LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

LIMPOPO SOCIO-ECONOMIC REVIEW AND OUTLOOK 2011

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SOCIO-ECONOMIC REVIEW AND OUTLOOK

2011

Limpopo Provincial Government

FOREWORD

The previous annual publication of the Socio-Economic Review and Outlook (SERO) was presented at a time that seemed to be a recovering period for the global economic crisis. The worlds markets were seriously trembled by this crisis of 2008 known as the recession, and like many other negatives its effects were felt more by the poor. The year 2011 demonstrated yet again the precariousness of ‘markets’ under capitalism, this demonstration was mainly through the Euro zone debt crisis, and further the economic crisis of Greece. South Africa being a developing country which in turn is a reactor in the global markets has felt and will continue to feel these inevitable instabilities of the worlds markets.

What this also means is that we must amble through these unstable phases, and come up with solutions that will make sure that the people of the province are catered for. Our planning must indeed change from the uniform planning that is often presented in order to mitigate the problems. There must be serious means of making sure that the wounds are not septic.

The publication is to then look at the progress made in so far as service delivery is concerned, but also to assess where the issues are. This will assist us as we continue to plan and to make sure that the needs of the people of the province are met. The ANC led government in the province will continue to make sure that it finds ways to deal with unemployment, poverty, corruption, and crime. We have led in terms of infrastructure development and will continue with the good work. The publication also zooms into trade progress as a whole. We extend a word of thanks to those who provided us with data.

HON. MEC MASONDO (MPL) DATE: 01 MARCH 2012

MEC FOR PROVINCIAL TREASURY

TABLE OF CONTENTS

List of Figures v

List of Tables vii

Executive Summary viii

1. Introduction 1

2. Limpopo Province Social Review and Outlook 2

2.1. Demographic Profile of Limpopo 2

2.1.1. Population 2

2.1.2. Migration 5

2.1.3. Fertility and birth rates 5

2.1.4. Life Expectancy 7

2.1.5. Mortality Rate 9

2.1.6. Prevalence of HIV/AIDS 11

2.1.7. Prevalence of Tuberculosis and Malaria 13

2.1.8. Analysis of Provincial Demographic Profile 15

2.2. Access to Services 18

2.2.1. Access to Housing 18

2.2.2. Access to Education 19

2.2.3. Access to Sanitation 23

2.2.4. Access to Electricity 25

2.2.5. Access to Water 28

2.2.6. Access to Healthcare 30

2.2.7. Social Grants 32

2.2.8. Crime Prevention 33

3. Limpopo Province Economic Review and Outlook 35
3.1. Economic Growth 35
3.2. Labor Market 38
3.3. Inflation 41
3.3.1. Consumer inflation 41
3.3.2. House price inflation 43
3.4. Investment 44
3.5. International Trade 46
3.6. Households 50
3.7. Global Economic Outlook 53
3.8. National and Provincial Economic Outlook 55
4. Conclusion 58

LIST OF FIGURES

Figure 1: Age distribution of Limpopo province population ... 4
Figure 2: Distribution of Limpopo province by municipality ... 4
Figure 3: Limpopo population migration (2006-2011)* ... 5
Figure 4: Provincial average fertility rates ... 6
Figure 5: Limpopo province birth and fertility rates ... 7
Figure 6: Provincial life expectancy at birth ... 8
Figure 7: Limpopo province life expectancy at birth by gender ... 9
Figure 8: Limpopo average infant mortality rate ... 10
Figure 9: Limpopo mortality rate ... 10
Figure 10: Limpopo HIV/AIDS prevalence rate by gender ... 11
Figure 11: Limpopo HIV/AIDS prevalence rate by age ... 12
Figure 12: Limpopo HIV/AIDS prevalence amongst antenatal women by municipality . 13
Figure 13: Limpopo population growth diamond ... 15
Figure 14: Limpopo population longevity diamond ... 16
Figure 15: Limpopo HIV/Aids prevalence diamond ... 17
Figure 16: Limpopo households by type of dwelling ... 18
Figure 17: Type of dwellings by district (2010) ... 19
Figure 18: Provincial comparison of the number of pupils enrolled for the National Senior Certificate (2011) ... 20
Figure 19: Provincial comparison of Senior Certificate pass rate in 2011 ... 21
Figure 20: Total school enrolment (Public and Independent) ... 22
Figure 21: Limpopo households by type of toilet ... 23
Figure 22: Limpopo districts by type of toilet (2010) ... 24
Figure 23: Limpopo households by type of refuse removal ... 25
Figure 24: Eskom electricity distribution in Limpopo ... 26
Figure 25: Limpopo households by type of energy use ... 26
Figure 26: Limpopo electricity usage by district ... 27
Figure 27: Limpopo households by of access to water (2010) ... 28
Figure 28: Limpopo districts by level of access to water (2010) ... 29

Figure 29: Limpopo number of healthcare professionals by district (2011) 31
Figure 30: Limpopo medical aid coverage 31
Figure 31: Limpopo reported minimal contact-crime cases 34
Figure 32: Limpopo reported contact-crime cases 34
Figure 33: Limpopo reported severe contact-crime cases 35
Figure 34: Limpopo average annual growth economic (2005 prices) 36
Figure 35: Limpopo GDP per capita (2005 prices) 37
Figure 36: Unemployment by province* 39
Figure 37: Breakdown of Limpopo employed involvement in agriculture 40
Figure 38: Limpopo province employment by industry (2011) 41
Figure 39: Limpopo province consumer price inflation as compared to national consumer price inflation 42
Figure 40: Limpopo inflation by product category (2011) 43
Figure 41: Limpopo house prices 44
Figure 42: Limpopo total investment 45
Figure 43: Limpopo investment by industry (2010) 46
Figure 44: Limpopo imports from the rest of the world (2010) 49
Figure 45: Limpopo exports to the rest of the world 50
Figure 46: Limpopo households' income and expenditure 51
Figure 47: Limpopo households' expenditure by type of goods 51
Figure 48: 3 month Euro Interbank rate 54

LIST OF TABLES

Table 1: Limpopo population growth 3
Table 2: Limpopo malaria cases (2011) 14
Table 3: Limpopo quarterly tuberculosis infection rates (2011) 14
Table 4: Provincial pass rates (2008-2011) 21
Table 5: Limpopo healthcare facilities by district 30
Table 6: Social grants: a provincial comparison (‘000) 32
Table 7: Limpopo sector growth 37
Table 8: Limpopo labor force characteristics 38
Table 9: Limpopo exports and imports 47
Table 10: Total credit granted per province (in millions) 52
Table 11: World real GDP growth 55
Table 12: National economic outlook 56
Table 13: Provincial economic outlook 57

EXECUTIVE SUMMARY

As the global economy shows signs of recovery from the 2008 financial crisis, the Euro zone sovereign debt crisis threatens to plunge the global economy into a second recession. As a result of this situation, advanced economies, especially in the euro zone, are at best expected to show weak to moderate growth moving into the future. Although the outlook for emerging economies is more optimistic, low growth in advanced economies will impact negatively on emerging economies.

It is against the backdrop of the above-stated context that the national and provincial economies will increasingly struggle to achieve the level of economic growth that is required to address the challenges of poverty and unemployment. In order to meet this challenge, the South African economy will, at national and provincial levels, embark on an investment drive that will unlock new growth opportunities. These initiatives include, inter alia, further implementation of the New Growth Path policy framework and additional infrastructure initiatives as announced in the 2012 State of the Nation Address.

The demographic profile analysis shows that, in general, population growth in the province is well in line with the national average. This essentially means that the provincial population remains youthful and this poses a significant challenge on those services such as education and health that are targeted mainly at the youth. Provincial life expectancy remains amongst the highest in the country, a fact which has resulted in the decline in fertility and birth rates in the province for the past six years. Mortality rates have continued to drop in the province. This is with particular reference to infant mortality which has dropped by 23% between 2006 and 2011. However, the prevalence of HIV/AIDS continues, especially among females, to be a serious health challenge in the province.

Access to basic services continued to improve to the extent that in 2010 78.7% of households lived in formal structures, the provincial pass rate increased to 64% in 2011 from 58% in 2010, the provision of electricity to households using electricity as part of their energy mix increased by 82%, in 2010 medical aid cover increased from 12.5% in 2009 to 15.7% of the population, and the provincial government continued to expand its social protection program by 6% growth in 2011. However, access to proper sanitation, refuse removal, and formal water source remains a challenge to service delivery.

In 2011, the provincial economy grew by 4.8% on the back of a moderate recovery in 2010. This growth was bolstered by higher growth in agriculture (11.2% after a decline of 1.5% in 2010), mining (8.3% after growth of 4.6% in 2010), and electricity generation (5.5% after growth of 2.3% in 2010).

Although the provincial economy continued to create employment (2.4%), this was far outweighed by the increase in the labor force of 6.7% in 2011. Combined with a low labor force participation rate of 36.5% (down from 37.8% in 2010), the unemployment rate in the province increased to 20% (this is still below the national unemployment rate). The community and social services, and wholesale, retail and motor trade sectors continued to be the main employment engines of the province in 2011.

The performance of the provincial economy is intricately linked to that of the national economy. The continued growth of the provincial economy is, therefore, dependent on its ability to participate effectively in pro-growth measures highlighted by national government in the Medium Term Strategic Framework. Together with the continued success of initiatives under the Limpopo Employment, Economic Growth and Development plan, these can create the fiscal space with which government can continue to address the social and economic needs of the people of the province.

1. Introduction

As the global economy shows signs of recovery from the 2008 financial crisis, the Euro zone sovereign debt crisis threatens to plunge the global economy into a second recession. As a result of this situation, advanced economies (especially in the euro zone) are at best expected to show weak to moderate growth moving into the future. Although the outlook of emerging economies is more optimistic, low growth in advanced economies will impact negatively on emerging economies.

It is against the backdrop of the above-stated context that the national and provincial economies will increasingly struggle to achieve the level of economic growth that is required to address the challenges of poverty and unemployment. In order to meet this challenge the South African economy will, at national and provincial levels, embark on an investment drive that will unlock new growth opportunities. These initiatives include, inter alia, further implementation of the New Growth Path policy framework and additional infrastructure initiatives as announced in the 2012 State of the Nation Address.

This edition of the *Limpopo Socio-Economic Review and Outlook* provides an overview of the socio-economic profile and performance of the province. It commences by highlighting current trends in the demographic profile of the province. It further observes improvements and challenges in household access to services (including access to education, health, water, and sanitation). It finally analyses the economic performance of the province as well as the outlook of the global, national and provincial economies.

This report drew data from a variety of sources which encompass, among others, Statistics South Africa and the Actuarial Society of South Africa, The National Credit Regulator, Quantec Research, Global Insight, and various national and provincial government departments are included as well.

2. Limpopo Province Social Review and Outlook

2.1. Demographic Profile of Limpopo

2.1.1. Population

Understanding the size, growth and spatial distribution of the provincial population is an essential aspect of planning for the provision of government services such as health, education, and social security.

As indicated in Table 1 below, South African population grew at an annual average rate of 1.6% between 2006 and 2011 (this brings the total population in the country to 50.5 million in 2011). On average, population growth in the provinces followed a similar trend. In 2011, the total population in Limpopo province was 5.5 million and this equates to an average annual growth of 1.8% between 2006 and 201

In 2011, Gauteng continued to be the most populous province in the country with 22.2% of the country's population (up from 21.8%). Gauteng was followed by KwaZulu Natal (21.3%), Eastern Cape (13.5%), and Western Cape (10.4%). Limpopo province's share of the total population of the country remained stable at 10.9% (see Table 1 below).

Figure 1 below illustrates that between the ages of 0 – 29 years, the provincial population accounts for more than the stated 11 % which indicates that Limpopo has a relatively youthful population. Approximately 48% of the provincial population is under the age of 20. Limpopo also has an even spread between males and females across the different population age ranges. The lower population age ranges are slightly skewed towards males while the higher population ranges age are skewed towards females.

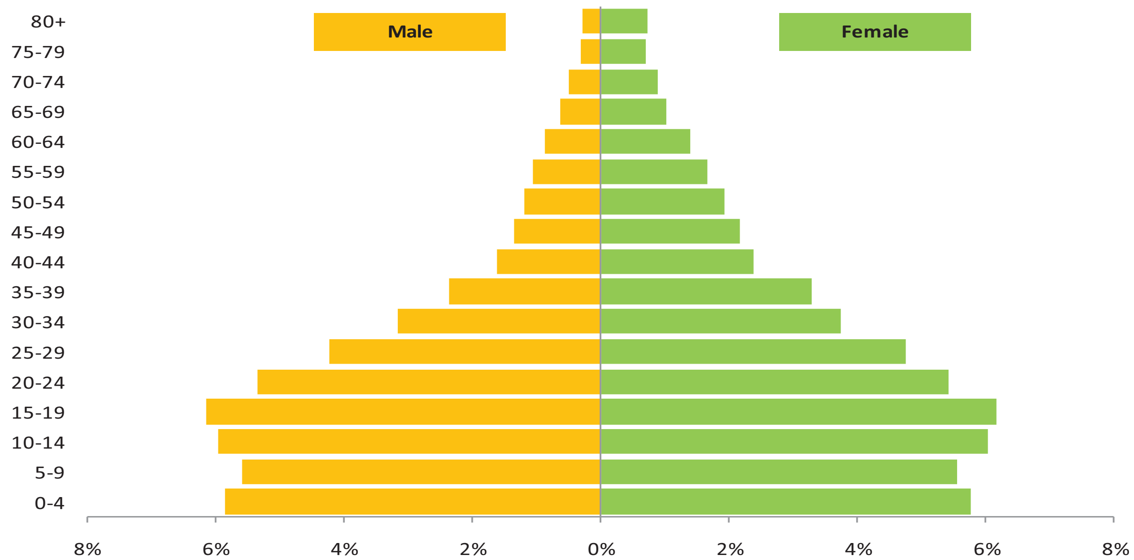
Table 1: Limpopo population growth

Province	Mid-year population ('000) *Share of national population (%)*			Average annual growth (%)	
	2001	2006	2011	2001-2006	2006-2011
Eastern Cape	6 443 *14.3*	6 587 *13.9*	6 829 *13.5*	0.6%	0.9%
Free State	2 753 *6.1*	2 701 *5.7*	2 759 *5.4*	-0.5%	0.5%
Gauteng	9 440 *21.0*	1 033 *21.8*	11 328 *22.3*	2.3%	2.3%
KwaZulu Natal	9 590 *21.3*	10 094 *21.3*	10 819 *21.3*	1.3%	1.7%
Limpopo	4 970 *11.1*	5 165 *10.9*	5 554 *10.9*	1.0%	1.8%
Mpumalanga	3 347 *7.4*	3 459 *7.3*	3 657 *7.2*	0.8%	1.4%
Northern Cape	1 070 *2.4*	1 042 *2.2*	1 096 *2.1*	-0.7%	1.3%
North West	2 949 *6.6*	3 080 *6.5*	3 253 *6.4*	1.1%	1.4%
Western Cape	4 388 *9.8*	4 833 *10.2*	5 287 *10.4*	2.4%	2.3%
South Africa	**44 951** **100**	**47 390** **100**	**50 586** **100**	**1.3%**	**1.6%**

Source: Statistics South Africa (2011)

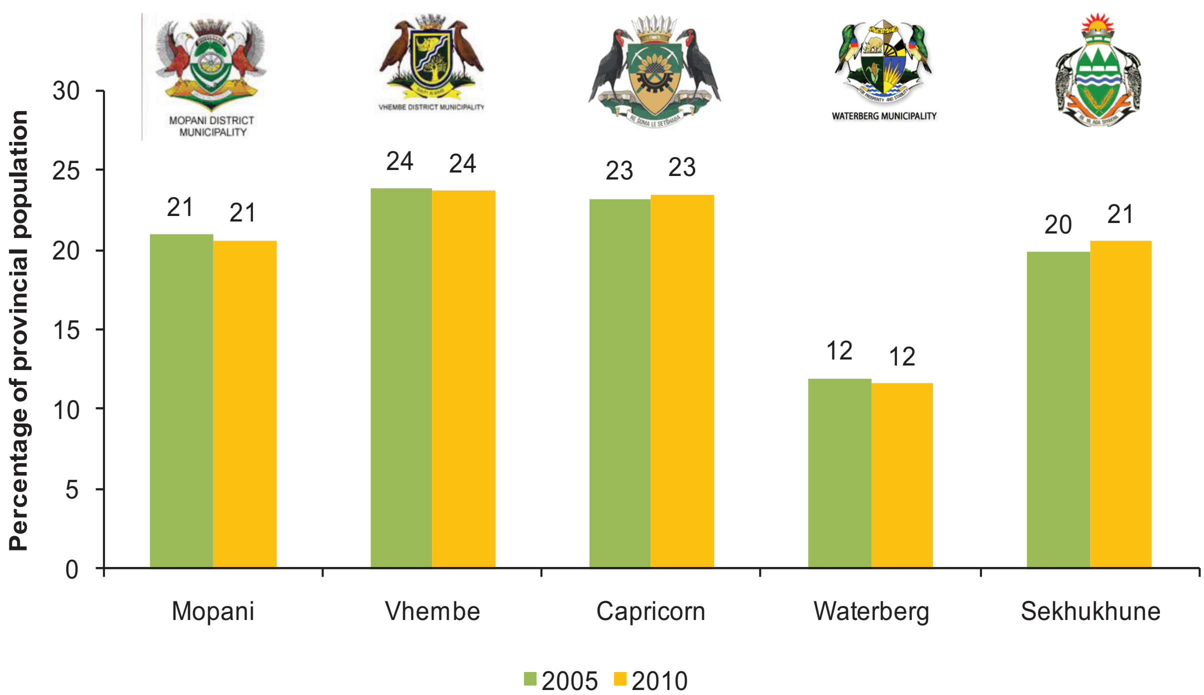
As shown in Figure 2 above, the spatial distribution of the provincial population is fairly spread with the exception of Waterberg which accounts for 12 % (which is on average half of the other municipalities in the province). Vhembe accounts for the highest proportion of the provincial population with 24% in 2010. Mopani and Sekhukhune both accounted for 21% during the same period. The population shares have remained stable over time in all the municipalities which means that there was minimal migration between the district municipalities between 2005 and 2011.

Figure 1: Age distribution of Limpopo province population



Source: Statistics South Africa (2011)

Figure 2: Distribution of Limpopo province by municipality

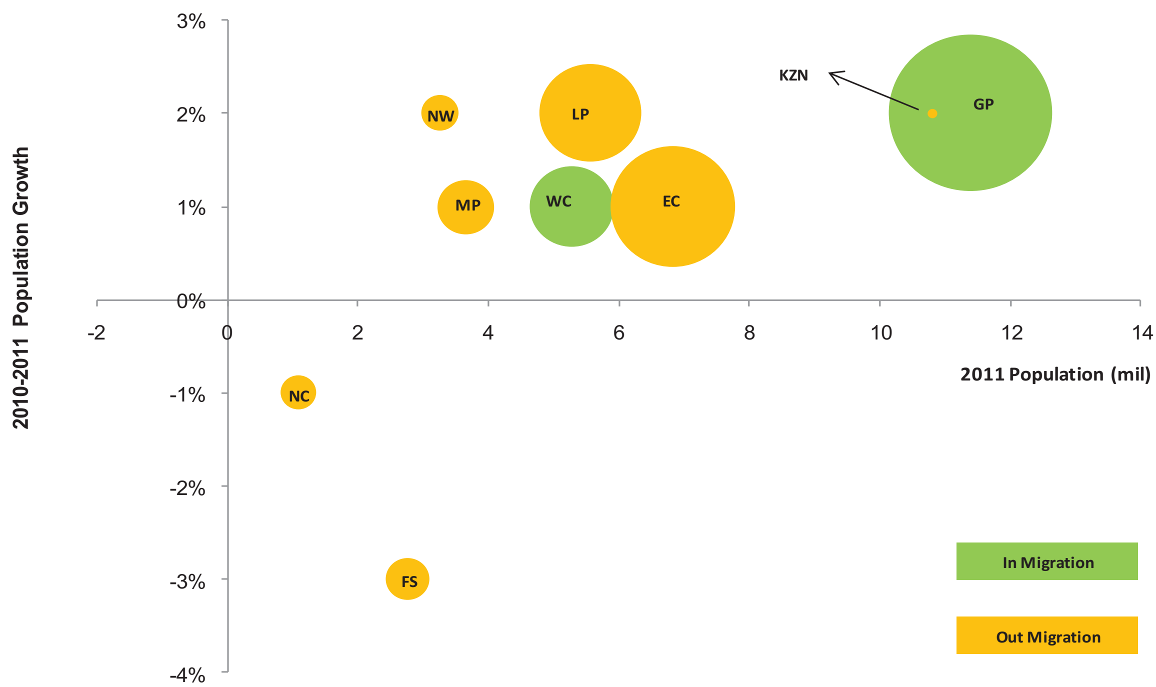


Source: Quantec Research (2011)

2.1.2. Migration

Figure 3 below shows that Gauteng and the Western Cape were the only provinces that had net in-migration between 2006 and 2011. Gauteng had the highest net in-migration as well as the highest population growth between 2010 and 2011 which highlights the role of migration in determining provincial population growth. This is in contrast with the Free State and Northern Cape which had the high net out-migration in relation to their population size.

Figure 3: Limpopo population migration (2006-2011)*



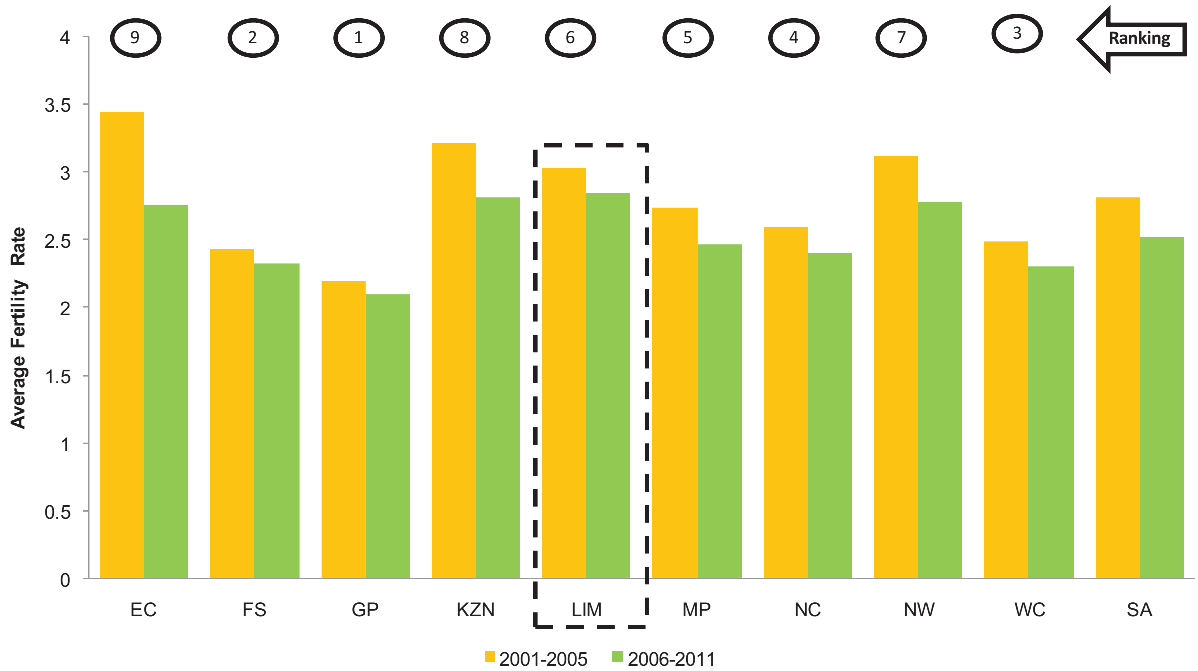
Source: Statistics South Africa (2011). Note *: Bubble size indicates the level of net migration

2.1.3. Fertility and birth rates

Fertility and birth rates are critical determinants of population growth. Fertility is the number of children born per couple, person, or population. It is directly related to the birth rate which measures the number of children born per 1000 people per year.

A provincial comparison of average fertility rates (as highlighted in Figure 4 below) reveals that Limpopo province had the sixth highest fertility rate in the country between 2006 and 2011 (2.85 births above the national average of 2.52 births). During the same period, Gauteng and the Free State reported the lowest average fertility rates in the country with 2.1 and 2.43 births respectively.

Figure 4: Provincial average fertility rates



Source: Actuarial Society of South Africa (2011)

Generally, there was a sharp decline in fertility rates in the country for the past six years and Limpopo was no exception. Figure 5 below reveals that since 2005 actual provincial fertility and birth rates have declined by 10 to 15%, and this trend is expected to continue until 2015 when these rates will have declined further.

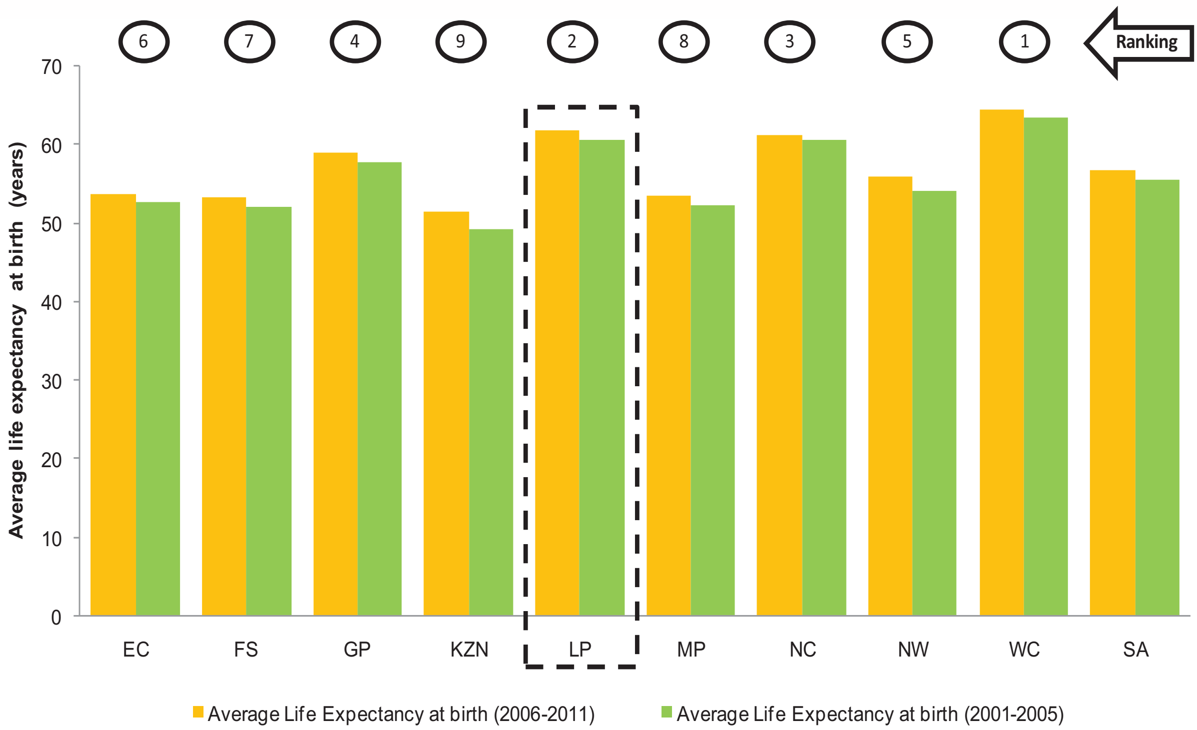
Figure 5: Limpopo province birth and fertility rates

Source: Actuarial Society of South Africa (2011)

2.1.4. Life Expectancy

This decline in fertility and birth rates occurred at the same time as average life expectancy stabilization. As shown in Figure 6 below, average life expectancy at birth has increased marginally between 2006 and 2011across provinces as compared to between 2001 and 2006. This points to improvements in the general health and living standards of living of the South African population (albeit marginally).

Figure 6: Provincial life expectancy at birth

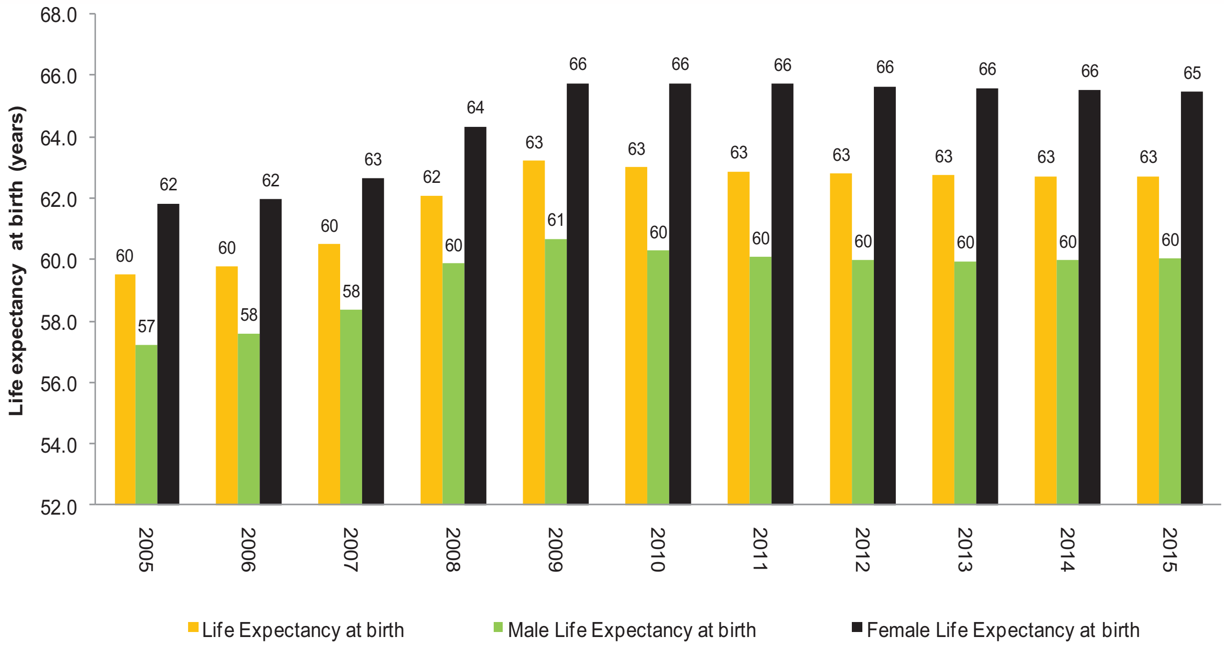


Source: Actuarial Society of South Africa (2011)

Figure 6 also highlights that Limpopo province had the second highest average life expectancy at birth (61 years) between 2006 and 2011, which was only second to the Western Cape (64 years). The provinces with the lowest average life expectancy at birth were the Eastern Cape (53 years), Free State (53 years), Mpumalanga (53 years), and KwaZulu Natal (51 years).

In Limpopo province, the general female life expectancy exceeded that of males and this is expected to continue. Figure 7 below shows that in 2011, female life expectancy exceeded that of males by 6 years and this gap is expected to decline slightly to 5 years by 2015.

Figure 7: Limpopo province life expectancy at birth by gender



Source: Actuarial Society of South Africa (2011)

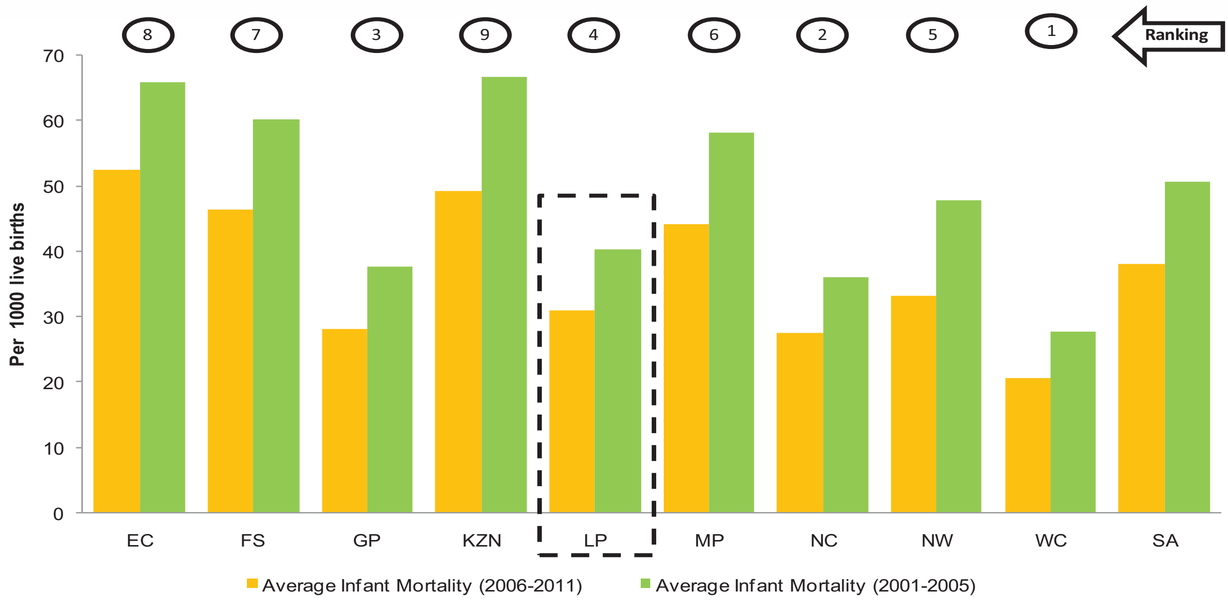
2.1.5. Mortality Rate

Improvements in life expectancy may be defined as a decline in mortality rates as these are inversely related[1]. This is clearly illustrated in Figure 8 below, which shows that across all provinces average infant mortality rate declined between 2006 and 2011 as compared to between 2001 and 2006. This is supported by Figure 9 which clearly shows a decline in not only infant mortality, but also in under 5 years mortality.

Average infant mortality has, between 2006 and 2011 dropped by 23% (from 40 to 30 per live births) in Limpopo which is a clear indication of improvement in antenatal health within the province. This trend is generally observed in all the other provinces and therefore, nationally. This decline is expected to continue in the province as indicated in Figure 9 below. Under 5 children mortality followed a similar trend declining by 29% between 2005 and 2011. Adult mortality remained stable during the same period.

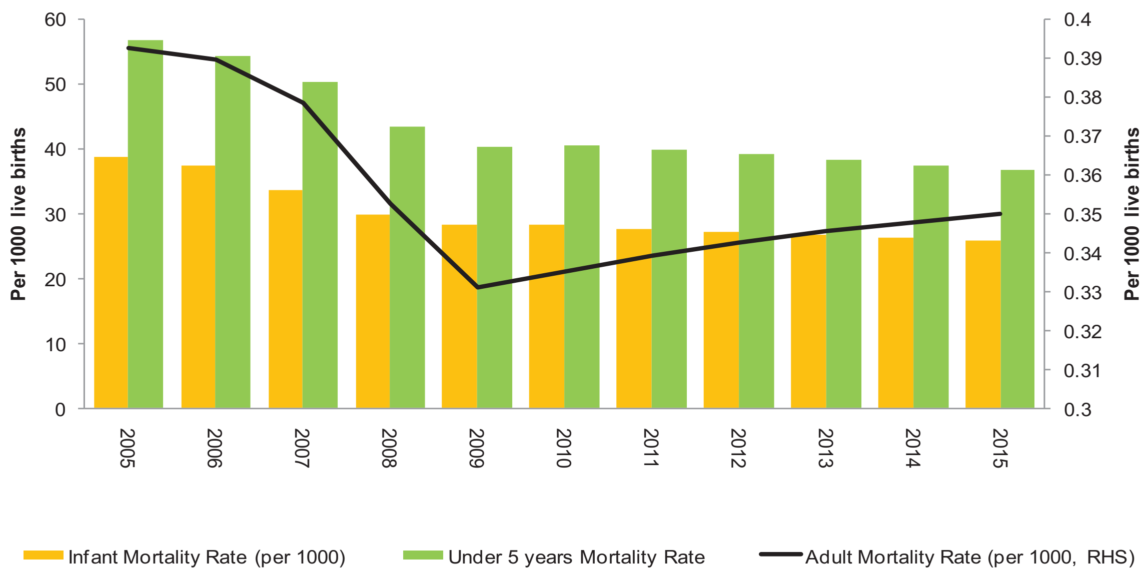
[1] Mortality refers to the number of deaths (in general, or due to a specific cause) in a population per unit of time (for example a year)

Figure 8: Limpopo average infant mortality rate



Source: Actuarial Society of South Africa (2011)

Figure 9: Limpopo mortality rate

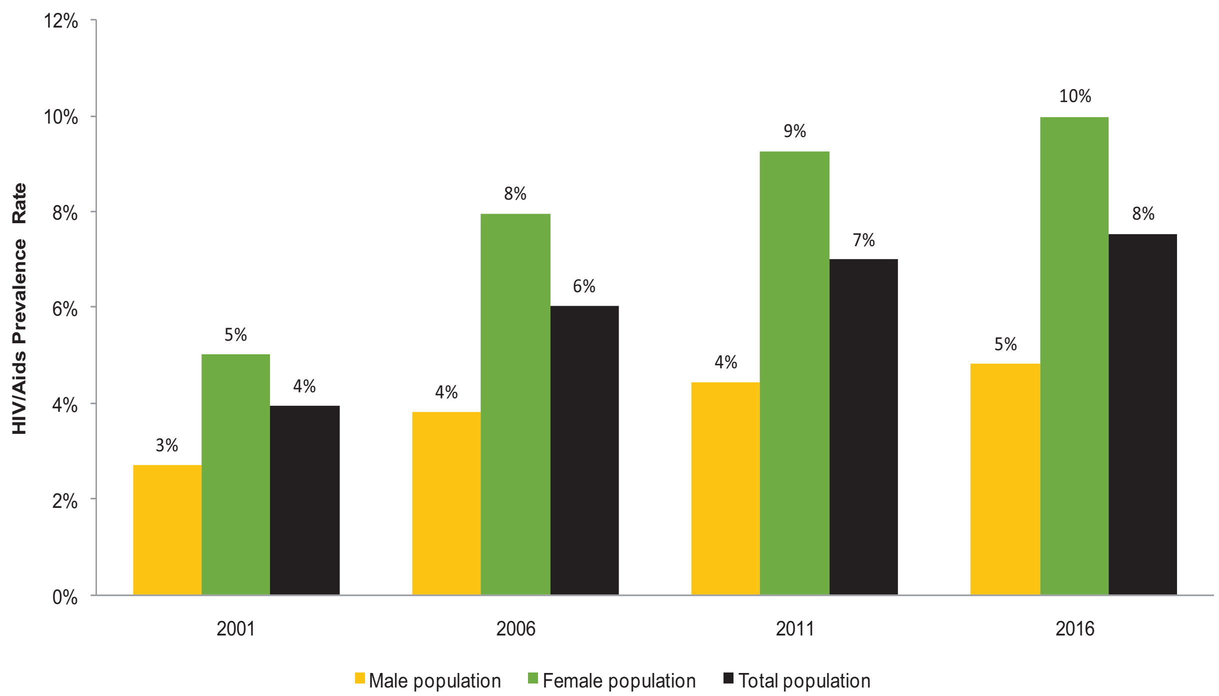


Source: Actuarial Society of South Africa (2011)

2.1.6. Prevalence of HIV/AIDS

Over the past decade, Limpopo saw a significant increase in the prevalence of HIV/AIDS. As shown in Figure 10 below, in 2001 the prevalence rates for the entire population was 4% and in 2011 it was estimated at 7% and this is expected to increase to 8% by 2016.

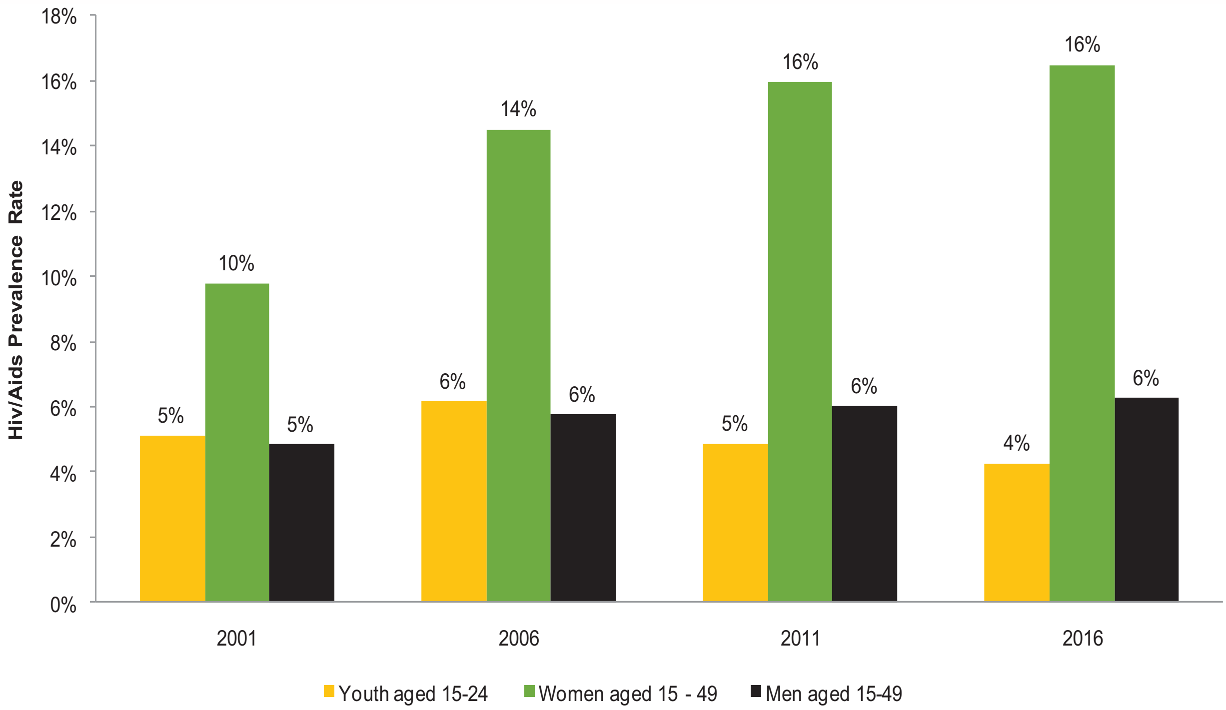
Figure 10: Limpopo HIV/AIDS prevalence rate by gender



Source: Actuarial Society of South Africa (2011)

Females are the most affected group in the province as shown in Figure 11. In 2011, the HIV/AIDS prevalence rate of women between the ages of 15 to 49 was estimated at 16% which is 10 percentage points higher than their male counterparts. Encouragingly, the HIV/AIDS prevalence rate was estimated at 5% during the same year.

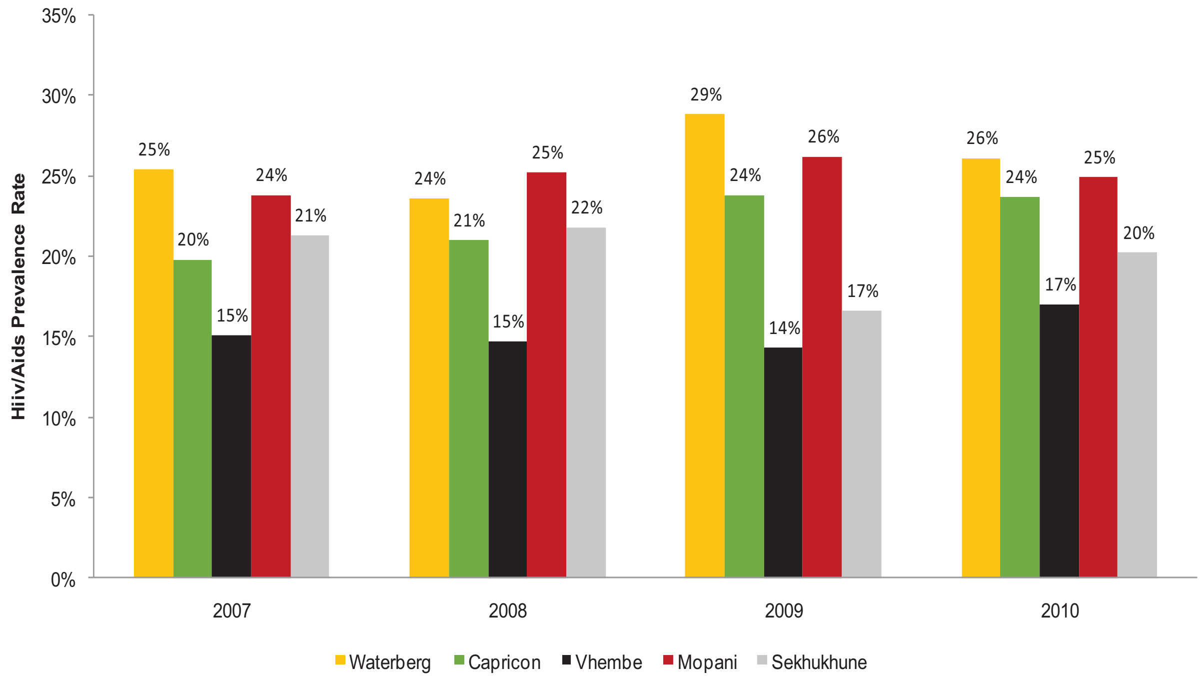
Figure 11: Limpopo HIV/AIDS prevalence rate by age



Source: Actuarial Society of South Africa (2011)

Out of all population groups, the HIV/AIDS prevalence rate is the highest amongst ante-natal women. Figure 12 shows that since 2007 the HIV/AIDS rate ranged between 15% and 29%, depending on the district, with no signs of decline. This is of particular concern to government since the prevention of mother- to- child transmission of HIV is a key health priority of government.

Figure 12: Limpopo HIV/AIDS prevalence amongst antenatal women by municipality



Source: National Antenatal and Syphilis Prevalence Survey Sentinel HIV/South Africa (2010)

2.1.7. Prevalence of Tuberculosis and Malaria

According to the Department of Health, there were 4522 malarial cases reported in 2010-11, which is an increase of 58% from 2009-10. Furthermore, the number of malarial deaths increased by 61% during the same period, bringing the total to 50 during 2010-11. The highest number of cases was reported in Vhembe district (2890), followed by Mopani district (1263), Waterberg (160), Capricorn (123), and Sekhukhune district (86). See Table 2 below.

Table 2: Limpopo malaria cases (2011)

District	Malaria Cases			Malaria Deaths		
	2008-2009	2009-2010	2010-2011	2008-2009	2009-2010	2010-2011
Capricorn	82	101	123	4	3	4
Sekhukhune	30	48	86	0	0	2
Mopani	933	867	1263	7	6	15
Vhembe	2475	1778	2890	13	21	23
Waterberg	108	63	160	1	1	6
Total	**3628**	**2857**	**4522**	**25**	**31**	**50**

Source: Limpopo Department of Health (2011)

11016 patients received treatment for tuberculosis during 2011 with 7249 patients recovering from the disease. Infection rates in the fourth quarter of 2011 were high with Capricorn, Vhembe and Sekhukhune districts at 80%, followed by Mopani district at 79% and Waterberg district at 63%. See Table 3 below.

Table 3: Limpopo quarterly tuberculosis infection rates (2011)

District	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Capricorn	78 %	76 %	80 %	80 %
Sekhukhune	77 %	77 %	80 %	80 %
Mopani	65 %	71 %	75 %	79 %
Vhembe	77 %	75 %	76 %	80 %
Waterberg	68 %	65 %	70 %	63 %
No. of patients receiving tuberculosis treatment = 11016 **No of patients recovered = 7249**				

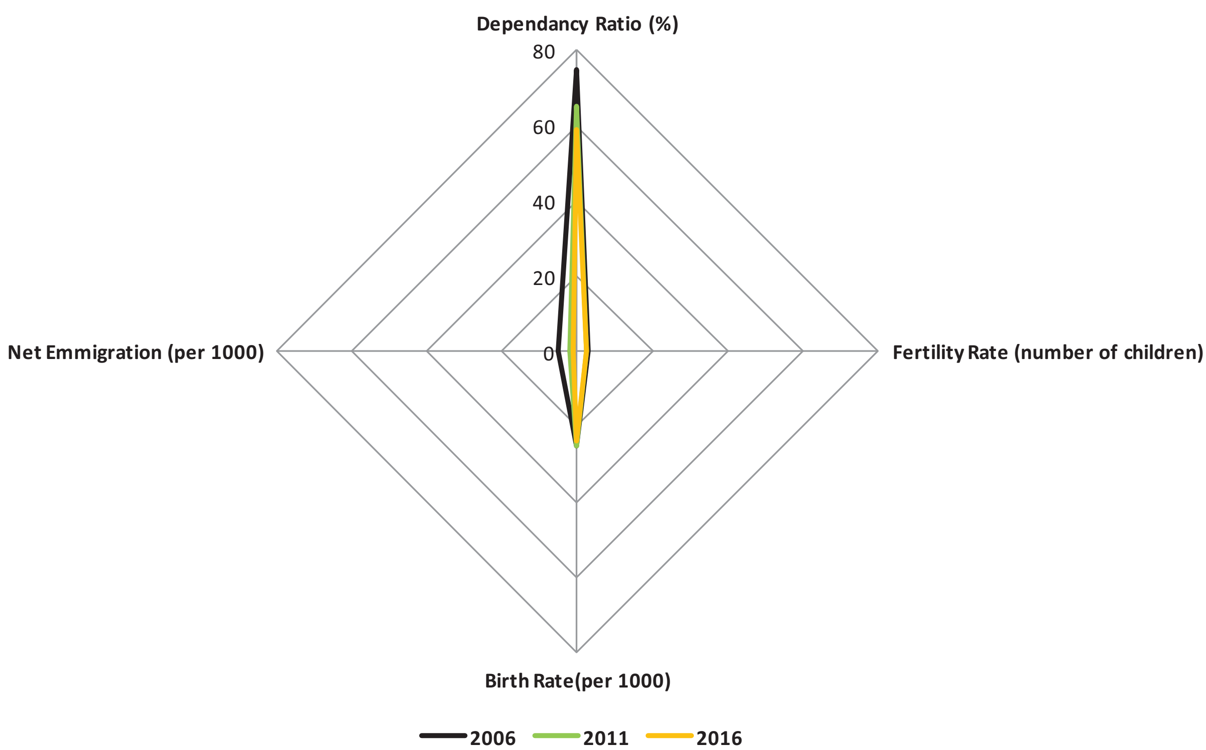
Source: Limpopo Department of Health (2011)

2.1.8. Analysis of Provincial Demographic Profile

This section analyses the demographic profile of the province by making use of the diamond analysis. The diamond analysis highlights improvements over time in the most important broad aspects of the demographic profile which are population growth, population longevity, and the prevalence of HIV/AIDS.

As highlighted above, measures of demographic aspects such as fertility and birth rates declined in recent years. The narrowing of the diamond between 2006 and 2016 (shown in Figure 13) illustrates that, in general, the provincial population grew at a slower pace in 2011 as compared to 2006, and it will most likely grow at an even slower pace by 2016.

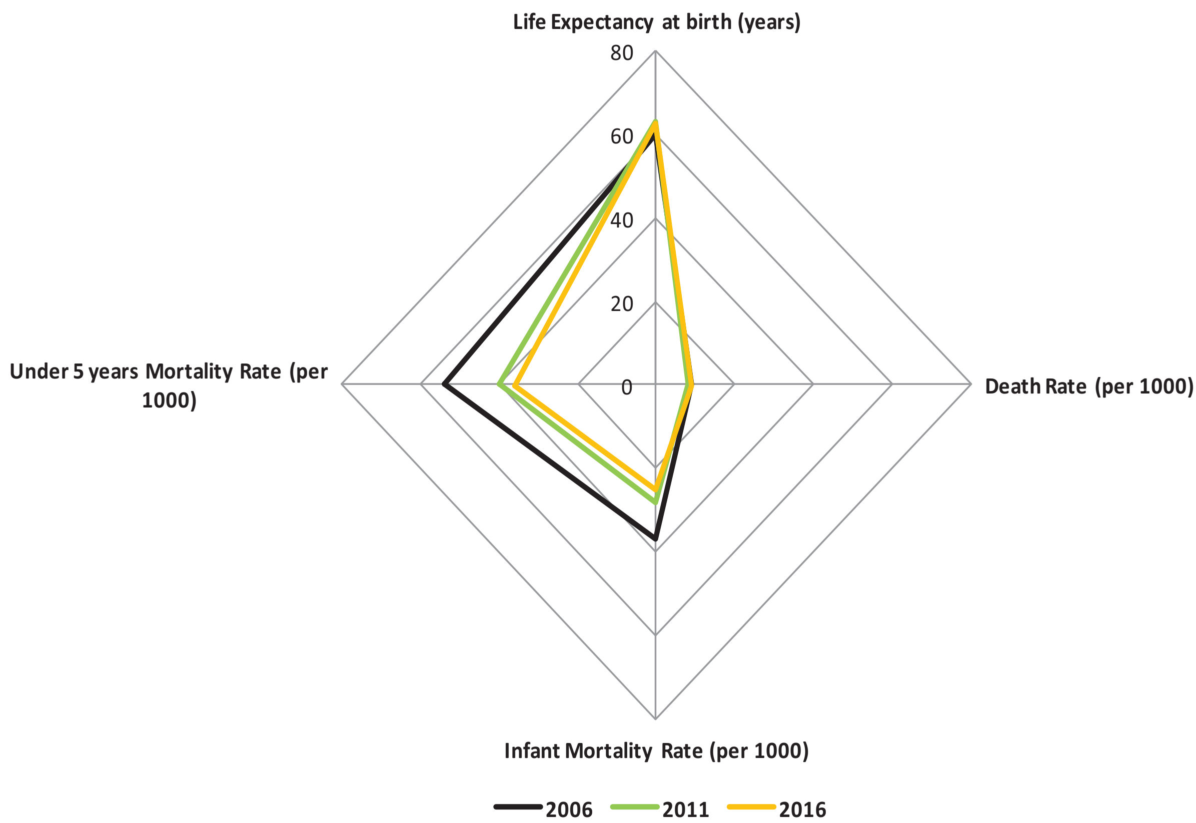
Figure 13: Limpopo population growth diamond



Source: Limpopo Provincial Treasury (2011)

Similarly, Figure 14 below shows that provincial population longevity has improved and is expected to continue to improve. Figure 14 shows (as shown above) that life expectancy has increased and is expected to increase and that mortality measures contracted and are also expected to continue in this trend.

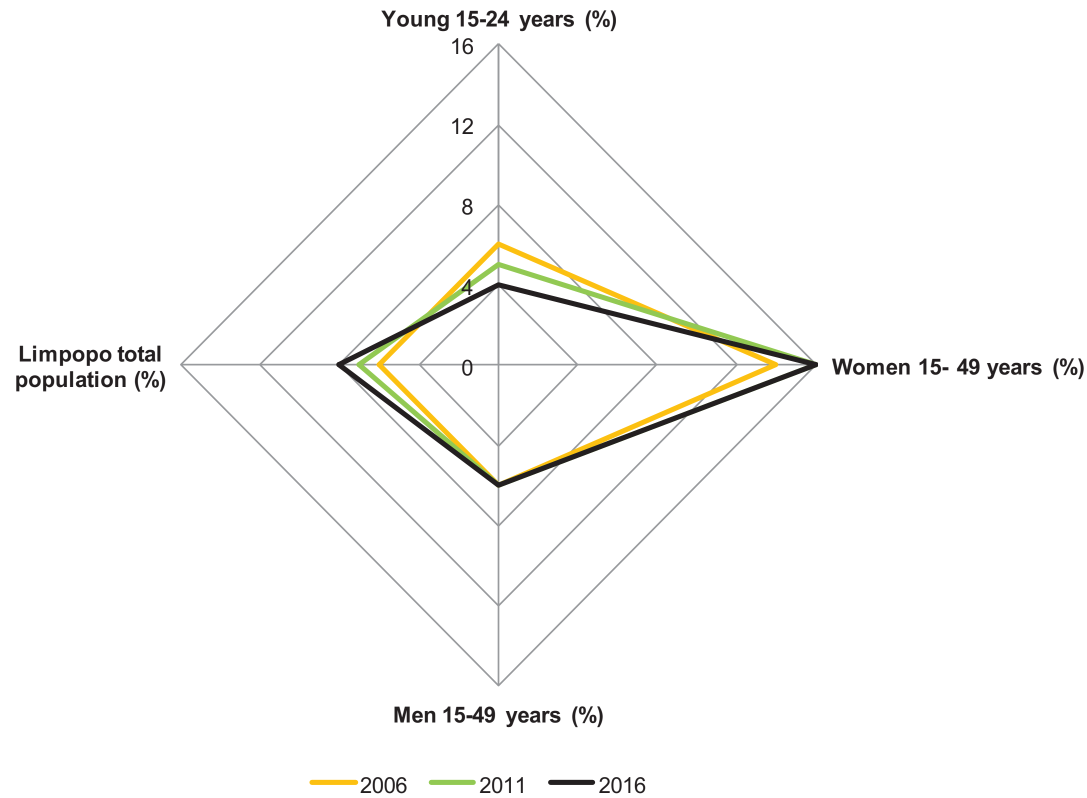
Figure 14: Limpopo population longevity diamond



Source: Limpopo Provincial Treasury (2011)

Lastly, Figure 15 shows a mixed picture of HIV/AIDS prevalence. Overall prevalence amongst the total population is expected to remain stable (however, as mentioned above has deteriorated in recent years). It is, however, expected to increase by 2016 among antenatal women. Prevalence amongst males is expected to remain stable; however, it is expected to have declined by 2016 among the youth.

Figure 15: Limpopo HIV/Aids prevalence diamond



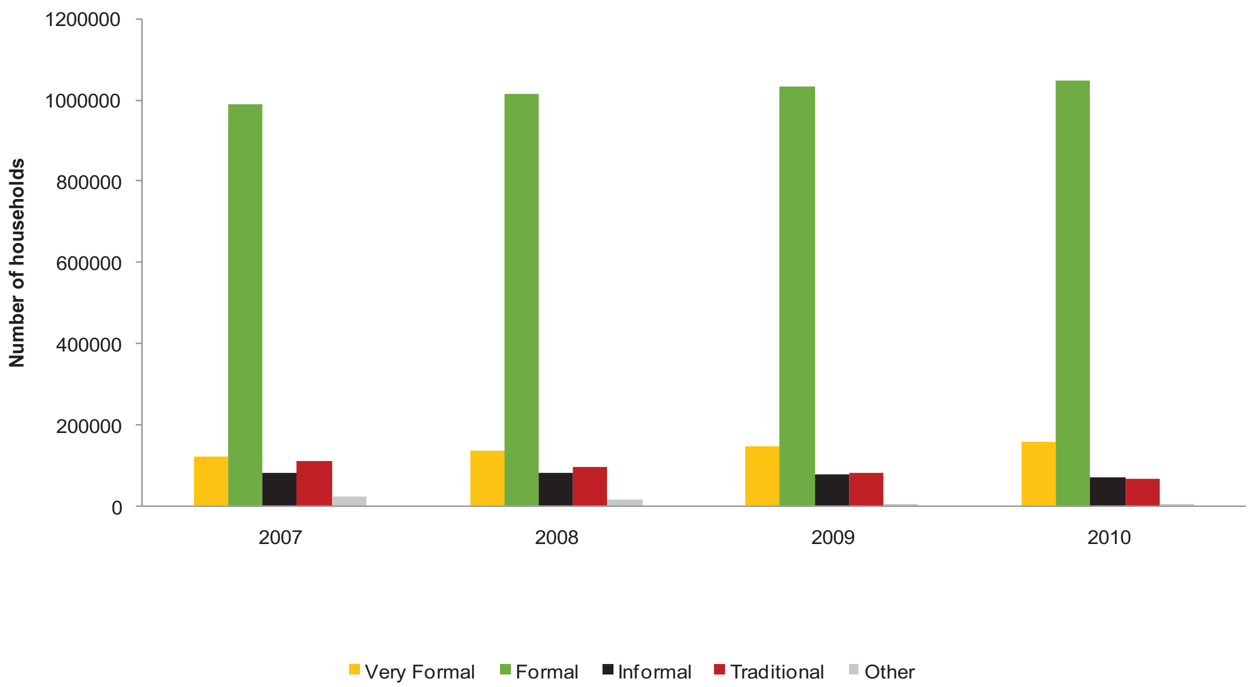
Source: Limpopo Provincial Treasury (2011)

2.2. Access to Services

2.2.1. Access to Housing

Provisioning of Housing remains a key priority of government. Figure 16 shows that the majority of households in Limpopo were staying in formal houses between 2007 and 2010. 78.7 per cent of households were living in formal structures in 2010.The number of households in traditional and informal structures declined by 40% and 15% respectively between 2007 and 2010.

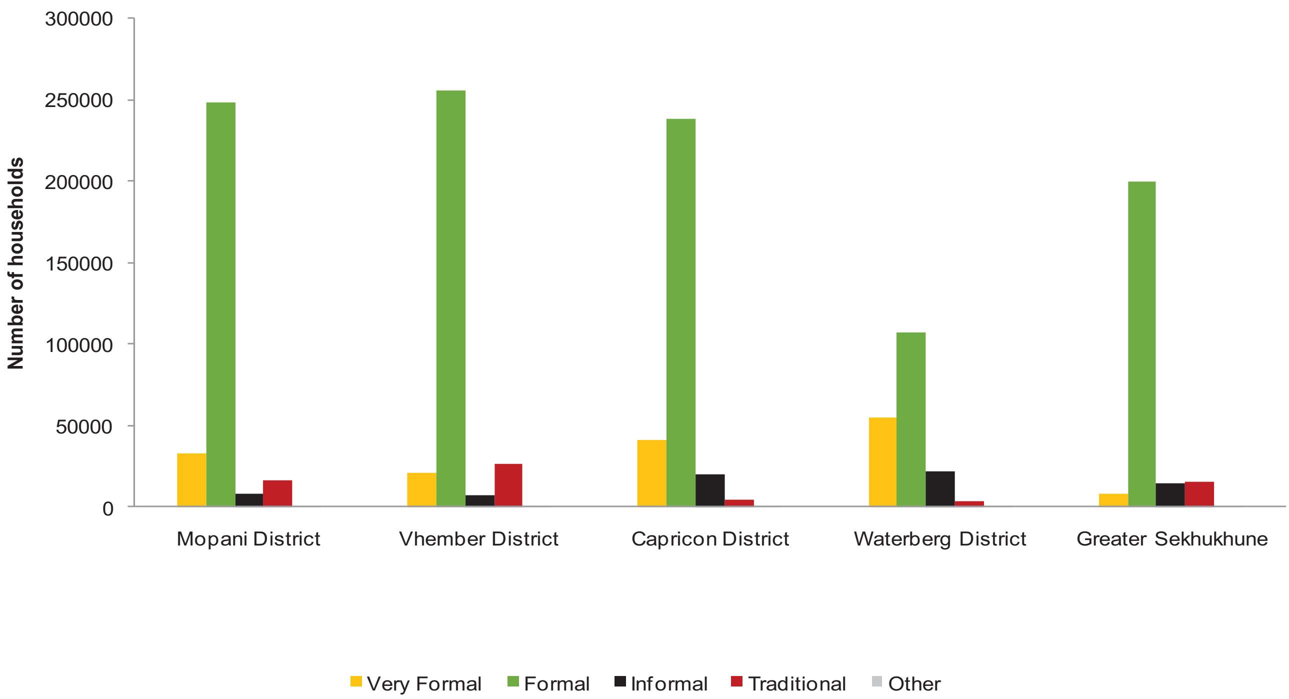
Figure 16: Limpopo households by type of dwelling



Source: Global Insight (2011)

In 2010, Waterberg district had the highest number of households living in very formal structures (54 519) and the lowest number of households in formal structures (107027). Vhembe district had the highest number of households in formal structures (255 831) and also the highest number of households in traditional structures (25950) during the same year. Waterberg district had the highest number of households in informal structures (21917) during the same period (See Figure 17 below).

Figure 17: Type of dwellings by district (2010)

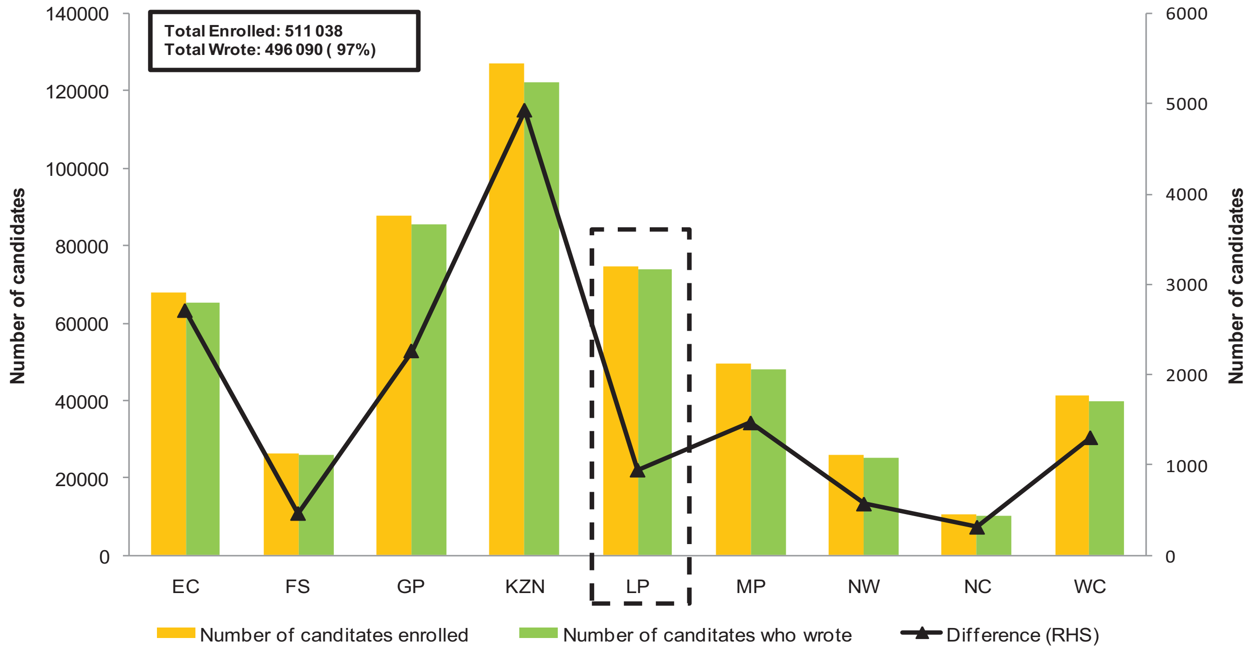


Source: Global Insight (2011)

2.2.2. Access to Education

According to the National Department of Education, 511 038 learners enrolled for the Senior Certificate examination in 2011. Out of these learners, 496 090 (or 97%) wrote the final examination. Limpopo province had the third highest number of learners (73 731 pupils) in all the provinces. KwaZulu Natal had the highest number of learners with 122 126 learners, followed by Gauteng with 85 367 learners in 2011 (see Figure 18 below). KwaZulu Natal also had the highest difference between learners who enrolled and those who wrote the examination (4 930 learners).

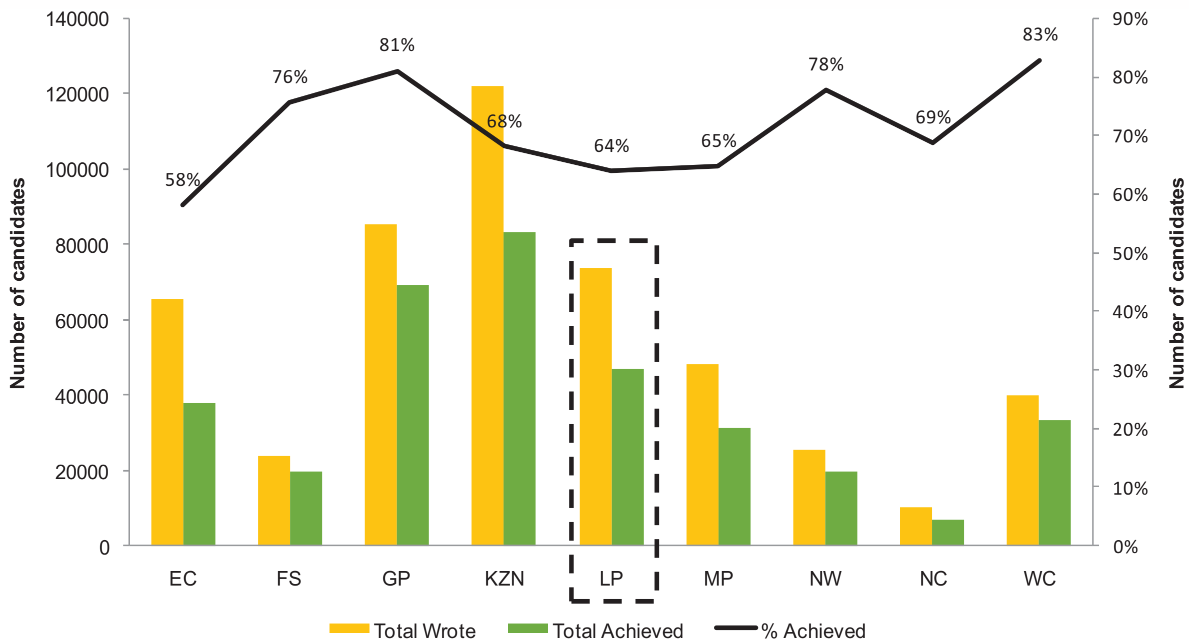
Figure 18: Provincial comparison of the number of pupils enrolled for the National Senior Certificate (2011)



Source: National Department of Education (2011)

In terms of achievement, the Western Cape Province had the highest percentage with 82.9% of 3 9 960 learners passing in 2011. The Western Cape was followed by Gauteng with 81.1% of 69 216 learners passing the exam. Although KwaZulu Natal achieved a pass rate of 68.1% in 2011, it had the highest number of learners passing the exam (69 216 learners). Limpopo had the third highest number of learners passing (47 091), after KwaZulu Natal and Gauteng (see Figure 19 below).

Figure 19: Provincial comparison of Senior Certificate pass rate in 2011



Source: National Department of Education (2011)

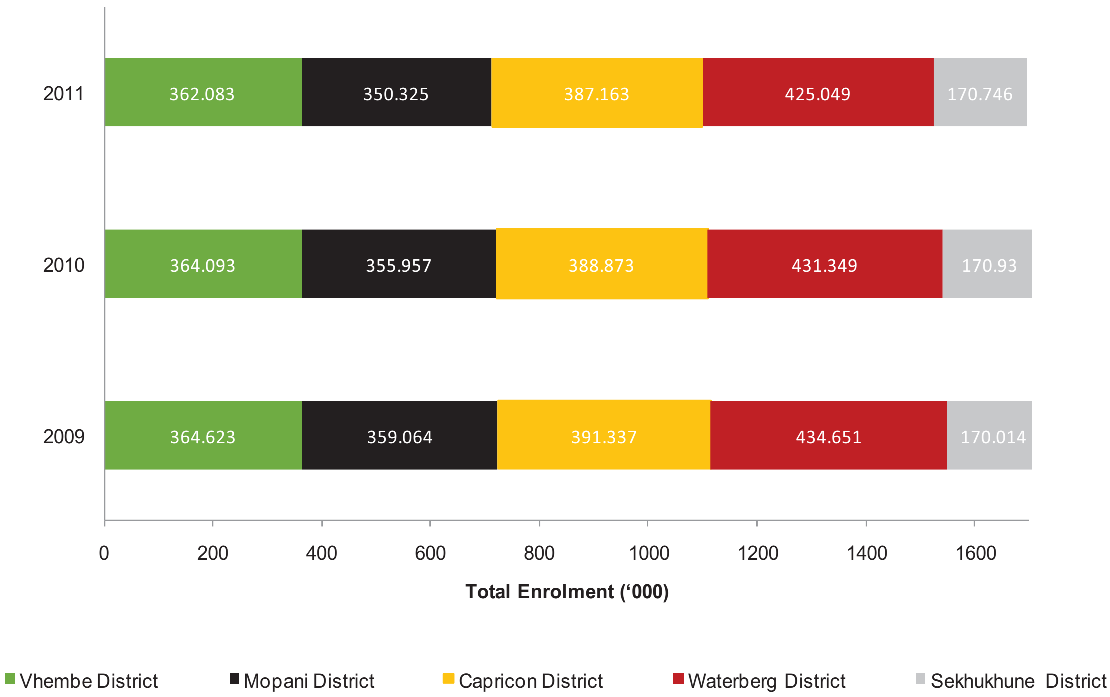
Table 4: Provincial pass rates (2008-2011)

Province	2008	2009	2010	2011	Change between 2008-2011
EC	51%	51%	58%	58%	8%
FS	72%	69%	71%	76%	4%
GP	76%	72%	79%	81%	5%
KZN	58%	61%	71%	68%	11%
LP	54%	49%	58%	64%	10%
MP	52%	48%	57%	65%	13%
NW	68%	68%	76%	78%	10%
NC	73%	61%	72%	69%	-4%
WC	78%	76%	76%	83%	4%

Source: National Department of Education (2011)

Table 4 reveals that provincial pass rates have, in the main, increased in eight of the nine provinces between 2008 and 2011. The highest increase was observed in Mpumalanga which increased its pass rate by 13 percentage points between 2008 and 2011. The second highest increase was in KwaZulu Natal (11 percentage points), followed by Limpopo (10 percentage points), North West (10 percentage points), and Eastern Cape (8 percentage points).

Figure 20: Total school enrolment (Public and Independent)



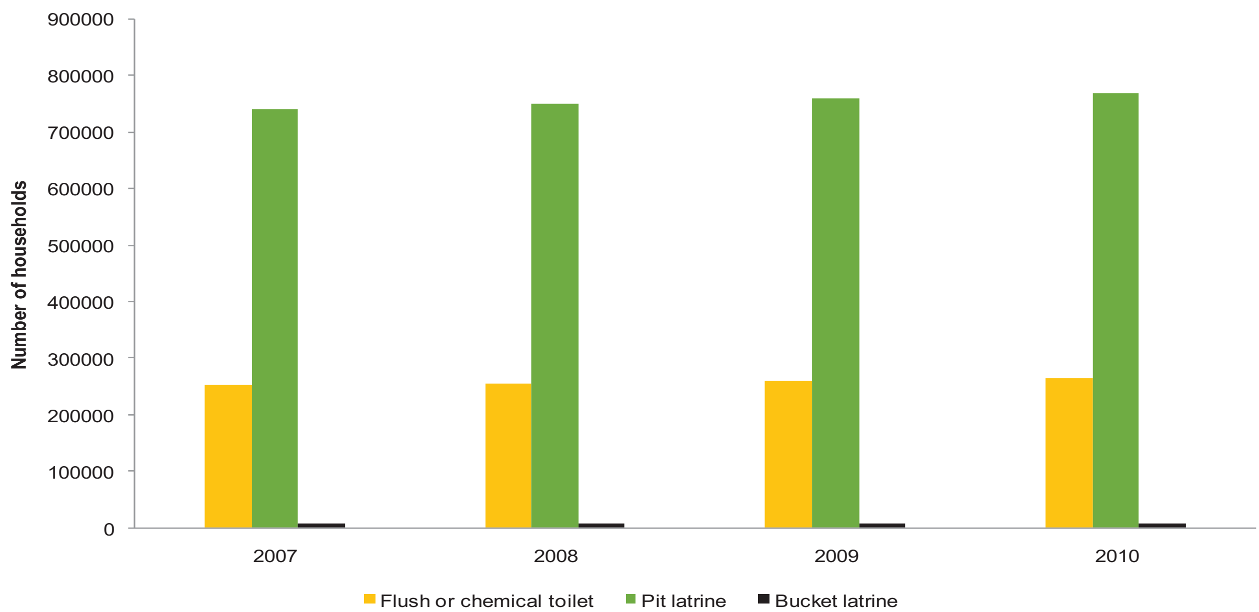
Source: Limpopo Department of Education (2011)

Between 2009 and 2011the total enrolment in public and independent schools remained the same (see Figure 20). In 2011, Waterberg district had the highest number of enrolment (25%), followed by Capricorn district (23%), and Vhembe district (21%).

2.2.3. Access to Sanitation

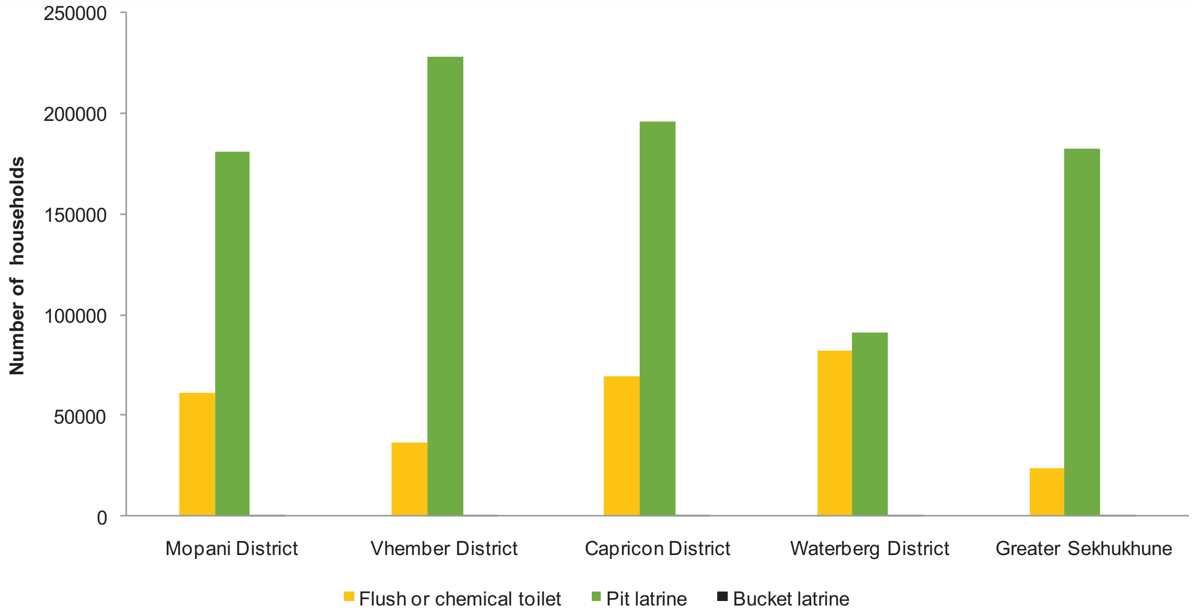
74% of households in the province were using of pit latrines between 2007 and 2010. About 25% of households had flush or chemical toilets during the same period and the number of households using bucket latrines was negligible (see Figure 21 below). In 2010 Waterberg district had the highest number of households with flush or chemical toilets (81 735), whilst Vhembe had the highest number of households (227 890). Figure 22 below illustrates this:

Figure 21: Limpopo households by type of toilet



Source: Quantec Research (2011)

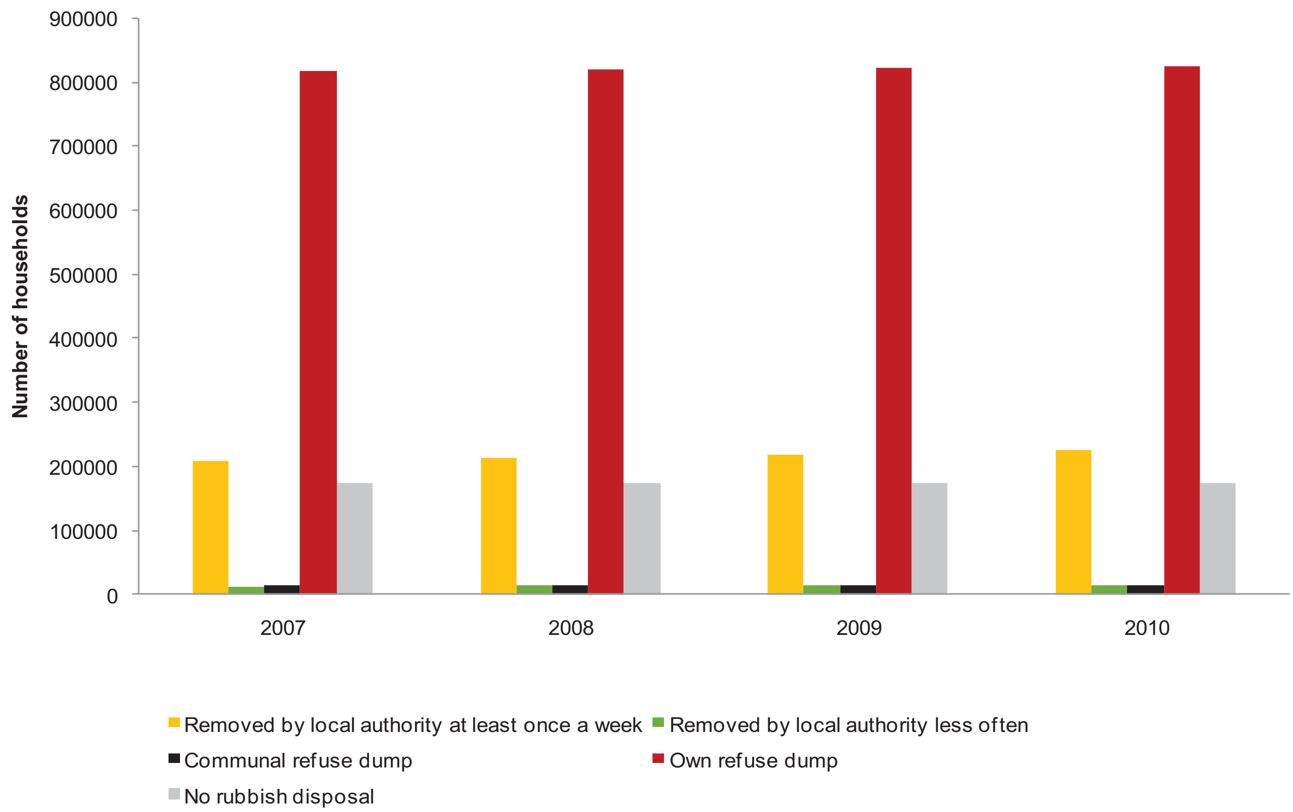
Figure 22: Limpopo districts by type of toilet (2010)



Source: Quantec Research (2011)

Refuse removal remains a challenge for the province with 65% of households using their own refuse dumps in 2010.Figure 23 below shows that 17% of households' refuse was removed by local authorities at least once a week.

Figure 23: Limpopo households by type of refuse removal

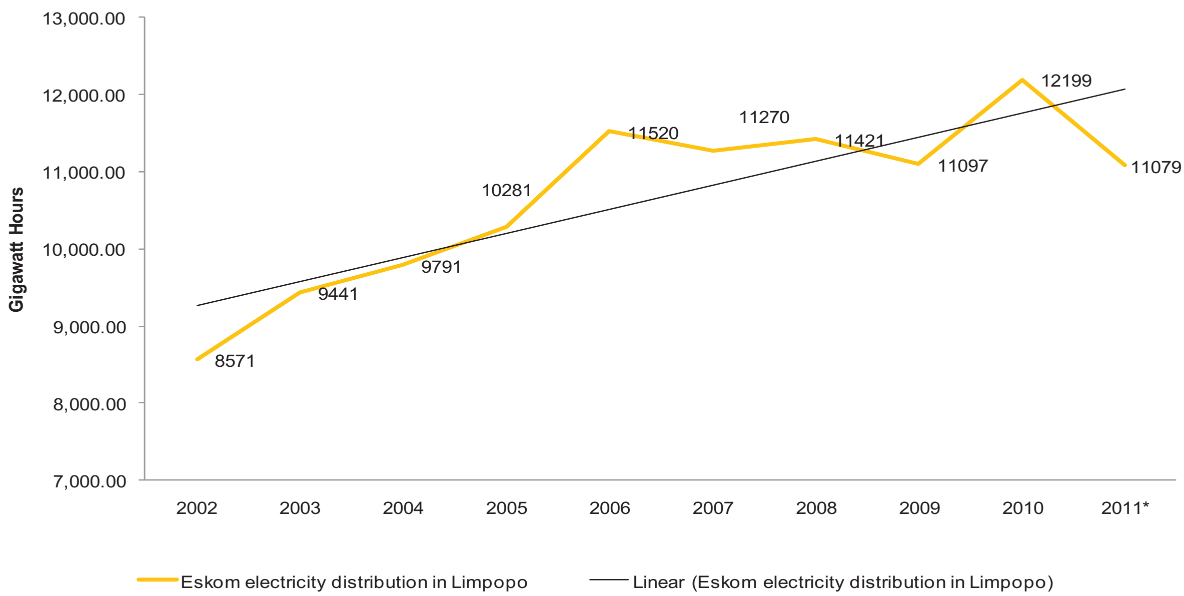


Source: Quantec Research (2011)

2.2.4. Access to Electricity

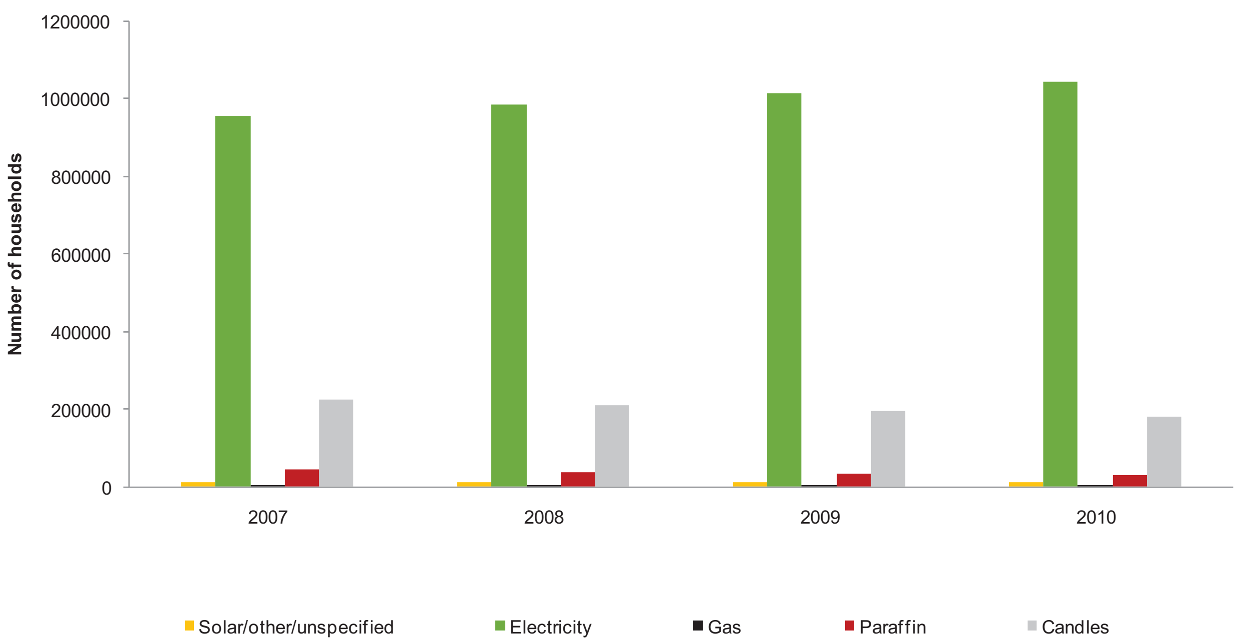
According to Eskom, electricity distribution to Limpopo increased significantly between 2002 and 2011. In 2002 Eskom provided 8 571 Gigawatt hours of electricity to the province. By 2010 this had increased by 42% to a total of 12 999 Gigawatt hours (see Figure 24 below).

Figure 24: Eskom electricity distribution in Limpopo



Source: Quantec Research (2011). Note*: This figure excludes the 4th quarter of 2011 as this data was not available.

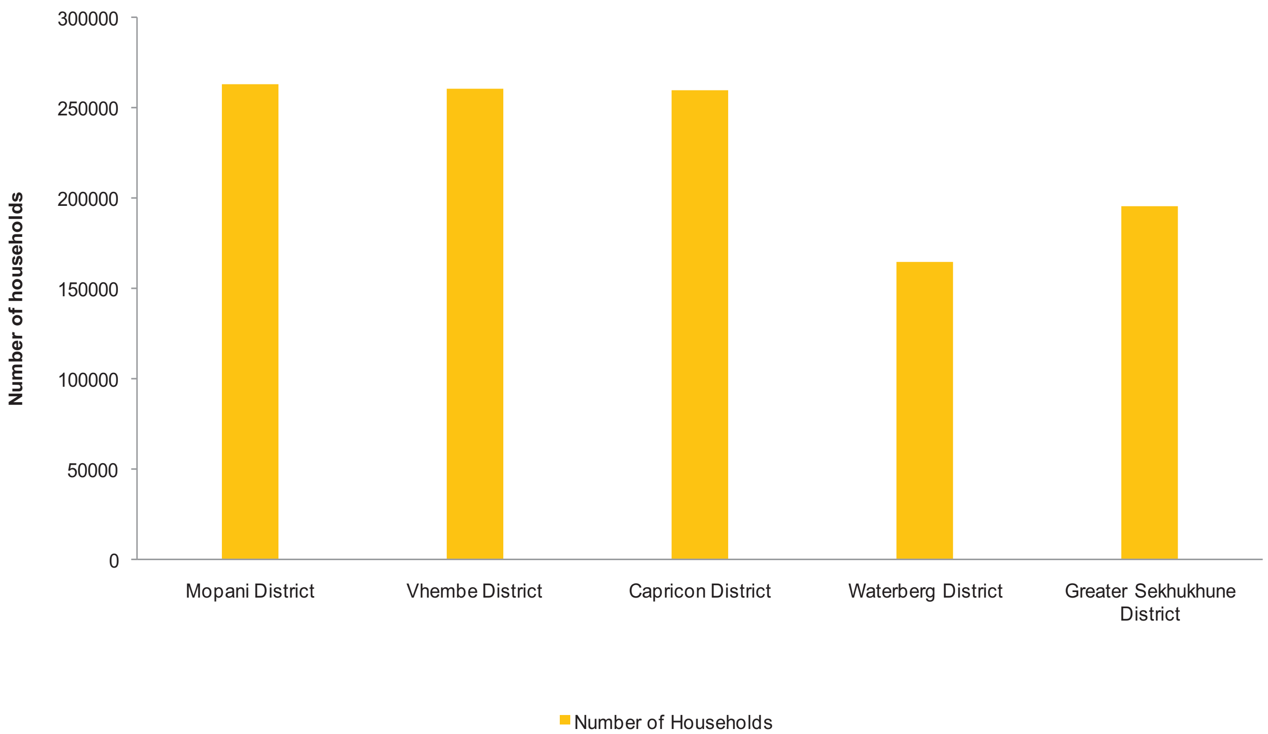
Figure 25: Limpopo households by type of energy use



Source: Quantec Research (2011)

In 2010, 82% of households in the province used electricity as a source of energy, and only 14% were using candles (see Figure 25 above). This is in line with the increased electricity provision by Eskom highlighted in Figure 24. At the district level, Waterberg and Sekhukhune districts lacked provision while Mopani, Vhembe, and Capricorn districts, which were at similar levels of usage in terms of the number of households using electricity as a source of energy in 2010, got sufficient provision (see Figure 26 below).

Figure 26: Limpopo electricity usage by district

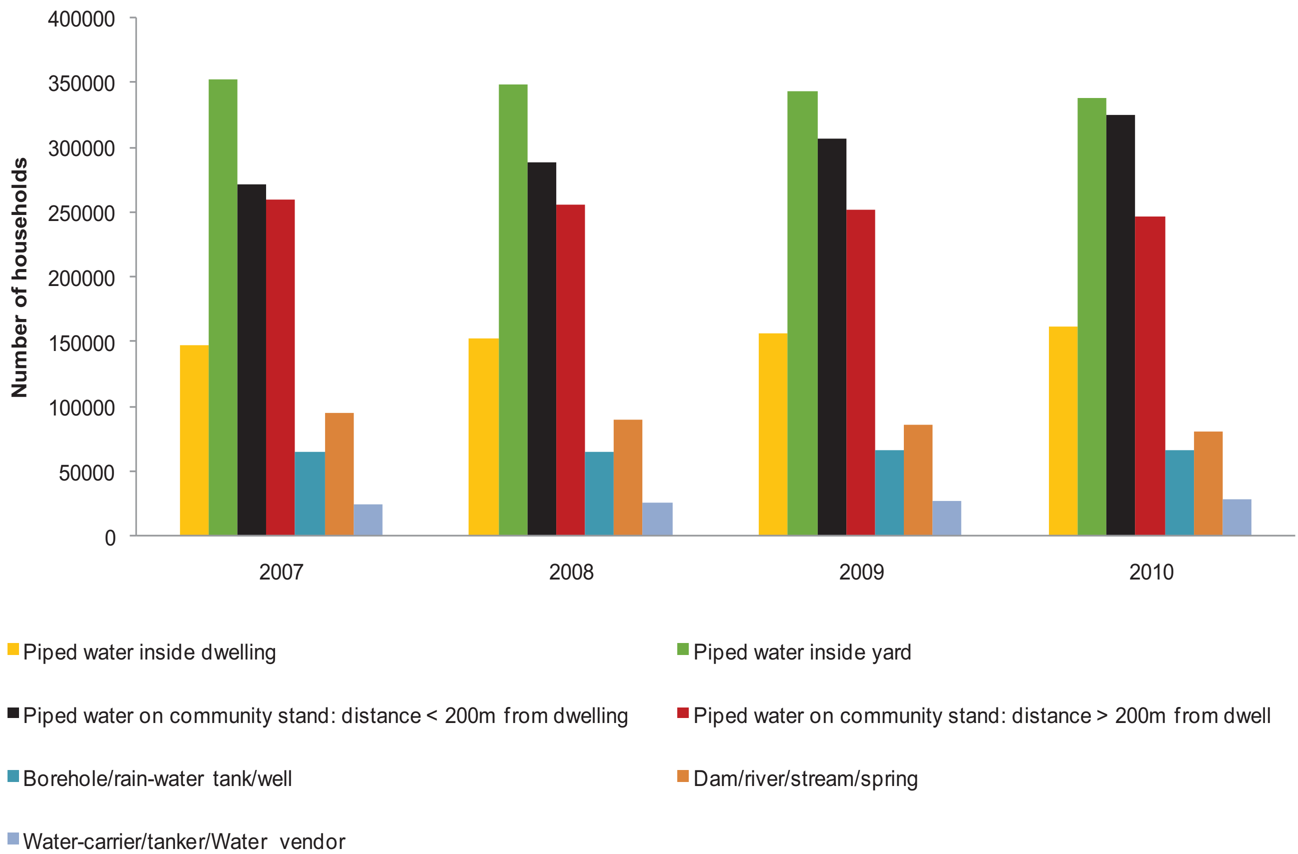


Source: Global Insight (2011)

2.2.5. Access to Water

Figure 27 below shows that households in the province mainly use four sources of water, namely piped water inside the dwelling, piped water inside the yard, and piped water on community stand. In 2010, 27% of households in the province accessed water from running water inside the houses; 26% of households in the province accessed water from community stand or communal tap which was less than 200 meters from their dwelling; 19% accessed water from piped water on community stand which was more than 200 meters from their dwelling; and 13% of households in the province access water from piped water inside their dwelling.

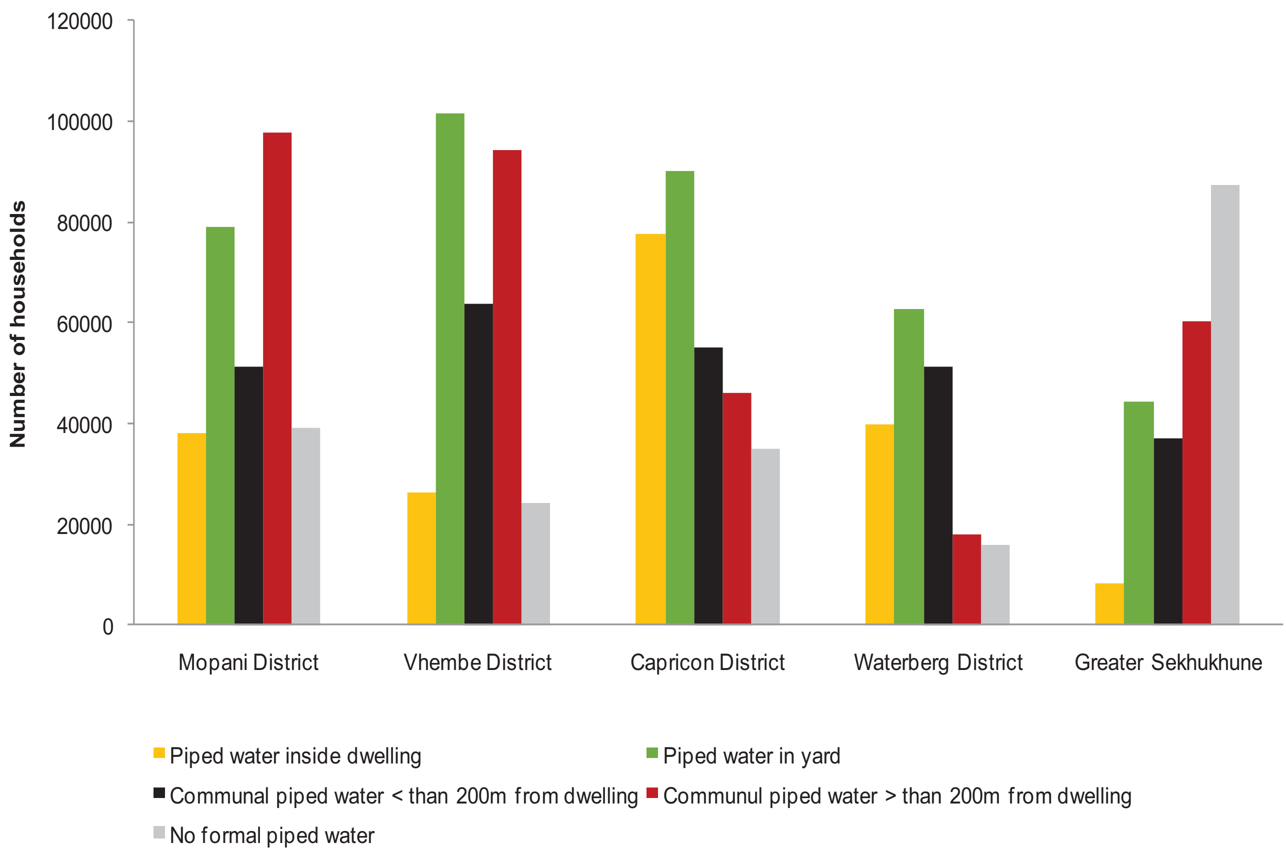
Figure 27: Limpopo households by of access to water (2010)



Source: Quantec Research (2011)

Each of the districts (as shown in Figure 28 below) also used the same sources of water. In 2010, Mopani district households mainly accessed water from piped water inside the yard (25%) and from communal piped water which was more than 200 meters from their dwelling (32%). 32% of Vhembe district households accessed water from piped water inside the yard and 30% from communal piped water which was more than 200 meters from their dwelling. Capricorn and Waterberg districts accessed their water from similar sources. Sekhukhune district differed in that 36% of households had no formal source of piped water.

Figure 28: Limpopo districts by level of access to water (2010)



Source: Global Insight (2011)

2.2.6. Access to Healthcare

In 2011, Limpopo province had 41 hospitals, 409 clinics, 27 CHC, and 18 Gateways. These are evenly distributed across the five districts in the province (see Table 5 below). In the same year, Vhembe district had the highest number of healthcare professionals (5264) and Waterberg district had the lowest number of professionals with 2859 healthcare professionals (see Figure 29 below).

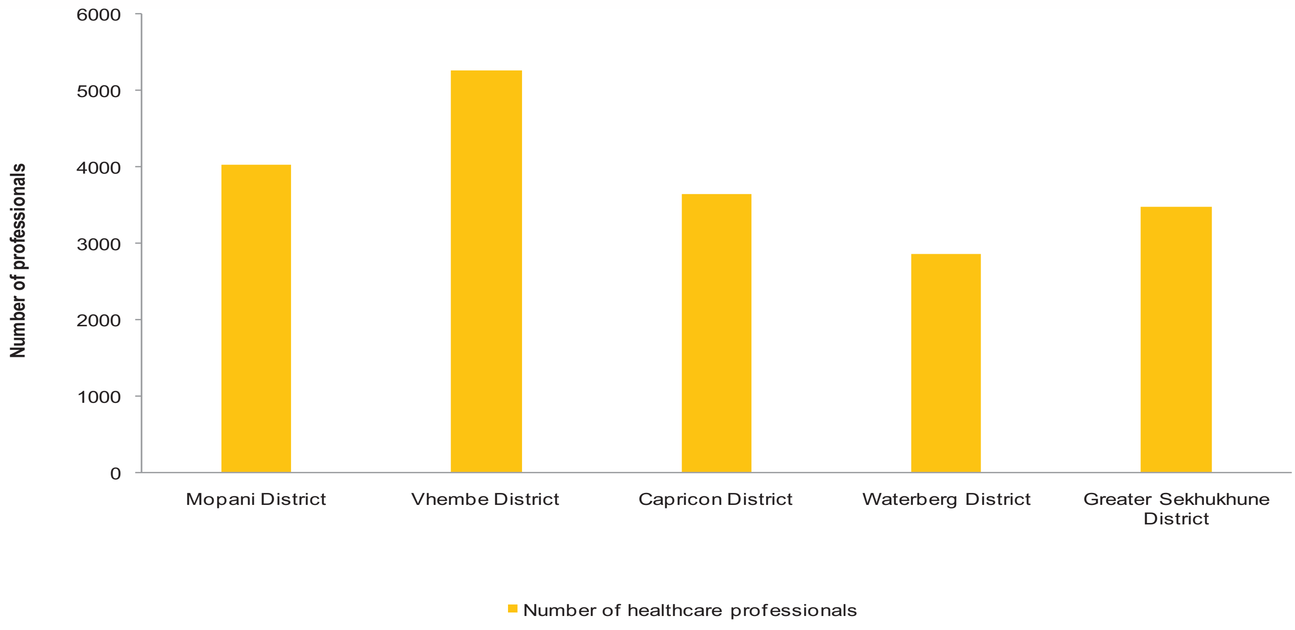
Table 5: Limpopo healthcare facilities by district

District	Hospitals	Clinics	CHC	Gateways	Total
Sekhukhune	7	70	5	5	**87**
Waterberg	9	55	1	3	**68**
Capricorn	9	87	4	4	**104**
Vhembe	8	108	8	4	**128**
Mopani	8	89	9	2	**108**
Total	**41**	**409**	**27**	**18**	

Source: Limpopo Department of Health (2011)

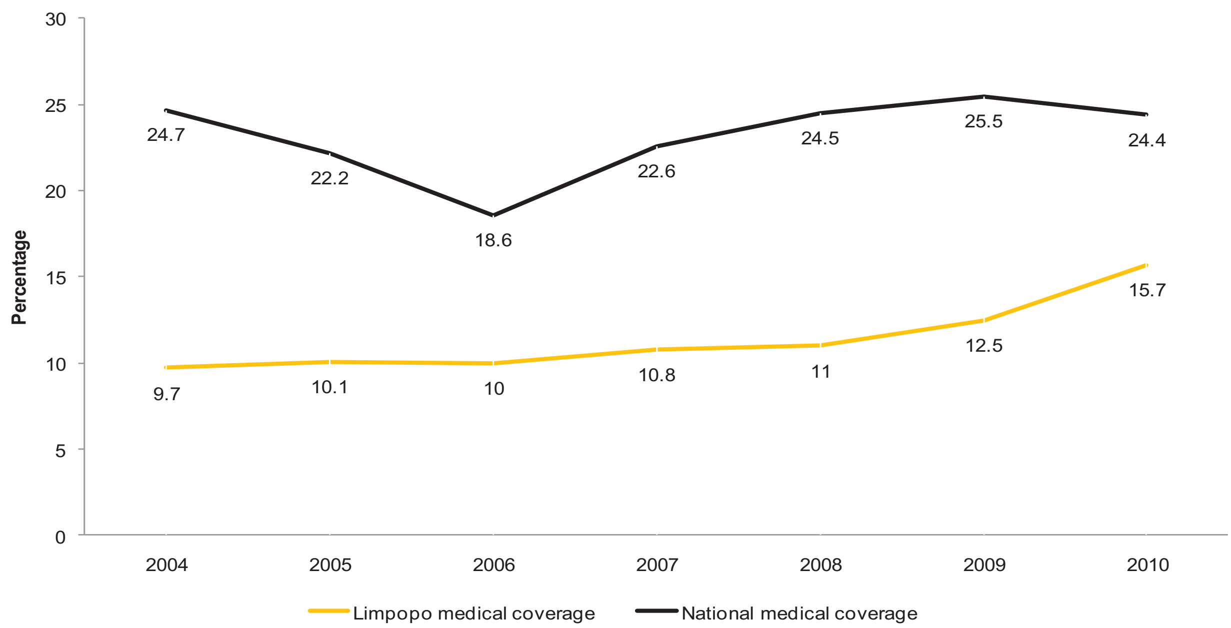
Medical aid cover in the province increased by 6 percentage points between 2004 (9.7% of population covered) and 2010 (15.7% of population covered). This is still below the national level of medical cover which was 24.4% in 2010 (see Figure 30 below).

Figure 29: Limpopo number of healthcare professionals by district (2011)



Source: Limpopo Department of Health (2012)

Figure 30: Limpopo medical aid coverage



Source: Statistics South Africa (2011)

2.2.7. Social Grants

In recent years the provision of social security increased substantially and 2011 was no different. In total, the provision of social security increase by 7% on average across all the provinces (the Western Cape had the highest increase at 12%). This increase was, on average, observed across all categories of grants except for the Disability and War Veteran grants (see Table 6 below).

In 2011, Limpopo province saw a slight decline in the Care Dependency Grant (2%), an increase in the child support grant (9%), a slight increase in the Foster Care Grant (1%), a decline in the Grant-in-Aid (-2%), an increase in the Old Age Grant (4%), a decline in the Disability Grant (-7%), and a significant decline in the War Veteran Grant (-28%).

Table 6: Social grants: a provincial comparison (‘000)

Grant Type		EC	FS	GP	KZN	LP	MP	NW	NC	WC	Total
Care Dependency	**2011**	18413	4921	13648	34376	12644	6044	4091	8664	9352	112153
	2010	18910	4573	13248	33865	12837	5871	3947	8549	8895	110695
	Change (%)	*-3%*	*8%*	*3%*	*2%*	*-2%*	*3%*	*4%*	*1%*	*5%*	*1%*
Child Support	**2011**	1770407	583656	1276362	2624305	1584957	806634	246274	752062	728956	10373613
	2010	1668827	527149	1153709	2440505	1460329	750721	224378	716030	630254	9571902
	Change (%)	*6%*	*11%*	*11%*	*8%*	*9%*	*7%*	*10%*	*5%*	*16%*	*8%*
Foster Care	**2011**	108391	43765	59478	134188	54702	27366	15002	41405	28594	512891
	2010	100808	44477	62020	141404	54313	26163	14714	38656	28194	510749
	Change (%)	*8%*	*-2%*	*-4%*	*-5%*	*1%*	*5%*	*2%*	*7%*	*1%*	*0%*
Grant-in-Aid	**2011**	7418	941	1006	25687	6885	1487	3739	2782	8468	58413
	2010	7134	842	815	23029	7014	1126	3530	1923	7824	53237
	Change (%)	*4%*	*12%*	*23%*	*12%*	*-2%*	*32%*	*6%*	*45%*	*8%*	*10%*
Old Age	**2011**	487067	161848	350881	560786	404739	183288	70458	229320	230166	2678553
	2010	469573	154034	326409	536260	389804	175991	67260	215359	211967	2546657

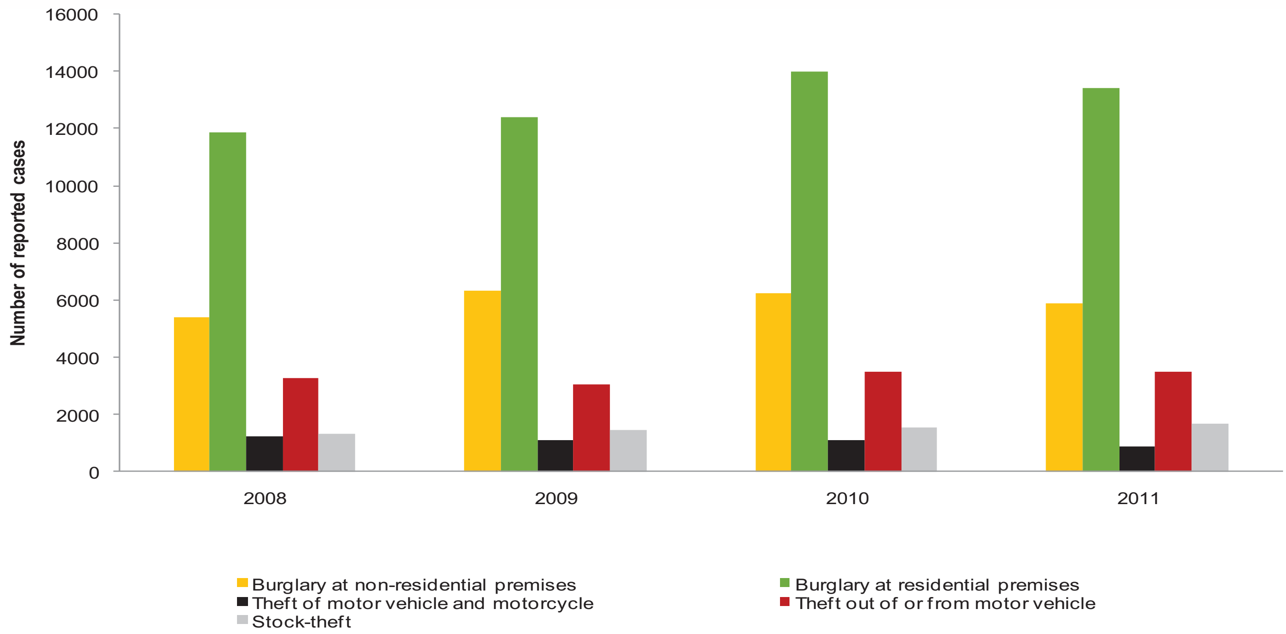
Grant Type		EC	FS	GP	KZN	LP	MP	NW	NC	WC	Total
	Change (%)	*4%*	*5%*	*7%*	*5%*	*4%*	*4%*	*5%*	*6%*	*9%*	*5%*
Disability	**2011**	194224	95863	124150	331637	98715	72267	47756	86540	149746	1200898
	2010	201361	97364	128371	364266	106628	76571	46553	94908	148410	1264432
	Change (%)	*-4%*	*-2%*	*-3%*	*-9%*	*-7%*	*-6%*	*3%*	*-9%*	*1%*	*-5%*
War Veteran	**2011**	129	21	219	140	79	41	41	33	255	958
	2010	154	27	317	173	109	49	49	34	304	1216
	Change (%)	*-16%*	*-22%*	*-31%*	*-19%*	*-28%*	*-16%*	*-16%*	*-3%*	*-16%*	*-21%*
Total	**2011**	2586049	891015	1825744	3711119	2162721	1097127	387361	1120806	1155537	
	2010	2466767	828466	1684889	3539502	2031034	1036492	360431	1075459	1035848	
	Change (%)	*5%*	*8%*	*8%*	*5%*	*6%*	*6%*	*7%*	*4%*	*12%*	

Source: South African Social Security Agency (2011)

2.2.8. Crime Prevention

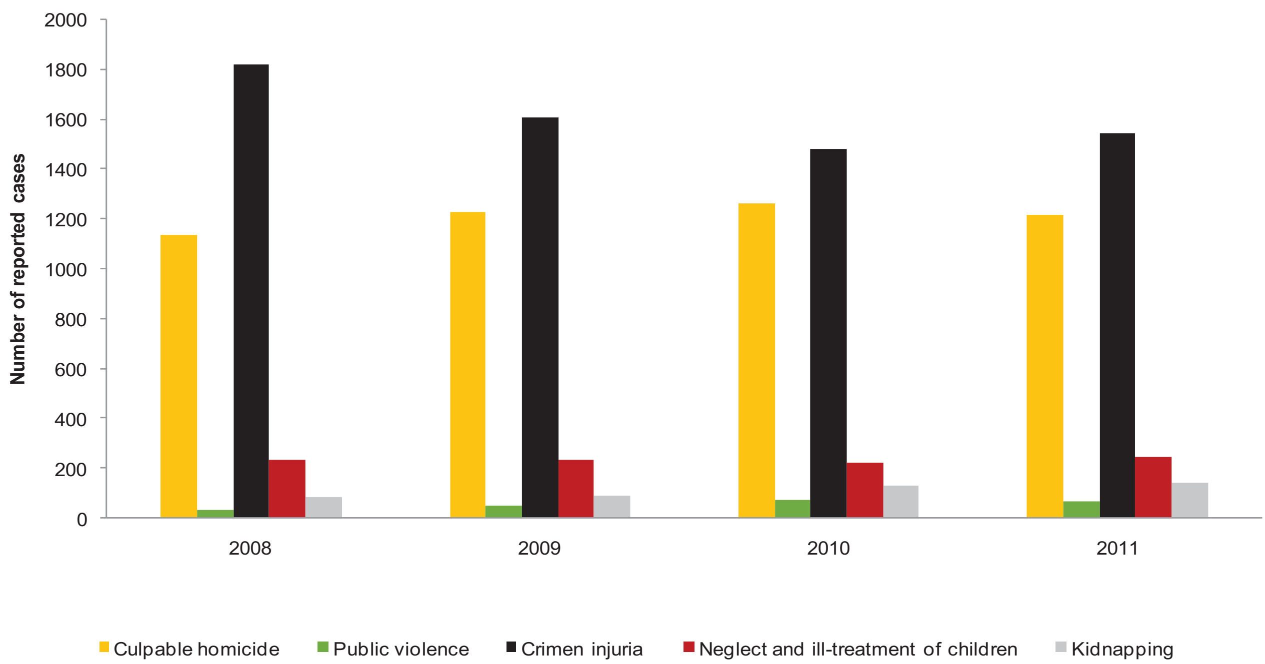
Between 2008 and 2009, minimal contact crimes reported cases increased by 5%. In particular, stock theft cases shot up by 24%, burglary at non residential premises cases increased by 13%, whilst theft of motor vehicles cases declined by 27%. Similar to minimal contact crimes reported cases, contact crime reported cases increased, on average, by 35% between 2008 and 2010 (kidnapping cases increased by 72%, public violence cases by 109%, and *crimen injura* cases decreased by 15%). In contrast, severe contact crime reported cases decreased by 6% during the same period. This was mainly driven by sharp decreases in common assault cases (-26%) and common robbery cases (-16%)

Figure 31: Limpopo reported minimal contact-crime cases



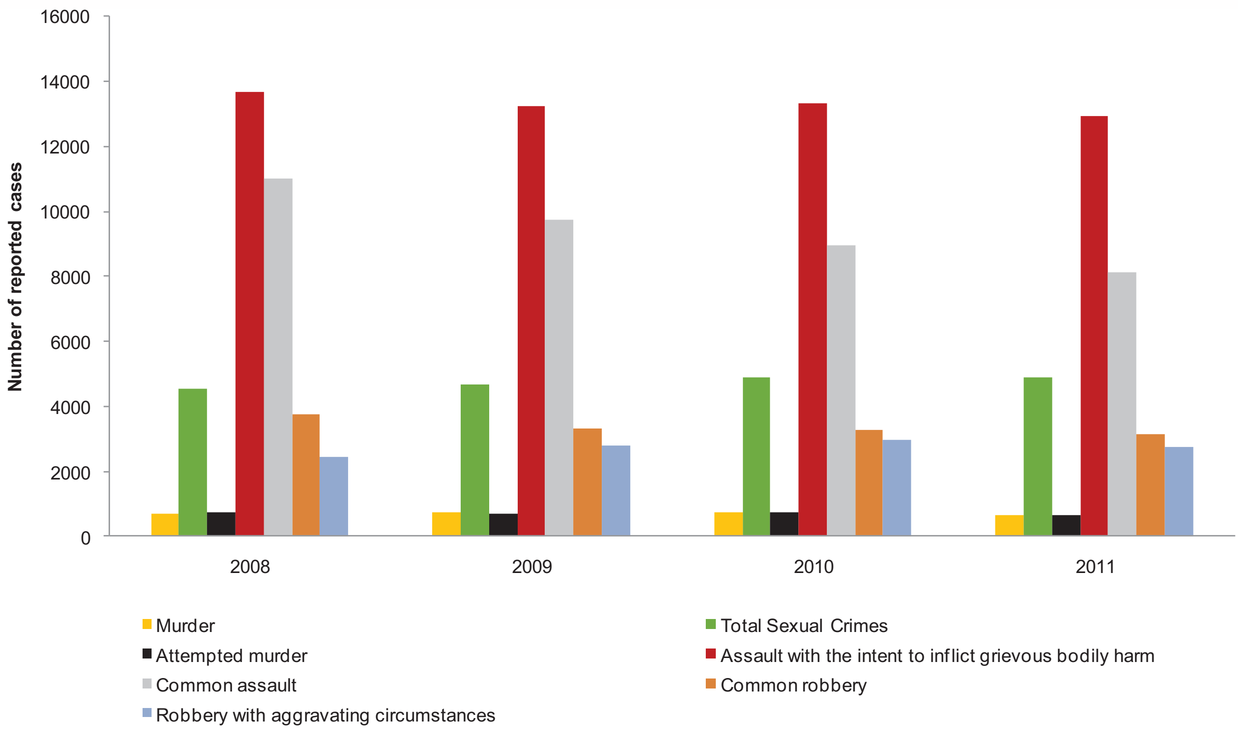
Source: South African Police Service (2011

Figure 32: Limpopo reported contact-crime cases



Source: South African Police Service (2011)

Figure 33: Limpopo reported severe contact-crime cases



Source: South African Police Service (2011)

3. Limpopo Province Economic Review and Outlook

3.1. Economic Growth

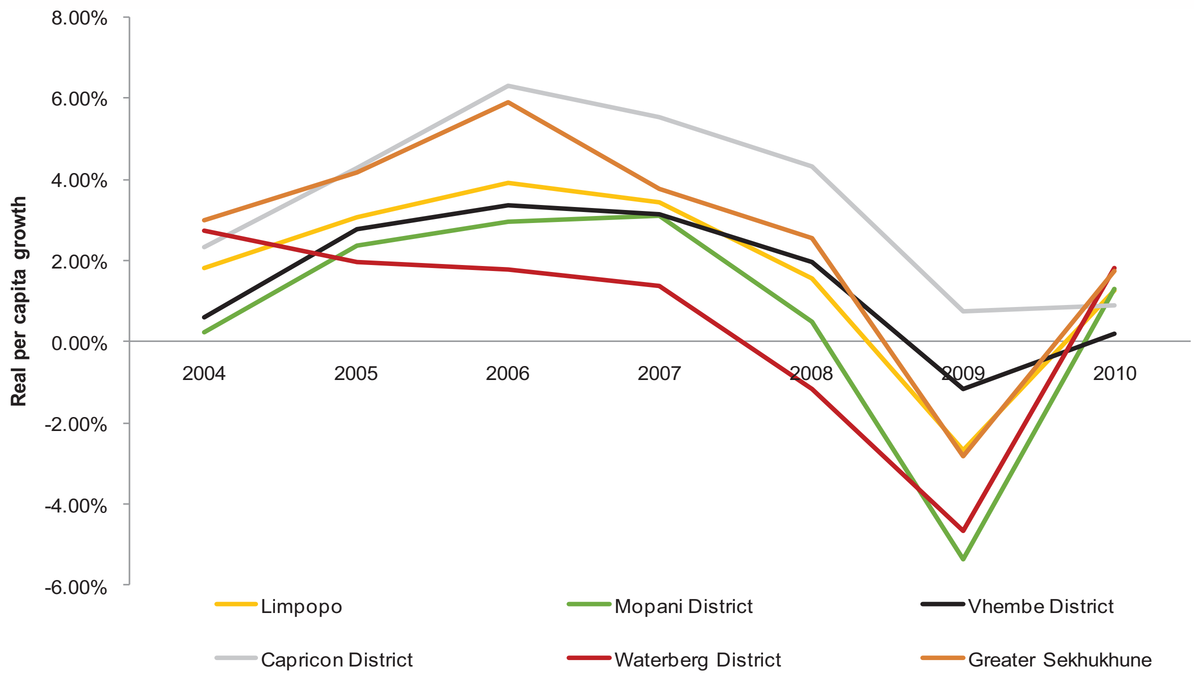
After the downturn of 2009, the provincial economy recovered in 2010 (2.6%) and has grown even further in 2011 (4.8%). At district level, the Waterberg district grew the most in 2011 (6.5%), followed by Mopani and Sekhukhune districts (both at 4.9%), Capricorn district (4%), and Vhembe district (3.3%). Per capita GDP growth followed a similar trend as GDP growth, that is, both at provincial and district levels. It recovered moderately in 2010 after the downturn in 2009 (see Figure 34 and Figure 35 below).

Figure 34: Limpopo average annual growth economic (2005 prices)

Source: Global Insight (2011)

Table 7 shows that at sectoral level, growth in the province was anchored by mining which accounted for 31% of provincial GDP output in 2011. Other major sectors were community services which accounted for 24% of provincial GDP, finance which accounted for 16% of provincial GDP, and trade which accounted for 10% of provincial GDP. The mining (8.3% up from 4.6% in 2010), transport (7.7% up from 2.2% in 2010) and electricity (5.5% up from 2.3% in 2010) sectors reported the highest growth in 2011. Construction (-4.6%) was the only sector that contracted in 2011.

Figure 35: Limpopo GDP per capita (2005 prices)



Source: Global Insight (2011)

Table 7: Limpopo sector growth

Sectors	Average Annual growth					Sector Share of provincial GDP				
	2007	**2008**	**2009**	**2010**	**2011**	**2007**	**2008**	**2009**	**2010**	**2011**
Agriculture	3.6%	18.3%	0.0%	-1.5%	11.2%	3.4%	3.3%	3.3%	2.8%	3.0%
Mining	1.2%	-4.7%	-4.4%	4.6%	8.3%	30.0%	32.0%	30.2%	30.8%	30.9%
Manufacturing	7.0%	4.0%	-9.4%	6.2%	1.6%	3.0%	3.6%	3.1%	2.8%	2.8%
Electricity	3.0%	-0.7%	-3.2%	2.3%	5.5%	2.8%	2.7%	3.3%	3.4%	3.5%
Construction	12.6%	11.9%	6.0%	3.2%	-4.7%	2.0%	2.2%	2.6%	2.8%	2.6%
Trade	4.3%	1.5%	-0.4%	4.0%	1.3%	10.9%	11.0%	10.5%	10.9%	10.1%
Transport	6.8%	5.6%	-1.5%	2.2%	7.1%	7.9%	7.5%	7.4%	6.8%	7.1%
Finance	7.8%	7.0%	1.1%	1.4%	0.7%	16.9%	15.9%	16.3%	15.7%	16.1%
Community service	4.4%	4.0%	0.9%	1.8%	4.6%	23.0%	21.9%	23.3%	23.9%	24.0%

Source: Global Insight (2011)

3.2. Labor Market

Employment creation is a pillar of the provincial government's growth and development strategy as it is essential for poverty alleviation. Taking into account the negative economic impact of difficult national and international economic conditions, the provincial government remains committed to employment creation.

Table 8 shows that for the year ending 2011:Q4 the total labor force in the province increased by 6.7%. In addition to this, the number of employed people in the province increased by 2.4%. However, during the same year the number of unemployed people and discouraged work seekers increased by 27% and 12.2% respectively.

Table 8: Limpopo labor force characteristics

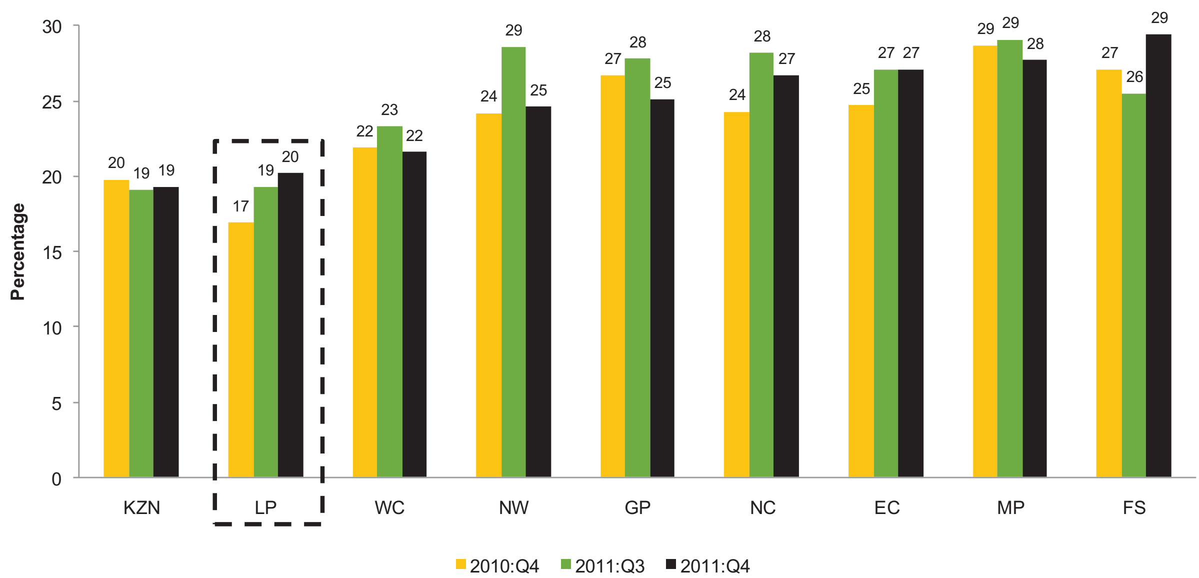
	2010Q4	2011Q3	2011Q4	Quarter on Quarter Change	Year on Year Change
Working age population	3 313	3 362	3378	0.5%	2%
Labor force	1 157	1 271	1 234	-2.9%	6.7%
Employed	962	1026	985	-4%	2.4%
Unemployed	196	246	249	1.2%	27%
Not economically active	2 155	2 090	2 144	2.6%	-0.5%
Discouraged work seekers	393	410	441	7.6%	12.2%
Other	1 762	1 681	1 703	1.3%	-3.3%
Unemployment rate	16.9%	19.3%	20.2%		
Labor absorption rate	29%	30.5%	29.2%		
Labor force participation rate	35%	37.8%	36.5%		

Source: Statistics South Africa (2011)

Labor force participation, therefore, remains at around the 35% mark which is well below the national level.

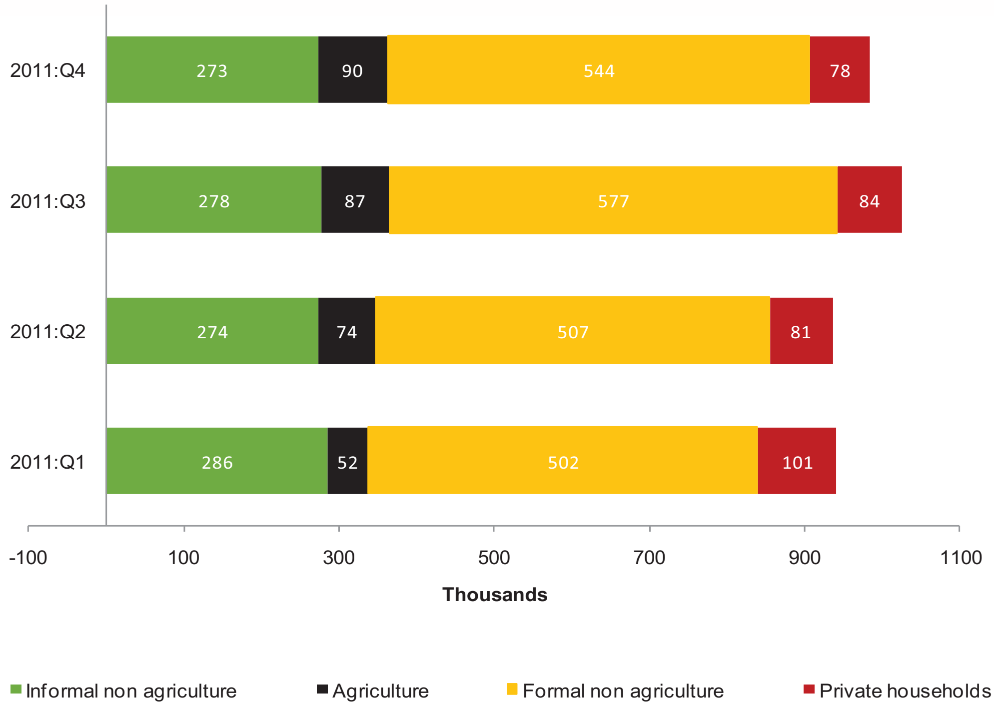
Comparatively (see Figure 36), unemployment in Limpopo province remains lower than that of other provinces. In the fourth quarter of 2011, unemployment in the province was 20.2% below the national unemployment rate of 23.9%. During the same period the Free State (29.4%) had the highest provincial unemployment rate; and was followed by Mpumalanga (27.7%), the Eastern Cape (27.1%), and Northern Cape (26.7%).

Figure 36: Unemployment by province*



Source: Statistics South Africa (2011). Note*: Narrow employment as defined by Statistics South Africa.

Figure 37: Breakdown of Limpopo employed involvement in agriculture

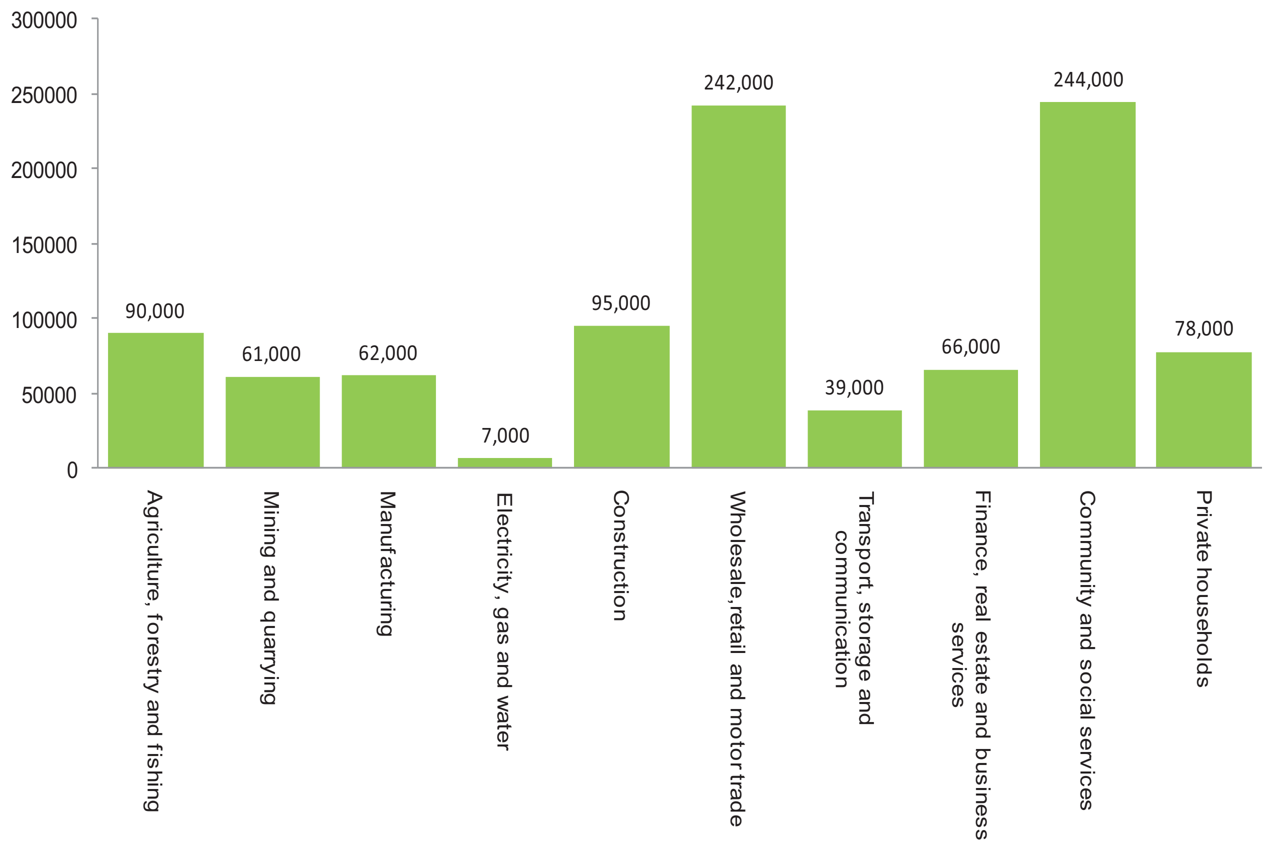


Source: Statistics South Africa (2011)

In 2011, many employment opportunities in the province were in the formal non agriculture (57% in the fourth quarter). Informal non agriculture employment accounted for 29% of total employment, whilst agricultural employment accounted for 10% of total employment during the same period (See Figure 37 above).

Figure 38 below shows that community and social services sector accounted for the highest number of employed people in the province (244 000) in 2011. This sector was followed by the wholesale, retail, and motor trade sector which had 242 000 employed people. The remainder of the sectors employed less than 100 000 people in 2011.

Figure 38: Limpopo province employment by industry (2011)



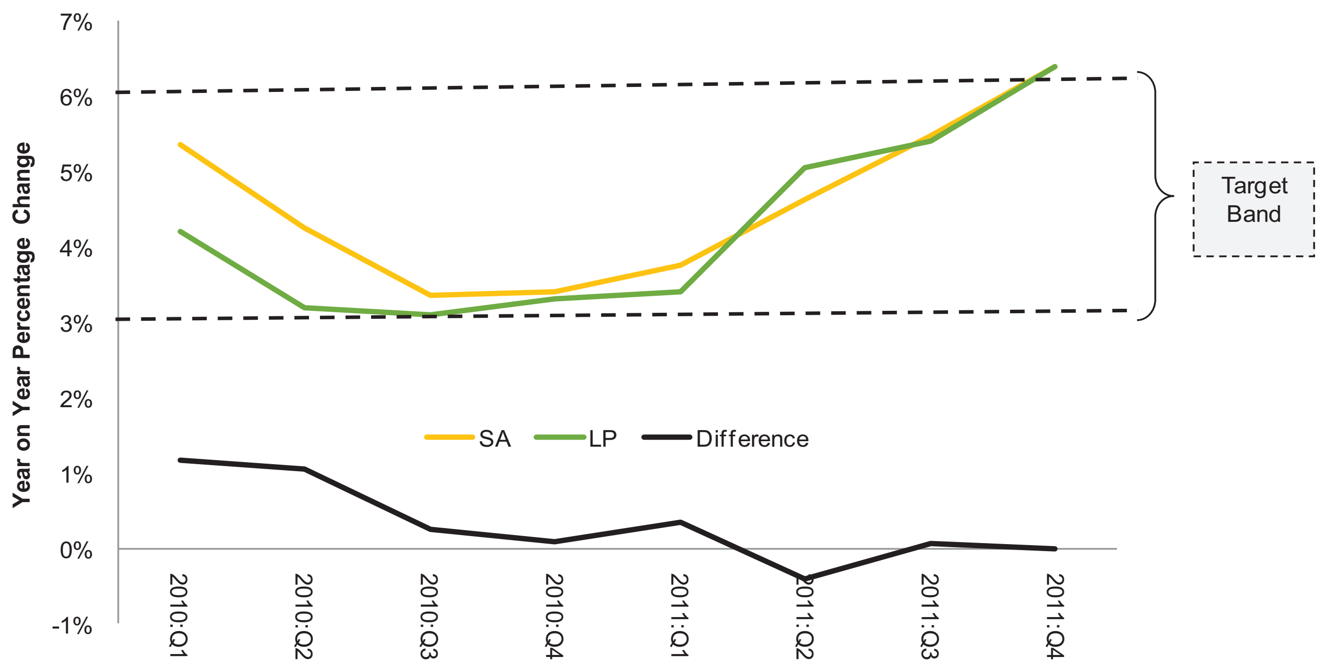
Source: Statistics South Africa (2011)

3.3. Inflation

3.3.1. Consumer inflation

In 2011, consumer price inflation rose markedly both nationally and provincially and broke the upper target band of the Reserve Bank in the fourth quarter of 2011 (see Figure 39) below). Figure 39 also shows that during 2011, the difference between consumer price inflation at a national level and at a provincial level narrowed significantly (that is provincial consumer price inflation followed national consumer price inflation closely).

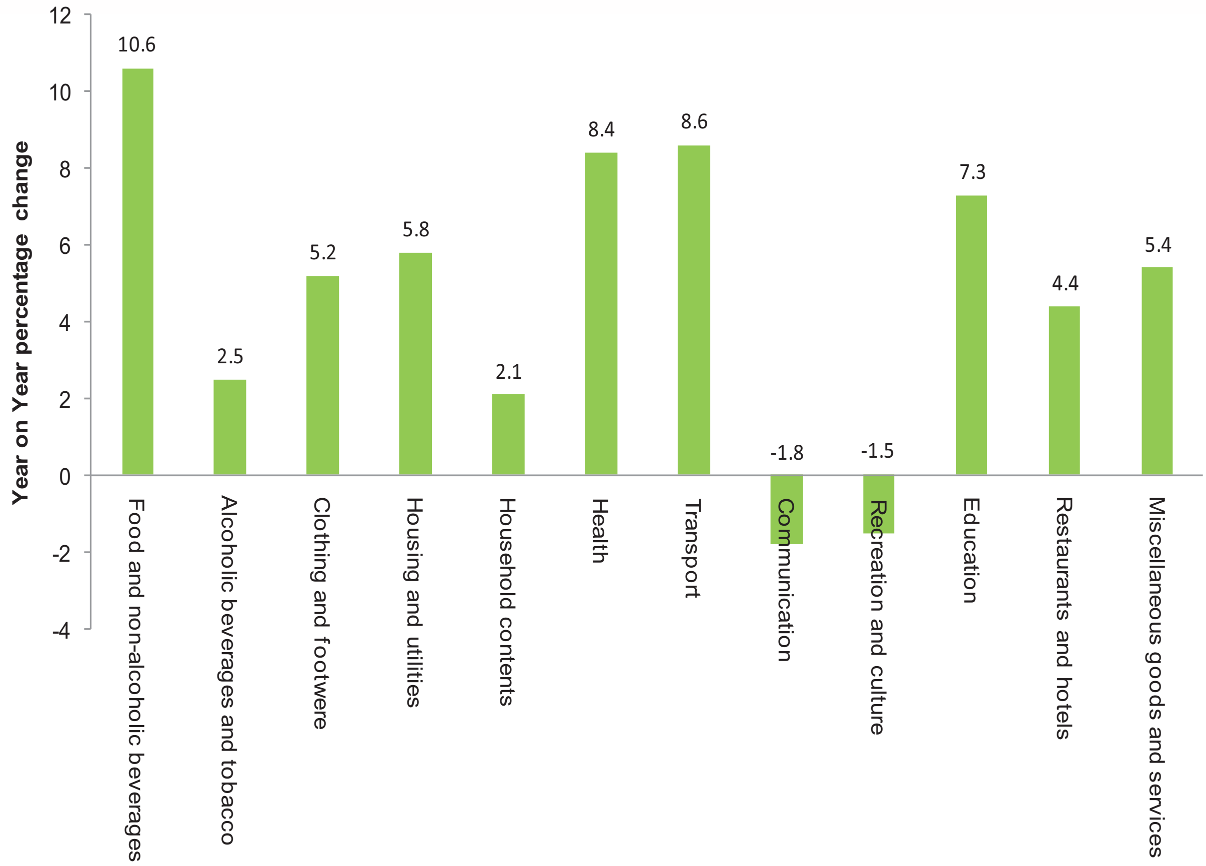
Figure 39: Limpopo province consumer price inflation as compared to national consumer price inflation



Source: Statistics South Africa (2011)

Consumer price inflation in 2011 was mainly driven by marked increases in food and non alcoholic beverages (10.6%), health costs (8.4%), transportation costs (8.6%), and education costs (7.3%). Conversely, communication costs and recreation costs declined by 1.8% and 1.5% respectively in 2011 (mitigating the level of consumer price inflation in the province). See Figure 40 below.

Figure 40: Limpopo inflation by product category (2011)

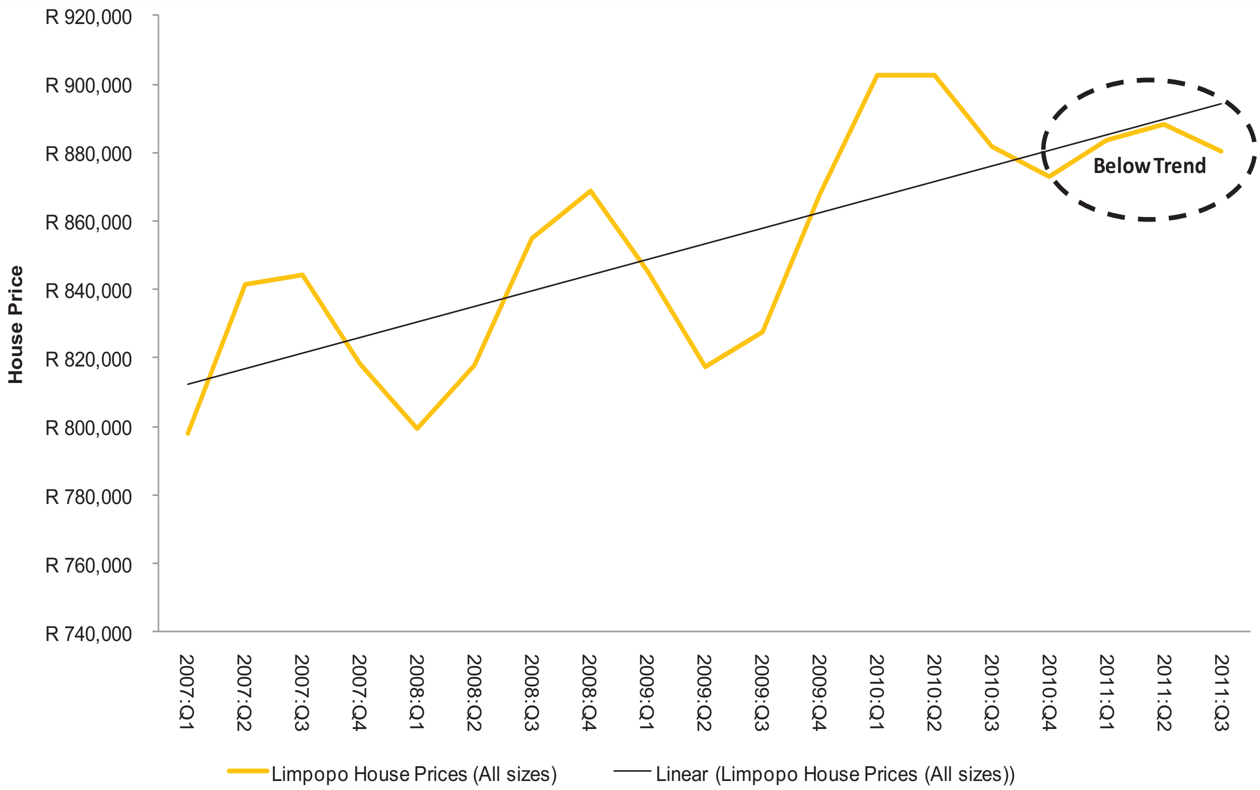


Source: Statistics South Africa (2011)

3.3.2. House price inflation

House price inflation declined slightly in 2011 to below its long term trend (see Figure 41 below). For the year ending 2011:Q3 showed that provincial house prices declined by 0.2%. This is an improvement on the year ending 2011:Q2 which saw a decline of 2%. The historical cyclical trend of house price inflation remains intact; however , it is unclear which direction house prices will turn moving into 2012,

Figure 41: Limpopo house prices

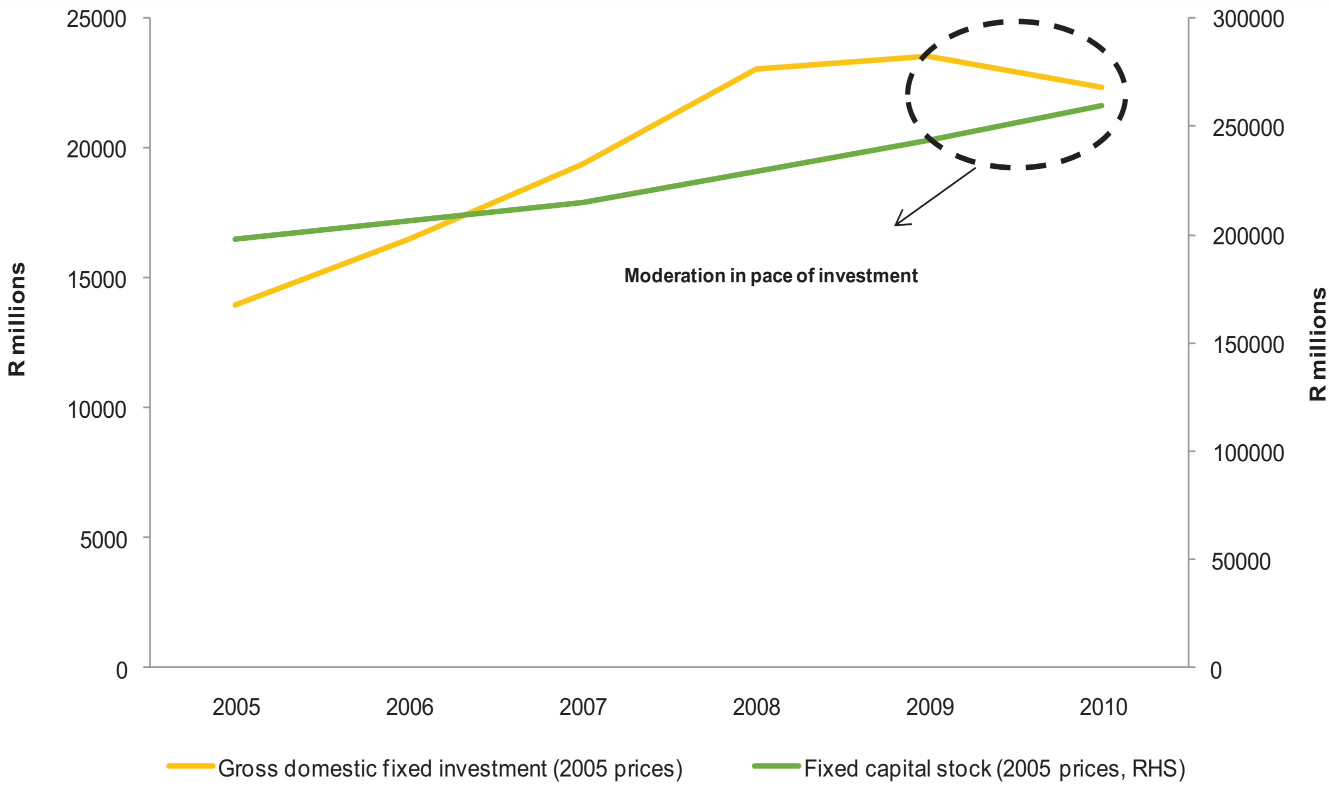


Source: Global Insight (2011)

3.4. Investment

Level of gross fixed investment in the province remained at similar levels as previous years in 2010. However, the rate of increase in gross fixed investment in the province has slowed since 2008, which is in part, due to the economic downturn in 2009. Between 2005 and 2007 gross fixed investment in the province grew by 39%; however, between 2008 and 2010 gross fixed investment declined by 3%. Investment in fixed capita stock continued to increase (13% between 2008 and 2010). See Figure 42 below.

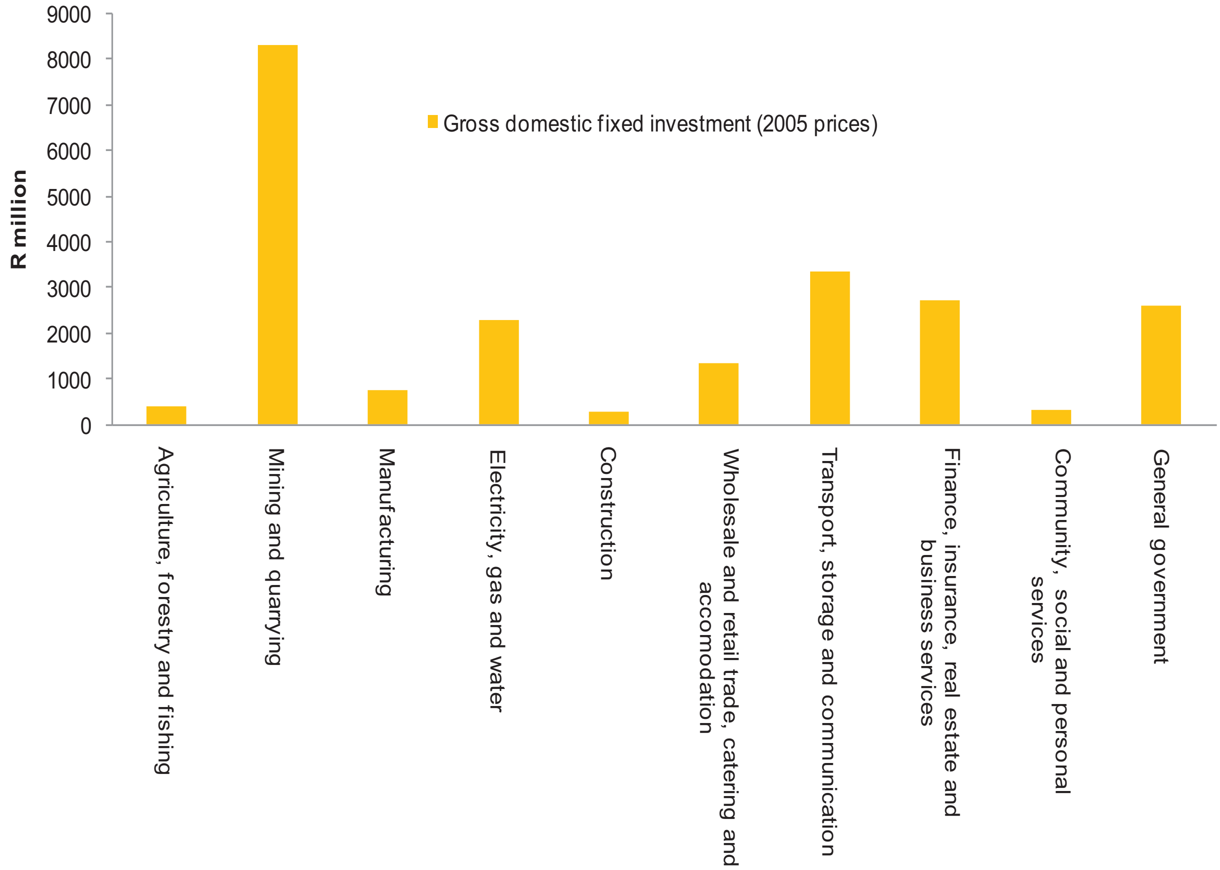
Figure 42: Limpopo total investment



Source: Quantec Research (2011)

In 2010, the mining sector constituted 32% (the highest) of provincial gross fixed investment. The mining sector was followed by the transport, storage and communication sectors which constituted 15% of provincial gross fixed investment, and the finance, insurance, real estate, and business services which accounted for 12% of provincial gross fixed investment.

Figure 43: Limpopo investment by industry (2010)



Source: Quantec Research (2011)

3.5. International Trade

Table 9 below shows that after declining in 2009, provincial imports and exports re-bounded somewhat in 2010. Major import items such as prepared foodstuffs (accounted for 18.3% of imports in 2010), mineral products (accounted 19.1% of imports in 2010), and base metals (accounted for 18.9% of imports in 2010) reported significant growth. A similar picture is observed on exports.

Table 9: Limpopo exports and imports

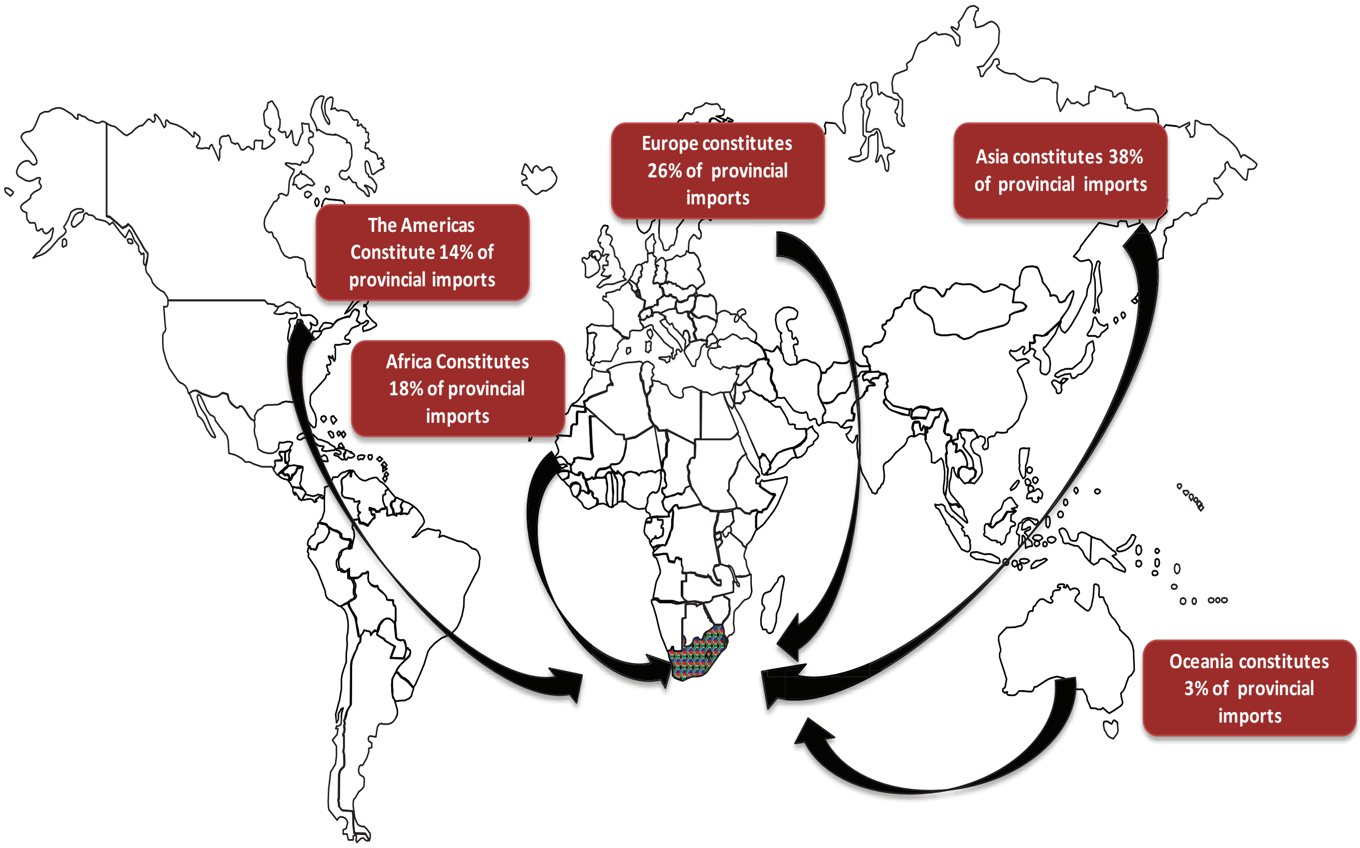
Products	Imports 2009	Imports 2010	Imports Share of total (2010)	Exports 2009	Exports 2010	Exports Share of total (2010)
Live animals, animal products	R 3,485,852	R 99,352,306	3.6%	R 31,047,400	R 58,279,449	0.4%
Vegetable products	R 20,206,898	R 187,714,792	6.8%	R 930,891,932	R 1,213,985,593	9.1%
Animal or vegetable fats & oils & their cleavage products	R 252,099	R 16,845,140	0.6%	R 60,936,855	R 493,546,426	3.7%
Prepared foodstuffs; beverages, spirits & vinegar	R 32,239,771	R 505,810,583	18.3%	R 364,387,985	R 1,080,703,262	8.1%
Mineral products	R 356,925,483	R 530,162,417	19.1%	R 3,119,953,605	R 4,832,442,708	36.3%
Products of the chemical or allied industries	R 195,853,560	R 367,975,613	13.3%	R 3,443,411,685	R 3,139,257,081	23.6%
Plastics & articles thereof; rubber & articles	R 36,794,749	R 51,465,584	1.9%	R 20,860,603	R 12,930,352	0.1%
Raw hides & skins, leather, fur skins & articles thereof; saddlery & harness; travel goods, handbags & similar containers	R 424,924	R 2,305,097	0.1%	R 13,819,973	R 11,408,467	0.1%
Wood & articles of wood; wood charcoal; cork & articles of cork; manufactures of straw, of esparto or of other plaiting materials; basket ware & wickerwork	R 11,833,363	R 13,006,949	0.5%	R 8,960,895	R 15,474,674	0.1%
Pulp of wood or of other fibrous cellulosic material; waste & scrap of paper or paperboard; paper & paperboard of paper or paperboard; paper & paperboard & articles thereof	R 1,676,367	R 5,251,197	0.2%	R 14,707,254	R 29,728,096	0.2%
Textiles & textile articles	R 24,438,669	R 31,284,723	1.1%	R 3,661,654	R 10,433,916	0.1%
Footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops & parts thereof; prepared feathers & articles made therewith; artificial flowers; articles of hu-	R 1,041,056	R 4,291,590	0.2%	R 2,792,380	R 2,151,502	0.0%

Products	Imports 2009	Imports 2010	Imports Share of total (2010)	Exports 2009	Exports 2010	Exports Share of total (2010)
man hair						
Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass & glassware	R 9,011,959	R 22,101,788	0.8%	R 2,744,658	R 6,033,138	0.0%
Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal & articles thereof; imitation jewellery; coin	R 115,059	R 504,840	0.0%	R 295,071	R 44,142	0.0%
Base metals & articles of base metal	R 290,453,443	R 524,033,806	18.9%	R 2,309,746,808	R 2,307,624,397	17.3%
Machinery & mechanical appliances; electrical equipment; parts thereof; sound recorders an reproducers, television image & sound recorders & reproducers, & parts & accessories of such articles	R 194,475,951	R 284,539,394	10.3%	R 30,219,357	R 25,882,164	0.2%
Vehicles, aircraft, vessels & associated transport equipment	R 264,925,219	R 108,250,140	3.9%	R 68,968,630	R 44,175,691	0.3%
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments & apparatus; clocks & watches; musical instruments; parts & accessories thereof	R 3,704,248	R 4,898,876	0.2%	R 2,295,501	R 2,760,634	0.0%
Arms & ammunition; parts & accessories thereof	R -	R -	0.0%	R -	R -	0.0%
Miscellaneous manufactured articles	R 3,936,284	R 9,918,776	0.4%	R 7,739,075	R 2,704,308	0.0%
Works of art, collectors' pieces & antiques	R 335,468	R 224,691	0.0%	R 19,159,717	R 22,088,480	0.2%
Other unclassified goods	R 2,867,841	R -	0.0%	R 4,479	R -	0.0%

Source: Quantec Research (2011)

As highlighted in Figure 44, in 2010 Limpopo province imported products from Asia and Europe (combined 64% of provincial imports in 2010). Imports from the rest of Africa accounted for 18% of provincial imports, whilst from the Americas they accounted for 14% during the same period.

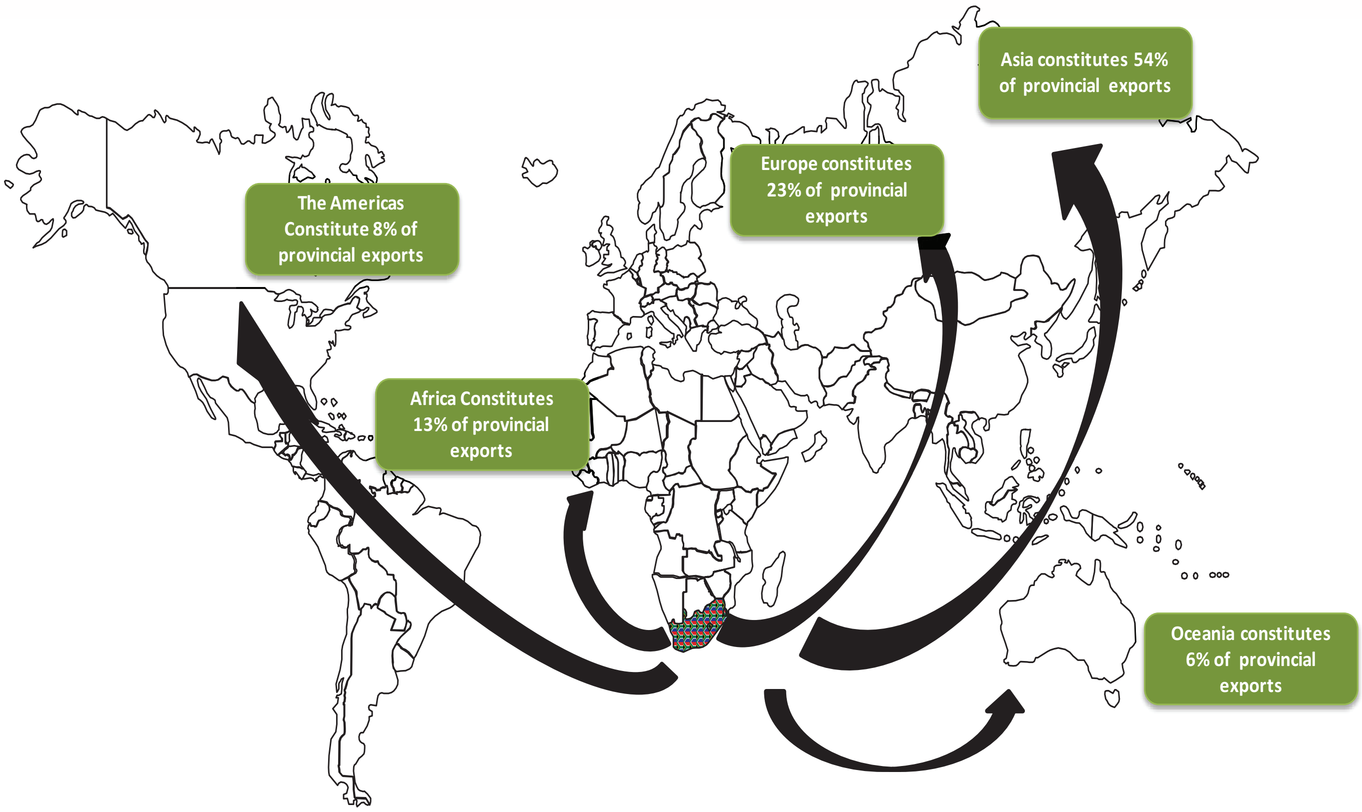
Figure 44: Limpopo imports from the rest of the world (2010)



Source: Quantec Research (2011)

Similar to imports, Figure 45 shows that Asia and Europe accounted for the majority of provincial exports (combined 87% of provincial exports in 2010). Exports to the rest of Africa accounted for 13% of provincial exports, whilst the Americas accounted for 8% in 2010.

Figure 45: Limpopo exports to the rest of the world



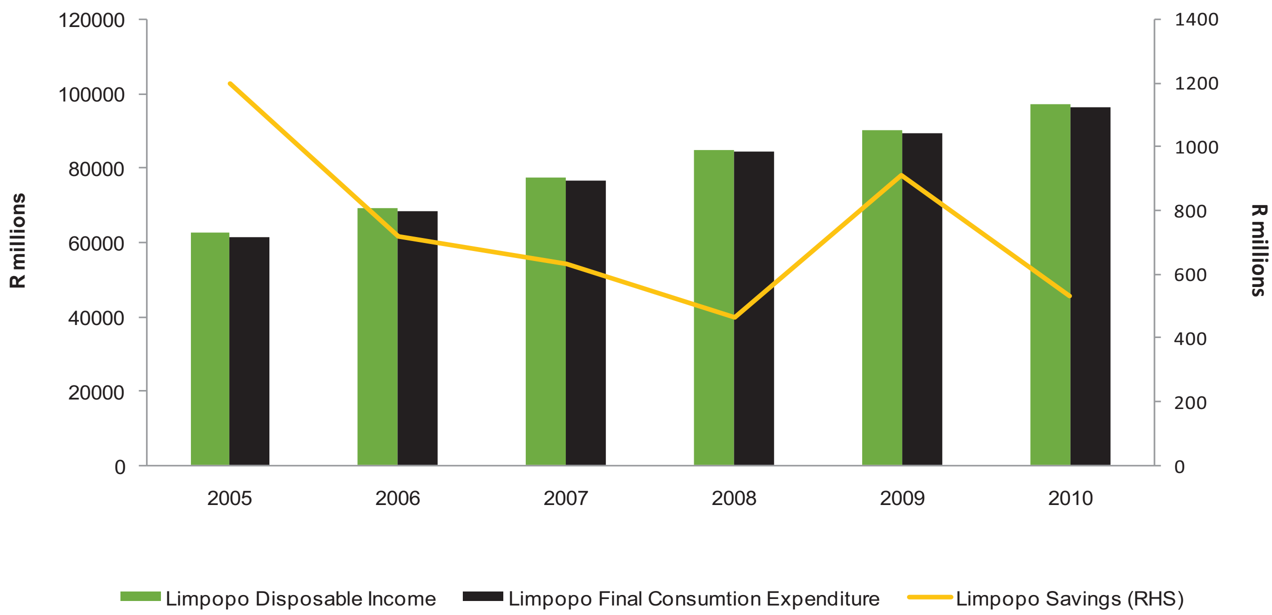
Source: Quantec Research (2011)

3.6. Households

Household income in the province grew by 55% between 2005 and 2010, while household expenditure grew by 57%. This gap between income and expenditure resulted in the savings position of provincial households deteriorating during this period (at 550 million in 2010). See Figure 46 below.

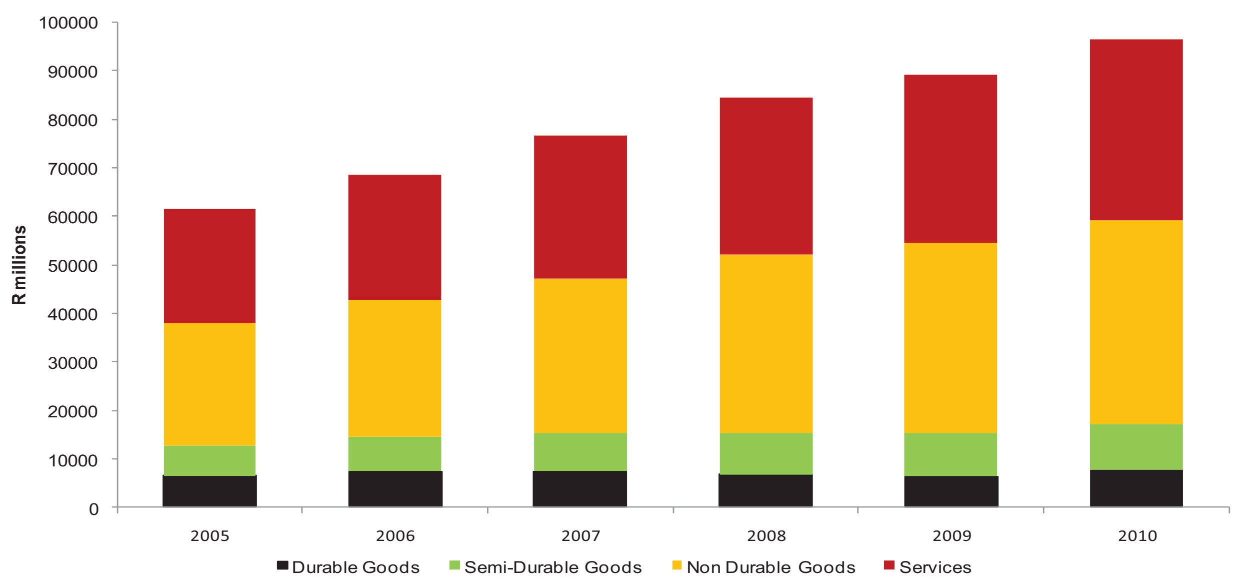
Figure 47 shows that provincial households spent the bulk of their income on non- durable goods such as food, and this was followed by expenditure on services such as education. In 2010, non- durable goods accounted for 43% of household expenditure, whilst services accounted for 38% of household expenditure.

Figure 46: Limpopo households' income and expenditure



Source: Quantec Research (2011)

Figure 47: Limpopo households' expenditure by type of goods



Source: Quantec Research (2011)

Table 10: Total credit granted per province (in millions)

Province	Measure	2010-Q2	2010-Q3	2010-Q4	2011-Q1	2011-Q2
Eastern Cape	Value	R 4,336	R 4,878	R 5,462	R 5,347	R 5,616
	Percentage Change	*11%*	*12%*	*12%*	*-2%*	*5%*
	Share of Total	*6%*	*7%*	*7%*	*7%*	*7%*
Free State	Value	R 2,582	R 3,001	R 3,516	R 3,235	R 3,223
	Percentage Change	*5%*	*16%*	*17%*	*-8%*	*0%*
	Share of Total	*4%*	*4%*	*4%*	*4%*	*4%*
Gauteng	Value	R 30,414	R 34,538	R 36,743	R 37,749	R 39,966
	Percentage Change	*9%*	*14%*	*6%*	*3%*	*6%*
	Share of Total	*45%*	*46%*	*44%*	*47%*	*47%*
Kwazulu-Natal	Value	R 8,788	R 9,501	R 11,459	R 10,217	R 10,712
	Percentage Change	*9%*	*8%*	*21%*	*-11%*	*5%*
	Share of Total	*13%*	*13%*	*14%*	*13%*	*13%*
Limpopo	**Value**	**R 2,504**	**R 2,775**	**R 3,214**	**R 2,854**	**R 3,106**
	Percentage Change	***11%***	***11%***	***16%***	***-11%***	***9%***
	Share of Total	***4%***	***4%***	***4%***	***4%***	***4%***
Mpumalanga	Value	R 4,046	R 4,552	R 5,177	R 4,812	R 5,032
	Percentage Change	*10%*	*12%*	*14%*	*-7%*	*5%*
	Share of Total	*6%*	*6%*	*6%*	*6%*	*6%*
Northern Cape	Value	R 1,055	R 1,163	R 1,433	R 1,233	R 1,458
	Percentage Change	*16%*	*10%*	*23%*	*-14%*	*18%*
	Share of Total	*2%*	*2%*	*2%*	*2%*	*2%*
North West	Value	R 2,773	R 3,148	R 3,603	R 3,205	R 3,380
	Percentage Change	*9%*	*14%*	*14%*	*-11%*	*5%*
	Share of Total	*4%*	*4%*	*4%*	*4%*	*4%*
Western Cape	Value	R 10,347	R 11,055	R 12,400	R 11,510	R 11,963
	Percentage Change	*15%*	*7%*	*12%*	*-7%*	*4%*
	Share of Total	*15%*	*15%*	*15%*	*14%*	*14%*
Total Credit Granted		**R 66,845**	**R 74,610**	**R 83,007**	**R 80,162**	**R 84,456**

Source: National Credit Regulator (2011)

The decline in provincial household savings has seen total credit granted to Limpopo households increase. In particular, total credit granted to households increased by 9% in the second quarter of 2011. This trend is prevalent nationally with total credit granted to South African households increasing by 5% during the same period (see Table 10 above).

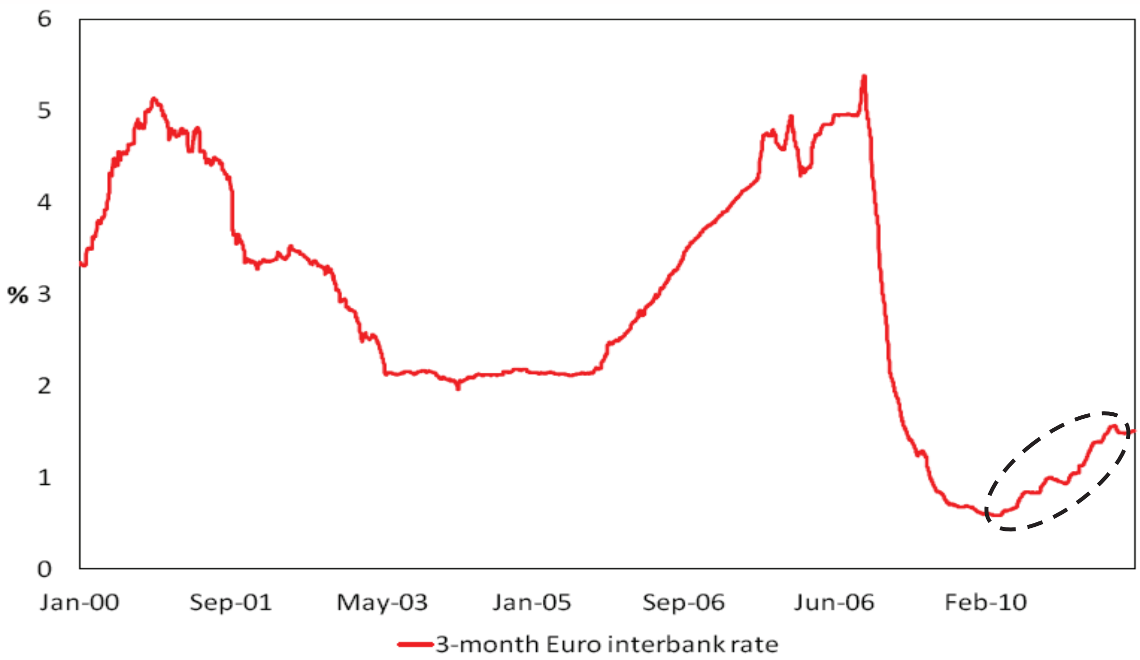
3.7. Global Economic Outlook

The euro debt crisis continues to be the most significant risk to the global economic outlook. The euro area's sovereign debt position is expected to continue to be worse than that of other regions. In particular, Greece and Italy's lack of fiscal discipline continues to be a critical point of discussion of the European Union and European Central Bank (ECB) as an appropriate cause of action (including another round of bail out and the possibility of ECB Euro Sovereign Bonds) is decided.

A critical element to the resolution of the euro debt crisis is the ability of the European Union countries to continue to borrow less from capital markets. However, given the increased uncertainly in the ability of countries such as Greece to meet its debt obligations, capital markets have been increasing debt borrowing costs which further contribute to the crisis

A substantial portion of European sovereign debt is held by European banks which, before the euro debt crisis, had been recovering from the 2008 financial crisis. As a result, the euro crisis interbank lending rates have been increasing (see Figure 48 below) as European banks are unsure of the solvency of their counterparts. There is also the risk of a downgrade of European sovereign bonds, in particular Italian and Greek sovereign bonds, which places additional pressure on the European banking system.

Figure 48: 3 month Euro Interbank rate



Source: Reuters

Essentially, the euro area and the major advanced economies (G7) have entered a period of low growth and higher unemployment as these economies undertake fiscal reform including austerity measures (see Table 11 below). In the US, uncertainty around the future of payroll tax exemptions and the pending legislated budget reforms at the end of 2012 continue to negatively impact economic growth.

Table 11: World real GDP growth

	2010	2011	2012	2013
Euro Area	1.7%	1.6%	1.1%	1.5%
Major Advanced Economies	2.8%	1.3%	1.6%	2.1%
Emerging and developing economies	7.3%	6.3%	6.0%	6.4%
Italy	1.2%	0.6%	0.3%	0.5%
Greece	-4.3%	-5%	-2%	1.5%

Source: IMF World Economic Outlook (2011)

Conversely, emerging and developing economies are expected to grow significantly moving into the future as investors shift focus towards emerging market which can offer higher returns.

3.8. National and Provincial Economic Outlook

The euro debt crisis will continue to slow growth in advanced economies and emerging and developing economies (including South Africa) unless it is resolved soon. Slower growth in advanced economies poses a significant risk to the growth outlook of emerging and developing economies.

Given this context, the South African economy is expected to grow (on real basis) by an average of 3 % until 2016. In the recent Medium Term Budget Policy Statement and State of the Nation Address, government announced a suit of counter- cyclical measures (anchored by infrastructure investment) which will be implemented in the next few years to support growth.

In recent years, the government has borrowed significantly to support these (including increased infrastructure spending) measures and other and will continue to do so. Despite these loans, the gross government debt is expected to remain at sustainable levels (that is at less than 40% of GDP in 2011). Table 12 below provides an outlook on the national economy.

Table 12: National economic outlook

	2011	2012	2013
Final consumption expenditure (%)	4.3	3.3	4.5
Gross fixed capital formation (%)	2.3	3.2	4.4
Exports of goods and services (%)	4.3	3.9	4.7
Producer prices (%)	8	5.7	5.4
Consumer prices (%)	4	6	5.6
Nominal wage rate (%)	8	8.5	8.7
Gross domestic product (%)	3.1	2.8	3.6
Current account balance (%)	-97.3	-127.8	-176.6
R/US dollar	8.05	7.45	7.75
R/Euro dollar	10.8	7.45	7.75
R/Pound Sterling	9.44	10.74	10.94

Source: Bureau of Economic Research (2011)

The outlook of the provincial economy depends, to a great extent, on participating and driving these measures that are relevant to the province in the next few years. The performance of the provincial economy is intricately linked to that of the national economy and therefore, the outlook of the provincial economy as shown in Table 13 below is, to a great extent, similar to that to the national economy.

Table 13: Provincial economic outlook

	Unit	2010	2011	2012	2013
Consumer Price Index	Percentage	3.44	3.61	5.50	5.61
Final Consumption: Total Household Expenditure	2005 prices (Rm)	72 243	70 860	73 364	76 487
	Percentage	4.32	-1.91	3.53	4.26
Gross Domestic Product	2005 prices (Rm)	106 582	112 997	118 952	125 294
	Percentage	3.99	6.02	5.27	5.33
Gross Fixed Capital Formation	2005 prices Rm)	22 307	21 484	24 609	27 565
	Percentage	-5.25	-3.69	14.55	12.01
Exports of Goods and Services	2005 prices (Rm)	32 245	27 438	35 385	40 003
	Percentage	4.20	-14.91	28.96	13.05
Imports of Goods and Services	2005 prices (Rm)	25 997	28 848	32 310	34 865
	Percentage	3.44	10.97	12.00	7.91

Source: Plus Economics (2011)

4. Conclusion

This report provided a review of the provincial economic and its socio-economic conditions in recent years. The report highlighted improvements and challenges in key arrears of services delivery, which are health, education, and economic growth.

The demographic profile analysis showed that population growth in the province was well in line with the national average. The population of the province remains youthful and this poses a significant challenge to services such as education that are targeted mainly at the youth. Life expectancy in the province remains amongst the highest in the country resulting in a decline in provincial fertility and birth rates in the past six years. Mortality rates in the province have continued to drop (in particular infant mortality dropped 23% between 2006 and 2011); however, the prevalence of HIV/AIDS (especially in females) continues to be a serious health challenge in the province.

Access to basic services continued to improve to the extent that in 2010 78.7% of households lived in formal structures, the provincial pass rate increased to 64% in 2011 from 58% in 2010, the provision of electricity increased by 82% with households using electricity as part of their energy mix, in 2010 medical aid cover increased to 15.7% from 12.5% in 2009, and the provincial government continued to expand its social protection program (6% growth in 2011). However, access to proper sanitation, refuse removal, and formal water source remains a significant challenge to service delivery.

In 2011, the provincial economy continued to grow (4.8%) on the back of a moderate recovery in 2010. This growth was anchored by higher growth in agriculture (11.2% after a decline of 1.5% in 2010), mining (8.3% after growth of 4.6% in 2010), and electricity generation (5.5% after growth of 2.3% in 2010).

Although the provincial economy continued to create employment (2.4%), this was far outweighed by the increase in the labor force of 6.7% in 2011. Combined with a low labor force participation rate of 36.5% (down from 37.8% in 2010), unemployment rate in the province increased to 20% (this is still below the national unemployment rate). The community and social services, and wholesale, retail and motor trade sectors continued to be the main employment engines of the province in 2011.

The performance of the provincial economy is intricately linked to that of the national economy. The continued growth of the provincial economy is, therefore, dependent on its ability to effectively participate in pro-growth measures highlighted by national government in the Medium Term Strategic Framework. Together with the continued success of initiatives under the Limpopo Employment, Economic Growth and Development plan, these can create the fiscal space with which government can continue to address the social and economic needs of the people of the province.

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