Africa. Whereas the EAP of South Africa lies at 63 per cent for 2007, only 55 per cent of the Limpopo population are of working age.

On the other end of the distribution, it is noted that the population aged 65 years and older accounts for 5.4 per cent of the total population of Limpopo, higher than the national average of 4.6 per cent.

Limpopo experienced a steeper drop in percentages in the age categories older than 15 years than South Africa.

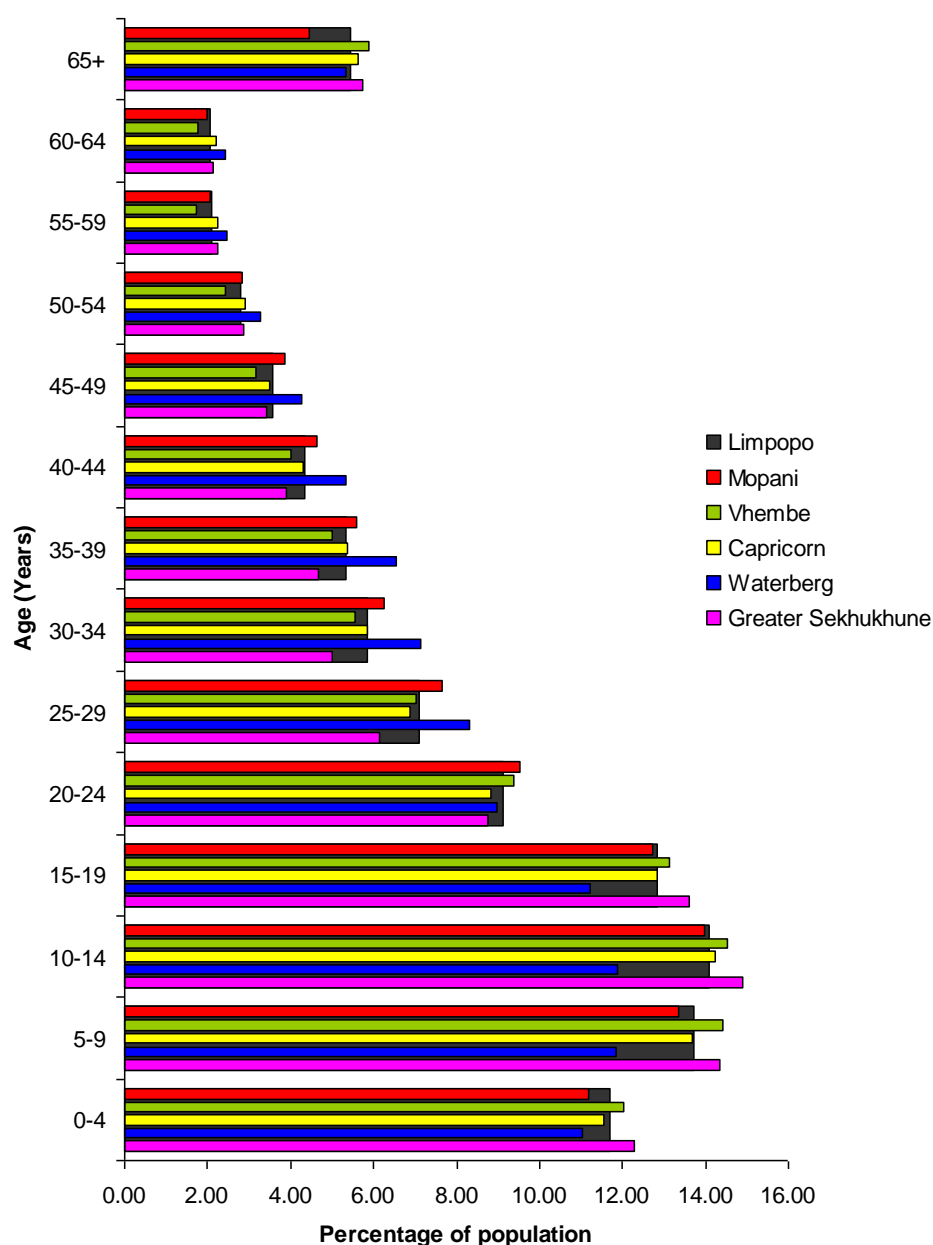
The broad base of the age distribution pyramid describes a large proportion of younger individuals, which narrows with increasing ages. This is typical of a developing country.

Figure 2.5: Age Distribution of Population, 2007



Source: Afrinem and Quantec Research, 2008

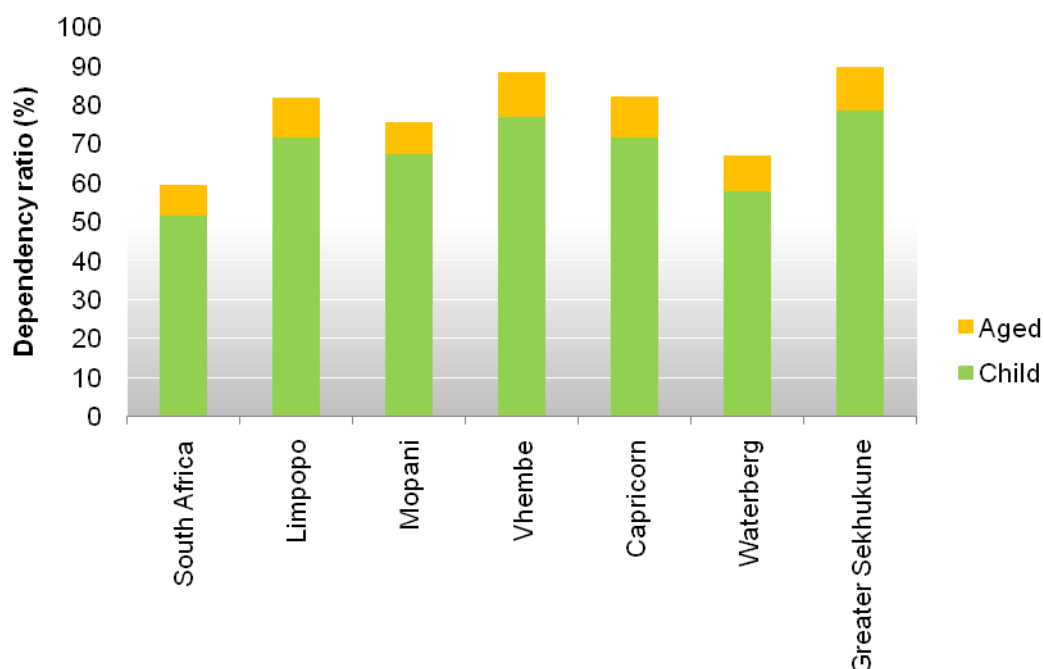
With the exception of the Waterberg district, over 50 per cent of the district populations fall within the 0 to 19 years age cohort, illustrated in Figure 2.6

Figure 2.6: Age Distribution by District

Source: Afrinem and Quantec Research, 2008

The age distribution has important implications for future planning within the district municipalities as well as the province as a whole. Direct considerations include access to housing, health and welfare facilities, the capacity of schools to cope with the large young population, as well as the availability of sport and recreation facilities for this population.

The dependency ratio is indicative of the number of people dependent on those working, and can be divided into aged dependency and child dependency. As Figure 2.7 and Table 2.2 highlight, the dependency ratio for Limpopo is sizeably higher than for South Africa. This means, generally, that working age individuals in Limpopo carry a larger burden to support the economically inactive than the average South African.

Figure 2.7: Dependency Ratios, 2007

Source: Afrinem and Quantec Research, 2008

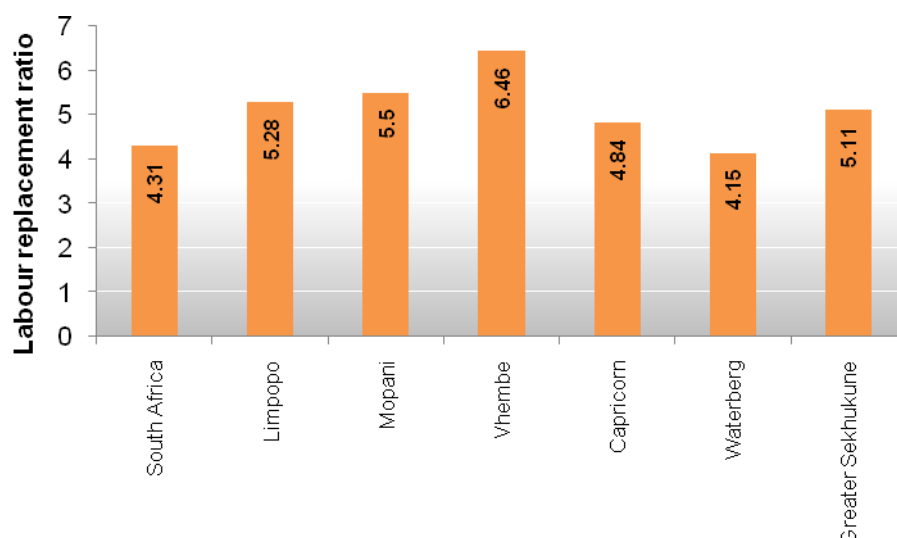
Table 2.2: Dependency Ratios, 2007

	South Africa	Limpopo	Mopani	Vhembe	Capricorn	Waterberg	Greater Sekhukune
Child Dependency	51.77	71.72	67.55	77.12	71.84	58.01	78.77
Aged Dependency	7.3	9.87	7.78	11.08	10.21	8.92	10.86
Total Dependency	59.07	81.59	75.33	88.2	82.05	66.93	89.63

Source: Afrinem and Quantec Research, 2008

As the population under the age of 15 enter the workforce, the dependency ratios are likely to fall. However, this is in tandem with a significant increase in the demand for employment in future years, highlights the importance of job creation within the province. Additionally, as these individuals enter the sexually active period of their lives, the importance of family planning and effective HIV/Aids prevention and reduction strategies remain an important consideration. Furthermore, a growing elderly population will have direct financial implications for social security and pensions.

The labour force replacement rate for Limpopo, defined as the population between the ages of 15 and 24 divided by the population in the 55-64 age cohorts, was 5.28 for 2007, significantly higher than the South African average of 4.31 for the same period. This indicates that new entrants to the labour market exceed pre-retirees from the work force, implying that employers would not experience difficulty replacing workers.

Figure 2.8: Labour Replacement Ratios, 2007

Source: Afrinem and Quantec Research, 2008

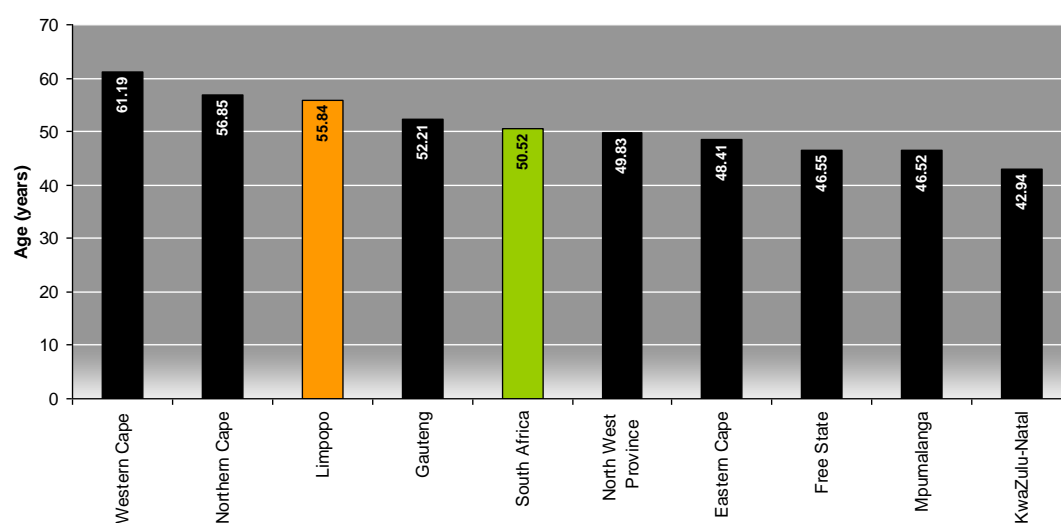
Table 2.3: Labour Replacement Ratios, 2007

	South Africa	Limpopo	Mopani	Vhembe	Capricorn	Waterberg	Greater Sekhukune
Labour replacement ratio	4.31	5.28	5.5	6.46	4.84	4.15	5.11

Source: Afrinem and Quantec Research, 2008

2.5 Life Expectancy and Fertility

South Africans had a life expectancy of 50.52 years at birth in 2007, as illustrated in Figure 2.9. The life expectancy of Limpopo residents is longer at 55.84 years at birth.

Figure 2.9: Life Expectancy by Province, 2007

Source: Afrinem and Quantec Research, 2008

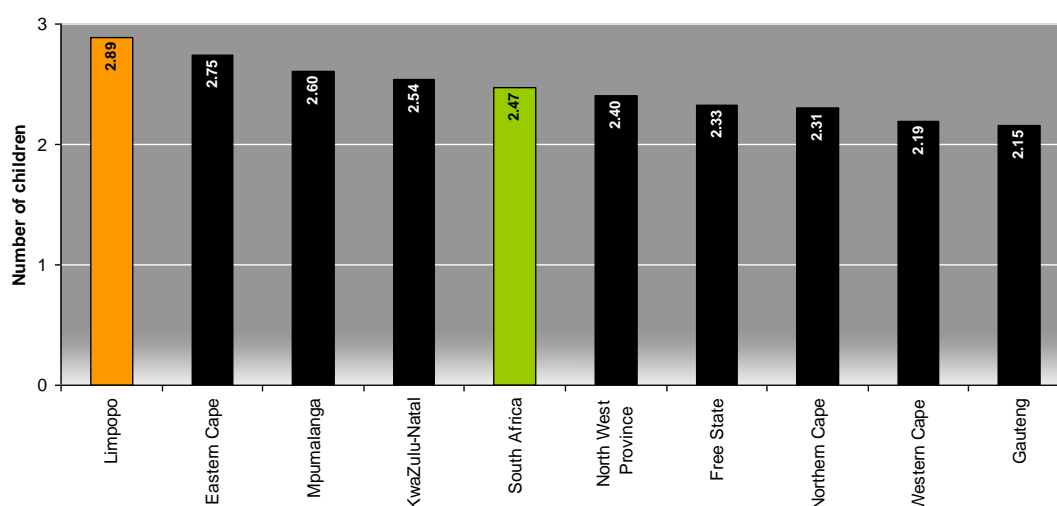
Table 2.4: Life Expectancy, Long Term Provincial and National Outlook

Year	1985	1990	1995	2000	2005	2007	2010	2015	2020	2025
Limpopo	65.9	65.3	64.5	60.6	56.4	55.8	55.6	55.7	56.3	56.7
South Africa	62.4	62.5	61.7	56.2	51.0	50.5	50.4	50.3	50.8	51.1

Source: Afrinem and Quantec Research, 2008

According to Quantec Research, the fertility rate for Limpopo, measured as the average number of children per woman of child-bearing age, is currently the highest in South Africa at 2.89, illustrated in Figure 2.10 and Table 2.5. This compares with a rate of 2.47 children per woman for South Africa.

The fertility rate has generally been following a decreasing trend, both nationally and in Limpopo, and this is foreseen to continue. Falling fertility rates are encouraging, and indicative of more effective family planning, allowing households to allocate more resources to children, thereby increasing life expectancy.

Figure 2.10: Fertility by Province, 2007

Source: Afrinem and Quantec Research, 2008

Table 2.5: Fertility, Long Term Provincial and National Outlook

Year	1985	1990	1995	2000	2005	2007	2010	2015	2020	2025
Limpopo	5.35	4.68	3.95	3.53	3.03	2.89	2.73	2.54	2.41	2.32
South Africa	4.19	3.76	3.26	2.82	2.55	2.47	2.37	2.25	2.17	2.11

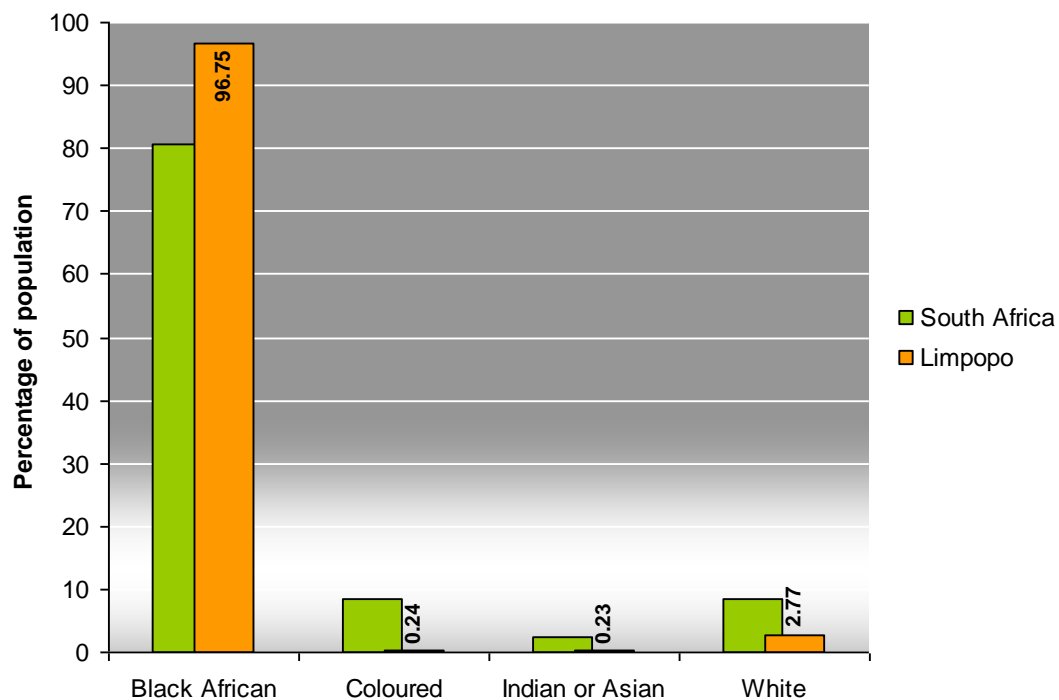
Source: Afrinem and Quantec Research, 2008

2.6 Race

2.6.1 Race Distribution in National Context

The population group structure of Limpopo and South Africa depicted in Figure 2.11, shows that a considerable majority of its residents are Black African (96.75 per cent). Whites comprise the second largest group (2.77 per cent), with Coloured and Indian/Asian groupings forming 0.24 per cent and 0.23 per cent of the total population of the province, respectively.

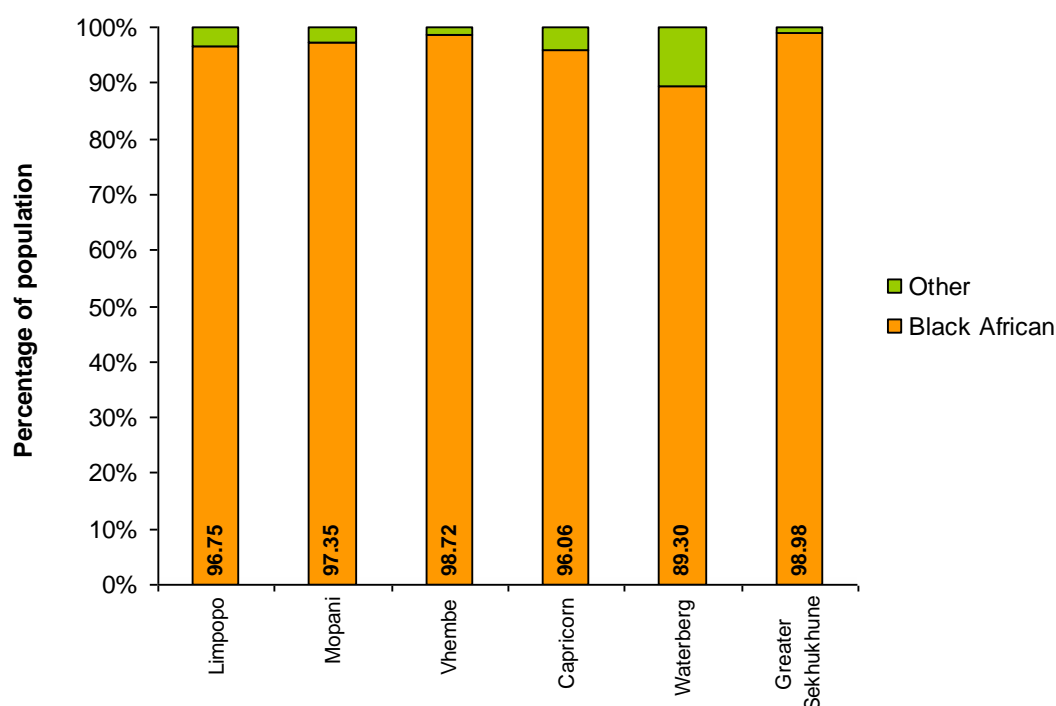
Figure 2.11: Population Distribution by Race, 2007



Source: Afrinem and Quantec Research, 2008

2.6.2 Race Distribution on District Municipal Level

Figure 2.12 shows the population of Limpopo by district and racial group. It shows a high proportion of Black African residents in all districts, with the largest proportion, 98.98 per cent in the Greater Sekhukune district. The White, Coloured and Indian/Asian population groups comprise the remaining 1.02 per cent. Waterberg has the lowest proportion of Black Africans, at 89.3 per cent.

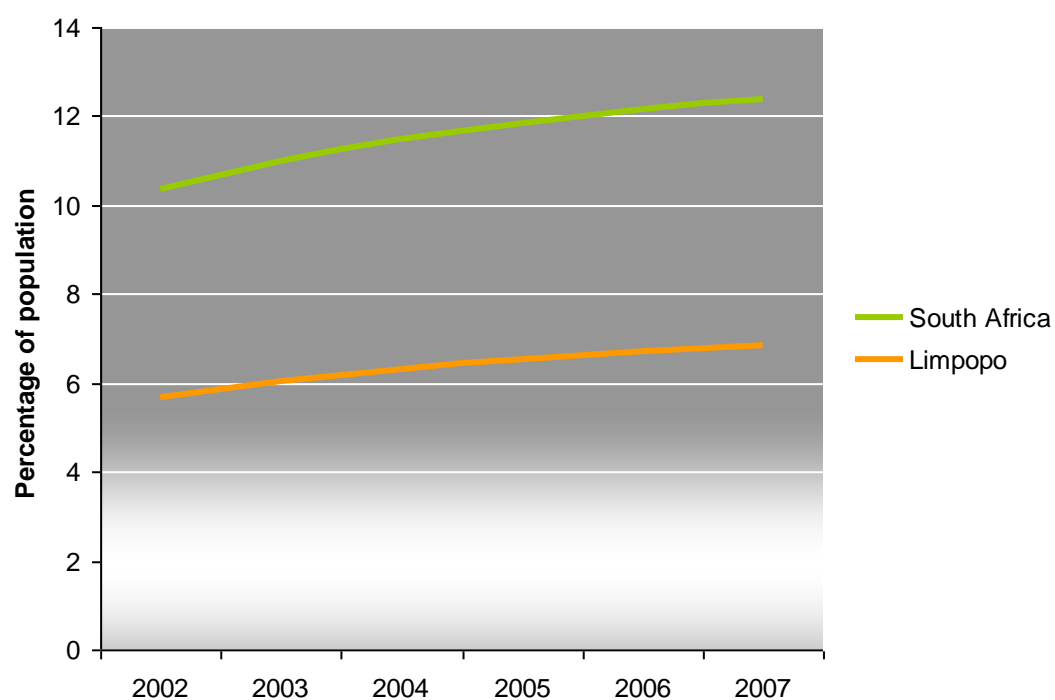
Figure 2.12: Race Distribution by District, 2007

Source: Afrinem and Quantec Research, 2008

2.7 HIV/Aids

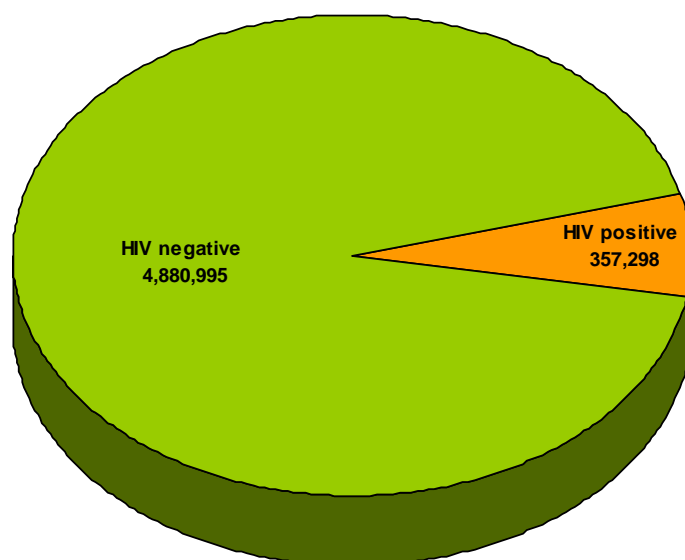
2.7.1 HIV Prevalence in National Context

Figure 2.13 shows the HIV prevalence in Limpopo as well as in South Africa from 2002 to 2007. Though HIV infections have accelerated over the period for both South Africa and Limpopo, the figure indicates that growth in HIV infected individuals is reaching a plateau. This suggests, to an extent, an adoption of safer sexual behaviour. HIV prevalence in South Africa amounted to 12.4 per cent of the 2007 population, and in Limpopo, 6.8 per cent of the 2007 population.

Figure 2.13: HIV Prevalence Comparison

Source: Afrinem and Quantec Research, 2008

Despite a lower HIV prevalence rate in Limpopo for 2007, compared to the national average, this figure still means that 357 298 individuals are reported to have the virus.

Figure 2.14: HIV Positive Population, 2007

Source: Afrinem and Quantec Research, 2008

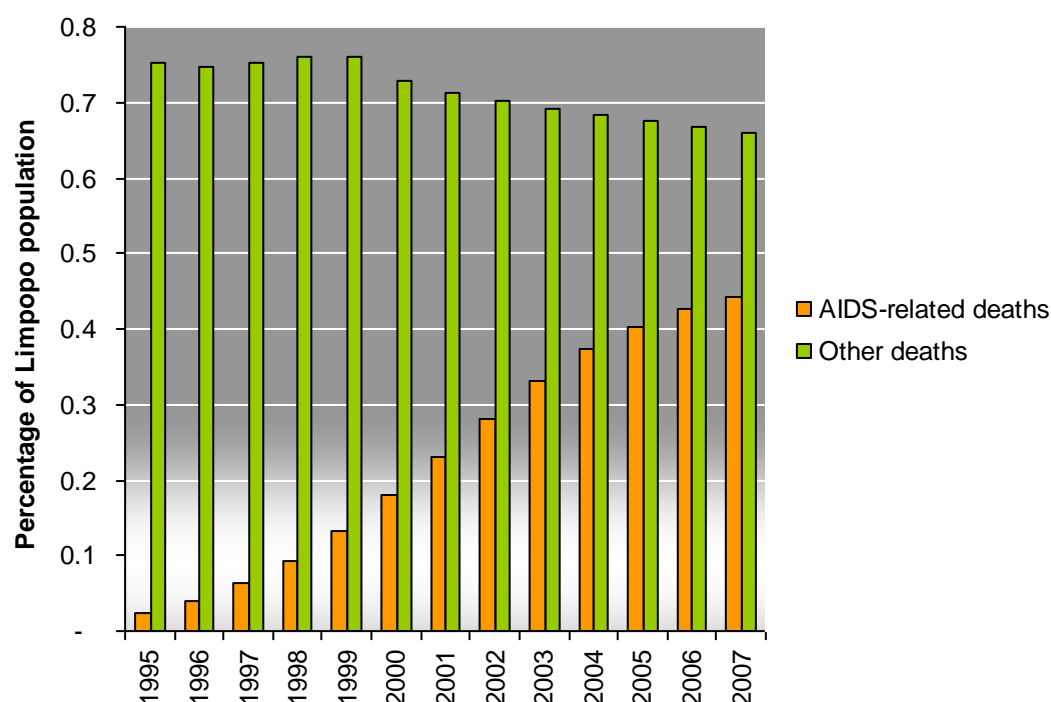
2.7.2 HIV/Aids Related Mortality

Figure 2.15 shows the rapid acceleration of registered Aids-related deaths between 1995 and 2003, tapering off between 2004 and 2007. Notwithstanding the deceleration of Aids-related mortality, some 0.44 per cent (23 206 individuals) of the Limpopo population in 2007 died of Aids-related diseases. Further, due to delayed and under-reporting of Aids-related deaths, an accurate representation of Aids-related mortality is difficult to quantify.

By contrast, the percentage of the Limpopo population suffering non-Aids-related deaths has followed a decreasing trend from 1999. This may be attributed to an expansion of treatment methods and access to health facilities in the province.

The levelling off of deaths due to Aids-related illnesses in Figure 2.15, and the stabilisation of the HIV-infected population in Figure 2.13 suggest that prevention and treatment efforts in Limpopo are having an effect on the epidemic, resulting in longer survival times for infected individuals.

Figure 2.15: HIV/Aids Related Mortality, 1995-2007



Source: Afrinem and Quantec Research, 2008

HIV/Aids continues to adversely affect the competitiveness of industry in Limpopo province in terms of labour supply, as deaths occur predominantly among productive workers, as well as raising costs of production. This has further knock-on effects such as the hiring of less experienced workers, which adds to reduced productivity, increased training costs and consequently decreased profitability.

The effect on households is, however, more profound. The prevalence of HIV affects expenditure patterns for households, diverting income earmarked for necessities towards medical expenses for the infected individuals or, in the case of death, funeral

and burial costs. The inability to maintain work due to ill health has significant implications for the incomes of HIV infected individuals and their dependants. Additionally, the occurrence of Aids-related deaths among working age individuals further raises dependency levels, especially if the deceased has children who need to be taken care of.

The negative effect of HIV/Aids from both supply and demand perspectives threatens the inflow of investment, hindering the success of the local economy.

There have been efforts to mitigate the impact of HIV/Aids, from government, organised business and civil society alike. These include peer education programmes, condom distribution, voluntary counselling and testing (VCT) facilities, and treatment.

Policies that encourage investment in human capital in fields where skills are scarce also aid in mitigating the social and economic impact of the HIV/Aids epidemic by increasing, for example, the supply of doctors to treat patients, and educators.

2.8 Conclusion

This chapter contained a review of the demographic profile of Limpopo province and its constituent districts. The profile of the population in terms of gender, age distribution, life expectancy, fertility, race and HIV/Aids was analysed. The aim of this analysis is to create a better understanding of the specific challenges faced by the Limpopo province.

Thorough knowledge of the demographic profile of Limpopo is essential in order to identify the strengths and weaknesses of Limpopo province. Chapter 3 will build on the findings and conclusions of Chapter 2 and will focus on the labour market.

Chapter 3: Labour Market

3.1 Introduction

This section provides an analysis of the labour market within Limpopo province. Specifically, trends in key labour market indicators in the province are compared with those of South Africa as whole. The levels of employment in the province are discussed in depth, with the aim to identify certain employment and broader labour-related issues to be addressed or focused on by policy makers in future. Unemployment levels in Limpopo are additionally analysed further and compared to those of the country.⁹

3.2 Labour Market in Brief: Overview

Table 3.1 below displays the basic demographic statistics of the working age (15 – 64) population in Limpopo in 2000 and 2007. In terms of race, the overwhelming majority (97 per cent in 2007) of Limpopo's working age population is Black, and this trend has increased since 2000. Consistent with the rest of the country, the gender split is relatively even, with a slight majority (57 per cent in 2007) of the working age population being women.

The age split provides interesting information – the vast majority (48 per cent in 2007) of the working age population fall between the ages of 15 and 29. However, as will be shown later in Table 3.5, this is also the age group with the highest unemployment rate. The older age groups in Limpopo constitute significantly smaller shares of the working age population, indicating a “population pyramid” with a very broad base.

Table 3.1: Demographics of Working Age Population, Limpopo, 2000 and 2007

		September 2000	September 2007
		Share	Share
Race	Black	95.9%	97.0%
	Coloured	0.4%	0.0%
	Indian / Asian	0.7%	0.9%
	White	2.9%	2.0%
Gender	Male	43.6%	42.5%
	Female	56.4%	57.4%
Age	15 – 19	21.6%	20.6%
	20 – 29	30.4%	27.7%
	30 – 39	17.9%	17.1%
	40 – 49	12.0%	11.8%
	50 – 59	7.2%	9.3%
	60 – 64	2.9%	3.7%
Education	None	15.2%	14.3%
	Primary	27.5%	21.0%
	Secondary	50.0%	56.9%

⁹

Note: where labour statistics are quoted as being derived from Quantec Research, it should be noted that this data has not been revised according to the new Statistics South Africa (StatsSA) Quarterly Labour Force Surveys (QLFS).

Diploma/Certificate	4.9%	5.2%
Tertiary	2.0%	2.1%

Source: Afrinem and LFS, 2008

This poses both significant challenges and opportunities: provided that the investment in human capital in this age group of the population is appropriate and adequate, this age group could make a considerable future contribution to the economy.

The results in terms of education offer some encouragement: the majority of the working age population (57 per cent in 2007, up from 50 per cent in 2000) have secondary school level education. However, despite decreases since 2000, the share of individuals with no education (14 per cent in 2007) or only primary school level education (21 per cent in 2007) are disconcerting. This does not bode well for the levels of unemployment in the province, as these individuals will likely be regarded as unsuitable for prospective employment.

As evidenced from Table 3.2 below, Limpopo has experienced an encouraging trend of positive employment growth (14 per cent) between 2000 and 2007. This is in contrast to the national expansion in employment over the same period of 7.4 per cent. Furthermore, the number of unemployed in the province shrunk by 9 per cent over the same period, compared to the national growth in the number of unemployed of 5 per cent.

Table 3.2: Labour Market Statistics, Limpopo and South Africa – 2000 and 2007

	2000	2007	Change	Growth
Limpopo				
Employed ¹⁰	747 639	853 807	106 168	14.2%
Unemployed	410 418	373 113	-37 305	-9.1%
Not economically active ¹¹	2 037 663	2 228 348	190 685	9.4%
Labour force ¹²	1 158 057	1 226 920	68 864	5.9%
Working age population ¹³	3 195 720	3 455 269	259 549	8.1%
South Africa				
Employed	11 532 095	12 383 068	850 973	7.4%
Unemployed	3 783 567	3 978 749	195 182	5.2%
Not economically active	8 566 015	10 308 482	1 742 468	20.3%
Labour force	15 315 662	16 361 817	1 046 155	6.8%
Working age population	23 881 677	26 670 299	2 788 622	11.7%

Source: Afrinem and Quantec Research, 2008

Figure 3.1 specifically shows the trends in employment, unemployment and the total labour force in Limpopo over the period 2000 to 2007. The levels of unemployment appear to be declining, whilst employment and the labour force have been increasing.

¹⁰ Informal and informal sector employment.

¹¹ Includes students, learners, housewives, disabled.

¹² Employed + unemployed.

¹³ All persons ages 15 – 65: equal to labour force + not economically active.

Figure 3.1: Levels of Employment, Unemployment and Labour Force, Limpopo, 2000 – 2007

Source: Afrinem and Quantec Research, 2008

3.3 Employment in Depth

This section aims to delve further into the characteristics of employment in Limpopo. Comparisons are made between the five major districts in the province, namely Mopani, Greater Sekhukhune, Vhembe, Capricorn and Waterberg, as well as with national trends.

Table 3.3 below shows the trends in employment and output growth in Limpopo over the period 2000 to 2007, and specifically shows these trends for each sector of the economy. Employment has been notably declining (-2 per cent in 2007) in the agriculture, forestry and fishing industry – although this is somewhat understandable since it is coupled with negative growth in the activity of this industry (-3.2 per cent in 2007).

The key sector for high, positive employment growth is the mining and quarrying sector (5.3 per cent in 2007) – this despite the fact that output in the sector declined by -0.3 per cent and -0.7 per cent in 2006 and 2007 respectively. This may be a cause for concern, as the growth in employment in this sector may not be sustainable in the near future.

Other fast-growing sectors in terms of output growth include the electricity, gas and water, construction, and transport, storage and communication sectors. Employment growth (4.4 per cent in 2007) in the electricity, gas and water industry has for the large part kept up with growth in the sector's output (6 per cent in 2007), with similar trends in the construction industry. The same, however, cannot be said for the transport, storage and communication industry. Employment growth in this sector (1 per cent in 2007) has consistently lagged behind output growth (7.5 per cent in 2007). This industry might be a target area for employment policies by the provincial government, as there is theoretically increasing demand for labour within the sector, which is not being matched by higher employment levels.

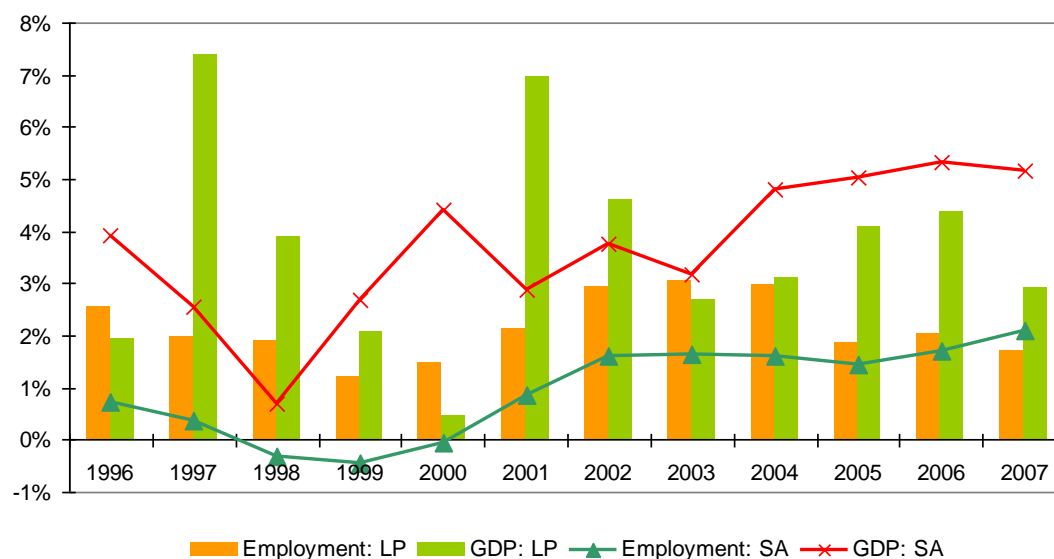
Table 3.3: Growth in Formal Employment and Output per Sector, Limpopo, 2000 – 2007

GDP growth	2000	2001	2002	2003	2004	2005	2006	2007
Employment growth								
Agriculture, forestry and fishing	-2.3% 2.3%	4.0% 1.7%	11.0% 1.4%	-0.8% 1.7%	0.6% 2.1%	5.8% 1.1%	-7.3% -2.4%	-3.2% -2.0%
Mining and quarrying	-1.8% 0.3%	13.4% 2.1%	7.3% 9.7%	3.4% 7.3%	1.4% 2.7%	1.9% 1.8%	-0.3% 1.4%	-0.7% 5.3%
Manufacturing	6.1% -0.2%	3.4% 0.7%	1.6% 1.9%	-1.4% 2.6%	4.8% 3.0%	2.7% 1.7%	5.0% 1.8%	3.2% -0.8%
Electricity, gas and water	5.8% -2.4%	-4.4% -2.9%	3.8% -1.7%	16.2% -0.6%	2.7% 2.7%	1.8% 2.4%	3.7% 2.9%	6.0% 4.4%
Construction	12.5% -2.8%	-0.1% 0.2%	11.4% 1.1%	-13.7% 1.5%	6.1% 4.7%	9.6% 7.4%	11.1% 8.1%	10.1% 3.8%
Wholesale and retail trade, hotels and restaurants	7.1% 4.7%	7.0% 3.8%	0.8% 3.9%	1.5% 4.7%	5.6% 5.4%	7.2% 4.9%	7.2% 4.8%	4.3% 4.5%
Transport, storage and communication	6.3% -4.2%	19.8% -2.2%	16.4% 0.7%	3.9% 2.9%	2.3% 4.0%	5.7% 3.9%	5.9% 3.2%	7.5% 1.0%
Finance, real estate and business sector	-6.1% 7.9%	7.5% 9.9%	1.3% 9.7%	5.0% 5.3%	5.8% 2.8%	4.6% 0.6%	9.7% 4.6%	1.4% 0.8%
General government services	-1.6% -2.0%	-0.9% -0.9%	0.6% 0.3%	0.9% 2.4%	2.0% 2.9%	3.2% 2.3%	3.4% 2.9%	4.5% 2.8%
Personal services	4.7% 3.2%	2.3% 2.9%	2.5% 2.5%	4.0% 1.4%	1.8% 1.1%	4.5% -2.2%	5.6% -1.6%	3.0% 0.4%
Total	0.5% 1.5%	7.0% 2.1%	4.6% 3.0%	2.7% 3.0%	3.1% 3.0%	4.1% 1.9%	4.4% 2.0%	2.9% 1.7%

Source: Afrinem and Quantec Research, 2008

Figure 3.2 compares growth in economic activity to growth in formal sector employment in both Limpopo and South Africa. It would appear that national employment growth is not able to keep up with rising GDP growth, and this trend is mimicked in Limpopo for the larger part of the sample. However, of interest is that employment growth in the province has consistently outstripped that of South Africa, except for 2007.

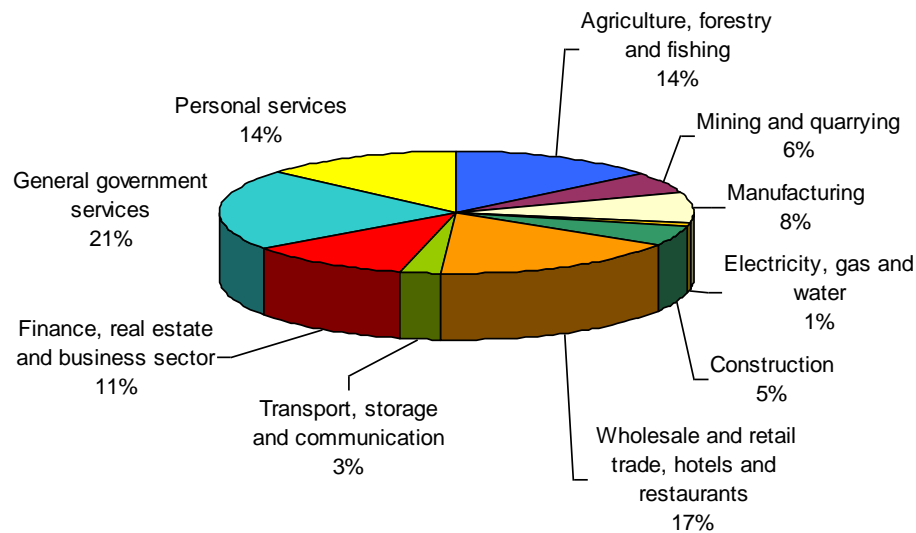
Figure 3.2: Growth in Output and Formal Employment, Limpopo and South Africa, 1996 – 2007 (LP = Limpopo Province)



Source: Afrinem and Quantec Research, 2008

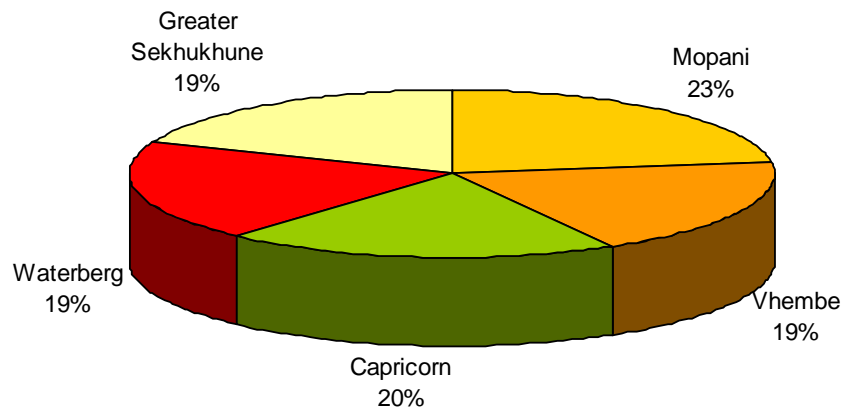
It is interesting to note which sectors of the Limpopo province are the largest employers. Figure 3.3 below details just this point. The government is Limpopo's largest employer (21 per cent of total employment), closely followed by the wholesale and retail trade, hotels and restaurants industry (17 per cent). The personal services (14 per cent), agriculture, forestry and fishing (14 per cent) and finance, real estate and business (11 per cent) sectors are also large employers in Limpopo.

The Limpopo provincial government may wish to consider policies aimed at stimulating employment in industries other than the government sector, such as the high growth areas shown in Table 3.3 above. One such sector that may warrant mention would be the services sector: It has shown fairly robust economic growth in the period under consideration, though employment growth in this sector seems to have been negligible.

Figure 3.3: Sectoral Shares of Total Formal Employment, Limpopo, 2007

Source: Afrinem and Quantec Research, 2008

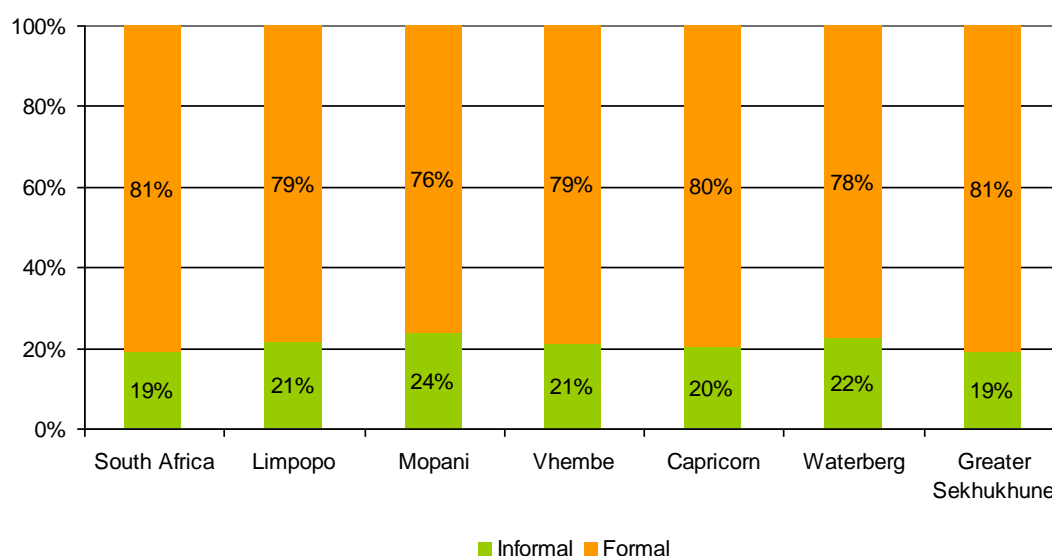
In terms of regional trends in employment in Limpopo, Figure 3.4 provides the shares of total employment for each of the five major districts in the province. There appears to be a relatively even spread of employment amongst these areas, with Mopani being the largest employment area (23 per cent of the total province).

Figure 3.4: District Level Shares of Total (Formal and Informal) Employment, Limpopo, 2007

Source: Afrinem and Quantec Research, 2008

All of the employment data discussed until this point refers to employment in the formal sector. However, it is common knowledge that there is a thriving informal sector in South Africa, with 19 per cent of the country's employed engaging in informal activities (see Figure 3.5 below). The Limpopo province has a similar figure of 21 per cent informal sector employment, as do its districts. Mopani has the highest rate of informal sector employment (24 per cent), whilst Greater Sekhukhune has the lowest rate (19 per cent).

Figure 3.5: Shares of Total Formal and Informal Sector Employment, South Africa and Districts of Limpopo, 2007



Source: Afrinem and Quantec Research, 2008

Of those individuals employed in the formal sector of the South African economy, only 13 per cent are highly skilled, whilst 43 per cent are skilled and 44 per cent are semi- or unskilled. The share of semi- and unskilled employment in Limpopo is even larger than the national average at 47 per cent, compared to 12 per cent in the province being highly skilled (see Figure 3.4).

Table 3.4 shows that growth in skilled employment in Limpopo (25 per cent in 2007) far outstrips that of South Africa (18 per cent), as does growth in semi- and unskilled employment (15 per cent in Limpopo, 7 per cent in South Africa). The provincial and national governments may however, wish to investigate ways to stimulate further growth in highly skilled employment, since it is often proposed that the unemployment problems in the country are structural in nature and are due to a mismatch of skills between highly skilled jobs and lesser skilled work-seekers.

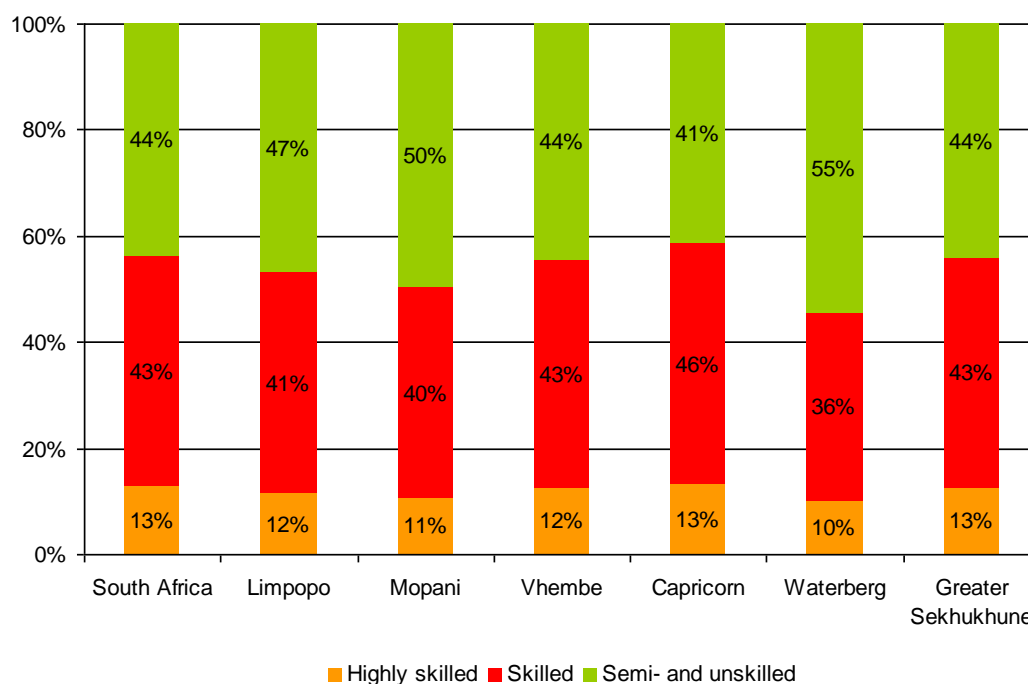
Table 3.4: Total Formal Employment by Skill Level, South Africa and Limpopo – 1995, 2000 and 2007

		1995	2000	Growth	2007	Growth
South Africa	Highly skilled	1,219,886	1,187,551	-2.7%	1,276,051	7.5%
	Skilled	3,431,338	3,669,724	6.9%	4,331,342	18.0%
	Semi- and unskilled	4,295,746	4,114,615	-4.2%	4,399,438	6.9%
	Total	8,946,970	8,971,890	0.3%	10,006,831	11.5%
Limpopo	Highly skilled	73,727	72,659	-1.4%	78,337	7.8%
	Skilled	191,693	222,800	16.2%	278,332	24.9%
	Semi- and unskilled	254,620	273,737	7.5%	314,674	15.0%
	Total	520,040	569,196	9.5%	671,343	17.9%

Source: Afrinem and Quantec Research, 2008

Districts of concern within the province, where the provincial government may wish to investigate implementing skills- or education programmes include Waterberg, where 55 per cent of the employed are semi- or unskilled, 36 per cent are skilled, and only 10 per cent are highly skilled. 50 per cent of Mopani's employed are semi- or unskilled, 40 per cent are skilled, and 11 per cent are highly skilled. On the other hand, Capricorn (46 per cent) and Greater Sekhukhune (43 per cent) have better levels of skilled workers, equal to or larger than the national average.

Figure 3.6: Shares of Total Formal Employment by Skill Level, South Africa and Districts of Limpopo, 2007



Source: Afrinem and Quantec Research, 2008

3.4 Unemployment in Depth

It is evident from the previous section that growth in employment in Limpopo has outstripped that of the national average. It is still however prudent to consider the unemployment situation in the province, and compare this to national trends.

Table 3.5 below provides some key demographic characteristics of the unemployed in Limpopo. Not surprisingly, since this group makes up 97 per cent of the working age population, unemployment is worst amongst Blacks in the province (98.5 per cent in 2007). Again unsurprisingly since women hold the majority over men in terms of the working age population, they hold the majority in terms of unemployment (56 per cent in 2007).

The concern here, mentioned at the beginning of this chapter, is the unemployment rate amongst the younger age groups, especially aged 20 to 29 (51.5 per cent in 2007), since these individuals make up the majority of the workforce and are widely regarded as the most productive age group.

A further cause for concern is the unemployment rate amongst individuals with a secondary school level education (67 per cent in 2007, up from 60 per cent in 2000),

since this might lead to conclusions that even completing a secondary education is insufficient to attain employment, thereby leading to mass discouragement in the workforce. As was evidenced from the employment growth in the previous section, the majority of employment growth occurred in the highly skilled part of the workforce. There is therefore a distinct mismatch between the type of employment created and type of education and training levels delivered in the province.

Table 3.5: Demographics of Unemployed, Limpopo, 2000 and 2007

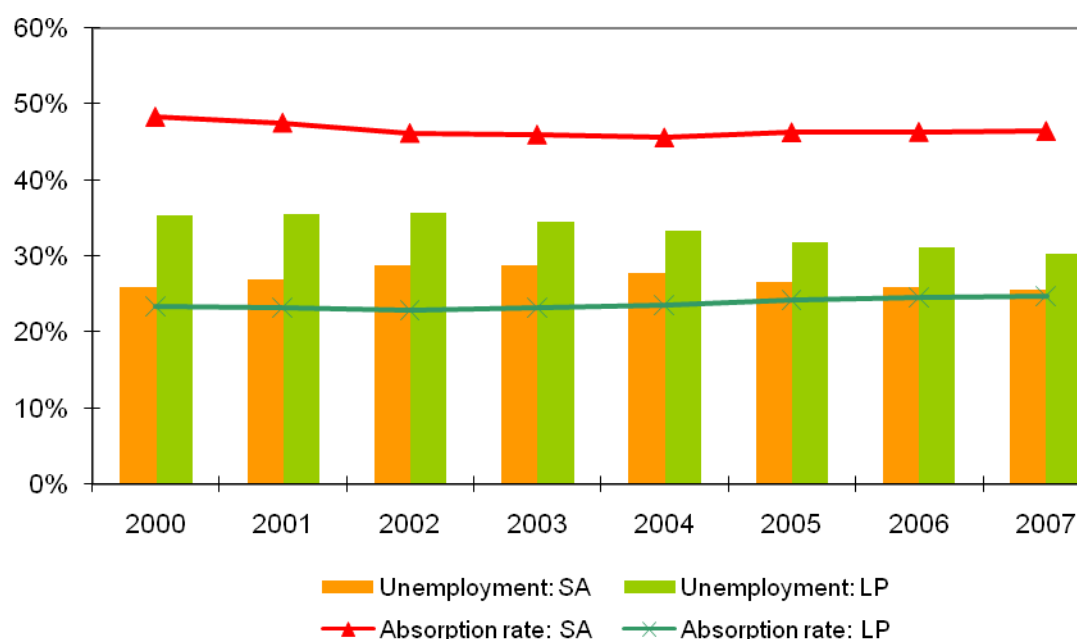
		September 2000	September 2007
		Share	Share
Race	Black	98.0%	98.5%
	Coloured	0.2%	-
	Indian / Asian	0.5%	0.1%
	White	1.3%	1.4%
Gender	Male	48.1%	44.1%
	Female	51.9%	55.9%
Age	15 – 19	4.0%	2.9%
	20 – 29	56.5%	51.5%
	30 – 39	24.6%	26.2%
	40 – 49	10.3%	13.8%
	50 – 59	3.9%	5.0%
	60 – 64	0.6%	0.6%
Education	None	6.2%	4.2%
	Primary	25.0%	20.7%
	Secondary	59.8%	66.8%
	Diploma/Certificate	7.1%	6.9%
	Tertiary	1.7%	1.5%

Source: Afrinem and LFS, 2008

Figure 3.7 compares the unemployment and labour absorption rates in Limpopo to those of South Africa. The labour absorption rate indicates the percentage of the working age population (15 – 65 years) that is employed i.e. that is absorbed by the economy. Of concern is that Limpopo's absorption rate (24.7 per cent in 2007) appears to be stagnant, and furthermore is significantly lower than that of South Africa's (46.4 per cent in 2007).

These poor absorption rates are coupled with high unemployment rates in the province (30.4 per cent in 2007), again which are consistently higher than those of the national average (25.7 per cent in 2007).

Figure 3.7: Unemployment and Absorption Rates, Limpopo and South Africa, 2000 – 2007

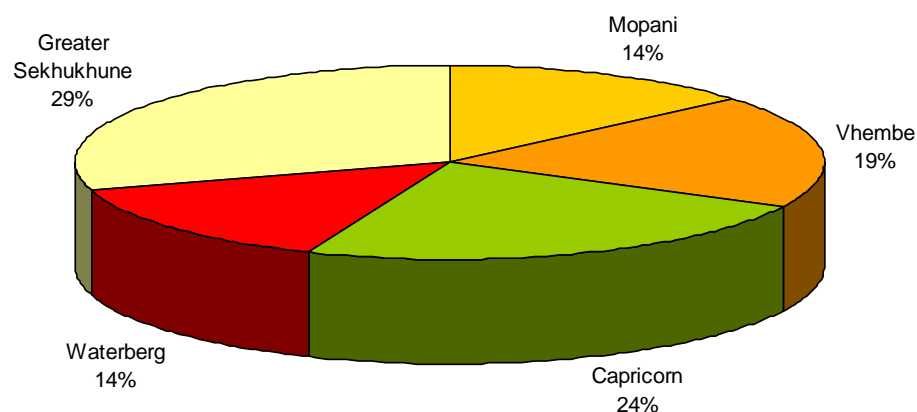


Source: Afrinem and Quantec Research, 2008

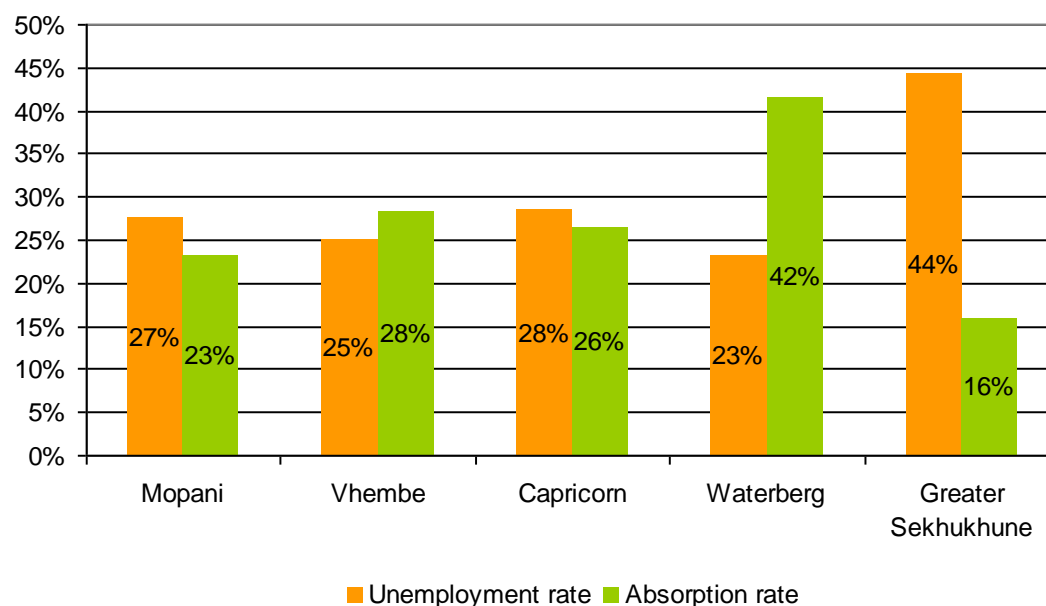
From the above it would appear that unemployment in Limpopo is more severe than in the rest of the country, and the provincial government may wish to isolate the districts within the province where these problems are amplified. Figure 3.8 below provides the unemployment and labour absorption rates for each of the five major districts in Limpopo, whilst Figure 3.8 provides each of these district's share of the province's total unemployment figures.

Evident from Figure 3.8 is that Greater Sekhukhune (29 per cent) is by far the largest contributing district to Limpopo's total unemployed, followed closely by Capricorn (24 per cent). Waterberg and Mopani are the smaller contributors to provincial unemployment at 14 per cent each.

Waterberg stands out again in Figure 3.9 as the district with the highest absorption rate (44 per cent), nearly double that of the provincial average, and the lowest unemployment rate (23 per cent). Further investigation into the key employment sectors in this industry, as well as key growth areas, would enable the provincial government to attempt to replicate this success in other districts. Particularly of concern is Greater Sekhukhune, with an absorption rate of only 16 per cent, and a staggering unemployment rate of 44 per cent, cementing this district's status as the largest contributor to the province's unemployment figures.

Figure 3.8: District Shares of Unemployment, 2007

Source: Afrinem and Quantec Research, 2008

Figure 3.9: District Level Unemployment and Absorption Rates, Limpopo – 2007

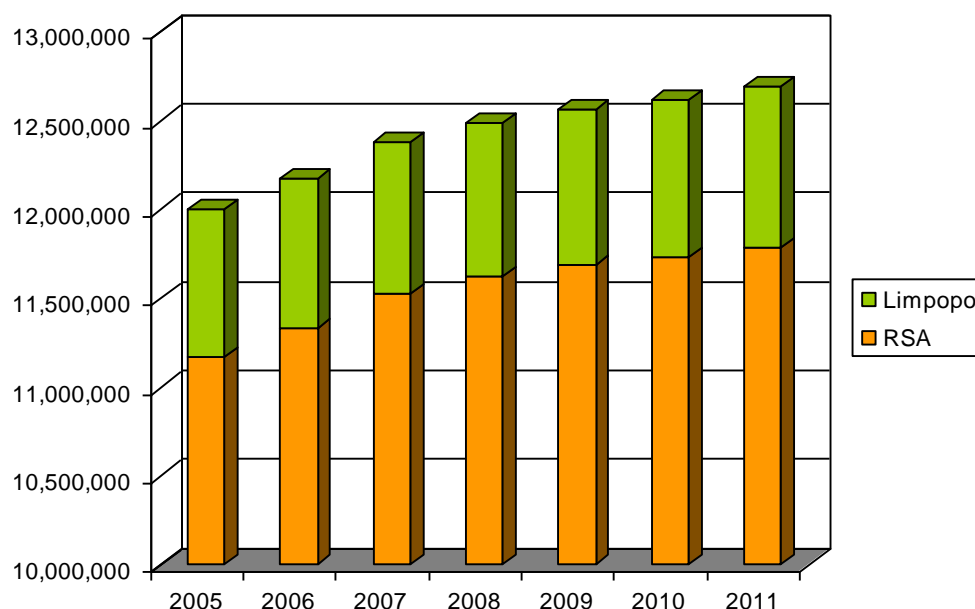
Source: Afrinem and Quantec Research, 2008

3.5 Labour Market Outlook

In this section a 23 sector Input-Output table and LFS data supplied by Quantec Research are analysed in producing a labour market outlook for Limpopo province and the national economy. Historic LFS data has been filtered (smoothed) by the data service provider in order to provide this forecast, with the forecasting period including the years 2008 to 2011.

The increase in job opportunities over the recent past, as pointed out in earlier sections, is indeed expected to continue over the forecasting horizon for both the national and provincial economy, albeit at a significantly slower rate.

Figure 3.10: Employment: RSA and Limpopo, 2005 – 2011

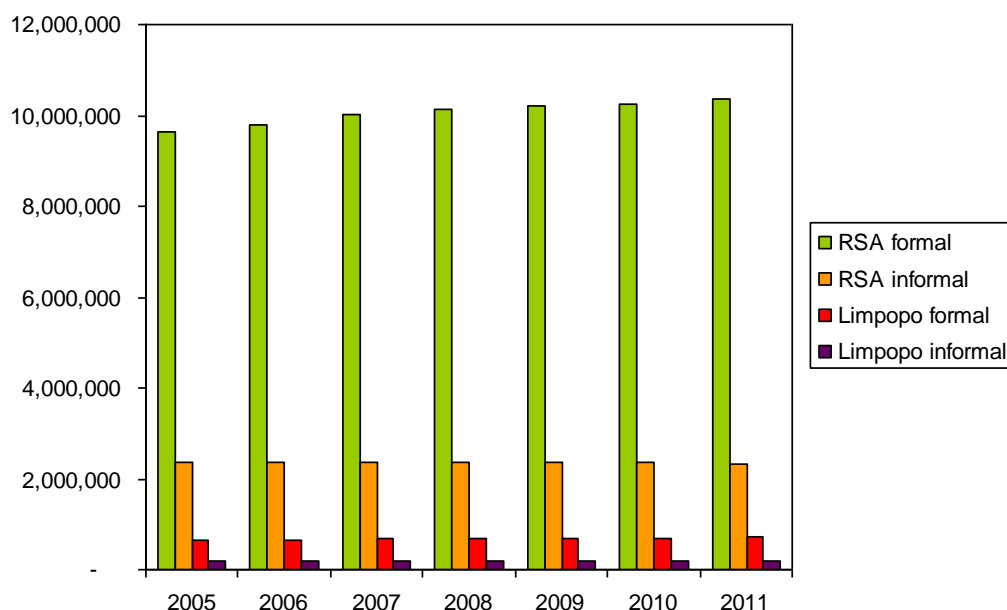


Source: Afrinem and Quantec Research, 2008

From Figure 3.10, this increase is evident, with total employment reaching a forecasted number of 12.7 million in 2011, with 0.9 million of these job opportunities in the Limpopo province. The forecasted average growth rates leading to the abovementioned increases are 1.3 per cent for the national economy and 0.6 per cent for Limpopo, respectively. These figures are lower than the average historic (2000 to 2007) growth rates of 2 per cent and 1.2 per cent respectively.

Figure 3.11 shows that increases in employment hold true for both the formal sectors of Limpopo and the national economy as well as the informal sector of Limpopo. The national informal sector labour market is however expected to contract, with a negative average growth rate of -0.36 per cent over the forecasting period. Slight positive increases in informal sector job opportunities are however expected for Limpopo, namely an average growth rate of 0.42 per cent for the period 2008 to 2011.

Figure 3.11: Total Formal and Informal Employment in South Africa and Limpopo, 2005 – 2011

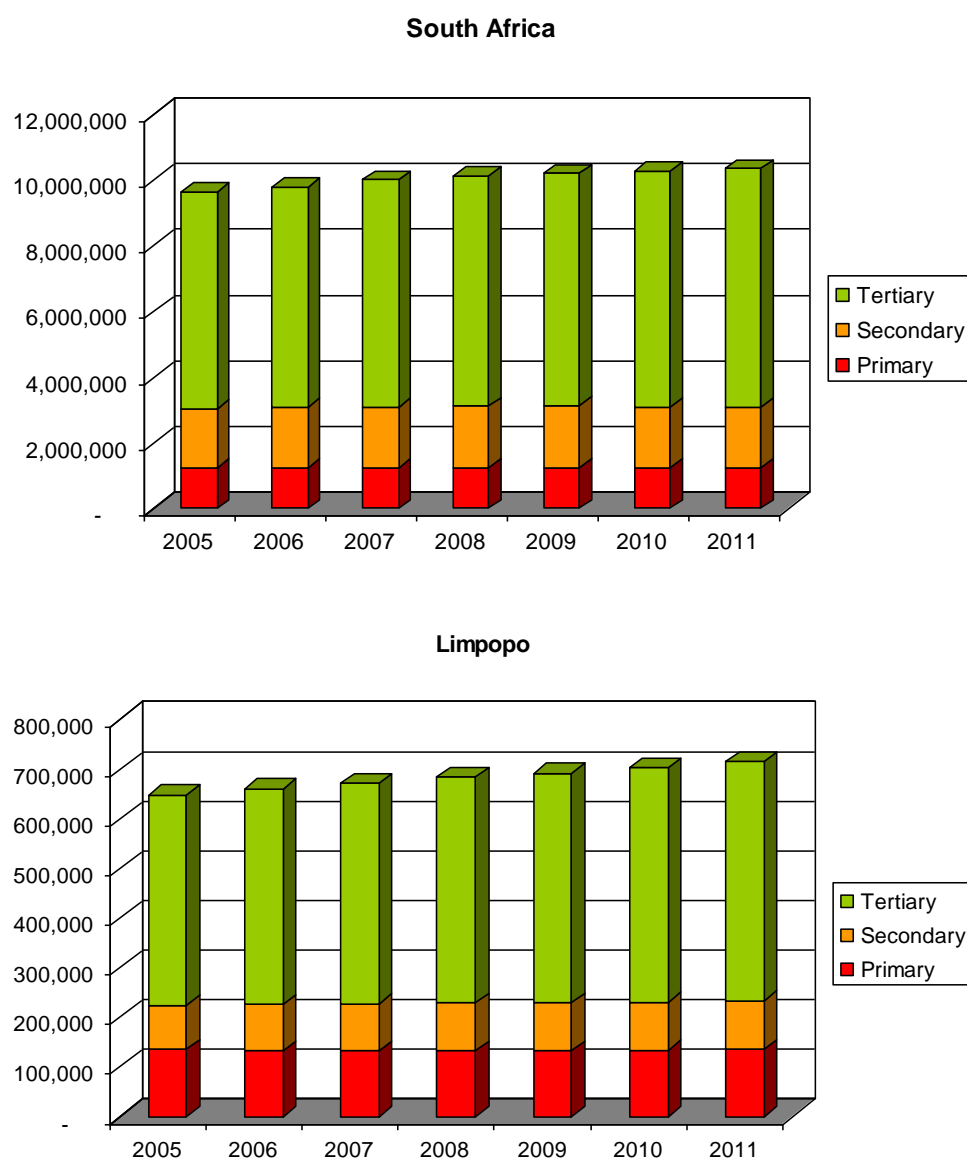


Source: Afrinem and Quantec Research, 2008

The informal sector is responsible for almost a constant 22 per cent of Limpopo's total employment, both historically and over the forecasting period. For the national economy, this figure is around 20 per cent, again for both the historic and forecasting periods.

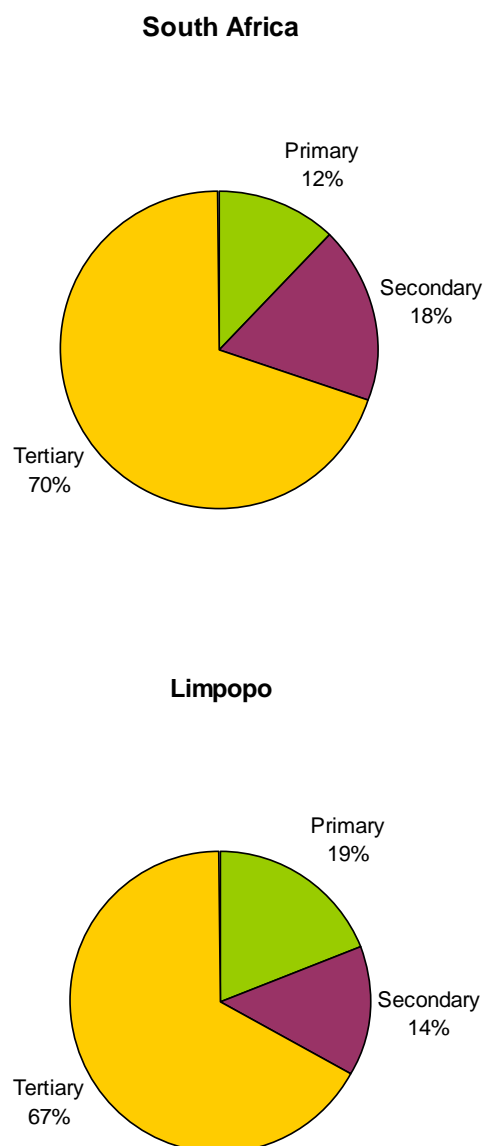
When considering formal employment at the sectoral level, and comparing Limpopo to the national economy, the following may be expected: Total formal sector employment for South Africa is expected to increase to 10.3 million, with 0.7 million of these jobs in Limpopo province, that is only 7 per cent of the total number of formal job opportunities.

For both the national and provincial economies, the tertiary sector is the most important contributor to formal jobs, with the figure for the national economy as high as 70 per cent on average for the forecasting period. For Limpopo, this figure is lower at 67 per cent. The primary sector is the second largest employer in Limpopo, with 19 per cent of formal jobs expected to be in this sector. This figure is higher than the national expected average of 12 per cent. Finally, the secondary sector is expected to be responsible for 14 per cent of formal jobs in Limpopo. The comparative figure for South Africa as a whole is 18 per cent. The above-mentioned average sectoral contributions are expected to remain fairly constant over the forecasting horizon, and are depicted in Figures 3.12 and 3.13.

Figure 3.12: Formal Employment by Sector in South Africa and Limpopo, 2005 – 2011

Source: Afrinem and Quantec Research, 2008

Figure 3.13: Average Contribution to Formal Labour Force in South Africa and Limpopo, 2005 – 2011



Source: Afrinem and Quantec Research, 2008

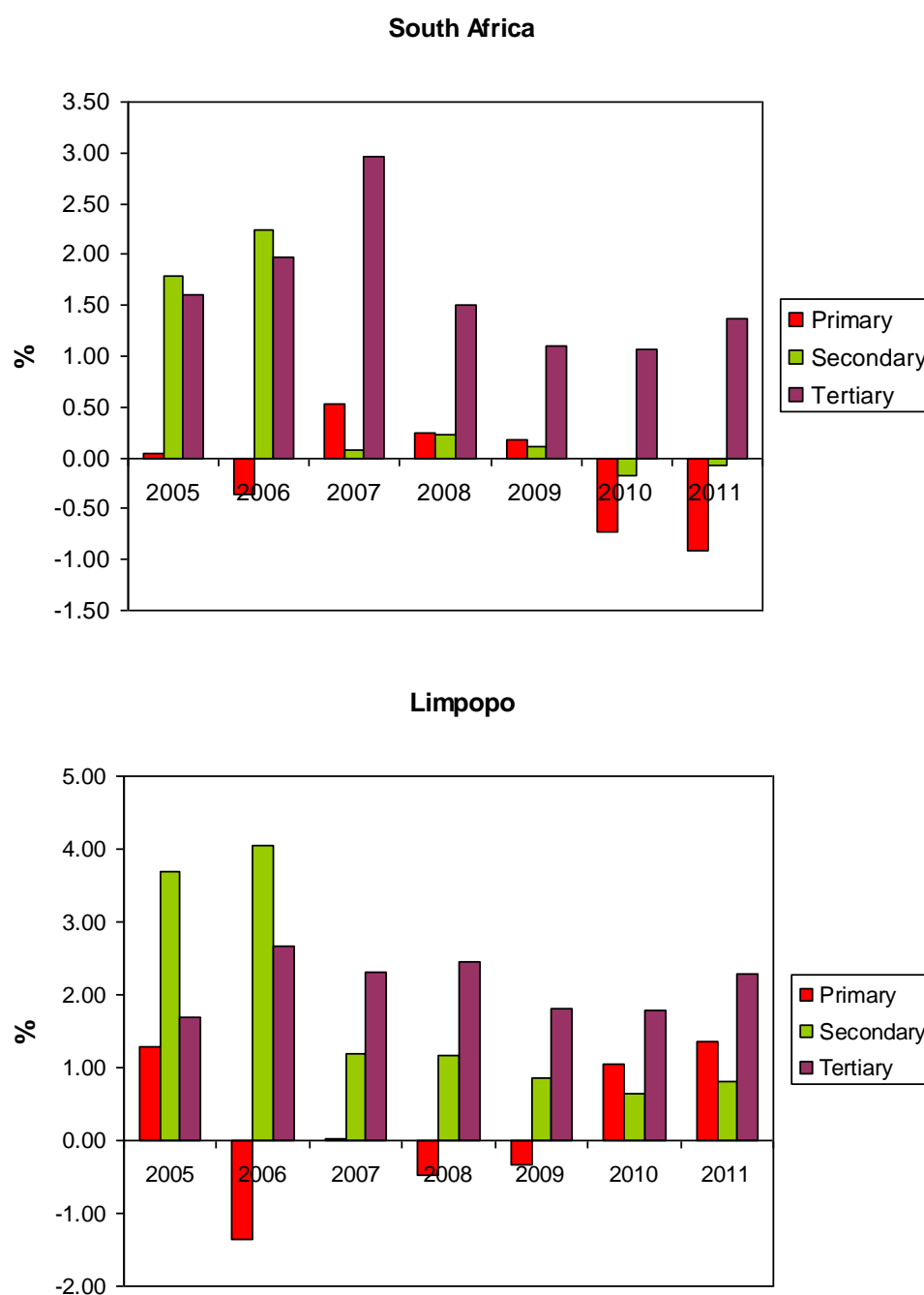
When considering sectoral growth in formal sector employment, the secondary and tertiary sectors for both the national and provincial economies are expected to see some positive growth in job opportunities over the forecasting period. For Limpopo, the tertiary sector employment is expected to grow at between 1.8 and 2.5 per cent for the period 2008 to 2011, with growth rates for the national economy's tertiary sector ranging between 1 and 1.5 per cent.

The secondary sectors for the province and national economy will average positive growth rates of 0.87 and 0.02 per cent on average, respectively. For the national economy, slight job losses in the secondary sector, with negative growth rates of less

than 0.2 per cent in magnitude, are however forecasted towards the end of the forecasting period.

The primary sector, both on the national and provincial level, may also experience job losses in individual years of the forecasting period. These losses are however not expected to exceed 1 per cent of available jobs in these sectors. These trends are portrayed in Figure 3.14.

Figure 3.14: Growth in Formal Sector Employment in South Africa and Limpopo, 2005 – 2011



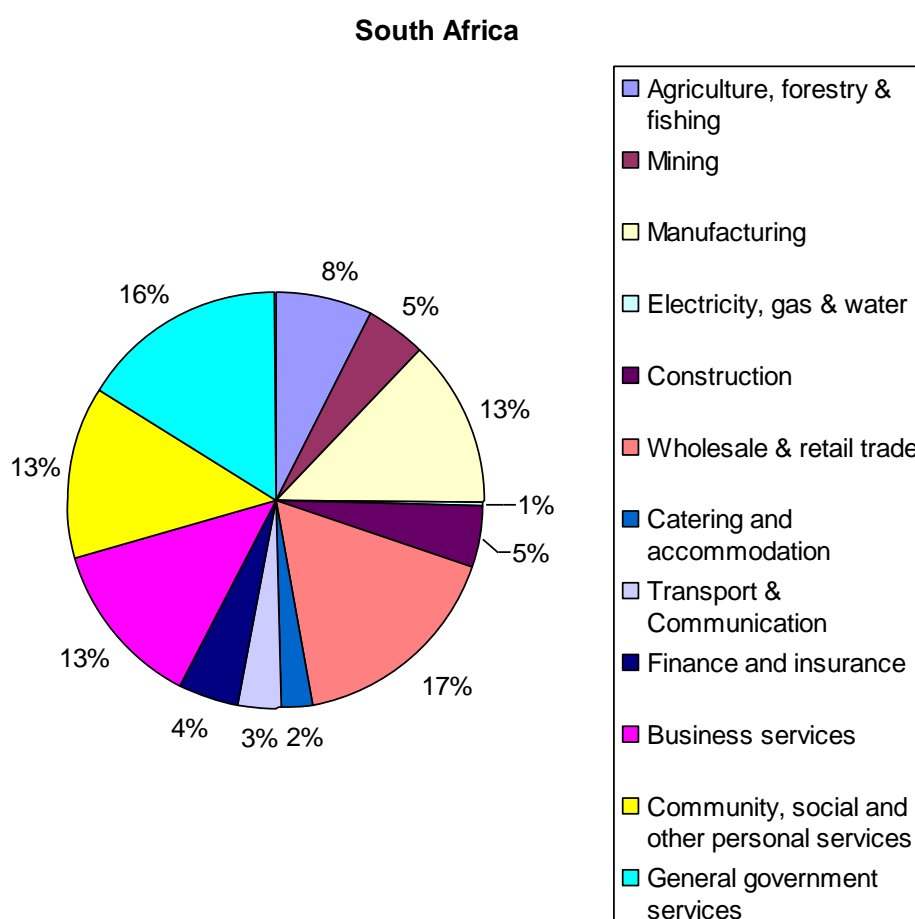
Source: Afrinem and Quantec Research, 2008

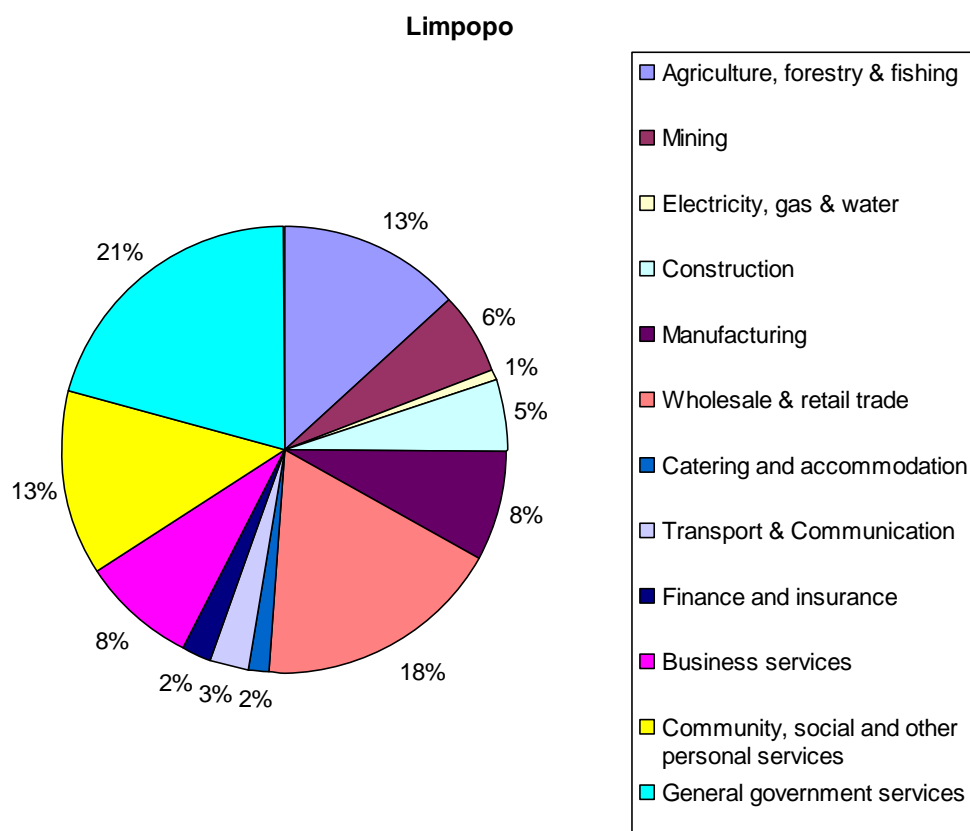
Figure 3.15 shows the most important economic sectors expected to contribute to job opportunities over the forecasting period. For Limpopo, these sectors are general government services (21%), wholesale and retail trade (18%), followed by agriculture, forestry and fishing, business services, as well as community, social and other personal services, all three at 13 per cent of the total share. Although mining is an important sector in terms of output, only 6 per cent of Limpopo province's jobs are expected to come from this sector.

On the national level, wholesale and retail trade is expected to remain the biggest job provider (17%), followed by general government services (16%), and manufacturing, business services as well as community, social and other personal services, all three at 13 per cent. At the national level the agricultural sector is less prominent in terms of job creation, with only 5 per cent of jobs coming from this sector.

All other sectors, both at provincial and national level, are expected to contribute less than 10 per cent of formal sector job opportunities.

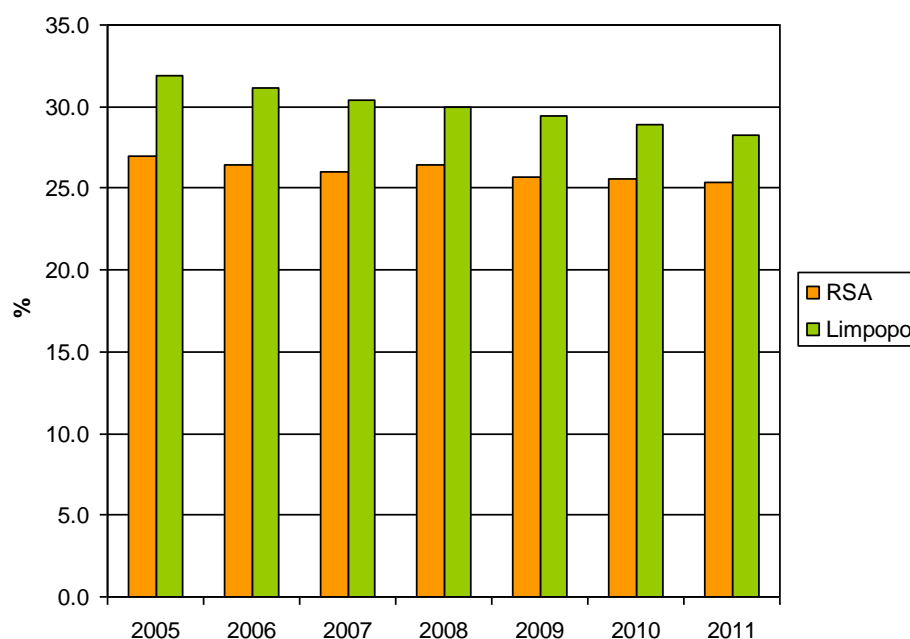
Figure 3.15: Average contributions to Formal Sector Employment in South Africa and Limpopo, 2008 – 2011





Source: Afrinem and Quantec Research, 2008

Figure 3.16 shows the future unemployment trends for both South Africa and Limpopo to the year 2011. As alluded to in the labour market overview sections, the current trend of declining unemployment is expected to continue into the future, with unemployment rates for the province to reach a low of 28.3 per cent in 2011. The same figure for the national economy is expected to be 25.4 per cent.

Figure 3.16: Unemployment in South Africa and Limpopo, 2005 – 2011

Source: Afrinem and Quantec Research, 2008

3.6 Conclusion

Of encouragement in the province is the trend of positive average employment growth between 2000 and 2007. Furthermore, the number of unemployed in the province shrunk over the same period. However, Limpopo's unemployment rate is significantly higher than the national average, and is specifically large in the Greater Sekhukhune district. Although, this unemployment trend is forecast to decline by 2011.

The largest employer in the province is the provincial government. However, the government may wish to consider policies aimed at stimulating employment in industries other than this sector, such as the high growth services sector. Further policy programmes warranting consideration would include skills- or education programmes in the Waterberg and Mopani districts, where the majority of job holders are semi- or unskilled.

Chapter 4: Access to Basic Services and Infrastructure

4.1 Introduction

This chapter deals with social infrastructure and access to basic services for Limpopo residents, and provides descriptive results from the 1996 and 2001 Population Census, as well as the 2007 Community Survey. The results with respect to a range of basic services and infrastructure are presented, including housing, sanitation, refuse removal, energy, water and technology. National averages are compared to the Limpopo data, and Limpopo figures are broken down by district level.

4.2 Housing

Housing is the most fundamental of human needs, and the composition of housing types gives an indication of the extent to which the different types are being provided.

Table 4.1: Housing on National and Provincial Level, 2001 – 2007

	South Africa		Limpopo	
	2007	2001	2007	2001
Total	12,500,609	11,778,949	1,215,935	1,193,646
House or brick structure on a separate stand or yard	7,406,797	6,237,614	968,696	762,928
Traditional dwelling/hut/structure made of traditional material	1,459,377	1,654,707	108,954	225,519
Flat in block of flats	595,943	588,659	6,684	8,374
Town/cluster/semi-detached house (simplex, duplex, triplex)	337,375	320,060	5,345	7,164
House/flat/room in backyard	364,038	411,984	16,132	22,056
Informal dwelling/shack in backyard	590,194	460,035	23,592	21,185
Informal dwelling/shack NOT in backyard, e.g. in an informal/squatter settlement	1,214,236	1,376,557	44,099	57,631
Room/flatlet NOT in backyard but on a shared property	115,361	120,936	15,241	10,194
Caravan or tent	15,115	30,579	623	2,528
Private ship/boat	4,255	3,642	283	369

Source: Afrinem and Quantec Research, 2008

Figure 4.1 breaks down the types of dwelling in Limpopo in 2007. It shows that the majority of Limpopo households live in houses or brick structures, with 79.67 per cent of the population living in such dwellings in 2007. This is considerably larger than the South African average of 59.25 per cent. As Table 4.1 shows, the number of

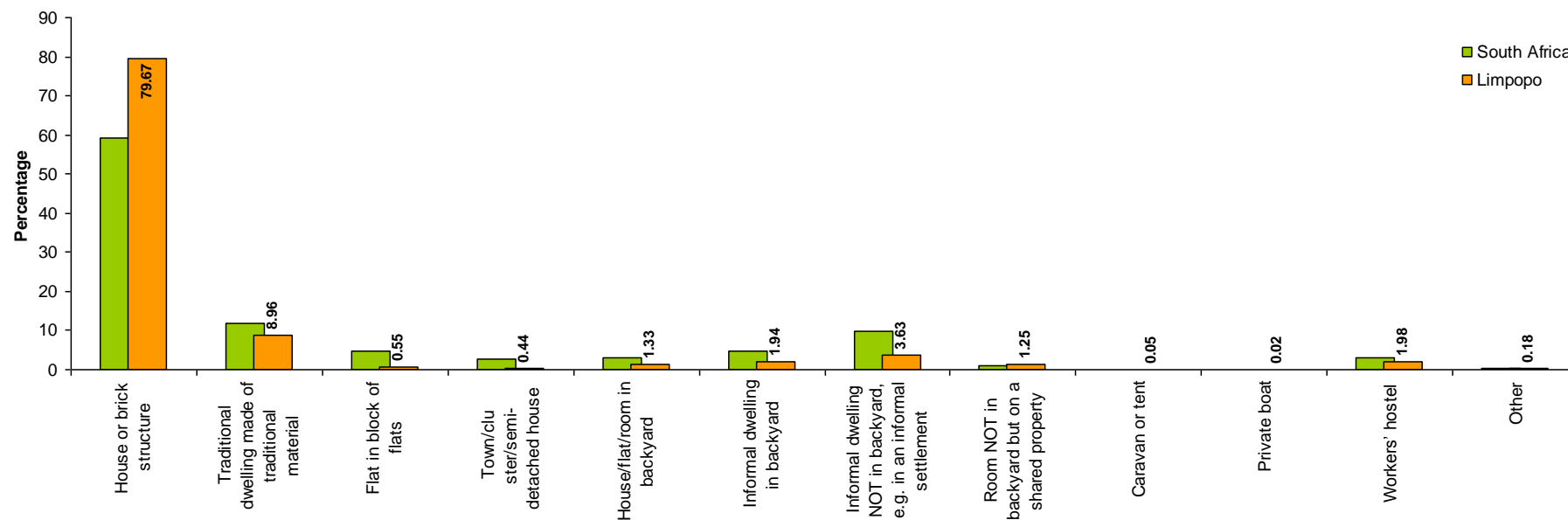
Data used in charts and tables this chapter are obtained from the South Africa 1996 Population Census, South Africa 2001 Population Census and South Africa 2007 Community Survey, all of which are available from Statistics South Africa. Therefore, unless otherwise mentioned, 1996 data is obtained from the South Africa 1996 Population Census, 2001 data from the South Africa 2001 Population Census, and 2007 data from the South Africa 2007 Community Survey.

households residing in free-standing brick homes has risen by 27 per cent, from 762 928 households in 2001, to 968 696 in 2007.

Traditional homes, made from inexpensive, natural materials comprise 8.96 per cent of the housing stock of Limpopo. The number of households living in traditional homes has more than halved from 2001, where 225 519 households were estimated to have inhabited such houses. In 2007, this figure amounted to 108 954 households. Informal settlements make up the third most inhabited type of housing, at 3.63 per cent of households. Households living in informal settlements have also declined from 57 631 in 2001, to 44 099 in 2007.

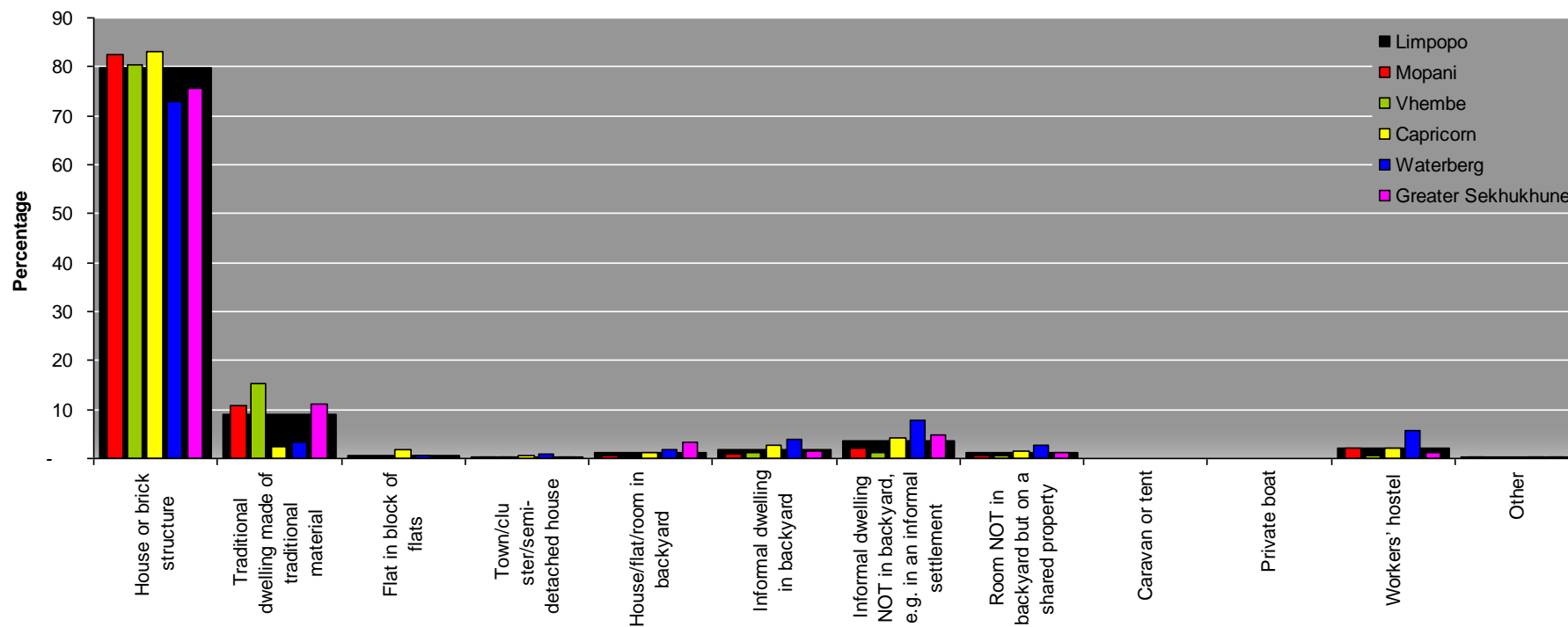
Brick structures in separate stands remain the dominant form of housing among all districts, as shown in Figure 4.2. The Vhembe district has the highest percentage of households living in traditional dwellings, followed by the Mopani and Greater Sekhukune districts respectively. Capricorn has the smallest percentage of households living in traditional dwellings. The housing mix and housing profiles are similar across all districts.

Figure 4.1: Housing Types on a National and Provincial Level, 2007



Source: Afrinem and Quantec Research, 2008

Figure 4.2: Housing Types by District, 2007



Source: Afrinem and Quantec Research, 2008

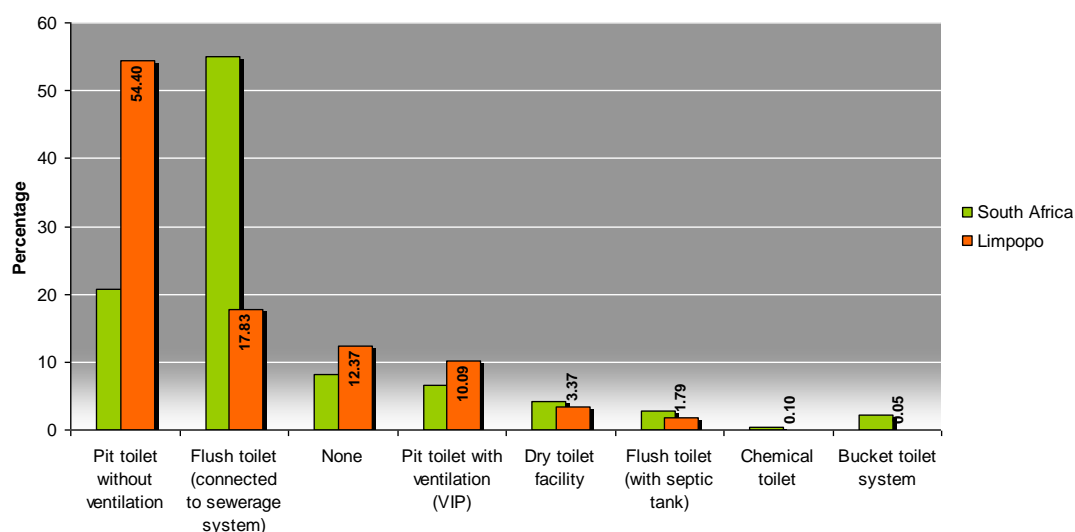
4.3 Sanitation

Figure 4.3 compares sanitation facilities in Limpopo to South Africa in 2007. It shows that the majority of Limpopo households make use of pit toilets without ventilation. Compared to 21 per cent nationally, 54.4 per cent of Limpopo households used unventilated pit latrines, while pit toilets with ventilation accounted for 10.09 per cent of all toilet facilities in the province.

Whereas 55 per cent of South African households made use of flush toilets connected to a sewerage system, the Limpopo average was significantly lower, at 17.83 per cent of households.

It is alarming that 12.37 per cent of Limpopo households have no access to sanitation facilities. The lack of sanitation facilities has important health and hygiene implications, such as the risk of contaminating drinking water and an increased risk of gastro-intestinal illnesses. The expansion of improved sanitation facilities, along with hygiene promotion initiatives, can mitigate these risks.

Figure 4.3: Sanitation on National and Provincial Level, 2007



Source: Afrinem and Quantec Research, 2008

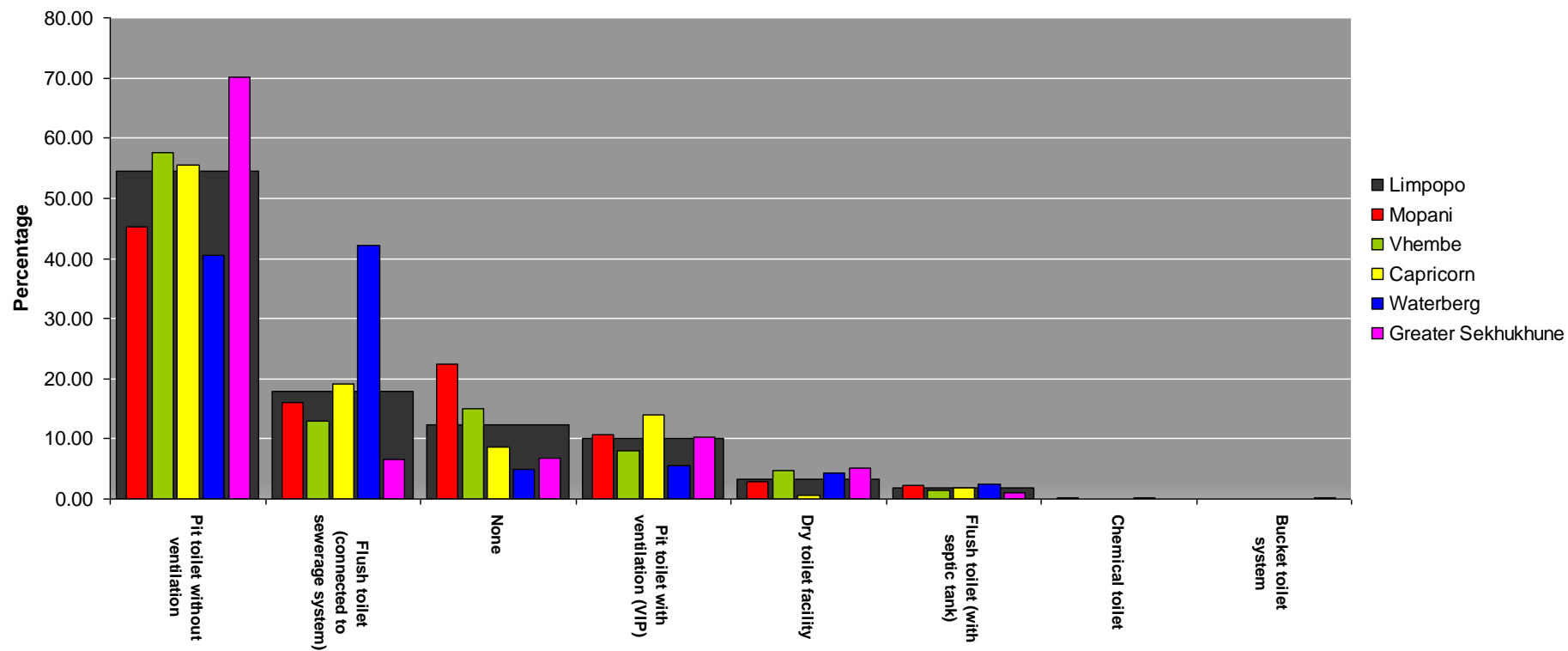
As illustrated in Figure 4.4, pit latrines without ventilation are the dominant type of toilet facility in all districts except Waterberg, where flush toilets connected to a sewerage system are predominantly used.

In the Greater Sekhukune district, 70 per cent of households make use of pit latrines without ventilation, followed by 58 per cent in Vhembe and 56 per cent in Capricorn.

Flush toilets accounted for 42 per cent of total toilet facilities in the Waterberg district, compared to the provincial average of 17.83 per cent, and the national average of 55 per cent. The Capricorn district has the next largest percentage of households using flush toilets connected to sewerage systems, at 19 per cent of households.

In Mopani, 23 per cent of households did not have a toilet facility, compared to 12.37 per cent for Limpopo, and 8 per cent in South Africa. This is followed by Vhembe, with 15 per cent of households lacking a toilet facility.

Figure 4.4: Sanitation at District Level, 2007



Source: Afrinem and Quantec Research, 2008

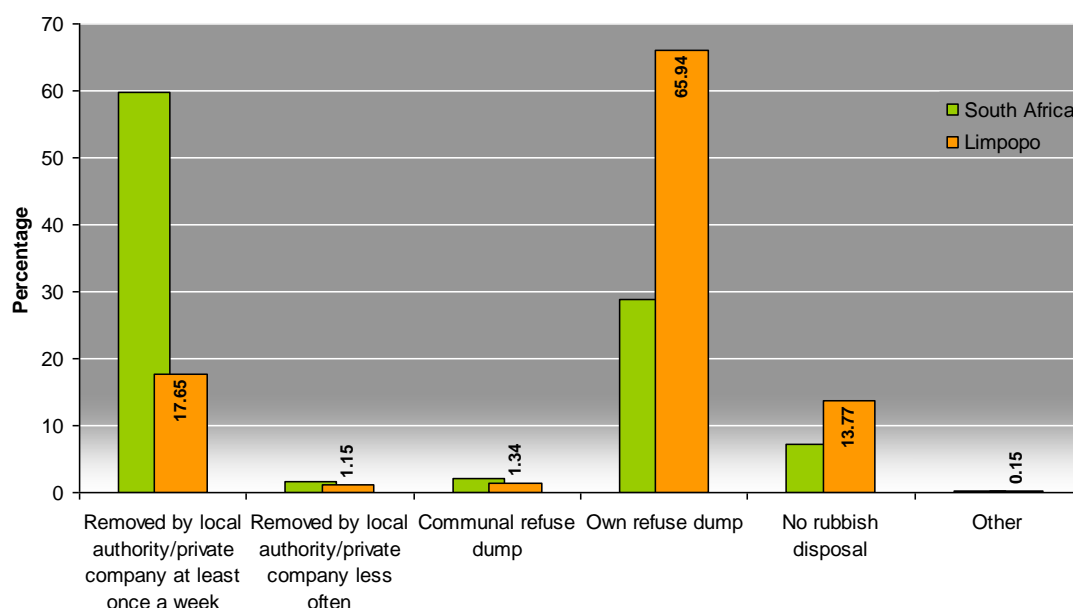
4.4 Refuse Removal

Refuse removal in Limpopo and South Africa are illustrated in Figure 4.5. In Limpopo, 65.94 per cent of households have their own refuse dump, compared to 29 per cent nationally. The number of households with their own refuse dump has increased 37.5 per cent to 801 800 households in 2007, compared to 583 086 households in 1996, shown in Table 4.5. Relative to the total number of households, the number of households using their own refuse dumps has dropped marginally from 66 per cent of households in 1996, to 65.94 per cent in 2007.

The majority of South African households have their refuse removed by a local authority or private company at least once a week. In Limpopo, most households had their own refuse dump, and only 17.65 per cent of households had their refuse removed regularly by local authorities and private companies. However, the number of households with regular refuse removal by public or private entities has increased by 97 per cent from 1996 figures. In 1996, 12.34 per cent of Limpopo households were serviced regularly by local authorities or private companies. This has since grown to 17.65 per cent of households in 2007.

In Limpopo, 13.77 per cent of households did not have refuse dumps in 2007. This, along with the lack of sanitation facilities in 12.37 per cent of households has important implications for health and hygiene in the province.

Figure 4.5: Refuse Removal on National and Provincial Level, 2007



Source: Afrinem and Quantec Research, 2008

On a district level, illustrated in Figure 4.6, it can be observed that the Mopani district has the largest percentage lack of refuse removal services, with 22 per cent of households without refuse dumps. This is followed by Vhembe district, where 15 per cent of households did not have refuse dumps. This is considerable relative to the national average of seven per cent.

Nearly four fifths of Greater Sekhukhune households made use of their own refuse dumps, with 78 per cent of households removing refuse this way, compared to 65.94 per cent for Limpopo and 29 per cent in South Africa. The percentage Vhembe and Capricorn households using their own refuse disposal is also higher than the provincial average, at 70 per cent and 68 per cent respectively.

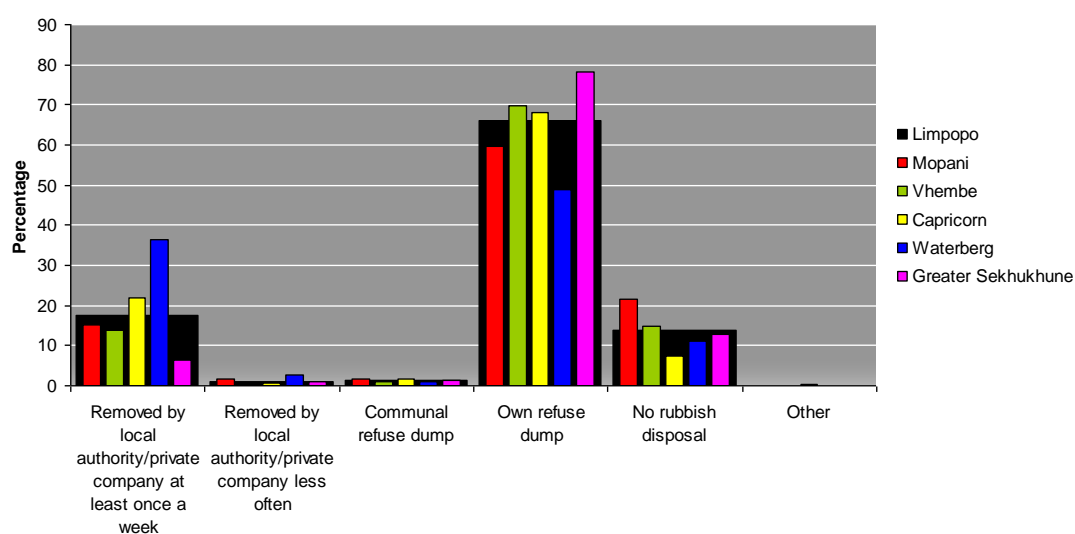
The Waterberg district has the largest percentage of households with regular refuse removal by local authorities or private companies, at 36 per cent of households, followed by Capricorn, where 22 per cent of households have their refuse disposed of in this way. It should be noted that only six per cent of Greater Sekhukhune households have their refuse removed regularly by local authorities or private companies.

Table 4.2: Refuse Removal on National and Provincial Level, 1996 – 2007

	South Africa			Limpopo		
	2007	2001	1996	2007	2001	1996
Removed by local authority/ private company at least once a week	7,485,569	6,529,210	4,634,224	214,603	186,278	109,001
Removed by local authority/ private company less often	210,565	207,136	200,462	13,981	11,882	8,015
Communal refuse dump	269,485	212,723	286,183	16,318	15,139	29,488
Own refuse dump	3,602,713	3,829,578	2,882,613	801,800	795,581	583,086
No rubbish disposal	892,614	999,305	854,663	167,430	184,735	153,493
Other	39,663	1,006	15,461	1,804	36	328

Source: Afrinem and Quantec Research, 2008

Figure 4.6: Refuse Removal on District Level, 2007



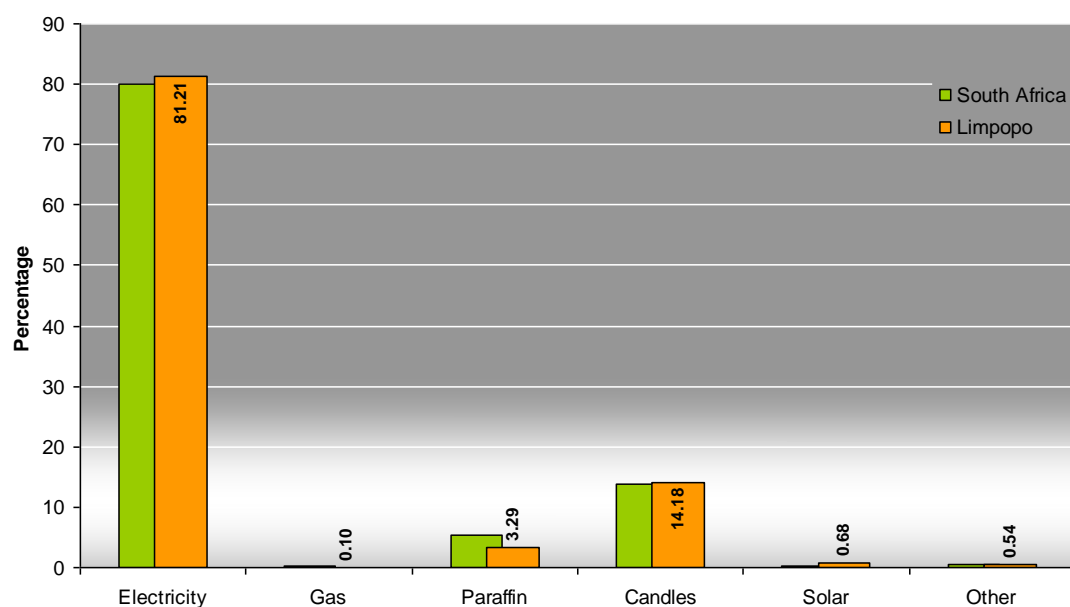
Source: Afrinem and Quantec Research, 2008

4.5 Energy

In Limpopo, electricity for lighting was used by 81.21 per cent of its population, higher than the 80 per cent national average, shown by Figure 4.7. Table 4.3 shows that though the number of households using electricity has declined marginally from 988 594 in 1996 to 987 417 in 2007, 81.21 per cent of the Limpopo population used electricity as their primary energy source in 2007, compared to 63.96 per cent in 1996.

Candles were used by 14.18 per cent of Limpopo households for lighting, slightly higher than the 13.71 per cent for South Africa. Candles represent the second-most used source of lighting for the province, with 172 429 households using this as their main source of energy in 2007. Paraffin is used by 3.29 per cent of Limpopo households as the main source of energy.

Figure 4.7: Energy for Lighting on National and Provincial Level, 2007

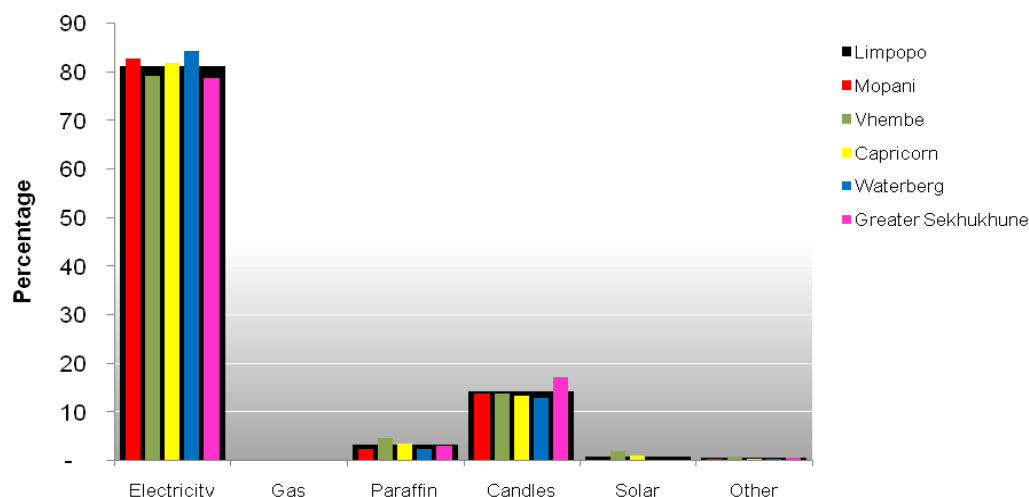


Source: Afrinem and Quantec Research, 2008

Table 4.3: Energy for Lighting on National and Provincial Level, 1996 – 2007

	South Africa			Limpopo		
	2007	2001	1996	2007	2001	1996
Total	12500609	11778959	9024208	1215934	1193651	1545585
Electricity	10010273	8270909	10031037	987417	753879	988594
Gas	20764	34876	32162	1177	2628	4347
Paraffin	658576	773350	35297	40044	88610	4638
Candles	1713613	2637970	1131926	172429	339154	208533
Solar	30404	25136	2564908	8304	3275	328191
Other	66979	36719	80009	6563	6105	11282

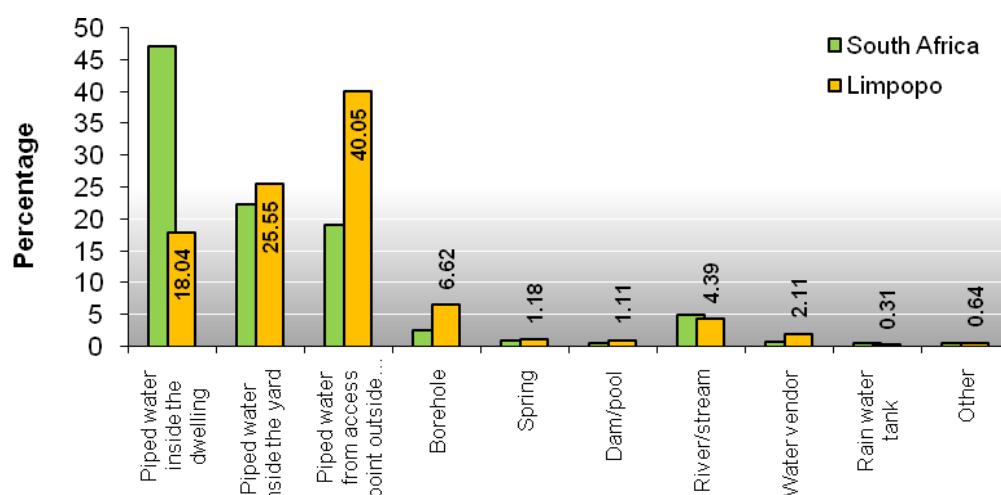
Source: Afrinem and Quantec Research, 2008

Figure 4.8: Energy on District Level, 2007

Source: Afrinem and Quantec Research, 2008

4.6 Water

The majority of Limpopo residents have access to piped water, with 83.63 per cent of households having some form of access to piped water. As described in Figure 4.8, 18.04 per cent of Limpopo households have access to piped water inside their dwellings, compared to 47 per cent nationally. Piped water not inside the dwelling, but inside the households' yards, is the main source of water for 25.55 per cent of Limpopo residents. Households accessing piped water from outside their yards comprised 40.05 per cent of Limpopo households in 2007, compared to 18.04 per cent for South Africa.

Figure 4.9: Water Access on National and Provincial Level, 2007

Source: Afrinem and Quantec Research, 2008

Access to piped water on residents' properties has improved since 1996. Table 4.4 indicates that since 1996, 59 397 more households have access to piped water in their dwellings and 147 102 in their yards, representing growth of 37.1 per cent and

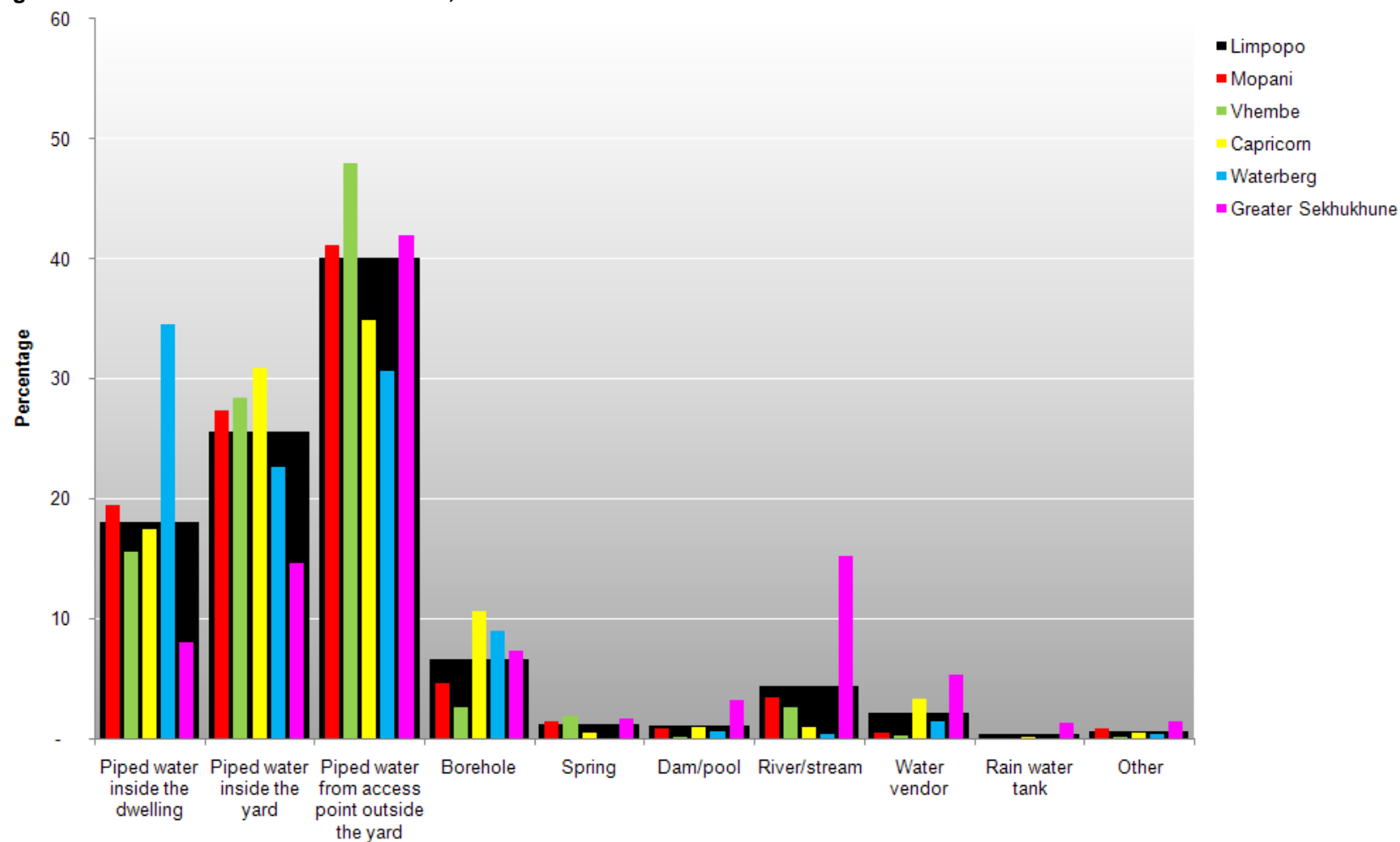
89.9 per cent respectively over the 11 years. In relative terms, 17.8 per cent of Limpopo residents had access to piped water from inside their dwellings in 1996. This proportion has since increased to 18 per cent. Households using piped water from inside their yards were at 18.2 per cent in 1996, growing to 25.55 per cent in 2007.

Table 4.4: Water Access on National and Provincial Level, 2007

	South Africa			Limpopo		
	2007	2001	1996	2007	2001	1996
Total	12,500,609	11,778,959	9,024,208	1,215,935	1,193,650	900,864
Piped water inside the dwelling	5,894,171	3,821,879	3,972,821	219,368	122,566	159,971
Piped water inside the yard	2,785,632	3,519,718	1,488,941	310,655	370,098	163,553
Other	3,820,806	4,437,361	3,562,445	685,912	700,986	577,340

Source: Afrinem and Quantec Research, 2008

On a district level, illustrated in Figure 4.10, it can be observed that Waterberg has the largest portion of its residents accessing piped water from within their dwellings, at 35 per cent of households. By contrast, only eight per cent of Greater Sekhukune residents have access to piped water from within their dwellings. Greater Sekhukune also falls short of other Limpopo districts in terms of the percentage of households with access to piped water in their yards. In totality, Limpopo has 25.5 per cent of households accessing water from piped sources within the yard. The corresponding figure for Greater Sekhukune households is 15 per cent. A similar percentage of Greater Sekhukune households access their water from rivers and streams.

Figure 4.10: Water Access at District Level, 2007

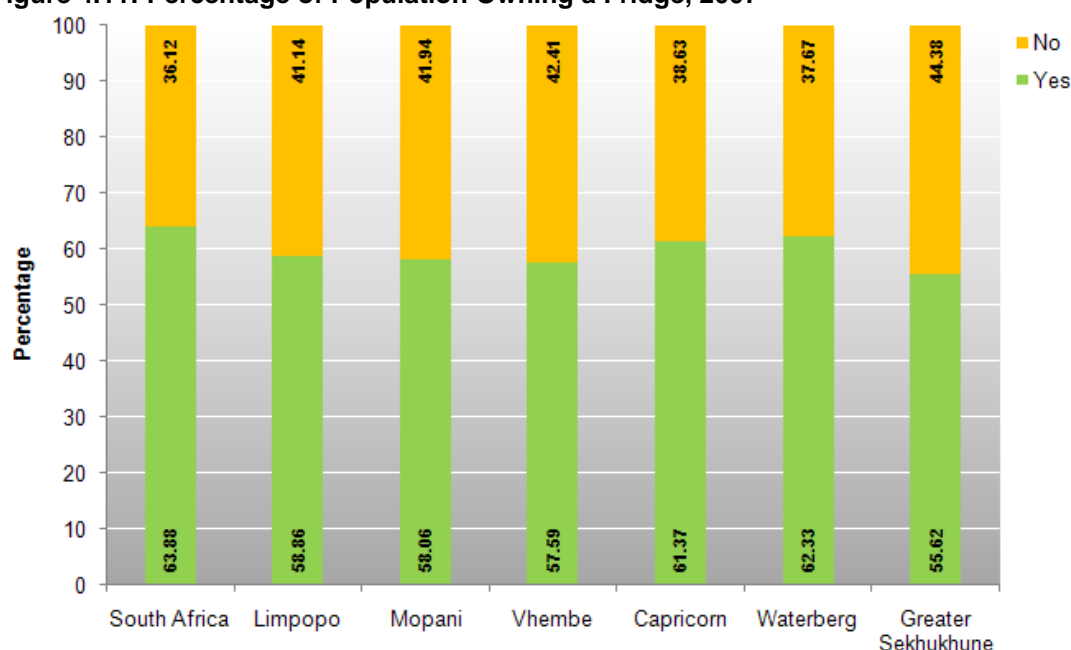
Source: Afrinem and Quantec Research, 2008

4.7 Other Indicators

4.7.1 Refrigerator

Figure 4.11 illustrates the percentage of the population owning a fridge in 2007. Nationally, 63.88 per cent of households owned a fridge. In relative terms, this is higher than Limpopo, where 58.86 per cent of households own a fridge. Waterberg has the highest proportion of fridge owners in Limpopo, of 62.33 per cent of households.. Conversely, Greater Sekukhune has the fewest fridge owners relative to its population, with 55.62 per cent owning a fridge in that district.

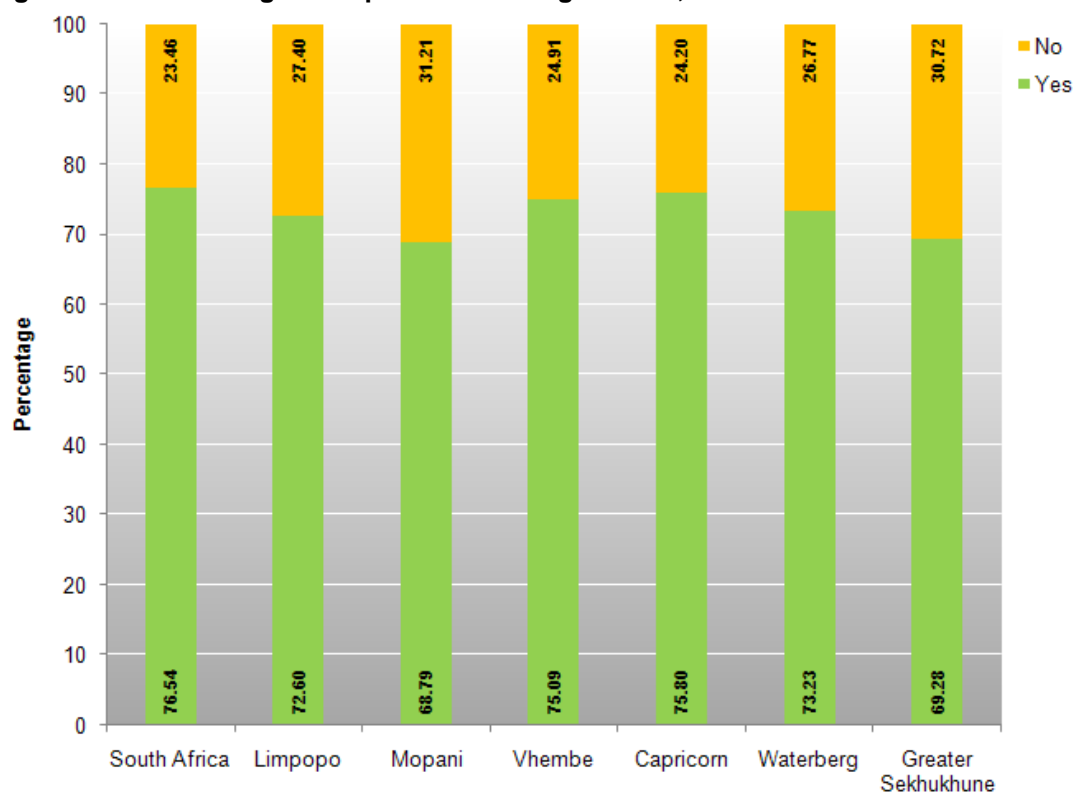
Figure 4.11: Percentage of Population Owning a Fridge, 2007



Source: Afrinem and Quantec Research, 2008

4.7.2 Radio

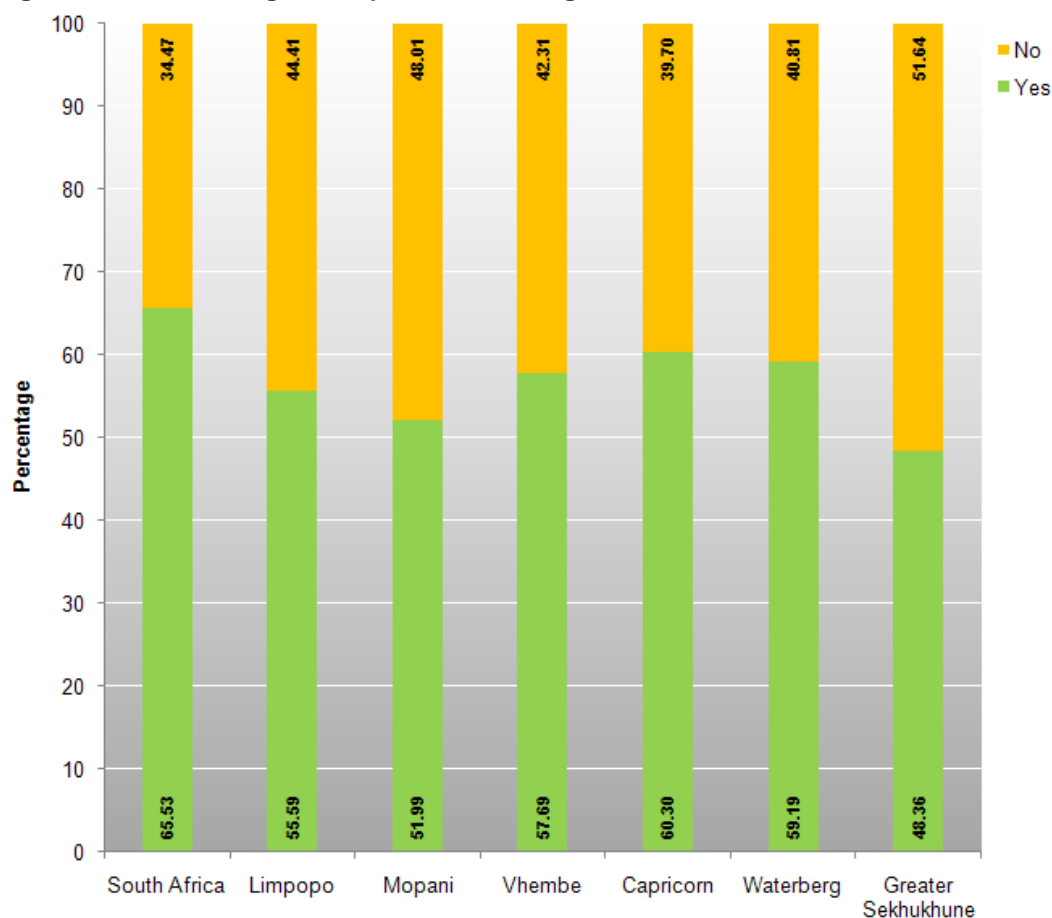
The percentage of the population owning a radio is depicted in Figure 4.12. It shows that in Limpopo, 72.6 per cent of households own a radio, compared to 76.54 per cent nationally. Mopani and Greater Sekukhune have the lowest percentage of their households owning radios, at 68.79 per cent and 69.28 per cent respectively. Capricorn has the highest number of radio owners relative to its population, with 75.8 per cent of households owning a radio.

Figure 4.12: Percentage of Population Owning a Radio, 2007

Source: Afrinem and Quantec Research, 2008

4.7.3 Television

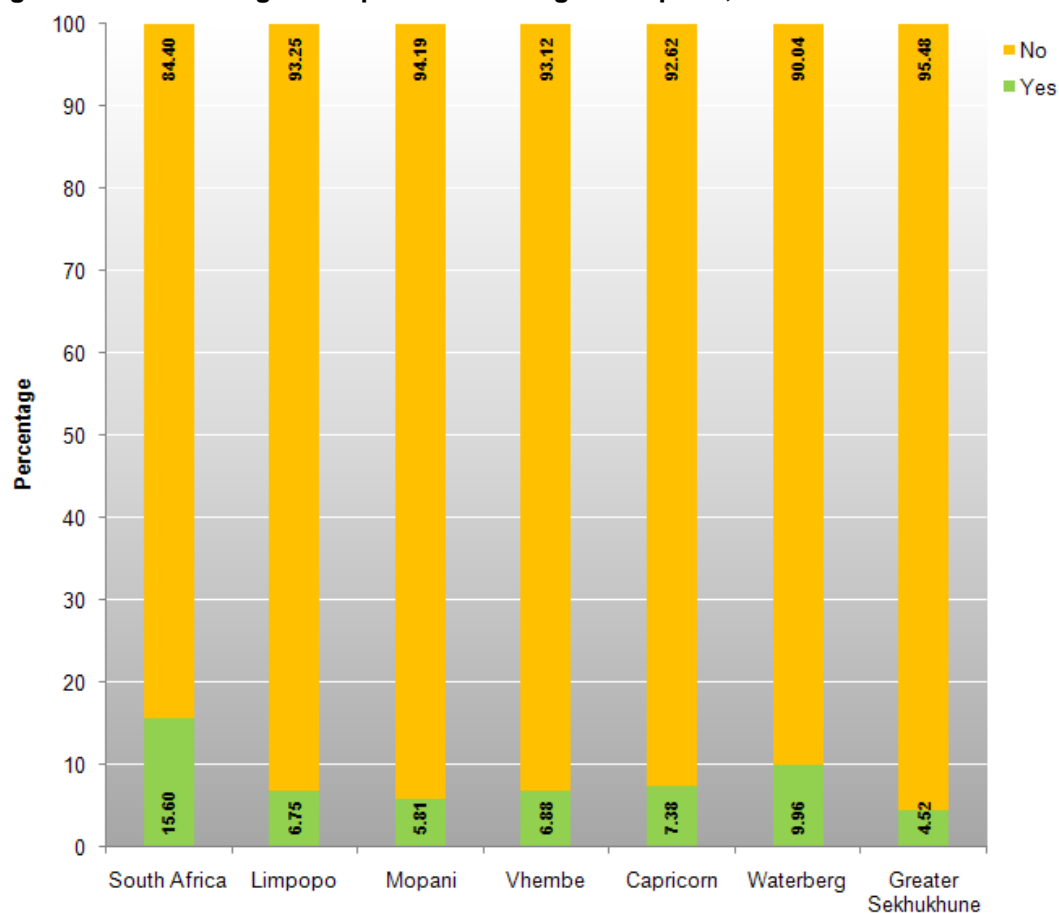
Figure 4.13 shows the percentage of the population owning a television set in 2007. Nationally, 65.53 per cent of the population owned a television set in 2007. In Limpopo however, this percentage was lower at 55.59 per cent of households. Of the district municipalities, Greater Sekhukhune and Mopani have the lowest percentage of households owning a television set, at 48.36 per cent and 51.99 per cent respectively. On the other hand, Capricorn and Waterberg have the largest percentage of households owning a television, at 60.3 and 59.19 per cent respectively.

Figure 4.13: Percentage of Population Owning a Television Set, 2007

Source: Afrinem and Quantec Research, 2008

4.7.4 Access to Technology: Computers

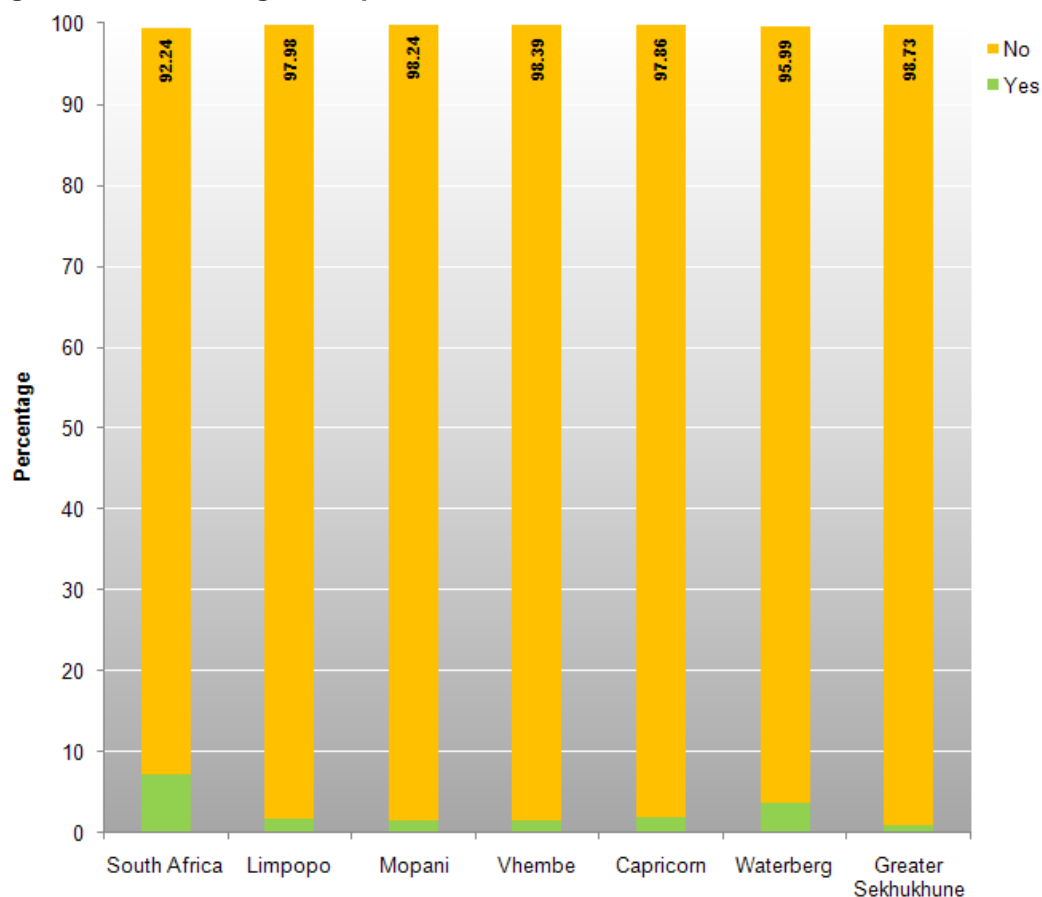
According to data presented in Figure 4.14, 15.6 per cent of South African households owned a computer in 2007. Limpopo households had a sizeably smaller average, with 6.75 per cent of households owning a computer. Though the Waterberg district has a lower percentage of households with a computer available to them, at 9.96 per cent of households, it has the highest percentage of computer owners among all of Limpopo's districts.

Figure 4.14: Percentage of Population Owning a Computer, 2007

Source: Afrinem and Quantec Research, 2008

4.7.5. Access to Technology: Internet

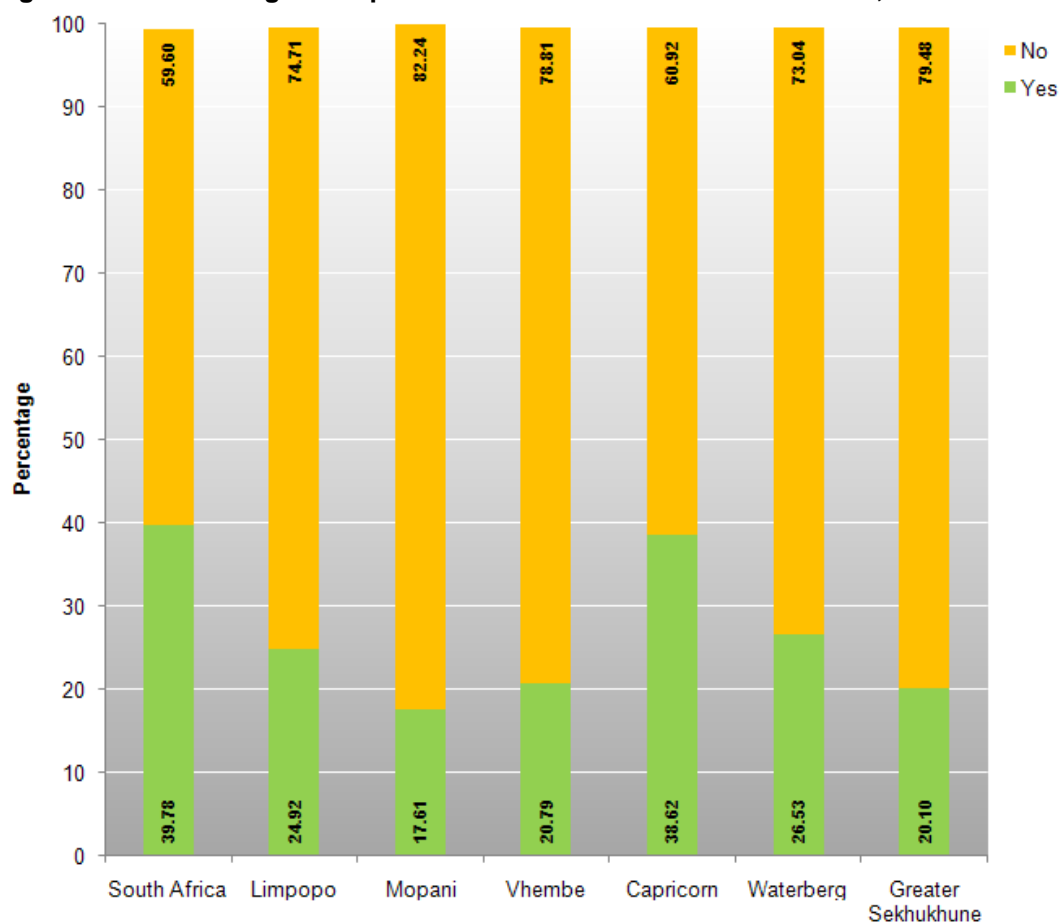
Access to internet facilities is an indicator of how easily information is obtainable, allowing people to make more informed choices. With only 7.76 per cent of South Africans able to access the internet, Figure 4.15 shows that a significant majority of South Africans are unable to do that. It further reveals that only 2.02 per cent of Limpopo households have an internet connection.

Figure 4.15: Percentage of Population with Access to the Internet, 2007

Source: Afrinem and Quantec Research, 2008

4.7.6. Postal Facilities

In 2007, 24.92 per cent of Limpopo households had access to postal facilities, compared to 39.78 per cent for South Africa. There are large differences when comparing access to postal facilities on a district level. Figure 4.16 continues to show that, on a district level, a considerably larger percentage of Capricorn's population have access to postal facilities relative to other districts in Limpopo, at 38.62 per cent of households. Mopani has the lowest percentage of households with access to postal facilities, at 17.61 per cent of households. Greater Sekhukhune and Vhembe, at 20.10 and 20.79 per cent of households respectively, also have very limited access to postal facilities compared to the provincial average.

Figure 4.16: Percentage of Population with Access to Postal Facilities, 2007

Source: Afrinem and Quantec Research, 2008

4.8 Conclusion

This chapter dealt with social infrastructure and access to basic services for Limpopo residents with the focus on housing, sanitation, refuse removal, energy and water. Various success stories were reflected in the data, but some remaining challenges were also identified. The results of this chapter should assist policy makers in the development of a truly integrated approach to social development.