



**economic development
& tourism**

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



Strategic Plan 2020-2025

Department of Economic Development and Tourism

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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
MEGDP	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 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 the 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

Member of the Executive Council's Foreword

The triple challenges of high levels of unemployment, poverty and inequality continue to confront the people of this Province, particularly the previously disadvantaged, of which, the majority are youth and women. When the Sixth Administration assumed the reins in June 2019, it committed itself to confront these triple challenges head-on, and continue to build on the foundation laid by the previous leadership.

Guided by the 2019 Election Manifesto of the governing ANC, the Sixth Administration has prioritised seven key areas of focus that would be pursued during the term of office. As far as the mandate of the Department is concerned, its focus will be on Priority 2: Economic Transformation and Job Creation. To this end, the work of the Department will be guided by the National Development Plan (NDP), Mpumalanga Vision 2030 (MP V2030) and the Mpumalanga Economic Growth and Development Path (MEGDP).

Therefore, the 2019–2024 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, particularly for the youth and women. Among others, this will include the enhancement of investment in trade and export promotion activities; increasing of socio-economic infrastructure development; deepening of integrated spatial development, and expanding the requisite skills of the provincial economy.

Core to the 2019-2024 MTSF, is the focus on beneficiation, agro-processing and value chain development, including the roll-out of the Broad-based Black Economic Empowerment (BBBEE) imperatives in all the economic activities.

We, therefore, implore all stakeholders, both in the public and the private sector, to work with the Department, in its endeavours to place the economy in a sustainable growth trajectory, that creates job opportunities and reduces the scourge of poverty and the ills of inequality so pervasive at all levels of our society.

Evidently, for the Department to succeed in providing the thought leadership role, as it strives to accelerate the economic transformation and job creation, it will require formidable institutions and public entities that are fit for purpose. Therefore, coupled in our pursuit of creating an environment conducive to growth and development, we also intend to build a capable Department and strong State-Owned Institutions, that are developmental-oriented and people-centred.



Of critical importance, is that all these efforts will be underpinned by the principle of good and clean governance. Without doubt, our Department remains unwavering in its resolve towards strengthening mechanisms and interventions aimed at realising this noble course.

Let us, therefore, together join our efforts towards breathing life in this important Priority 2: Economic Transformation and Job Creation. Working together, as a collective, we will definitely go a long way in creating a prosperous and 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, as 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 Five-Year Strategic 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 Strategic 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 of the Province.

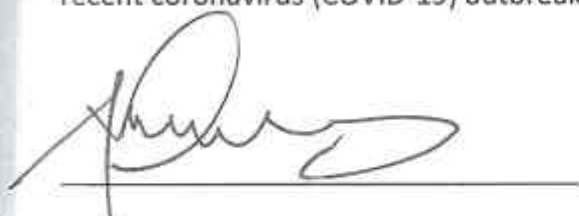
There is consensus, as was articulated at the first strategic planning session, that there are areas of the Department's mandate and performance that would require urgent attention, if the Department is to live up to the expectations of delivering on Priority 2: Economic Transformation and Job Creation. To this end, 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 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 (such as leveraging on Spatial Development Initiatives like the Maputo Development Corridor);

- Position infrastructure delivery programmes in a manner that support SMME and co-operatives through the creation of decent job opportunities that allows 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

Official Sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Department of Economic Development and Tourism under the guidance of Mr P Ngomane, MPL;
- Takes into account all the relevant policies, legislation and other mandates for which the Department is responsible;
- Accurately reflects the Impact and Outcomes which the Department will endeavour to achieve over the 2020-2025 period .

<p>Ms W. Rambau Programme Manager: Administration</p> <p>Signature: </p>	<p>Mr L Mdluli Programme Manager: Integrated Economic Development</p> <p>Signature: </p>
<p>Mr J Mnisi Programme Manager: Trade and Sector Development</p> <p>Signature: </p>	<p>Mr ADJ Sebastian Programme Manager: Business Regulation and Governance (Acting)</p> <p>Signature: </p>
<p>Mr N Sebitso Programme Manager: Policy and Planning</p> <p>Signature: </p>	<p>Mr JD Mdluli Programme Manager: Tourism</p> <p>Signature: </p>
<p>Mr J Ndima Manager Responsible for Planning</p> <p>Signature: </p>	<p>Ms H Thrush Chief Financial Officer</p> <p>Signature: </p>
<p>Mr SM Mtsweni Head: Economic Development and Tourism</p> <p>Signature: </p>	

Approved by:

Mr P NGOMANE, MPL



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.	<p>Schedule 4 and 5 of the Constitution make provisions for the following:</p> <ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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;

Departmental Mandate	Purpose
	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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; and To ensure that the MER effectively and efficiently executes its mandate (given that the Department is the shareholder representative). To oversee the preparation of Quarterly Reports, Annual Reports and Strategic Objectives.
National Tourism Act, 2014 (Act 3 of 2014)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> To provide for control over gaming and matters connected therewith; To ensure the Mpumalanga Gambling Board (now MER) executes effectively and efficiently its mandate which includes regulating

Legislative Mandate	Purpose
	<p>gambling and sensitising the public against the dangers of excessive gambling; and</p> <ul style="list-style-type: none"> Overseeing Quarterly Reports, Annual Reports and Strategic Objectives.
Mpumalanga Liquor Licensing Act, 2007 (Act 5 of 2007)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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; 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)	<ul style="list-style-type: none"> To promote a fair accessible and sustainable marketplace for consumer products; 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)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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.

Legislative Mandate	Purpose
Broad-based Black Empowerment Act, 2003 (Act 53 of 2003)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> To promote a fair and non-discriminatory marketplace for access to consumer credit.
Public Financial Management Act, 1999 (Act 1 of 1999)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> To regulate the public service in the country.
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)	<ul style="list-style-type: none"> To create a framework for employer-employee relations.
Labour Relations Act, 1995 (Act 66 of 1995)	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Provincial Tourism Growth Strategy • Mpumalanga Integrated Air Transportation Strategy
An ethical, well-coordinated, enabling and capable centre of business excellence	<ul style="list-style-type: none"> • 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 of 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 are the 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 MTFS 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 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 MTFS 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, soybeans, 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 avocado, bananas and mango. Other main products are beef, mutton, wool, poultry and dairy.

Studies have shown that the Agricultural 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, in 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 in order to create more job opportunities for the people of the Province of Mpumalanga:

- 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 Industrial Centre of Competence	Mining and Metals Technology Park
Middelburg	Metals Manufacturing 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 to 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 areas 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

Implementation pillars	Proposed outcome for 2030
Biomass sector	• To extract more value from biomass assets by increasing implemented bio-energy projects
Sustainable agriculture	A resource conscious, sustainable dual agricultural economy
Towns and urban centres	• Eco-conscious towns with improved resource utilisation
Sustainable Tourism	• Leverage Mpumalanga's natural environment to deliver economic vitality that has low impact on the environment and enables healthy communities

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.

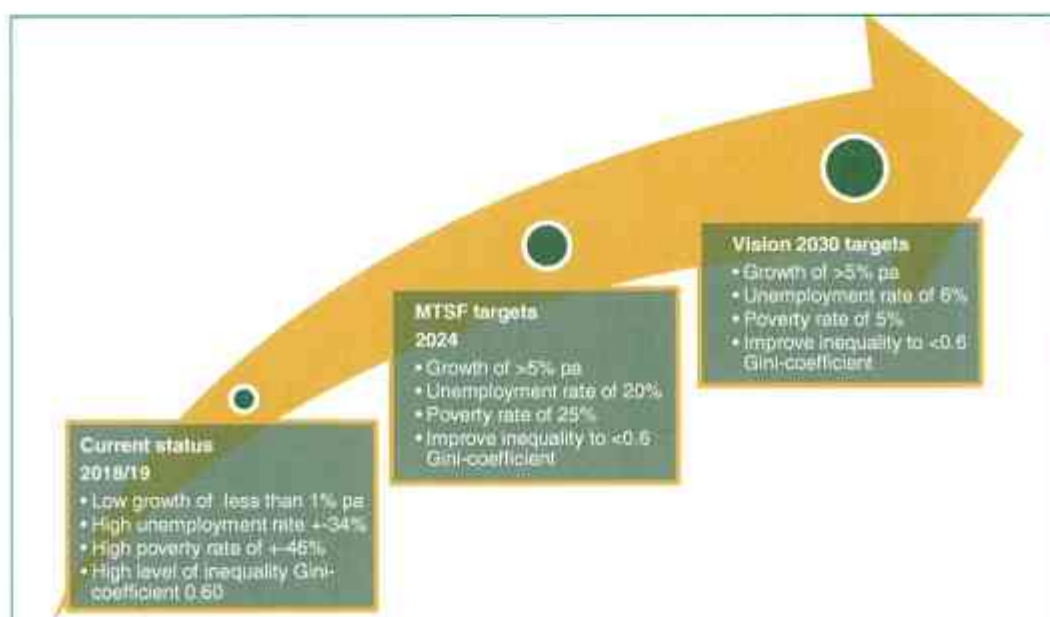
The table below captures the targets and indicators aimed at measuring performance towards the realisation of the objectives outlined in the latter statement:

Table 6: 2014 -2019 Key Indicators and Targets

IMPACT INDICATORS	BASELINE	MPUMALANGA TARGET	V2030	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 for supplying and manufacturing of 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 in the Province, through the EPWP in collaboration with the private sector. As a result, it is anticipated that 220 575 job opportunities will be created from the following programmes;

- The absorption of learners through internships and learnerships;
- 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;
- Agricultural sector is targeting to create 5 071 job opportunities through the EPWP, Green Jobs, Phezukomkhonomlimi (PKM), Zond' Indiala 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;
- Accelerate 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 Executive Council Resolution on (fourth) 4 th Casino license.	
Judgement:	High Court reviewed and set aside the Executive Council's Resolution on award of 4th casino license.	
Remedial (policy/strategy) to reduce or avoid recurrence):	Action to avoid	<ul style="list-style-type: none"> 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 social and economic policies in the Province. Placing 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 2019². 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 (pa).
- Accounts for 7.8% of the South African population.
- Net migration of ± 70 000 between 2011 and 2016 and ± 78 000 (estimated) between 2016 and 2021.

A population of more than 5.1 million and as high as 5.5 million is predicted for 2030. More than 800 000 people will be situated in the City of Mbombela. There is a high population growth of 2.5% per annum and more in 4 municipal areas; namely, Steve Tshwete, eMalahleni, Victor Khanye and Govan Mbeki – projected to grow from ± 1.16 million in 2016

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.

to as high as 1.87 million by 2030 with 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 year) make up 66.0% of the total population in the Province, and the age group 60 years and older, 7.8%. The age cohort of 0-4 years represents the most populous age cohort with 10.2% of the Provincial population.

The fertility rate is defined as the number of children the average women would have in her lifetime. It is anticipated that Mpumalanga's fertility rate will decline to 2.54 in the period 2016 to 2021. It is expected that Mpumalanga will have the sixth highest fertility rate of the nine provinces. The NDP targets the average of 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.

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. Using the described classification system, Mpumalanga's percentage of persons aged 5 years and older with disability was 7.0% in 2011 and 7.5% in 2016. Mpumalanga recorded the sixth largest/fourth lowest share of people with disability compared with the other eight provinces.

8.1.1 Economic Analysis

8.1.1.1 Global and regional economy

Global growth slowed down in 2018 and declined to less than 3.0% in 2019. The economic outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economies' growth rates converge toward their modest long-term potential.

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 could intensify a global downturn. The global economy is vulnerable at the moment and containment measures and lower confidence, would affect the world economy.

China recorded its lowest economic growth rate (of 6.1%) in many years during 2019. China's growth could slide to less than 5% in 2020 due to the Coronavirus (COVID-19). Many factories in China have recorded declined production, transport is restricted and travel in and out China is being affected. Negative spill overs are experienced via tourism, supply chains, commodities and confidence. Covid-19 will eventually also affect South Africa's economy and growth by way of diminishing exports. China is a very important trade partner of South Africa.

Growth in Sub-Saharan Africa 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 further constrained activity. Growth is projected to firm to 2.9% in 2020 and strengthen to 3.2% in 2021/22 – notably weaker than previous projections. These growth rates will be insufficient to make significant progress in reducing poverty in most of the countries in the region.

Growth in Nigeria is expected to remain subdued, and Angola is projected to rise to 1.5% in 2020. In some countries like Zimbabwe, agricultural production suffered from severe drought. Current account deficits is estimated to have widened due to capital imports related to large infrastructure projects. This includes countries such as Mozambique.

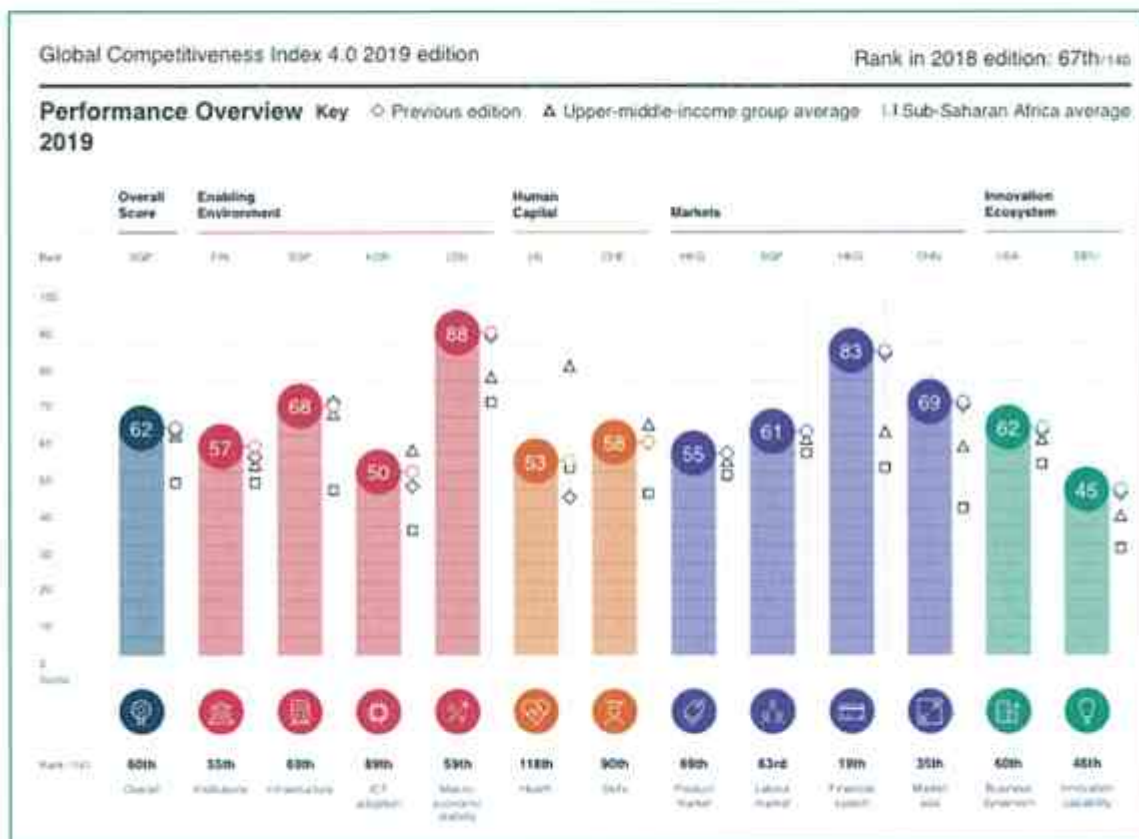
The balance of risks for the region is firmly to the downside. A sharper than expected deceleration in major trading partners such as China, the Euro area and the United States, would substantially lower export revenues and investment. As droughts continue to suppress agricultural output in some of the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

In Figure 4 below, 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 Institutions pillar which improved from 69 out of 140 economies in 2018 to 55 out of 141 economies in 2019;
- The Health pillar which improved from 125 in 2018 to 118 in 2019;
- The Product market which improved from 74 to 69 in 2019; and
- Budget transparency where South Africa ranks number 1 out of 141 economies

³ http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport2019.pdf

Figure 4: Global Competitiveness Index



Source: The Global Competitiveness Report, 2019

8.1.1.2 South African economy

The South African economy entered its second technical recession in the space of two years with the release of the 2019 fourth quarter economic growth figures. GDP contracted by 1.4% in the final quarter of 2019, this 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 (7) 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 GDP in the fourth quarter of 2019 were transport, agriculture and construction. Agriculture, manufacturing, utilities, construction and transport are in a recession after registering two (2) or more consecutive quarters of decline.

In January 2020, the South African Reserve Bank (SARB), projected national economic growth of 1.2% for 2020 and 1.6% for 2021. The National Treasury projected a growth of 0.9% for 2020 as per the 2020 National Budget Speech. The World Bank and IMF, respectively, expect the SA economy to only grow by 0.9% and 0.8% in 2020. These are all well below the NDP growth target of at least 5% per annum.

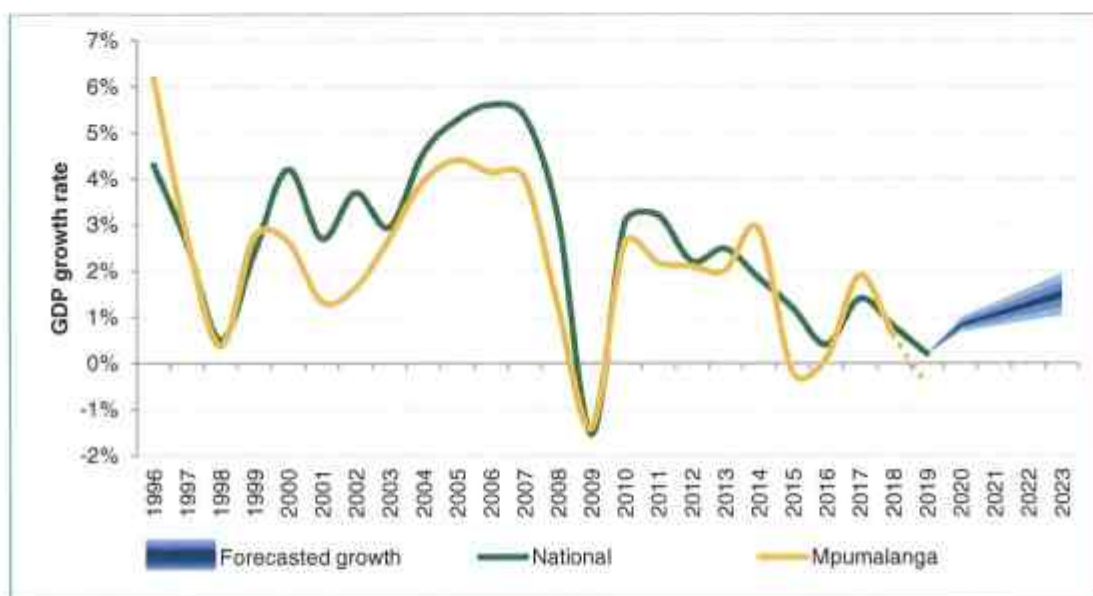
Factors such as load shedding, low business and consumer confidence as well as global risks have a negative impact on the economic growth of South Africa. According to the latest data, it seems that the South African economy will experience a contraction of 6% in 2020 due to the negative impact of Covid-19. A growth of less than 1% per annum is expected in the next couple of years up to 2023

8.1.1.3 Mpumalanga economy


Estimates are that Mpumalanga contributed R366.8 billion in current prices or some 7.5% to the GDP of South Africa in 2018 (as per the latest official figure of Statistics South Africa. Converted to constant 2010 prices, Mpumalanga's contribution was R227.6 billion. Mpumalanga's contribution in constant 2010 prices was 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. The provincial economy had outperformed the national economy in terms of GDP growth only in 2009, 2014 and 2017 (see 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 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), October 2019 (Future growth)

The outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential. The forecasted annual growth rates for South Africa and Mpumalanga are projected to remain low and average below 2% annually between 2018 and 2023. According to the latest data a contraction of 6% is forecasted for 2020 due to the Coronavirus

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 provinces), whereas the lowest period of growth was between 2014 and 2018 (the second lowest among the provinces). The annual average growth rates for South Africa and Mpumalanga, from 2018 to 2023 are forecasted at 1.5% and 1.3%, respectively. In such an event, Mpumalanga's growth will be the third lowest among the nine provinces.

Table 9: Historic and forecasted GDP at market prices growth rates for South Africa and provinces, 1995 - 2023

Province	1995- 2018	1995- 1999	1999- 2004	2004- 2009	2009- 2014	2014- 2018	2018- 2023
Western Cape	3.0%	2.3%	4.3%	4.1%	2.8%	1.1%	1.7%
Eastern Cape	2.3%	1.8%	2.8%	3.5%	2.2%	0.7%	1.5%
Northern Cape	1.9%	2.9%	1.4%	1.9%	2.6%	0.8%	-0.1%
Free State	1.6%	0.9%	2.0%	2.3%	2.3%	0.2%	0.9%
KwaZulu-Natal	2.8%	2.0%	3.7%	3.9%	3.0%	1.0%	1.4%
North West	1.3%	1.3%	2.0%	2.0%	0.5%	0.8%	1.7%
Gauteng	3.0%	2.1%	4.2%	4.0%	3.0%	1.1%	1.7%
Mpumalanga	2.2%	3.0%	2.4%	2.5%	2.4%	0.6%	1.3%
Limpopo	2.4%	3.2%	3.3%	2.5%	2.0%	1.0%	1.8%
South Africa	2.7%	2.4%	3.6%	3.5%	2.6%	0.9%	1.5%

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

IHS Markit – ReX, October 2019 (Future growth)

To achieve higher economic growth the Province should attempt to nurture the spirit of innovation and entrepreneurship, thus creating more entrepreneurs, more enterprises and more jobs. Mpumalanga should 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 residents of the Province to participate in a modern economy by addressing the skills shortage that is prevalent in the economy.

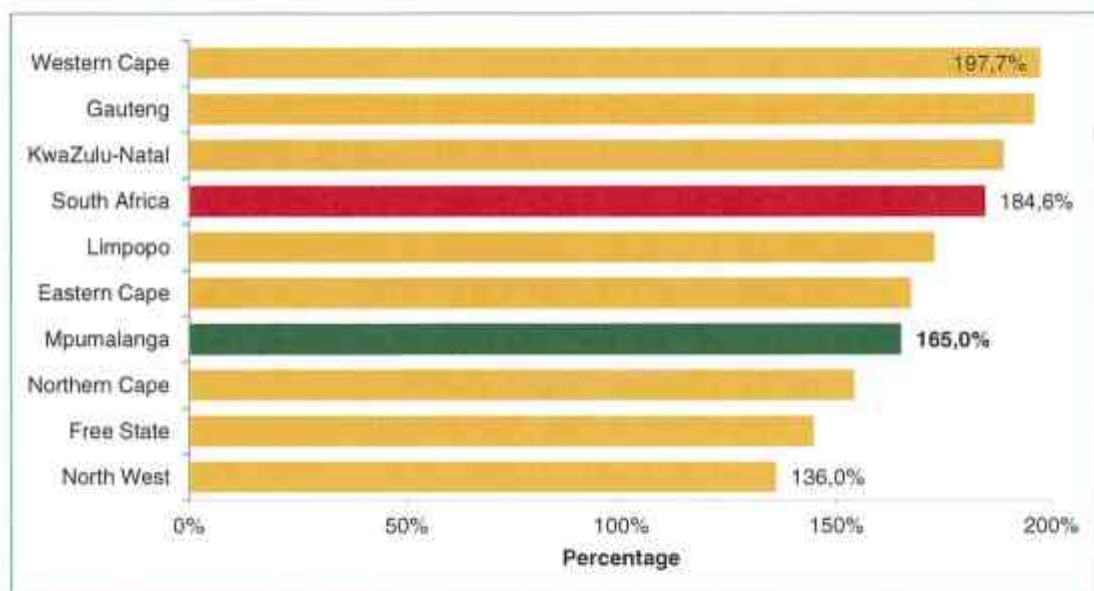
Because of the moderate economic growth experienced in South Africa over the last 23 years, the South African economy has not doubled in size over this period. From Figure 7, it is also evident that no provincial economy has doubled its 1995 size by 2018. It was the Western Cape economy which grew the fastest between 1995 and 2018, as it 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%.

8.1.1.4 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 a 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.

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

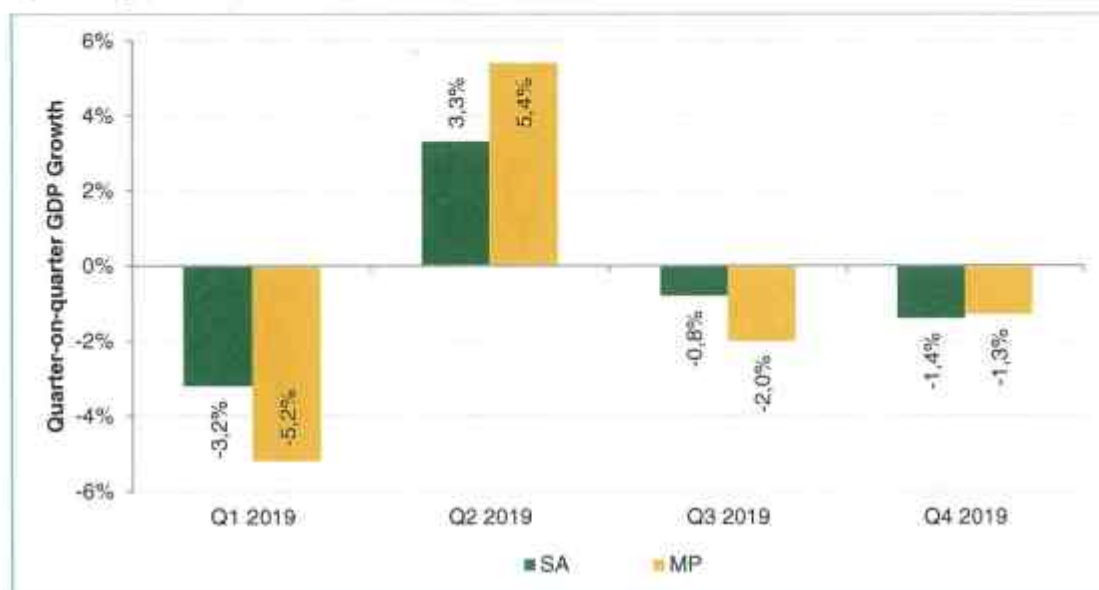
In light of these two challenges, it is challenging to provide an early indication of the provincial economic growth for a quarter and even a full year. Growing or struggling industries are only identified a year later when the growth cycle might have already changed. The possibility exist that ill-timed counter cyclical policy interventions can be administered, proving unsuccessful and with even devastating effects. Therefore, to address the challenges, a structural model was adopted that allows one to estimate the GDP for Mpumalanga, 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 -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 and especially the important role that mining plays in the provincial economy.

The quarter-on-quarter GDP growth in South Africa and Mpumalanga is displayed in Figure 7 below, 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 is estimated to have decreased by 1.3%⁴ in the fourth quarter of 2019. The difference between the quarterly growth rates of South Africa and Mpumalanga can be ascribed to the structural differences between the national and provincial economies, and especially, the important role that mining plays in the provincial economy compared with its role in the national economy.

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

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.

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.

8.1.1.5 Gross Domestic Product per capita

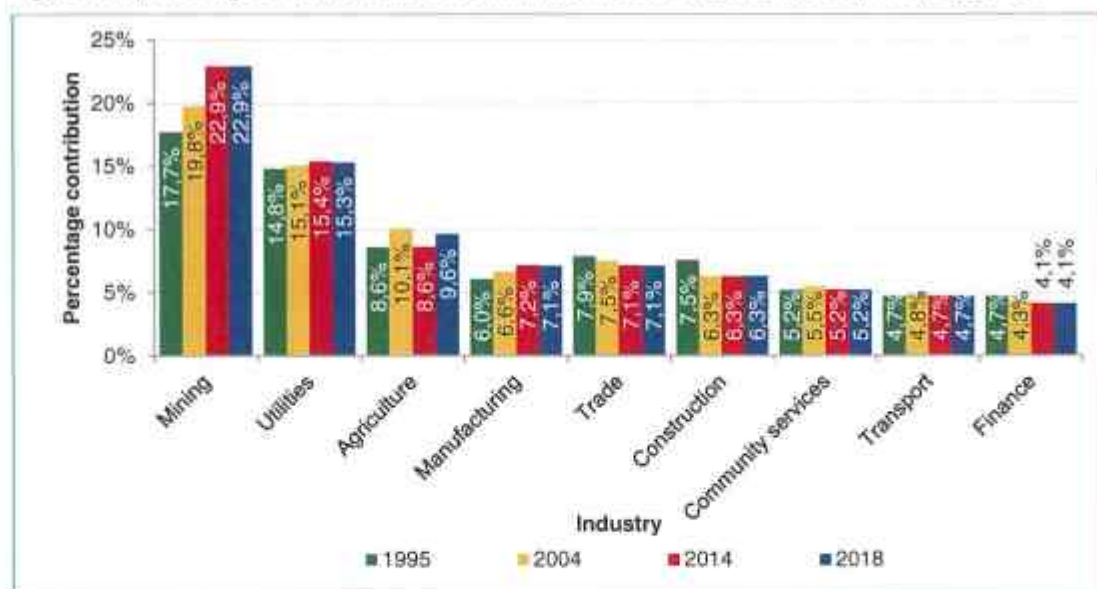
The Gross Domestic Product (GDP) per capita is often considered an indicator of a region's standard of living on the rationale that all citizens would benefit from the region's increased economic production. Mpumalanga Vision 2030, states that the GDP per capita expressed in constant prices must increase 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% is necessary to achieve the set target of R110 000 by 2030.

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 was equal to 9.1% of total GDFI in South Africa. 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.

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

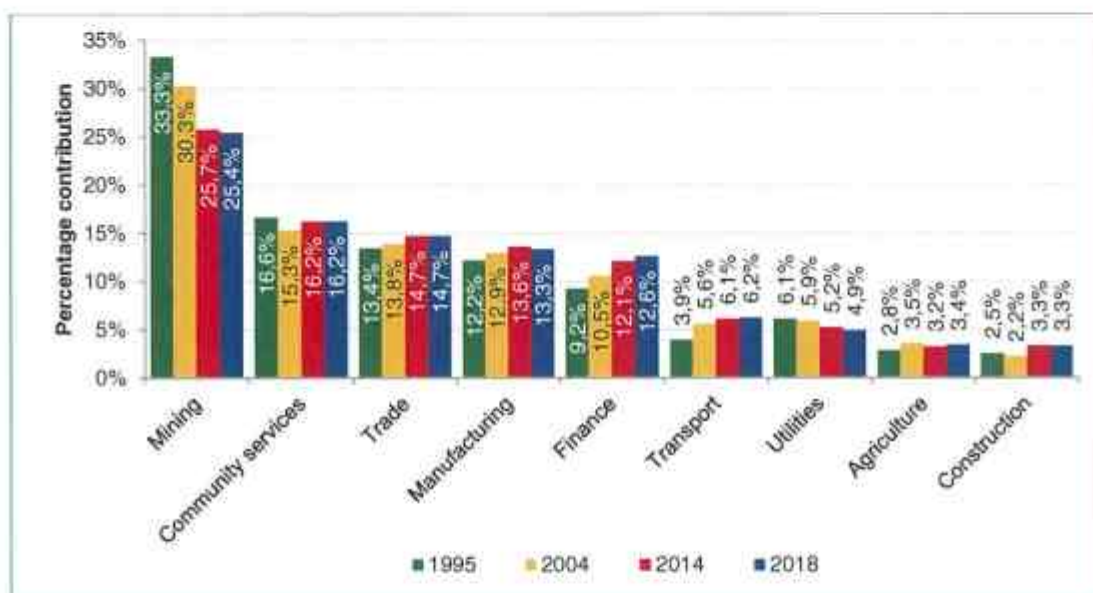
Figure 8 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry between 1995 and 2018. It is estimated that in 2018, the Province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective shares of 22.9% and 15.3%. 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% and the tertiary sector 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 69.7% in 2018, with finance (22.4%) the largest single industry.

Figure 9 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's ranking was unchanged from 1995, when 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 forecasted growth for the economic industries of Mpumalanga is presented in Table 9. Between 1995 and 2018, the industries with the fastest economic growth was estimated to be transport (4.3%), finance (3.6%) and construction (3.4%). Over the period 2018-2023, it is expected that finance (2.8%) and transport (2.4%) will record the highest average annual growth per annum. The negative growth expectation for mining and utilities as well as the relatively slow growth of community services are a real concern. According to the latest data, it is expected that the Mpumalanga economy will record a contraction of 3 to 5% in 2020 due to Covid-19 and an average growth of only 0.2% per annum for the 2018-2023 period.

Figure 9 illustrates the change in value by industry from 2014 to 2018. The real value of eight 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 and the utilities industry (-R0.28 billion) decreased.

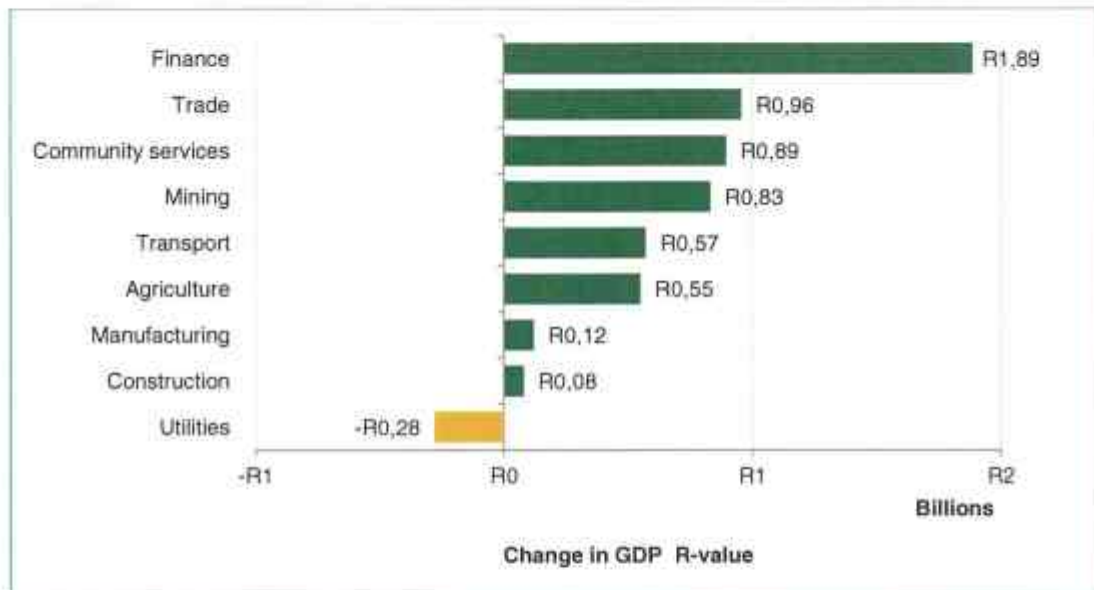
Table 10: Historic and forecasted GDP at basic prices (constant 2010 prices) growth rates for Mpumalanga's economic industries, 1995-2023

Industry	1995- 2018	1995- 1999	1999- 2004	2004- 2009	2009- 2014	2014- 2018	2018- 2023
Agriculture	3.1%	11.0%	1.3%	1.1%	1.8%	2.0%	2.0%
Mining	1.0%	2.1%	1.4%	-1.3%	2.7%	0.4%	-0.2%
Primary sector	1.2%	2.9%	1.4%	-1.0%	2.6%	0.6%	0.0%
Manufacturing	2.6%	2.6%	4.2%	2.9%	2.8%	0.1%	1.3%
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%	0.3%
Secondary sector	2.4%	2.2%	3.5%	3.6%	2.1%	0.0%	0.7%
Trade	2.7%	3.5%	2.8%	3.8%	2.1%	0.8%	2.1%
Transport	4.3%	7.7%	6.1%	4.2%	2.4%	1.1%	2.4%
Finance	3.6%	5.5%	3.4%	5.4%	2.2%	1.9%	2.8%
Community services	2.1%	1.6%	2.0%	3.4%	2.5%	0.7%	0.8%
Tertiary sector	2.9%	3.6%	3.0%	4.1%	2.3%	1.1%	1.9%
Total	2.2%	3.0%	2.4%	2.5%	2.4%	0.6%	1.3%

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

IHS Markit – ReX, October 2019 (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 growth 2018-2023	Estimated contribution to provincial economic growth 2018-2023
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, October 2019

According to Table 11, finance (32.0% contribution) and trade (28.0% contribution) can be expected to be the main drivers of Provincial economic growth between 2018-2023.

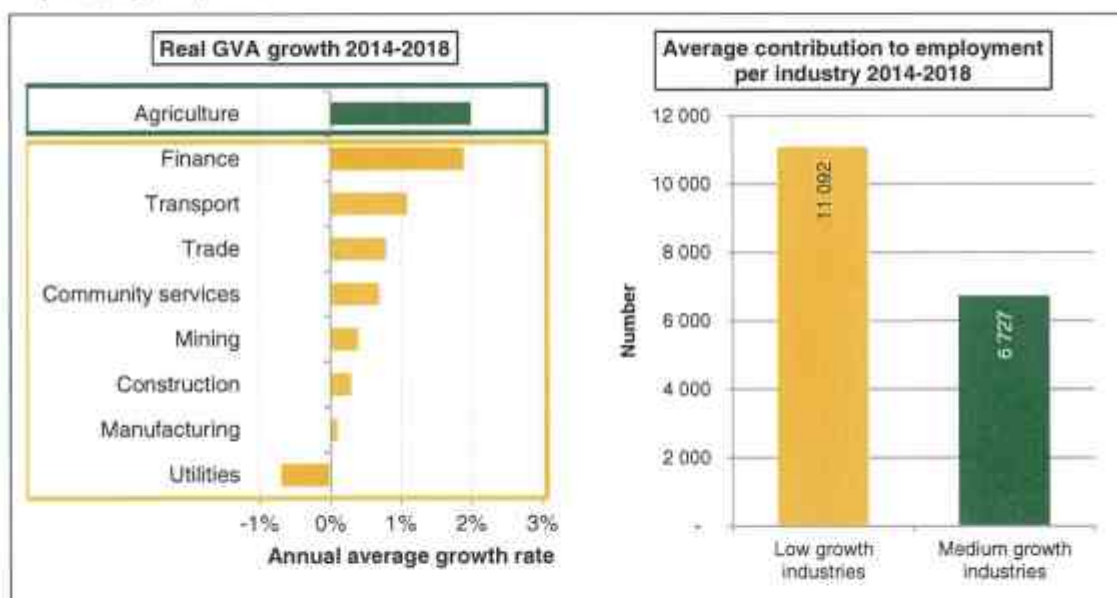
Manufacturing (15.6% contribution) and transport (13.4% contribution) are expected to aid Provincial growth to a lesser degree, whereas mining (-4.6% contribution) and utilities (-3.1% contribution) are expected to dampen economic growth between 2018 and 2023.

Performance and employment in the Provincial economy

Figure 10 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 and 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 19 th 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.
Shona Cultural Village	Located near Hazyview, this village has been built by local Shangaan people.

Source: Economic Interventions of Mpumalanga

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	10.5
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	R3.9Bn	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	34 654	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

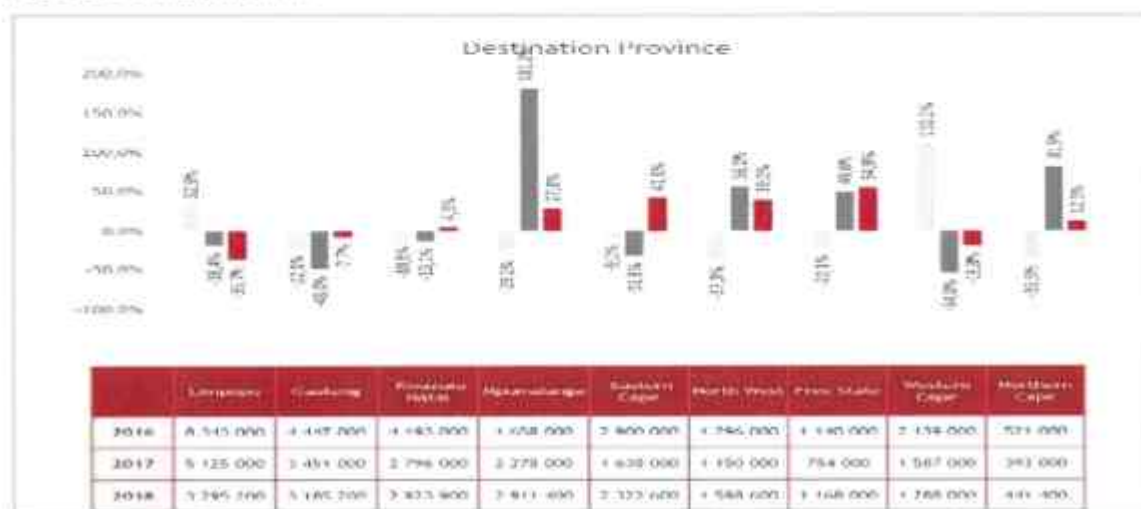
Source: South African Tourism Report, 2018

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



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

Source Province	Destination Province								
	2018								
	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	725 545	1 474 218	940 173	1 600 013	861 042	51 546	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	427 620	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

Covid-19 will have a huge negative impact on the provincial tourism industry in terms of growth and employment. A tourism recovery plan will mitigate the negative impact of the Coronavirus

8.1.2 Socio-economic Factors

8.1.2.1 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- to Q4 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, 2020⁵

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	Q4 2018	Q3 2019	Q4 2019	Q3 2019 – Q4 2019 change	Year-on- year change	5-year change
	'000	'000	'000	'000	'000	'000	'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

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

Region	Q4 2014	Q4 2018	Q3 2019	Q4 2019	Q3 2019 – Q4 2019 change	Year-on- year change	5-year change
	'000	'000	'000	'000	'000	'000	'000
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, 2020⁶

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.

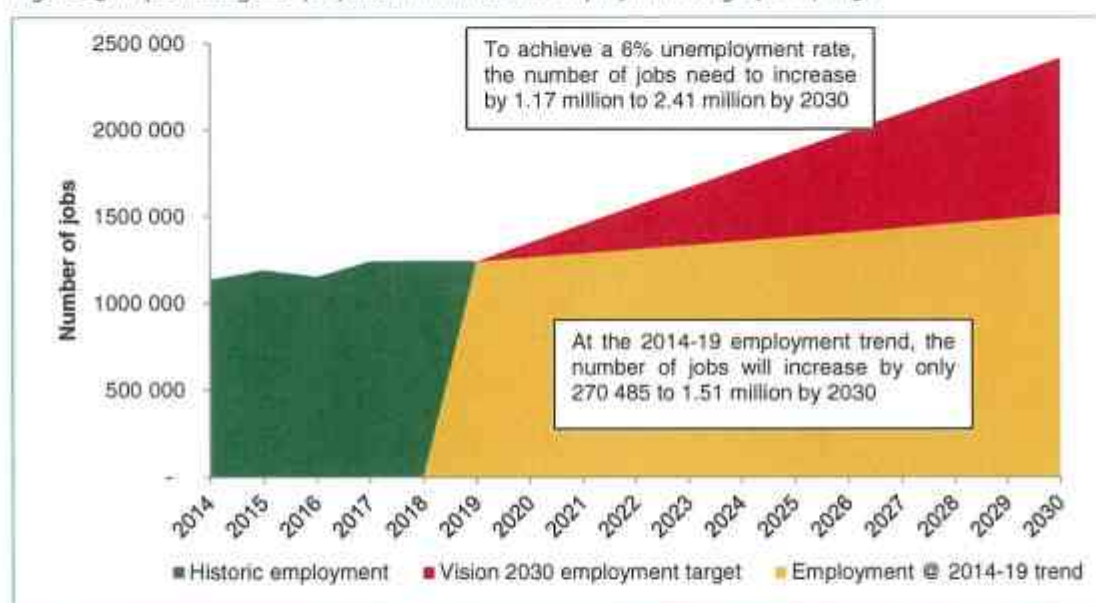
The NDP targets a decline in the national unemployment rate to 14.0% by 2020 and 6.0% by 2030. Similarly, the Provincial Vision 2030 targets a decline in the provincial unemployment

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

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

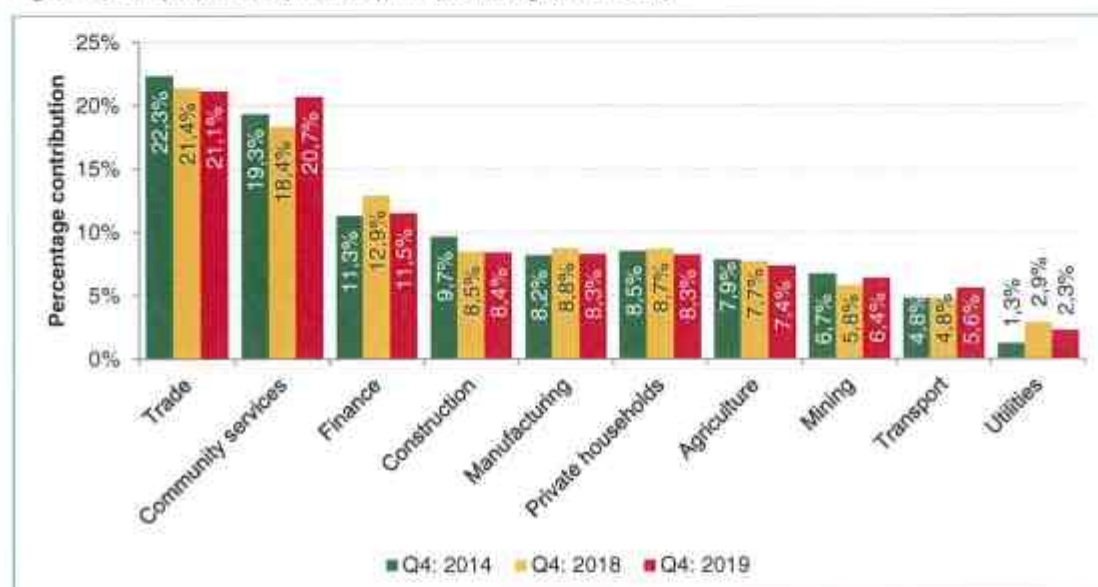


Source: Statistics South Africa – QLFS, 2020

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



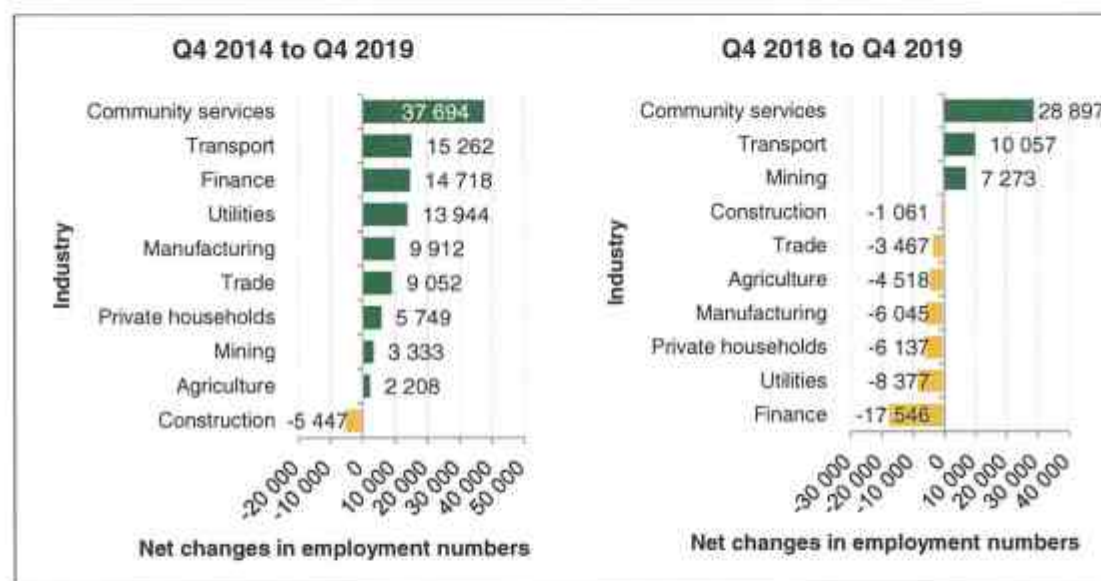
Source: Statistics South Africa – QLFS, 2020

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

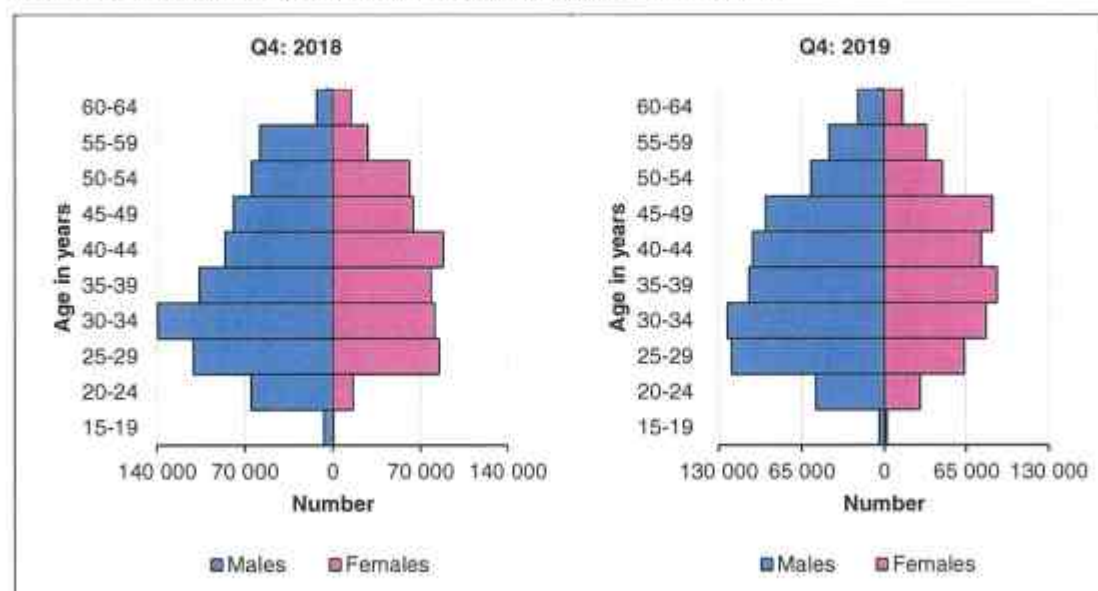


Source: Statistics South Africa – QLFS, 2020

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



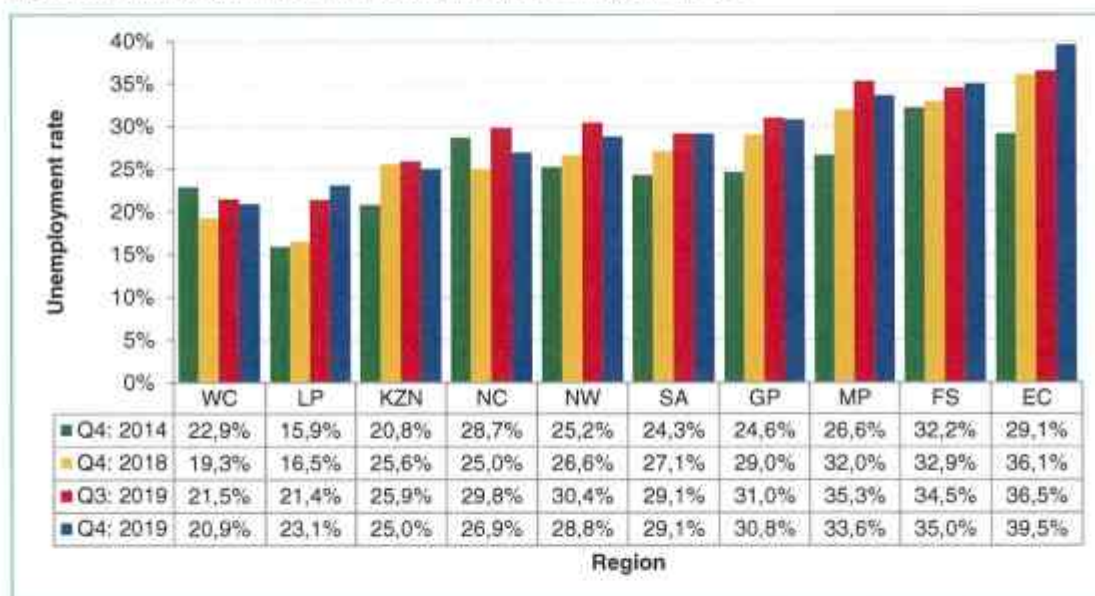
Source: Statistics South Africa – QLFS, 2020

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



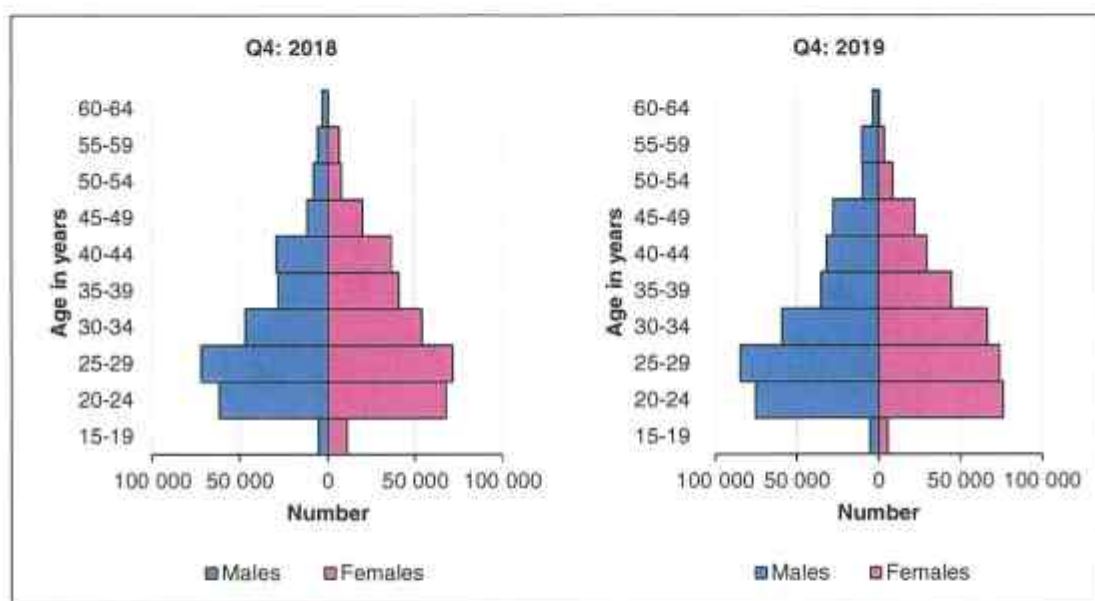
Source: Statistics South Africa – QLFS, 2020

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 years⁷) 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% 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

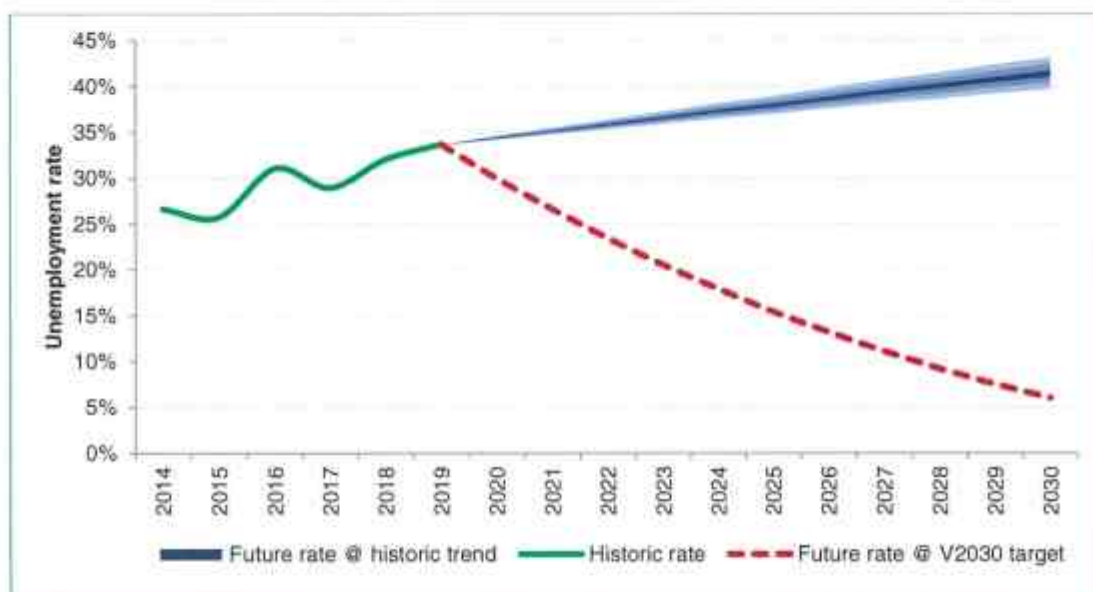
⁷ The International Labour Organization defines youth as individuals between the ages of 15 to 24 years, with 15 being the minimum school-leaving age and legal employment age. It is important to note, however, that Statistics South Africa utilizes a broader definition, covering individuals between the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



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 – QLF5, 2020 & calculations based thereon

Covid-19 will have a negative impact on the provincial labour market and the unemployment can increase to a level of 40% during 2020 due to job losses in most of the economic sectors and industries.

8.1.2.2 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 (FPL⁸), lower-bound poverty line (LBPL⁹) and upper-bound poverty line (UBPL¹⁰). 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

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.

particular, registered an improvement over the 22-year period, the share of population below the LBPL increased between 2014 and 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%.

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*.

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

Covid-19 will impact negatively on the provincial poverty rate and income inequality. The poverty rate will probably increase to more than 50% according to the LBPL

8.1.3 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 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 contributes to total employment growth between 0.14% and 5.32% depending on the industry. Furthermore

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*.

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; impact on 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

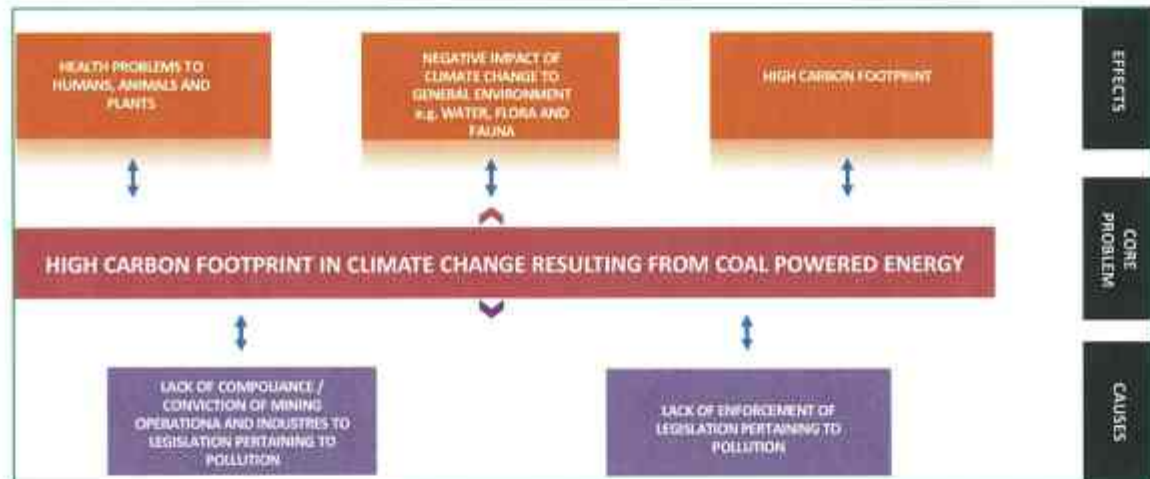
impact of broadband by industrial sector. ICT has become an important tool for e-education, e-health, e-commerce, e-government etc., and thereby revolutionising the delivery of education, tele-medicine, the delivery of services including utilities and the way business is done.

8.1.4 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.

8.1.4.1 Problem and Solution Trees: Green Economy

Figure 20: Green Economy – Problem Tree

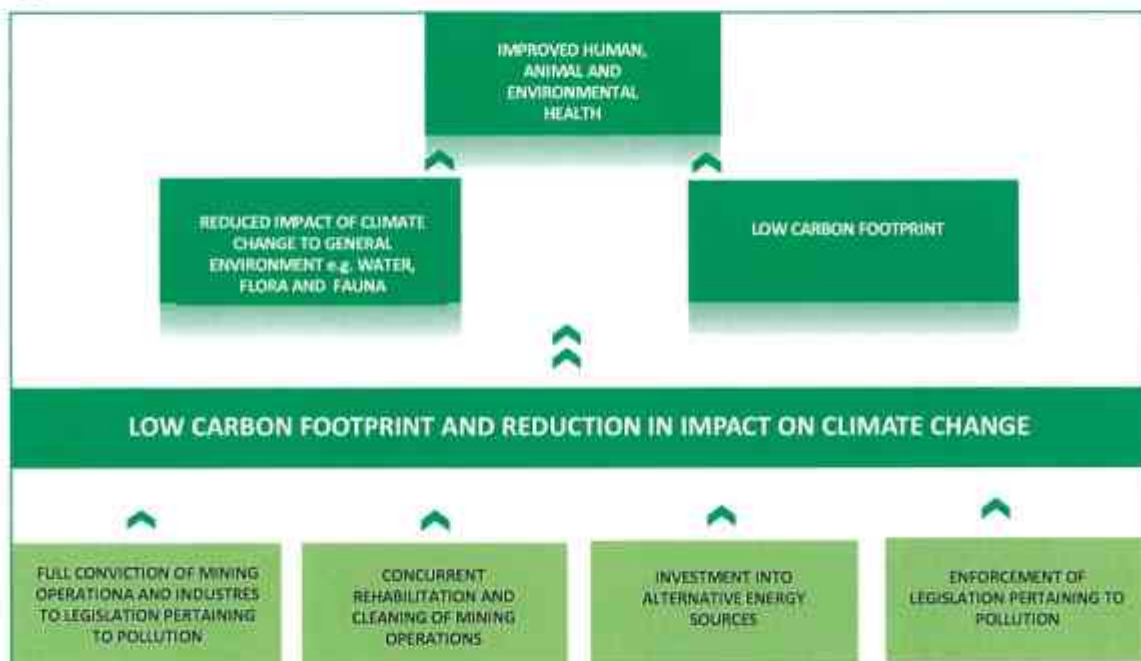


The identified interventions (listed below) would contribute towards addressing the causes that results in the core problem of a high carbon footprint, that contribute to climate change resulting from coal powered energy:

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

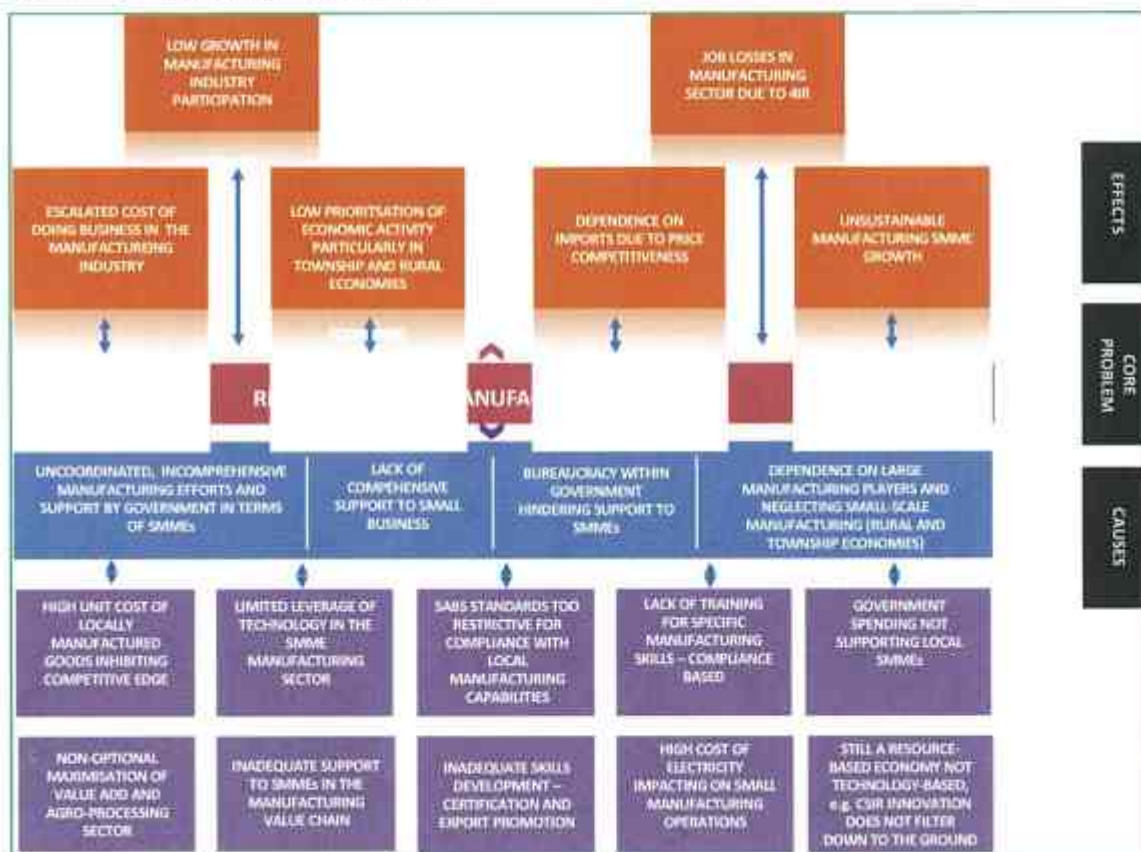
The resultant Solution can be depicted as follows:

Figure 21: Green Economy – Solution Tree



8.1.4.2 Problem and Solution Trees: Manufacturing

Figure 22: Manufacturing – Problem Tree



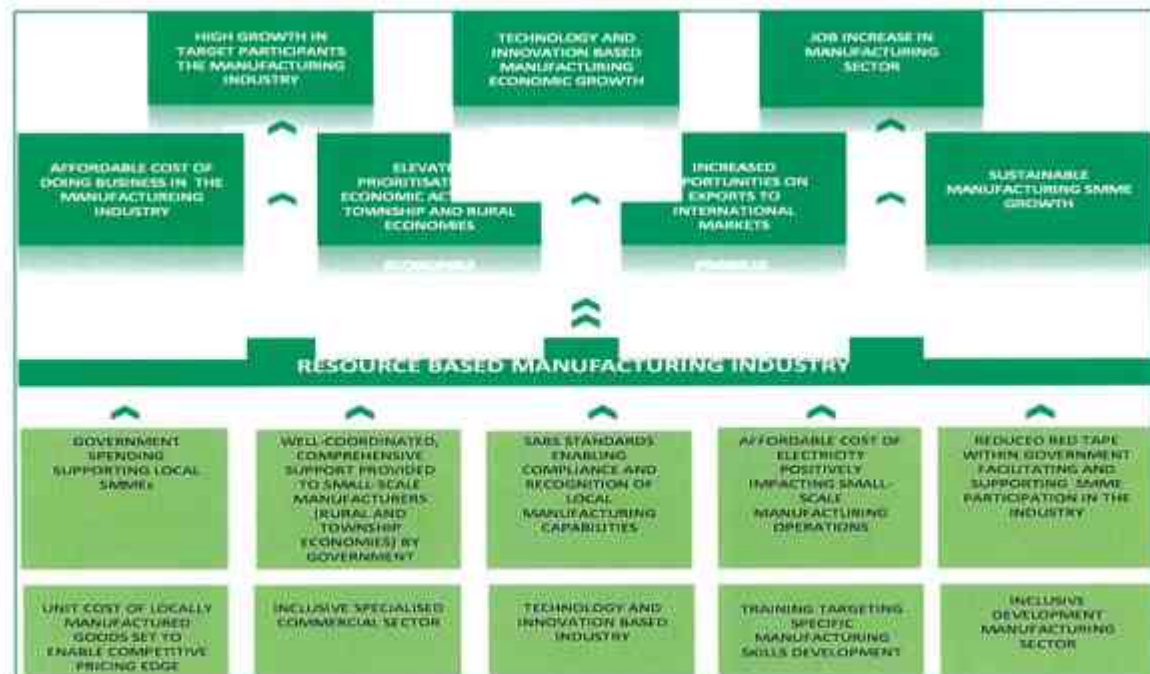
Due to the fact that the Province has a resource-based manufacturing industry, the following interventions can contribute towards creating a knowledge-based manufacturing industry within the Province:

- 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.

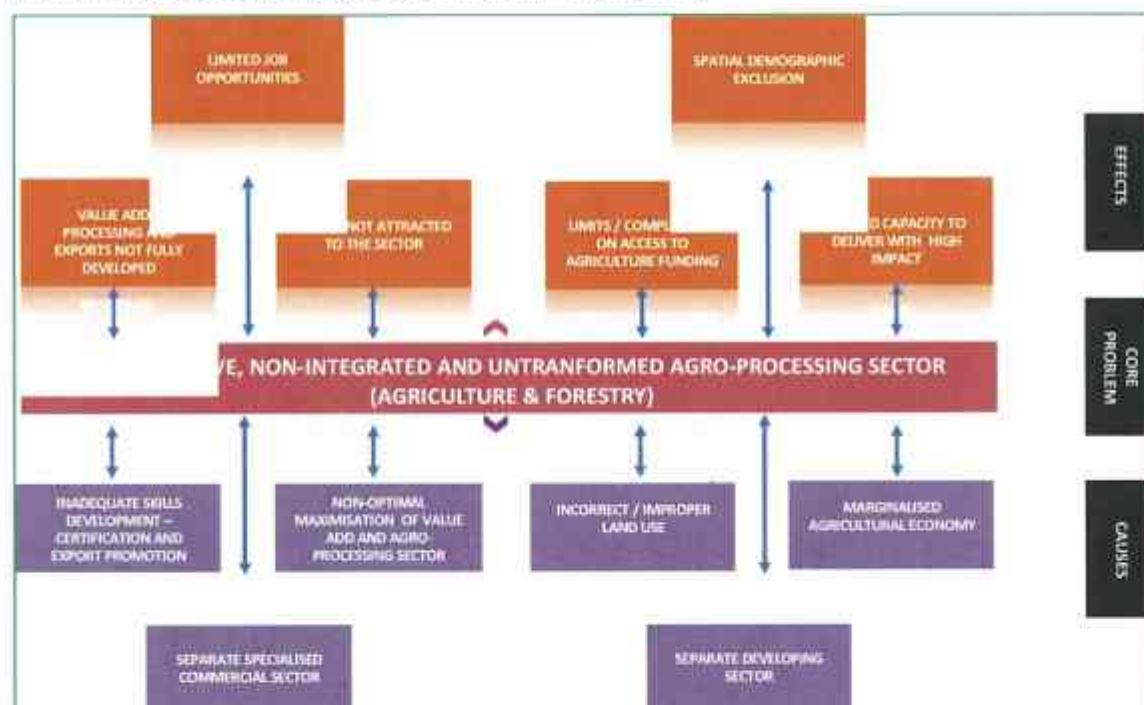
The resultant Solution Tree can be depicted as follows:

Figure 23: Manufacturing – Solution Tree



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

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

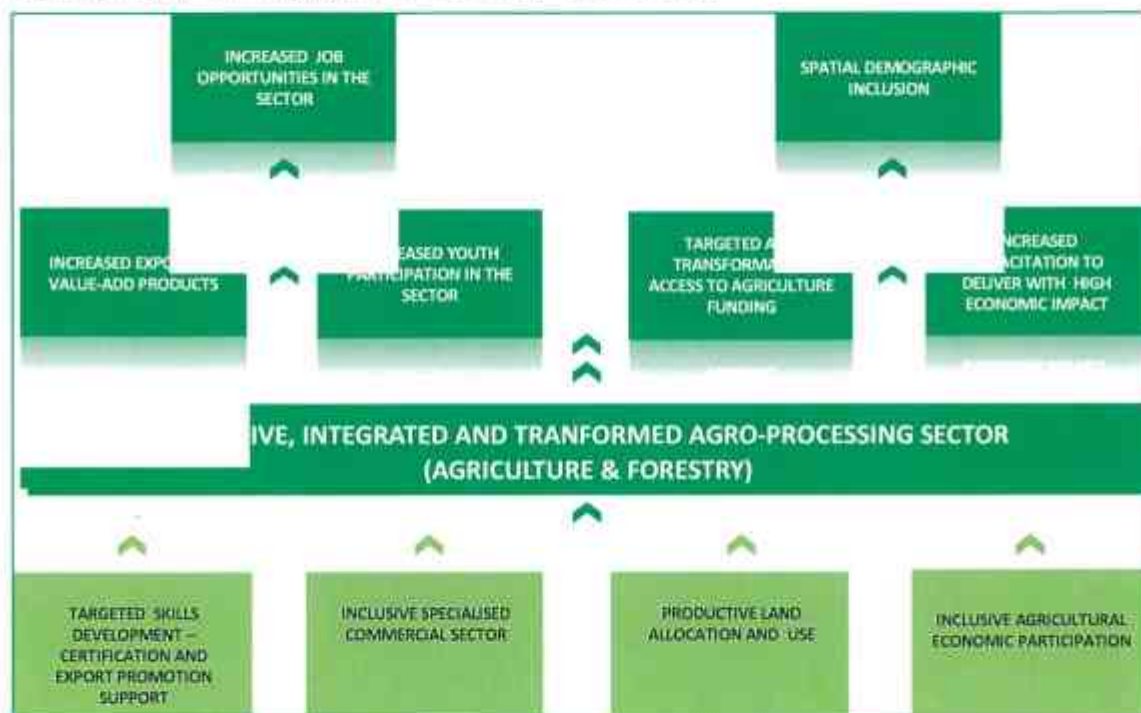


The identified interventions (listed below) would contribute to addressing the causes that results in the core problem of a non-inclusive, integrated and transformed agro-processing sector:

- 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.

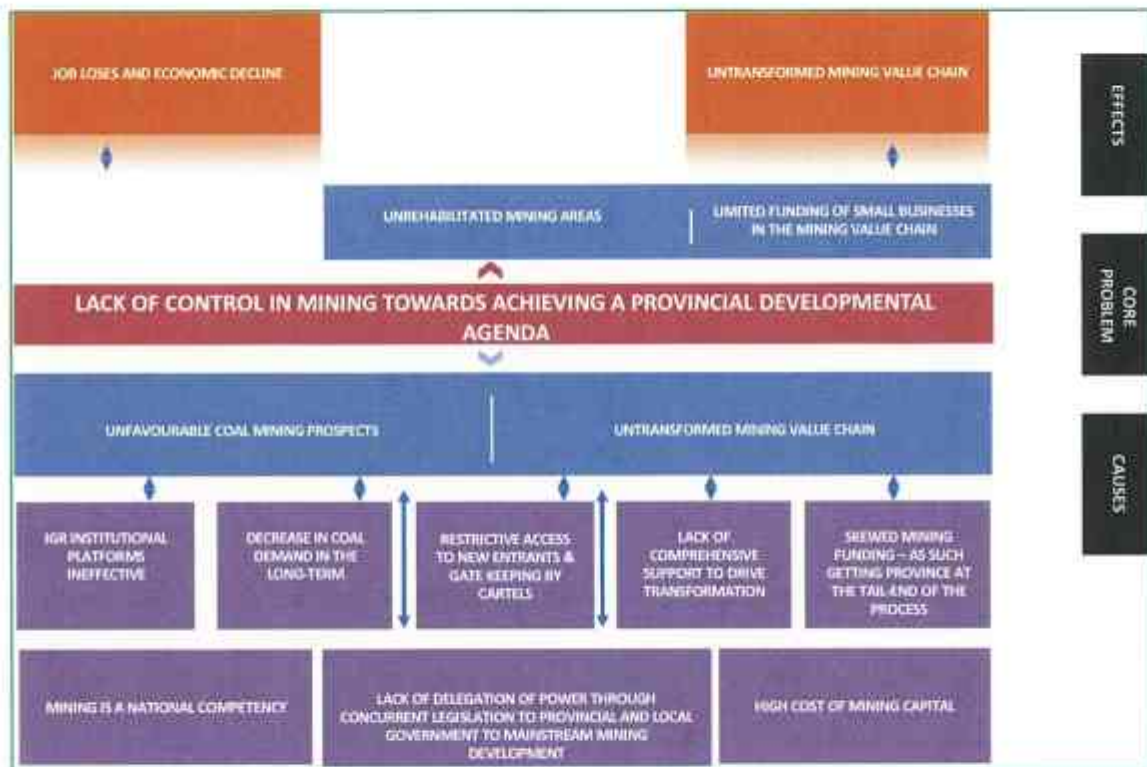
The resultant Solution Tree can be depicted as follows:

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



8.1.4.4 Problem and Solution Trees: Mining

Figure 26: Mining – Problem Tree

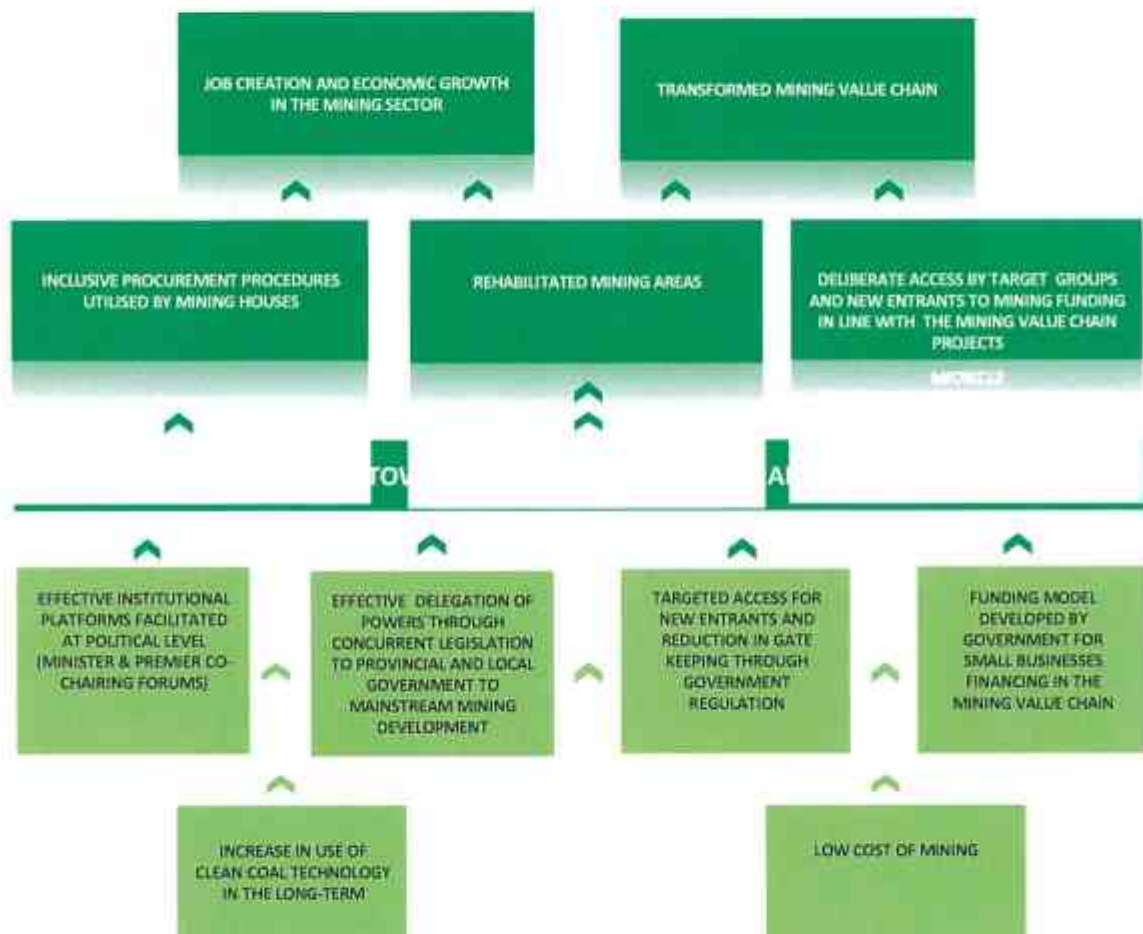


In order for the Department to ensure that mining is more effectively used, in the attainment of the Provincial developmental agenda, the following interventions can assist in overcoming the problem of the lack of control over the mining industry in contributing to the provincial agenda:

- 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; and
- Create special vehicle to facilitate transformation - funding required/model.

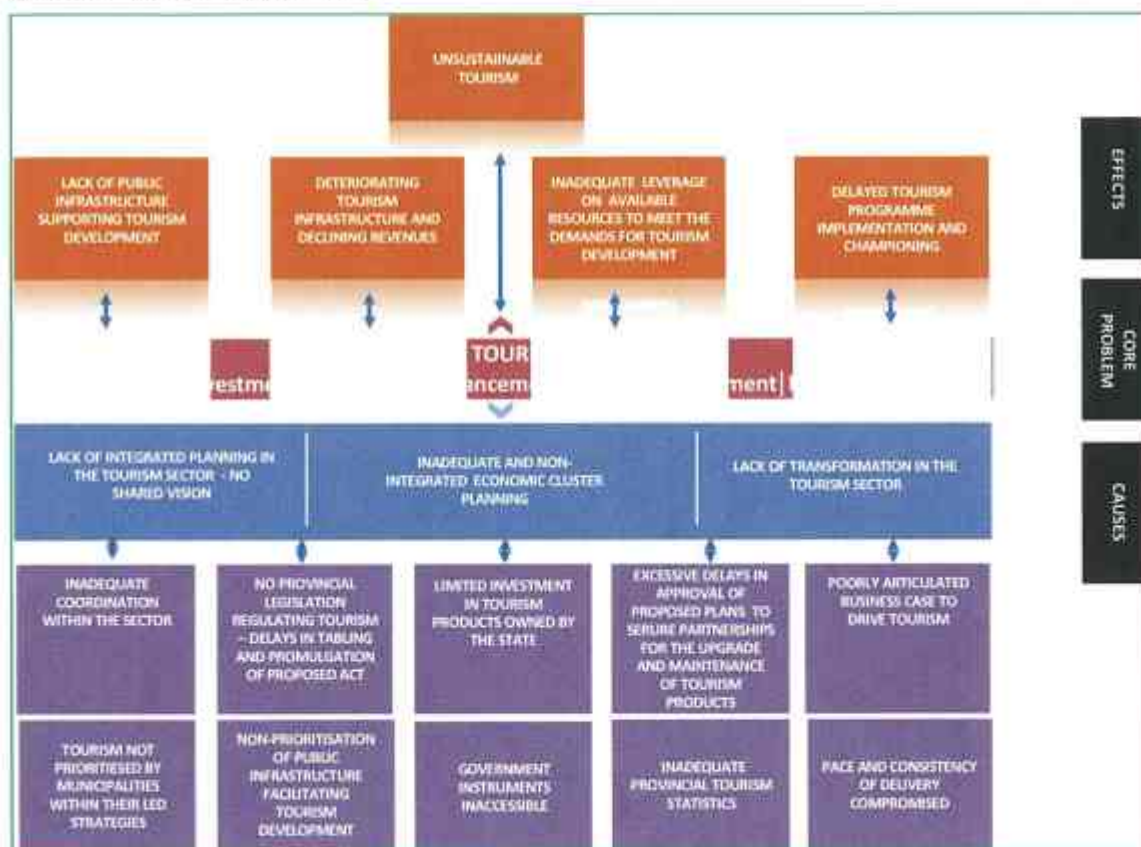
The resultant Solution Tree can be depicted as follows:

Figure 27: Mining – Solution Tree



8.1.4.5 Problem and Solution Trees: Tourism

Figure 28: Tourism – Problem Tree



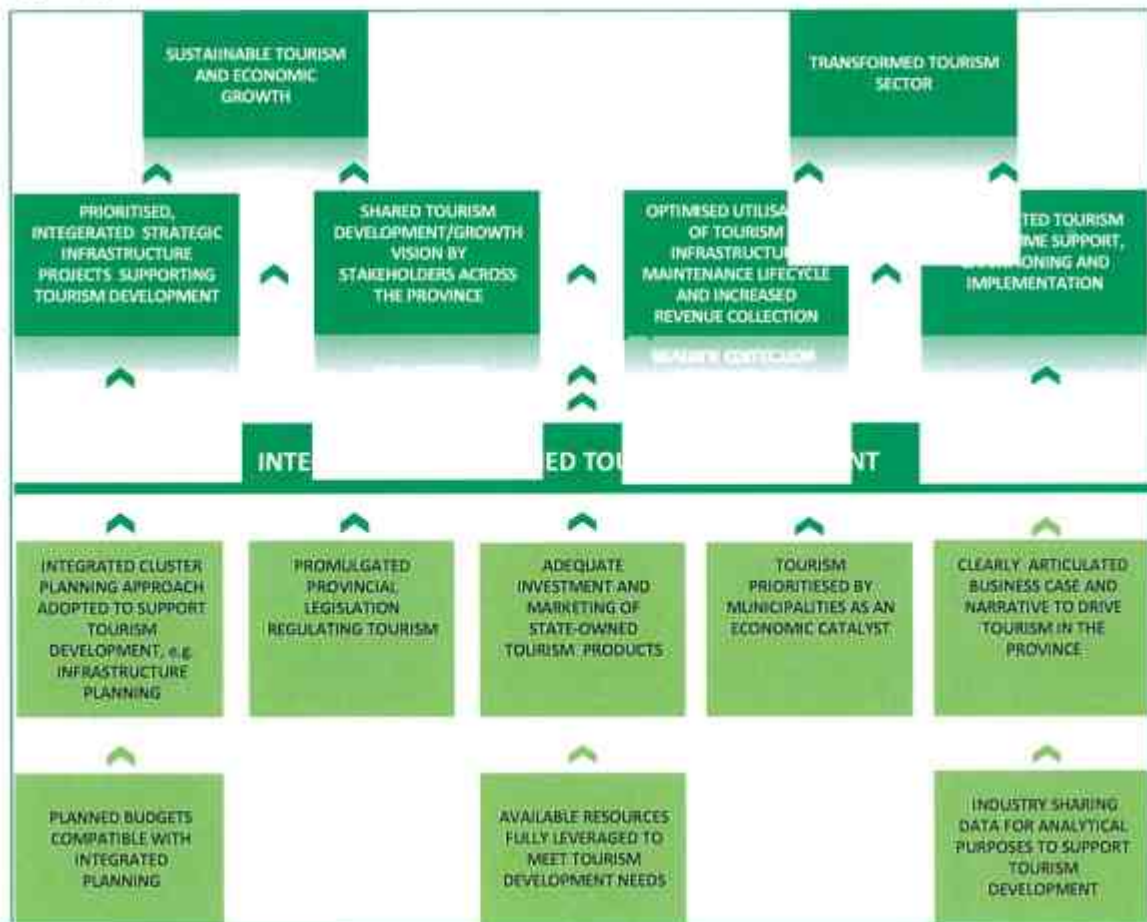
The Department and its Agency, the Mpumalanga Tourism and Parks Agency (MTPA) must play a more dominant role in coordinating tourism related activities within the Province, to ensure that aligned and integrated tourism development takes place. Therefore, the following interventions will contribute towards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

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

The resultant Solution Tree can be depicted as follows:

Figure 29: Tourism - Solution Tree



8.2 Review of past performance to inform the strategy of the Department

The 2014/2019 MTSP period presented the Department with an opportunity to significantly contribute into Government's development agenda, especially in advancing measures to address the socio-economic challenges faced by the Province (namely, unemployment, poverty and inequalities). To that end, concerted efforts were made to fast-track growth, support priority sectors, create decent job opportunities, and promote economic participation by all our people.

Consequently, a total of 440 targets were set in the five-year period, and the programme performance assessment thereof demonstrates an average of 81.4% achievement. The performance deviance is mostly attributable to external dependencies by the department as well as resource constraints. The areas of success on thought leadership, policy and strategy formulation as well as stakeholder coordination are:

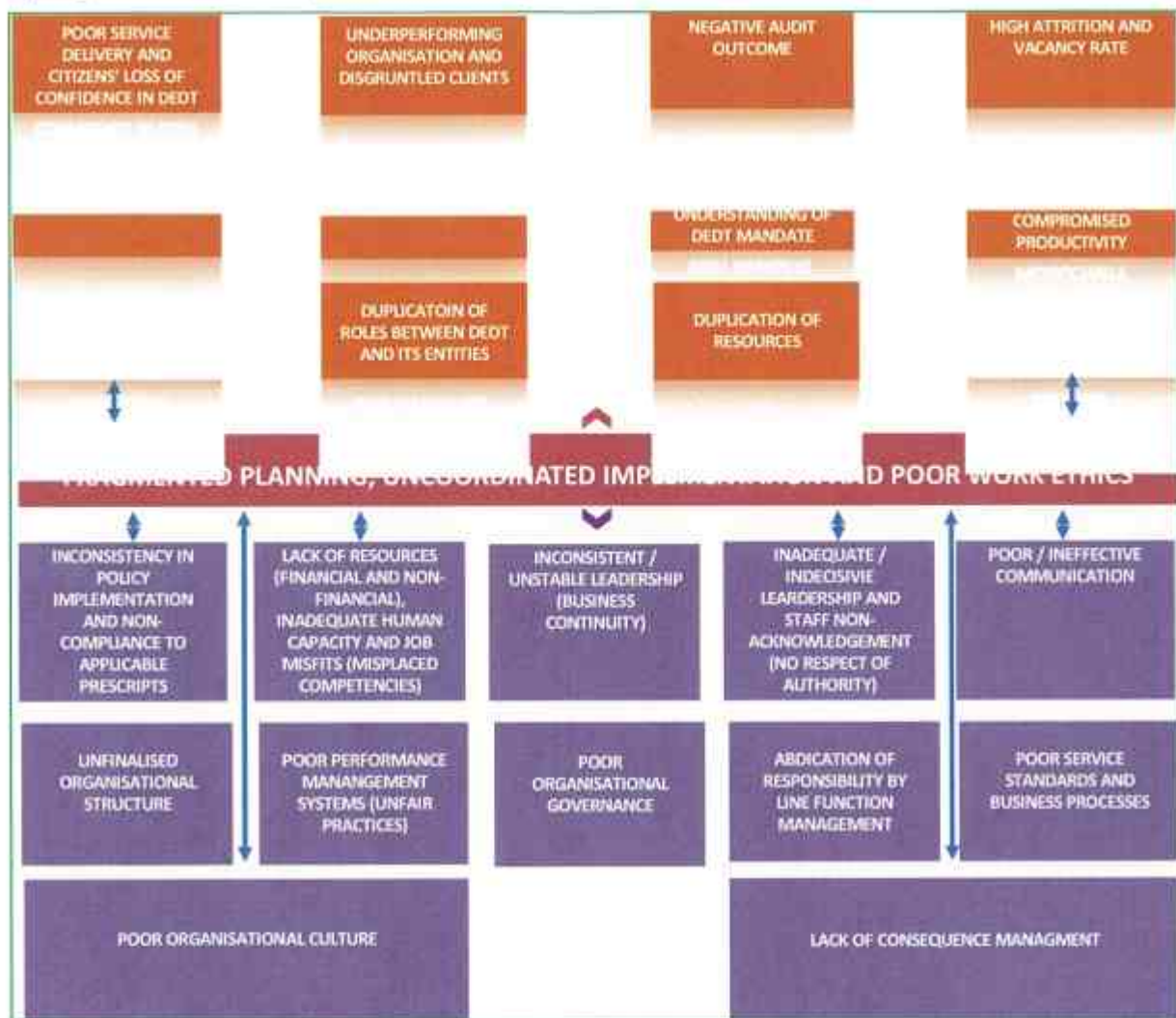
- **Organisation and Governance:** The Department managed to review the Mpumalanga Tourism and Parks Agency Act, 2005 (MTPA) and finalised drafting the Mpumalanga Consumer Protection Bill and Regulations. The Mpumalanga Economic Regulator (MER) is now fully functional, resulting from the merger of the then Mpumalanga Gambling Board (MGB) and the Mpumalanga Liquor Authority (MLA). The second Consumer Court for the Province was also.
- **Economic policy and strategy direction:** The development of various strategic documents resulted in the finalisation of the following documents; namely, the B-BBEE Strategy; LED Strategy; SMME Strategy; Township and Rural Development Strategy, Mpumalanga Tourism Development Strategy; Mpumalanga Industrial Development Plan; Green Economy Development Plan; Economic Paper (Interventions); Forestry Development Plan. The implementation of these strategies and plans has benefited the majority of the service recipients of the Department, especially the SMMEs and Cooperatives by rolling out the following initiatives:
- Provision of business support (both financial and non-financial) to SMMEs and Cooperatives in the areas of business registration with the Companies and Intellectual Property Commission (CIPC); in addition to lodging annual returns and other referral services;

- In partnership with development funding institutions – including SEDA and quality assurance bodies like the SABS – SMMEs and Cooperatives were capacitated 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.

8.3 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



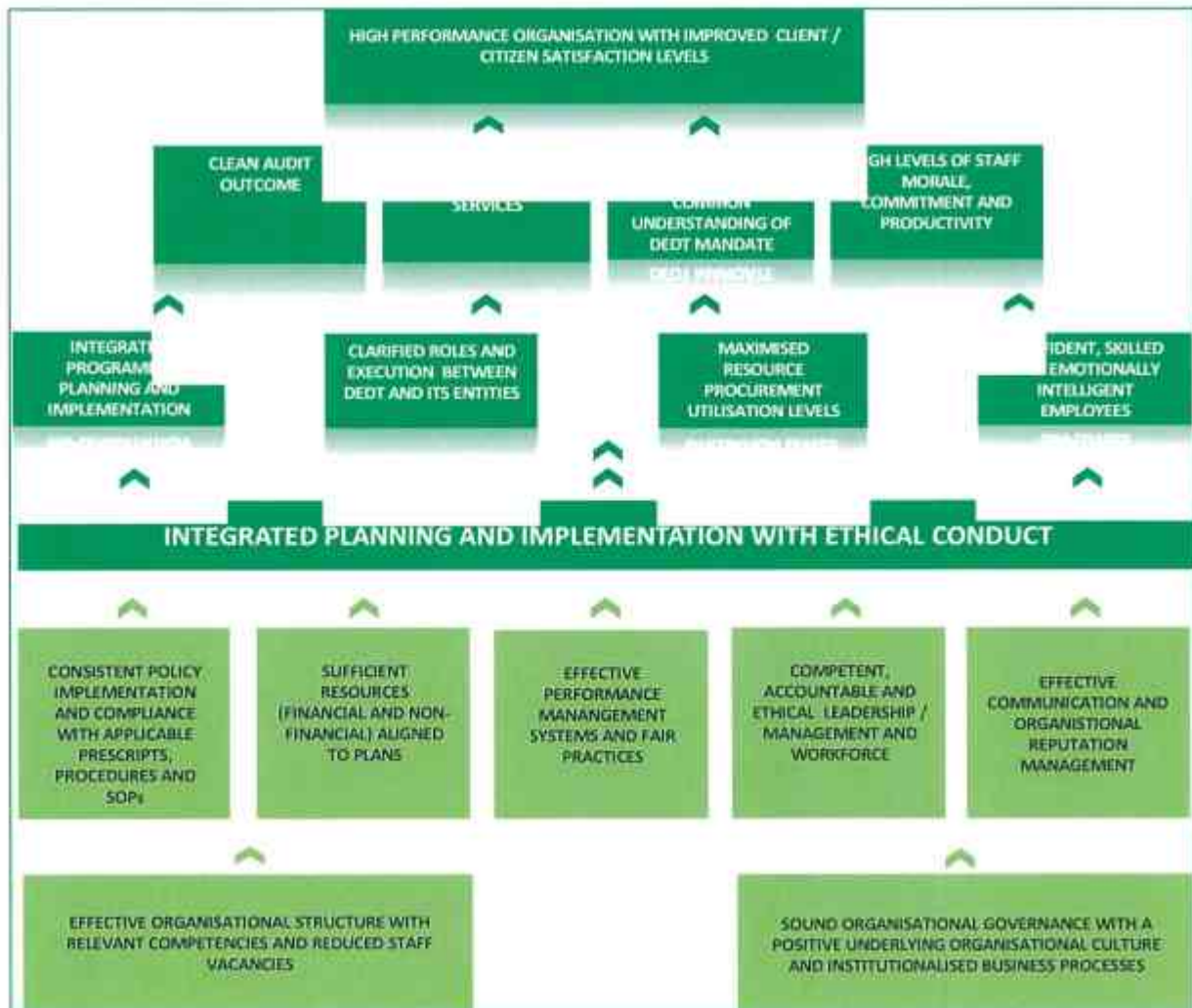
Therefore, the following interventions will contribute towards addressing the problem of fragmented planning, uncoordinated implementation and poor work ethic as shown above:

- 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



8.4 The capacity of the Department to deliver on the 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.

8.4.1 Human Resource Planning

8.4.1.1 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.

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Figure 32: Organisational Structure

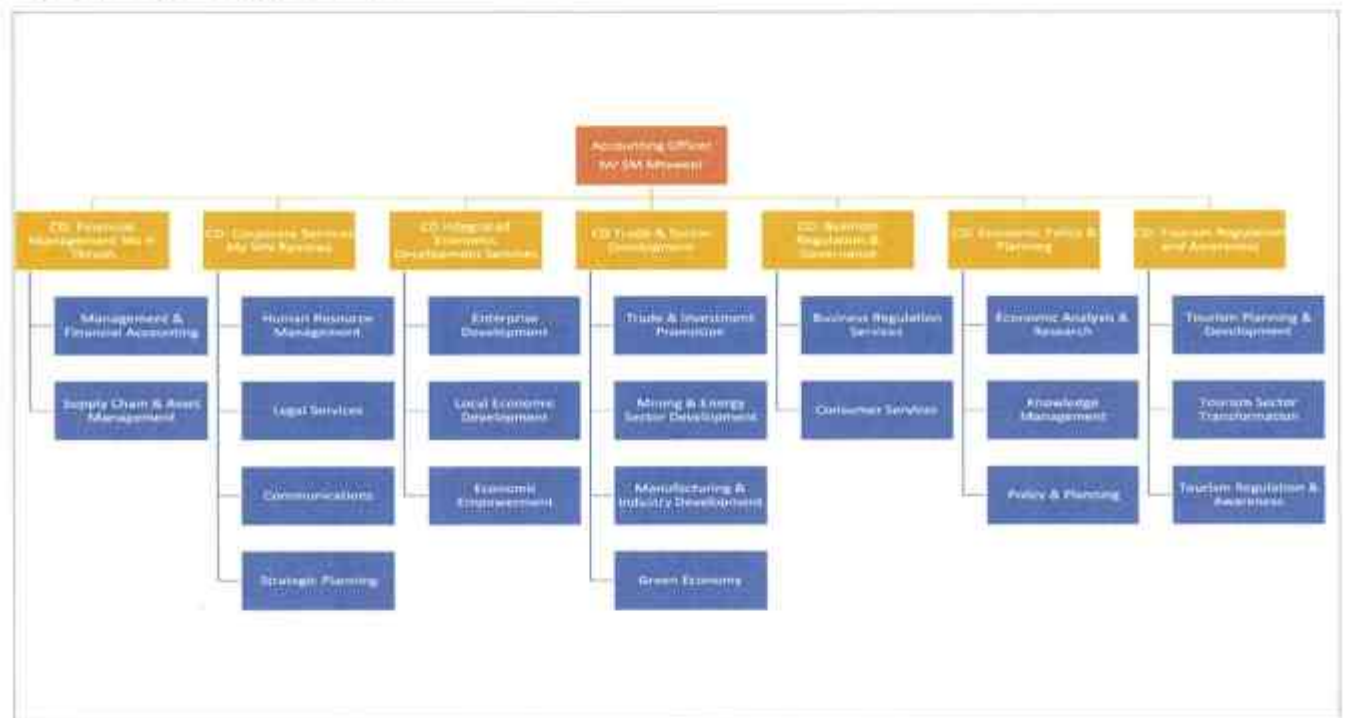


Table 23: Employment equity plan vs occupancy in terms of occupational levels

OCCUPATIONAL LEVELS	PLANNED TARGET		CURRENT OCCUPANCY		% Variance	
	Male	Female	Male	Female	Male	Female
Top Management	4	6	6	2	60%	20%
Senior management	12	12	15	3	63%	13%
Professionally qualified and experienced specialists and mid-management	25	26	25	16	49%	31%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	39	39	21	15	27%	19%
Semi-skilled and discretionary decision making	88	88	27	74	15%	43%
Unskilled and defined decision making	8	9	0	13	0%	76%
TOTAL	176	180	94	123	26%	35%
GENDER %	49%	51%	43%	57%		
GRAND TOTAL	356	217 (61%)				

8.4.1.2 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

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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
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.

8.4.1.3 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	

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Termination Type	Number	% of Total Resignations	Total Employment
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%	

8.4.2 Financial Resources

The following tables provide an overview of the budget allocation of the Department over the MTEF period.

Table 29: Summary of Payments and Estimates

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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	86 915	92 919	110 798	106 582	107 945	112 000	119 072	127 797
2. Integrated Economic Development	442 802	528 725	532 652	598 397	421 718	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	15 436	18 610	17 743	17 843	18 801	19 540	20 489	21 615
6. Tourism	350 231	358 308	383 648	395 067	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

8.5 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.

8.6 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 30: 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

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Economic Cluster	Stakeholder	Role and Responsibility
Mining	Department of Minerals and Resources (DMR)	Policy development and enforcement. Facilitate platforms for stakeholder engagements
	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 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
Tourism	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
	Department Culture, Sports and Recreation	Develop and management of the heritage tourism products
	Local Government	Provide enabling service delivery environment and infrastructure to

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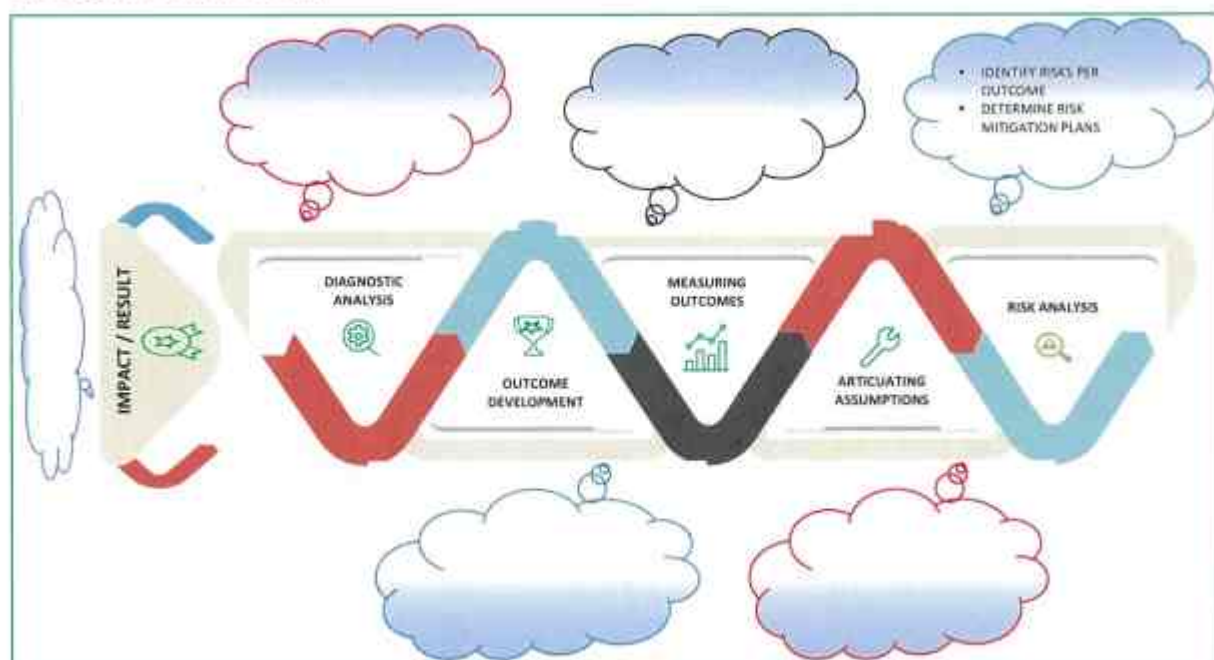
Economic Cluster	Stakeholder	Role and Responsibility
		promote tourism. Liaising with local tourism associations and service providers
	Private sector (LTO's & RTO)	Promoting the tourism industry
	Department of Home Affairs	Controlling ports of entries into the country. Regulating international access of visitors to SA (visas and visa free travel)
	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

9. Institutional Performance Information

As indicated within the section dealing with the situational analysis, the Department used the Problem tree diagnostic assessment, the Theory of Change and Logic Model as an approach in the development of the departmental strategy. The following process was followed using a brainstorming exercise:

Figure 33: The Methodology



The following three thematic areas were utilised upon which the two-day strategic planning session discussions (and subsequent interactive sessions) were hinged:

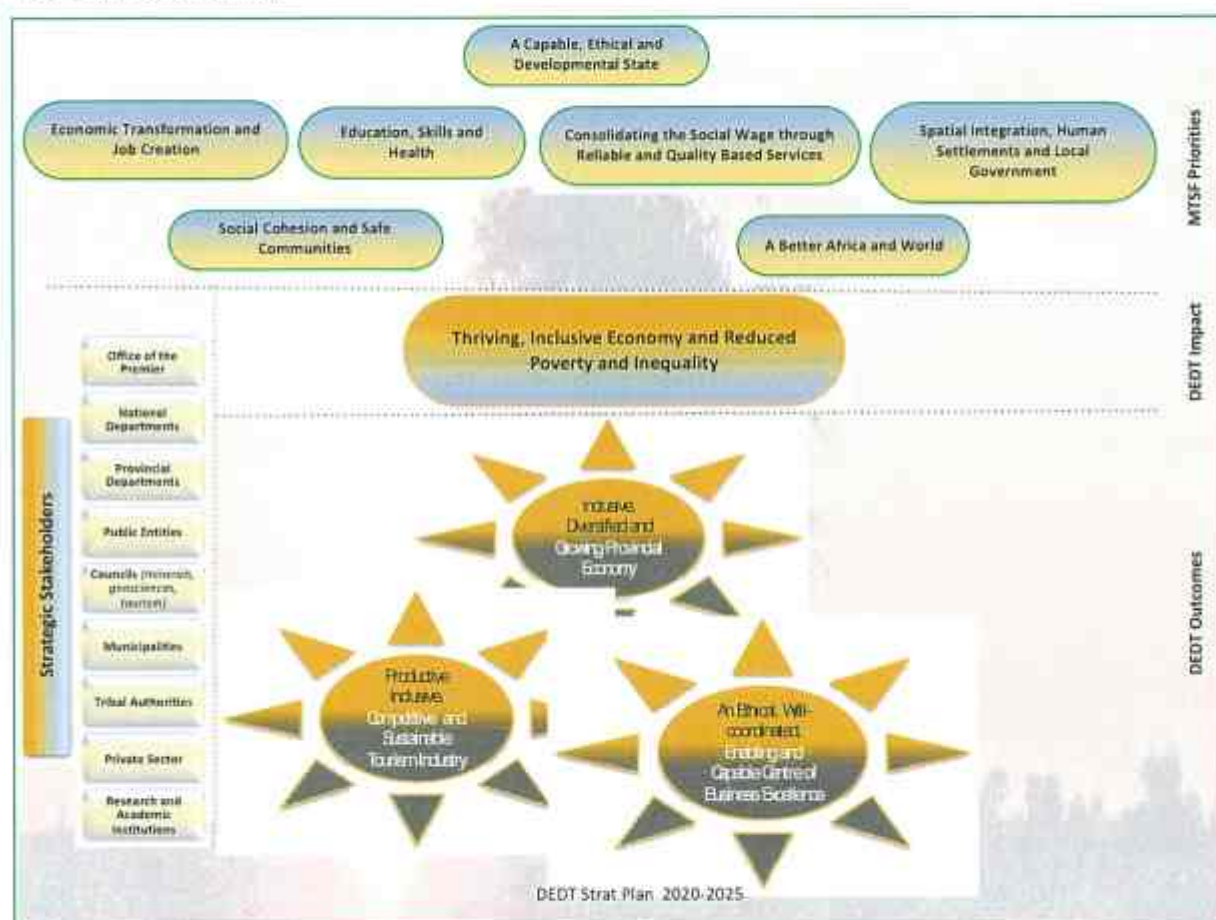
Table 31: Strategic themes

Thematic Areas	Problem Statement and Identified Outcomes
Agriculture	The core of the problem was identified as a non-inclusive, non-integrated and non-transformed sector. The resultant outcome for this problem, based on the solution tree was as follows: Inclusive, diversified and growing economy
Manufacturing, Mining and the Green Economy	The following core problems were identified per sector:

Thematic Areas	Problem Statement and Identified Outcomes
	<ul style="list-style-type: none"> • Manufacturing is resource-based and not knowledge-based • Lack of control in Mining towards achieving a Provincial Developmental agenda • High carbon footprint contributing in climate change resulting from powered energy <p>The identified interventions and solution trees for these core problems yielded the following outcome: Inclusive, diversified and growing economy</p>
Tourism	The core problem was identified as Uncoordinated Tourism Development. Accordingly, the outcome derived from the analysis was: Inclusive, competitive and sustainable tourism industry
Institutional Analysis	The identified core problem was coined as: Fragmented planning, uncoordinated implementation and poor work ethics and the associated outcome was: An ethical, well-coordinated, enabling and capable center of business excellence.

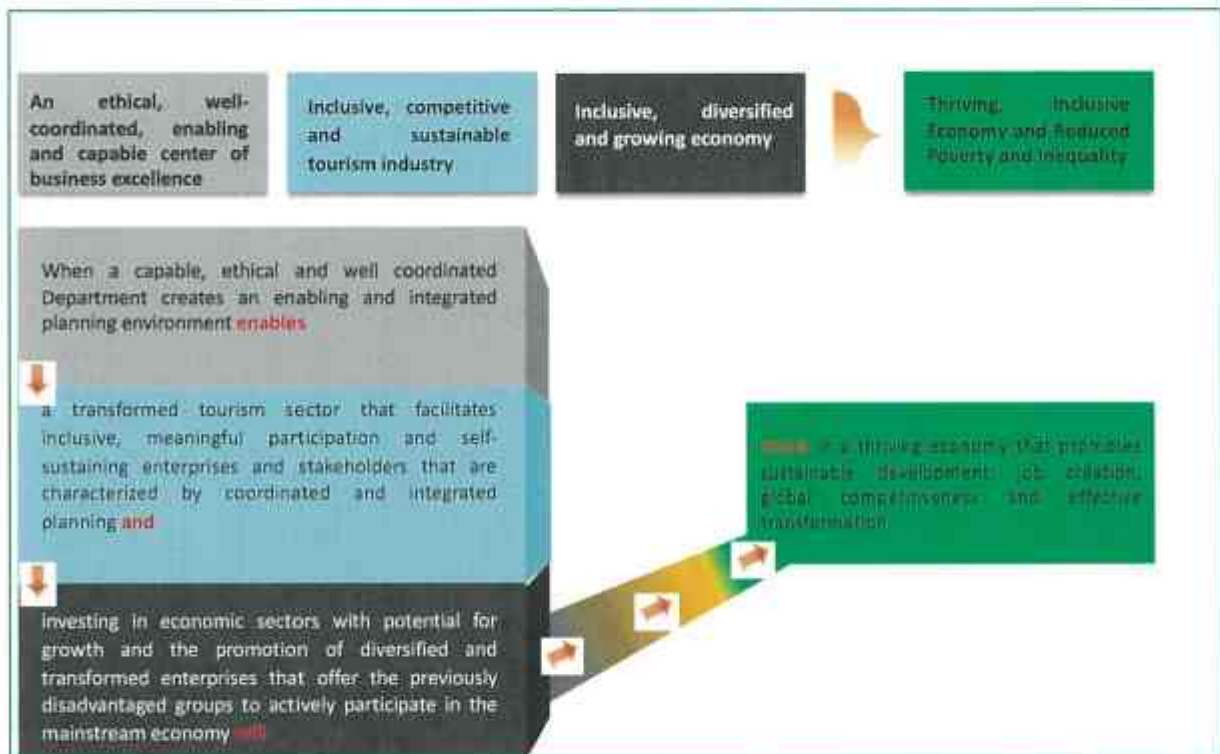
The resultant Departmental Strategy Map that was crafted which outlined the Impacts and Outcomes that are discussed in subsequent sessions outlined below, can be depicted as follows:

Figure 34: Strategy Map



Through these outcomes and identified impact, the verifiable *pathway to change* can be depicted as follows:

Figure 35: Pathway to Change



9.1 Measuring the Impact

The following Impact, with the supportive and describing Impact Statement, provides an indication as to how the Department will be in a position to attain the *Vision of An Inclusive, Globally Competitive Economy*. As this impact statement provide a detailed description of what change would have been affected by the Department, it would almost provide a clear picture of what the economic environment of the Mpumalanga Province will look like in the future.

Table 32: Impact statement

Impact	Impact statement
Thriving, inclusive economy and reduced poverty and inequality	The National Development Plan (NDP) seeks to eliminate poverty and reduce inequality by 2030. The realization of a thriving inclusive economy that is globally competitive and where the provincial citizenry is living above the poverty datum line and inequality is drastically reduced at all levels of the society would require the mobilisation and stimulation of key economic sectors with huge potential for rapid

	economic growth, creation of more jobs and sustainable livelihoods. The empowerment of youth, women and people with disabilities, particularly those living in townships and rural areas will be central in driving the economic transformation agenda.
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Table 33: Impact Measurement

MTSF Priority: Economic Transformation and Job Creation					
Impact	Impact Indicator		Baseline	2024 target	2030 target
Thriving, inclusive economy and reduced poverty and inequality	Inclusive index ¹⁵	growth	4.15	4.59	4.70

9.2 Measuring Outcomes

In order for *the dedt* to attain the above-mentioned Impact, it would require the attainment of quite four outcomes that would contribute to the impact, from the various sectors of the Provincial economy. The following outcomes are pre-conditions to the attainment of the impact and supports the intent contained within the impact statement:

Table 34: Outcomes and Outcome statements

Outcome	Outcome statements
Inclusive, diversified and growing economy	A growing economy that promotes sustainable development, job creation, global competitiveness and effective transformation. These broad objectives will be achieved through investing in economic sectors with potential for growth and promotion of diversified and transformed enterprises offering the previously disadvantaged groups to actively participate in the mainstream economy.
Inclusive, competitive and sustainable tourism industry	A transformed tourism sector facilitating inclusive, meaningful participation. Tourism industry development geared to self-sustaining enterprises contributing to economic growth. Coordinated and integrated planning driven development where all stakeholders influencing tourism effectively play their role

¹⁵ The Inclusive Growth Index was adapted from the Inclusive Growth (IG) Monitor developed by Manchester University in 2014. The Inclusive Growth Index uses existing statistics to construct an index of the extent to which people living within a given locality (like Mpumalanga) may be considered as economically included and benefiting from broader national prosperity. The index is divided into two themes (economic inclusion and prosperity) each having three underlying dimensions constituted by a set of two indicators.

Outcome	Outcome statements
An ethical, well-coordinated, enabling and capable center of business excellence	A capable, ethical department that is well-coordinated and creates an enabling environment for provincial economic growth and business excellence, through integrated planning and implementation

The above outcomes and outcome statements must be measured to determine the effectiveness of the Department, in being able to measure the performance of the Department in achieving the high-level strategic intent. The following tables will provide an indication as to how the outcomes will be measured, and which strategies the Department must implement over the 2019–2024 period to achieve these targets (as contained within the different tables):

Table 35: Outcome measures – Inclusive, diversified and growing economy

MTSF Priority		Economic Transformation and Job Creation	
Outcome	Outcome Indicator	Baseline	Five-year target
Inclusive, diversified and growing economy	Percentage reduction in the current carbon (GHG) footprint in the Province (at implementation sites)	New Indicator	30%
	Annual growth rate of manufacturing industry	1%	5% pa
	Percentage increase in black industrialists	New KPI	30% pa
	Annual growth rate of mining industry	4.8%	5% pa

In order for the Department to focus on the attainment of the identified outcomes, the following strategies will be prioritised as key to establish an inclusive, diversified and growing economy. The prioritised strategies relating to the green economy are:

- Targeted engagement with relevant stakeholders to improve green economy awareness and to motivate for the implementation of green economy initiatives;
- Promote clean coal technology;
- Monitor legislative reviews and promote for incentives when the private sector implements green economy projects and interventions; and
- Revisit requirements to create business opportunities within the environmental environment.

The prioritised strategies relating to the manufacturing and agro-processing sector are:

- Participate and coordinate economically within the District Delivery Model;
- Investment in small business to support global competitiveness;
- Directly link government procurement to rural and township economies;
- Protecting of intellectual property on new innovations and concepts;

- Liaise and leverage the attraction of and allocation of Foreign Direct Investment (FDI) within manufacturing enterprises within the Province;
- Participate in identified sector forums to promote and facilitate growth and development of agro-processing within the Province;
- 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.

The Department will prioritise the following strategies within the mining industry to ensure that an inclusive and sustainable economic growth of the Province within this sector is achieved.

- Coordination of developmental agenda supported by the provincial mining sector;
- Supporting and strengthening of partnerships and participation in platforms of the provincial mining forum;
- Expand MEGA's participation in the Provincial mining industry;
- Monitoring of alternative opportunities (sand mining and quarrying activities) to ensure that illegal activities within this space is reduced;
- Liaise and leverage the attraction of and allocation of Foreign Direct Investment (FDI) within the mining sector within the Province.

Table 36: Outcome measures – Inclusive, competitive and sustainable tourism industry

MTSF Priority		Economic Transformation and Job Creation	
Outcome	Outcome Indicator	Baseline	Five-year target
Inclusive, competitive and sustainable tourism industry	Tourism spending as a percentage of the provincial GDP	7.1%	9%

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

- Engage with the National department to review national legislation that limits provincial promotion of tourism;
- Improve service delivery standards and safety in rural areas and townships (nodes) to ensure that tourism initiatives within these areas can be implemented and promoted;
- Promotion of the provincial black operated tourism enterprises to international tour/travel operators;
- Investigate and liaise with relevant stakeholders with regards to the development of concession and other revenue generation models for tourism products;
- Ensure that MEGA ring fence funding for tourism SME's.

Table 37: Measuring Institutional Performance

MTSF Priority		A Capable, Ethical and Developmental State	
Outcome	Outcome Indicator	Baseline	Five-year target
An ethical, well-coordinated, enabling and capable center of business excellence	Governance compliance Index	New Indicator	100%
	% implementation of the Fraud Risk implementation plan	New Indicator	100%
	Percentage Customer Satisfaction Index rating	New Indicator	90%

To ensure that the Department is recognised as an ethical, well-coordinated, enabling and capable centre of excellence, the following strategies will be implemented during the next five-year period:

- Benchmarking for the establishment of Business Development Legal Unit;
- Review the Departmental Service Delivery Model and the delegation of Entity Oversight function;
- Business Process Mapping and re-engineering;
- Review and implementation of effective Performance Management System;
- Capacitate our research through structured partnerships with research institutions and NGOs;
- Establish platforms to facilitate periodic updates on the provincial economic climate or recent trends;
- Continuous monitoring and subsequent evaluation of implemented economic plans;
- Continuous exposure and continuous participation of officials in relevant economic platforms.

9.3 Explanation of planned performance over the five year planning period

The mandate of the Department is contributing towards the MTSF priority areas of Economic Transformation and Job Creation (priority 1) and A Capable, Ethical and Developmental State (priority 6). Therefore, the impact of the Department aims to contribute to that by creating a thriving inclusive economy and reduced poverty and inequality within the Province. The outcomes developed are supporting the attainment thereof by:

- An economically informed and responsive client;
- Inclusive, diversified and growing Provincial economy;
- Inclusive, competitive and sustainable tourism industry;
- An ethical, well-coordinated, enabling and capable centre of business excellence

The table that follows reflects the contribution of the Department's outcomes to intended impact and details the enablers that will be required to achieve the five year targets:

Table 38: Outcome enablers and contribution on impact

OUTCOME	CONTRIBUTION ON IMPACT	OUTCOME ENABLERS
Inclusive, diversified and growing provincial economy	<p>The Department should ensure that a conducive environment is established for all sectors of the economy to contribute towards job creation and economic growth,</p> <p>The provincial economy should contribute towards the reduction in inequality and ensure that a diversified growing economy is facilitated.</p>	Reviewed legislation that contributes to economic inclusivity, growth with ease of access and participation
		Well functional IGR platforms and structures
		Provincial common understanding of economic priorities
		MOU's and engagements with private sector to stimulate and grow the provincial economy
		Availability of funding, expertise and capacity of SMME's to capitalise on available economic opportunities
		Domestic and international demand exists for products and services
		Investments in new technologies and business opportunities
Inclusive, competitive and sustainable tourism industry	<p>The Department must ensure that through activities of Department and the MTPA the tourism sector grows and develops as a key contributor to sustainable growing provincial economy.</p> <p>Through creation of inclusive job opportunities, the tourism industry will play a very important role in elimination of poverty and a reduction of inequality.</p>	Partnerships between private sector, government and future participants within the tourism sector.
		Reviewed legislation that contributes to economic inclusivity, growth with ease of access and participation
		Availability of funding, expertise and capacity of SMME's to participate in tourism activities and opportunities
		Collaboration between all spheres of government to ensure accessibility and services contribute towards enhanced experience of tourists
		Effective international and national marketing and promotion of provincial tourism activities and attractions
		Competent employees in the appropriate positions focusing on the

OUTCOME	CONTRIBUTION ON IMPACT	OUTCOME ENABLERS
An ethical, well-coordinated, enabling and capable centre of business excellence	Competent and ethical employees will influence economic decision making in the province.	roll-out of the Departments' strategies and priorities
		Adequate and effective allocation and utilisation of resources
		The Department must take up their mandate, role and responsibility to drive and coordinate economic growth and development in the province through collaboration and influencing all governmental stakeholders in the province to ensure all decisions are made to stimulate the provincial economy.

10. Key Risks

The following strategic risks have been identified in relation to the specific outcomes developed for the next five-year period. The mitigation strategies are also reflected in the table below:

Table 39: Key Strategic Risks

Outcome	Key Risks	Risk Mitigation
Inclusive, diversified and growing economy	<ul style="list-style-type: none"> • Inadequate funding • Jobless economic growth (Not labour intensive) • Labour and social unrest • Inadequate skilled workforce • Lack of buy-in into the green economy opportunities • Load shedding • Corruption 	<ul style="list-style-type: none"> • 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 • 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 • Creation of more employment opportunities benefitting

Outcome	Key Risks	Risk Mitigation
	<ul style="list-style-type: none"> • Labour and social unrest • Inadequate skilled workforce • 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 	<ul style="list-style-type: none"> communities • Skills development and relevant training • Leverage and accessing national available funding for infrastructure development. Attract private sector investment into infrastructure for economic growth • 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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

Outcome	Key Risks	Risk Mitigation
	<ul style="list-style-type: none"> • Uncoordinated interventions by different government agencies/departments and private sector • Maintenance of tourism attractions (infrastructure) • Unsettled land claims prevent tourism growth 	<p>obtain funding for tourism promotion</p> <ul style="list-style-type: none"> • 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 facilitate tourism development
An ethical, well-coordinated, enabling and capable center of business excellence	<ul style="list-style-type: none"> • Poor institutional culture. • Poor internal control environment. • Reputational damage. • Non-compliance to applicable legislation and regulations. • Inadequate financial management and controls. • Increased litigations. 	<ul style="list-style-type: none"> • 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.

Outcome	Key Risks	Risk Mitigation
	<ul style="list-style-type: none"> Inadequate human resources capacity. Poor leadership Inadequate service delivery model. 	<ul style="list-style-type: none"> 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 Department has three Entities which were established to perform the activities and implementation of economic and tourism related activities and projects within the Province. The table below provides an indication of the mandate of each of these Entities; their outcomes and budget allocation from the Department:

Table 40: Provincial entities information

Name of Public Entity	Mandate	Outcomes	MTEF Budget Allocation R 000's
Mpumalanga Economic Growth Agency 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Inclusive, diversified and growing provincial economy An ethical, well-coordinated, enabling and capable center of business excellence 	2020/21 R189 174 2021/22 R197 192 2022/23 R206 657
Mpumalanga Tourism and Parks Agency 	<ul style="list-style-type: none"> To provide for the sustainable development and improvement of the tourism industry in Mpumalanga 	<ul style="list-style-type: none"> Inclusive, diversified and growing provincial economy Inclusive, competitive and sustainable tourism industry An ethical, well-coordinated, enabling and capable center of business excellence 	2020/21 R372 362 2021/22 R383 831 2022/23 R402 255
Mpumalanga Economic Regulator	<ul style="list-style-type: none"> Continue to regulate the Gambling Industry as per its founding Act Promote responsible gambling in the Province 	<ul style="list-style-type: none"> Inclusive, diversified and growing provincial economy An ethical, well-coordinated, enabling and capable center of business excellence 	2020/21 R94 017 2021/22

	<ul style="list-style-type: none"> • 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 that facilitates the entry of new participants into the industry; diversity ownership in the industry and an ethos of social responsibility in the industry 	R97 151
		2022/23
		R101 814

Part D: Technical Indicator Description (TID)

The core elements of the institution's TIDs are provided in the Guidelines for the Implementation of the Framework for Strategic and Annual Performance Planning.

Table 41: TID - Increase in provincial inclusive growth index score

Impact	Thriving inclusive economy and reduced poverty and inequality					
Indicator Title	Increase in provincial inclusive growth index score					
Definition	<p>The Inclusive Growth Index was adapted from the Inclusive Growth (IG) Monitor developed by Manchester University in 2014. The Inclusive Growth Index uses existing statistics to construct an index of the extent to which people living within a given locality (like Mpumalanga) may be considered as economically included and benefiting from broader national prosperity.</p> <p>The index is divided into two themes (economic inclusion and prosperity) each having three underlying dimensions constituted by a set of two indicators. Each indicator is normalised giving a minimum score of zero for the lowest scoring area and a maximum of one for the highest scoring. This means that each dimension has a minimum score of zero and a maximum score of two, therefore each theme can have a minimum score of zero and maximum of six. The maximum score of the overall index is therefore 12.</p>					
Source of data	Statistics South Africa and IHS Markit (Regional Explorer – ReX)					
Method of Calculation / Assessment	<ul style="list-style-type: none"> Quantitative – development of a comprehensive index 					
Means of Verification	Annual Provincial Economic Review and Outlook (PERO), Socio-Economic Review and Outlook (SERO) reports bi-annually and other relevant economic research reports of the Department					
Assumptions	<ul style="list-style-type: none"> Credible and available data 					
Calculation Type	Cumulative					
Reporting Cycle	Annually					
Desired performance	<ul style="list-style-type: none"> To be a thriving and inclusive provincial economy and ranked at least no 4 of the provinces in terms of the inclusive growth index, the intention of using the index will be to ensure that the province improve /increase on the result of calculating the index 					
Indicator Responsibility	Director: Economic Analysis and Research					
Baseline Current year 2019 / 20	Baseline 2017 score = 4.15 (maximum score = 12) Baseline 2017 ranking = 6 th					
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	4.30	4.36	4.42	4.50	4.59	4.70
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	

Table 42: TID – Percentage reduction in the current carbon (GHG) footprint in the Province

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Outcome	Inclusive, diversified and growing economy
Indicator Title	Percentage reduction in the current carbon (GHG) footprint in the Province
Definition	<p>To decrease the percentage of carbon/ Greenhouse Gas (GHG) in the atmosphere emanating from industries, especially during electricity generation and producing synthetic fuels from coal by adopting new technologies like clean coal technology and introducing alternative renewable energy sources. The emission levels will be measured at five monitoring stations.</p> <p>Greenhouse Gas: A greenhouse gas is a gas that absorbs and emits radiant energy within the thermal infrared range. Greenhouse gasses cause the greenhouse effect. The primary greenhouse gases in the earth's atmosphere are water vapor, carbon dioxide, methane, nitrous oxide and ozone.</p> <p>Clean coal technology: A collection of technologies being developed in attempts to lessen the negative environmental impact of coal energy generation and to mitigate worldwide climate change.</p>
Source of data	Air monitoring stations situated in the Highveld Region of Mpumalanga which monitors the quality of air. Reports by Eskom and Sasol on their respective emissions.
Method of Calculation / Assessment	A monthly average measurement is taken for measurement. A reduction in this figure would indicate an improvement in the air quality since it reflects a reduction Green House Gas (GHG)
Means of Verification	A copy of the monthly readings would be kept showing how the monthly average was calculated
Assumptions	<ul style="list-style-type: none"> The information received from the monitoring station is assumed to be a true reflection of the air quality.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Not applicable
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> The area of focus would be the Highveld Region of the Mpumalanga Province consisting of the Gert Sibande and Nkangala District Municipalities.
Calculation Type	Non-cumulative
Reporting Cycle	Monthly, but culminating to quarterly and yearly trends in the overall air quality.
Desired performance	<ul style="list-style-type: none"> To decrease the percentage of GHG in the air
Indicator Responsibility	The directorate responsible for Green Economy
Baseline Current year 2019 / 20	Electricity generation and production of synthetic fuels accounts for 53% of all GHG in the Highveld Regions

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Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	5%	10%	20%	25%	30%	50%
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	
	Operational budget	Operational budget	Operational budget	Operational budget	Operational budget ¹⁶	

¹⁶ The actual annual budget will result from the aggregation of specific compliance budget activities per financial programme and sub-program.

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Table 43: TID – Annual growth rate of manufacturing industry

Outcome	Inclusive, diversified and growing manufacturing industry					
Indicator Title	Annual growth rate of manufacturing industry					
Definition	Annual growth (in percentage terms) of provincial manufacturing industry as measured in terms of Gross Value Added (GVA)/GDP (Gross Domestic Product) at basic prices (constant prices)					
Source of data	Statistics South Africa and IHS Markit (Regional Explorer – ReX)					
Method of Calculation / Assessment	<ul style="list-style-type: none"> Quantitative representing the growth rate in percentage as calculated within the definition 					
Means of Verification	Economic research reports of the Department such as the annual Provincial Economic Review and Outlook (PERO) and Socio-Economic Review and Outlook (SERO) reports bi-annually of the Department					
Assumptions	<ul style="list-style-type: none"> Credible and available data 					
Calculation Type	Cumulative					
Reporting Cycle	Annually					
Desired performance	<ul style="list-style-type: none"> Annual economic growth rate of 5% in line with the NDP and Mpumalanga Vision 2030, as well as the 2024 MTSF targets 					
Indicator Responsibility	Director: Economic Analysis and Research					
Baseline Current year 2019 / 20	Latest official provincial figure = 2017 (-0.1%) and estimated figure for 2018 = 1.0% (important to work with calendar years in line with data availability)					
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	5% pa	5% pa	5% pa	5% pa	5% pa	5% pa
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	
	R250 000 to purchase relevant socio-economic data	R265 000	R280 000	R295 000	R310 000	

Table 44: TID –Percentage increase in black industrialists

Outcome	Inclusive, diversified and growing manufacturing industry
Indicator Title	Percentage increase in black industrialists
Definition	The increase of black South Africans who own and through significant shareholding, control an enterprise whose products are significantly used and have a considerable impact on decent employment and create broad-based economic opportunities.
Source of data	Statistic South Africa and the Number of Black Industrialist participating in the manufacturing industry value chain.
Method of Calculation / Assessment	<ul style="list-style-type: none"> Quantitative The number of enterprises to access the incentives offered through the Black Industrialist Programme in the Province % value of the amount disbursed to Mpumalanga BI's compared to the total amount disbursed in the entire BI Programme Baseline of 6 BI with an addition of 2 during year 1 (2 divide by 6 x 100 as %). Meaning that a 30% growth in year 2 will mean 3 BI added to the BI programme (3 divide 8 x 100 as percentage). In year 3 a 30% increase will require 4 BI to be added to the programme (4 divide by 12 x 100 as percentage)
Means of Verification	<ul style="list-style-type: none"> Conduct site visits to the enterprises that accessed the BIP offering Access proof of BI participation and the rand value from the dtic Economic Research Reports Annual Reports of Manufacturing industries
Assumptions	<ul style="list-style-type: none"> BI will expand the industrial base and inject new entrepreneurial dynamism into the economy BI will transform the economy through changing the patters of ownership and control BI will contribute towards shifting the demographic composition of Mpumalanga Industrial sector The information received from Economic Research is accurate
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Black Industrialist in the context of South Africa including women, youth and people with disabilities.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> The area of focus would be the boundaries of the Mpumalanga Province.
Calculation Type	The number of black industrialist participating in the manufacturing industry value chain. Cumulative
Reporting Cycle	Annually
Desired performance	<ul style="list-style-type: none"> Increase in the number of provincial enterprises participation in the BI Programme by 30%
Indicator Responsibility	Economic Empowerment Directorate

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Baseline Current year 2019 / 20	<ul style="list-style-type: none"> 6 Mpumalanga companies out of 147 overall in the country accessed BI funding which constitute 4,08% Mpumalanga participation in the Black Industrialist Programme 					
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	30%	30%	30%	30%	30%	30%
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	

Table 45: TID – Annual growth rate of mining industry

Outcome	Inclusive and sustainable mining industry					
Indicator Title	Annual growth rate of mining industry					
Definition	Annual growth (in percentage terms) of provincial mining industry as measured in terms of Gross Value Added (GVA)/GDP (Gross Domestic Product) at basic prices (constant prices)					
Source of data	Statistics South Africa and IHS Markit (Regional Explorer – ReX)					
Method of Calculation / Assessment	Quantitative - presented as percentage based on the calculation within the definition					
Means of Verification	Economic research reports of the Department such as the annual Provincial Economic Review and Outlook (PERO) and Socio-Economic Review and Outlook (SERO) reports bi-annually of the Department					
Assumptions	<ul style="list-style-type: none"> Credible and available data 					
Calculation Type	Cumulative					
Reporting Cycle	Annually					
Desired performance	Annual economic growth rate of 5% in line with the NDP and Mpumalanga Vision 2030, as well as the 2024 MTSF targets					
Indicator Responsibility	Director: Economic Analysis and Research					
Baseline Current year 2019 / 20	Latest official provincial figure = 2017 (4.8%) and estimated figure for 2018 = -1.7% (important to work with calendar years in line with data availability)					
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	5% pa	5% pa	5% pa	5% pa	5% pa	5% pa
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	
	R250 000 to purchase relevant socio-economic data	R265 000	R280 000	R295 000	R310 000	

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Table 46: TID – Tourism spending as a percentage of the provincial GDP

Outcome	Inclusive, competitive and sustainable tourism industry					
Indicator Title	Tourism spending as a percentage of the provincial GDP					
Definition	The combined R-value of international and domestic tourism spending (current prices) in Mpumalanga in a specific year, expressed as a percentage of the R-value of the provincial GDP (Gross Domestic Product – current prices) in the same year					
Source of data	Statistics South Africa, IHS Markit (Regional Explorer - ReX), administrative data, Tourism SA, MTPA as well as DEDT records					
Method of Calculation / Assessment	Quantitative					
Means of Verification	Relevant tourism and economic research reports of the Department such as the annual Provincial Economic Review and Outlook (PERO) and Socio-Economic Review and Outlook (SERO) reports					
Assumptions	Credible and timeously available data/information					
Calculation Type	Non-Cumulative					
Reporting Cycle	Annually					
Desired performance	Quality, accurate, credible and timeously tourism data/information					
Indicator Responsibility	Director: Economic Analysis and Research as well as Director: Tourism					
Baseline Current year 2019 / 20	Figures not available currently for 2019 due to lag in terms of data availability. Figure for 2018 = 7.1% of the provincial GDP. Figures available for calendar years					
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	7.6%	8%	8.3%	8.6%	9%	10%
Annual Budget (Economic Analysis Unit)	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	
	R5.4 million	R5.6 million	R5.8 million	R6.0 million	R6.3 million	

Table 47: TID – Governance compliance index

Outcome	An ethical, well-coordinated, enabling and capable center of business excellence
Indicator Title	Governance compliance index
Definition	<p>Based on the King IV principles as described below the Department should conduct a compliance evaluation against the <u>principles</u>, practices and outcomes as set out within the King IV Report.</p> <p>P1 - The Executive and senior leadership team should lead ethically and effectively</p> <p>P2 - The Executive and senior leadership team should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p> <p>P3 - The Executive and senior leadership team should ensure that the organisation is and is seen to be a responsible corporate citizen.</p> <p>P4 - The Executive and senior leadership team should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p> <p>P5 - The Executive and senior leadership team should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.</p> <p>P6 - The Executive and senior leadership team should serve as the focal point and custodian of corporate governance in the organisation.</p> <p>P7 - The Executive and senior leadership team should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively</p> <p>P8 - The Executive and senior leadership team should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p> <p>P9 - The Executive and senior leadership team should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness</p> <p>P10 - The Executive and senior leadership team should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p> <p>P11 - The Executive and senior leadership team should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>

	<p>P12 - The Executive and senior leadership team should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p> <p>P13 - The Executive and senior leadership team should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen</p> <p>P14 - The Executive and senior leadership team should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p> <p>P15 - The Executive and senior leadership team should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p> <p>P16 - In the execution of its governance role and responsibilities, the Executive and senior leadership team should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>					
Source of data	King IV Governance compliance checklist					
Method of Calculation / Assessment	<ul style="list-style-type: none"> The number of items achieved (fully compliant against King IV requirements) divided by all the elements and principles within the checklist and expressed as a percentage compliance 					
Means of Verification	King IV compliance checklist and management report					
Assumptions	<ul style="list-style-type: none"> That it will be easy to compare the actions, decisions and application of departmental policies against the King IV stipulated principles 					
Calculation Type	Percentage calculation					
Reporting Cycle	Annual					
Desired performance	<ul style="list-style-type: none"> 100% compliance 					
Indicator Responsibility	Head of Department					
Baseline Current year 2019 / 20	Compliance to be determined against the newly developed compliance checklist.					
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	80%	80%	90%	90%	100%	100%
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	
	Operational Budget	Operational Budget	Operational Budget	Operational Budget	Operational Budget ¹⁷	

¹⁷ The actual annual budget will result from the aggregation of specific compliance budget activities per financial programme and sub-program.

Table 48: TID – Percentage reduction in fraud related cases

Outcome	An ethical, well-coordinated, enabling and capable center of business excellence					
Indicator Title	Percentage reduction in fraud related cases					
Definition	<ul style="list-style-type: none"> The purpose of this indicator is to provide insight into the effectiveness of the Department's Fraud Prevention Strategy and Whistleblowing mechanisms. The indicator will also measure the extent and impact of awareness interventions pertaining to Anti-corruption and Ethics Management. 					
Source of data	Public Service Commission (National Anti-Corruption Hotline) Reports					
Method of Calculation / Assessment	<ul style="list-style-type: none"> Quantitative 					
Means of Verification	Monthly and Quarterly Reports from the Integrity Management Unit (OtP)					
Assumptions	<ul style="list-style-type: none"> The number of corruption cases will be reduced. 					
Calculation Type	Percentage calculation					
Reporting Cycle	Quarterly					
Desired performance	<ul style="list-style-type: none"> Zero corruption cases reported (100% reduction) 					
Indicator Responsibility	Administration					
Baseline Current year 2019 / 20	New Indicator					
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	2029/30
	80%	90%	100%	100%	100%	100%
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25	
	R 55 000.00	R 55 000.00	R 60 000.00	R65 000.00	R 65 000.00	

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Table 49: TID – Percentage Customer Satisfaction Index rating

Outcome	An ethical, well-coordinated, enabling and capable center of business excellence				
Indicator Title	Percentage Customer Satisfaction Index rating				
Definition	<ul style="list-style-type: none"> The purpose of this indicator is to provide insight on the extent to which the Department is responsive to the needs and expectations of customers. In this regard, customers are both internal and external recipients of the services rendered by the Department. 				
Programme / Sub-programme	<ul style="list-style-type: none"> Administration 				
Source of data	<ul style="list-style-type: none"> Customers' ratings to the satisfaction surveys and other departmental engagements including education and awareness sessions. 				
Method of Calculation / Assessment	<ul style="list-style-type: none"> Aggregate the ratings by customers categorized per client satisfaction survey elements and overall performance in comparison to the service delivery standards (including responsiveness, timeliness of service delivery, staff friendliness and courtesy) to express the percentages as favorable and/or unfavorable. 				
Means of Verification	<ul style="list-style-type: none"> Consolidated Customer Satisfaction Reports. 				
Assumptions	<ul style="list-style-type: none"> There will be 80% customer satisfaction levels. 				
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A 				
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> N/A 				
Calculation Type	<ul style="list-style-type: none"> Percentage calculation. 				
Reporting Cycle	<ul style="list-style-type: none"> Bi-annually 				
Desired performance	<ul style="list-style-type: none"> Improved client perception levels 				
Indicator Responsibility	<ul style="list-style-type: none"> Administration 				
Baseline	2016/17	2017/18	2018/19	2019/20*	
*Estimated performance	New	New	New	New	
Annual Targets	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25
	80%	85%	90%	90%	90%
Quarterly Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Portfolio of Evidence	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	Consolidated Customer Satisfaction Reports.	Consolidated Customer Satisfaction Reports.	Consolidated Customer Satisfaction Reports.	Consolidated Customer Satisfaction Reports.	
Annual Budget	2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25
Quarterly Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	

The 2020 - 2025 Strategic Plan for 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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