economic development
& tourism
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA
THE PLACE OF THE RISING SUN

Annual Performance Plan

2020/21
Date of Re-tabling: 04 SEPTEMBER 2020

Table of Contents

Executive Authority Statement **12**

Accounting Officer Statement **13**

Official Sign-off **15**

PART A: OUR MANDATE ***16***

1. Constitutional Mandate **17**

2. Legislative and Policy Mandates **17**

3. Institutional Policies and Strategies over the five-year Planning Period **20**

3.1 Institutional Policies and Strategies 20
3.2 Links to Government-wide Plans 20
3.2.1 The National Development and Five Year Implementation Plan 20
3.2.2 Mpumalanga Vision 2030: Strategic Implementation Framework 22
3.2.3 Mpumalanga Economic Growth and Development Path 23
3.2.4 The Provincial Spatial Development Plans 25
3.2.5 Sector Priorities 27
3.2.6 Medium Term Strategic Framework 36

4. Relevant Court Rulings **43**

PART B: OUR STRATEGIC FOCUS ***44***

5. Vision **45**

6. Mission **45**

7. Values **45**

8. Situational Analysis **46**

8.1 External Environment Analysis 46
8.2 Economic Analysis 48
8.2.1 Global and regional economy 48
8.2.2 South African economy 50
8.2.3 Mpumalanga economy 51
8.2.3.1 Estimated annual and quarterly GDP growth in Mpumalanga 54
8.2.3.2 Gross Domestic Product per capita 56
8.2.4 Socio-economic Factors 70
8.2.4.1 Unemployment 70
8.2.4.2 Poverty and Inequality 80
8.2.5 Technological Factors 82
8.2.6 External Environmental Diagnosis 84
8.2.6.1 Problem and Solution Trees: Green Economy 86
8.2.6.2 Problem and Solution Trees: Manufacturing 88
8.2.6.3 Problem and Solution Trees: Agro-Processing (Agriculture & Forestry) 90
8.2.6.4 Problem and Solution Trees: Mining 92

8.2.6.5 Problem and Solution Trees: Tourism 93
8.3 Review of past performance to inform the strategy of the department 95
8.4 Internal Environment Analysis 97
8.5 The capacity of the Department to deliver on the mandate 98
8.5.1 Human Resource Planning 100
8.5.1.1 Organisational Structure 100
8.5.1.2 Gender representation 101
8.5.1.3 Staff Turnover Rate for the Previous Three Financial Years 103
8.5.2 Financial Resources 105
8.6 The status of the institution regarding compliance with the BBBEE Act 108
8.7 Stakeholder Analysis 108

PART C: MEASURING OUR PERFORMANCE ..... Error! Bookmark not defined.

9. Institutional Programme Performance Information 113
9.1 Programme 1: Administration 114
9.2 Programme 2: Integrated Economic Development Services 126
9.3 Programme 3: Trade and Sector Development 145
9.4 Programme 4: Business Regulation and Governance 156
9.5 Programme 5: Economic Planning 163
9.6 Programme 6: Tourism 172

10. Updated Key Risks 179

11. Public Entities 182

12. Infrastructure Projects 186

13. Public Private Partnerships 186

Part D: Technical Indicator Descriptions (TID) 187

Annexure A: Conditional Grants 187

Annexure B: Consolidated Indicators 189

Annexure C: District Development Model 190

List of Figures

Figure 1: Mpumalanga Vision 2030 Strategic Pillars 23
Figure 2: Green economy thematic areas - the implementation pillars 36
Figure 3: Key economic targets leading towards MP V2030 38
Figure 4: Global Competitiveness Index 49
Figure 5: GDP (constant 2010 prices) growth rates for South Africa and Mpumalanga 1996 - 2023 51
Figure 6: GDP (constant 2010 prices) expressed as a percentage of 195 GDP values in South Africa and provinces 2018 53
Figure 7: Quarter-on-quarter GDP at market prices growth (constant 2010 prices) in South Africa & Mpumalanga, Q1 2019 – Q4 2019 55
Figure 8: Mpumalanga's contribution to South Africa's industries (constant 2010 prices), 1995-2018 57
Figure 9: Contribution to Mpumalanga GDP (constant 2010 prices) by industry, 1995-2018 58
Figure 10: Absolute change in GDP rand value (constant 2010 prices), 2014-2018 60
Figure 11: Real GDP at basic prices (constant 2010 prices) growth and contribution to employment changes by industry, 2014-2018 61
Figure 12: Domestic tourism 69
Figure 13: Mpumalanga employment numbers and employment target, 2014-2030 74
Figure 14: Employment by industry in Mpumalanga, 2014-2019 75
Figure 15: Changes in employment by industry in Mpumalanga, Q4 2014 – Q4 2019 76
Figure 16: Employment by gender and age group (15-64 years), 2018-2019 77
Figure 17 Unemployment rate for South Africa by province, 2014-2019 78
Figure 18: Mpumalanga's unemployed by gender and age group (15-64 years), 2018-2019 79
Figure 19: Mpumalanga's unemployment rate target, 2014-2030 80
Figure 20: Green Economy – Problem Tree 85
Figure 21: Green Economy – Solution Tree 86
Figure 22: Manufacturing – Problem Tree 87
Figure 23: Manufacturing – Solution Tree 88
Figure 24: Agro-processing (Agriculture & Forestry) – Problem Tree 89
Figure 25: Agro-processing (Agriculture & Forestry) – Solution Tree 90
Figure 26: Mining – Problem Tree 91
Figure 27: Mining – Solution Tree 92
Figure 28: Tourism – Problem Tree 93
Figure 29: Tourism - Solution Tree 94
Figure 30: Institutional Analysis – Problem Tree 97
Figure 31: Institutional Analysis – Solution Tree 98
Figure 32: Organisational Structure 100

List of Tables

Table 1: Relevant legislation to the Department 18
Table 2: Institutional Policies and Strategies 20
Table 3: Summary of key targets (NDP, MP V2030 & MEGDP) 24
Table 4: Provincial Prioritised Projects 27
Table 5: Provincial Industrial centres of competency 31
Table 6: 2014 -2019 Key Indicators and Targets 37
Table 7: Mpumalanga Provincial Targets: Priority 2: Economic Transformation and Job Creation 42
Table 8: Relevant Court Rulings 43
Table 9: Historic and forecasted GDP at market prices growth rates for South Africa and provinces, 1995 - 2023 52
Table 10: Historic and forecasted GDP at basic prices (constant 2010 prices) growth rates for Mpumalanga's economic industries, 1995-2023 59
Table 11: Industry contribution to GDP at basic prices (constant 2010 prices) growth in Mpumalanga, 2018-2023 60
Table 12: Key natural tourist attractions and their spatial status within Mpumalanga 62
Table 13: Key historic and cultural tourist attractions and their spatial status within Mpumalanga 63
Table 14: Tourism statistics – per province 66
Table 15: Major countries contributing to tourism numbers 67
Table 16: Average spend per visitor 68
Table 17: Domestic tourist numbers by province 70
Table 18: Labour force profile of Mpumalanga, 2018-2019 71
Table 19: Changes in employment in South Africa and provinces, 2014-2019 72
Table 20: Share of population below the LBPL in South Africa & provinces, 1996-2018 81
Table 21: Gini-coefficient for South Africa, Mpumalanga & districts, 1996-2018 82
Table 22: Share of income earned by poorest 40% in South Africa, Mpumalanga & districts, 1996-2018 82
Table 23: Employment equity plan vs occupancy in terms of occupational levels 101
Table 24: Numeric targets for employees with disabilities 102
Table 25: Current profile for employees with disabilities 102
Table 26: Staff turnover rate 2019/20 104
Table 27: Staff turnover rate 2018/19 104
Table 28: Staff turnover rate 2017/18 105
Table 30: Economic Cluster – Stakeholder Analysis 109
Table 30: Programme 1: Outcomes, Outputs, Performance Indicators and Targets 115
Table 31: Programme 1: KPI – Annual and Quarterly targets 116
Table 32: Corporate Services: Outcomes, Outputs, Performance Indicators and Targets 116
Table 33: Corporate Services: KPI – Annual and Quarterly targets 117

Table 34: Financial Management : Outcomes, Outputs, Performance Indicators and Targets 118
Table 35: Financial Management: KPI – Annual and Quarterly targets 119
Table 36: Enterprise Development: Outcomes, Outputs, Performance Indicators and Targets 127
Table 37: Enterprise Development: KPI – Annual and Quarterly targets KPI..... 131
Table 38: Economic Empowerment: Outcomes, Outputs, Performance Indicators and Targets 134
Table 39: Economic Empowerment: KPI – Annual and Quarterly targets KPI..... 135
Table 40: Local Economic Development: Outcomes, Outputs, Performance Indicators and Targets 136
Table 41: Local Economic Development: KPI – Annual and Quarterly targets KPI..... 137
Table 42: Green Economy: Outcomes, Outputs, Performance Indicators and Targets .....**Error! Bookmark not defined.**
Table 43: Green Economy: KPI – Annual and Quarterly targets.....**Error! Bookmark not defined.**
Table 44: Manufacturing Industry: Outcomes, Outputs, Performance Indicators and Targets .....**Error! Bookmark not defined.**
Table 45: Manufacturing Industry: KPI – Annual and Quarterly targets**Error! Bookmark not defined.**
Table 46: Mining Sector: Outcomes, Outputs, Performance Indicators and Targets .....**Error! Bookmark not defined.**
Table 47: Mining Sector: KPI – Annual and Quarterly targets.....**Error! Bookmark not defined.**
Table 48: Consumer Protection: Outcomes, Outputs, Performance Indicators and Targets .. 156
Table 49: Consumer Protection: Outcomes, Outputs, Performance Indicators and Targets .. 157
Table 50: Business regulation: KPI – Annual and Quarterly targets KPI..... 158
Table 51: Programme 4: KPI – Annual and Quarterly targets (Sub-programme Business Regulation)..... 158
Table 52: Policy and Planning: Outcomes, Outputs, Performance Indicators and Targets...**Error! Bookmark not defined.**
Table 53: Programme 5: KPI – Annual and Quarterly targets (Sub-programme Policy and Planning) .....**Error! Bookmark not defined.**
Table 54: Research and Development : Outcomes, Outputs, Performance Indicators and Targets .....**Error! Bookmark not defined.**
Table 55: Research and Development: KPI – Annual and Quarterly targets**Error! Bookmark not defined.**
Table 56: Knowledge Management: Outcomes, Outputs, Performance Indicators and Targets 163
Table 57: Knowledge Management: KPI – Annual and Quarterly targets..... 165
Table 58: Monitoring and Evaluation: Outcomes, Outputs, Performance Indicators and Targets .....**Error! Bookmark not defined.**

Table 59: Monitoring and Evaluation: KPI – Annual and Quarterly targets**Error! Bookmark not defined.**
Table 60: Economic Analysis: Outcomes, Outputs, Performance Indicators and Targets 165
Table 61: Economic Analysis: KPI – Annual and Quarterly targets..... 166
Table 62: Tourism Planning: Outcomes, Outputs, Performance Indicators and Targets..... 172
Table 63: Tourism Planning: KPI – Annual and Quarterly targets KPI 174
Table 64: Updated Risks and mitigation activities..... 179
Table 65: Conditional Grants 187
Table 66: District Development Model projects..... 190

Acronyms

ACRONYM	FULL DESCRIPTION
AFS	Annual Financial Statement
AGSA	Auditor General South Africa
AMTS	Advanced Manufacturing Strategy
AO	Accounting Officer
APP	Annual Performance Plan
ASGISA	Accelerated and Shared Growth Initiative for South Africa
ASIDI	Accelerated School Infrastructure Delivery Initiative
BBBEE	Broad-Based Black Economic Empowerment
BCP	Business Continuity Plan
BEE	Black Economic Empowerment
BER	Bureau of Economic Research
BRICS	Brazil, Russia, India, China and South Africa
CAPEX	Capital Expenditure
CC's	Close Corporations
CCTV	Closed Circuit Television
CBOs	Community Based Organisations
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPA	Consumer Protection Act
CPI	Consumer Price Inflation
CSI	Corporate Social Investment
DBSA	Development Bank of Southern Africa
DEDT	Department of Economic Development and Tourism
DESD	Decade of Education for Sustainable Development
DoEL	Department of Employment and Labour

DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DTIC	Department of Trade, Industry and Competition
EDMS	Employee Development and Management System
EEP	Economic Equity Plan
EEC	Economic and Employment Cluster
EHWP	Employee Health and Wellness Programme
EIA	Environmental Impact Assessment
EIC	Enterprise Information Centre
EMC	Executive Management Committee
EU	European Union
ENE	Estimates of National Expenditure
FTC	Food Technology Centre
FTE	Full Time Equivalent
GDP	Gross Domestic Product
GIS	Geographical Information System
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HR Plan	Human Resource Plan
HRPIPR	Human Resource Plan Implementation Progress Report
ICC	International Convention Centre
IA	Internal Audit
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IWMP	Integrated Waste Management Plan

IPAP	Industrial Policy Action Plan
KMIA	Kruger Mpumalanga International Airport
LED	Local Economic Development
LRF	Local Regulatory Framework
LTO	Local Tourism Organisations
MOA	Memorandum of Agreement
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MEC	Member of the Executive Council
MEDGP	Mpumalanga Economic Growth and Development Plan
MEGA	Mpumalanga Economic Growth Agency
MER	Mpumalanga Economic Regulator
MIFPM	Mpumalanga International Fresh Produce Market
MinMEC	Minister and Members of the Executive Council
MinTECH	Minister's and Technical Team
MISS	Minimum Information Security Standards
MLA	Mpumalanga Liquor Authority
MTEF	Medium Term Expenditure Framework
MTGS	Mpumalanga Tourism Growth Strategy
MTPA	Mpumalanga Tourism and Parks Agency
MUNMEC	Municipalities and Member of Executive Council
NCC	National Consumer Commission
NDA	National Development Agency
NDP	National Development Plan
NIPF	National Industry Policy Framework
NEDLAC	National Economic Development and Labour Council
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organisations

NGP	New Growth Path
NPOs	Non-Profit Organisations
NSDP	National Spatial Development Perspective
NT	National Treasury
NTSS	National Tourism Sector Strategy
NYS	National Youth Service
OTP	Office of the Premier
PERSAL	Personnel and Salary Administration
PFMA	Public Management Finance Act, 1999 (Act No. 1 of 1999) as amended
PMDS	Performance Management and Development System
PGDS	Provincial Growth and Development Strategy
POA	Programme of Action
PPPFA	Preferential Procurement Policy Framework Act
PRIME	Programme for Industrial Manufacturing Excellence
PSC	Public Service Commission
RTO	Regional Tourism Organisations
RTP	Responsible Tourism Planning
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SAHC/OOK	South African Handmade Collection / One of a kind exhibition
SALGA	South African Local Government Association
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDMF	Service Delivery Model Framework
SDIP	Service Delivery Improvement Programme

SDS	Service Delivery Standards
SEDA	Small Enterprise Development Agency
SERO	Socio-Economic Review and Outlook
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SOE's	State Owned Entities
SONA	State of the Nation Address
SOPA	State of the Province Address
SP	Strategic Plan
TOR	Terms of Reference
TR	Treasury Regulations
UIF	Unemployment Insurance Fund
WSP	Workplace Skills Plan

Executive Authority Statement

The triple challenges of high levels of unemployment, poverty and inequality continue to confront the previously disadvantage people, of which, the majority are youth and women. When the sixth administration assumed the reins in June 2019, it committed to confront the said challenges head-on, and to continue to build on the foundation laid by the previous leadership.

Informed by the electorate, the sixth administration has prioritised seven key areas that would be pursued during its term of office. However, as far as my mandate is concerned, I would pay undivided attention to Priority 1: Economic Transformation and Job Creation. To this end, the work of the Department would be guided by the National Development Plan (NDP); Mpumalanga Vision 2030 (MP V2030); and the Mpumalanga Economic Growth and Development Path (MEGDP).

Therefore, the 2020-2023 Medium Term Strategic Framework (2019 MTSF) continues to look at strategic areas with huge potential to stimulate robust economic growth that will lead to the creation of more jobs for the people of Mpumalanga, particularly the youth and women. Among others, this will include the creation of an environment conducive to growth and development of the key sectors of the provincial economy, and the acceleration of both the township and rural economy.

Investment in trade and export promotion; socio-economic infrastructure development; integrated spatial development; and skills development will also remain extremely critical in all growth and development endeavours.

Core to this 2020-2023 MTSF, is the placement of value addition, beneficiation, agro-processing and value chains development high on our growth and developmental agenda, including the vigorous roll out of the Broad-based Black Economic Empowerment (BBBEE) at all levels of our society.

As a Department, we therefore wish to call upon all the stakeholders to work with us, in our endeavour to grow an economy that deliver job opportunities for all, and consequently reduce poverty and inequality. Together, let us create wealth and a flourishing society.

Mr PS NGOMANE, MPL
MEC FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

Accounting Officer Statement

The Sixth Administration has charged the Department with the responsibility of facilitating and coordinating the implementation of Priority 2: Economic Transformation and Job Creation.

Over the past ten years, we saw government utilising the Outcome-based Approach to roll out its priorities captured in the Medium Term Strategic Frameworks. Unlike the previous administrations, the sixth administration has taken a paradigm shift in its approach. It has adopted an approach that focuses on the impact and outcomes rather than outputs as a final delivery.

Therefore, this Annual Performance Plan captures the new approach which will guide the Department in its efforts to realise the intended impact of Priority 2, on the reduction of unemployment, poverty and inequality.

In essence, the Plan provides a framework for the Department to consolidate its strength, and to focus its efforts on provincial priorities in matters affecting the economy. It is a Plan that advances measures to address the socio-economic challenges faced by the Province. It focuses on fast-tracking growth, supporting priority sectors, job creation and promoting economic participation by all people within the Province.

There is consensus, as articulated at the first strategic planning session, that there are areas of the Department's mandate and performance that would require urgent attention, if the Department is to live up to the expectations of delivering on Priority 2: Economic Transformation and Job Creation. The Government's Medium Term Strategic Framework (MTSF) for 2019-2024 articulates the vision of an integrated economic system, that must be pursued by the Department and its Public Entities alike.

For this period, the Department is expected to fulfil the following expectations:

- Influence the development growth patterns in the Province, in order to build an accelerated, sustainable, equitable and inclusive economic growth path where people live and work;
- Ensure a participatory economy where the youth, women, workers, rural masses, and the people with disabilities benefit from the natural and man-made wealth of the Province;
- Enhance integrated regional growth and development through the fostering of public private partnerships for trade and investment to increase in the Province and regionally,

like leveraging on Spatial Development Initiatives such as the Maputo Development Corridor;

- Position infrastructure delivery programmes in a manner that support SMMEs and co-operatives through the creation of decent job opportunities that allow for community participation;
- Utilise MOUs with both local and global strategic partners to consolidate existing markets; access new markets and attract foreign direct investment into the provincial economy.

The development of the four (4) prioritised sectors, namely, agriculture for the promotion of agro-processing; mining for value addition and beneficiation; manufacturing for growing the steel; furniture and energy industries; ICT for connectivity; as well as tourism and cultural industries; will be at the centre of the Department's activities. These are the sectors which not only have huge potential to provide opportunities for job creation and growth of SMMEs, but also to assist the Province to cushion the South African economy against the negative effects of BREXIT; the trade war between China and the United States of America, and the recent coronavirus (COVID-19) outbreak in China.

Mr SM MTSWENI

ACCOUNTING OFFICER:

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

economic development & tourism
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

Official Sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Economic Development and Tourism under the guidance of the MEC, Mr P Ngomane, MPL;
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Economic Development and Tourism is responsible;
- Accurately reflects the Impact, Outcomes and Outputs which the Department of Economic Development and Tourism will endeavour to achieve over the 2020/21 period.

Ms W Rambau *Programme Manager: Administration* Signature:	**Mr L Mdluli** *Programme Manager: Integrated Economic Development* Signature:
Mr JM Mnisi *Programme Manager: Trade and Sector Development* Signature:	**Ms LB Mabaso** *Programme Manager: Business Regulation and Governance (Acting)* Signature: B Mabaso.
Mr NM Sebitso *Programme Manager: Policy and Planning* Signature:	**Mr JD Mdluli** *Programme Manager: Tourism* Signature:
Mr JM Ndima *Manager Responsible for Planning* Signature:	**Ms H Thrush** *Chief Financial Officer* Signature:
Mr SM Mtsweni Head: Economic Development and Tourism Signature:	

Approved by:

Mr PS NGOMANE, MPL **MEC: FINANCE, ECONOMIC DEVELOPMENT AND TOURISM**	Signature:

MPUMALANGA

PART A: OUR MANDATE

The following Constitutional, legislative and related mandates regulate the environment within which the Department executes its operations:

1. Constitutional Mandate

The following table highlights the main mandate of the Department:

Constitutional Mandate	Purpose
The Department derives its mandate from the Constitution of the Republic of South Africa, Act 108 of 1996.	Schedule 4 and 5 of the Constitution make provisions for the following: • Trade and industry promotion • Consumer protection • Casino, racing, gambling, wagering and Liquor Licences • Provincial Public Enterprises • Tourism Promotion and • Nature Conservation

2. Legislative and Policy Mandates

The Departmental mandate is provided in the table below.

Departmental Mandate	Purpose
To stimulate economic growth and development towards creating sustainable and decent employment, economic transformation and alleviation of poverty.	• Influence the development growth patterns in the Province in order to build and accelerate a sustainable, equitable and inclusive economic growth path where people live; • Ensure a participatory economy where the youth, women, workers, rural masses, and the people with disabilities benefit from the natural wealth of the Province; • Enhance integrated regional growth and development through, among other things, fostering public private partnerships to increase trade and investment in the Province, and within the region, and leveraging on Spatial Development Initiatives such as the Maputo Development Corridor. • Position infrastructure delivery programme in a manner that enhances the development of SMME's, creates decent job opportunities and allows participation of the communities through the promotion of co-operatives; • Utilise MOUs with both local and global strategic partners to consolidate existing markets; access new markets and attract foreign direct investment into the provincial economy

The specific legislative and policy mandates that influence and affect operations of the Department are listed in the tables below:

Table 1: Relevant legislation to the Department

Legislative Mandate	Purpose
Mpumalanga Economic Regulator Act, 2017 (Act 2 of 2017)	• To regulate the gambling industry in the Province, in terms of the Mpumalanga Gambling Act; • To regulate the payment of gambling levies, in terms of the Mpumalanga Gambling Levies Act; • To regulate the liquor industry in the Province, in terms of the Mpumalanga Liquor Licensing Act; • To ensute the MER effectively and efficiently executes its mandate (given the Deparrment is the shareholder representative); • To oversee the preparation of Quarterly Reports, Annual Reports and Strategic Objectives.
National Tourism Act, 2014 (Act 3 of 2014)	• To provide for the development and promotion of sustainable tourism for the benefit of the Republic, its residents and its visitors.
Mpumalanga Gambling Act, 1995 (Act 5 of 1995)	• To provide for control over gaming and matters connected therewith; • To ensure the MER executes effectively and efficiently its mandate which includes regulating gambling and sensitising the public against the dangers of excessive gambling; and • Overseeing Quarterly Reports, Annual Reports and Strategic Objectives.
Mpumalanga Liquor Licensing Act, 2007 (Act 5 of 2007)	• To provide for the regulation of the liquor industry in the Province; and for matter connected within;
National Gambling Act, 2004 (Act 59 of 2003)	• To provide for the coordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering, and to provide for the continued regulation of those matter; and • To ensure that the Mpumalanga Gambling Act is aligned to national norms and standards established in terms of the National Gambling Act.
Mpumalanga Consumer Affairs Act, 1998 (Act 6 of 1998)	• To promote a fair accessible and sustainable marketplace for consumer products;

Legislative Mandate	Purpose
	• To establish national norms and standards relating to consumer protection; • To establish and manage the Office of Investigation of Unfair Business Practices, whose function is to receive, investigate and resolve complaints of unfair business practices; and • To establish the Consumer Court which adjudicates on matters of alleged unfair business practices.
Mpumalanga Business Act, 1996 (Act 2 of 1996)	• To consolidate and amend certain laws in force in the Province, regarding the licensing and carrying on of business.
National Small Business Enabling Act, 1996 (Act 102 of 1996)	• To provide for Small Businesses to enter the economic mainstream; • To create a conducive environment for the promotion, support and development of small businesses in the Province; and • To ensure municipalities comply with prescripts of the Act.
Broad-based Black Empowerment Act, 2003 (Act 53 of 2003)	• To provide for the empowerment of the black owned companies to enter the mainstream of the economy; • To ensure black owned companies have access to opportunities in the mainstream of the economy in an effort to transform the economy and reduce inequality; and • To ensure that the necessary support is provided to black enterprises plus targeted groups (women, youth and people living with disabilities) to enable them to successfully compete for opportunities in the economy.
National Credit Act, 2005 (Act 34 of 2005)	• To promote a fair and non-discriminatory marketplace for access to consumer credit.
Public Financial Management Act, 1999 (Act 1 of 1999)	• To promote sound financial management in the public sector; • To ensure every employee of the Department is enjoined that no fruitless/irregular expenditure occurs within the area of responsibility
Public Service Act, 1994 (Act 103 of 1994)	• To regulate the public service in the country.
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)	• To create a framework for employer-employee relations.
Labour Relations Act, 1995 (Act 66 of 1995)	• To protect the rights of the workers.

3. Institutional Policies and Strategies over the five-year Planning Period

3.1 Institutional Policies and Strategies

Emanating from the Departmental strategic planning process, the following policies and strategies were identified as critical interventions that would assist the Department in realising the intended impact, in line with identified outcomes over the five-year period:

Table 2: Institutional Policies and Strategies

Outcomes	Identified Institutional Policies/Strategies/Priorities
Inclusive, diversified and growing economy	Facilitate and coordinate the following Policies, Strategies and Plans: • Mpumalanga Industrial Development Plan • Provincial ICT Strategy • SMME Provincial Strategy • Mpumalanga Trade and Investment Promotion Strategy • Mpumalanga Green Economy Development Plan • Mpumalanga Forestry Development Plan
Inclusive, competitive and sustainable tourism industry	• Provincial Tourism Growth Strategy • Mpumalanga Integrated Air Transportation Strategy
An ethical, well-coordinated, enabling and capable centre of business excellence	• PFMA • Departmental Human Resource Strategy • Provincial Communication Strategy • Risk Management Strategy

3.2 Links to Government-wide Plans

In the development of the Department's Strategic Plan and Annual Performance Plan, the link and relationship to other government priorities have been considered and included. The following plans and strategies have been considered in the development of *the dedt* Strategic Plan:

3.2.1 The National Development and Five Year Implementation Plan

In the 20 years since the advent of democracy, South Africa has been on a journey towards a destination that is broadly labelled, "a better life for all". Whilst this objective remains the same going into the future, it is now more clearly expressed in the country's National Development Plan (NDP), which provides a detailed roadmap for development in the years leading up to

2030. Fundamentally, the NDP represents a broad "multi-dimensional strategic framework" to bring about development by guiding key choices and actions.

The journey in the next 20 years is characterised as the second phase of the country's democratic transition. It is a phase that" focuses on the critical role that a robust economy plays in eliminating poverty and unemployment, supporting sustainable livelihoods and reducing inequality.

Therefore, the National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030, and "lays the foundation for long term planning for this radical socio-economic agenda over the next 20 years." In essence, the National Development Plan institutionalises long term planning and gives expression to the policy continuity characterising the past and informing the next 20 years.

Evidently, for effective implementation and meaningful impact to be derived from this plan, the country needs to be guided by a developmental democratic state "capable of mobilising all sectors and boldly intervening in the economy in favour of workers and the poor". Basically, there will be a need for strategic and visionary leadership at all levels, an active citizenry and effective government.

Furthermore, the objectives, targets and key considerations of the National Development Plan must find expression in the planning processes, institutional arrangements and resource allocations of each and every Province.

For the Department, progress over the next decade continues to mean doing things differently. The integration of the NDP proposals and priorities in the planning framework, resource allocation and performance monitoring processes, remains of paramount importance.

The following key issues reflected in Chapter 3 of the NDP (Economy and Employment), continue to inform the mandate and strategic direction of the Department:

- To eliminate poverty and reduce inequality, South Africa has to raise levels of employment and, through productivity, grow the earnings of the working people.
- South Africa needs faster growth and more inclusive growth. Key elements of this strategy include raising exports, improving skills development, lowering the costs of living of the poor, investing in a competitive infrastructure, reducing the regulatory burden on small businesses, facilitating private investment and improving the performance of the labour market to reduce tension and ease access to young, unskilled work seekers.
- Only through effective partnerships across society can a virtuous cycle of rising confidence, rising investment, higher employment, rising productivity and incomes be generated.
- South Africa requires both a capable and developmental state, able to act to redress historical inequities and a vibrant and thriving private sector able to invest, employ people and penetrate global markets.

In the next five (5) years, like the national government, the Mpumalanga Province will also be pursuing the implementation of the NDP Five Year Implementation Plan. This Plan hinges on three pillars, namely:

Pillar 1: A strong and inclusive economy;

Pillar 2: Capabilities of South Africans; and

Pillar 3: A Capable State

As far as the mandate of the Department is concerned, more focus will be placed on Pillar one (1), with Pillar two (2) and three (3) playing a supporting role. In essence, the Department will be providing thought leadership, facilitation and coordination of Priority 2: Economic Transformation and Job creation of the 2019 – 2024 Medium Term Strategic Framework (MTSF) which seeks to translate Pillar 1 into reality.

Evidently, the success of the NDP's Five Year Implementation Plan will require that government collaborates with the private sector, labour and civil society to contribute to the achievement of the set priorities.

In addition, an integrated monitoring framework will be applied to track progress against the achievement of the set Priorities.

3.2.2 Mpumalanga Vision 2030: Strategic Implementation Framework

The Mpumalanga Vision 2030 (MP V2030) seeks to locate the NDP within the provincial space. It provides a clear roadmap that will guide the Provincial Government in its quest to realise the outcomes outlined by the NDP. In short, it is a focused and strategic implementation framework that provides a direct implementation response to the National Development Plan.

It further prioritise those important aspects of the NDP that relates directly to the situation of the Province, including the mechanisms and conditions that will be pursued to achieve the key priorities, objectives and targets enumerated in the NDP.

Of critical importance, the MP V2030 provides a platform for the improvement in economic policy coordination and implementation, including building of strong partnerships among the public sector, business and labour in their endeavours to accelerate the economic transformation agenda of the Provincial Government.

In line with the principles of the NDP, the MP V2030 highlights the following socio-economic outcomes as priorities:

- Employment and economic growth

- Education and training
- Health care for all
- Social protection

These priorities do not imply that the 'normal business of government' should be deferred, but rather aim to focus the activities and decisions of the Province, on key areas leveraging high impact for improved and sustainable long term socio-economic development in Mpumalanga.

The achievement of these outcomes is further dependent on the critical success factors described as "mechanisms" and "conditions" below:

Figure 1: Mpumalanga Vision 2030 Strategic Pillars

3.2.3 Mpumalanga Economic Growth and Development Path

The Mpumalanga Economic Growth and Development Path (MEGDP) seeks to realise the broad strategic intent set out by both the NDP and MP V2030. The primary objective of the MEGDP is to foster economic growth that creates jobs, reduce poverty and inequality in the Province. The growth path is anchored on a number of parameters including sector development, inclusive and shared growth, spatial distribution, regional integration, sustainable human development and environmental sustainability with clearly defined strategic targets over the medium to long term.

The MEGDP identified the following sectors as drivers for economic growth and job creation; namely, Agriculture, Forestry, Mining, Manufacturing, Tourism and New Economies (e.g. Green Economy)

The MEGDP further identified four pillars that must guide the implementation process leading up to 2030. The following four pillars that constitute the MEGDP Implementation Plan:

- Human Resource Development

- Infrastructure Development
- Rural Development
- Increased Production and Beneficiation

Government has further developed strategies and support plans to guide activities in these four pillars indicated above; namely, Human Resource Development Plan; Mpumalanga Infrastructure Master Plan, Comprehensive Rural Development Plan (CRDP), Mpumalanga Industrial Development Plan, Human Settlement Strategy, Integrated Transport Master Plan, and Mpumalanga Biodiversity Conservation Plan (MBCP), among others.

In addition, The MEGDP Implementation Plan is underpinned by few critical principles to ensure inclusive economic growth and development. Core to these principles is the provision of comprehensive support to the development of small enterprises and co-operatives; Broad-Based Black Economic Empowerment, value-addition, youth focused and community driven development.

The MEGDP also set out clear targets that must be achieved in areas of economic growth, employment, poverty, inequality by 2030. The table below shows the targets that must be achieved by 2030:

Table 3: Summary of key targets (NDP, MP V2030 & MEGDP)

TARGETS			
Indicator	NDP Target	Mpumalanga V2030 Target	MEGDP
Unemployment Rate	6%	6%	15%
Number of Employed	11 million additional jobs	1.2 million additional jobs Total employment to 2.1 million to achieve 6% unemployment rate	720 000 additional jobs. Total employment should increase to 1.61 million
GDP Growth Rate	Average annual GDP growth above 5%	Average annual GDP growth above 5%	GDP growth between 5% and 7% per annum
GDP per capita	Raise per capita GDP to R110 000 in constant prices	Raise per capita GDP to R110 000 in constant prices	N/A

TARGETS			
Indicator	NDP Target	Mpumalanga V2030 Target	MEGDP
Lower bound poverty line – R416 per person (2009 prices)	Reduce the proportion of households with a monthly income below lower bound poverty line to 0%	Reduce the proportion of households with a monthly income below lower bound poverty line to 5%	Reduce poverty rate to 25%
Gini Co-efficient (Income inequality)	Gini-coefficient of 0.60 and the proportion of income earned by the bottom 40% in SA should rise to 10% by 2030	Gini-coefficient of 0.60 and the proportion of income earned by the bottom 40% in SA should rise to 10% by 2030	Reduce the Gini-coefficient of income distribution to 0.55

3.2.4 The Provincial Spatial Development Plans

Spatial Planning and Land Use Management Act (SPLUMA) requires national, provincial, and municipal spheres of government to prepare Spatial Development Frameworks (SDFs) that establish a clear vision which must be developed, through a thorough inventory and analysis based on national spatial planning principles and local long-term development goals and plans. Accordingly, the Provincial Spatial Development Framework (PSDF, 2019) provides the spatial expression to the vision encapsulated in the Mpumalanga Vision 2030 (MP V2030) and other relevant provincial policies.

Guided by SPLUMA, the Provincial SDF ensures that there is alignment and coordination between the national government and municipalities in the following ways:

- By aligning and coordinating provincial plans and development strategies with the policies of National Government – the draft NSDF provides guidance in this respect.
- By ensuring the alignment and coordination of the plans, policies and development strategies of provincial departments – close linkage to sector departments' approach.
- Ensuring alignment and coordination of the plans, policies and development strategies of municipalities – district SDFs provide guidance but also require re-alignment to the PSDF.

Therefore, the Mpumalanga PSDF aims to create an enabling environment and provides mechanisms to ensure that such coordination, integration and alignment as prescribed by SPLUMA is achieved.

In addition, the PSDF intends addressing the aspects of, among others, spatial justice, spatial sustainability, efficiency, spatial resilience and good administration - integrating necessary functionalities and linkages within the spheres of government and delivering a multitude of

services linked to an integrated development approach in the province. Basically, the PSDF provides a new integrated planning paradigm that is intended to sufficiently provide an economically and socially balanced development between rural and urban areas in the Province, that is, to address the spatial fragmentation which poses major developmental challenges in spite of the existence of several initiatives and programmes.

Broadly, the PSDF covers, inter alia, the following strategic objectives at provincial level:

- Integration of development policies;
- Prioritised land use development patterns;
- Addressing of developmental needs, unpack spatial directives and objectives for implementation;
- Provide investment guidance and the mechanisms for implementation; and
- Provide guidance on sectoral development needs, investments, integration and programme implementation.

In a nutshell, to address the identified spatial challenges and give effect to the relevant policies, the PSDF aims at directing the development of Mpumalanga towards:

- More inclusivity, productivity, competitiveness and opportunities in urban and rural space-economies;
- Protection of resources and strengthened resilience of natural and built environments; and
- Improved effectiveness of governance

To realise these broad goals, the following Key Areas of Focus were identified:

- Connectivity and corridor functionality;
- Sustainable concentration and agglomeration;
- Conservation and resource utilisation;
- Livability and sense of place;
- Rural diversity and transformation.

The Implementation framework of the PSDF outlines programmes, plans, key actions that must be executed within specific timelines in order to achieve the identified strategic objectives. The Implementation Framework covers the following strategic objectives that must be pursued towards 2030 and beyond:

- Leveraging the N4 corridor to facilitate regional and provincial connectivity;
- Developing the existing corridors and building new linkage corridor to increase capacity and economic opportunities and ensure connectivity to the surrounding areas;
- Upgrading of tourism and rural economy road networks with linkages to transportation corridors;
- Decongesting the coal haul roads and improvement of freight network;

- Enhancing economic competitiveness through economic growth and innovation centres through spatial targeting;
- Economic enabling of growth centres/ typology in relation to higher order growth areas in the Province and economic decentralisation;
- Promoting economic growth through incentives;
- Diversifying the economy;
- Protecting biodiversity and ecosystem services;
- Promoting a sustainable agriculture;
- Promoting a low carbon and climate resilient economy;
- Utilising the mining potential without compromising the long term sustainability of the natural environment;
- Using infrastructure investment for growing the economy; and
- Creating an Integrated Rural Economic Base by Rural Restructuring and Linkages of Rural Economies.

As part of realising some of these objectives enumerated above, the Department will be focusing on the following projects over the 2019 – 2024 MTSF period:

Table 4: Provincial Prioritised Projects

EHLANZENI DISTRICT MUNICIPALITY	NKANGALA DISTRICT MUNICIPALITY	GERT SIBANDE DISTRICT MUNICIPALITY
Mpumalanga International Fresh Produce Market (MIFPM)	Mining and Metal Industrial Technology Park (Highveld Steel Industrial Park)	Petro-Chemical Industrial Technology Park
Nkomazi Special Economic Zone (SEZ)	Dr JS Moroka Agri-Hub	Revitalisation of Elukwatini Industrial Park
Revitalisation of Kabokweni Industrial Park	Revitalisation of Ekandustria (situated in Gauteng but owned by MEGA	Centre of Excellence
Forestry Industrial Technology Park	Revitalisation of Siyabuswa Industrial Park	
Agriculture Industrial Technology Park	Revitalisation of Thembisile Hani Industrial Park	

3.2.5 Sector Priorities

The NDP, Mpumalanga Vision 2030 framework, MEGDP and the MIDP remain the key guiding documents for the 2019- 2024 MTSF prioritisation. For stimulating inclusive economic growth that creates more job opportunities for the people of the Province, the following focal areas are prioritised over the 2019 – 2024 MTSF period:

- Increasing the industrial base of the Province through value addition and value chains development; beneficiation and agro-processing;

- Support for women and youth owned small businesses and cooperatives
- Building an inclusive rural economy; and
- Mobilisation of a Development Fund.

For the Province to realise these broad strategic issues highlighted above, the following key economic sectors have been identified as drivers for rapid economic growth and job creations:

- Agriculture;
- Forestry;
- Mining;
- Manufacturing;
- Tourism; and
- New economies (Green economy)

The section below provides a brief overview of the identified sectors above:

Agriculture

Mpumalanga's arable land covers approximately 24% and natural grazing covers approximately 13.6%. The Province produces between 3% and 15% of SA's vegetable production depending on the vegetable type. There are, however, very low levels of vegetable processing into food products. The other primary agricultural subsectors have been reasonably well-established in the commercial farming category, such as fresh fruits (with high volumes of citrus exports) and livestock farming. However, small-scale farming remains a challenge, with lack of facilities and technology hampering sustainability of small operations. With more than 50% of its land biased towards agriculture, this effectively makes Mpumalanga an agricultural region.

The major agricultural crops in the Province include maize, wheat, sorghum, barley, sunflower seed, soybean, macadamia, groundnuts, sugar cane, vegetables, coffee, tea, cotton, tobacco, citrus, subtropical and deciduous fruit. The more significant crops with established export markets are macadamias, citrus and sugar cane. Crops with significant domestic value include avocados, bananas and mangos. Other main products are beef, mutton, wool, poultry and dairy.

Studies have shown that the Agriculture sector is underperforming, despite the agricultural potential of the Province, with declining employment levels. This is due to declining worker productivity levels in the globalised agriculture competitiveness standards and the move towards mechanisation.

The focus in the Province is towards small-scale farming and agro-processing for value-addition to revitalise the sector. The intention is to compliment this with a strong fresh produce export industry through the establishment of International Fresh Produce Markets in Mbombela, and the Special Economic Zone (SEZ) in Komatipoort.

The Province currently has a reasonable innovation capability in fresh produce agriculture through the presence of the institution of higher education, public and private Research and Development institutions. Therefore, the Mpumalanga International Fresh Produce Market

is providing a mechanism for institutionalising the capabilities that will lead to such integration within the agricultural sector.

It is, therefore, expected that significant technological innovation capabilities need to be developed to establish the Province's competitiveness and global position. To grow an inclusive agricultural sector that creates more job opportunities for the people of Mpumalanga, intensification of the roll out of the following programmes is going to be critical:

- The Comprehensive Rural Development Programme (CRDP)
- The Mpumalanga Government Nutrition Programme
- The Fortune Forty Programme
- The Mpumalanga Social Enterprise Programme
- SMME Development Strategy
- The Mpumalanga International Fresh Produce Market Model

Mining

Mining production is a major contributor to the Provincial GDP, with the potential for increased production because of large minerals reserves and increasing global demand for beneficiated minerals.

Mpumalanga produces about 90% of the country's coal. The bulk of its production is used locally by Eskom, at its coal-fired power plants and Sasol for synfuels production, with the remainder exported. The industry is capital intensive with specialised heavy machinery used in both mining and upstream beneficiation. The industry also uses mining technology for mine safety, ventilation and prospecting. Clean coal technology is still the main innovation driver in this industry.

In addition to coal, Mpumalanga's mining operations include gold (Barberton, Evander, Pilgrim's Rest and Balfour), nickel (Nkomati *Nickel Mine* near Machadodorp, the only primary producer in SA), platinum, chromite (with ferrochrome Smelters in eMalahleni, Middelburg, Mashishing and Machadodorp, and stainless steel production in Middleburg by Columbus), vanadium and magnetite (a high grade iron ore).

Increased production in all deposits is possible but will require massive infrastructure investment. Increased demand is expected in the Province through increased power generation demand at Kusile Power Station. Expansion of coal production is planned into the future, although logistics and new technology challenges have been cited.

For the next five years, the Province will continue to utilise the 'Mpumalanga Mining Lekgotla Pledge' as a framework that must guide its mining activities, aimed at growing the mining sector and subsequently create more job opportunities for the people of the Mpumalanga Province:

- Mine Closure and Rehabilitation Programme
- Women and Youth owned enterprises Support Programme
- Iron and Steel Manufacturing Incubation Programme

Manufacturing

Since the adoption of the Mpumalanga Industrial Development Plan (MIDP) and the MIDP Implementation Roadmap in 2015, the Province has elevated this policy document as a blueprint to guide the realisation of the economic growth and job creation targets, as set out in the MEGDP framework.

The Mpumalanga Industrial Development Plan asserts that:

This "…is an integrative approach to industrialisation in the Province, within the context of a broad policy and planning framework that covers all spheres of Government. In particular, the Plan lends action to the Mpumalanga Growth and Development Path, which indicates a clear commitment towards industrialisation by the Provincial Government, through enabling infrastructure development and resource allocation, among others. Furthermore, the Plan aims to build robust partnerships between Government, industry and related stakeholders to ensure a coherent system of supportive initiatives within identified areas of industrialisation. In this way, the Plan aims to achieve its short and long-term inter-related goals of:

- Developing an integrated and diversified industrial base in the Province;
- Developing and expansion medium to high technology labour intensive manufacturing industries;
- Developing inter-sectoral linkages that will localise the supply chains within the Province, especially with major companies in the mining and energy sectors;
- Enhancing value addition through the upgrading/development of local suppliers to enter the supply chains of major industries in the Province;
- Planned efforts to distribute development investments over a range of industries so as to prioritise job creation;
- Expanding sustainable and value adding employment opportunities; and
- Planned infrastructure investment so as to maximise the potential of major industry sectors, both in the short and long term" (MIDP, 2015).

Manufacturing continues to be a major sector of the Provincial economy, providing a significant base for skilled employment opportunities and economic growth. It is clear that the Province's most strategic industrial advantage lays in its mineral deposits and other raw materials, together with its current mineral beneficiation capabilities.

Currently, beneficiation is not occurring at a scope and scale that is possible given the mineral resources available. This lays the foundation for developing an extended manufacturing value chain. Furthermore, these resources are distributed across the Province, which could allow for the geographic dispersion of manufacturing opportunities.

According to the MIDP, the strong bias towards the resource-based sectors of mining, agriculture and forestry, dominated by large corporations, requires an intensive diversification of these sectors into downstream manufacturing-based industries to enable broader economic growth and labour absorption.

Platforms for these have already been laid through beneficiation of raw materials into value-added materials. Furthermore, a growing manufacturing sector will also improve the demand for resource-based commodities locally. This transition, towards what is commonly known as the knowledge economy, requires the development of innovation capabilities that can drive competitive sustainable industries. One of the main barriers confronting the Province's transition towards a knowledge-based economy is the lack of knowledge-based institutions.

Therefore, the large corporations in the Province are crucial stakeholders in the diversification of the industrial economy through supporting the establishment of mutually beneficial knowledge-based institutions, and through the development of mutually beneficial local supply chains; hence, the formation of highly cohesive industry-government forums will be critical in setting the development paths for industrialisation.

The MIDP asserts that the industrialisation path that the Province must pursue should be aimed at developing globally competitive industries that continuously improve and innovate to respond to market demands.

Therefore, it is against this context that the development and support of industrial clusters and their capabilities for knowledge flows, innovation and diversification become key pillars of this Industrial Development Plan.

The model for industrialisation of the Mpumalanga economy focuses on three key aspects; namely:

(a) Targeted Industrial Centres of Competence;

(b) Implementation of key Industrial Capability Development initiatives; and

(c) A portfolio of Rural / Township Industries which involves the proliferation of local economic development projects into capability development and linked to the Industrial Centres of Competence.

Accordingly, the MIDP therefore proposes the formalisation of a number of industrial centres of competence which emanated from the analysis of the current industrial economy in the Province. Although six centres of competence were uncovered in the analysis, as shown in the table below, these have been rationalised into three, with one linked to the Nkomazi Special Economic Zone.

The Industrial Centres (or regions) of Competence will serve two purposes: firstly, to establish the innovation platforms necessary for supporting sustainable industrial developing in the targeted sectors; and secondly, to form a central hub or nerve centre from which the Industrial Centre of Competence can be effectively marketed, promoted and coordinated.

Table 5: Provincial Industrial centres of competency

Centre / Region	Centre of Competence	Industrial Centre of Competence	Central hub/s
eMalahleni	Mining and Metals Centre of Competence		Mining and Metals Technology Park

Middelburg	Metals Manufacturing Centre of Competence	Mining and Metals Industrial Centre of Competence	
Secunda	Petrochemicals Centre of Competence	Petrochemicals Industrial Centre of Competence	Petrochemicals Industrial Supplier Park
Mbombela	Agriculture Technology Centre of Competence	Agriculture and Forestry Industrial Centre of Competence	Forestry Technology Park
Sabie	Forestry Centre of Competence		International Fresh Produce Market
Komatipoort	Agro-Processing Centre of Competence	Nkomazi Special Economic Zone	Agro-Processing Technology Park

Agriculture and Forestry Industrial Centre of Competency

The MIDP identifies agriculture and forestry as industrial areas of competency for agro-processing. According to the MIDP, the mapping of the Agriculture Industrial Centre of Competence shows the potential to create a highly coordinated and integrated industrialisation platform in these sectors. This includes the coordination and integration of skills development programmes, technology development and transfer, supply chain development, logistics and investment, among others, inputs for industrial development.

Mining and Metal Industrial Centre of Competency

The MIDP also identified mining as another area of industrial competence with huge potential for economic growth and job creation. According the MIDP, this industrial competency covers the region of eMalahleni and Middleburg, the former being biased towards the upstream mining sector and the latter biased towards the downstream manufacturing sector; hence encompassing the full value chain – from mining to fabrication of metal components.

The focus is on production of chromite-based materials through to the production of stainless steel components. The need to diversify the economic base is seen as crucial for future economic sustainability, but also realistic in terms of the raw materials manufacturing base in the region.

Petro-Chemical Industrial Centre of Competency

The petrochemicals industry in the Secunda region is another area identified as a potential Petrochemicals Industrial Centre of Competence. It is also viewed as one of the major industrialisation area with high potential to stimulate economic growth and job creation, both through SME incubation and large-scale production in well-identified areas of technology.

All these industrial centres will also act as business incubator facilities to enable new companies to be formed, and to provide a vast array of resources and technology services to both new and existing SMMEs.

Truly, incubators and cluster developments present opportunities for transformational BBBEE and economic development. The industry scope represented in these incubators and interventions provides opportunities for small, medium and large industrial businesses.

MIDP Implementation Roadmap

In order to develop and grow the Industrial Centre of Competency, the concept of an Industrial Technology Park has been found to be the appropriate catalyst, in this regard. The Industrial Technology Park aims to:

- Attract local and global companies through the provision of a knowledge-based developmental environment;
- Attract foreign and domestic direct investment;
- Develop world-class infrastructure;
- Promote manufacturing and processing opportunities;
- Promote:
  - Enterprise development;
  - SMME development;
  - Wealth creation;
  - Employment creation;
  - Developing and localising industrial supply chains.

In essence, a Technology Industrial Park, at the core, is a clutch of physical facilities and a portfolio of services. The physical facilities, the services provided and the quality as well as the price of the total package offered should contribute in enhancing the competitiveness of the tenants in the Park. The typical range of facilities and services provided in parks around the world can be classified into three categories:

- General physical infrastructure;
- Industry-specific specialist infrastructure;
- Support services.

The MIDP has identified four (4) different Industrial Technology Parks and a Special Economic Zone (SEZ) for development in the three CoC, and the implementation process has already been set into motion.

Priorities for the manufacturing sector over the 2019 – 2024 MTSF period are the following:

- Develop active links between the priority rural nodes with the industrial centres of competence;
- Strengthen institutional capacity in the rural nodes to drive the strategic industrialisation opportunities;
- Enhance appropriate skills development and business infrastructure development interventions;
- Mobilise financial resources and provide financial and supportive services for rural business development;
- Promote and encourage private sector investment in industrialisation nodes, that is, intensify the roll-out of the Trade and Export Promotion Implementation Roadmap;
- Implement the Project Initiation Phase of the three (3) Industrial Technology Parks;
- Intensify the roll-out of the Black Industrialist Programme; and
- Scale-up the incubation programme to build sustainable SMMEs and Cooperatives within Industrial Technology Parks.

Tourism

The tourism sector is the fastest growing sector of the economy of South Africa and Mpumalanga Province, in particular. The sector should be nurtured for sustained and inclusive growth. The international tourist arrivals worldwide grew by 7% in 2017 to reach a new record, according to the UNWTO World Tourism Barometer. Growth in arrivals was echoed by a strong increase in exports generated by tourism, which reached USD 1,6 trillion in 2017, making tourism the world's third largest export sector. The 2017 increase was the highest since 2010, and was driven by regions of Europe and Africa, which received increases in arrivals of 8% and 9%, respectively.

In South Africa, tourist arrivals grew by 2.4% to reach 10.3 million tourist arrivals in 2017. The tourism spends for 2017 was R80.7 billion, a 6.9% increase compared to 2016. This accounts for approximately 8.8% of total South African exports and puts tourism on par with iron and steel exports in 2017. More than 73% of South Africa's arrivals comes from Africa. The top 3 source markets for South Africa are Zimbabwe, Lesotho and Mozambique, which when combined accounted for 50% of total tourist arrivals in 2017. Tourist arrivals from the rest of the world, which accounts for 26% of total tourist arrivals, grew by 7.2% in 2017.

Mpumalanga recorded an increase of 14.6 % of the foreign tourist arrivals, increasing from 1,4 million in 2016 to 1, 6 million in 2017. The increase was driven by the Regional Africa land markets especially the neighbouring countries, such as Mozambique (36.7%) and Swaziland (2.3%). The USA is another important market for Mpumalanga that grew by 13% in 2017. On the domestic front, SA had a decrease of 29.3% of trips in 2017 which translates to 17.1 million trips in 2017, when compared to 24.2 million trips in 2016. The money spend by tourists in Mpumalanga was equal to 6.8% of the provincial GDP in 2017. This was slightly lower than the 7.1% recorded in 2016.

Mpumalanga recorded 1.2 million domestic trips in 2017, when compared to 1.6 million trips in 2016. The reason for the decline in the domestic trips is tough economic conditions and low trips taken by the residents of Mpumalanga (-21%). It should be noted that this number has improved from the 40% decrease in 2016. The foreign tourists spend grew from R4,7 billion to R5, 5 billion, and in the domestic market, from R1, 7 billion in 2016 to R2,6 billion in 2017. Mpumalanga remained the fourth most visited destination by foreign tourists, and the sixth most visited domestic destination in 2017.

The sector should be prioritised to address, amongst others, the poor performance of domestic trips and the transformation and/or inclusiveness. Despite the challenges that tourism has endured over the last five years, it outperformed other key industries in terms of job creation, adding just over 40 000 net new jobs to the economy over the five-year period from 2012 to 2016.

Over the 2019 – 2024 MTSF period, focus will be paid on the following key issues:

Seizing the potential of new economies

The MEGDP has identified new economies as another area with huge potential for inclusive economic growth and development in the Province. In 2016, the Mpumalanga Provincial Government adopted the Mpumalanga Green Economy Development Plan (GEDP) to guide economic activities aimed at enhancing the green economy in Mpumalanga.

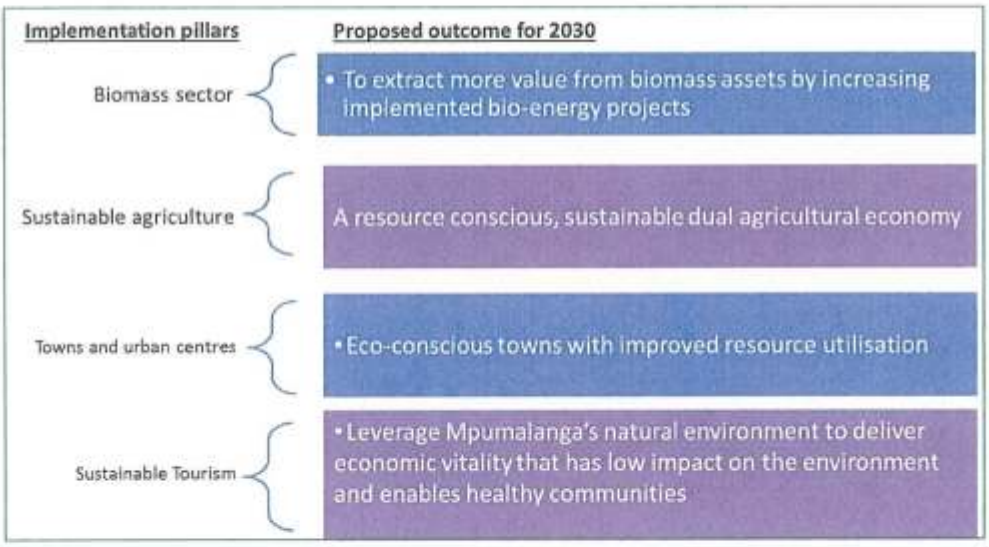
In essence, the GEDP provides an integrated approach towards the development of the green economy, particularly in the areas of renewable energy, waste management and sustainable agriculture. Core to this Plan is the emphasis on initiatives that leverage on the Province's natural resources endowment with a view of addressing, in the main, social, economic, and environmental challenges.

As the hub of coal fired electricity generation in South Africa, the Province is highly reliant on non-renewable energy sources. Economic activities such as mining, power generation and petro-chemicals production are the leading contributors of carbon emissions in the Province and the country as a whole. Other forms of pollution from local industries compromise air and water quality, resulting in adverse effects on biodiversity and human health.

The transition towards a green economy involves shifting away from the traditional 'brown' economy approach which is relatively resource-intensive and heavily dependent on fossil fuels, and this often leads to environmental degradation and involve unsustainable levels of resource extraction. Therefore, the green economy seeks to reduce the adverse effects of the brown economy by embracing economic activities that result in improved human well-being over the long term, while reducing environmental risks and ecological scarcities.

Opportunities have been identified and prioritised to guide the implementation of the MEGP. The prioritisation process involved a ranking of the identified prospects, and the aggregation of high scoring ideas into thematic areas, in order to facilitate implementation. The thematic areas are referred to as implementation pillars. The detailed implementation pillars are shown below:

Figure 2: Green economy thematic areas - the implementation pillars



Source: DNA Economics

A detailed implementation plan for each implementation pillar has been developed with the aim of outlining action items under each implementation pillar; recommended key actions to be taken; the relevant actors responsible; resource requirements; and suggested timeframes. The action plan focuses on the implementation process and recommends a 'Learning-by Doing Approach' with a high number of suggested feasibility assessments. Implementation also requires partnerships across various stakeholders.

3.2.6 Medium Term Strategic Framework

The Medium Term Strategic Framework (MTSF) is nothing but a five-year building block towards the achievement of the vision and goals of the country's long term plan, and by extension, those of the Province, as expressed in the MP V2030 and the MEGDP.

Therefore, like the previous MTSF, the 2019 – 2024 MTSF is seen as another five-year building block towards the realisation of the strategic intent outlined in the NDP, MP V2030 and the MEGDP.

As the Province marches to the future, using the 2019-2024 MTSF which is characterised as the second phase of the transition from apartheid to fully-fledged democracy, it will be incumbent upon the Economic Cluster to focus on strategic economic activities that are geared towards robust economic growth that leads to the

extreme reduction of unemployment; poverty and inequality, including supporting sustainable livelihood initiatives.

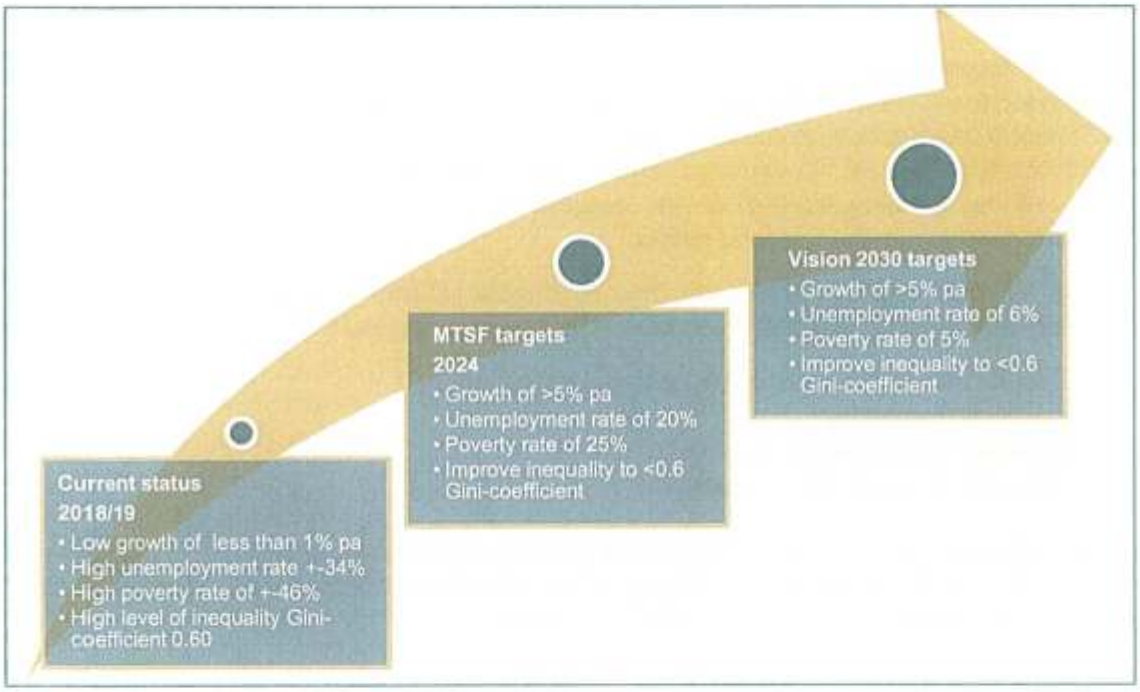
The table below captures the targets and indicators aimed at measuring performance towards the realiaation of the objectives outlined in the latter statement:

Table 6: 2014 -2019 Key Indicators and Targets

IMPACT INDICATORS	BASELINE	MPUMALANGA V2030 TARGET	2014-2019 TARGET
Unemployment Rate	26.6% in 3rd Quarter 2013	6%	16.4%
Number of Employed	156 000 jobs gained from Q4: 2009 to Q3:2013	1.2 million additional jobs Total employment to 2.1 million to achieve 6% unemployment rate	485 000 additional jobs between Q3 2013 & 2020. To achieve 16.4% unemployment rate, total employment must increase to 1.5 million
GDP Growth Rate	1.4% in 2012	Average annual GDP growth above 5%	Average annual GDP growth above 5%
GDP per capita	GDP per capita of R48 000 (in 2012)	Raise per capita GDP to R110 000 in constant prices	Raise per capita GDP in constant prices to R79 000
Lower bound poverty line – R416 per person (2009 prices)	41. 6% in 2011	Reduce the proportion of households with a monthly income below lower bound poverty line to 0%	The poverty rate should be 26% by 2020

This diagram below captures the key economic indicators in 2018/19 and the targets for 2024 and beyond:

Figure 3: Key economic targets leading towards MP V2030



Considering that the Mpumalanga Province is characterised as predominantly rural, this presents a number of spatial and structural challenges with respect to economic growth and job creation. Therefore, the achievement of the proposed targets in Figure 3 above, would require the Province to continue to consider the following approaches:

- Identification and development of economic activity nodes and corridors that attract trade, industries and services and provide economic growth and employment opportunities;
- Stronger linkages to the needs (infrastructure, energy, water, transport) of larger businesses investing in the Province;
- Using the Comprehensive Rural Development Plan (CRDP) optimally in order to build the economy in rural areas;
- Establishing public-private partnerships for the development and maintenance of infrastructure critical for investment and job creation;
- Addressing regulations ("red tape") that obstruct investment and improving the capacity of municipalities to incentivise investment in their localities; and
- Strengthening relationships with local businesses and industries in order to identify and develop market appropriate skills.

Building on the foundation of the 2014 – 2019 MTSF period, the 2019 – 2024 MTSF is expected to pay more attention on, but not limited to:

- The upscaling of mineral beneficiation and agro-processing;

- Accelerating growth and development of Rural and Township economies, and
- Increasing support to women and youth owned small businesses and cooperatives.

In essence, the Mpumalanga Industrial Development Plan (MIDP) will be central in driving these above-mentioned focus areas in the next five years. Coupled to the economic sectors prioritised by the MIDP will be the rigorous promotion of the tourism sector, considering that its potential has not been fully exploited as yet. Government support to the development of small enterprises and cooperatives will be featuring high in all the programmes of government geared towards the promotion of economic growth and job creation.

The following drivers were identified for the realisation of the above-mentioned strategic objectives, and subsequently the achievement of the targets reflected in Figure 3 above:

- Key Economic sectors (agriculture; mining and tourism);
- Inclusive rural economy;
- Infrastructure development; and
- Regional and international cooperation

Aligned to the Medium-Term Strategic Framework (MTSF), the draft Mpumalanga Provincial Five-Year Plan (2019 – 2024) includes the following seven (7) National Priorities as contained in the NDP Five-Year Implementation Plan (NDPIP) 2020-2025:

Priority 1: A Capable, Ethical and Developmental State

Priority 2: Economic Transformation and Job Creation

Priority 3: Education, Skills and Health

Priority 4: Consolidating Social Wage through Reliable and Basic Services

Priority 5: Spatial Development, Human Settlements and Local Government

Priority 6: Social Cohesion, Safer Communities

Priority 7: A Better Africa and a Better World

Based on the mandate of the Department, the following targets, as contained within the Mpumalanga Provincial Five-Year Plan (2020 – 2025), will be the focus of all operations and activities within the Department as a means to implement the NDPIP and the Provincial Priorities.

In order to achieve the above targets, the following Catalytic Projects which are captured in the Mpumalanga Provincial Five Years Plan (2019 – 2024), and are aligned to the MTSF Priority 2: Economic Transformation and Job Creation, Provincial Catalytic Projects have been incorporated into the strategic priorities of the Department over the five-year period (2020-2025):

- Development of the Nkomazi Special Economic Zone (SEZ). This will create an opportunity for investment and development of small businesses and co-operatives in the Nkomazi Local Municipality within Ehlanzeni District Municipality. In collaboration with the private sector, the Department will roll-out the Post-designation Implementation Plan of the Nkomazi SEZ.

- Promote partnerships between small scale, emerging and commercial farmers to support local and global markets. i.e. R20 million (2019/20 baseline budget) set aside to ensure that three (3) Agri-Hubs are in full operation and with markets (Mkhuhlu – Bushbuckridge Local Municipality within Ehlanzeni District Municipality, Mkhondo in Mkhondo Local Municipality, within Gert Sibande District and Dr JS Moroka Local Municipality with Nkangala District Municipality).
- Prioritise strategic infrastructure that supports economic development and service delivery, including road Infrastructure network particularly in areas with high volumes of trucks, like coal haulage. Furthermore, R300 million has been set aside, over Medium Term Expenditure Framework (MTEF) (R100 million per annum), for paving of municipal township and rural roads across the Province (starting with seven (7) CRDP municipalities).
- To ensure food security and the transformation of the agricultural sector in the Province, R300 million has been set aside to commence with the first phase of the Mpumalanga International Fresh Produce Market (MIFPM) in Mbombela Local Municipality within Ehlanzeni District Municipality, which will be operationalised in the next financial year (2021).

To address drought conditions in the Province, in collaboration with the National Department of Water and Sanitation, the following interventions will be implemented:

- The construction of a new dam along the Crocodile River in the City of Mbombela within Ehlanzeni District;
- The construction of the bulk pipeline from Loskopdam to Thembisile Hani Local Municipality;
- The resuscitation of the Mkhombo Dam in the Dr. JS Moroka LM within Nkangala District Municipality;
- The completion of the Lusushwane Regional Bulk Water Scheme in the Gert Sibande District Municipality.

The support for the development of SMMEs and Cooperatives through the Social Enterprise Development Programme (SEDP), will be done in a phased-in approach to build productive capacity to supply and manufacture construction materials for built environmental projects. It aims to empower and uplift SMMEs (currently 139 and targeting 350) in the construction and building industry to become successful, independent and sustainable through Built Environment initiatives. Currently, all 17 Local Municipalities are participating in the programme and a total value contribution to date is R374 million. For instance, R52 million is set aside for the Upgrading and rehabilitation of Road D233 in Louieville, in the City of Mbombela under Ehlanzeni District through the Programme.

The roll-out of the Government Nutrition Programme (GNP), as a baseline, commenced in June 2017 with the intention to support small-holder farmers (459), local bakeries as well as Youth Transport SMMEs (28), while ensuring the supply and delivery of good quality fresh produce to

the schools (35% or 600/1740), hospitals (12/32) and other government feeding centres. It is characterised by preferential procurement of fresh produce sourced from small holder farms. The programme carry the costs of collecting the produce, and the Department of Education pays prescribed and gazetted rates for fresh produce supplied to schools or to the Department of Health in respect of hospitals. Prices paid to small holder farmers are fixed.

The Province will intensify the creation of job opportunities, through the EPWP, in collaboration with the private sector. As a result, we are targeting to create 220 575 job opportunities from the following initiatives:

- The absorption of learners through internships and learnerships;
- The Fortune 40 Young Farmer Incubation: 35 of the identified co-operatives and farms are in full production with access to National and International markets. R43 million is set aside for the provision of infrastructure to new eight (8) Fortune forty farms in the current financial year;
- The agricultural sector is targeting to create 5 071 job opportunities through the EPWP; Green Jobs; Phezukomkhonomlimi (PKM); Zond'Indlala Programme; Zond'Insila Programme; and 160 Youth Tractor Mechanics to be trained and fully employed in the sector;
- The establishment of a Developmental Fund to the tune of R250 million (R200 million contribution from private sector and R50 million from provincial government). This fund will target startups, training and incubation of entrepreneurs (Youth and Women) across the Province, and further pursue other institutions such as SETAs, UIF, NSF to contribute to the Fund;
- The acceleration of skills training, job experience, learnerships and internship programme for young graduates to participate across Government and Private sector operations. The fast tracking of the establishment of the Provincial Skills Development Hub situated in eMalahleni Local Municipality, in Nkangala District; and
- The acceleration of the artisan development programme for out-of-school youth – an initiative that is driven by the Provincial Government, through the Mpumalanga Regional Training Trust (MRTT), in partnership with Hydra Arc. To date, a total of 992 learners have completed their artisan development training.

The following targets has been developed for the MTSF period:

Table 7: Mpumalanga Provincial Targets: Priority 2: Economic Transformation and Job Creation

Outcome Indicators	Baseline 2019	Target 2024
Reduce the percentage of poor road networks from	28%	24%
Increase percentage of agricultural	2.80%	3.50%
Increase percentage of mining	21.20%	25%
Increase percentage of Tourism	9%	10%
Increase percentage of Manufacturing	11%	15%
Increase percentage of Construction	2.90%	4%

4. Relevant Court Rulings

The following court rulings are mentioned as per the Framework for Strategic and Annual Performance Planning (FSAPP, 2019) requirement.

Judgement

Table 8: Relevant Court Rulings

Case Number: CASE NO. 73875/14	
Applicant:	Sofiline (Pty) Ltd
Respondent:	MEC, Chairperson of Mpumalanga Gambling Board (MGB) and MGB
Mini Summary:	Application for review and setting aside of the Executive Council's Resolution on (fourth) 4th Casino license.
Judgement:	High Court reviewed and set aside the Executive Council's Resolution on award of 4th casino license.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	• Thorough/intensive induction of Members of the Executive Council insofar as their individual and joint accountability responsibilities; and • Presidential Review of state-owned entities, particularly the relationship between the Accounting Authority (Board) and Shareholder Representative, will assist in clarifying roles of different stakeholders.

PART B: OUR STRATEGIC FOCUS

5. Vision

An Inclusive, Globally Competitive Economy

6. Mission

Drive economic growth that creates decent employment and promotes sustainable development

7. Values

VALUE	VALUE STATEMENT
Integrity	Officials must be dedicated to the adherence of a strict moral and ethical code of conduct in the execution of their duties and responsibilities.
Fairness	Officials must conform to the rules and standards set out by the Department. All decisions should be made free of bias and must always be considerate and just.
Accountability	Officials are, at all times, to be responsible for the performance and results of their agreed upon duties and responsibilities. This refers to the pyramid responsibility that begins with individuals and builds up to top management.
Transparency	Officials will recognise the right to access to information, excluding information that is specifically protected by law.
Professionalism	Officials will behave and execute their duties in a manner that enhances the reputation of the Department, while adhering to the highest ethical standards.

8. Situational Analysis

Organisations conduct external and internal analysis (situational analysis), both of which include analysis of the implementation environment that will serve as the fulcrum within which the intended plans will swing. On the basis of information obtained, the Department created its strategic direction, strategies, and tactics for implementing strategies and control systems. The dynamics that emanate from the Problem analysis method, the PEST1 analysis and the research conducted by the Department and relevant diagnostics are outlined below:

8.1 External Environment Analysis

The Socio-Economic Review and Outlook (SERO) of Mpumalanga is conducted on a bi-annual basis. The purpose of the SERO is to provide an essential reference to policy makers in Mpumalanga by providing socio-economic data and analysis for assessing the success of government's social and economic policies in the Province. To place Mpumalanga on a sound growth and integrated development trajectory requires coherent and coordinated public sector response, to the Province's socio-economic opportunities and challenges. The following socio-economic aspects of Mpumalanga are presented: Provincial demographics; economic analysis (including tourism); labour; poverty and income inequality (triple challenges); and the technological factors.

In terms of the Provincial demographics, the Mpumalanga population increased from 4.04 million in 2011 to 4.59 million in 2019[2]. The following demographic aspects can be highlighted:

- An increase of 550 000 people in the 8-year period;
- Population growth rate of 1.6% per annum;
- Accounts for 7.8% of the South African population; and
- Net migration of ± 70 000 between 2011 and 2016 and ± 78 000 (estimated) between 2016 and 2021.

[1] i.e. Political, Economic, Social and Technology factor analysis method.

[2] Some of the data presented in this section and the section on Economic Analysis was primarily sourced from Statistics South Africa with certain aspects gathered from Regional eXplorer (ReX) of IHS Markit and other credible sources of information such as the IMF and World Bank.

It is predicted that the Province's population could reach more than 5.1 million or as high as 5.5 million in 2030, with more than 800 000 people likely to be situated in the City of Mbombela. The Province experience a population growth of 2.5% per annum, and more in four (4) municipal areas of Steve Tshwete, eMalahleni, Victor Khanye and Govan Mbeki, where the population is projected to grow from plus/minus 1.16 million in 2016, to as high as 1.87 million by 2030. This will thus put pressure on basic service delivery, infrastructure, job and economic opportunities.

Females constitute 50.7% of the Provincial population distribution and males 49.3%. The youth cohort (0-34 years) make up 66.0% of the total population of the Province, and the age group 60 years and older accounts for 7.8%. The age cohort of 0-4 years represents the most populous age cohort with 10.2% of the Provincial population.

It is anticipated that Mpumalanga's fertility rate will decline to 2.54 in the period 2016 to 2021, and Mpumalanga is expected to have the sixth highest fertility rate of the nine provinces. The fertility rate is defined as the number of children that average women would have in their lifetime. The NDP targets average both male and female life expectancy at birth, to improve to 70 years by 2030. The projection for the period 2016 to 2021 is that male life expectancy in Mpumalanga could increase to 60.4 years. The projection for the period 2016 to 2021 is that female life expectancy in Mpumalanga could increase to 66.2 years.

Using Statistics South Africa's classification system, Mpumalanga's percentage of persons aged 5 years and older with disability was recorded at 7.0% in 2011 and 7.5% in 2016. Statistics South Africa's questions on disability require each person in the household to rate their ability level for a range of activities such as seeing, hearing, walking a kilometre or climbing a flight of steps, remembering and concentrating, self-care, and communicating in his/her most commonly used language, including sign language. During the analysis, individuals who said that they had some difficulty with two or more of the activities or had a lot of difficulty, or were unable to perform any one activity, were then classified as disabled. Mpumalanga, thus, recorded the sixth largest/fourth lowest share of people with disability compared with the other eight provinces.

8.2 Economic Analysis

8.2.1 Global and regional economy

Global growth slowed down in 2018 and declined to less than 3.0% in 2019, and is projected to be 4.9% in 2020. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. For 2021, global growth is projected to be 5.4%. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

Prolonged trade tensions, which has abated recently after the USA-China trade agreement, hurt business sentiment and confidence globally, and it remains a significant risk to the baseline scenario. The spread of the Coronavirus would also intensify the global downturn further, making the global economy vulnerable and affecting world economy negatively. China has recorded its lowest economic growth rate (at 6.1%) in many years during 2019, and is projected to slide to 1% in 2020 due to the COVID-19 pandemic. This is because many factories in China have recorded declined production; transport is restricted and travel in and out China has been affected. China is a very important trade partner of South Africa; and the current economic situation is China has negative spill overs to South Africa's tourism, supply chain, commodities and business confidence.

Growth in Sub-Saharan Africa has moderated to a slower than expected 2.4% in 2019. Activity was dampened by softening external demand, heightened global policy uncertainty and falling commodity prices. Domestic fragilities in several countries has further constrained activity. As such, growth is projected to be negatively affected by the COVID-19 pandemic, as it could contract by 3.2% in 2020, and 3.4% in 2021. These growth rates will be insufficient to make significant progress in reducing poverty in most of the countries in the region.

The balance of risks for the region is also firmly to the downside. A sharper than expected deceleration in major trading partners such as China, the Euro Area and the United States, would substantially lower export revenues and investment. As droughts continue to suppress agricultural output in some countries, it will put pressure on food insecurity and increase food price inflation, exacerbate poverty levels and contribute to forced displacement of populations.

Figure 4 below depicts that South Africa has improved its overall Global Competitiveness ranking from 67 out 140 economies in 2018, down to 60 out of 141 economies in 2019 with a rating score of 62.4 in terms of the World Economic Forum (WEF) Global Index (GCI)[3]. The main contributing factors to this improvement include:

- The Institution's pillar improved from 69 out of 140 economies in 2018 to 55 out of 141 economies in 2019;
- The Health pillar improved from 125 in 2018 to 118 in 2019;
- The Product market improved from 74 to 69 in 2019; and
- Budget transparency ranks South Africa number 1 out of 141 economies.

[3] http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

Figure 4: Global Competitiveness Index

Source: The Global Competitiveness Report, 2019

8.2.2 South African economy

Even before the advent of COVID-19 and the Great Lockdown, the South African economy entered its second technical recession in the space of two years, as indicated in the 2019 Fourth Quarter Economic Growth Figures. The GDP has contracted by 1.4% in the final quarter of 2019, after shrinking by 0.8% in the third quarter of 2019. In the calendar year of 2019, the economy grew by only 0.2%, down from an already weak 0.8% in 2018. Seven of the nine (9) industries contracted in the fourth quarter when compared with the third quarter of 2019. Only mining and finance managed to record quarterly growth.

The largest contributors to the contraction in the GDP in the fourth quarter of 2019 were transport, agriculture and construction. Agriculture, manufacturing, utilities, construction and

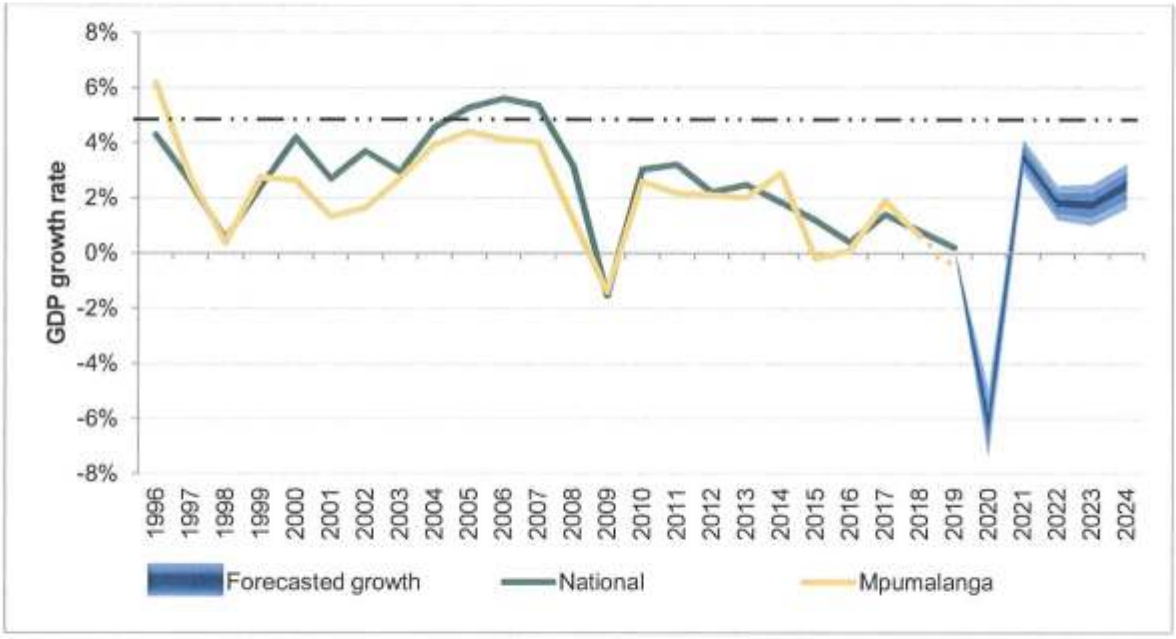
transport were in a recession after registering two or more consecutive quarters of decline. South Africa's February 2020 National Budget Speech has also projected a growth of 0.9% in 2020. The World Bank and International Monetary Fund (IMF) expects the South African economy to grow by only 0.9% and 0.8% in 2020,), respectively. By mid 2020, more insight into the negative impact of the COVID-19 pandemic on the world economy was made available, and a severe contraction has been forecast for the South African economy by the National Treasury (-7.2%), the SARB (-7.0%), the IMF (-8.0%) and the World Bank (-7.1%). The economic recession of 2020 is expected to be followed by economic recovery of between 2.9% and 3.5% in 2021. Factors such as load shedding, low business and consumer confidence, as well as global risks have a negative impact on the economic growth of South Africa.

8.2.3 Mpumalanga economy

According to the latest official figures released by Statistics South Africa), Mpumalanga contributed some R366.8 billion in current prices or some 7.5% to the GDP of South Africa. Converted to constant 2010 prices, Mpumalanga's contribution was R227.6 billion. And this made Mpumalanga's contribution in constant 2010 prices the fifth largest among the nine provinces. Mpumalanga's contribution decreased from 8.1% in 1995 to 7.2% in 2018, and was marginally larger than the economy of Limpopo. Gauteng (34.9%) was the main contributor to the national economy in 2018.

At the start of the period under review, particularly 1996, 1997 and 1999, the economic growth of the Province, as measured by growth in the GDP, was higher than the national rate. However, since then, the Provincial economy had outperformed the national economy in terms of GDP growth only in 2009, 2014 and 2017 (Figure 5). The average annual growth rate for the country and Mpumalanga over the period 1995 to 2018 was 2.7% and 2.2%, respectively. It is of great concern that the average annual economic growth for South Africa, as well as of the Province, did not exceed 1.0% for the period 2014 to 2018. Mpumalanga recorded the sixth highest/fourth lowest annual average GDP growth rate in the 23-year period, and the second lowest between 2014 and 2018.

Figure 5: GDP (constant 2010 prices) growth rates for South Africa and Mpumalanga 1996 - 2023



Sources: **Statistics South Africa – GDP, 2020 (Historic growth)**

IHS Markit – Regional eXplorer (ReX), June 2020 (Future growth)

In 2018, Mpumalanga's economy expanded by 0.6%, which was slightly lower than the 0.8% growth recorded for the national economy, and a 1.1 percentage point decline from the 1.9% provincial growth registered in 2017.

The outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as the full impact of the COVID-19 pandemic will only be evident at a later stage. The economies of South Africa and Mpumalanga are projected to contract in 2020, and contract on an average annual basis between 2019 and 2024.

The NDP targets average annual national GDP growth above 5% up to 2030. It is apparent that neither South Africa nor any of the provinces sustained the desired growth in any of the period displayed in Table 9. Mpumalanga's highest period of growth was between 1995 and 1999 (the second highest among the 9 provinces), whereas the lowest period of growth was between 2014 and 2018 (the second lowest among the 9 provinces). Between 2019 and 2024, the economies of South Africa and Mpumalanga are estimated to contract annually by 0.6% and 0.2%, respectively.

Table 9: Historic and forecasted GDP at market prices growth rates for South Africa and provinces, 1995 - 2024

Province	1995-2018	1995-1999	1999-2004	2004-2009	2009-2014	2014-2018	2019-2024
Western Cape	3.0%	2.3%	4.3%	4.1%	2.8%	1.1%	-0.6%
Eastern Cape	2.3%	1.8%	2.8%	3.5%	2.2%	0.7%	-0.7%
Northern Cape	1.9%	2.9%	1.4%	1.9%	2.6%	0.8%	-1.3%
Free Sate	1.6%	0.9%	2.0%	2.3%	2.3%	0.2%	-1.0%
KwaZulu-Natal	2.8%	2.0%	3.7%	3.9%	3.0%	1.0%	-0.7%
North West	1.3%	1.3%	2.0%	2.0%	0.5%	0.8%	-0.9%
Gauteng	3.0%	2.1%	4.2%	4.0%	3.0%	1.1%	-0.5%
Mpumalanga	2.2%	3.0%	2.4%	2.5%	2.4%	0.6%	-0.2%
Limpopo	2.4%	3.2%	3.3%	2.5%	2.0%	1.0%	-0.5%
South Africa	2.7%	2.4%	3.6%	3.5%	2.6%	0.9%	-0.6%

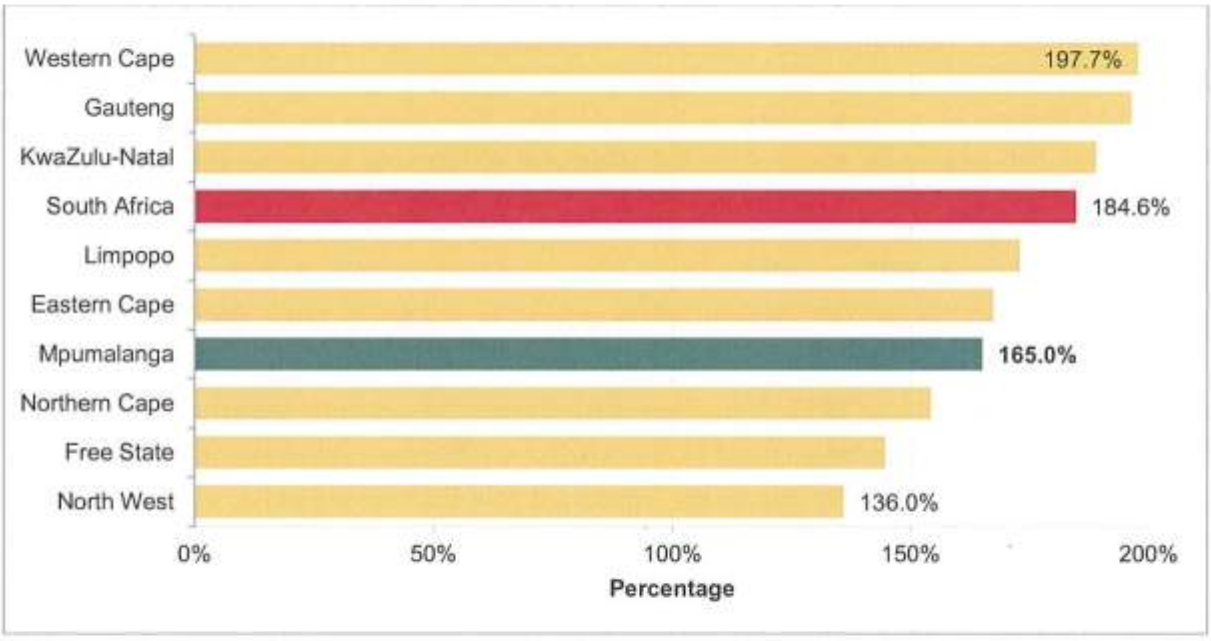
Sources: **Statistics South Africa – GDP, 2020 (Historic growth)**

IHS Markit – ReX, June 2020 (Future growth)

To achieve higher economic growth, the Province should attempt to nurture a spirit of innovation and entrepreneurship, in order to create more entrepreneurs, more enterprises and more jobs. Mpumalanga should thus attempt to develop niche enterprises and incorporate new technology and processes, that can take the Provincial economy forward. This can be accomplished by empowering the citizens of the Province to participate in a modern economy by addressing the skills shortage that is prevalent in the economy.

Due the moderate economic growth experienced in South Africa over the last 23 years, the South African economy has not doubled in size over this period. As depicted in Figure 6, it is also evident that by 2018, no provincial economy was double its 1995 size. In 2018, the Western Cape economy, which grew the fastest between 1995 and 2018, was 197.7% of its 1995 size. Mpumalanga's economy was 165.0% of its 1995 size, and registered the sixth highest/fourth lowest increase. For an economy to double in size over a 23-year period, that economy needs to grow at an annual average growth rate of 3.1%.

Figure 6: GDP (constant 2010 prices) expressed as a percentage of 195 GDP values in South Africa and provinces 2018



Source: Statistics South Africa – GDP, 2020

8.2.3.1 Estimated annual and quarterly GDP growth in Mpumalanga

Statistics SA compiles provincial estimates of GDP annually, which is then released together with the annual national estimates. The provincial GDP estimates for a particular year, however, are released one year later than the national estimates. For example, the 2018 Provincial GDP estimates were only released when the national GDP estimates for 2019 was published. The Provincial GDP Estimates, that are already published a year later than national figures, are also not published on a quarterly basis. The release of quarterly national GDP results and statistics by Stats SA enables one to determine the national economic growth rate for that specific quarter. This provides an early indication on national economic growth for the full year, as well as signalling which industries are contributing strongly to growth and which are lagging or faltering.

These challenges, thus, inhibits an early release of provincial economic growth for a quarter and even a full year. Growing or struggling industries are only identified a year later, when the growth cycle might have already changed. The possibility exist that ill-timed counter cyclical policy interventions can be administered, proving unsuccessful and with even devastating effects. Therefore, to address these challenges, a structural model was adopted to allow for the

estimation of the GDP of the Province for years and quarters not yet published by Stats SA. The annual growth for 2019 can now be calculated, based on the quarterly growth estimations. According to the structural model employed, Mpumalanga's real GDP growth for 2019, as calculated from the estimated quarterly figures, was negative 0.5%. This negative figure was lower than the national growth rate of 0.2% in 2019. The reason for the lower growth in Mpumalanga can largely be ascribed to the structural differences between the national and provincial economies, especially the important role that mining plays in the provincial economy.

The quarter-on-quarter GDP growth for South Africa and Mpumalanga is displayed in Figure 7, which indicates that the real GDP (measured by production) of South Africa decreased by 1.4% in the fourth quarter of 2019. Mpumalanga's GDP growth was estimated to have decreased by 1.3%[4] in the fourth quarter of 2019. The difference between the quarterly growth rates for South Africa and Mpumalanga can be ascribed to the structural differences between the national and provincial economies, especially due to the important role that mining plays, in the provincial economy compared with its role in the national economy.

Seven of Mpumalanga's nine industries declined in the fourth quarter of 2019. The largest negative contributors to growth in GDP in the fourth quarter 2019 were trade and transport. The two positive contributors to growth in GDP in the fourth quarter of 2019 were mining and finance. Agriculture, manufacturing, utilities, construction and transport were in recession, after registering two or more consecutive quarters of negative growth.

[4] As these are only estimates based on a structural model of the Mpumalanga economy it will not be regarded as official, but only used to guide economic planning, policy and interventions in the province.

Figure 7: Quarter-on-quarter GDP at market prices growth (constant 2010 prices) in South Africa & Mpumalanga, Q1 2019 – Q4 2019

Sources: **Statistics South Africa – GDP, 2020 | Economic Analysis Structural Model, 2020**

8.2.3.2 Gross Domestic Product per capita

The Gross Domestic Product (GDP) per capita is often considered an indicator of a region's standard of living, on the rationale that all citizens would benefit from the region's increased economic production. The Mpumalanga Vision 2030 states that the GDP per capita, expressed in constant prices, must increase from an estimated R51 100 in 2010 to R110 000 by 2030. In 2018, the Provincial GDP per capita was, however, lower than in 2010 with an estimated R50 300. Sustained annual average GDP growth of more than 5% should, thus, be achieved in order to reach the set target of R110 000 by 2030.

8.2.3.3 Fixed Investment

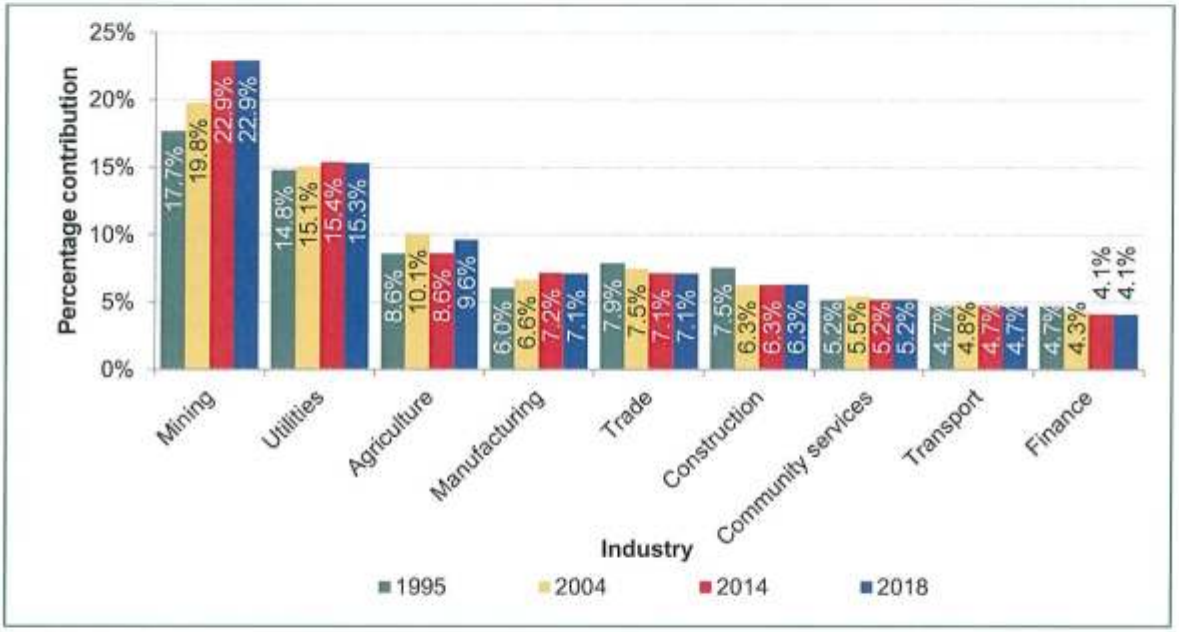
Investment in infrastructure builds economic capacity and enhances competitiveness, while contributing to the quality of life of poor people. In 2018, the gross domestic fixed investment (GDFI) in Mpumalanga amounted to R54.2 billion, which represented 9.1% of South Africa's total GDFI. From 2010 to 2018, GDFI in South Africa grew, on average, by 1.5% per annum and by 2.0% annually in Mpumalanga. Between 2014 and 2018, GDFI in Mpumalanga declined by 0.4% per annum.

8.2.3.4 Regional contribution

According to the NDP, public infrastructure investment must equal to 10% of the GDP by 2030. In 2018, expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was approximately 1.8% of the Provincial GDP. If the 2018 Municipal Infrastructure Grant (MIG) expenditure by municipalities is added to the MPG infrastructure expenditure, then public expenditure on infrastructure was 2.6%. In order to reach the stated Vision 2030 goal of 10% of the GDP by 2030, public expenditure on infrastructure in Mpumalanga should increase by at least 14.6% per annum until 2030.

The economic industries are classified according to the International Standard Industrial Classification of all Economic Activities (ISIC). This classification system, employed by Statistics South Africa, groups together economic activities that are closely related. Statistical information is then collected and classified according to the categories of economic activities, which are as homogenous as possible.

Figure 8: Mpumalanga's contribution to South Africa's industries (constant 2010 prices), 1995-2018



Sources: Statistics South Africa – GDP, 2020

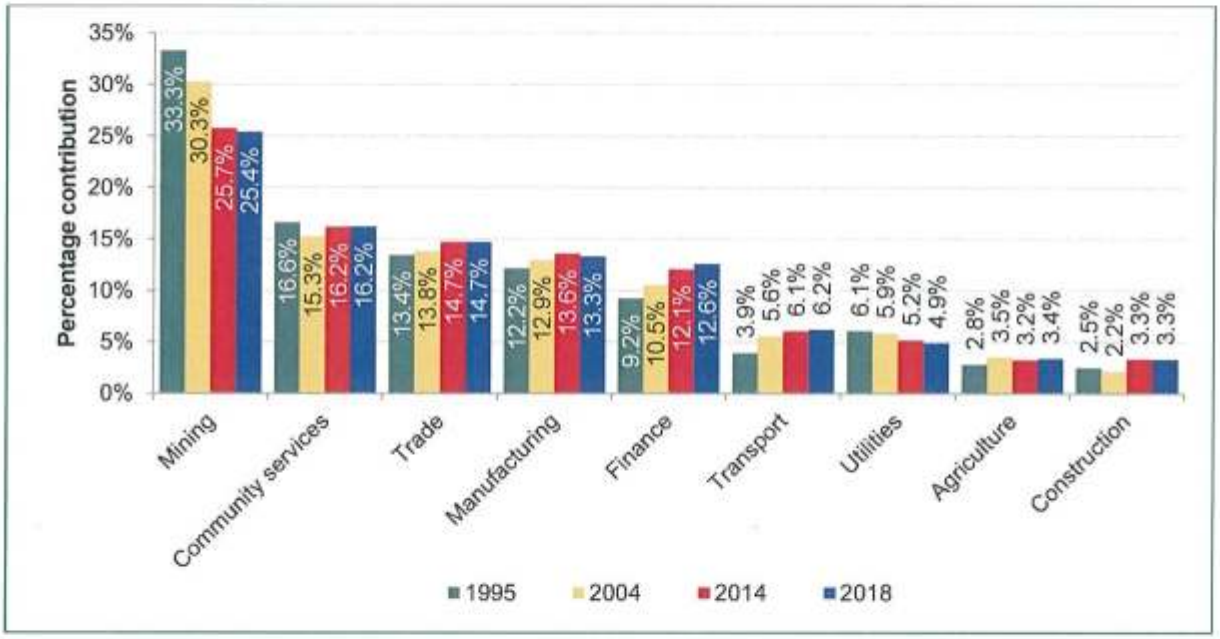
Figure 8 above depicts the contribution of each of the economic industries in Mpumalanga, to the corresponding national industry between 1995 and 2018. It is estimated that in 2018, the Province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective shares of 22.9% and 15.3%. However, it is noticeable that the contribution by the agriculture, mining, manufacturing and utilities industries increased between 1995 and 2018, whereas the other industries' contribution to the national figure remained either unchanged or declined.

Contribution to the Provincial economy

In 2018, the primary sector in Mpumalanga contributed 28.9%, the secondary sector 21.4% whereas the tertiary sector contributed 49.7% to the Provincial GDP. Although the economy depended less on the primary sector in 2018 than in 1995 (36.1%), it continued to stand in contrast to the national primary sector's small contribution of 10.7% in 2018. The much smaller contribution by mining to the national economy (8.1% versus 25.4% in Mpumalanga) was the main reason for the difference in primary sector contribution. Nationally, the secondary sector added 19.6% and the tertiary sector added 69.7% in 2018, with finance (22.4%) being the largest single industry.

Figure 9 below displays the share of each economic industry in the Provincial economy between 1995 and 2018. It is estimated that in 2018, the three largest contributors to the Provincial economy were mining (25.4%), community services (16.2%) and trade (14.7%). The top three ranked sectors were unchanged from 1995, whilst mining contributed 33.3%, community services 16.6% and trade 13.4%.

Figure 9: Contribution to Mpumalanga GDP (constant 2010 prices) by industry, 1995-2018



Source: Statistics South Africa – GDP, 2020

Historic and forecast growth for the economic industries of Mpumalanga is presented in Table 10 below. Between 1995 and 2018, the industries with the fastest economic growth were estimated to be transport (4.3%), finance (3.6%) and construction (3.4%). Over the period 2019-2024, it is expected that trade (1.2%) and finance (0.4%) will be the only two (2) industries that will record the average annual growth per annum. The contraction of key industries, such as mining and community services, as well as the estimated steep decline of construction, are a real concern.

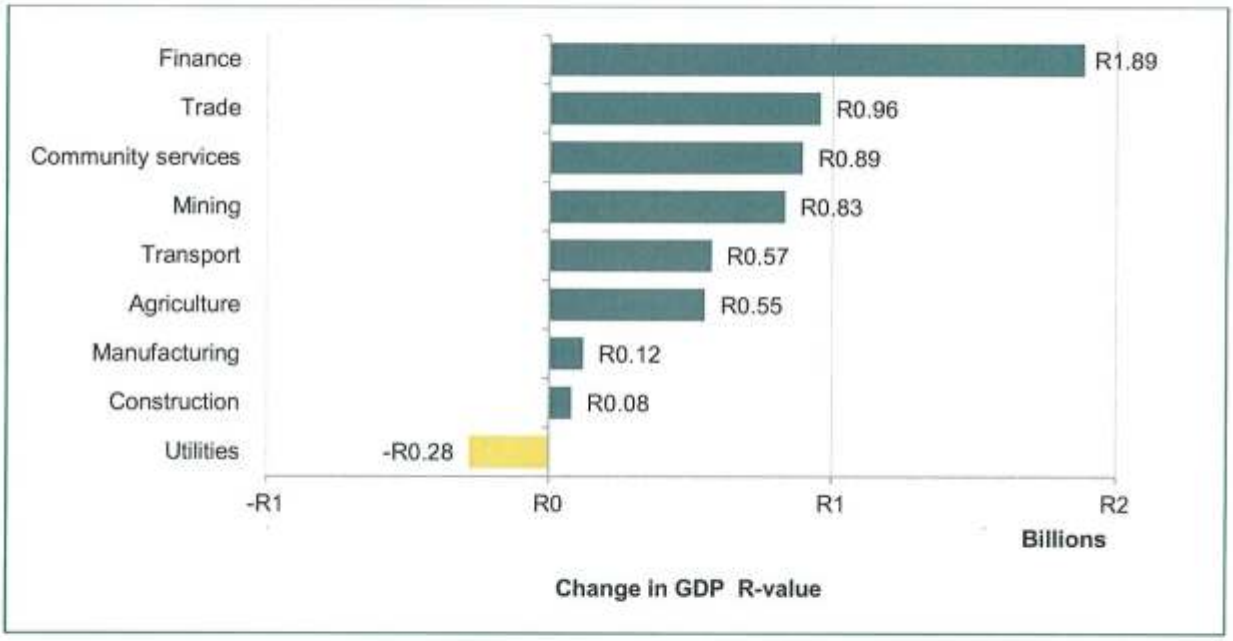
Figure 10 below illustrates the change in value by industry from 2014 to 2018. The real value of the eight (8) industries increased between 2014 and 2018, whereas only utilities decreased. The finance industry (R1.89 billion) registered the largest increase over the 4-year period, whilst the utilities industry recorded a decrease of R0.28 billion.

Table 10: Historic and forecasted GDP at basic prices (constant 2010 prices) growth rates for Mpumalanga's economic industries, 1995-2024

Industry	1995-2018	1995-1999	1999-2004	2004-2009	2009-2014	2014-2018	2019-2024
Agriculture	3.1%	11.0%	1.3%	1.1%	1.8%	2.0%	-0.2%
Mining	1.0%	2.1%	1.4%	-1.3%	2.7%	0.4%	-0.5%
Primary sector	1.2%	2.9%	1.4%	-1.0%	2.6%	0.6%	-0.5%
Manufacturing	2.6%	2.6%	4.2%	2.9%	2.8%	0.1%	-0.4%
Utilities	1.3%	1.3%	3.2%	1.7%	0.4%	-0.7%	-0.7%
Construction	3.4%	2.0%	0.7%	11.6%	2.0%	0.3%	-3.5%
Secondary sector	2.4%	2.2%	3.5%	3.6%	2.1%	0.0%	-0.9%
Trade	2.7%	3.5%	2.8%	3.8%	2.1%	0.8%	1.2%
Transport	4.3%	7.7%	6.1%	4.2%	2.4%	1.1%	-0.5%
Finance	3.6%	5.5%	3.4%	5.4%	2.2%	1.9%	0.4%
Community services	2.1%	1.6%	2.0%	3.4%	2.5%	0.7%	-1.7%
Tertiary sector	2.9%	3.6%	3.0%	4.1%	2.3%	1.1%	-0.2%
Total	2.2%	3.0%	2.4%	2.5%	2.4%	0.6%	-0.2%

Sources: Statistics South Africa – GDP, 2020 (Historic growth) | IHS Markit – ReX, June 2020 (Future growth)

Figure 10: Absolute change in GDP rand value (constant 2010 prices), 2014-2018



Source: Statistics South Africa – GDP, 2020

Table 11: Industry contribution to GDP at basic prices (constant 2010 prices) growth in Mpumalanga, 2018-2023

Industry	GDP share 2018	Forecasted industry growth 2019-2024	Estimated contribution to provincial economic growth 2019-2024
Agriculture	3.4%	2.0%	6.2%
Mining	25.4%	-0.2%	-4.6%
Manufacturing	13.3%	1.3%	15.6%
Utilities	4.9%	-0.7%	-3.1%
Construction	3.3%	0.3%	0.9%
Trade	14.7%	2.1%	28.0%
Transport	6.2%	2.4%	13.4%
Finance	12.6%	2.8%	32.0%
Community services	16.2%	0.8%	11.7%
Total	100.0%	1.3%	100.0%

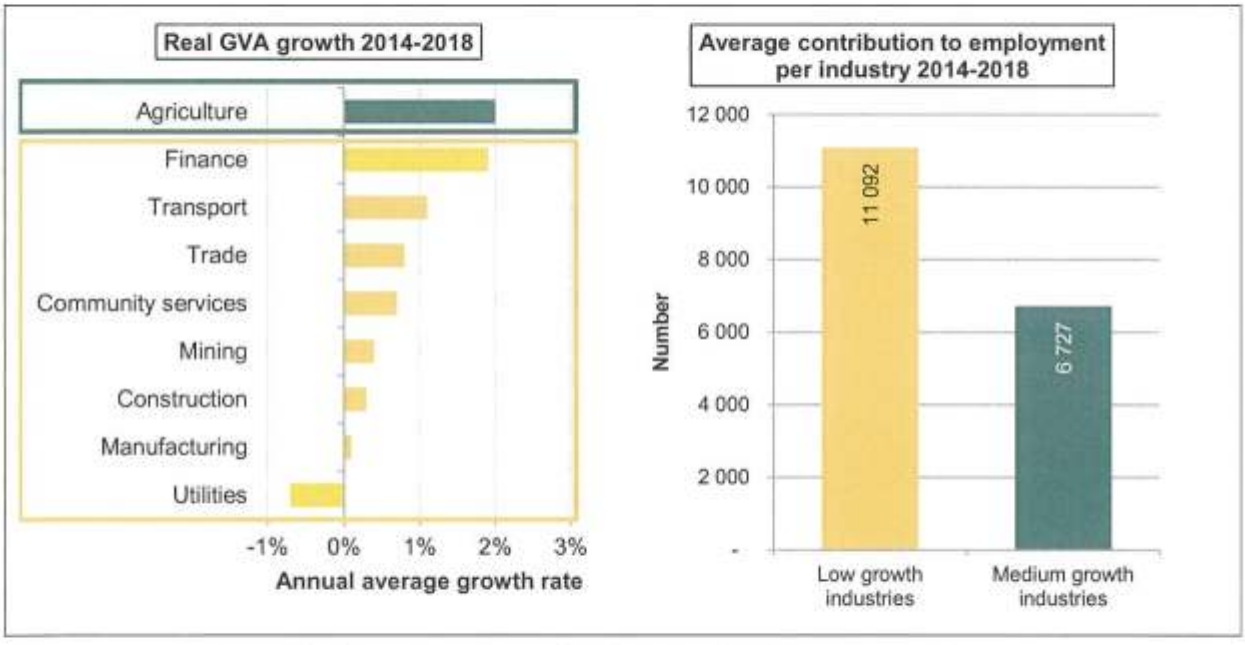
Sources: Statistics South Africa – GDP, 2020 and IHS Markit – ReX, June 2020

According to Table 11 above, trade (42.0%) and finance (12.1%) are expected to be the only two industries that will make a positive contribution to economic growth between 2019 and 2024, whilst all the other industries are forecast to contract averagedly on an annual basis. Community services (-66.1%) and mining (30.5%) are expected to make the largest negative contributions over the 5-year period.

Performance and employment in the provincial economy

Figure 11 below depicts the real growth per industry over the period 2014 to 2018 (in the left-hand diagram), and the contribution to changes in employment numbers over the same period (in the right-hand diagram). Over the 4-year period, agriculture recorded the highest average annual growth rates, whereas utilities recorded the lowest. In 2018, some 95 463 more people were employed by the nine (9) industries in Mpumalanga than in 2014. In the right hand diagram, it is observable that the medium growth industry (economic growth above 2% per annum) recorded 6 727 more employees in 2018 than in 2014. The eight (8) low growth industries (economic growth of less than 2% per annum) recorded, on average, 11 092 more employees per industry.

Figure 11: Real GDP at basic prices (constant 2010 prices) growth & contribution to employment changes by industry, 2014-2018



Sources: **Statistics South Africa – GDP, 2020 and Statistics South Africa – QLFS, 2020**

Tourism analysis

Mpumalanga has a well-established and vibrant tourism industry. The most popular tourism region visited in Mpumalanga is the Kruger Lowveld Ehlanzeni region, which accounts for approximately 55% of the tourism GDP of the Province. The key tourist attraction in the Province include at least the following:

Table 12: Key natural tourist attractions and their spatial status within Mpumalanga

Resource	Description
Forests, mountains, waterfalls, special flora and wildlife	These resources are generally located in Ehlanzeni DM.
Kruger National Park	Kruger National Park is located in the Ehlanzeni DM and is very popular amongst international and domestic tourists.
Blyde River Canyon and Drakensberg Escarpment	Blyde River Canyon is the world's third largest "green canyon". There are many view points along the escarpment and includes famous attractions such as God's Window.
Lowveld Botanical Gardens	The Gardens are situated in the Mbombela LM and have several rare and indigenous wild flowers.
Makhonjwa Mountains and Blyde Mariepskop Complex	These sites have been nominated as a World Heritage Site and boast with 2 100 different species of fauna and flora.
Sudwala Caves	These caves are the world's oldest dolomite caves.
Echo Caves	The Echo Caves are situated in the Molopong Valley and are home to ancient San rock engravings.
Mapoch's Caves	The Mapoch's Caves are located near Roossenekal and served as a stronghold for local tribes for hundreds of years.
Chrissiesmeer	Chrissiesmeer is Southern Africa's largest natural freshwater lake district. It is located in the Gert Sibande municipal region. This lake district has 270 lakes and pans and attracts approximately 20 000 flamingos annually. The wetland also attracts 82 species of water birds as well as 170 other bird species.

Source: Economic Interventions of Mpumalanga

Table 13: Key historic and cultural tourist attractions and their spatial status within Mpumalanga

Resource	Description
Wakkerstroom	This wetland is also an important bird watching destination.
Cradle of Life	Situated on the outskirts of Badplaas, this World Heritage Site is the location where some of earth's earliest life forms have been discovered in the adjacent Barberton mountains. A new geo-trail is also located between Barberton and Bulembu.
Lion Cavern and Dumaneni in the Ngwenya Mountains	Lion Cavern and Dumaneni boast with the earliest recorded evidence of humanoid settlement. Large-scale mining of red ochre also occurs here.
Botshabelo Mission Station	An accessible site where San and Khoi-San cave paintings can be viewed.
Stone Ruins	The ruins are located at Legoya, near Ermelo and dates between 1 500 BC and colonial times. The origin of these ruins is unknown.
Fort Merensky	The fort, located near Middelburg, was built in the 1860s to provide refuge for Christian converts fleeing from their own communities.
Ruins of 19th century capital of the Ndzundza Ndebele Kingdom	Located at Erholweni near Roossenekal.
Historic towns and Anglo-Boer War sites	Emgwenya, Dullstroom, Entokozweni, Mashishing, Chrissiesmeer, Long Tom Pass, Bergendal, Emalahleni.
Former gold rush towns	Barberton, Kaapsehoop, Eureka and Pilgrim's Rest (Pilgrim's Rest has been declared a national monument).
Historic churches	St. Peter's Church in Sabie, Thaba Chweu LM.
Samora Machel Memorial	Located at the Mbuzini crash sites near Komatipoort.
Modern buildings	Provincial government and legislative building in Mbombela as well as the Mbombela Stadium built for the 2010 Soccer World Cup.
Ndebele museums and cultural villages	Kghodwana Cultural Village, Ndzundza Mabhoko Royal Kraal, Botshabelo Historical Village, Little Elephant/Ndlovu Encane Art and Craft Market.

Resource	Description
Shona Cultural Village	Located near Hazyview, this village has been built by local Shangaan people.

Source: Economic Interventions of Mpumalanga

The impact of COVID -19 Pandemic on the Tourism Sector and proposed future plans to recover from the current crisis

Tourism in South Africa and Mpumalanga has been thrown into crisis by the COVID-19 pandemic, putting thousands of businesses and jobs at risk. It is estimated that a total of 30 000 tourism jobs will be lost in the Province as a result of this pandemic. The sector has already seen a significant number of businesses both formal and informal closing down as a result of the COVID 19 pandemic.

The priority for the sector though is to resume operations as early as it is safe to do so, but re-opening will just be the start of a difficult recovery. The situation requires an urgent response, but also a recognition of the constraints that hamper tourism development. As a truly aspirational destination, combining powerful social justice history, breath-taking natural beauty, and warm, welcoming people, Mpumalanga's tourism potential is not limited to pre-crisis performance.

Mpumalanga Government together with the tourism sector has developed a Tourism Recovery Plan. The plan is advocating unequivocally for the earlier phased reopening of tourism sector before December 2020. The data driven plan has been presented to different government structures and finally approved by Provincial Cabinet. Parts of travel travel and tourism sector have been earmarked for return in Levels 2 and 1, depending on their risk profile and the spread of COVID 19 in South Africa.

However, we have already seen the inclusion of business travel and opening of accommodation for intra-provincial leisure visitors in Level 3 as a result of successful lobbying for earlier reopening of this critical sector. We are confident that we are in a position to reopen inbound market in a safe and healthy focused manner at least September.

The plan is to assist the tourism SMMEs to cope with the COVID 19 pandemic in the province. We will be partnering with the Seeza Tourism SMME Network Company to present the ***#StayinBusiness – Business insight sessions (Webinars).*** The first event will start on the 8 August 2020 virtually through the zoom platform. We will also continue to keep the destination Mpumalanga in the minds of our key markets, through a virtual tours and marketing platforms. The Department will continue to diversify tourism products offering even during this period so that the tourism supply side keeps growing for future consumption. We will also activate tourism awareness campaigns during the month of September (Tourism Month). A number of activities have been developed in that regard.

The South African Tourism's Tourism Performance Report January – December 2018 reveals the following:

i. International Tourism

In 2018, Mpumalanga was the 4th most visited Province in terms of international tourist arrivals, with 1.6 million tourist arrivals. This Province maintained the 4th position it held in 2017. In terms of revenue generated by the sector, the Province generated an estimated R10.7 billion which resulted into the Province occupying the 3rd position in 2018. However, with regard to the 2017 results, the Province occupied the 6th position, in terms of revenue generation.

Table 14: Tourism statistics – per province

	International Tourist Arrivals	Spend (R Billions)	Bednights (Millions)	Length of Stay (Nights)
Gauteng	3.8Mn	R28.2Bn	40.3Mn	10.6
Western Cape	1.7Mn	R16.3Bn	23.3Mn	12.9
Limpopo	2.2Mn	R5.5Bn	7.9Mn	4.0
Mpumalanga	1.6Mn	R10.7Bn	15.4Mn	10.0
Free State	1.3Mn	R9.0Bn	12.8Mn	10.8
KwaZulu Natal	0.8Mn	R5.7Bn	8.1Mn	9.5
North West	0.7Mn	R3.1Bn	4.5Mn	6.9
Eastern Cape	0.4Mn	R3.5Bn	5.0Mn	9.9
Northern Cape	0.1Mn	R0.8Bn	0.2Mn	7.1

Source: South African Tourism Report, 2018

Main source markets, in order of importance in terms of arrivals include Mozambique, Eswatini, USA, Germany, UK, France, Netherlands, Australia, Lesotho and Brazil

Table 15: Major countries contributing to tourism numbers

	Mozambique	Eswatini	USA	Germany	UK
2017	748 375	298 536	76 956	74 015	56 404
2018	724 129	303 119	84 544	78 346	58 958
% Growth	-3,2%	1,5%	9,9%	5,9%	4,5%

	France	Netherlands	Australia	Lesotho	Brazil
2017	46 178	33 166	20 343	17 038	16 714
2018	51 943	34 854	22 199	18 721	18 102
% Growth	12,5%	5,1%	9,1%	9,9%	8,3%

Source: South African Tourism Report, 2018

It is important to note that arrivals are not necessarily the most important measure of success. The spend and hence financial contribution to the country's and province's GDP, is arguably more important. The average spend per visitor of the different international source markets and the change in this spend over time are listed below:

Table 16: Average spend per visitor

	2014	2015	2016	2017	2018
Africa	R5 100	R5 800	R5 200	R4 800	R4 600
Asia	R11 400	R13 500	R12 500	R15 800	R17 300
Australasia	R15 300	R17 300	R19 600	R20 200	R19 200
South America	R11 000	R17 400	R17 400	R16 000	R18 100
Europe	R14 300	R15 800	R17 700	R19 800	R19 800
Middle East	R11 500	R17 500	R19 800	R22 300	R25 100
North America	R13 800	R18 700	R19 900	R24 400	R22 900

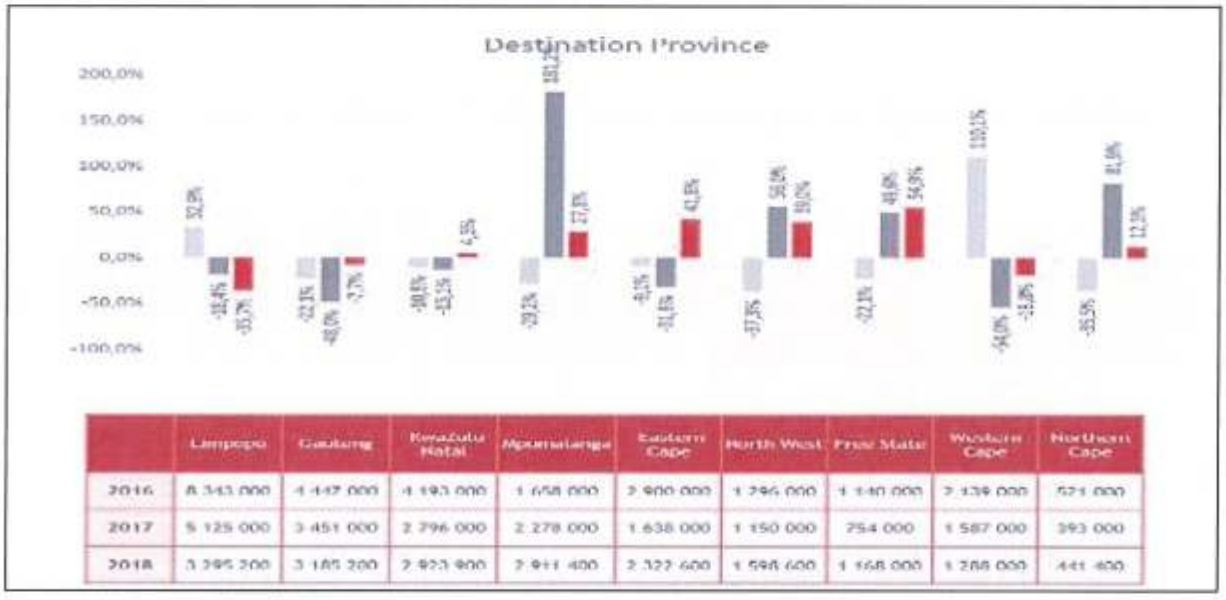
Source: South African Tourism Report, 2018

Three (3) of Mpumalanga's top ten source markets are found in Africa (which has the lowest average spend per visitor) and four (4) of the top ten (10) source markets are found in Europe (which has the third highest average spend per visitor). Mpumalanga's third highest arrival numbers emanate from the USA, which is also the highest average spend source market to South Africa. Australia is eighth in terms of arrivals to Mpumalanga, and only fifth in terms of average spend. Brazil, appearing for the first time as a top ten source market for the Province, is the fourth most important market in terms of average spend.

ii. Domestic Tourism

In 2018, Mpumalanga occupied fourth position (fourth position in 2017) in terms of number of domestic trips taken to the Province (2.911 million trips) after Limpopo, Gauteng and KwaZulu-Natal. The Province was the only province in South Africa that has shown two years of consistent growth in destination province trip numbers from 2016 – 2017 and from 2017 – 2018.

Figure 12: Domestic tourism



	Limpopo	Gauteng	KwaZulu Natal	Mpumalanga	Eastern Cape	North West	Free State	Western Cape	Northern Cape
2016	8 343 000	4 447 000	4 193 000	1 658 000	2 900 000	1 296 000	1 140 000	2 139 000	521 000
2017	5 125 000	3 451 000	2 796 000	2 278 000	1 638 000	1 150 000	254 000	1 587 000	393 000
2018	3 395 200	3 185 200	2 923 900	2 911 400	2 322 600	1 598 600	1 168 000	1 268 000	441 600

Source: South African Tourism Report, 2018

Interesting however, is the fact that the highest number of domestic trips to Mpumalanga are taken intra-provincially (see Table 17 below). In other words, out of the total 2.9 million domestic trips taken to Mpumalanga, 1.376 million of those trips are taken by Mpumalanga residents,

followed by Gauteng residents (861 042 trips) and Limpopo residents (136 693 trips). Again, the Province is the only province in South Africa that has shown two years of consistent growth in origin-province trip numbers from 2016-2017 and from 2017-2018 (see table below). This means that more Mpumalanga residents are travelling.

Table 17: Domestic tourist numbers by province

	Destination Province								
	2018								
Source Province	Eastern Cape	Free State	Gauteng	KwaZulu Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape
Eastern Cape	1 141 712	-	133 325	21 406	-	-	4 738	-	166 295
Free State	73 288	293 821	156 424	27 029	-	-	73 961	36 775	27 422
Gauteng	476 311	725 645	1 474 218	940 273	1 600 013	861 042	51 646	890 826	209 720
KwaZulu Natal	20 447	38 233	108 205	1 260 901	0	40 676	-	-	43 006
Limpopo	23 771	14 084	341 563	70 398	1 527 604	136 693	61 106	143 373	4 302
Mpumalanga	-	-	294 256	400 573	147 228	1 376 526	9 978	-	-
Northern Cape	-	16 821	14 955	-	-	-	122 237	3 269	52 537
North West	-	73 405	427 820	27 639	-	13 871	75 002	412 032	18 247
Western Cape	371 735	-	19 922	57 614	20 401	-	22 747	-	577 330

Source: South African Tourism Report, 2018

8.2.4 Socio-economic Factors

8.2.4.1 Unemployment

The labour force comprises of all the employed and the unemployed population in a region. The national labour force of 23.1 million individuals was 478 439 more at the end of the fourth quarter 2019 than a year earlier. The number of the employed in South Africa decreased by 108 431 while the unemployed increased by 586 869, between the end of the fourth quarter 2018 and the end of the fourth quarter 2019.

As a result, the strict unemployment rate for South Africa increased from 27.1% to 29.1% between the fourth quarter 2018 and the fourth quarter 2019. The national labour absorption rate was 42.4% at the end of the fourth quarter 2019, which was lower/worse than the 43.3% registered a year earlier. The labour force participation rate at the end of

the fourth quarter 2019 (59.8%) was, however, higher/better than the rate of 59.4% recorded at the end of the fourth quarter 2018.

The Provincial labour force of around 1.87 million individuals was 40 859 more at the end of the fourth quarter 2019 than a year earlier (see Table 18). The number of the employed at 1 244 458 at the end of the fourth quarter 2019, was 925 less than at the end of the fourth quarter 2018. The number of the employed was, however, 11 073 more than the 1 233 385 in the previous quarter. The number of the unemployed increased by 41 783 to 628 822 between the end of the fourth quarter 2018, and the end of the fourth quarter 2019. The number of discouraged workers increased by 52 042 to 250 456 over the last four quarters.

Table 18: Labour force profile of Mpumalanga, 2018-2019

Indicator	Q4 2018 '000	Q3 2019 '000	Q4 2019 '000	Q3 2019 to Q4 2019 change '000	Year-on-year change '000
- Working age population (15-64 years)	2 924	2 958	2 969	11	45
- Not economically active	1 092	1 052	1 095	43	4
- Labour Force/EAP	1 832	1 905	1 873	-32	41
- Employed	1 245	1 233	1 244	11	-1
- Unemployed	587	672	629	-43	42
- Discouraged work seekers	198	211	250	39	52
Rates	%	%	%	%	%
- Unemployment rate (strict definition)	32.0	35.3	33.6	-1.7	1.6
- Unemployment rate (expanded definition)	41.1	43.9	43.8	-0.1	2.7
- Employed/population ratio (absorption rate)	42.6	41.7	41.9	0.2	-0.7
- Labour force participation rate	62.7	64.4	63.1	-1.3	0.4

Source: Statistics South Africa – QLFS, 2020[5]

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

The unemployment rate (strict definition) was 1.6 percentage points higher/worse at the end of the fourth quarter 2019 (33.6%) than a year earlier (32.0%). It was, however, sharply lower than the all-time high unemployment rate recorded at the end of the third quarter 2019 (35.3%). The unemployment rate, according to the expanded definition (43.8%), was also higher from a year earlier (41.1%), but also lower than the rate recorded at the end of the third quarter 2019 (43.9%). Over the last four quarters, the labour absorption rate decreased to 41.9%, whereas the labour force participation rate recorded an annual improvement to 63.1%.

The national labour market gained approximately 1.1 million jobs in the 5-year period from the fourth quarter 2014 to the fourth quarter 2019 (Table 19). Therefore, the average annual increase on a national level was 220 131 new jobs. The Western Cape (347 435) recorded the largest increase over the 5-year period and the Free State (13 058) the lowest increase. Mpumalanga's 5-year employment increase of 106 425 was the fifth largest among the nine provinces, and its average annual employment increase was 21 285.

Table 19: Changes in employment in South Africa and provinces, 2014-2019

Region	Q4 2014 '000	Q4 2018 '000	Q3 2019 '000	Q4 2019 '000	Q3 2019 – Q4 2019 change '000	Year-on-year change '000	5-year change '000
Western Cape	2 170	2 520	2 494	2 518	24	-3	347
Eastern Cape	1 336	1 375	1 402	1 384	-18	9	49
Northern Cape	320	322	322	335	13	13	15
Free State	772	806	795	785	-10	-21	13
KwaZulu-Natal	2 520	2 648	2 674	2 664	-10	16	144
North West	948	973	960	992	32	19	44
Gauteng	4 881	5 163	5 060	5 098	38	-65	218
Mpumalanga	1 138	1 245	1 233	1 244	11	-1	106
Limpopo	1 235	1 477	1 435	1 400	-35	-77	165
South Africa	15 320	16 529	16 375	16 420	45	-108	1 101

Source: Statistics South Africa – QLFS, 2020[6]

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

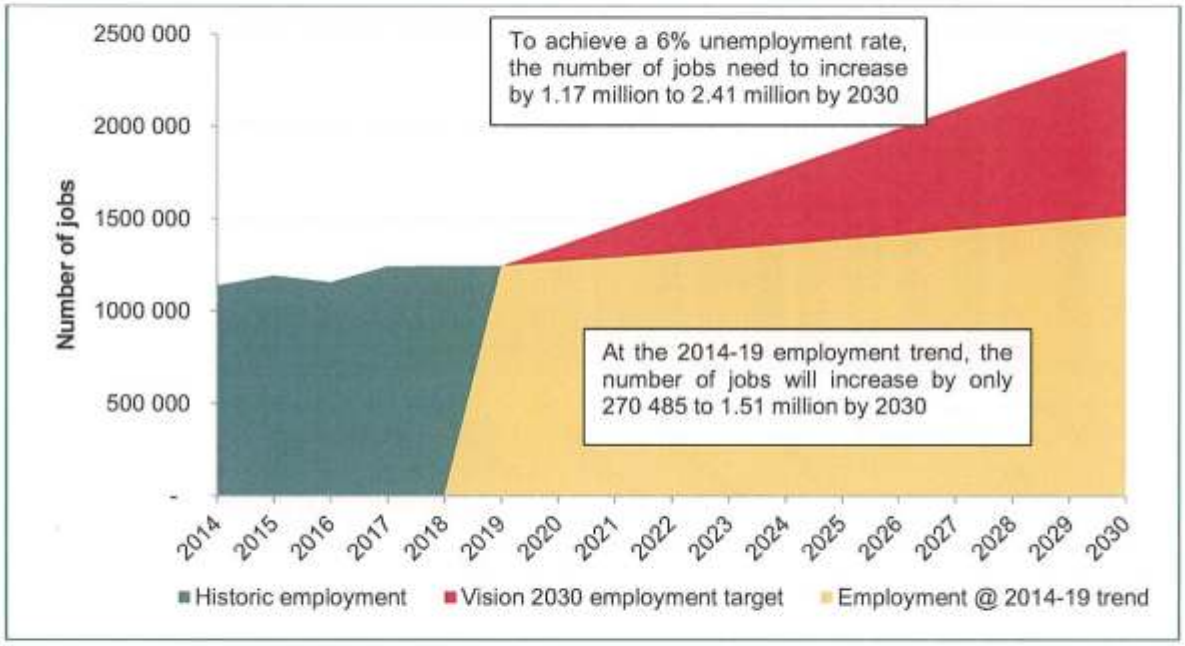
The national labour market lost 108 431 jobs between the end of the fourth quarter 2018 and the end of the fourth quarter 2019. On an annual basis, only four provinces added to their employment numbers. Mpumalanga was one of the five provinces that lost jobs over the last four quarters. Mpumalanga's employment decreased over one year by 925, which was in contrast to its average increase of 21 285 over the past five years. Limpopo (-76 768) and Gauteng (-64 903) recorded the highest number of job losses over a 1-year period.

Between the end of the third quarter 2019 and the end of the fourth quarter 2019, Mpumalanga's employment numbers increased by 11 073, which was one of five quarterly increases among the nine provinces. At the end of the fourth quarter 2019, the total employment in Mpumalanga constituted 7.6% of employment in the country, which was slightly higher than the 7.5% share recorded in the fourth quarter 2018.

The NDP targets a decline in the national unemployment rate to 14.0% by 2020 and 6.0% by 2030. Similarly, the Provincial Vision 2030 targets a decline in the provincial unemployment rate to 15.0% by 2020 and 6.0% by 2030. In order to reach the unemployment rate target by 2030, it was calculated in 2013 that some 1.1 million new, sustainable jobs have to be created between 2013 and 2030. A recalculation based on the fourth quarter 2019 employment data was done in 2020. The result of the recalculation was that approximately 1.17 million sustainable jobs must still be created between 2020 and 2030 to reach the desired unemployment rate.

The updated number of 1.17 million jobs equates to more or less 106 266 jobs per annum or an annual average employment growth of 6.2% per annum. Figure 13 depicts historical employment numbers and required employment growth in Mpumalanga. It is evident from the illustration that employment growth of 1.8% per annum – the average annual employment growth between 2014 and 2019 – will not be sufficient to reach the employment target of 2.41 million jobs by 2030.

Figure 13: Mpumalanga employment numbers and employment target, 2014-2030

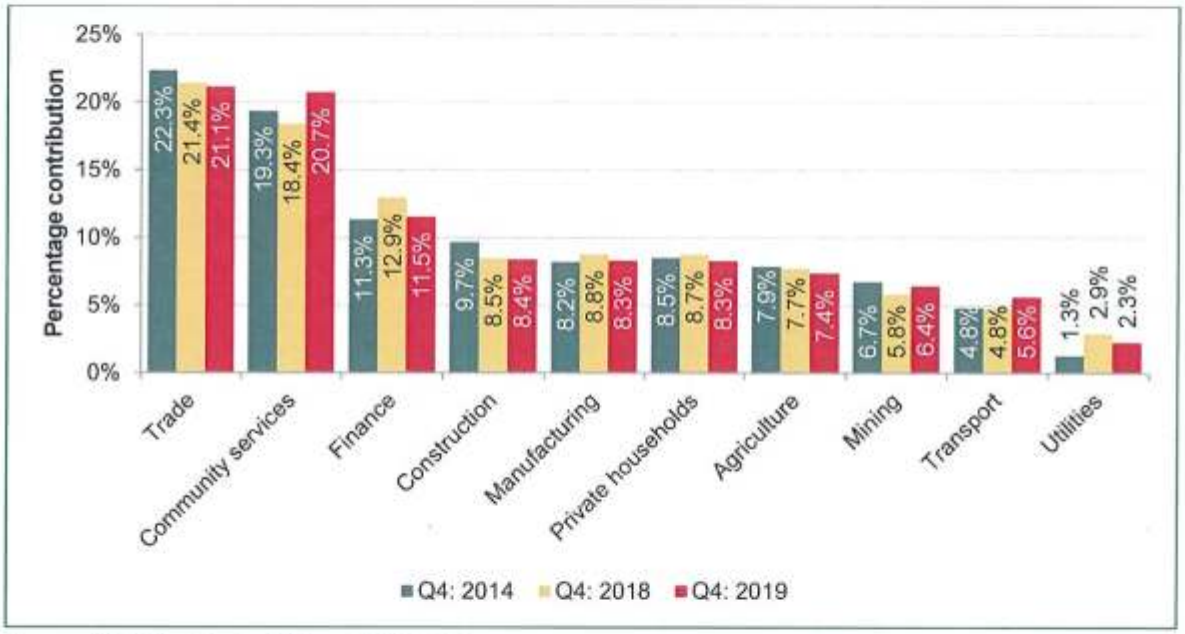


Source: Statistics South Africa – QLFS, 2020

Figure 14 depicts employment by industry in Mpumalanga in the fourth quarters of 2014, 2018 and 2019, respectively. Trade employed the largest share of individuals in the Province with 21.1% at the end of the fourth quarter 2019. This was lower than the 21.4% share registered 12 months earlier, as well as lower than five years earlier in 2014. The community services industry (20.7%) was the second largest employer and recorded a larger share than at the end of the fourth quarter 2018 (18.4%), and larger than the fourth quarter 2014 (19.3%).

Utilities was the smallest industry throughout while transport was the second smallest employing industry. Over the course of last year (2019), community services recorded the largest percentage point increase, and finance the largest percentage point decrease. Over the course of the 5-year period, construction recorded the largest percentage point decline and community services, again, the largest percentage point increase.

Figure 14: Employment by industry in Mpumalanga, 2014-2019

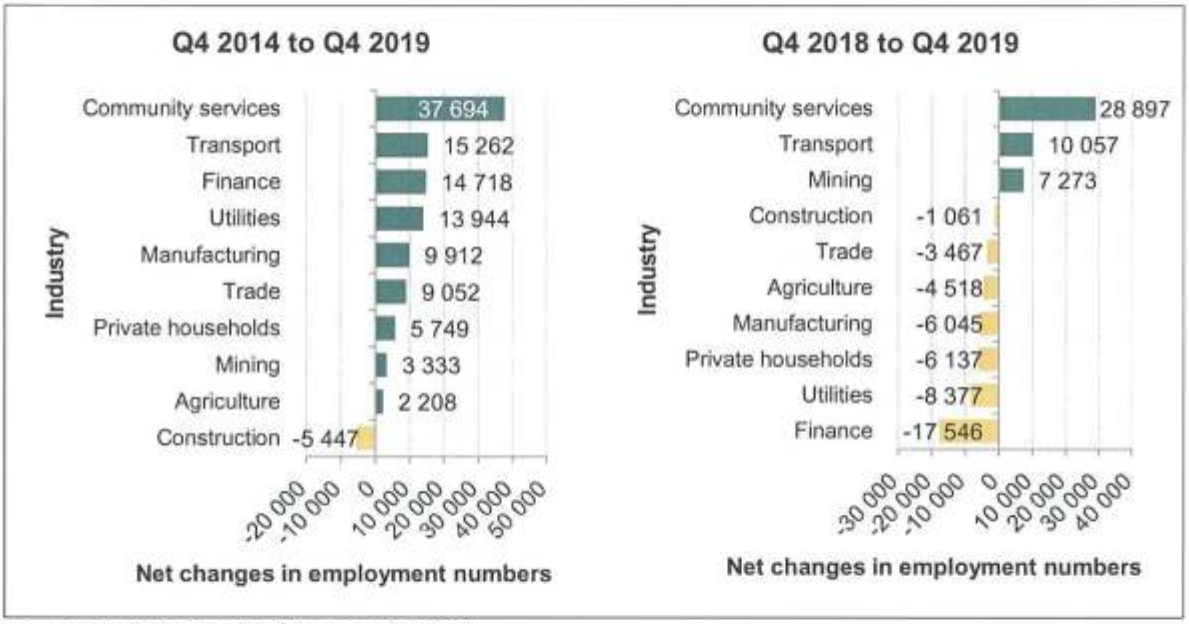


Source: Statistics South Africa – QLFS, 2020

Over the last five years, since the fourth quarter of 2014, nine (9) employment industries recorded job gains, whilst the other one (1) registered lower employment numbers (see Figure 15). The nine industries combined recorded job gains of 111 872 over the 5-year period. The largest employment increase from the fourth quarter 2014 to the fourth quarter 2019 was in community services (37 694) and transport (15 262). The declining industry, construction, recorded 5 447 job losses. This resulted in a net employment increase of 106 425 over the five-year period.

Over the last twelve months, only three industries recorded annual job gains and seven recorded job losses. The job gains by the three industries were recorded as 46 227. The highest employment increase from the fourth quarter of 2018 to the end of the fourth quarter of 2019 were registered in community services (28 897) and transport (10 057). The declining industries combined posted 47 152 job losses. This resulted in a net job loss of 925 over the 1-year period. Finance (-17 546) and utilities (-8 377) were the two industries that recorded the highest job losses over the 1-year period.

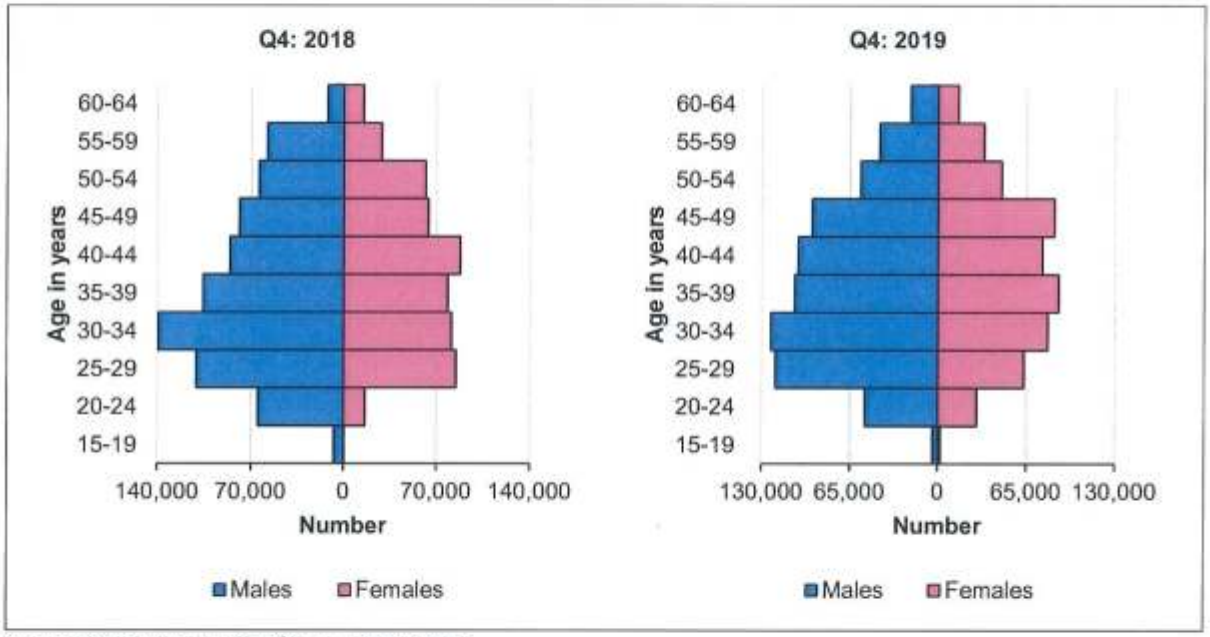
Figure 15: Changes in employment by industry in Mpumalanga, Q4 2014 – Q4 2019



Source: Statistics South Africa – QLFS, 2020

Figure 16 displays the employment rate by gender and age for the fourth quarters of 2018 and 2019, respectively. More males than females were employed in Mpumalanga, with a share of 58.1% at the end of the fourth quarter 2019. Over the past year, the male employment numbers decreased to 722 812. Female employment numbers increased by 3 344 to 521 646, and therefore recorded a larger share at the end of the fourth quarter 2019 (41.9%) than the year earlier (41.6%).

Figure 16: Employment by gender and age group (15-64 years), 2018-2019



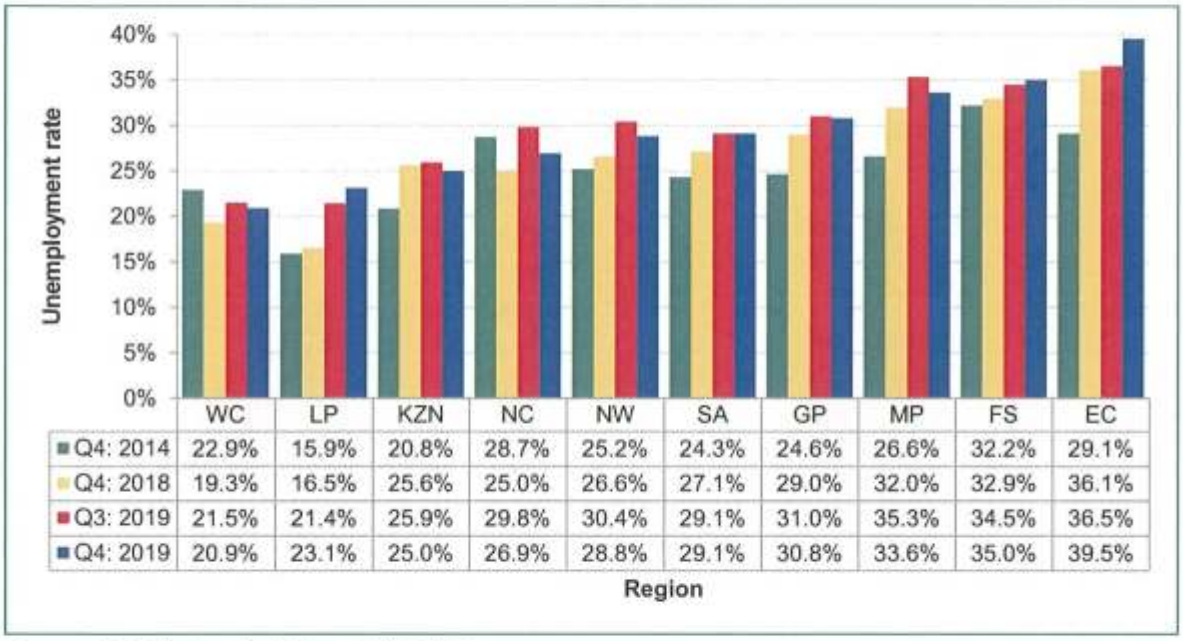
Source: Statistics South Africa – QLFS, 2020

At the end of the fourth quarter of 2019, adults (35-64 years) held the majority of jobs in Mpumalanga. Adult employment numbers increased by 28 617 from the end of the fourth quarter of 2018 and the share increased from 59.5% to 61.8%. The main reason for the increase in adult share, is that youth (15-34 years) employment numbers decreased by 29 542, thus leaving the youth share lower on 38.2% at the end of the fourth quarter of 2019.

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 33.6% at the end of the fourth quarter of 2019, which was higher than the 32.0% recorded at the end of the fourth quarter of 2018 and substantially higher than the 26.6% at the end of the fourth quarter of 2014 (see Figure 17). Mpumalanga's unemployment rate increased by 7.0 percentage points over the 5-year period and by 1.6 percentage points over the past twelve months. Mpumalanga's deterioration over the 5-year period was the third worst among the provinces and over the last year, it recorded the joint eight worst deterioration. Mpumalanga was one of seven provinces that registered a higher unemployment rate over the 5-year period, and one of the eight with a higher unemployment rate than twelve months before.

At the end of the fourth quarter 2019, Mpumalanga's unemployment rate was higher than the national average of 29.1%, as it has been throughout the 5-year period. Mpumalanga recorded the third highest unemployment rate among the nine provinces, with Eastern Cape (39.5%) registering the highest unemployment rate at the end of the fourth quarter 2019.

Figure 17 Unemployment rate for South Africa by province, 2014-2019



	WC	LP	KZN	NC	NW	SA	GP	MP	FS	EC
Q4: 2014	22.9%	15.9%	20.8%	28.7%	25.2%	24.3%	24.6%	26.6%	32.2%	29.1%
Q4: 2018	19.3%	16.5%	25.6%	25.0%	26.6%	27.1%	29.0%	32.0%	32.9%	36.1%
Q3: 2019	21.5%	21.4%	25.9%	29.8%	30.4%	29.1%	31.0%	35.3%	34.5%	36.5%
Q4: 2019	20.9%	23.1%	25.0%	26.9%	28.8%	29.1%	30.8%	33.6%	35.0%	39.5%

Source: Statistics South Africa – QLFS, 2020

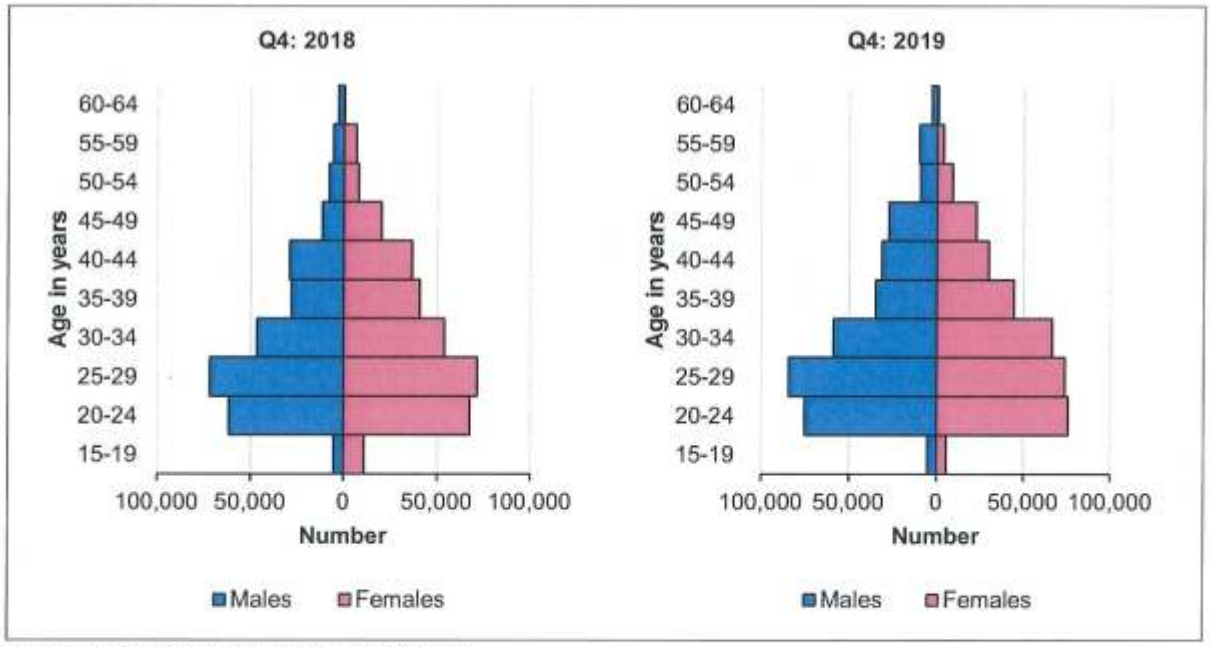
Figure 18 displays the unemployment rate by gender and age for the fourth quarters of 2018 and 2019, respectively. At the end of the fourth quarter of 2019, females contributed 50.5% to the number of unemployed and males 49.5%. This was lower than twelve months earlier when females contributed 53.8%. The youth added 66.5% to the total number of unemployed in the Province, which was marginally higher than the share at the end of the fourth quarter 2018 (66.3%).

At the end of the fourth quarter of 2019, the unemployment rate of males (30.8%) was lower than the female unemployment rate of 37.8%. The unemployment rate of youth of working age (15-34 years[7]) was 46.8%, whilst the unemployment rate of adults (35-64 years) was 21.5%. At 54.6%, the female youth unemployment rate was considerably higher than the male youth unemployment rate of 40.9%. The unemployment rate of the 18-24 year age cohort was 67.0%

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

at the end of the fourth quarter of 2019, and the 18-24 year old female unemployment rate was 74.0%.

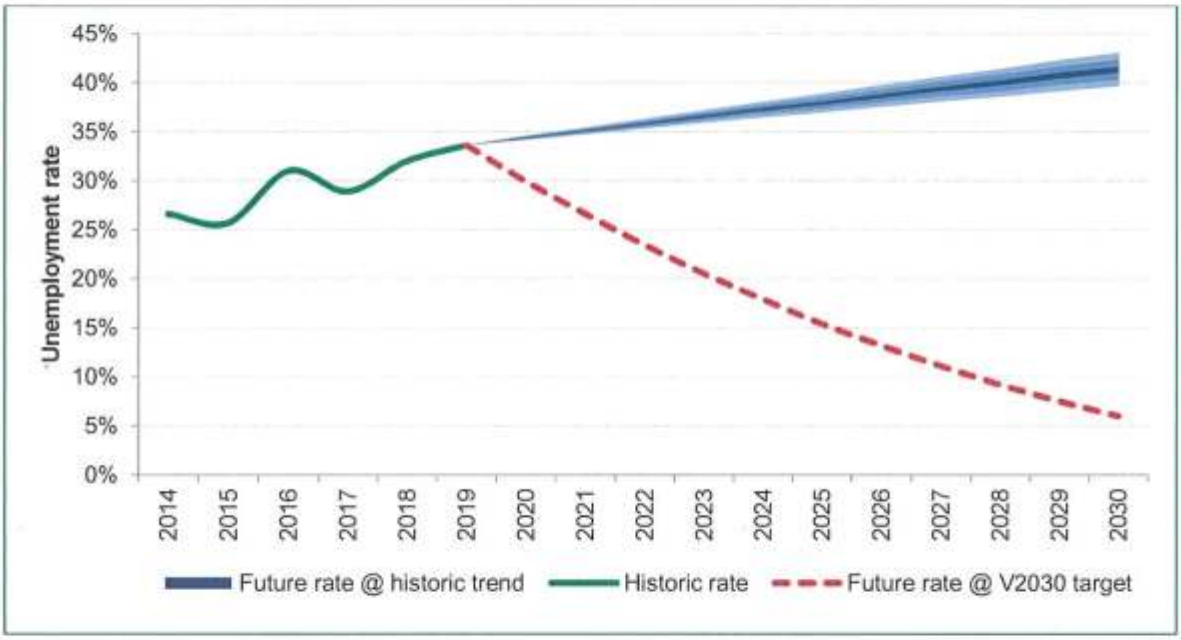
Figure 18: Mpumalanga's unemployed by gender and age group (15-64 years), 2018-2019



Source: Statistics South Africa – QLFS, 2020

The Mpumalanga Vision 2030 target unemployment rate for Mpumalanga is 6% by 2030. A significant unemployment rate sub-target is a reduction to 20.0% by 2024. If 1.17 million jobs are to be created up to 2030, the unemployment rate should, in all probability, drop to 6% as is displayed in Figure 19. If jobs, however, are to be created in a similar fashion than over the past 5 years, the unemployment rate should in all probability, be considerably higher than the current rate by 2030.

Figure 19: Mpumalanga's unemployment rate target, 2014-2030



Source: Statistics South Africa – QLFS, 2020 & calculations based thereon

8.2.4.2 Poverty and Inequality

In 2012, Statistics South Africa published a set of three national poverty lines based on expenditure data collected. The three lines were described as the food poverty line (FPL[8]), lower-bound poverty line (LBPL[9]) and upper-bound poverty line (UBPL[10]). The NDP refers to the LBPL when it states that the proportion of citizens in poverty must reduce to zero by 2030.

It is evident from Table 20 that the share of South Africa's population below the LBPL declined from 55.7% in 1996 to 43.6% in 2018. Mpumalanga's population share below the LBPL improved from 63.2% in 1996 to 47.1% in 2018. Although South Africa and Mpumalanga, in particular, registered an improvement over the 22-year period, the share of population below the LBPL increased between 2014 and 2018.

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[8] The level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet and amounted to R537 per capita per month in 2018.

[9] Includes expenditure on non-food items but requires that individuals sacrifice food in order to obtain it and amounted to R767 per capita per month in 2018.

[10] Includes expenditure on adequate food and non-food items and amounted to R1 157 per capita per month in 2018.

Table 20: Share of population below the LBPL in South Africa & provinces, 1996-2018

Region	% of population					
	1996	1999	2004	2009	2014	2018
South Africa	55.7%	57.3%	52.4%	46.5%	38.5%	43.6%
Mpumalanga	63.2%	64.2%	59.1%	51.4%	41.7%	47.1%
Gert Sibande	60.6%	62.4%	57.8%	49.7%	39.9%	46.2%
Nkangala	56.6%	58.2%	53.7%	45.5%	36.2%	41.7%
Ehlanzeni	69.3%	69.5%	63.8%	56.8%	47.1%	52.1%

Source: IHS Markit – ReX, October 2019

In 2018, Mpumalanga's share below the LBPL was higher than the national figure and the sixth lowest/fourth highest among the nine provinces, with Eastern Cape (54.1%) registering the highest share and Western Cape (31.2%) the lowest.

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

South Africa has one of the highest imbalanced income distributions in the world. The national Gini-coefficient was calculated to be 0.63 in 2018 (see Table 21). Despite improving (declining) from a level of 0.65 in 2004, the most recent national level still reflects a more unequal income distribution than was the case in 1996.

The Provincial income distribution followed the national trend and was still more unequal in 2018 than in 1996, however, in 2018 (0.60) it was lower/better than the 2004 level of 0.64. Among the provinces, Mpumalanga (0.60) registered the joint second lowest level of income inequality in 2018, with Limpopo on 0.59, the lowest income inequality and KwaZulu-Natal (0.63) the most unequal. In 2018, all three districts of the Province registered Gini-coefficients of 0.60, which indicates higher inequality than in 1996.

Table 21: Gini-coefficient for South Africa, Mpumalanga & districts, 1996-2018

Region	1996	1999	2004	2009	2014	2018
South Africa	0.61	0.65	0.65	0.64	0.63	0.63[11]
Mpumalanga	0.59	0.63	0.64	0.62	0.61	0.60[12]
Gert Sibande	0.59	0.64	0.64	0.62	0.61	0.60
Nkangala	0.58	0.62	0.63	0.61	0.60	0.60
Ehlanzeni	0.58	0.63	0.63	0.61	0.60	0.60

Source: IHS Markit – ReX, October 2019

The NDP targets that the poorest 40% of households in South Africa must earn at least 10% of total income by 2030. In practice, one is able to calculate that the poorest 40% of households in Mpumalanga earned 7.8% of income in 2018 (see Table 19). This was higher/better than the national figure of 6.7% for 2018 and equal to the 7.8% share achieved in 2014. Among the provinces, Mpumalanga registered the third highest share behind Limpopo (9.0%), in first place. In 2018, Ehlanzeni registered the highest share of income by the poorest 40% in Mpumalanga (8.4%), whereas the poorest 40% in Nkangala recorded a share of 7.6%.

Table 22: Share of income earned by poorest 40% in South Africa, Mpumalanga & districts, 1996-2018

Region	1996	1999	2004	2009	2014	2018
South Africa	7.7%	6.1%	6.2%	6.6%	6.8%	6.7%[13]
Mpumalanga	9.0%	7.3%	7.0%	7.6%	7.8%	7.8%[14]
Gert Sibande	8.8%	7.1%	6.7%	7.3%	7.5%	7.8%
Nkangala	8.5%	7.1%	7.0%	7.4%	7.5%	7.6%
Ehlanzeni	9.6%	7.7%	7.4%	8.2%	8.4%	8.4%

Source: IHS Markit – ReX, October 201

8.2.5 Technological Factors

There is increasing evidence of linkages between investment in electronic communications infrastructure and improvements in the economy. Though broadband impact studies vary on the exact contribution made to economic growth, there is enough evidence to support claims

[11] Comparable with national Gini-coefficient of 0.65 in 2015 - Statistics SA, 2019, *Inequality Trends in South Africa.*

[12] Comparable with Mpumalanga Gini-coefficient of 0.62 in 2015 - Statistics SA, 2019, *Inequality Trends in South Africa.*

[13] Comparable with national 40% share of 6.6% in 2015 - Statistics SA, 2019, *Inequality Trends in South Africa.*

[14] Comparable with Mpumalanga 40% share of 8.0% in 2015 - Statistics SA, 2019, *Inequality Trends in South Africa.*

that increases in broadband penetration correlate with increases in GDP, new jobs, broadening of educational opportunities, enhanced public service delivery and rural development.

According to a study conducted by World Bank, with every 10% increase in broadband penetration, there is an increase in GDP growth of 1.38%. Other globally conducted studies suggest that for every 1%, increase in broadband penetration, and ICTs in high and medium income countries productivity grows by 0.13%. The 1% increase also and contributes to total employment growth between 0.14% and 5.32% depending on the industry. Furthermore, having Internet access has proved to generate 6% increase in foreign sales for manufacturing companies.

The hard evidence of the economic impact of ICTs is fairly recent. However, it is commonly accepted that ICT acts as an enabler of structural change in the economy as it affects the increasing number of sectors and activities. The evidence points to the fact that in order to achieve an important level of economic impact, broadband needs to reach high levels of penetration. The implication of this finding for developing countries, such as South Africa, where broadband penetration is low, is significant in that huge capital investment is required to increase supply and to stimulate the demand for broadband.

According to the International Telecommunications Union (ITU), the evidence of economic benefits of ICT generated so far fall into four areas, discussed below: (i) contribute to economic growth; (ii) impact on productivity and job creation; (iii) create consumer surplus; and (iv) impact on firm efficiency.

There is a proven correlation between ICT deployment and economic growth; hence the need for the Province and the Department to continue investing in ICT as an enabler for provincial economic growth over the MTSF period. Firstly, the deployment of broadband technology across enterprises improves productivity by facilitating the adoption of more efficient business processes (e.g. marketing, inventory optimisation, and streamlining of supply chain). Secondly, extensive deployment of broadband accelerates innovation by introducing new consumer applications and services (e.g. e-commerce and financial intermediation). Thirdly, broadband leads to a more efficient functional deployment of enterprises by maximizing their reach to labour pools, access to raw materials, and consumers, (e.g., outsourcing of services, virtual call centres). Many studies measure the impact of ICT on economic growth on numerous aspects, ranging from its aggregate impact on GDP growth to the differential impact of broadband by industrial sector. ICT has become an important tool for e-education, e-health, e-

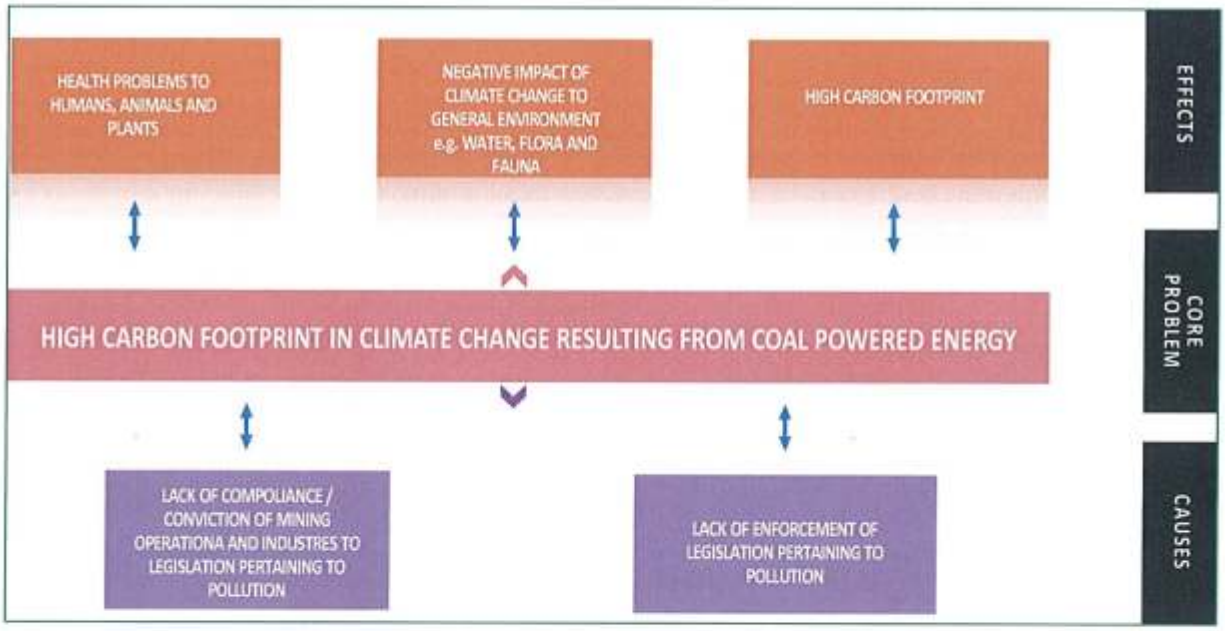
commerce, e-government etc., and thereby revolutionising the delivery of education, tele-medicine, the delivery of services including utilities, and the way business is done.

8.2.6 External Environmental Diagnosis

The Department has used the Problem and Solution Tree methodology to conduct an external environmental evaluation and analysis. This section provides an overview of the problem and solution trees that has been identified, and the focal points that the Department need to address to ensure economic growth is sustained.

8.2.6.1 Problem and Solution Trees: Green Economy

Figure 20: Green Economy – Problem Tree

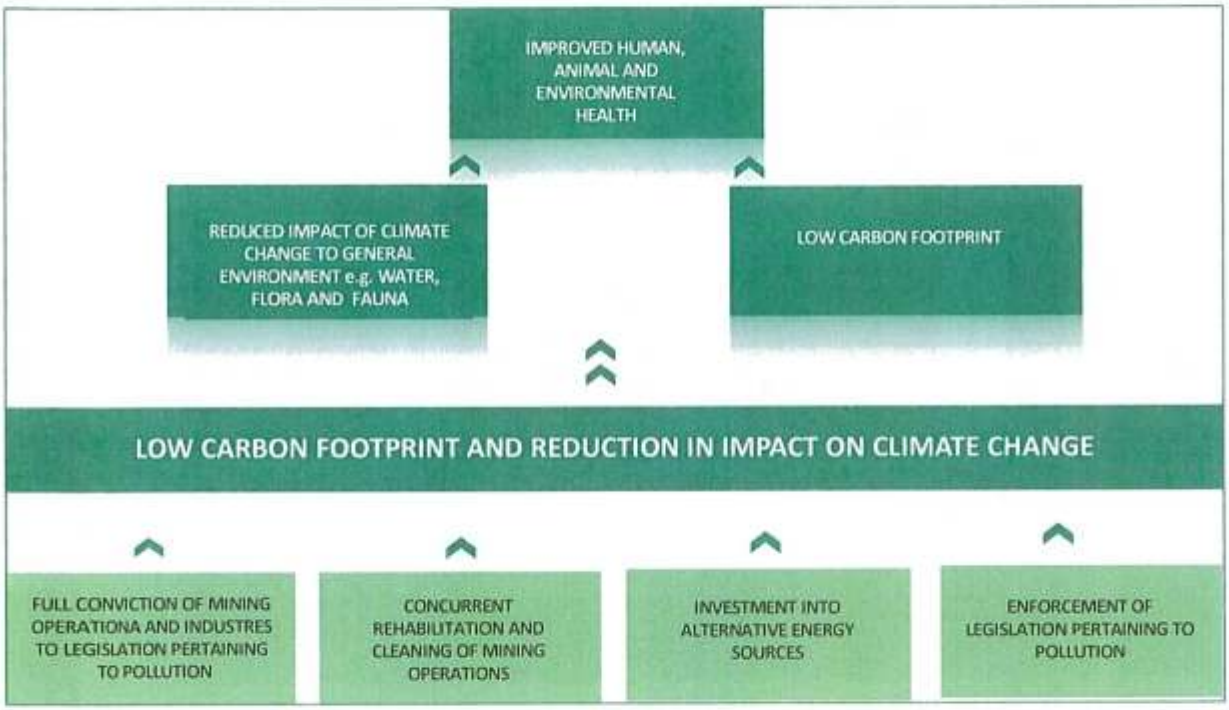


The identified interventions (listed below) would contribute towards addressing the causes that results in the core problem of a high carbon footprint, that contribute to client change resulting from coal powered energy:

- Implement measures to minimise the effect of climate change e.g. Bio energy sector;
- Enforce legislation pertaining to pollution control;
- Coordinate and implementat recycling plants in the Province;
- Implementat the Mpumalanga Green Economic Plan; and
- Establish methods of treating waste water for re-use in different commercial uses.

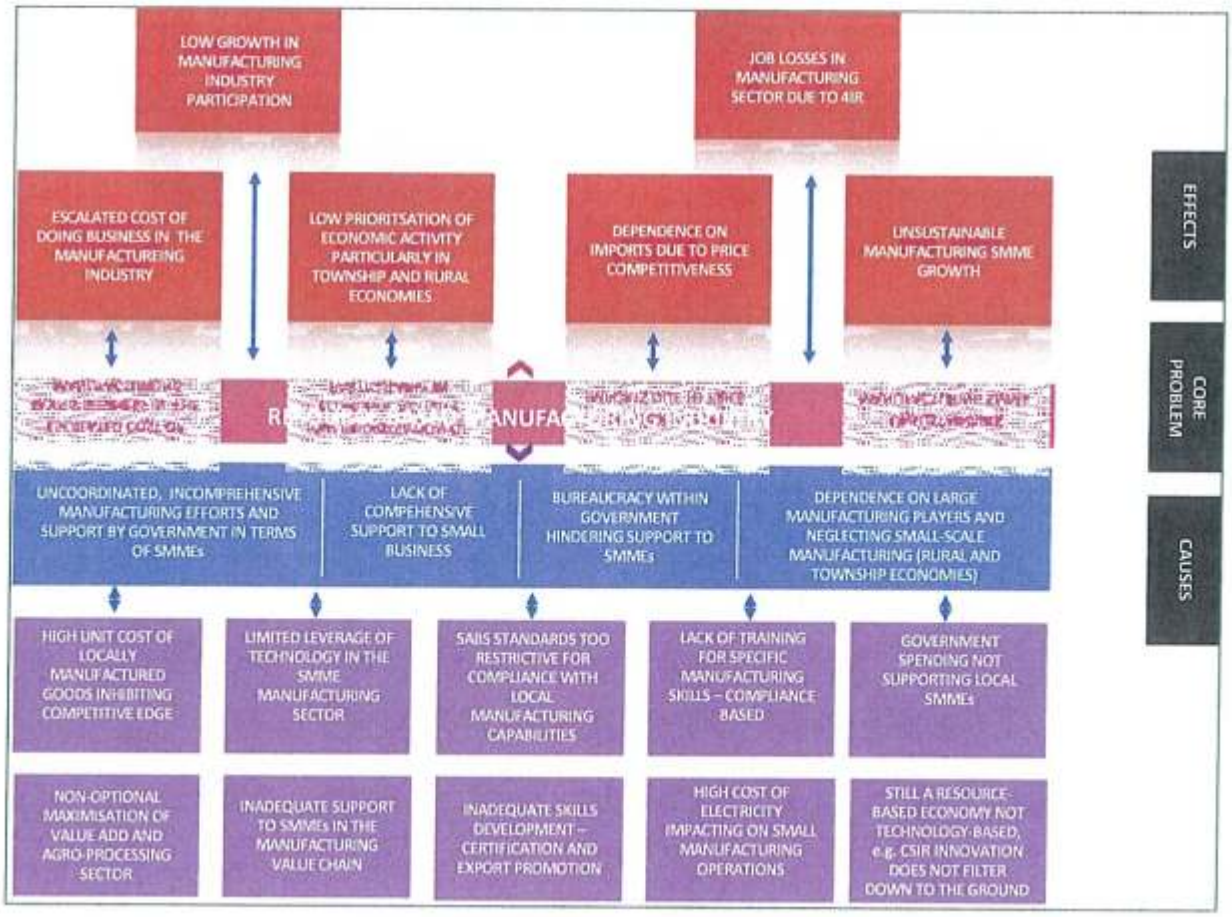
The resultant Solution can be depicted as follows:

Figure 21: Green Economy – Solution Tree



8.2.6.2 Problem and Solution Trees: Manufacturing

Figure 22: Manufacturing – Problem Tree



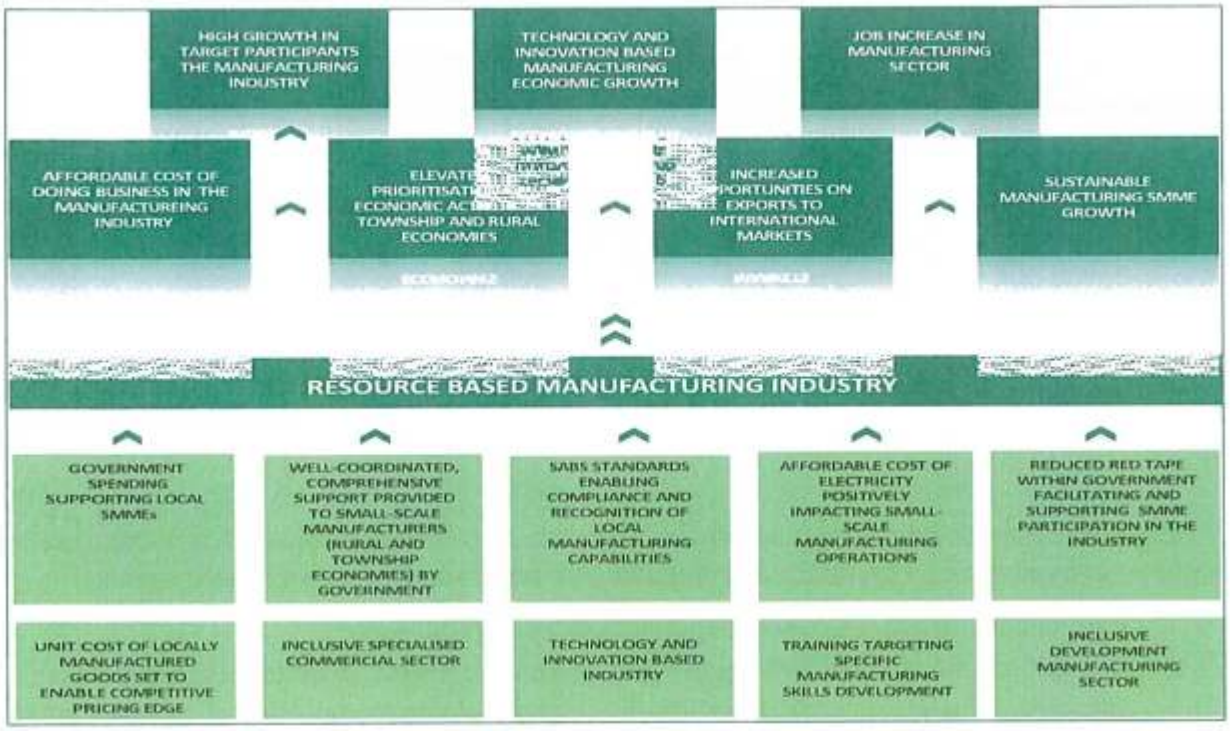
Due to the fact that the Province has a resource-based manufacturing industry, the following interventions can contribute towards creating a knowledge-based manufacturing industry within the Province:

- Establishment of Agri-hubs and Special Economic Zones (SEZ);
- Implementation of a master plan that ensures a comprehensive manufacturing support base of the SMME'S in the value chain;
- Leverage Foreign Direct Investments (FDI);
- Roll-out of relevant skills development programmes;
- Implementation of the Mpumalanga Industrial Development Plan (5 key projects identified);

- Development and implementation of incentive schemes;
- Explore and develop appropriate low cost renewable energy sources;
- Review non-essential SABS standards to assist compliance for local SMME manufacturing operations;
- Revitalisation of the township and rural economy; and
- Directly link government procurement to rural and township economies.

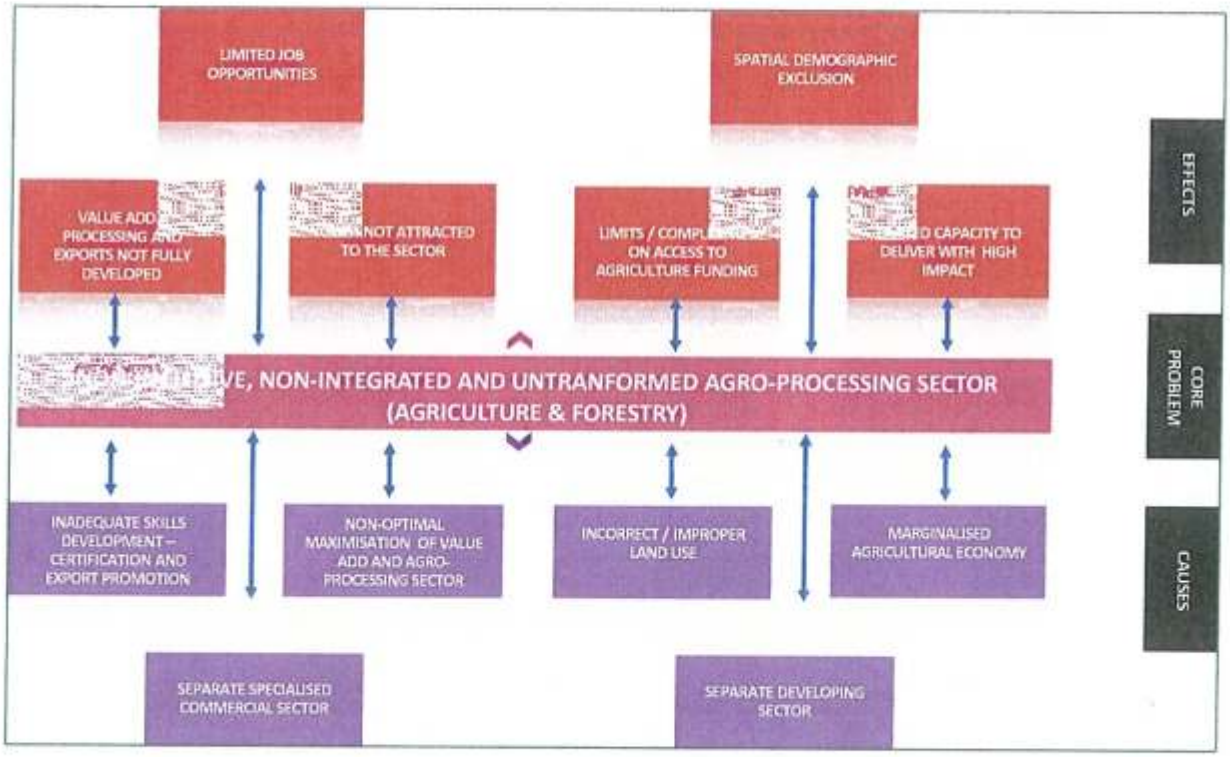
The resultant Solution Tree can be depicted as follows:

Figure 23: Manufacturing – Solution Tree



8.2.6.3 Problem and Solution Trees: Agro-Processing (Agriculture & Forestry)

Figure 24: Agro-processing (Agriculture & Forestry) – Problem Tree

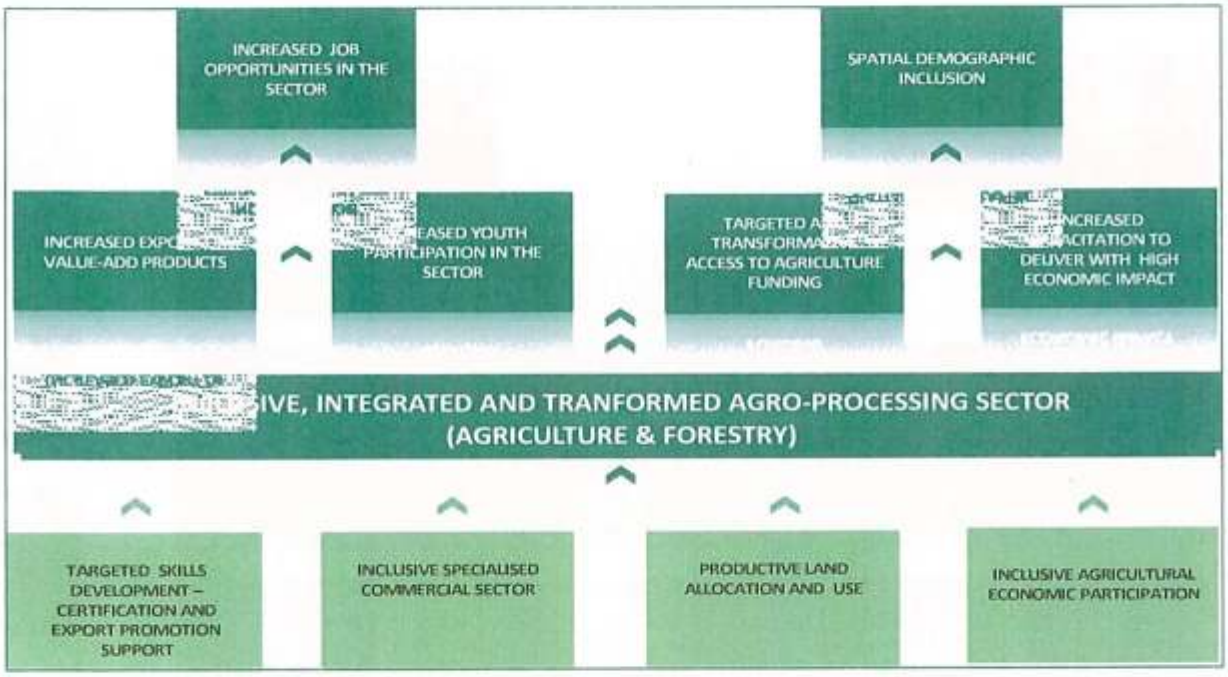


The identified interventions (listed below) would contribute to addressing the causes that results in the core problem of a non-inclusive, integrated and transformed agro-processing sector:

- Integrate the developmental and commercial agricultural sector;
- Coordinate and facilitate the improvement of agro-processing of produced commodities;
- Coordinate the implementation of the Mpumalanga International Fresh Produce Market and its associated agri-hubs;
- Improve and develop the export market for agricultural goods; and
- Coordinate and facilitate access to funding for participants in the agro-processing sector.

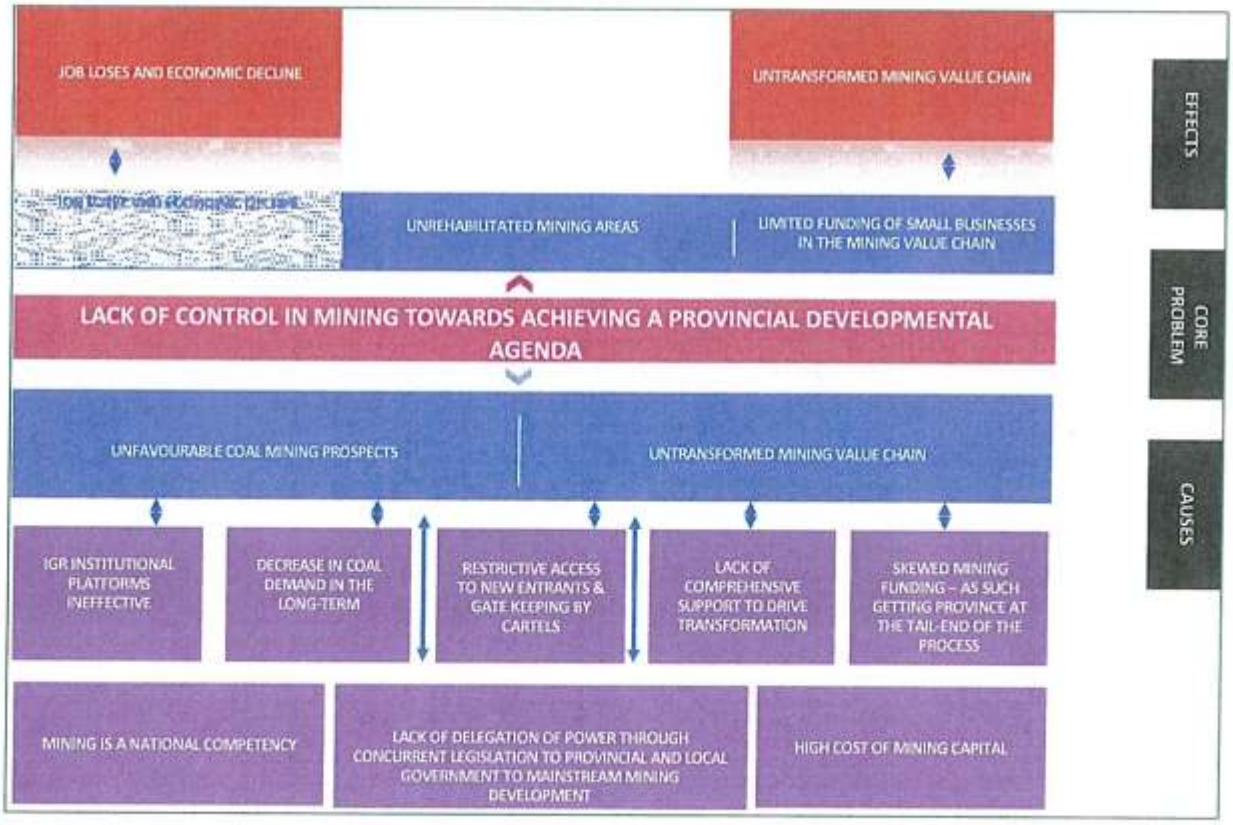
The resultant Solution Tree can be depicted as follows:

Figure 25: Agro-processing (Agriculture & Forestry) – Solution Tree



8.2.6.4 Problem and Solution Trees: Mining

Figure 26: Mining – Problem Tree

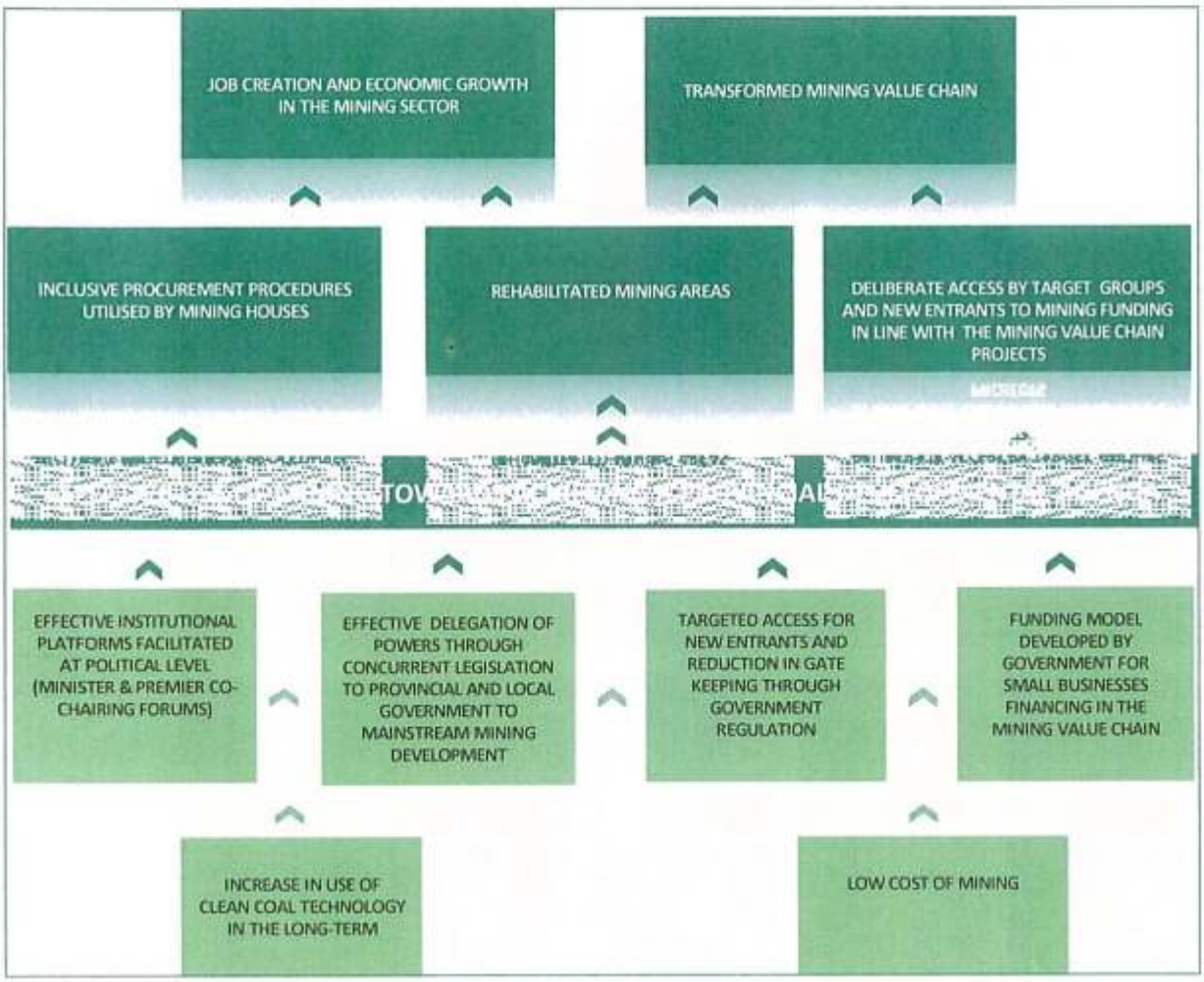


In order for the Department to ensure that mining is more effectively used, in the attainment of the Provincial developmental agenda, the following interventions can assist in overcoming the problem of lack of control over the mining industry in contributing to the Provincial agenda:

- Influence the national legislation to address the developmental agenda;
- Strengthen partnership platforms with key stakeholders to accelerate the developmental agenda in the mining industry;
- Implement the Plan of Action emanating from the Provincial Mining Lekgotla Pledge;
- Support MEGA to establish a mining company;
- Create special vehicle to facilitate transformation - funding required/model.

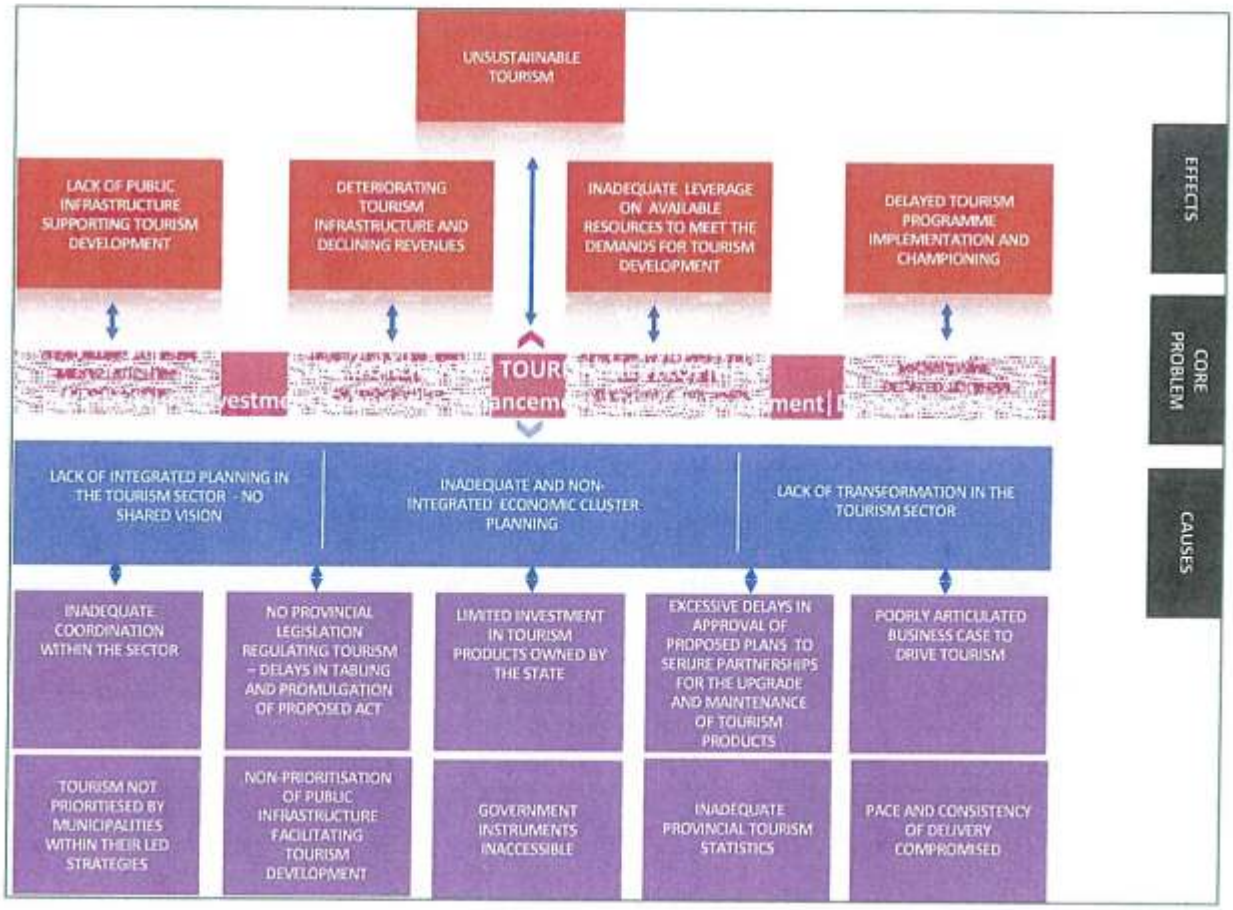
The resultant Solution Tree can be depicted as follows:

Figure 27: Mining – Solution Tree



8.2.6.5 Problem and Solution Trees: Tourism

Figure 28: Tourism – Problem Tree

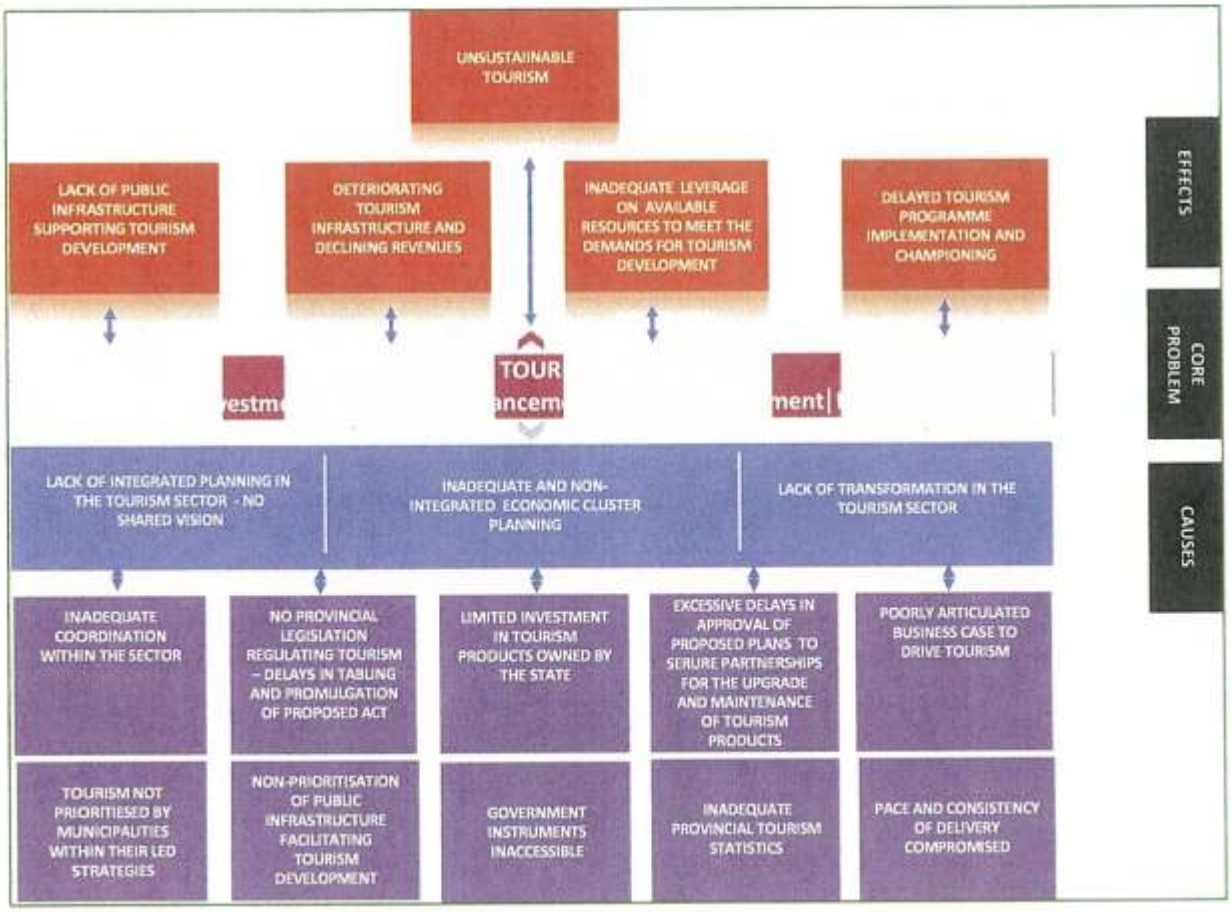


The Department and its Agency, the Mpumalanga Tourism and Parks Agency (MTPA) must play a more dominant role in coordinating tourism related activities within the Province, to ensure that aligned and integrated tourism development takes place. Therefore, the following interventions will contribute towards addressing the problem of uncoordinated tourism development:

- Embark on an education and awareness campaign to lobby support of impacting department, to leverage/influence and persuade the aligned flow of resources across three spheres of government;
- Amend enabling legislation to secure the participation of key stakeholders in sharing of information and implementation of identified interventions, and clarify roles and responsibilities;

8.2.6.6 Problem and Solution Trees: Tourism

Figure 29: Tourism – Problem Tree



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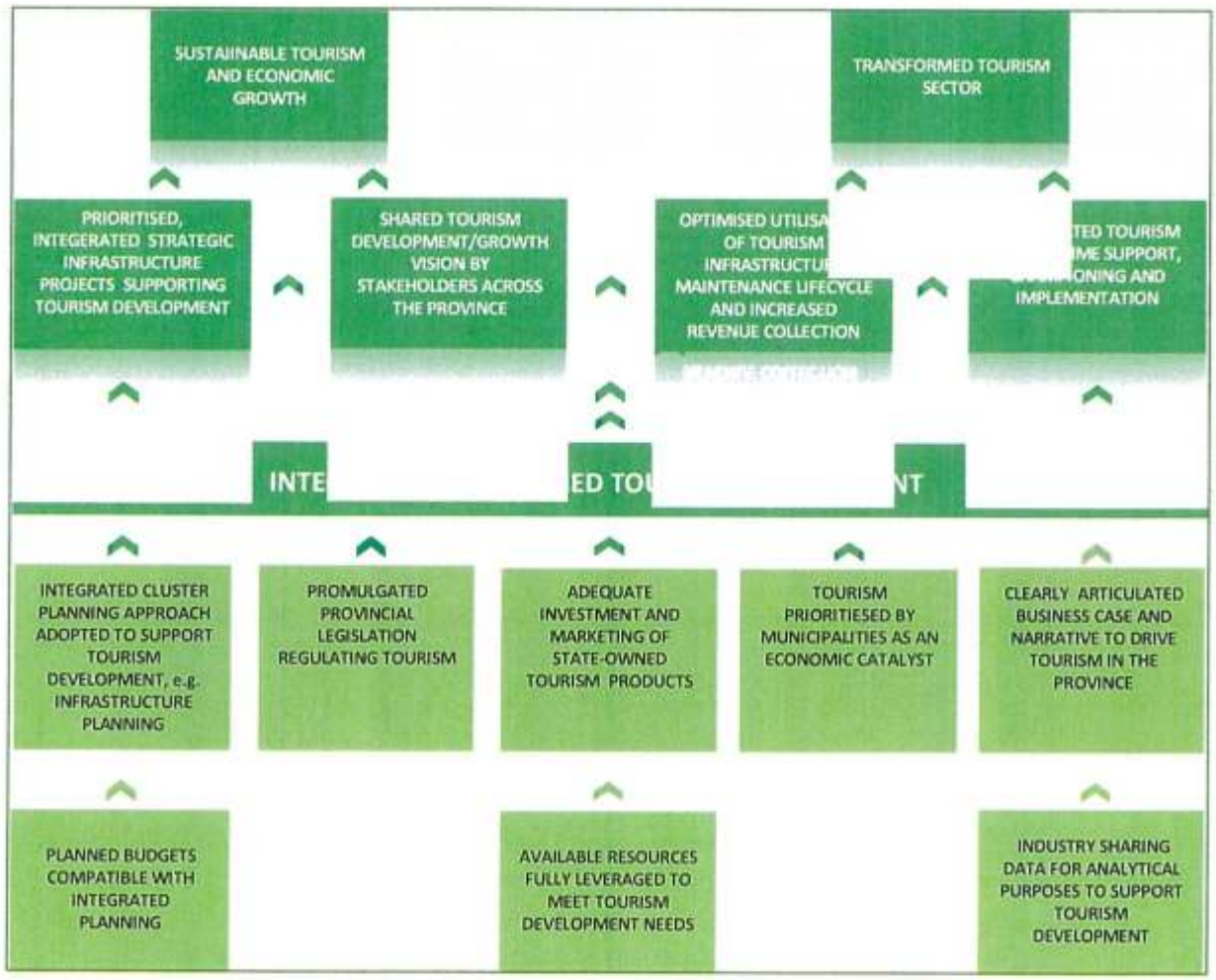
- Amend enabling legislation to secure the participation of key stakeholders in sharing of information and implementation of identified interventions, and clarify roles and responsibilities;

- Prioritisation and provisioning of adequate funding for tourism development;
- Implementation of township and rural tourism initiatives; and
- Effective utilisation of government instruments, such as licensing and concessions, to accelerate transformation

The resultant Solution Tree can be depicted as follows:

Figure 30: Tourism - Solution Tree



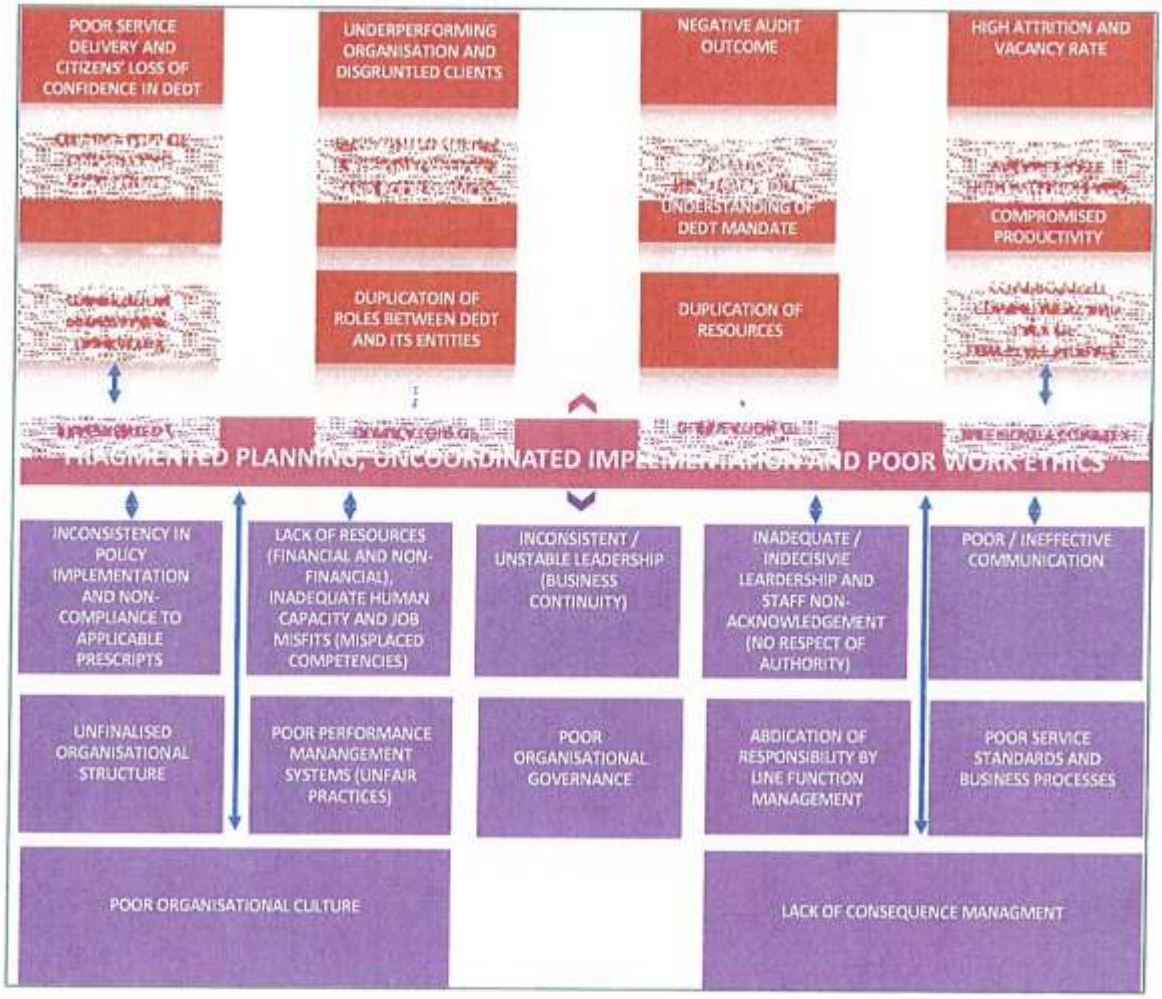
on Business and Financial Management, as well as technical training on how to produce quality products and, therefore, enabling them to compete in the market. Fifty (50) cooperatives, for instance, were assessed through the Gap Programme conducted by the SABS, resulting in Five (5) of them receiving certificates. The Kick-Start Mpumalanga Youth Enterprise Programme, for instance, benefited 34 youth with business skills in addition to getting procurement opportunities. Other initiatives include supporting 30 black-owned tyre service businesses through the Dunlop Tyre Programme, and a R1 million incentive given to 10 of these businesses (R100.000 each). A total of 120 job opportunities were created by this initiative, in addition to other 500 jobs created through the loans (valued over R108.6 million) given to both SMMEs and Cooperatives. A total of 77 jobs were created through the six (6) Galito's franchises funding, valued at R5 million. More funding was made accessible to SMMEs and Cooperatives through the Standard Bank Partnership, enabling these businesses to contract and deliver on provincial and local government deals. In advancing the objects of the BBBEE Strategy, more than 255 local businesses were assisted to access opportunities at the Kusile Power Station, and the Department's partnership with Sumitomo Rubber SA Pty Ltd benefitted 20 tyre service businesses through training and equipment donated to them. The promotion of the uptake of the Black Industrialist Programme by local businesses was facilitated, in addition to fostering working relations with the mines, to ensure adherence to their Social Labour Plans.

- In support of key sectors of the Provincial economy, a number of critical initiatives were kick-started, and are now in varying phases in line with the Mpumalanga Industrial Development Plan. These include the establishment of the Nkomazi SEZ, the Mpumalanga International Fresh Produce Market, the Industrial Technology Parks for Mining and Metal, as well as Agriculture and Forestry. Skills development initiatives (through the incubation programme) were supported through the Mpumalanga Steel and Tooling Initiative and FurnTech.

8.4 Internal Environment Analysis

The following two diagrams present an internal environmental analysis conducted to identify the root causes for challenges experienced, as well as what the solution tree will be, once the problems has been resolved within the Department:

Figure 30: Institutional Analysis – Problem Tree



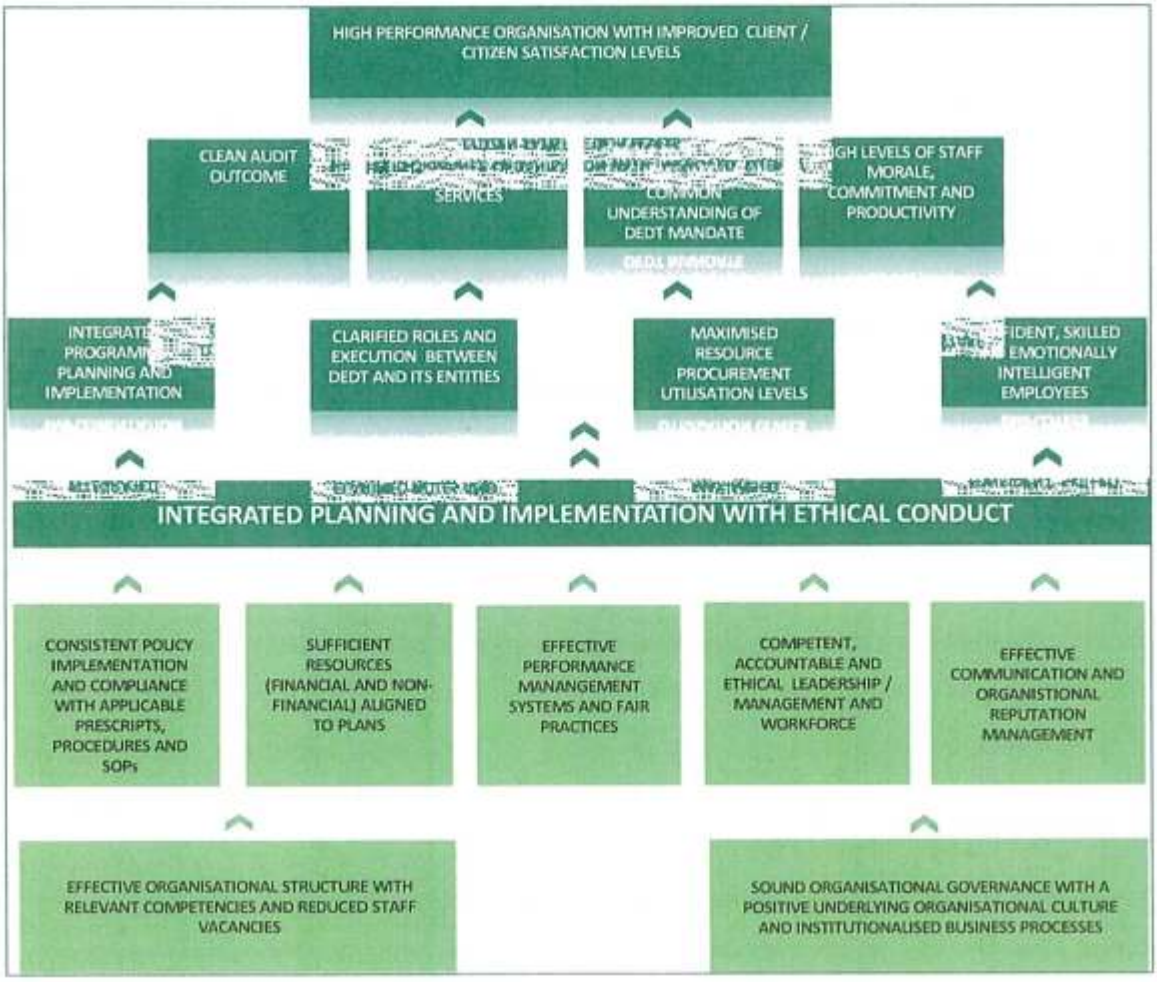
Therefore, the following interventions will contribute towards addressing the problem of fragmented planning, uncoordinated implementation and poor work ethic as shown above:

- Lifting the moratorium on appointments;
- Decentralisation of services;
- Human capital development through workforce reskilling and upskilling;

- Integrated Planning approach internal to the Department and with SOEs and stakeholders.

The resultant Solution Tree can be depicted as follows:

Figure 31: Institutional Analysis – Solution Tree



8.5 The capacity of the Department to deliver on its mandate

In our quest to improve organisational effectiveness and efficiency, the Department has embarked on a turn-around strategy to ensure its fitness for purpose. This was in response to the 2014 Executive Council Resolution which stipulated that the Department and its public entities, must be re-engineered to play a value-engineering role in the economic value chain of the Province, as opposed to its broad and open-ended role.

The Department had subsequently adopted a value proposition that refocused and repositioned itself in a manner that enhanced its strategic and operational capability, with a view to enhance its impact within the Provincial economic development landscape, and to successfully deliver the desired impact of Outcome 4 in the Province. In response, the following initiatives were undertaken:

1) The mandate was reviewed to refocus and reposition the Department as a Thought Leader in Economic Planning, Policy and Strategy, Governance and Executive Oversight. In this regard, the three (3) Public Entities under the Department would henceforth be implementing agencies of the Department, in order to build accountability for outcomes and impact.
2) The process of reviewing the organisational design were instituted and the revised proposals are yet to be approved.
3) Identification and engagement of the required capacity to deliver on its mandate.
4) Refocus and Reposition Regional Delivery Model; and establish the Regional Economic Development Centres.

In addition, the Department responded positively to all requests for information from Law Enforcement Agencies and Chapter Nine (9) institutions. In relation to litigation, the Department strives to ensure adequate consultation with relevant stakeholders/interested parties to avert disputes of a similar nature.

On the contrary, the world of work is profoundly impacted by the Coronavirus. We are expected to reflect on the impact of the pandeminc on the employees, culture, ability to thrive and deliver services. Leaders must adapt to the 'new norm' which has transformed the way we do business.

It is conceivable that businesses may be forced to close their operations, either due to widespread contagion or at the insistence of public health authorities, or even at the insistence of premises owners or letting agents.

However, this landscape presents the unforeseen opportunity for the organization to go back to basics, redefine their value propositions and focus on the fundamentals of their businesses and/or mandate to ensure that they are able to ride out the storm.

It is important for leaders to communicate with their employees. Such conversations must be open, honest and sincere about the state of the landscape to ensure a buy-in by all stakeholders during this difficult time. The pandemic will certainly disrupt socio-economic patterns and interactions. It is now up to the leaders, organisations, and employees to take a cue from this pandemic as a signal to transform the current business models and adopt new, efficient and innovative ones if necessary to maintain critical operations. There will be a need to cross-train employees to perform essential functions so that the workplace is able to operate in the event

that key employees are absent from work. Digitalisation is the way to go as employees will be working from home.

8.5.1 Human Resource Planning

8.5.1.1 Organisational Structure

The Department is currently operating on an organisational structure that was approved in 2007, with an addendum of added positions over the years. The structure consists of six Programmes; namely, Administration; Integrated Economic Development Service;, Trade and Sector Development; Business Regulation and Governance; Economic Planning; and Tourism. The total number of posts on the approved structure is 356. Out of that number, 217 posts are filled and 139 are vacant.

Figure 32: Organisational Structure

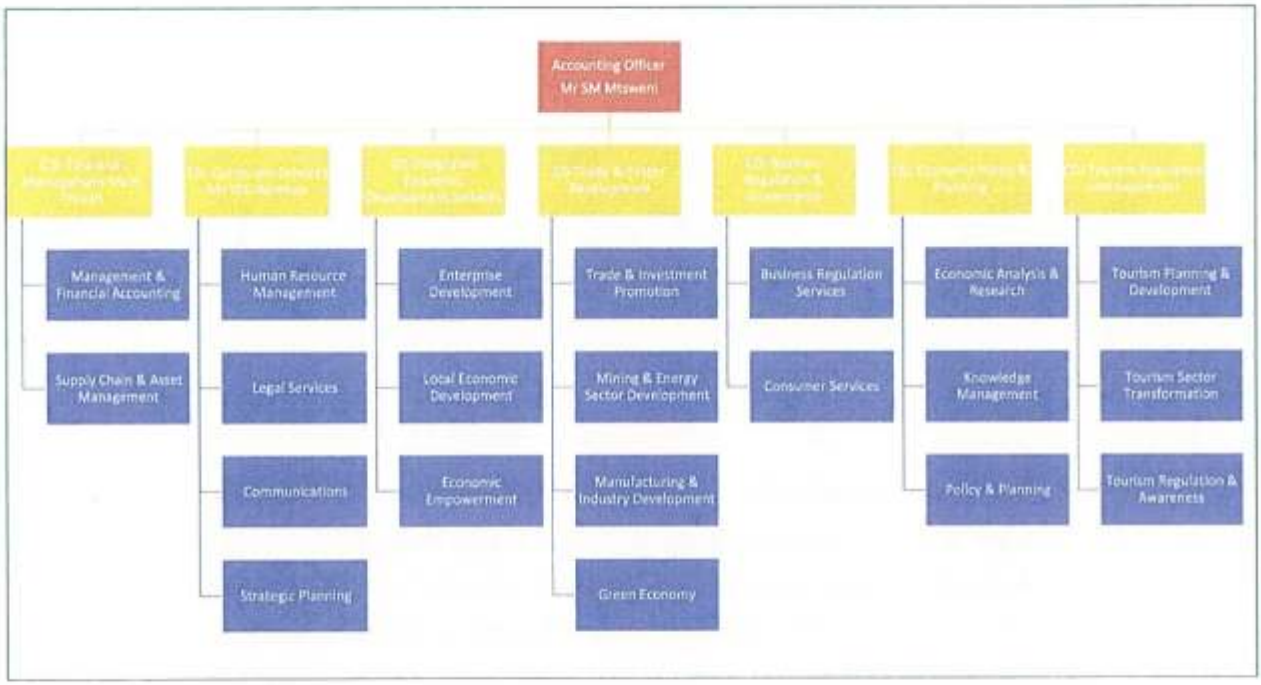


Table 23: Employment equity plan vs occupancy in terms of occupational levels

OCCUPATIONAL LEVELS	PLANNED TARGET		CURRENT OCCUPANCY		% Variance	
Gender	Male	Female	Male	Female	Male	Female
Top Management	4	6	6	2	150%	33%
Senior management	12	12	15	3	125%	25%
Professionally qualified and experienced specialists and mid-management	25	26	25	16	0%	61%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	39	39	21	15	53%	19%
Semi-skilled and discretionary decision making	88	88	27	74	30%	84%
Unskilled and defined decision making	8	9	0	13	0%	144%
TOTAL	176	180	94	123	26%	35%
GENDER %	49%	51%	43%	57%	88%	111%
GRAND TOTAL	356	217 (61%)				

8.5.1.2 Gender representation

The overall representation of women in the Department is 57%, which is above the target of 51% in terms of the Employment Equity Plan. When considering women at senior management level, they are under-represented at 19%, which is below the target of 50%, in terms of the gender equality strategic framework. The Department will strive to fill the vacant positions at senior management level with women in order to close the gap and meet the target.

Table 24: Numeric targets for employees with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	0	1	0	0	0	0	0	2
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	3	0	0	0	4	0	0	0	0	0	07
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	3	0	0	0	4	0	0	0	0	0	07

Table 25: Current profile for employees with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0	0	0	1

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0	0	0
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	3	0	0	0	0	0	0	0	0	0	3

The total of employees with disabilities in the Department is currently at 1.3%, which is below the minimum of 2% target as expected, in terms of the Gender Equality Strategic Framework, 2008. The Department will consider the Employment Equity Plan when recruiting new personnel in in order to meet the set target regarding people with disabilities.

8.5.1.3 Staff Turnover Rate for the Previous Three Financial Years

Table 26: Staff turnover rate 2019/20

Termination Type	Number	% of Total Resignations	Total Employment
Death	1	10	231
Resignation	1	10	
Expiry of contract	2	20	
Dismissal – operational changes	0	0	
Dismissal – misconduct	0	0	
Dismissal – inefficiency	0	0	
Discharged due to ill-health	0	0	
Retirement	4	40	
Transfer to other Public Service Departments	2	20	
Total	10	4.3%	
Total number of employees who left as a % of total employment	10	4.3%	

Table 27: Staff turnover rate 2018/19

Termination Type	Number	% of Total Resignations	Total Employment
Death	1	5	219
Resignation	2	10	
Expiry of contract (Interns)	14	70	
Dismissal – operational changes	0	0	
Dismissal – misconduct	0	0	
Dismissal – inefficiency	0	0	
Discharged due to ill-health	0	0	
Retirement	1	5	
Transfer to other Public Service Departments	2	10	
Total	20	9.13	
Total number of employees who left as a % of total employment	20	9.13	

Table 28: Staff turnover rate 2017/18

Termination Type	Number	% of Total Resignations	Total Employment
Death	0	0	240
Resignation	3	100	
Expiry of contract (Interns)	0	0	
Dismissal – operational changes	0	0	
Dismissal – misconduct	0	0	
Dismissal – inefficiency	0	0	
Discharged due to ill-health	0	0	
Retirement	0	0	
Transfer to other Public Service Departments	0	0	
Total	03	100	
Total number of employees who left as a % of total employment	03	1.25%	

8.5.2 Financial Resources

The Department is required to reduce its total budget of by 5%, or an amount of R 67, 358, 000. To achieve this, an adustment is proposed as follows (amount proposed to be appropriated to transfers to Entities):

- R18, 506, 000 reduction in transfers to MEGA (8.91%)
- R36, 426, 000 reduction in transfers to MTPA (8.91%)
- R5, 000, 000 reduction in transfers to MER (5.05%)

The above reduction is because the Entities are able to generate own revenue to fund operations, thus reducing reliance on grant appropriated funding. The total reduction in the allocation to the Entities is R59, 392, 000; the balance of R7, 426, 000 of the reduction required will be obtained from the goods and services budget of the Department. Thus, an amount of R3, 626, 000 will be reducted from Programme 1; R2, 500, 000 from Programme 2; and R1, 300 , 000 from Programme 3. This is a reduction of 7.4% to the goods and services budget of the Department.

- 18%, an amount of R244 314 000, of the main appropriation has been suspended due to COVID 19 purposes. A number of significant projects have been suspended and no

funds are available for meaningful COVID 19 response to be launched by the department.

- The following core programmes are affected negatively by the original shortfall and exacerbated by the adjusted appropriation
    - Future Production Technologies Incubator (previously MTI): R6m
    - Highveld Steel (Part of MTSF priorities): R7.5m
    - Consumer Case Management ICT system: R1.5m
    - Mpumalanga Employment Business Survey(MEBS): R7m
    - Green Economy Cluster Entity: R500
- A R10 760 000 reduction in the COE budget leads to an unknown delay in the filling of critical vacant posts. This delay will impact on the future and current operations of the Department. In the event that key individuals are taken ill for a long period due to the pandemic there are no alternative staff in place to assist in performance of critical functions, further impacting on the ability of the Department to full its mandate at a programme level, and in addition negatively affecting the administration of the Department
- While the reduction of R14 493 000 to the goods and services budget is in part a recognition of savings that will be recorded in Travel and Accommodation, Training, and some direct operational costs, the surrender has left the department with extremely limited funds to cover any COVID response of the Department, leaving the Department reliant significantly on the national initiatives.
- The reduction of R67 830 000 in the budget allocated to the entities has an extremely severe impact on all three of the entities, but more so on MTPA which is heavily dependent on revenue generated from Tourism, and MEGA which will be impacted by reduced recoveries on all commercial transactions
- A reduction of R 150 000 000 in the budget for the MIFPM will delay development on site and lead to penalties and additional costs due to the extension of time.
- Another major impact of the COVID 19 pandemic is the reduction in revenue collected by the Mpumalanga Economic Regulator. The original target of R 155 350 000 for

Gambling levies, license and application fees has been reduced by 47% to R 83 000 000.

Table 6.3: Summary of payments and estimates: Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. Administration	76 122	88 915	92 919	110 798	108 582	107 946	112 000	119 072	127 797
2. Integrated Economic Development	442 802	528 725	532 652	598 397	421 716	422 529	663 804	676 610	713 187
3. Trade and Sector Development	22 759	15 423	16 654	24 191	23 691	21 408	24 481	25 581	29 880
4. Business Regulation and Governance	92 951	103 041	114 405	114 722	114 422	114 060	120 092	126 044	132 053
5. Economic Planning	13 704	15 435	18 610	17 743	17 843	18 801	19 540	20 489	21 616
6. Tourism	350 231	358 308	383 648	395 087	395 427	395 427	413 151	433 312	454 529
Total payments and estimates:	**998 569**	**1 109 847**	**1 158 888**	**1 260 938**	**1 081 681**	**1 080 171**	**1 353 068**	**1 401 108**	**1 479 061**

Table 6.4: Summary of provincial payments and estimates by economic classification: Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
Current payments	**180 270**	**186 498**	**215 277**	**233 321**	**232 909**	**230 637**	**242 616**	**255 903**	**274 722**
Compensation of employees	118 100	128 335	137 269	152 281	150 281	149 576	158 412	166 320	178 682
Goods and services	62 170	58 163	78 008	81 040	82 628	81 061	84 204	89 580	96 040
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	**751 098**	**612 774**	**668 684**	**684 705**	**719 056**	**719 706**	**748 681**	**763 540**	**804 351**
Provinces and municipalities	2 470	–	7	–	–	650	20	30	31
Departmental agencies and accounts	422 191	440 331	475 243	483 729	483 729	483 729	506 327	531 039	556 027
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	326 060	172 259	193 232	200 474	234 824	234 824	241 803	231 911	247 706
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	377	184	202	503	503	503	531	560	587
Payments for capital assets	**67 181**	**310 575**	**274 927**	**342 911**	**129 716**	**129 828**	**361 771**	**381 668**	**399 988**
Buildings and other fixed structures	65 000	307 000	271 488	338 562	125 367	125 367	357 183	376 828	394 916
Machinery and equipment	2 181	3 575	3 435	4 349	4 349	4 349	4 588	4 840	5 072
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	4	–	–	112	–	–	–
Payments for financial assets	20	–	–	–	–	–	–	–	–
Total economic classification	**998 569**	**1 109 847**	**1 158 888**	**1 260 938**	**1 081 681**	**1 080 171**	**1 353 068**	**1 401 108**	**1 479 061**

Table 6.3: Adjusted Estimates

Programme	2020/21							
		Special Adjustments Appropriation						
		Virements & Shifts (Covid 19 Purposes)		Virements &	Significant and unforeseeable economic and financial events		Total special	
R thousand	Voted (Main appropriation)	Virements FROM	Virements TO	Shifts (Covid-19 Purposes)	Suspension of funds	Allocation of funds	adjustments appropriation	Adjusted Appropriation
1. Administration	112 000	-	-	-	(11 361)	-	(11 361)	100 639
2. Integrated Economic Development	663 804	-	-	-	(177 456)	-	(177 456)	486 348
3. Trade and Sector Development	24 481	-	-	-	(2 402)	-	(2 402)	22 079
4. Business Regulation and Governance	120 092	-	-	-	(11 165)	-	(11 165)	108 927
5. Economic Planning	19 540	-	-	-	(1 907)	-	(1 907)	17 633
6. Tourism	413 151	-	-	-	(40 023)	-	(40 023)	373 128
Total	**1 353 068**	**-**	**-**	**-**	**(244 314)**	**-**	**(244 314)**	**1 108 754**
Economic classification								
Current payments	**242 816**	**-**	**-**	**-**	**(25 253)**	**-**	**(25 253)**	**217 563**
Compensation of employees	158 412	-	-	-	(10 760)	-	(10 760)	147 652
Goods and services	84 204	-	-	-	(14 493)	-	(14 493)	69 711
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies	**748 681**	**-**	**-**	**-**	**(67 861)**	**-**	**(67 861)**	**680 820**
Provinces and municipalities	20	-	-	-	(1)	-	(1)	19
Departmental agencies and accounts	506 327	-	-	-	(48 350)	-	(48 350)	457 977
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	241 803	-	-	-	(19 480)	-	(19 480)	222 323
Non-profit institutions	-	-	-	-	-	-	-	-
Households	531	-	-	-	(30)	-	(30)	501
Payments for capital assets	**361 771**	**-**	**-**	**-**	**(151 200)**	**-**	**(151 200)**	**210 571**
Buildings and other fixed structures	357 183	-	-	-	(150 000)	-	(150 000)	207 183
Machinery and equipment	4 588	-	-	-	(1 200)	-	(1 200)	3 388
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1 353 068**	**-**	**-**	**-**	**(244 314)**	**-**	**(244 314)**	**1 108 754**

8.6 The status of the institution regarding compliance with the BBBEE Act.

All procurement that is initiated from within the Department starts with requests for quotes and proposals that are directed primarily towards black-owned enterprises. Youth and Women owned enterprises are supported throughout the year. These are identified from the CSD (Central Supplier Database). In all cases of procurement over R30 000, points are calculated and applied in the assessment of quotes to ensure that designated groups are supported correctly in terms of legislation. In order to effectively implement preferential procurement, the values procured from target groups will be tracked closely throughout the year, making use of ownership information available from CSD.

8.7 Stakeholder Analysis

In order for the Department to deliver and attain the outcomes of the strategy, it will be critical to liaise and engage with a number of stakeholders, as they are all key to the successful implementation of the Departments' strategy. The table below provides a summary of stakeholders with their specific role and responsibility, with regards to the attainment of the Department's strategic outcomes:

Table 29: Economic Cluster – Stakeholder Analysis

Economic Cluster	Stakeholder	Role and Responsibility
Green economy	Department of Environment, Forestry and Fisheries (DEAFF)	Enforcement, regulation, education and awareness
	MEGA	Implementation of high impact green economy projects
	Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA)	Monitoring and enforcement, regulation, education, development and awareness
	Department of Public Works, Roads and Transport	Retrofitting of provincial facilities (green buildings)
	Local Government	Retrofitting of municipal buildings, street and community lighting. Recycling and waste management
	Tertiary academic institutions	Research and development, relevant training and skilling
	ESKOM	Implementation of renewable energy projects
	Private Sector	Investment in green initiatives and supporting PPP's
	Department of Water & Sanitation	Monitoring and quality control of water and sanitation infrastructure
Manufacturing and Agro-processing	MEGA	To attract FDI and provide financial support to all businesses within the province
	Private sector	Innovation, investment and expansion within the manufacturing sector
	Research and tertiary institutions	Research and development of new innovative concepts within the manufacturing sector
	Department of Trade, Industry and Competition (dtic)	Policy direction, implementation of programmes and attraction of foreign investments
	Business Chambers	Promote the industry and assist in attracting of investment
	Local Government	Provide local policy direction and enforcement of by-laws and functional LED forums
	The Presidency	Driving and attracting foreign direct investment as well as support of special projects and programmes
	SOE's	Support and provide an enabling economic environment
Mining	Department of Minerals and Resources (DMR)	Policy development and enforcement. Facilitate platforms for stakeholder engagements

Economic Cluster	Stakeholder	Role and Responsibility
	Department of Energy (DoE)	Providing market opportunities for coal supply.
	Department of Environment, Fisheries and Forestry (DEFF)	Regulating and enforcement of environmental management and protection
	Department of Trade, Industry and Competition (dtic)	Promotion of coal exports and foreign investment
	Local Government	Enforcement of SPLUMA and coordinate LED related activities and interventions
	Minerals Council SA	Coordination and promotion of the mining industry
	Department t of Public Enterprises	Provide policy direction to State Owned Enterprises
	Private Sector	Investment in mining activities
	Department of Water & Sanitation	Monitoring and quality control of water and sanitation infrastructure
	Tribal Authorities	Access and allocation of available land
	Geosciences Council	Research and advice on mining related matters
	Mintek and training institutions	Training and skills development
	Communities	Participate and liaise with mines with regards to social economic development
	National Department of Tourism (NDT)	Policy direction
	DEFF	Provide regulation on protection and conservation of the environment and natural assets
	DPWR and Transport	Provision and maintenance of roads infrastructure
	Department of Safety, Security & Liaison	Safety of tourists
	MTPA	Marketing of the province and management of tourism products. Conduct research and evaluation on provincial tourism
Tourism	Department Culture, Sports and Recreation	Develop and management of the heritage tourism products
	Local Government	Provide enabling service delivery environment and infrastructure to promote tourism. Liaising with local tourism associations and service providers
	Private sector (LTO's & RTO)	Promoting the tourism industry
	Department of Home Affairs	Controlling ports of entries into the country. Regulating international access of visitors to SA (visas and visa free travel)

Economic Cluster	Stakeholder	Role and Responsibility
	SARS	Customs and excise duties
	SA Tourism	Marketing of SA as Tourism destination
	Tourism Grading Council	Evaluation and standards within the tourism sector
	Department of Trade, Industry and Competition (dtic)	Outbound missions, trade and investment promotion
	Traditional leaders	Buy-in from them in order to coordinate and promote rural tourism. Land allocation and management in the rural areas
	Department of Communication	Internal communication with regards to service delivery performance of departments
	Department of International relations and Cooperation	Liaison with foreign nations. Outbound missions, trade and investment promotion
	Brand SA	Promoting SA as a tourism and business destination
	STATS SA	Provision of tourism related statistics
	Mpumalanga Regional Training trust (MRTT)	Provide hospitality specific training within the province
	Universities	Provide relevant training and skills development
	MEGA	Investment attraction, development of funding and business models on the commercialisation of tourism products

PART C: MEASURING OUR PERFORMANCE

PROGRAMME 1: ADMINISTRATION

9. Institutional Programme Performance Information

9.1 Programme 1: Administration

Purpose of Programme 1: Administration

The purpose of the Programme is to provide administrative support for the implementation of the mandate of the Department.

The Programme consist of the following sub-Programmes:

- Office of the MEC
- Office of the Head of Department
- Internal Audit
- Financial Management
- Risk Management
- Strategic Planning Services
- Corporate Services with the following sub-programmes
  - Human Resource Management
  - Legal Services
  - Communication
  - Security Services
  - Transversal Services

Table 30: Programme 1: Outcomes, Outputs, Performance Indicators and Targets

Sub-Programme: Strategic Planning Service									
Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
An ethical, well-coordinated, enabling and capable center of business excellence	Improved departmental performance	% achievement of organisational planned performance targets	96%	79%	88%	100%	100%	100%	100%
	Increased and sustained customer satisfaction levels	% customer satisfaction levels	New Indicator	New Indicator	New Indicator	New Indicator	80%	85%	90%

Table 31: Programme 1: KPI – Annual and Quarterly targets

Sub-Programme: Strategic Planning Service					
Output Indicators	**Annual Target**	**Q1**	**Q2**	**Q3**	**Q4**
% achievement of organisational targets	100%	100 % Organisational Quarterly targets achieved	100 % Organisational Quarterly targets achieved	100 % Organisational Quarterly targets achieved	100 % Organisational Quarterly targets achieved
% customer satisfaction levels	80%	Not applicable	80 % customer satisfaction levels achieved	Not applicable	80 % customer satisfaction levels achieved

Table 32: Corporate Services: Outcomes, Outputs, Performance Indicators and Targets

Sub-Programme: Corporate Services									
Outcome	**Outputs**	**Output Indicators**	**Annual Targets**						
			Audited /Actual Performance			**Estimated Performance**	**MTEF Period**		
			2016/17	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
An ethical, well-coordinated, enabling and capable center	Improved staff performance levels	% compliance to PMDS framework	New Indicator	New Indicator	New Indicator	New Indicator	100%	100%	100%
	% disciplinary procedures	% disciplinary procedures	New Indicator	New Indicator	New Indicator	New Indicator	100%	100%	100%

Sub-Programme: Corporate Services									
Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
of business excellence	completedd within 90 days	completed within 90 days							

Table 33: Corporate Services: KPI – Annual and Quarterly targets

Sub-Programme: Corporate Services					
Output Indicators	Annual Target	Q1	Q2	Q3	Q4
% average staff performance levels	100%	100% performance agreements concluded within stipulated time lines. 100% annual assessments concluded within the stipulated timelines for SL 1-12	100% Annual assessments moderated for SL 1-12	100% Mid-term reviews concluded across all levels. Annual assessments concluded for SMS	100% implementation of assessment for SMS
% disciplinary procedures completedd within 90 days	100%	100%	100%	100%	100%

Sub-Programme: Financial Management

Table 34: Financial Management : Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
An ethical, well-coordinated, enabling and capable centre of business excellence	Implement effective and efficient financial management systems to achieve clean audit	Auditor General audit outcome	Unqualified with emphasis	Unqualified with emphasis	Unqualified with emphasis	Unqualified with emphasis	Unqualified (no matters)	Unqualified (no matters)	Unqualified (no matters)
		% decline in irregular expenditure	New Indicator	New Indicator	New Indicator	New Indicator	50%	75%	100%
		% of creditor payments within 30 days of receipt of compliant invoice	New Indicator	New Indicator	99.8%	99%	100%	100%	100%
		%of the value of goods and services to be procured from	New Indicator	New Indicator	New Indicator	New Indicator	80%	85%	90%

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		designated groups as per PPP.							
	Improved ICT efficiencies and framework compliance	% compliance with the ICT Governance System and Framework	New Indicator	New Indicator	New Indicator	New Indicator	60%	70%	80%

Table 35: Financial Management: KPI – Annual and Quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Auditor General audit outcome	Unqualified (no matters)	Audit in process	Unqualified (no matters) Audit report finalisation	Not applicable	Not applicable
% decline in irregular expenditure	50%	5%	25%	10%	10%

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
% of creditor payments within 30 days of receipt of compliant invoice	100%	100%	100%	100%	100%
%of the value of goods and services to be procured from designated groups as per PPP.	80%	80%	80%	80%	80%
% compliance with the ICT Governance System and Framework	60%	60%	60%	60%	60%

Explanation of planned performance over the medium term period

The management of performance is very important to the Department's ability to achieve it's objectives. It is important that performance is managed with clear objectives at the beginning, and this approach will assist the Department in ensuring that performance is managed. Equally so, the management of discipline within the stipulated time-frames is critical so that employees do not feel victimised by the process, and it also does not become unfair on the employer to have unending processes. When performance is managed effectively and the necessary discipline instituted, if there is a need, this will ensure that we have an ethical, well-coordinated, enabling and capable centre of business excellence.

The target to award an increasing percentage of procurement to designated groups contributes directly towards achieving the outcomes and impact in the Strategic Plan, aligned to the mandate of the institution; as well as the achievement of priorities of women, children and people with disabilities. This target ensures that the spending of the Department is contributing directly towards the creation of decent job opportunities, and towards the participation of communities in the Provincial economy, contributing towards an inclusive, diversified and growing economy.

The focus on reduction of irregular expenditure, prompt payment and clean audit, contribute directly to the good governance targets of the Department, including specific consideration of Mpumalanga V2030, building on the strong foundations of a capable civil service, and towards the values described in our strategic focus, specifically Integrity, and Accountability.

The planned performance will contribute towards achieving the Departmental outcome of operating as an ethical, well-coordinated, enabling and capable centre of business excellence.

PROGRAMME 1 RESOURCE CONSIDERATIONS

Budget allocation for programme and sub-programmes as per the EPRE

Table 6.8: Summary of payments and estimates: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. Office of MEC	7 120	8 141	11 075	11 287	10 711	14 606	13 185	14 010	14 238
2. Senior Management (HOD)	7 594	8 251	7 360	11 940	10 940	9 447	11 705	13 111	14 120
3. Financial Management	33 426	36 762	39 154	46 840	45 740	45 452	47 234	51 114	57 092
4. Corporate Services	27 982	35 761	35 330	40 731	41 191	38 441	39 876	40 837	42 347
Total payments and estimates: Programme 1	**76 122**	**88 915**	**92 919**	**110 798**	**108 582**	**107 946**	**112 000**	**119 072**	**127 797**

Table 6.9: Summary of provincial payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
Current payments	**73 828**	**85 156**	**89 342**	**105 946**	**103 730**	**102 434**	**106 861**	**113 642**	**122 107**
Compensation of employees	52 826	60 635	63 347	71 605	70 305	69 009	73 710	77 725	82 440
Goods and services	21 002	24 521	25 995	34 341	33 425	33 425	33 151	35 917	39 667
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	**343**	**184**	**142**	**503**	**503**	**1 153**	**551**	**590**	**618**
Provinces and municipalities	6	–	7	–	–	650	20	30	31
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	337	184	135	503	503	503	531	560	587
Payments for capital assets	**1 931**	**3 575**	**3 435**	**4 349**	**4 349**	**4 359**	**4 588**	**4 840**	**5 072**
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	1 931	3 575	3 435	4 349	4 349	4 349	4 588	4 840	5 072
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	10	–	–	–
Payments for financial assets	20	–	–	–	–	–	–	–	–
Total economic classification: Programme 1	**76 122**	**88 915**	**92 919**	**110 798**	**108 582**	**107 946**	**112 000**	**119 072**	**127 797**

Table 6.3.1: Administration

Subprogramme	2020/21							
		Special Adjustments Appropriation						
		Virements & Shifts (Covid 19 Purposes)		Virements &	Significant and unforeseeable economic and financial events		Total special	
R thousand	Voted (Main appropriation)	Virements FROM	Virements TO	Shifts (Covid-19 Purposes)	Suspension of funds	Allocation of funds	adjustments appropriation	Adjusted Appropriation
1. Office of MEC	13 185	–	–	–	–	–	–	13 185
2. Senior Management (HOD)	11 705	–	–	–	(2 671)	–	(2 671)	9 034
3. Financial Management	47 234	–	–	–	(5 140)	–	(5 140)	42 094
4. Corporate Services	39 876	–	–	–	(3 550)	–	(3 550)	36 326
Total	**112 000**	**–**	**–**	**–**	**(11 361)**	**–**	**(11 361)**	**100 639**
Economic classification								
Current payments	**106 861**	**–**	**–**	**–**	**(10 130)**	**–**	**(10 130)**	**96 731**
Compensation of employees	73 710	–	–	–	(3 883)	–	(3 883)	69 827
Goods and services	33 151	–	–	–	(6 247)	–	(6 247)	26 904
Interest and rent on land	–	–	–	–	–	–	–	–
Transfers and subsidies	**551**	**–**	**–**	**–**	**(31)**	**–**	**(31)**	**520**
Provinces and municipalities	20	–	–	–	(1)	–	(1)	19
Departmental agencies and accounts	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–
Households	531	–	–	–	(30)	–	(30)	501
Payments for capital assets	**4 588**	**–**	**–**	**–**	**(1 200)**	**–**	**(1 200)**	**3 388**
Buildings and other fixed structures	–	–	–	–	–	–	–	–
Machinery and equipment	4 588	–	–	–	(1 200)	–	(1 200)	3 388
Heritage assets	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–
Payments for financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**112 000**	**–**	**–**	**–**	**(11 361)**	**–**	**(11 361)**	**100 639**

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

4.2 Programmes 2 – Integrated Economic Development Services

The purpose of the programme is to stimulate economic growth through the promotion of HDI stimulate economic growth in the Province

Sub Outcome 2: ***The productive sectors account for a growing share of production and employment, exports are diversified, African regional development is accelerated, the carbon intensity of growth is reduced, knowledge and technology support increasingly inclusive and dynamic growth, and the organs of the state improve their alignment in support of employment-creating growth.***

9.2 Programme 2: Integrated Economic Development Services

Purpose of the Programme:

The purpose of the programme is to stimulate economic growth through the promotion of HDIs and stimulate economic growth in the Province

The Programme consist of the following sub-Programmes:

- Enterprise Development
- Economic Empowerment
- Local Economic Development

Table 36: Enterprise Development: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Green Economy SMMEs supported for sustainability	The Number of Cooperatives in 3 municipalities facilitated to upgrade waste pickers into cooperatives and supported with safety wear and equipment and shelter.	New Indicator	New Indicator	New Indicator	New Indicator	6	6	8
		Number of new SMMEs entering the sector	New Indicator	New Indicator	New Indicator	Nil	3	4	6
		The number of Women owned Waste	New Indicator	New Indicator	New Indicator	New Indicator	6	6	6

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		Management SMMEs supported to grow and sustain their businesses .							
	Township based manufacturing SMMEs placed in Entrepreneurship programme	Number of Township based manufacturing SMMEs placed in Entrepreneurship programme to develop business skills	New Indicator	New Indicator	New Indicator	New Indicator	9	20	25
	SMMEs accessing supplier and enterprise	Number of workshops facilitated to support Access	New Indicator	New Indicator	New Indicator	New Indicator	1	2	2

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	development opportunities from Mining Houses (mining Sector)	to contracts above R200 000 awarded to black owned enterprises							
Minimized effects of Covid 19 on Targeted Small Businesses	Township based Bakeries, Textile SMMEs, Motor Mechanics /Spares and spaza shops supported	12 Township Based Bakeries supported for growth , production and management skills (Youth owned /Women Owned)	New Indicator	New Indicator	New Indicator	New Indicator	12	8	15
		15 township based SMMES in Textiles sector supported , facilitate funding	New Indicator	New Indicator	New Indicator	New Indicator	15	30	30

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		and skills development. (Women Owned)							
		Facilitate funding through lines of credit for 6 Township based SMMEs in the Automotive After-Maket Sector .	New Indicator	New Indicator	New Indicator	New Indicator	6	15	6
		12 Spaza shops supported to access lines of credit and bulk buying from designated suppliers Youth Owned	New Indicator	New Indicator	New Indicator	New Indicator	12	24	30

Table 37: Enterprise Development: KPI – Annual and Quarterly targets KPI

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
The Number of Cooperatives in 3 municipalities facilitated to upgrade waste pickers into cooperatives and supported with safety wear and equipment and shelter.	6	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	6	Not applicable
Number of new SMMEs entering the sector	3	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	3
The number of Women owned Waste Management SMMEs supported to grow and sustain their businesses	6	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	6	Not applicable
Number of Township based manufacturing SMMEs placed in Entrepreneurship	9	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	9

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
programme to develop business skills					
Number of workshops facilitated to support Access to contracts above R200 000 awarded to black owned enterprises	1	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1	Not applicable
12 Township Based Bakeries supported for growth , production and management skills (Youth owned /Women Owned)	12	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	6	6
15 township based SMMES in Textiles sector supported , facilitate funding and skills development. (Women Owned)	15	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	3	12

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Facilitate funding through lines of credit for 6 Township based SMMEs in the Automotive After-Maket Sector .	6	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	3	3
12 Spaza shops supported to access lines of credit and bulk buying from designated suppliers Youth Owned	12	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	6	6

Table 38: Economic Empowerment: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Black empowered companies participating in green economy	Number of black empowered companies participating in green economy	New Indicator	New Indicator	New Indicator	New Indicator	2	4	4
	Manufacturing companies participating in BI programme	Number of manufacturing companies participating in BI programme	New Indicator	New Indicator	New Indicator	New Indicator	2	4	5
	Black existing companies funded to participate in the mining value chain	Number of black existing companies funded to participate in the mining value chain	New Indicator	New Indicator	New Indicator	New Indicator	2	4	4

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Black owned companies participating in the tourism sector	Number of black owned companies participating in the tourism sector	New Indicator	New Indicator	New Indicator	New Indicator	2	3	3

Table 39: Economic Empowerment: KPI – Annual and Quarterly targets KPI

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of black empowered companies participating in green economy	2	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1	1
Number of manufacturing companies participating in BI programme	1	1	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of black existing companies funded to participate in the mining value chain	2	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1	1
Number of black owned companies participating in the tourism sector	1	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1

Table 40: Local Economic Development: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Municipalities supporting SMMEs to participate in the mainstream waste management industry **(Green Economy)**	Number of municipalities assisted to support SMMEs in the waste management industry	New Indicator	New Indicator	New Indicator	New Indicator	2	6	6
	Reduced cost of doing business by municipalities for	Number of municipalities supported to reduce the cost of doing by SMMEs	New Indicator	New Indicator	New Indicator	New Indicator	2	4	4

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	SMMEs. **(Manufacturing sector)**								
	Business infrastructure provided (Factory space & Industrial Parks, electricity, water, land, road networks), **(Manufacturing sector)**	Number of business infrastructure provided.	New Indicator	New Indicator	New Indicator	New Indicator	1	3	3
	LED Forums supported in municiplites for the benefit of SMMEs/Co-ops in the mining sector value chains	Number of LED Forums supported.	New Indicator	New Indicator	New Indicator	New Indicator	1	4	3

Table 41: Local Economic Development: KPI – Annual and Quarterly targets KPI

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of municipalities assisted to support SMMEs in the waste management industry	2	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1	1

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of municipalities supported to reduce the cost of doing by SMMEs	2	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	2
Number of municipalities supported to provide business infrastructure.	1	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1
Number of LED Forums supported.	1	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1

Explanation of planned performance over the medium term period

The Intergrated Economic Development Services contributes in the achievement of an Inclusive Green Economy, Mining industry, and a diversified and growing manufacturing sector through Enterprise Development and the Empowerment of Previously disadvantaged communities. This is to ensure economic inclusivity and to address the triple challenges of inequality, poverty and unemployment in the Province.

The sub-programme Economic Empowerment outputs are geared towards achieving the outcome which is "Inclusive, diversified and growing economy" by focusing on increasing the number of participation of black-owned companies, including women, youth and people with disabilities, in the key sectors of manufacturing, green-economy and Tourism. Given the limited resources available, the focus is given on ensuring that black entrepreneurs participate meaningfully in the mainstream of the economy by increasing the number of black manufacturing businesses benefiting from the Black industrialist Programme (BIP).

In order to intervene in creating sustainable small businesses, particularly in the focus areas of the Green Economy, Manufacturing and opportunities in Mining Value Chains, it is necessary to optimise the utilisation of resources, coordination and alignment of strategies, and through collaborative thinking and effort , to ensure a positive effect on the support ecosystem.

PROGRAMME 2 RESOURCE CONSIDERATIONS

Budget allocation for programme and sub-programmes as per the EPRE

Table 6.10: Summary of payments and estimates: Integrated Economic Development

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. CD:Office Support	1 518	1 622	1 825	1 792	1 792	2 101	1 949	2 056	2 155
2. Enterprise Development	399 406	487 841	487 184	550 679	372 484	372 861	612 992	624 225	658 752
3. Local Economic Development	5 314	5 928	6 824	8 135	8 135	8 135	7 630	7 852	8 486
4. Economic Empowerment	3 718	3 955	6 166	5 971	5 971	5 245	5 329	5 717	5 992
5. Regional Directors	32 846	29 379	30 653	31 820	33 334	34 187	35 904	36 760	37 802
Total payments and estimates: Programme 2	**442 802**	**528 725**	**532 652**	**598 397**	**421 716**	**422 529**	**663 804**	**676 610**	**713 187**

Table 6.11: Summary of provincial payments and estimates by economic classification: Integrated Economic Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	**53 852**	**51 745**	**69 636**	**61 912**	**63 426**	**64 188**	**64 818**	**67 871**	**70 565**
Compensation of employees	24 963	25 832	27 895	29 911	29 911	29 935	31 534	32 704	35 160
Goods and services	28 889	25 913	41 741	32 001	33 515	34 253	33 284	35 167	35 405
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	**323 950**	**169 980**	**191 524**	**197 923**	**232 923**	**232 923**	**241 803**	**231 911**	**247 706**
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	323 910	169 980	191 457	197 923	232 923	232 923	241 803	231 911	247 706
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	40	–	67	–	–	–	–	–	–
Payments for capital assets	**65 000**	**307 000**	**271 492**	**338 562**	**125 367**	**125 418**	**357 183**	**376 828**	**394 916**
Buildings and other fixed structures	65 000	307 000	271 488	338 562	125 367	125 367	357 183	376 828	394 916
Machinery and equipment	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	4	–	–	51	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification: Programme 2	**442 802**	**528 725**	**532 652**	**598 397**	**421 716**	**422 529**	**663 804**	**676 610**	**713 187**

Table 6.3.2: Integrated Economic Development

Subprogramme	2020/21							
		Special Adjustments Appropriation						
	Voted (Main appropriation)	Virements & Shifts (Covid 19 Purposes)		Virements & Shifts (Covid-19 Purposes)	Significant and unforeseeable economic and financial events		Total special adjustments appropriation	Adjusted Appropriation
R thousand		Virements FROM	Virements TO		Suspension of funds	Allocation of funds		
1. CD:Office Support	1 949	–	–	–	–	–	–	1 949
2. Enterprise Development	612 992	–	–	–	(171 781)	–	(171 781)	441 211
3. Local Economic Development	7 630	–	–	–	(740)	–	(740)	6 890
4. Economic Empowerment	5 329	–	–	–	(806)	–	(806)	4 523
5. Regional Directors	35 904	–	–	–	(4 129)	–	(4 129)	31 775
Total	**663 804**	**–**	**–**	**–**	**(177 456)**	**–**	**(177 456)**	**486 348**
Economic classification								
Current payments	**64 818**	**–**	**–**	**–**	**(7 976)**	**–**	**(7 976)**	**56 842**
Compensation of employees	31 534	–	–	–	(3 300)	–	(3 300)	28 234
Goods and services	33 284	–	–	–	(4 676)	–	(4 676)	28 608
Interest and rent on land	–	–	–	–	–	–	–	–
Transfers and subsidies	**241 803**	**–**	**–**	**–**	**(19 480)**	**–**	**(19 480)**	**222 323**
Provinces and municipalities	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–
Public corporations and private enterprises	241 803	–	–	–	(19 480)	–	(19 480)	222 323
Non-profit institutions	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–
Payments for capital assets	**357 183**	**–**	**–**	**–**	**(150 000)**	**–**	**(150 000)**	**207 183**
Buildings and other fixed structures	357 183	–	–	–	(150 000)	–	(150 000)	207 183
Machinery and equipment	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–
Payments for financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**663 804**	**–**	**–**	**–**	**(177 456)**	**–**	**(177 456)**	**486 348**

Given the limited resources at the disposal of the Programme and Department, the Programme will be limited to the areas of providing support to players in the Green Economy sector within waste management programmes within municipalities; providing entrepreneurship capacity for Township-based manufacturing SMMEs, and providing support to SMMEs to access procurement opportunities within mining value chains, including business development support. These interventions are focused on contributing to the future viability and sustainability of SMMEs in the Province.

PROGRAMME 3:
TRADE & SECTOR DEVELOPMENT

9.3 Programme 3: Trade and Sector Development

Purpose of the Programme:

The purpose of the Programme is to support the development of industries within the key economic sectors of the Province, and to create a conducive environment for trade and investment.

The Programme consist of the following sub-Programmes:

- Green Economy
- Manufacturing and Agro-processing sector
- Mining Sector

Table 42: Green Economy: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Renewable energy projects implemented within the industry	% of green economy cluster resolutions and action plans implemented	New Indicator	New Indicator	New Indicator	New Indicator	80%	90%	100%

Table 43: Green Economy: KPI – Annual and Quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
% of green economy cluster resolutions and action plans implemented	Green Economy Cluster resolutions and action plans implemented	Not applicable (Refer to AOP activities)	80 % of Green Economy Cluster resolutions and action plans implemented	Not applicable (Refer to AOP activities)	80 % of Green Economy Cluster resolutions and action plans implemented

Table 44: Manufacturing Industry: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Establishment of the Nkomazi SEZ	Facilitate and coordinate the Implementation of the Interim Phase of the Nkomazi SEZ	New Indicator	New Indicator	New Indicator	Interim Phase	~~Interim~~ ~~Phase~~	Development Phase	Development Phase
	Establishment of 2 Industrial Technology Parks	Facilitate and coordinate the establishment of 2 Industrial Technology Parks	New Indicator	New Indicator	New Indicator	Project Initiation Phase	Project Initiation Phase	Development Phase	Development Phase

Table 425: Manufacturing Industry: KPI – Annual and Quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Facilitate and coordinate the Implementation of the Interim Phase of the Nkomazi SEZ	Interim Phase of the Nkomazi SEZ implemented.	PMU established & operational	SEZ Entity/ SEZ Board established	SEZ Strategy development commenced	SEZ Operator appointed

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Facilitate and coordinate the establishment of 3 Industrial Technology Parks	Project Initiation Phase of 2 Industrial Technology Parks implemented	Land Availability Agreements developed and concluded	Statutory Compliance (Municipal Planning Approval obtained)	Investment Plan developed	Bulk Infrastructure Funding report on funding of bulk water. Electricity, roads and access.

Table 46: Mining Sector: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Increase in reusable mining water for agricultural purposes	Number of projects on mine water utilization for agricultural purposes	New Indicator	New Indicator	New Indicator	New Indicator	2	2	2
	Increase in mining land rehabilitated for other purposes	Number of projects on mining land rehabilitated for other land use purposes	New Indicator	New Indicator	New Indicator	New Indicator	2	2	2

Table 47: Mining Sector: KPI – Annual and Quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of projects on Mine Water utilization for agricultural purposes	2 Projects	Conclude MOU with MWCB on the utilization of mine water for agricultural purposes and initiate 2 projects	2 Pilot Projects on mine water utilization implemented	2 Pilot Projects on mine water utilization evaluated	2 Pilot projects on mine water replicated into 6 projects
Number of projects on mining land rehabilitated for other land use purposes	2 Projects	Conclude MOU with MWCB to utilise mining land for other land purposes and initiate 2 projects	2 Pilot Projects on mine land utilization implemented	2 Pilot Projects on mine land utilization evaluated	2 Pilot projects on mine land replicated into 6 projects.

Explanation of planned performance over the medium term period

To achieve the outcome of Inclusive, diversified and growing economy, the Department must focus on development and implementation of strategies and projects that will contribute to economic growth within all sectors in the Province. Therefore, the following strategies will contribute towards establishment and growing of the green economy in the Province:

- Implementation of the Mpumalanga Green Economic Strategy – Implementation plan;
- Promote initiatives that will contribute towards reclaiming and re-use of water within the mining sector;
- Implement projects and measures to minimise the effect of climate change;

- Provide support for DARDLEA to enforce legislation pertaining to air pollution control; and
- Coordinate the implementation of recycling plants (at regional landfill sites) in the Province.

The following strategies will contribute towards inclusive and diversified growth within the manufacturing sector of the Province:

- Establish a PMU that drives the implementation of the SMME development strategy;
- Monitor and ensure that the Agri-hubs and SEZ are implemented and becomes fully functional and operational;
- Resource the Knowledge Management Unit to provide provincial economic intelligence;
- Ensure that the key five (5) projects that have been identified as part of the Mpumalanga Industrial Development Plan are implemented;
- Ensure relevant skills development and training is provided in order to assist enterprises to increase export awareness and capitalisation of these markets; and
- Participate in identified sector forums to promote and facilitate the growth and development of agro-processing within the Province.

PROGRAMME 3 RESOURCE CONSIDERATIONS

Budget allocation for programme and sub-programmes as per the EPRE

Table 6.12: Summary of payments and estimates: Trade and Sector Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. CD:Office support	1 679	1 595	1 738	2 324	2 224	1 977	2 095	2 210	2 316
2. Trade and Investment Promotion	3 397	2 999	3 493	4 854	4 854	4 177	5 540	5 906	7 266
3. Sector Development	11 982	8 560	9 640	13 430	13 030	12 061	14 037	14 502	17 193
4. Strategic Initiatives	5 701	2 269	1 783	3 583	3 583	3 193	2 809	2 963	3 105
5. Sector Specialists	–	–	–	–	–	–	–	–	–
Total payments and estimates: Programme 3	**22 759**	**15 423**	**16 654**	**24 191**	**23 691**	**21 408**	**24 481**	**25 581**	**29 880**

Table 6.13: Summary of provincial payments and estimates by economic classification: Trade and Sector Development

R thousand	Outcome 2016/17	Outcome 2017/18	Outcome 2018/19	Main appropriation 2019/20	Adjusted appropriation 2019/20	Revised estimate 2019/20	Medium-term estimates 2020/21	Medium-term estimates 2021/22	Medium-term estimates 2022/23
Current payments	**18 145**	**13 144**	**14 879**	**21 640**	**21 790**	**19 456**	**24 481**	**25 581**	**29 880**
Compensation of employees	10 573	10 788	11 560	13 583	13 183	13 154	14 216	14 999	17 006
Goods and services	7 572	2 356	3 319	8 057	8 607	6 302	10 265	10 582	12 874
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	**4 614**	**2 279**	**1 775**	**2 551**	**1 901**	**1 901**	**–**	**–**	**–**
Provinces and municipalities	2 464	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	2 150	2 279	1 775	2 551	1 901	1 901	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Payments for capital assets	**–**	**–**	**–**	**–**	**–**	**51**	**–**	**–**	**–**
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	51	–	–	–
Payments for financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total economic classification: Programme 3	**22 759**	**15 423**	**16 654**	**24 191**	**23 691**	**21 408**	**24 481**	**25 581**	**29 880**

Table 6.3.3: Trade and Sector Development

Subprogramme	2020/21							
		Special Adjustments Appropriation						
		Virements & Shifts (Covid 19 Purposes)		Virements &	Significant and unforeseeable economic and financial events		Total special	
R thousand	Voted (Main appropriation)	Virements FROM	Virements TO	Shifts (Covid-19 Purposes)	Suspension of funds	Allocation of funds	adjustments appropriation	Adjusted Appropriation
1. CD:Office support	2 095	–	–	–	(200)	–	(200)	1 895
2. Trade and Investment Promotion	5 540	–	–	–	(600)	–	(600)	4 940
3. Sector Development	14 037	–	–	–	(1 000)	–	(1 000)	13 037
4. Strategic Initiatives	2 809	–	–	–	(602)	–	(602)	2 207
5. Sector Specialists	–	–	–	–	–	–	–	–
Total	**24 481**	–	–	–	**(2 402)**	–	**(2 402)**	**22 079**
Economic classification								
Current payments	**24 481**	–	–	–	**(2 402)**	–	**(2 402)**	**22 079**
Compensation of employees	14 216	–	–	–	(200)	–	(200)	14 016
Goods and services	10 265	–	–	–	(2 202)	–	(2 202)	8 063
Interest and rent on land	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	–	–	–	–	–	–
Buildings and other fixed structures	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–
Total	**24 481**	–	–	–	**(2 402)**	–	**(2 402)**	**22 079**

economic development
& tourism
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PROGRAMME 4: BUSINESS REGULATION & GOVERNANCE

9.4 Programme 4: Business Regulation and Governance

Purpose of the Programme:

The purpose of Programme is to ensure an equitable, socially responsible business environment that allows fair trade and the protection of consumer rights.

The Programme consist of the following sub-Programmes:

- Consumer Protection
- Business Regulation

9.5 Programme 4: Business Regulation and Governance

Purpose of the Programme:

The purpose of Programme is to ensure an equitable, socially responsible business environment that allows fair trade and the protection of consumer rights.

The Programme consist of the following sub-Programmes:

- Consumer Protection
- Business Regulation

Table 43: Consumer Protection: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Consumer cases reduced	% of customer complaints resolved within specified timeframes	97.7%	98 %	100%	80%	80%	100%	100%
		Number of Consumer Awareness and Education programs	515	756	600	504	234	720	720

Table 44: Consumer Protection: Outcomes, Outputs, Performance Indicators and Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
% of customer complaints resolved within specified timeframes	80%	80%	80%	80%	80%
Number of Consumer Awareness and Education programs	234	50	50	60	74

Table 45: Business regulation: KPI – Annual and Quarterly targets KPI

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Regulated business environment	Number of reviewed Business Licensing, Gambling and Liquor policies	New Indicator	2	3	3	4	3	3

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		and guidelines							

Table 46: Programme 4: KPI – Annual and Quarterly targets (Sub-programme Business Regulation)

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of reviewed Business Licensing, Gambling and Liquor policies and guidelines	1	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1

Explanation of planned performance over the medium term period

The budget will be utilised to meet the medium and annual term targets. The production of reports on status of municipalities will be updated quarterly to ensure that there is compliance by all municipalities. The reviews of legislation and policy will be driven from a national and provincial perspective; these will include the most relevant and necessary policy changes.

PROGRAMME 4 RESOURCE CONSIDERATIONS

Budget allocation for programme and sub-programmes as per the EPRE

Table 6.14: Summary of payments and estimates: Business Regulation and Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. CD: Office Support	1 613	1 528	1 704	1 776	1 776	1 678	1 926	2 032	2 130
2. Consumer Protection	12 122	11 287	11 875	14 162	13 862	13 472	14 244	14 966	16 533
3. Regulation Services	79 216	90 226	100 826	98 784	98 784	98 910	103 922	109 046	113 390
Total payments and estimates: Programme 4	**92 951**	**103 041**	**114 405**	**114 722**	**114 422**	**114 060**	**120 092**	**126 044**	**132 053**

Table 6.15: Summary of provincial payments and estimates by economic classification: Business Regulation and Governance

R thousand	Outcome 2016/17	Outcome 2017/18	Outcome 2018/19	Main appropriation 2019/20	Adjusted appropriation 2019/20	Revised estimate 2019/20	Medium-term estimates 2020/21	Medium-term estimates 2021/22	Medium-term estimates 2022/23
Current payments	**17 318**	**16 855**	**18 095**	**20 867**	**20 567**	**20 205**	**21 323**	**22 409**	**24 333**
Compensation of employees	15 395	14 858	16 439	18 281	17 981	17 619	18 596	19 533	21 519
Goods and services	1 923	1 997	1 656	2 586	2 586	2 586	2 727	2 876	2 814
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	**75 383**	**86 186**	**96 310**	**93 855**	**93 855**	**93 855**	**98 769**	**103 635**	**107 720**
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	75 383	86 186	96 310	93 855	93 855	93 855	98 769	103 635	107 720
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Payments for capital assets	**250**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	250	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total economic classification: Programme 4	**92 951**	**103 041**	**114 405**	**114 722**	**114 422**	**114 060**	**120 092**	**126 044**	**132 053**

Table 6.3.4: Business Regulation and Governance

Subprogramme	2020/21							
		Special Adjustments Appropriation						
		Virements & Shifts (Covid 19 Purposes)		Virements & Shifts (Covid-19 Purposes)	Significant and unforeseeable economic and financial events		Total special adjustments appropriation	Adjusted Appropriation
R thousand	Voted (Main appropriation)	Virements FROM	Virements TO		Suspension of funds	Allocation of funds		
1. CD: Office Support	1 926	–	–	–	(800)	–	(800)	1 126
2. Consumer Protection	14 244	–	–	–	(1 365)	–	(1 365)	12 879
3. Regulation Services	103 922	–	–	–	(9 000)	–	(9 000)	94 922
Total	120 092	–	–	–	(11 165)	–	(11 165)	108 927
Economic classification								
Current payments	21 323	–	–	–	(2 365)	–	(2 365)	18 958
Compensation of employees	18 596	–	–	–	(1 765)	–	(1 765)	16 831
Goods and services	2 727	–	–	–	(600)	–	(600)	2 127
Interest and rent on land	–	–	–	–	–	–	–	–
Transfers and subsidies	98 769	–	–	–	(8 800)	–	(8 800)	89 969
Provinces and municipalities	–	–	–	–	–	–	–	–
Departmental agencies and accounts	98 769	–	–	–	(8 800)	–	(8 800)	89 969
Higher education institutions	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	–	–	–	–	–	–
Buildings and other fixed structures	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–
Total	120 092	–	–	–	(11 165)	–	(11 165)	108 927

PROGRAMME 5: ECONOMIC PLANNING

9.6 Programme 5: Economic Planning

Purpose of the Programme:

The Programme is responsible for provision of economic policy direction and strategies, in addition to conducting research on the provincial economy, to inform strategy development.

The Programme consist of the following sub-Programmes:

- Policy & Planning
- Research and Development
- Knowledge Management
- Monitoring and Evaluation
- Economic Analysis

Table 52: Knowledge Management: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and	Updated geo-database of MEGDP	Updated geo-database of MEGDP	Shared statistical database and GIS	Information on projects and their spatial	Statistical database and GIS information	Updated statistical database and GIS	Updated geo-database of MEGDP	Updated geo-database of MEGDP priority	Updated geo-database of MEGDP

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
growing economy	priority projects	priority projects in Mpumalanga	information on MEGDP priority initiatives produced	locations available as input to an updated statistical database and GIS information for MEGDP priority initiatives	for MEGDP priority initiatives produced and updated	information for MEGDP priority initiatives produced	priority projects in Mpumalanga	projects in Mpumalanga	priority projects in Mpumalanga

Table 53: Knowledge Management: KPI – Annual and Quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Updated geo-database of MEGDP priority projects in Mpumalanga	Updated geo-database of MEGDP priority projects in Mpumalanga	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Updated geo-database of MEGDP priority projects in Mpumalanga on MEGDP priority projects in Mpumalanga

Table54: Economic Analysis: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, diversified and growing economy	Socio-economic research reports to inform the departmental,	Number of Provincial Economic Review and Outlook (PERO)	1	1	1	1	1	1	1

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	provincial and	reports compiled							
	municipal planning, policy, strategy and budget processes	Number of updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2	2	2	2	2	2	2

Table 55: Economic Analysis: KPI – Annual and Quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Provincial Economic Review and Outlook (PERO) reports compiled	1 PERO report compiled	Not applicable	Not applicable	Not applicable	1

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	2 updated SERO reports completed and communicated	Not applicable	1	Not applicable	1

Explanation of planned performance over the medium term period

The Medium Term Strategic Framework focuses on strategic areas with huge potential of contributing towards achieving the Outcome of Inclusive, diversified and growing economy that will lead to the creation of more jobs for the people of Mpumalanga, particularly the youth and women.

To achieve the outcome of Inclusive, diversified and growing economy, the Department must focus on the development and implementation of strategies that are informed by the latest and relevant economic analysis and research. Therefore, the following outputs will contribute towards achievement of the outcomes aligned to the mandate of the Department:

- Ensure a coordinated approach towards implementing the MIDP as the fourth pillar of the MEGDP.
- Establish a credible output based system that will give a detailed account of businessand employment in the province
- Build economic and business intelligence system and capacity in the provincial government to track high impact economic interventions
- Build a foundation for scientific based strategy development
- Establish a monitoring and evaluation framework and capacity for high impact economic development projects

- Provide sound analysis on the economy to guide strategy and response by the Province.
- Ensure specialist skills development and training is provided; including strategy, research, GIS, M&E and economic analysis, to relevant officials in the department
- Participate in identified sector fora and round tables to promote and facilitate dialog on growth and development within the province

PROGRAMME 5 RESOURCE CONSIDERATIONS

Budget allocation for programme and sub-programmes as per the EPRE

Table 6.16: Summary of payments and estimates: Economic Planning

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. Cd: Office Support	1 445	1 562	1 812	1 898	1 898	2 268	1 858	1 960	2 055
2. Economic Policy and Planning	2 620	2 901	3 401	3 200	3 200	3 113	3 894	4 170	4 513
3. Research and Development	683	1 041	1 220	1 146	1 146	1 146	1 294	1 365	1 430
4. Knowledge Management	2 980	3 421	4 706	3 466	3 566	4 018	4 100	4 324	4 531
5. Monitoring and Evaluation	1 546	2 229	2 803	2 817	2 817	3 301	2 974	3 077	3 224
6. Economic Analysis	4 430	4 281	4 668	5 216	5 216	4 955	5 420	5 593	5 862
Total payments and estimates: Programme 5	**13 704**	**15 435**	**18 610**	**17 743**	**17 843**	**18 801**	**19 540**	**20 489**	**21 615**

Table 6.17: Summary of provincial payments and estimates by economic classification: Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	13 704	15 435	18 610	17 743	17 843	18 801	19 540	20 489	21 615
Compensation of employees	11 445	13 041	14 486	15 192	15 192	16 150	16 350	17 125	18 090
Goods and services	2 259	2 394	4 124	2 551	2 651	2 651	3 190	3 364	3 525
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	–	–	–	–	–	–	–
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification: Programme 5	13 704	15 435	18 610	17 743	17 843	18 801	19 540	20 489	21 615

Table 6.3.5: Economic Planning

Subprogramme	2020/21							
		Special Adjustments Appropriation						
		Virements & Shifts (Covid 19 Purposes)		Virements &	Significant and unforeseeable economic and financial events		Total special	
R thousand	Voted (Main appropriation)	Virements FROM	Virements TO	Shifts (Covid-19 Purposes)	Suspension of funds	Allocation of funds	adjustments appropriation	Adjusted Appropriation
1. Cd: Office Support	1 858	–	–	–	–	–	–	1 858
2. Economic Policy and Planning	3 894	–	–	–	(1 612)	–	(1 612)	2 282
3. Research and Development	1 294	–	–	–	(250)	–	(250)	1 044
4. Knowledge Management	4 100	–	–	–	(45)	–	(45)	4 055
5. Monitoring and Evaluation	2 974	–	–	–	–	–	–	2 974
6. Economic Analysis	5 420	–	–	–	–	–	–	5 420
Total	**19 540**	**–**	**–**	**–**	**(1 907)**	**–**	**(1 907)**	**17 633**
Economic classification								
Current payments	**19 540**	**–**	**–**	**–**	**(1 907)**	**–**	**(1 907)**	**17 633**
Compensation of employees	16 350	–	–	–	(1 612)	–	(1 612)	14 738
Goods and services	3 190	–	–	–	(295)	–	(295)	2 895
Interest and rent on land	–	–	–	–	–	–	–	–
Transfers and subsidies	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Provinces and municipalities	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–
Payments for capital assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Buildings and other fixed structures	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–
Payments for financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**19 540**	**–**	**–**	**–**	**(1 907)**	**–**	**(1 907)**	**17 633**

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PROGRAMME 6: TOURISM

9.7 Programme 6: Tourism

Purpose of the Programme:

The Purpose of the Programme is to ensure tourism sector policy development, regulation and compliance and promotion of sector transformation in the Province.

The Programme consist of the following sub-Programmes:

- Tourism Planning

Table 56: Tourism Planning: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Inclusive, competitive and sustainable tourism industry	Expand new entrants in the tourism industry with majority of black ownership	Number of Tourism Structures Coordinated and Supported	New Indicator	New Indicator	New Indicator	New Indicator	15	17	19

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Destination enhancement and route development to diversify product offering and enhance visitor experience	Number of new strategic tourism projects facilitated to enhance visitor experience	New Indicator	New Indicator	New Indicator	New Indicator	1	2	3
		Number of Monitoring and Evaluation Reports on Strategic Tourism Projects and Initiatives produced	New Indicator	New Indicator	New Indicator	4	4	4	4

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		Number of Tourism Policies and plans developed to grow the tourism sector in the Province	New Indicator	New Indicator	New Indicator	New Indicator	1 x plan developed (Covid 19 Mpumalanga Tourism Recovery Plan)	2	2

Table 57: Tourism Planning: KPI – Annual and Quarterly targets KPI

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Tourism Structures Coordinated and Supported	15	2	5	5	3
Number of new strategic tourism projects facilitated to enhance visitor experience	1	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	Not applicable (Refer to AOP activities)	1 .

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Monitoring and Evaluation Reports on Strategic Tourism Projects and Initiatives produced	4	1	1	1	1.
Number of Tourism Policies and plans developed to grow the tourism sector in the Province	1	Tourism Stakeholder Engagements	Covid 19 Tourism Sector Impact Assessment conducted	Draft Covid 19 Tourism Recovery Plan developed	Final Recovery Plan produced

Explanation of planned performance over the medium term period

The 5 outputs identified above, in the Annual Performance Plan, will directly contribute to the achievement of the overall Outcome of the Programme, which is an *Inclusive, competitive and sustainable tourism industry*. The other outputs relating, particularly to marketing, as identified in the strategic document, but not forming part of this APP will be delivered by the Mpumalanga Tourism Agency (MTPA), which is the implementing agent of the Department, in terms of the tourism mandate.

To create an inclusive, competitive and sustainable tourism industry within the Province, the Department must focus on the following strategies during the next five years:

- Capacitate and development of tourism safety monitors;
- Develop and implement the MIS that will provide economic activity information at Provincial level (link with National project with municipal info desk);
- Establish (and benchmark) a township and rural tourism development model;

- Implement the Tourism Collaboration Framework;
- Build capacity of land claim beneficiaries who will acquire tourism assets; and
- Perform feasibility studies on the establishment of a number of man-made tourism attractions.

PROGRAMME 6 RESOURCE CONSIDERATIONS

Budget allocation for programme and sub-programmes as per the EPRE

Table 6.18: Summary of payments and estimates: Tourism

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. Tourism	350 231	358 308	383 648	395 087	395 427	395 427	413 151	433 312	454 529
Total payments and estimates: Programme 6	**350 231**	**358 308**	**383 648**	**395 087**	**395 427**	**395 427**	**413 151**	**433 312**	**454 529**

Table 6.19: Summary of provincial payments and estimates by economic classification: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	3 423	4 163	4 715	5 213	5 553	5 553	5 593	5 908	6 222
Compensation of employees	2 898	3 181	3 542	3 709	3 709	3 709	4 006	4 234	4 467
Goods and services	525	982	1 173	1 504	1 844	1 844	1 587	1 674	1 755
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	346 808	354 145	378 933	389 874	389 874	389 874	407 558	427 404	448 307
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	346 808	354 145	378 933	389 874	389 874	389 874	407 558	427 404	448 307
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	–	–	–	–	–	–	–
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification: Programme 6	350 231	358 308	383 648	395 087	395 427	395 427	413 151	433 312	454 529

Table 6.3.6: Tourism

Subprogramme	2020/21							
		Special Adjustments Appropriation						
		Virements & Shifts (Covid 19 Purposes)		Virements &	Significant and unforeseeable economic and financial events		Total special	
R thousand	Voted (Main appropriation)	Virements FROM	Virements TO	Shifts (Covid-19 Purposes)	Suspension of funds	Allocation of funds	adjustments appropriation	Adjusted Appropriation
1. Tourism	413 151	–	–	–	(40 023)	–	(40 023)	373 128
Total	413 151	–	–	–	(40 023)	–	(40 023)	373 128
Economic classification								
Current payments	5 593	–	–	–	(473)	–	(473)	5 120
Compensation of employees	4 006	–	–	–	–	–	–	4 006
Goods and services	1 587	–	–	–	(473)	–	(473)	1 114
Interest and rent on land	–	–	–	–	–	–	–	–
Transfers and subsidies	407 558	–	–	–	(39 550)	–	(39 550)	368 008
Provinces and municipalities	–	–	–	–	–	–	–	–
Departmental agencies and accounts	407 558	–	–	–	(39 550)	–	(39 550)	368 008
Higher education institutions	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	–	–	–	–	–	–
Buildings and other fixed structures	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–
Total	413 151	–	–	–	(40 023)	–	(40 023)	373 128

10. Updated Key Risks

Table 47: Updated Risks and mitigation activities

Outcome	Key Risks	Risk Mitigation
Inclusive, diversified and growing economy	• Inadequate funding • Jobless economic growth (Not labour intensive) • Labour and social unrest • Inadequate skilled workforce	• Partnerships and alternative funding prioritisation of funding. Implementation of incentives • Targeting labour intensive projects • Creation of more employment opportunities benefitting communities Provision of relevant training and skills development for green economy needs
	• Lack of buy-in into the green economy opportunities • Load shedding • Corruption	• Create awareness and obtain support from all stakeholders into the green economy strategy and interventions • Promoting a more diversified energy mix in the energy provisioning in SA • Strengthen sound governance practices and principles within government
	• Labour and social unrest • Inadequate skilled workforce	• Creation of more employment opportunities benefitting communities • Skills development and relevant training • Leverage and accessing national available funding for infrastructure development. Attract private sector investment into infrastructure for economic growth

Outcome	Key Risks	Risk Mitigation
	• Lack of capital funding for economic infrastructure • Cheap labour due to influx of immigrants from neighbouring countries • Decline in coal powered power stations • Negative rating by rating agencies	• Engage with relevant authorities to enforce labour laws relating to fair employment practices • Source alternatives markets for coal products produced • As the ratings will impact employment, new employment opportunities need to be investigated and explored •
Inclusive, competitive and sustainable tourism industry	• Poor service delivery and infrastructure prevents tourism growth within the rural and township areas • Tourist safety and corruption. Knowledge of tourism safety monitors on the local or provincial tourism • Inadequate funding of tourism promotion in the province • Uncoordinated interventions by different government agencies/departments and private sector • Maintenance of tourism attractions (infrastructure) • Unsettled land claims prevent tourism growth	• Coordinate with other spheres of government to improve service delivery and infrastructure provisioning • Implementation of the Tourism safety strategy and development of tourism safety monitors • Lobby at provincial and national level with various stakeholders to obtain funding for tourism promotion • Intensified coordination of tourism promotion in the province(establishment of tourism stakeholder forum) • Lobby with relevant authorities to prioritise and allocate funding for the adequate maintenance of tourism and heritage infrastructure • Engage with relevant authorities to settle land claims to

Outcome	Key Risks	Risk Mitigation
		facilitate tourism development
An ethical, well-coordinated, enabling and capable center of business excellence	• Poor institutional culture. • Poor internal control environment. • Reputational damage. • Non-compliance to applicable legislation and regulations • Inadequate financial management and controls. • Increased litigations. • Inadequate human resources capacity. • Poor leadership • Inadequate service delivery model.	• Develop culture improvement plans and institutionalize team building and productivity programmes. • Manage social media platforms. • Manage Presidential Hotline issues. • Respond to media enquiries promptly. • Monitor compliance to applicable laws and regulations. • Implement financial controls and monitor improvements. • Manage litigation costs by performing cost analysis prior to pursuing legal cases. Enhance reporting to Governance Structures. • Workplace Skills Plan will be based on training needs identified by programme managers. Update staff retention policy. Quarterly analysis of vacated positions to be provided to management. Upskill current workforce. Skills profile should be performed. Obtain approval of organogram. • Appoint skilled personnel in vacant positions. • Ensure that the Batho Pele Committee is effective. Perform analysis on feedback from service recipients.

11. Public Entities

The following table provides a narrative overview of the Public Entities of the Department, reflecting their manate, strategic outcomes and budget allocations:

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand
Mpumalanga Economic Growth Agency	• To promote trade and investment in Mpumalanga • To provide funding in respect of approved enterprise development focusing primarily on the disadvantaged individuals in Mpumalanga • To develop property including the granting of housing loans in Mpumalanga to deliver massive infrastructure in Mpumalanga	• Increased implementation of suitable high impact investment opportunities in the province by injecting own funds • Increased implementation of suitable high impact investment opportunities in the province by working closely with partner investors Increased access to export trade opportunities for MP companies	
		• Enhanced Organisational Sustainability	241 803

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand
Mpumalanga Tourism and Parks Agency	• To provide for the sustainable development and improvement of the tourism industry in Mpumalanga	• Increased jobs • Increased tourism growth • Transformation of the tourism industry • Growth and effective management of sustainable protected area network • Effective and sustainably managed ecosystems, species and heritage resource across the Province • Improved wildlife crime enforcement and compliance • Effectively managed Barberton Mkhonjwa World Heritage Site • Improved contribution to societal transformation through sustainably utilized natural resources • Increased own revenue generation for financial sustainability • Inclusive economic growth • Safe and Conducive living, working and tourism environment	407 558

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand
		• Improved Revenue generation through management and systems • Transformation of Industry •	
Mpumalanga Economic Regulator	• Continue to regulate the Gambling Industry as per its founding Act • Promote responsible gambling in the Province • Attempt to license the 4th Casino within the next 5 years • Provide for the regulation of the micro-manufacturing and retail sale of liquor • Regulate own revenue generation • Reduce the socio-economic and other related cost of alcohol abuse • Provide for public participation in the consideration of applicant for registration • Promote the development of a responsible and sustainable retails and micro-manufacturing liquor industry in a manner	• Accountable administration and management • Suitable applicants and licensees • Compliant gambling operations and equipment • Complete and accurately paid gambling levies • Effective and efficient gambling and liquor legislation as well as good corporate governance • Efficient and effective human resources and financial management • Improved Communications, IT and records management • Transformation and sustainability of the gambling and liquor industries • ?	98 769

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand
	that facilitates the entry of new participants into the industry; diversity ownership in the industry and an ethos of social responsibility in the industry		

Table 6.6: Summary of departmental transfers to public entities

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
Mpumalanga Economic Growth Age	384 910	169 980	191 457	197 923	232 923	232 923	241 803	231 911	247 706
Mpumalanga Economic Regulator	62 482	64 507	96 310	93 855	93 855	93 855	98 769	103 635	107 720
Mpumalanga Tourism and Parks Bo	345 808	354 145	378 933	389 874	389 874	389 874	407 558	427 404	448 307
0	13 001	21 679	–	–	–	–	–	–	–
Total	806 201	610 311	666 700	681 652	716 652	716 652	748 130	762 950	803 733

12. Infrastructure Projects

No.	Project name	Programme	Project description	Outputs	Project start date	Project completion date	Total Estimated cost	Current year Expenditure
NONE								

13. Public Private Partnerships

PPP	Purpose	Outputs	Current Value of Agreement	End Date of Agreement
NONE				

Part D: Technical Indicator Descriptions (TID)

Annexure A: Conditional Grants

Table 48: Conditional Grants

Name of Grant	Purpose	Outputs	Current Annual Budget (R thousand)	Period of Grant
Expanded Public Works Programme	To create jobs within the Environment and Cultural Centre	Job Creation and Poverty Reduction	4,058	12 months

Table 6.1: Summary of receipts: Economic Development and Tourism

R thousand	Outcome 2016/17	2017/18	2018/19	Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates 2020/21	2021/22	2022/23
Equitable share	998 231	1 121 987	1 135 629	1 257 471	1 078 214	1 078 214	1 314 010	1 401 108	1 479 061
Conditional grants	3 911	3 505	3 259	3 467	3 467	3 467	4 058	–	–
Expanded Public Works Programme Integrated Grant for Provinces	*3 911*	*3 505*	*3 259*	*3 467*	*3 467*	*3 467*	*4 058*	–	–
Own Revenue	–	–	20 000	–	–	–	35 000	–	–
Other	–	–	–	–	–	–	–	–	–
Total receipts	**1 002 142**	**1 125 492**	**1 158 888**	**1 260 938**	**1 081 681**	**1 081 681**	**1 353 068**	**1 401 108**	**1 479 061**
Total payments	**998 569**	**1 109 847**	**1 158 888**	**1 260 938**	**1 081 681**	**1 080 171**	**1 353 068**	**1 401 108**	**1 479 061**
Surplus/(deficit) before financing	3 573	15 645	–	–	–	1 510	–	–	–
Financing									
of which									
Provincial CG roll-overs	–	–	–		–				
Surplus/(deficit) after financing	**3 573**	**15 645**	**–**	**–**	**–**	**1 510**	**–**	**–**	**–**

Table 6.2: Summary of Receipts

Programme	2020/21							
		Special Adjustments Appropriation						
		Virements & Shifts (Covid 19 Purposes)		Virements &	Significant and unforeseeable economic and financial events		Total special	
R thousand	Voted (Main appropriation)	Virements FROM	Virements TO	Shifts (Covid-19 Purposes)	Suspension of funds	Allocation of funds	adjustments appropriation	Adjusted Appropriation
Equitable Share	1 314 010	–	–	–	(244 314)	–	(244 314)	1 069 696
Conditional grants	4 058	–	–	–	–	–	–	4 058
Expanded Public Works Programme Incentive Grant for	*4 058*	–	–	–	–	–	–	*4 058*
Own Revenue	35 000	–	–	–	–	–	–	35 000
Other	–	–	–	–	–	–	–	–
Total Revenue	1 353 068	–	–	–	(244 314)	–	(244 314)	1 108 754

Annexure B: Consolidated Indicators

Institution	Output Indicator	Annual Target	Data Source
NONE			

Annexure C: District Development Model

Table 49: District Development Model projects

Areas of intervention (examples)	Medium Term 3 years – MTEF)					
	Project Description	**Budget allocation**	**District Municipality**	**Location: GPS coordinates**	**Project leader**	**Social partners**
Economic Infrastructure	Nkomazi SEZ	R35 million for Interim Phase	Nkomazi Local Municipality	Komatipoort	DEDT	Planning Phase
Economic Infrastructure	Forestry Industrial Technology Park	R 1 300 000-00	Thaba Chweu Local Municipality	Sabie	DEDT	Planning Phase
Economic Infrastructure	Petrochemical Industrial Technology Park	R 560 000-00	Govan Mbeki Local Municiaplity	Secunda	DEDT	Planning Ohase

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The 2020/2021 Annual Performance Plan of the Mpumalanga Department of Economic Development and Tourism is compiled with the latest available information from Departmental and other sources.
Some of this information is unaudited or subject to revision.

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Website: http://www.dedtmpumalanga.gov.za/
1. PR220/2020

ISBN: 978-0-621-48599-8

Title of Publications: Mpumalanga Department of Economic Development & Tourism

MPUMALANGA
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