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LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO

**SOCIO-ECONOMIC REVIEW
& OUTLOOK**

The heartland of southern Africa - development is about people

Foreword

The 2023/24 Socio Economic Review and Outlook is presented during the period of the ongoing war between Russia and Ukraine, as well as the enduring COVID-19 steam which resist to fade. The International Monetary Fund (IMF) global growth profile for October 2022 is the weakest economic outlook report since 2001. This is partly due to the economic shocks created by the war in Ukraine, driving up food and energy prices following the coronavirus outbreak. This has created an environment where soaring costs and rising interest rates have created growth-stifling fears around the globe. The IMF growth forecast give an indication that more than a third of the global economy is headed for contraction in 2022 and 2023. Warnings are that the world's three biggest economies, the United States, European Union and China will continue to stall.

World Economic Outlook update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022, but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity, however, China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, this is still above pre-pandemic levels.

The continuous load shedding by Eskom, has taken a heavy toll to the South African and Limpopo economy as major industries were hit by power outages and this has led to closure of businesses as they could not cope with long hours of load shedding. The Reserve Bank has continued to hike the repo rate as it tries to stabilise inflation in the country and the move has increased the repo rate to 7.25 percent, and the prime rate to 10.75 percent. The knock-on effects of the Ukraine invasion, particularly higher food and fuel prices has affected the poor people in the province, as food and fuel has become extremely expensive for the poor and the working class. This is also increasing the burden on the fiscus to provide social services.



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1 March 2023

DATE

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LIST OF ABRIVIATIONS

BER	Bureau for Economic Research
COP27	27th Climate change Conference
CPI	Consumer Price Inflation
DBE	Department of Basic Education
EA	Economically Active
GDP	Gross Domestic Product
HDI	Human Development Index
HoD	Head of Department
IMF	International Monetary Fund
LDP	Limpopo Development Plan
LP	Limpopo Province
LTSM	Learner-Teacher Support Material
MEC	Members of Executive Council
MPC	Monetary Policy Committee
MTBPS	Medium Term Budget Policy Statement
NAB	Non Alcoholic Beverages
NEA	Not Economically Active
NDP	National Development Plan
NICD	National Institute for Communicable Disease
NSC	National Senior Certificate
Q	Quarter
Q on Q	Quarter on Quarter
QLFS	Quarterly Labour Force Survey
SA	South African
SARB	South African Reserve Bank
SDG	Sustainable Development Goals
SERO	Socio-Economic Review and Outlook
StatsSA	Statistics South Africa
USA	United States of America
USAO	Universal Service and Access Obligations
WEO	World Economic Outlook
WHO	World Health Organization

CHAPTER 1: ECONOMIC OVERVIEW

1.1 Introduction

The global fight against inflation, Russia's war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors will continue to do so in 2023. Despite these headwinds, real GDP was surprisingly strong in the third quarter of 2022 in numerous economies, including the United States, the euro area, and major emerging market and developing economies. The sources of the GDP strength were in many cases domestic: stronger-than-expected private consumption and investment amid tight labour markets and greater-than-anticipated fiscal support. Households spent more to satisfy pent-up demand partly by drawing down their stock of savings as economies reopened and business investment rose to meet the associated demand. On the supply side, easing bottlenecks and declining transportation costs reduced pressures on input prices and allowed for a rebound in previously constrained sectors, such as motor vehicles. Energy markets have adjusted faster than expected to the shock from Russia's invasion of Ukraine.

In the fourth quarter of 2022, however, this uptick is estimated to have faded in most, though not all major economies. US growth remains stronger than expected, with consumers continuing to spend from their stock of savings (the personal saving rate is at its lowest in more than 60 years, except for July 2005), unemployment near historic lows, and plentiful job opportunities. But elsewhere, high-frequency activity indicators (such as business and consumer sentiment, purchasing manager surveys, and mobility indicators) generally point to a slowdown.

During the tabling of the National Medium Term Budget Policy Statement (MTBPS), the Minister of Finance downgraded the 2022 South African economic prospects from 2.1 percent to 1.9 percent in consideration of the downward revision of the IMF's global forecast. South Africa's economy increased by 1.6 percent in the third quarter of 2022 which was driven by the agricultural sector, and the economy continues to grow above its pre-pandemic size.

Indications are that the Russia-Ukraine conflict is also expected to put a major dent to our country's positive economic prospects, as the country has already witnessed

spikes in fuel prices, which affects the production and transportation of many agricultural and other products. The electricity interruptions in the country continues to have a negative impact on both the country and provincial economic recovery.

1.2 World Economic Outlook

Table 1: World Economic Outlook Real GDP, annual percent change

	Year over Year			
	2021	Estimate 2022	Projections 2023 2024	
World Output	6,2	3,4	2,9	3,1
Advanced Economies	5,4	2,7	1,2	1,4
United States	5,9	2,0	1,4	1,0
Euro Area	5,3	3,5	0,7	1,6
Germany	2,6	1,9	0,1	1,4
France	6,8	2,6	0,7	1,6
Italy	6,7	3,9	0,6	0,9
Spain	5,5	5,2	1,1	2,4
Japan	2,1	1,4	1,8	0,9
United Kingdom	7,6	4,1	-0,6	0,9
Canada	5,0	3,5	1,5	1,5
Other Advanced Economies 3/	5,3	2,8	2,0	2,4
Emerging Market and Developing Economies	6,7	3,9	4,0	4,2
Emerging and Developing Asia	7,4	4,3	5,3	5,2
China	8,4	3,0	5,2	4,5
India 4/	8,7	6,8	6,1	6,8
Emerging and Developing Europe	6,9	0,7	1,5	2,6
Russia	4,7	-2,2	0,3	2,1
Latin America and the Caribbean	7,0	3,9	1,8	2,1
Brazil	5,0	3,1	1,2	1,5
Mexico	4,7	3,1	1,7	1,6
Middle East and Central Asia	4,5	5,3	3,2	3,7
Saudi Arabia	3,2	8,7	2,6	3,4
Sub-Saharan Africa	4,7	3,8	3,8	4,1
Nigeria	3,6	3,0	3,2	2,9
South Africa	4,9	2,6	1,2	1,3
Memorandum				
World Growth Based on Market Exchange Rates	6,0	3,1	2,4	2,5
European Union	5,5	3,7	0,7	1,8
ASEAN-5 5/	3,8	5,2	4,3	4,7
Middle East and North Africa	4,1	5,4	3,2	3,5
Emerging Market and Middle-Income Economies	7,0	3,8	4,0	4,1
Low-Income Developing Countries	4,1	4,9	4,9	5,6
World Trade Volume (goods and services) 6/	10,4	5,4	2,4	3,4
Advanced Economies	9,4	6,6	2,3	2,7
Emerging Market and Developing Economies	12,1	3,4	2,6	4,6
Commodity Prices				
Oil 7/	65,8	39,8	-16,2	-7,1
Nonfuel (average based on world commodity import weights)	26,4	7,0	-6,3	-0,4
World Consumer Prices 8/	4,7	8,8	6,6	4,3
Advanced Economies 9/	3,1	7,3	4,6	2,6
Emerging Market and Developing Economies 8/	5,9	9,9	8,1	5,5

Source: International Monetary Fund, WEO, January 2023

The Global economy entered 2023 in a weaker position than previously projected due to the ongoing war between Russia and Ukraine, as well as the new developments presented by the COVID-19 variant spreads. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies.

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening of economic activities has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

Monetary policy should stay on course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary to preventing global fragmentation.

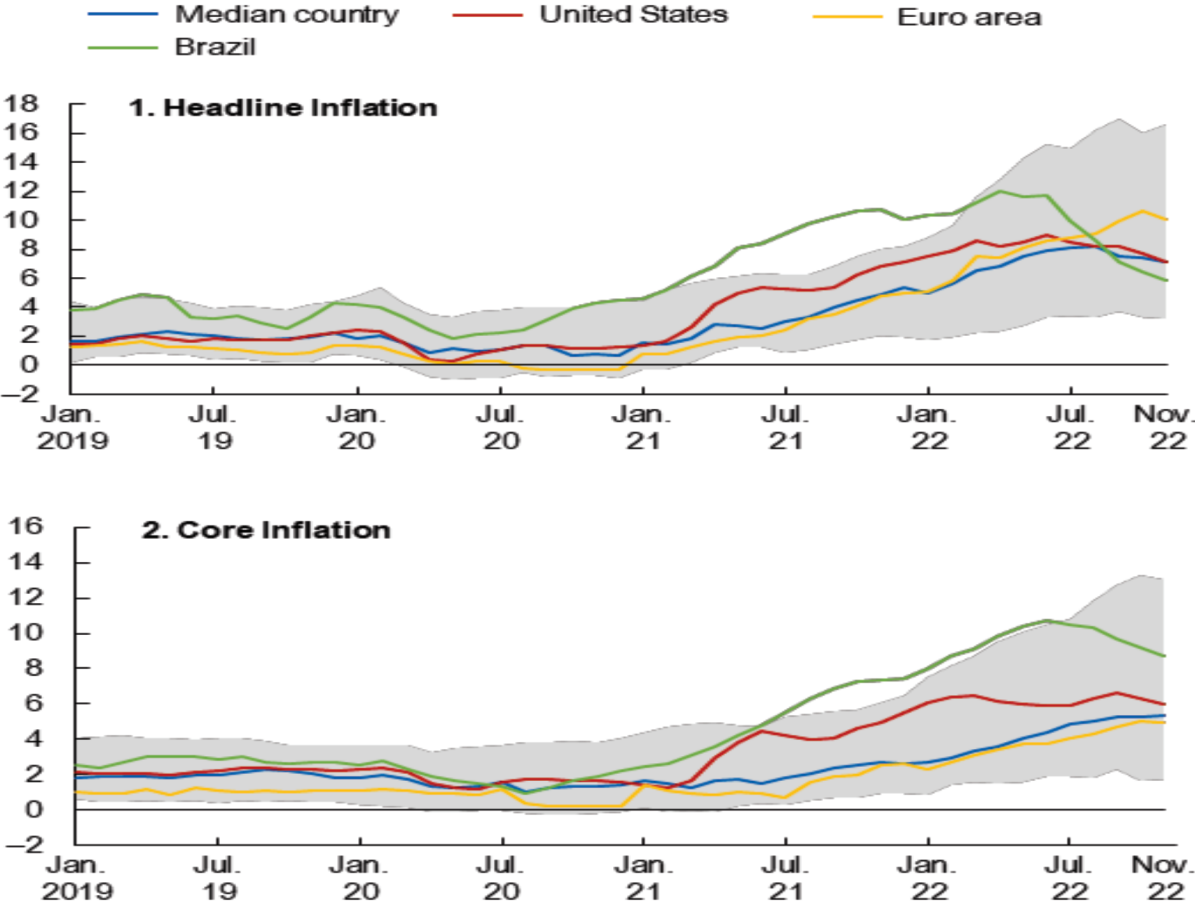
1.3 Global Consumer prices

About 84 percent of countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.8 percent in 2022 (annual average) to 6.6 percent in 2023 and 4.3 percent in 2024 above pre-pandemic (2017–19) levels of about 3.5 percent. The projected disinflation partly reflects declining international fuel and nonfuel commodity prices due to weaker global demand. It also reflects the cooling effects of monetary policy tightening on underlying (core) inflation, which globally is expected to decline from 6.9 percent in the fourth quarter of 2022 (year over year) to 4.5 percent by the fourth quarter of 2023. Still, disinflation will take time: by 2024, projected annual average headline and core

inflation will, respectively, still be above pre-pandemic levels in 82 percent and 86 percent of economies.

In advanced economies, annual average inflation is projected to decline from 7.3 percent in 2022 to 4.6 percent in 2023, and 2.6 percent in 2024 above target in several cases. In emerging market and developing economies, projected annual inflation declines from 9.9 percent in 2022 to 8.1 percent in 2023 and 5.5 percent in 2024, above the 4.9 percent pre-pandemic (2017–19) average. In low-income developing countries, inflation is projected to moderate from 14.2 percent in 2022 to 8.6 percent in 2024, still high, but close to the pre-pandemic average.

Figure 1: Headline and Core Inflation percentage Y/Y



Source: International Monetary Fund, WEO, January 2023

Elevated inflation is expected to persist for longer than projected in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022.

Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane and monetary policy in major economies responds. Signs are apparent that monetary policy tightening is starting to cool demand and inflation, but the full impact is unlikely to be realized before 2024.

Global headline inflation appears to have peaked in the third quarter of 2022 as portrayed in Figure 1. Prices of fuel and nonfuel commodities have declined, lowering headline inflation, notably in the United States, the euro area, and Latin America. But the underlying inflation has not yet peaked in most economies and remains well above pre-pandemic levels. It has persisted amid second-round effects from earlier cost shocks and tight labour markets with robust wage growth as consumer demand has remained resilient. Medium-term inflation expectations generally remain anchored, though some gauges are up. These developments have caused central banks to raise rates faster than expected, especially in the United States and the euro area, and to signal that rates will stay elevated for longer.

Core inflation is declining in some economies that have completed their tightening cycle such as Brazil. Financial markets are displaying high sensitivity to inflation news, with equity markets rising following recent releases of lower inflation data in anticipation of interest rate cuts, despite central banks' communicating their resolve to tighten policy further. With the peak in US headline inflation and an acceleration in rate hikes by several non-US central banks, the dollar has weakened since September but remains significantly stronger than a year ago.

1.4 Risk to the global outlook

The balance of risks to the global outlook remains tilted to the downside, with scope for lower growth and higher inflation, but adverse risks have moderated since the October 2022 World Economic Outlook.

Upside risks

Plausible upside risks include more favourable surprises to domestic spending as in the third quarter of 2022, which, however, would increase inflation further. At the same time, there is an opportunity for an upside scenario with lower-than-expected inflation and less monetary tightening that include:

- ***Pent-up demand boost:*** Pent-up demand remains an upside risk to the growth outlook fuelled by the stock of excess private savings from the pandemic fiscal support and, in many cases, still-tight labour markets and solid wage growth. In some advanced economies, recent data show that households are still on net adding to their stock of excess savings (as in some euro area countries and the United Kingdom) or have ample savings left (as in the United States). This leaves scope for a further boost to consumption, particularly of services, including tourism. However, the boost to demand could strengthen core inflation, leading to even tighter monetary policies and a stronger-than-expected slowdown in future.
- ***Faster disinflation:*** An easing in labour market pressures in some advanced economies due to falling vacancies could cool wage inflation without necessarily increasing unemployment. A sharp fall in the prices of goods, as consumers shift back to services, could further push down inflation. Such developments could imply a “softer” landing with less monetary tightening.

Downside risks

Numerous downside risks continue to weigh on the global outlook, lowering growth while, in a number of cases, adding further to inflation:

- ***China’s recovery stalling:*** Amid still-low population immunity levels and insufficient hospital capacity, especially outside the major urban areas, significant health consequences could hamper the recovery. A deepening crisis in the real estate market remains a major source of vulnerability, with risks of widespread defaults by developers and resulting in financial sector instability. Spill-overs to the rest of the world would operate primarily through lower demand and potentially renewed supply chain problems.
- ***War in Ukraine escalating:*** An escalation of the war in Ukraine remains a major source of vulnerability, particularly for Europe and lower-income countries. Europe is facing lower-than anticipated gas prices, having stored enough gas to make shortages improbable this winter. However, refilling storage with much-diminished Russian flows will be challenging ahead of next winter, particularly if it is a very cold one and China’s energy demand picks up,

causing price spikes. A possible increase in food prices from a failed extension of the Black Sea grain initiative would put further pressure on lower-income countries that are experiencing food insecurity and have limited contingency reserves to cushion the impact on households and businesses. With elevated food and fuel prices, social unrest may increase.

- **Debt distress:** Since October, sovereign spreads for emerging markets and developing economies have modestly declined on the back of an easing in global financial conditions and dollar depreciation. About 15 percent of low-income countries are estimated to be in debt distress, with an additional 45 percent at high risk of debt distress and about 25 percent of emerging market economies also at high risk. The combination of high debt levels from the pandemic, lower growth, and higher borrowing costs exacerbates the vulnerability of these economies, especially those with significant near-term dollar financing needs.
- **Inflation persisting:** Persistent labour market tightness could translate into stronger-than-expected wage growth. Higher-than-expected oil, gas, and food prices from the war in Ukraine or from a faster rebound in China's growth could again raise headline inflation and pass through into underlying inflation. Such developments could cause inflation expectations to de-anchor and require an even tighter monetary policy.
- **Sudden financial market repricing:** A premature easing in financial conditions in response to lower headline inflation data could complicate anti-inflation policies and necessitate additional monetary tightening. For the same reason, unfavourable inflation data releases could trigger sudden repricing of assets and increase volatility in financial markets which in turn could strain liquidity and the functioning of critical markets, with ripple effects on the real economy.
- **Geopolitical fragmentation:** The war in Ukraine and the related international sanctions aimed at pressuring Russia to end hostilities are splitting the world economy into blocs and reinforcing earlier geopolitical tensions, such as those associated with the US-China trade dispute. Fragmentation could intensify with more restrictions on cross-border movements of capital, workers, and international payments and could hamper multilateral cooperation on providing

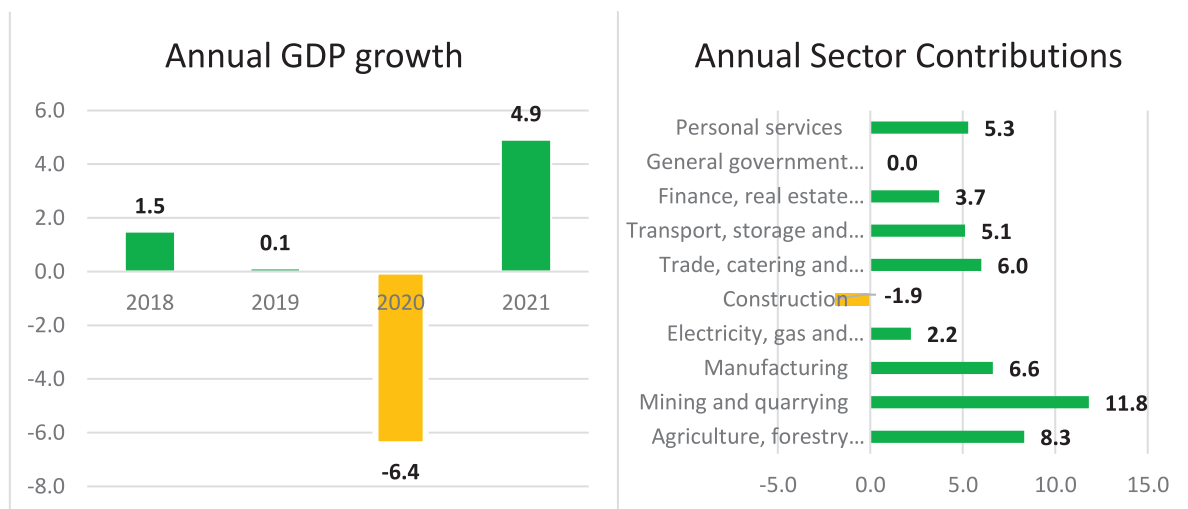
global public goods. The costs of such fragmentation are especially high in the short term, as replacing disrupted cross-border flows takes time.

1.5 SA Economic Overview

1.5.1 SA Annual GDP growth

The South African economy took almost two years to recover from the worst of the COVID-19 pandemic after plummeting in the second quarter of 2020, when lockdown restrictions were at their most stringent. The South African gross domestic product (GDP) clawed itself back to pre-pandemic levels in the first quarter of 2022 (Q1: 2022), as highlighted in Stats SA's set of GDP results released in June 2022. Compared with 51 other nations, South Africa's recovery has been sluggish, according to data from the International Monetary Fund (IMF). Economic recovery times in this regard is assessed with reference to Q4: 2019 (when economic activity was still 'normal' across all countries), and the low point of Q2: 2020. South Africa's recovery has thus extended over seven quarters, reaching its pre-pandemic level in Q1: 2022.

Figure 2: Annual growth in GDP at constant 2015 prices (measured by production)



Source: StatsSA, Gross Domestic Product, Q4 2021

Following a dismal 2020 South African Gross Domestic Product (GDP) performance which contracted the economy by 6.4 percent, economic activity increased by 4.9 percent in 2021, and projections are that the economy will slow down to 1.8 percent in

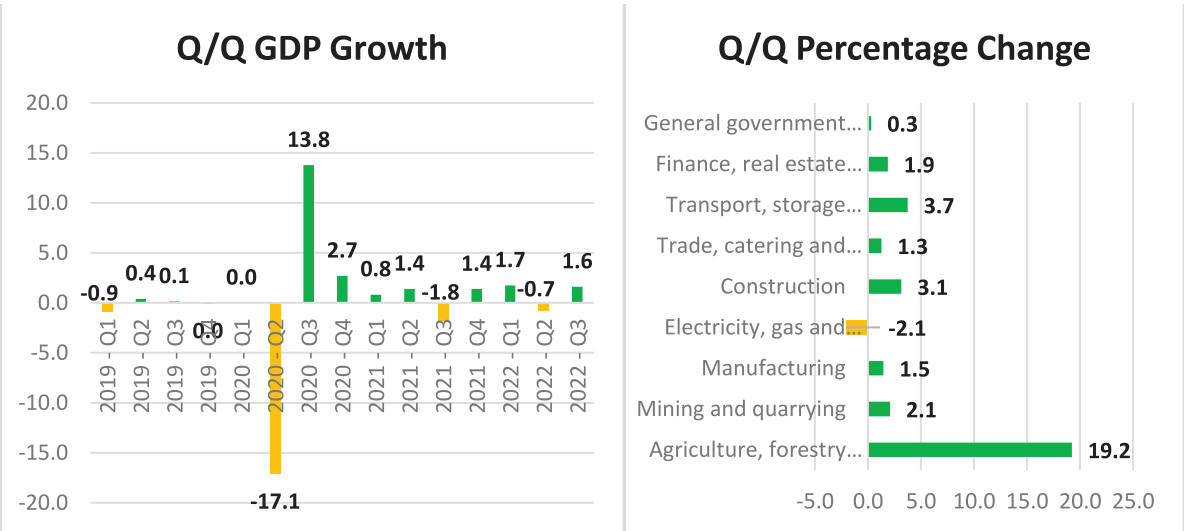
2022. The war between Russia and Ukraine gave a boost to South African commodity exports, such as coal, iron ore, platinum, and rhodium that generally increased in the first half of 2022.

The Mining Sector is at 11.8 percent, Agriculture at 8.3 percent and Manufacturing at 6.6 percent and trade at 6.0 percent recorded the highest growth rates in 2021 of above 6 percent. The construction industry is the only industry that contracted in 2021, falling by 1.9 percent and this was the fifth consecutive year of decline.

1.5.2 SA quarterly GDP growth

The South African economy experienced a positive growth trajectory in the third quarter of 2022, as real Gross Domestic Product (GDP) measured by production increased by 1.6 percent in the third quarter of 2022, following a decrease of 0.7 percent in the second quarter of 2022. The agriculture, finance, transport and manufacturing industries were the main drivers of growth on the supply side of the economy. The demand side of the economy was lifted by a rise in exports and government consumption.

Figure 3: SA GDP growth in expenditure (constant 2015 prices seasonally adjusted percent change Q on Q) and industry growth



Source: StatsSA, Gross Domestic Product, Q3 2022

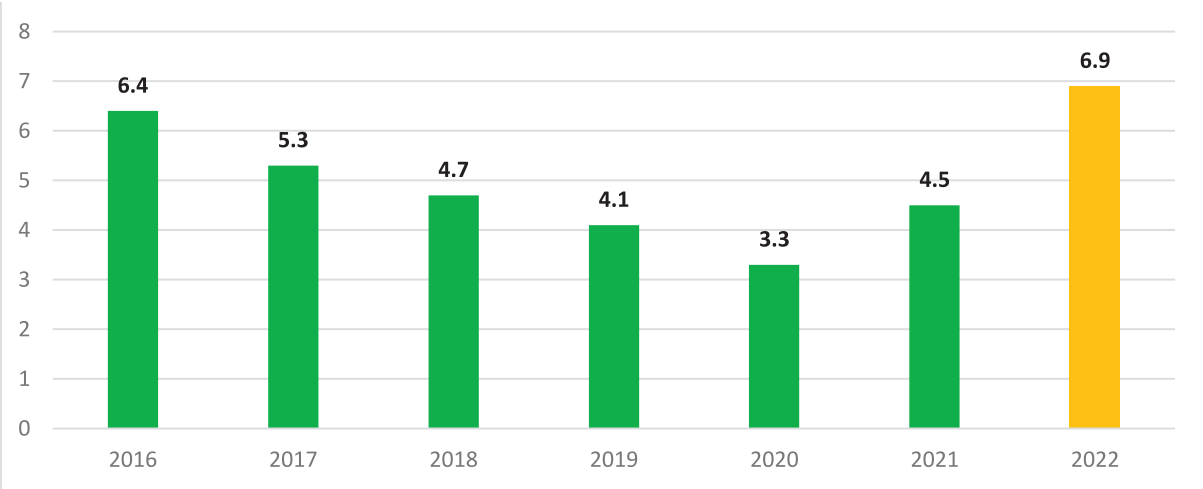
Eight industries recorded positive growth between the second quarter of 2022 and the third quarter of 2022. The agriculture industry was the largest contributor with an

increase of 19.2 percent and contributing 0,5 of a percentage point to GDP growth. The big increase in the agricultural sector was mainly associated with a rise in the production of field crops and horticulture products. The construction sector recorded positive 3.1 percent; the transport industry increased by 3.7 percent and contributing 0.3 of a percentage point; finance industry increasing by 1.9 percent and contributing 0.5 of a percentage point; the manufacturing industry increased by 1.5 percent and contributing 0.2 of a percentage point to the total GDP growth in the quarter. On the downside, the electricity, gas & water supply industry contracted by negative 2.1 percent in the third quarter.

1.6 Headline Consumer Price Index (CPI)

The 2022 headline consumer inflation was on a rise, this was impacted by the continuing rise in fuel prices in the country influenced by the continuing war between Russia and Ukraine that also have a major impact in fuelling the consumer prices which were already on an upward spiral. As per the December CPI release, an average annual inflation for 2022 was 6.9 percent, higher than the 4.5 percent recorded for 2021.

Figure 4:CPI headline year-on-year rates



Source: StatsSA, CPI 2021

The factors driving the rise in the cost of living over the last few months were behind the 2022 inflation increase. In the transport category, large price rises in fuel; in food category increases in important food such as meat and oils & fats, and non-alcoholic beverages (NAB); whereas housing and utilities continue to place upward pressure on the annual rate.

The annual change in the CPI is continuing to test the 6 percent upper limit of the South African Reserve Bank's monetary policy target range prompting the Bank to rise the interest rates. South Africa's central bank raised the repo rate during the year as it tries to bring inflation back within its 3%-6% target range, citing oil prices among potential risks.

1.7 Repo rate

In South Africa, the interest rates (repo rate) decisions are taken by the South African Reserve Bank's Monetary Policy Committee (MPC). This is the rate at which central banks lend or discount eligible paper for deposit money banks. Interest rates were hiked by 25 basis points on Thursday 26 January 2023, as the Reserve Bank slashed its expectations for growth for 2023. The Reserve Bank raised the repo rate by a total of 350 basis points between November 2021 and January 2023. The interest rates in South Africa are now at their highest level since 2016 after the SA Reserve Bank (SARB) hiked rates. The move brings the repo rate to 7.25 percent, and the prime rate to 10.75 percent. Economists polled by Bloomberg expect that rates may peak at 7.5 percent and that the first cuts could come as early as the fourth quarter of 2023.

For example, on a new home loan of R2 million at the prime rate, the latest increase hikes the monthly instalment by approximately R340. Since November 2021, monthly payments on a R2 million home loan are R4 800 more expensive due to the rate hikes.

The Governor of the SA Reserve Bank, Lesetja Kganyago, was pessimistic about the outlook for the South Africa's economy and as such, the Reserve Bank projected economic growth by 0.3 percent in 2023, this is mainly influenced by the continuing load shedding by Eskom. The Reserve Bank also slashed growth expectations to 0.7 percent in 2024 (from 1.4%) and by 1.0 percent in 2025 (from 1.5%). While economic

growth has been volatile for some time, prospects for growth appear even more uncertain than normal.

Investment expectations will decline amid weaker confidence and lower expected growth, while declining commodity prices mean exports are also forecast to be less robust. As the Reserve Bank lowered the South African economic growth expectations, it kept the headline inflation for 2023 unchanged at 5.4 percent, which is still above the target goal of 4.5 percent and Inflation is only expected to reach the goal of 4.5 percent by the end of 2024.

Higher interest rates appeal to foreign investors, who are on the hunt for good returns and this bonds well for South Africa as a country as there is a need for foreign inflows of money to keep the rand stable, and the local interest rates have been attractive for many years compared to other countries. But over recent months, other countries, particularly the United states have hiked their rates aggressively to subdue inflation. South Africa cannot afford to be left behind and on Thursday 24 November 2022 the rand was trading at its best level in months. However, the sharp hike in interest rates will heap more pain on the embattled South African economy and poor consumers, who are already struggling with sky-high fuel and food prices and record load shedding.

1.8 The SA Electricity

South Africa's government is continuing to face Electricity challenges, as power cuts were imposed on 205 days in 2022 and every day in 2023 so far. President Ramaphosa prioritized to resolve electricity challenges and cancelled his trip to the World Economic Forum in Davos to hold crisis talks with power utility Eskom, labour groups and business.

The following measures were taken by **Necom** that may ease the power crisis:

- The first of more than 100 privately owned power plants being developed will connect to the grid by the end of this year. In total, the planned projects could produce 9 000 megawatts, much of it for the companies own use.

- Emergency legislation is being developed to allow the faster approval and development of power plants.
- Contracts for the construction of plants that will produce 2 800 megawatts of renewable energy for the grid have been signed and construction will soon begin.
- As much as 1 000 megawatts may be imported this year from neighbouring countries, and Eskom will buy 1 000 megawatts of excess energy from private producers who already have facilities.
- Six of Eskom's 14 coal-fired power plants have been "identified for particular focus" in a bid to get them to perform more reliably.
- Efforts to finish incomplete plants and maintenance of other major units are being made.
- The time to complete regulatory processes for new plants has been reduced.

It is worth noting that the electricity crisis is going to continue as a challenge for the foreseeable future unless there is speedy implementation of the above strategies.

The President in his 2023 State of the nation address further stressed the plans to fix the energy crisis as they were outlined in July 2022 and this was to address the electricity shortfall of 4 000 to 6 000 MW. The plan outlined five key interventions which were as follows:

1. Fix Eskom's coal-fired power stations and improve the availability of existing supply.
2. Enable and accelerate private investment in generation capacity.
3. Accelerate procurement of new capacity from renewables, gas and battery storage.
4. Unleash businesses and households to invest in rooftop solar.
5. Fundamentally transform the electricity sector to achieve long-term energy security.

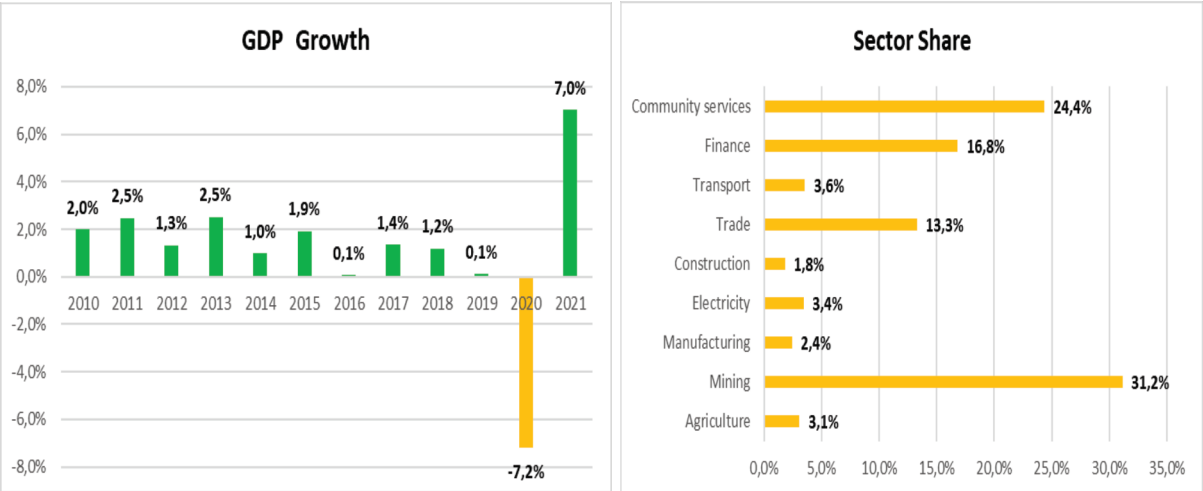
Experts agree that this plan is the most realistic route to end load shedding. During the last six months' important progress in implementing the plans were made and

steps were taken to improve the performance of Eskom’s existing power stations so that the coal-fired power stations that provide 80 percent of the country’s electricity produce the amount of electricity for which they were designed for.

1.9 Limpopo Economic Growth

Limpopo GDP growth has been on slow trajectory growing on an average below 2 percent since 2010 to 2019 and the situation was worsened by the COVID-19 pandemic in 2020. The provincial economic growth is well below the 5 percent target as aspired in the Limpopo Development Plan. The provincial economy contracted by 7.2 percent in 2020, and followed by a rebound from the effects of the pandemic of 7.0 percent in 2021. The province positive economic growth in 2021 can be credited to the booming mining commodity prices.

Figure 5: Limpopo GDP and Sector Share (Constant 2010 prices percent change year-on-year)



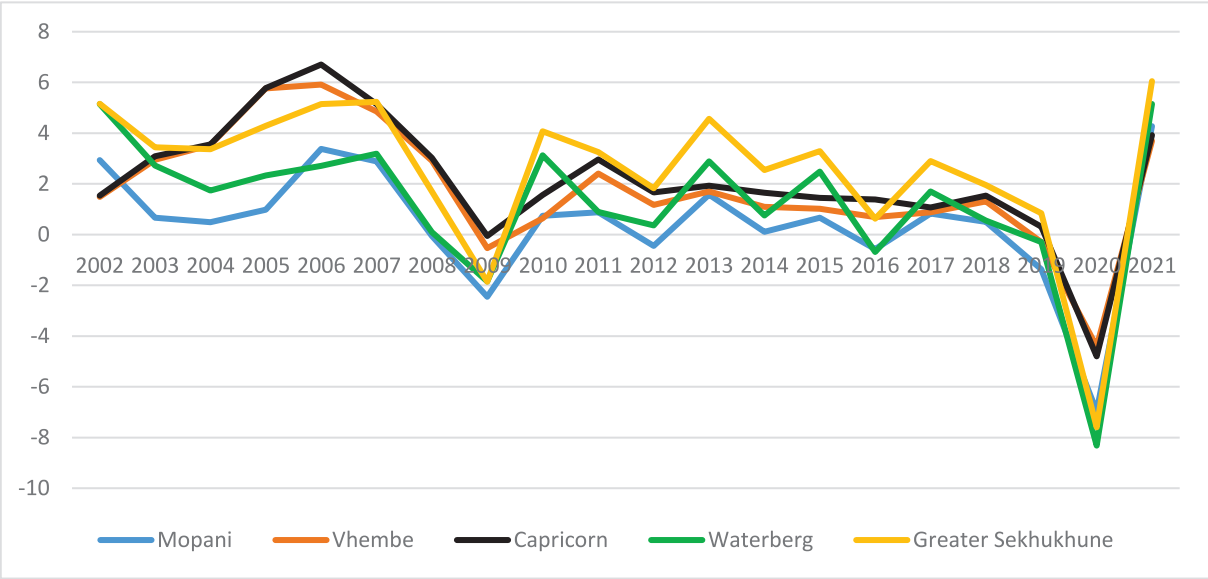
Source: IHS Regional Explorer, 2022

In 2021, the Mining industry (31.2%) had the biggest share in terms of percentage share to the provincial economy, this was followed by the community services (24.4%), Finance (16.8%) and Trade (13.3%). Other sectors each had a share of below 4 percent in the provincial economy, i.e. Transport (3.6%), Electricity (3.4 %), Agriculture (3.1%), Manufacturing (2.4 %) and Construction (1.8%). This is an indication that the provincial growth prospects continue to rely comprehensively on the Mining sector for

a prolonged period unless drastic measure are taken to stimulate the growth of the other sectors in the provincial economy.

1.10 Limpopo District economic growth

Figure 6: Limpopo district economic growth



Source: Quantec, 2023

The Limpopo’s Provincial Districts Gross Domestic Products has been on decline over the 2002 to 2021 period. Before the 2008 global financial crisis the Capricorn District has been the leading district in terms of GDP growth in the province, but after the financial crisis from 2010 to 2019, Greater Sekhukhune and Waterberg has been the drivers of the provincial economic growth. This is an indication that the provincial economy has been heavily reliant on the mining sector over this period. However, the three mining districts also suffered the biggest decline during the Covid-19 crisis because mining exports were restricted. As the world economies opened in 2021 there was a boom in the mining industry as commodity prices were favourable and Greater Sekhukhune and Mopani took advantage of the mining explosion.

1.11 Conclusion

The Global Economic growth will continue to be supported mainly by Emerging Market and Developing Economies. The Russia-Ukraine war continues, with adverse effects on global prices. Oil prices increased strongly from the start of the war, to around US\$130 per barrel. Monetary policy should continue to be resilient to restore price stability while fiscal policy should aim to alleviate the cost-of-living pressures for the poor and the middle class, while maintaining a sufficiently tight stance aligned with monetary policy. Structural economic reforms to further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation will be necessary for fast-tracking the green energy transition and preventing geopolitical fragmentation.

A survey by Bloomberg economists found that experts believe there is a 45 percent chance that South Africa will enter recession in 2023, driven by load shedding and the ongoing power crisis. According to the Bureau for Economic Research (BER), South Africa's power crisis is unlikely to let up in the short-term, and load shedding remains the single biggest downside risk and drag on South Africa's growth prospects in the next two years. Strong interventions to solve or stabilize the SA electricity crisis are necessary as they will bring some hope to the ailing economy of the country. Furthermore, SARB is continuing with its monetary policy stabilisation as it tries to constrain the inflation rate within the 3 to 6 percent target range.

CHAPTER 2: LABOUR MARKET

2.1 Introduction

South African labour market covers labour market activities of persons aged between 15–64 years, this includes the Economically Active (EA) and Not Economically Active (NEA). The labour market covers both the employed and unemployed persons and is one of the key indicators that measure the performance of the economy and as such, it requires significant attention in order to curb the negative impact it poses to the society and the economy at large. The number of working age population in South Africa compared to the employed number is widening, meaning that there are not enough jobs being created to absorb more people. The national unemployment rate has been on an increase in recent times and South African unemployment rate is currently among the highest in the world at 32.9 percent in Q3:2022, which is a small improvement as compared to 33.9 percent in Q2:2022.

2.2 South Africa key Labour Market Indicators

Unemployed persons are described as those people who are aged between 15–64 years who: a) Were not employed in the reference week; and b) Actively looked for work or tried to start a business in the four weeks preceding the survey interview; and c) Were available for work, i.e. would have been able to start work or a business in the reference week; or d) Had not actively looked for work in the past four weeks, but had a job or business to start at a definite date in the future and were available. Unemployment rate is the proportion of the labour force that is unemployed.

According to StatsSA 2022 Quarter 3 quarterly labour force survey, the working-age population increased by 144 000 or 0.4 percent in the third quarter of 2022 compared to the second quarter of 2022. Compared to Q3: 2021, the working-age population increased by 577 000 or 1.5 percent.

Figure 7: SA 2022 Q3 Unemployment, Employment and Labour force participation rate

	Jul-Sep 2021	Apr-Jun 2022	Jul-Sep 2022	Qtr-to-Qtr Change	Year-on-Year Change	Qtr-to-Qtr Change	Year-on-Year Change
	Thousand				Per cent		
Population 15-64Yrs	39 745	40 177	40 322	144	577	0,4	1,5
Labour Force	21 925	23 556	23 491	-66	1 565	-0,3	7,1
Employed	14 282	15 562	15 765	204	1 483	1,3	10,4
Formal Sector(non-agricultural)	9 628	10 599	10 835	235	1 206	2,2	12,5
Informal Sector(non-agricultural)	2 695	2 965	2 971	6	276	0,2	10,2
Agriculture	829	874	873	-1	43	-0,1	5,2
Private Households	1 130	1124	1 088	-36	-42	-3,2	-3,7
Unemployed	7 643	7 994	7 725	-269	82	-3,4	1,1
Not economically active	17 820	16 621	16 831	210	-988	1,3	-5,5
Discouraged work-seekers	3 862	3 568	3 514	-54	-348	-1,5	-9,0
Other (not economically active)	13 958	13 053	13 317	264	-641	2,0	-4,6
Rates(%)							
Unemployment rate	34,9	33,9	32,9	-1,0	-2,0		
Employed/population ratio(absorption)	35,9	38,7	39,1	0,4	3,2		
Labour Force Participation Rate	55,2	58,6	58,3	-0,3	3,1		

Source: StatsSA, 2022 Q3, QLFS

The number of employed persons increased by 204 000 to 15.8 million in Q3: 2022, while the number of unemployed persons decreased by 269 000 to 7.7 million compared to Q2: 2022, resulting in a decrease of 66 000 (down by 0.3%) in the number of people in the labour force. The number of discouraged work-seekers decreased by 54 000 (down by 1.5%) while the number of people who were not economically active for reasons other than discouragement increased by 264 000 (up by 2.0%) between the two quarters, resulting in a net increase of 210 000 in the not economically active population.

To better understand the observed large changes in the key labour market indicators between Q2: 2022 and Q3: 2022, special tabulations were done to study movements between labour market statuses. It was observed that a large number of persons moved from the unemployed category to the "employed" and "not economically active" statuses between the two quarters, which resulted in a decrease of 1.0 percentage point in the unemployment rate to 32.9 percent. The labour force participation rate in Q3: 2022 was lower than that reported in Q2: 2022 as a result of these movements – decreasing by 0.3 of a percentage point to 58.3 percent. The absorption rate increased

by 0.4 of a percentage point to 39.1 percent in the third quarter of 2022 compared to the second quarter of 2022.

Employment gains were observed in the formal sector (up by 235 000) and the informal sector (up by 6 000), while losses were observed in Private households (down by 36 000) and Agricultural sector (down by 1 000) in Q3: 2022. Compared to a year ago, total employment increased by 1.5 million persons (or 10.4%). The number of unemployed persons increased by 82 000 (or 1.1%), while the number of persons who were not economically active decreased by 988 000 (or 5.5%).

2.3 SA Unemployment rate per Province

In the third quarter of 2022, official unemployment rate in Limpopo was recorded at 31.0 percent, expanded unemployment rate at 49.9 percent. Eastern Cape had the highest unemployment rate in the country in Q3:2022 at 42.4 percent, followed by North West at 39.9 percent and Mpumalanga at 35.1 percent. Northern Cape and Western Cape has the lowest unemployment rate in the country at 26.4 and 24.5 percent respectively.

Figure 8: SA 2022 Q3 Official Unemployment, Employment and Labour force participation rate per province

	Official Unemployment rate					Expanded unemployment rate				
	Jul-Sep 2021	Apr-Jun 2022	Jul-Sep 2022	Qtr-to-Qtr Change	Year-on-Year Change	Jul-Sep 2021	Apr-Jun 2022	Jul-Sep 2022	Qtr-to-Qtr Change	Year-on-Year Change
	Per Cent			Percentage Points		Per Cent			Percentage Points	
South Africa	34,9	33,9	32,9	-0,1	-2,0	46,6	44,1	43,1	-1	-3,5
Western Cape	34,6	27,5	24,5	-3,0	-1,8	30,3	31,3	29,5	-1,8	-0,8
Eastern Cape	47,4	42,8	42,4	-0,4	-5	54,5	51,8	50,8	-1,2	-3,9
Northern Cape	24,9	23,7	26,4	2,7	1,5	49,1	46,3	45,9	-0,4	-3,2
Free-State	38,1	32,4	33,8	1,4	-4,3	45,8	40,3	40,8	0,5	-5,0
Kwa-Zulu-Natal	28,7	32,7	30,6	-2,1	1,9	48,6	49,4	46,4	-3,0	-2,2
North West	35,7	32,2	39	6,8	3,3	52,2	49,2	53,3	4,1	1,1
Gauteng	37,0	34,4	33,7	-0,7	-3,3	44,9	40,8	39,0	-1,8	-5,9
Mpumalanga	37,5	36,1	35,1	-1	-2,4	49,7	48,1	46,1	-1,6	-3,2
Limpopo	32,5	36,3	31,0	-5,3	-1,5	54,5	47,5	49,9	2,4	-4,6

Source: StatsSA, 2022 Q3, QLFS

A comparison of quarter-to-quarter change between Q2:2022 and Q3:2022 shows a huge reduction in terms of unemployment rate in Limpopo province, as unemployment reduced from 36.3 percent in Q2:2022 to 31.0 percent, representing a 5.3 percent reduction in unemployment in the province. The biggest increase in the unemployment rate was observed in North West as unemployment increased from 32.2 percent in Q2:2022 to 39 percent in Q3:2022 (6.8 percent).

2.4 Limpopo Labour Force Characteristics

Figure 9: South African and Limpopo expanded unemployment rate

	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022
	Thousand				
Limpopo					
<i>Population 16-64 yrs</i>	3 890	3 904	3 917	3 931	3 945
<i>Labour Force</i>	1 696	1 792	1 966	2 183	1 937
<i>Employed</i>	1 145	1 184	1 265	1 391	1 377
<i>Unemployed</i>	551	607	700	791	600
<i>Not Economically active</i>	2 194	2 112	1 952	1 748	2 007
<i>Discouraged work-seekers</i>	655	601	511	387	639
<i>Other</i>	1 529	1 511	1 440	1 361	1 369
Rates(%)					
<i>Unemployment rate</i>	32,5	33,9	35,6	36,3	31
<i>Employed/population ratio(absorption)</i>	29,4	30,3	32,3	35,4	33,9
<i>Labour Force Participation rate</i>	43,6	45,9	50,2	55,5	49,1

Source: StatsSA, 2022 Q3, QLFS

According to StatsSA Q3:2022 labour force characteristics, Limpopo has a population of about 3.945 Million people of working age (16-64 years). From the working age population in the province, only 1.9 million people were actively looking for employment and 1.377 Million employed, while 600 thousand unemployed. About 2 million of the Limpopo working age population are not economically active, with 639 thousand being discouraged work seekers. In quarter 3 of 2022, the provincial

unemployment rate was at 31.0 percent and labour force participation at 49.1 percent, whilst the absorption rate at 33.9 percent at Q3:2022.

2.5 Conclusion

Limpopo province continuously aims to boost economic growth, enhance service delivery, reduce unemployment, poverty and inequality and better the livelihood of its citizens. The efforts of the provincial government yielded fruits in the third quarter as unemployment was reduced drastically, giving hope to the provincial citizens during these difficult times. The province should thus continue instilling efficiencies in planning and implementation of infrastructure projects in contributing to economic growth and job creation. The provincial unemployment numbers are very high from the LDP aspirations and thus requires concerted efforts to address the employment handicaps which ranges from skills mismatch and lack of required skills as per the labour markets demands in the province.

Transforming the provincial economy remains fundamental as the province needs to move from an extractor of raw material and to become a processor and add value through manufacturing and processing. This will help creating industries and more employment opportunities in the province.

CHAPTER 3: DEMOGRAPHIC PROFILE

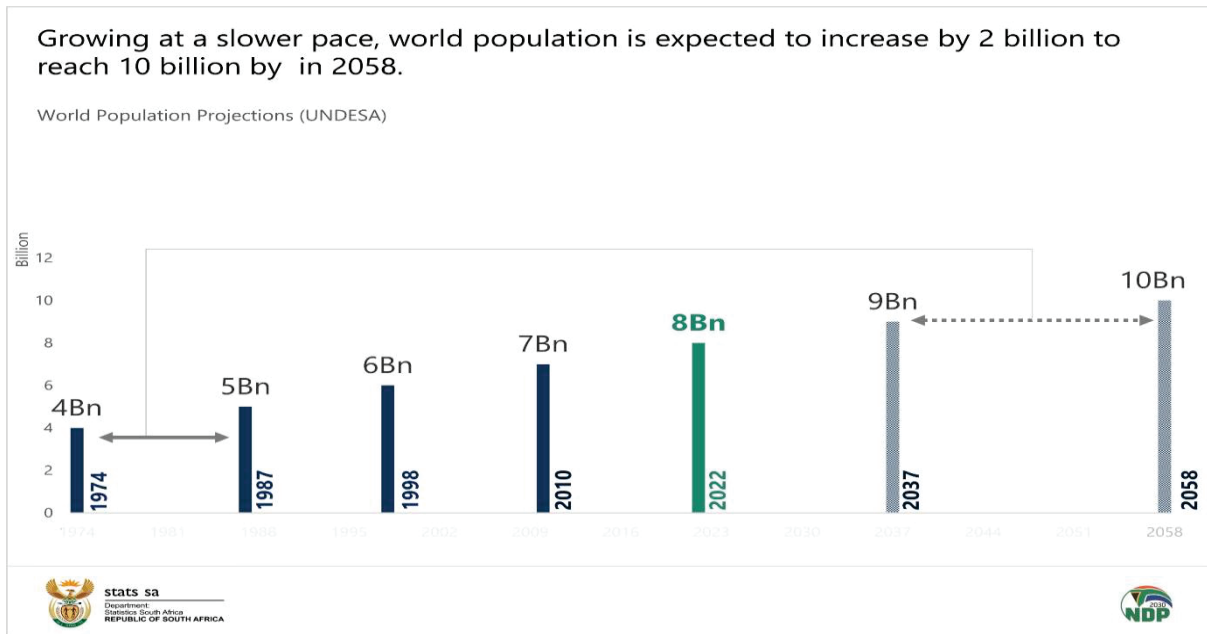
3.1 Introduction

Population estimates and population dynamics gives a signal to policy makers for evidence based planning. The COVID-19 pandemic brought a different dynamic into the population numbers and it has seriously affected the world population estimates and dynamics as many deaths occurred during the pandemic. COVID-19 reported cases and deaths, during the early days of the epidemic were always cautioned with a preface that such estimates may be hampered by definitional inconsistencies, logistical issues and general aspects that come with attempting to count whilst also researching a relatively unknown pandemic with unclear testing, monitoring and classification processes at the time. It was clear that this was an underestimation and had a bearing in the actual population numbers.

3.2 World Population

The total population of the world is projected to reach 8 billion as of the 15th of November 2022. As the population of the world increases it is important to consider the impacts that this population's size and its projected growth to 9 billion in 2037 will have on the planet earth, as this has a huge impact towards issues of climate change and other related factors. It is not only the growth of the population per se but rather the use of natural resources (carbon footprint) that is to be monitored over time. According to the International Organisation for Migration (IOM), 1 in 8 persons will be displaced due to climate change globally by 2050. The 27th Climate Change conference (COP27) that took place in November 2022 in Egypt is an example of nations coming together in solidarity to contribute to a climate response.

Figure 10: World population growth and projections



Source: StatsSA,2022

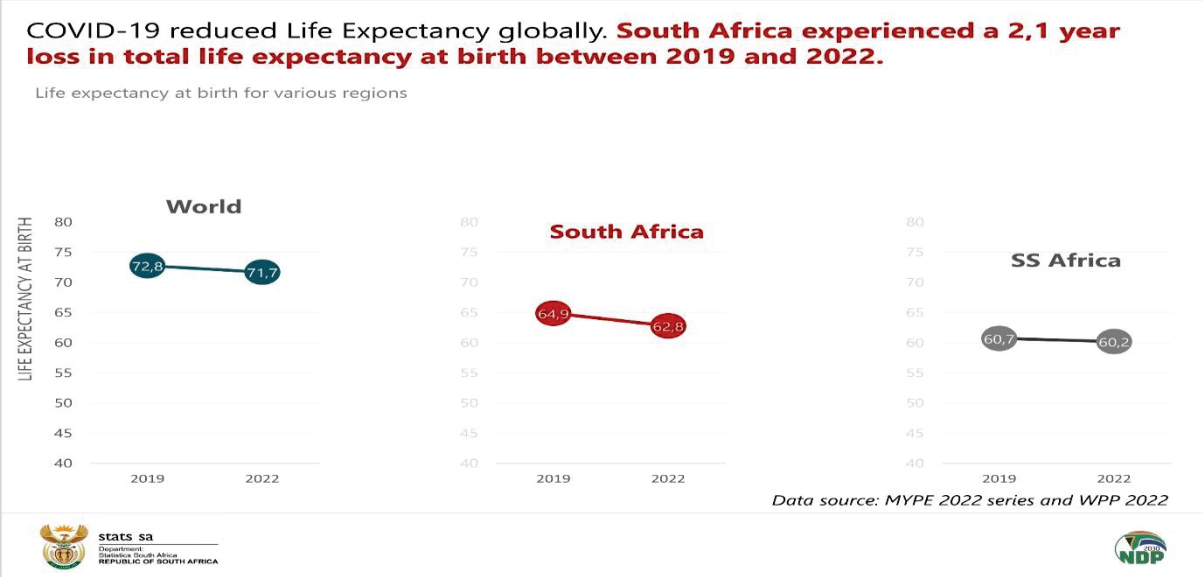
World population growth continues to be led by natural increase. A positive natural increase indicates the greater influence of births relative to deaths. Despite increasing migration across countries, South Africa's population growth is also driven by natural increase. However, with declining fertility and an increase in deaths post COVID-19 (34% in 2021), the rate of natural increase in South Africa dropped from 11 persons per 1 000 population in 2020 to 8 persons per 1 000 population in 2022.

3.3 World Life Expectancy

The life expectancy at birth globally reduced from 72.8 years in 2019 to 71.7 years in 2022, while life expectancy in South Africa reduced from 64.9 in 2019 to 62.8 in 2022. The global COVID-19 pandemic impacted countries with ageing populations more drastically. Older people and those with co-morbidities, specifically diabetes and hypertension, faced a higher risk of mortality. However, broader categories of respiratory diseases, circulatory diseases and cancer also face a higher risk of mortality.

The COVID-19 pandemic required leaders from all over the world and global organisations to work together to address not only the devastation of the COVID-19 pandemic, but assist with preparedness for future outbreaks.

Figure 11: Life expectancy at birth for World, SS Africa and SA



Source: StatsSA, 2022

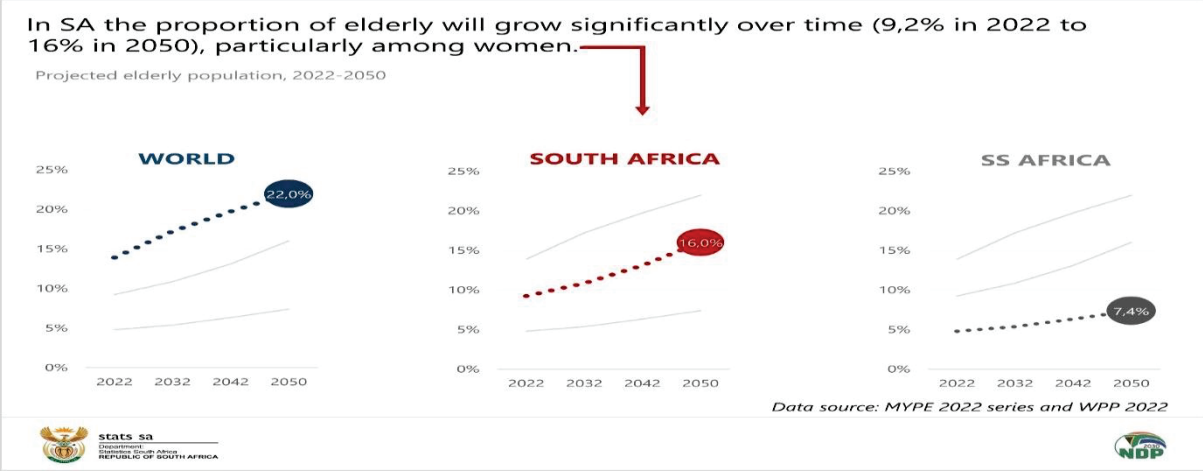
Despite increased deaths emanating from COVID-19 in the past 3 years, declining fertility and increased life expectancy over decades is projected to result in a greying of the population globally by 2050. Between 2022 and 2050 the proportion of the elderly (aged 60+) in the world will grow from 14 percent to 22 percent. However, the proportion of the elderly varies significantly from region to region and country to country. In 2022 the proportion of the elderly in Japan is estimated at 36 percent, whilst in Uganda the elderly account for just 3 percent of the population.

3.4 World population Proportions

South Africa is one of the few developing countries experiencing a significant increase in the proportion of persons aged 60 and over, estimated to increase from 9.2 percent in 2002 to 16.0 percent in 2050. The growing proportion of elderly persons in South

Africa will bring new challenges as aging populations often experience old-age dependency, social and economic vulnerability, and increased strain on health and social care.

Figure 12: World Population proportions



Source: StatsSA, 2022

The occasion of reaching a population milestone of 8 billion is a moment for reflection on the fertility and mortality trajectories of countries all over the world, and to determine to what extent governments and other organisations can potentially impact those trajectories for their betterment. Whilst some nations experience continued increased population growth, it is key to be able to detach this growth from potential negative impact on sustainable development goals aspired to. The world reaching another billion is a reminder to governments, policy makers, and international bodies to ensure dignified and fulfilled lives for all 8 billion people. South Africa is projected to reach a population of 70 million in 2035. Such a milestone should be used as a catalyst for pursuing economic and social investments so as to improve the lives of every South African.

3.5 South African Population Estimates

The mid-year population estimates produced by Statistics South Africa (Stats SA) uses the cohort-component method for population estimation in which a base population is estimated that it is consistent with known demographic characteristics of the country. The cohort base population is projected into the future according to the projected

components of change. The population estimates cover all the residents of South Africa at the 2022 mid-year point, and are based on the latest available information. The updated estimates are accompanied by an entire series of revised estimates for the period 2002–2022.

Table 2: 2022 Mid-year population estimates by population group and sex

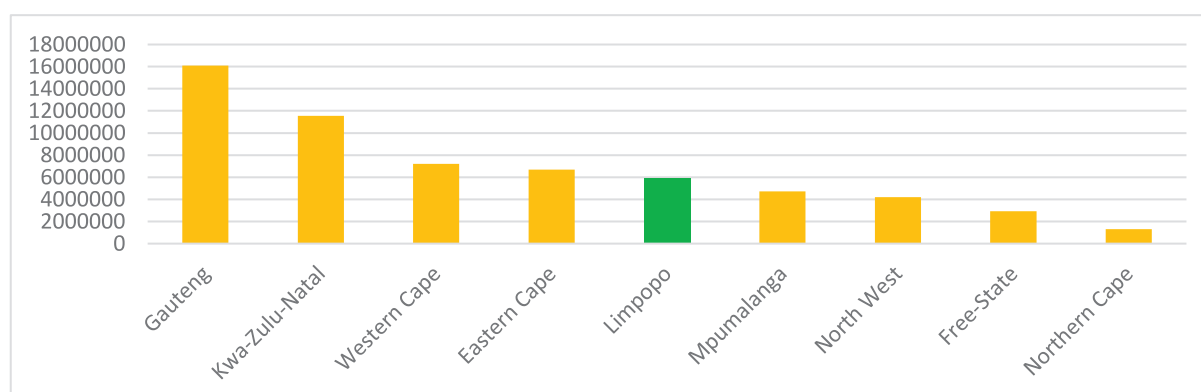
Population group	Male		Female		Total	
	Number	Percent of total population	Number	Percent of total population	Number	Percent of total population
African	23 985 479	81,0	25 085 330	81,0	49 070 809	81,0
Coloured	2 601 932	8,8	2 737 987	8,8	5 338 919	8,8
Indian/Asian	794 882	2,7	760 114	2,5	1 554 996	2,6
White	2 242 589	7,6	2 396 679	7,7	4 639 268	7,7
Total	29 624 882	100,0	30 980 110	100,0	60 604 992	100,0

Source: StatsSA, 2022 Mid-year population estimates

The Stats SA mid-year population estimates of 2022 projected the South African population to be at 60.604 million people. The black African population is in the majority (49.070 million) and constitutes approximately 81 percent of the total South African population. The white population is estimated at 4.639 million, the coloured population at 5.339 million and the Indian/Asian population at 1.554 million. Approximately 51.1 percent (approximately 30,.980 million) of the population is female, while 48.9 percent (approximately 29.624 million) is male.

3.6 Mid-year population estimates for SA by province

Figure 13: Provincial population estimates

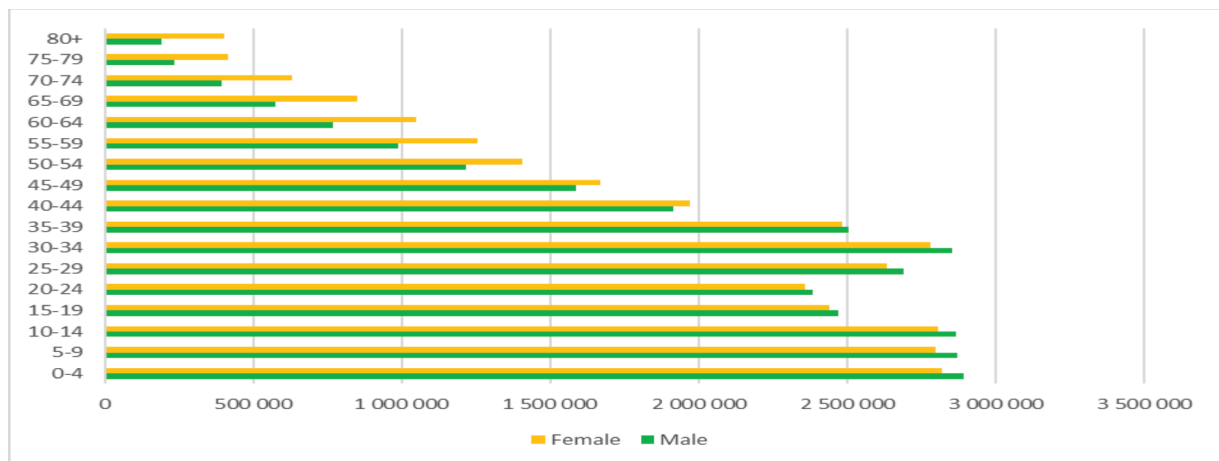


Source: StatsSA, 2022 Mid-year population estimates

The provincial estimates show that in 2022, Gauteng with a population of around 16.1 million has the largest share of the population, followed by KwaZulu-Natal (11.5 million), Western Cape (7.2 million), Eastern Cape (6.6 million), Limpopo (5.9 million), Mpumalanga (4.7 million), North West (4.1 million), Free State (2.9 million) with Northern Cape having smallest share at 1.3 million. Limpopo province is in the middle with the fifth largest share of the South African population, constituting 9.8 percent of the population of the country. Inter-provincial as well as international migration patterns significantly influence the provincial population numbers and structures in South Africa. By 2022 approximately 26.5 percent of South Africa’s population lived in Gauteng.

3.7 SA population age structure

Figure 14: SA population age structure



Source: StatsSA, 2022 Mid-year population estimates

The South African population in terms of age structure is dominated by people of young age or youth, with ages below 35 years. About 28.0 percent of the population is aged younger than 15 years (17.0 million) and approximately 9.2 percent (5.5 million) is 60 years or older. Provinces reflecting the highest percentage of children younger than 15 within its structure are Limpopo (33.6%) and EC (32.7%). The proportion of elderly persons aged 60 years and older in South Africa is increasing over time and as such policies and programmes to care for the needs of this growing population should be prioritised while creating opportunities for youth

3.8 Limpopo population

During 2021 the Limpopo population was recorded at 5.9 million, this is an increase of around 900 thousand over the period 2002 to 2021 in the provincial population numbers in almost 20 years. There was a linear development in terms of the growth in population numbers in the province and this can be attributed to the fact that the province continues to lose some of its people to other provinces like Gauteng as they migrate to look for schools and employment opportunities. As the population numbers increase, there will be added demand for public goods such as water, housing, energy, healthcare and transportation.

Figure 15: Limpopo Total Population and Age Structure

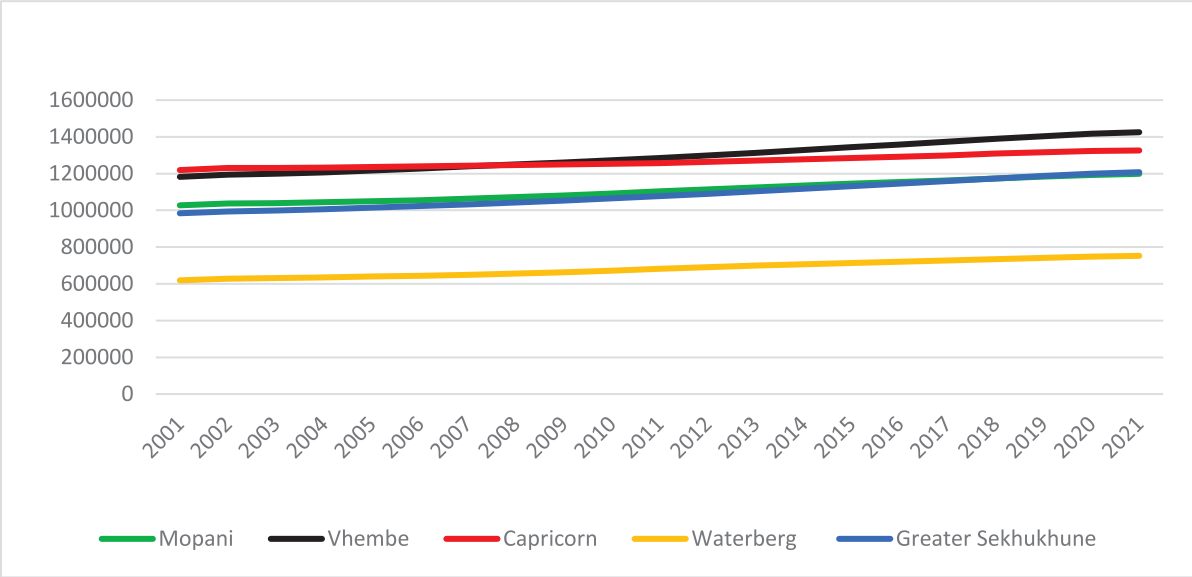


Source: Quantec, 2023

The structure of the provincial population in terms of age aligns to the national pattern. The Limpopo population is dominated largely by people of young age or youth, with ages below 35 years. From the young or youth people from the province there is high dominance of male gender for the people aged between 0-4 to the age group of 25-29. The male gender dominance starts to reduce from the age group of 30-34 to the age group of 80+ and this backs the notion that the male gender tends to emigrate to other provinces to look for better opportunities

3.9 Limpopo district population

Figure 16: Limpopo district population distribution



Source: Quantec, 2023

Majority of the Limpopo province in terms of population distribution reside in the Vhembe district with a population of around 1.4 million, followed by Capricorn at 1.3 million, and Sekhukhune and Mopani districts with a population size of 1.2 million respectively. The lowest population in the province is found in Waterberg district with a population size of 752 thousand people.

3.10 Migration patterns

Movement restrictions were implemented around the world as from the 11 March 2020 when the World Health Organisation (WHO) declared COVID-19 a pandemic. COVID-19 restrictions and protocols, combined with increased logistical burdens around travel, limited the movement of people across international borders. These estimates are informed by the number of new immigration permits issued, which only partly represents migration flow. Illegal migration constitutes a significant proportion of migration and is often missed in official estimates, and this varies from country to country.

Under the Disaster Management Act, SA called for the closure of international borders (during lockdown level 5). This was enacted on 26 March 2020 for a period of 21 days, and further extended by two more weeks. A significant proportion of the South African international migration outside of Africa were facilitated by air travel, primarily to countries such as the USA, Canada, European countries, Australia, and New Zealand, India, Bangladesh, Pakistan, China.

There is a reduction in international migration, which is indicative of the COVID-19 travel restrictions and subsequent impact on migratory patterns since March 2020. Migration is an important demographic process, as it shapes the age structure and distribution of the provincial population and as well as the country’s population structure.

Table 3: International migration

	African	Indian/Asian	White	Net International Migration
1985-2000	632 633	36 908	-202 868	466 673
2001-2006	565 916	25 310	-99 574	491 652
2006-2011	815 780	43 222	-106 787	752 215
2011-2016	972 995	54 697	-111 346	916 346
2016-2021	894 365	49 584	-90 957	852 992
2021-2026	595 057	40 979	-43 516	592 520

Source: StatsSA 2022 Mid-year population estimates

If the net flow of migrants is outward, then net migration is reflected as a negative number whilst if the net flow is inward, then it is reflected as a positive number. The table above shows international migration by population group for selected periods. Projecting international migration post June 2020 is a contentious activity. This is particularly the case at a time when the pandemic and its subsequent treatment unfolds on a daily basis. Unlike the past, whereby trends were stable, the context of a pandemic results in a rather highly variable trajectory. Whilst there have been numerous revisions to policy regarding entry to and exit from SA since March 2020 and in the last year the policy has remained fairly stable, affording migrants the ability to enact the migratory moves they wish to undertake. Internationally, migration statistics and estimates post 2020 are yet to be published. The MYPE 2022 series has

assumed a resumption in migratory patterns, whilst not entirely to the level of pre COVID-19, but on an upward trajectory. For all periods, the number of international migrants entering the provinces was highest in Gauteng, with Western Cape ranking second. Census 2021 will be a key empirical resource indicating current trends in inter-provincial migration in South Africa.

Table 4: Estimated provincial migration streams 2021–2026

Province in 2021	Province in 2026											
	EC	FS	GP	KZN	LIM	MP	NC	NW	WC	Out-migrants	In-migrants	Net migration
EC	0	15 251	142 666	102 367	13 540	16 965	8 161	37 994	182 281	519 225	186 500	-332 725
FS	8 737	0	85 178	8 145	6 791	11 180	9 417	24 641	12 650	166 739	136 291	-30 448
GP	54 884	45 462	0	79 074	92 948	93 027	14 194	125 009	110 604	615 201	1 443 078	828 777
KZN	26 466	13 297	231 901	0	10 277	39 615	9278	12 631	36 077	379 542	282 916	-96 625
LIM	4 775	6 184	323 810	8 777	0	50 482	2 764	34 372	12 028	443 192	243 267	-199 925
MP	5 684	5 874	151 911	14 227	26 378	0	2 619	15 117	11 021	232 830	278 544	45 714
NC	4 841	9 760	18 397	6 221	2 916	4 939	0	13 396	20 015	81 065	90 765	9 609
NW	5 844	13 276	122 044	6 875	22 411	13 396	25 391	0	10 272	219 509	316 965	97 455
WC	54 027	9 242	71 852	15 152	6 691	8 406	14 756	9 676	0	189 802	460 489	270 687
Outside SA (Net migration)	21 242	17 946	296 218	42 078	61 316	40 532	4 096	43 549	65 542			

Source: StatsSA, 2022 Mid-year population estimates

Inter-provincial as well as international migration patterns significantly influence the provincial population numbers and structures in South Africa. The assumptions indicate that Gauteng (1.4 million) received the highest number of in-migrants for all periods and also lost the highest number (615 thousand), having a net migration of 828 thousand. While Limpopo province had an outflow of migrants of around 443 thousand and experienced an inflow of migrants of around 243 thousand, having a net migration of negative 199 thousand. This is an indication that the province has lost a number of its citizens during this period. Gauteng, Mpumalanga, Northern Cape, North West and Western Cape provinces received positive net migration, while Eastern Cape, Free State, Limpopo, Kwa Zulu Natal experienced a negative net migration during this period.

In terms of outside SA net migration, all provinces received a positive net migration, with Gauteng being the highest with about 296 thousand, followed by Western Cape and Limpopo at 65 thousand and 61 thousand respectively.

3.11 Conclusion

The COVID-19 pandemic had an impact of the population of the country and in the province as many elderly population has succumbed to the disease, due to their vulnerability as they are facing many chronic illnesses. The social and economic effect of losing so many elderly people to the pandemic is likely to be felt in many years to come. The shifts in the demographic age and sex profile of the country and the province due to the pandemic must be taken into consideration when planning for the future health, economics and welfare.

Youthful dominance for both the country and the province in terms of the population structures, calls for the policy shift in terms of creating opportunities for these young people and provision of requisite skills. This means more demand for public goods for the youth such as, entertainment facilities, schools and university facilities in both the country and the province. The province will also need to introduce intervention strategies that will enable or create employment opportunities in the province so that the investment in skills from the province are not drained by other provinces.

CHAPTER 4: DEVELOPMENT INDICATORS

4.1 Introduction

Economic inequality has grown within many countries, inequality among countries is declining in relative terms. Strong economic growth in China and other emerging economies in Asia has been the main driver of this decline. However, this convergence is not evenly distributed, and the differences among some countries and regions are still considerable. The average income of people living in Northern America is 16 times higher than that of people in sub-Saharan Africa, for example. Meeting the targets and Goals of the 2030 Agenda “for all nations and peoples” requires reducing these stark disparities.

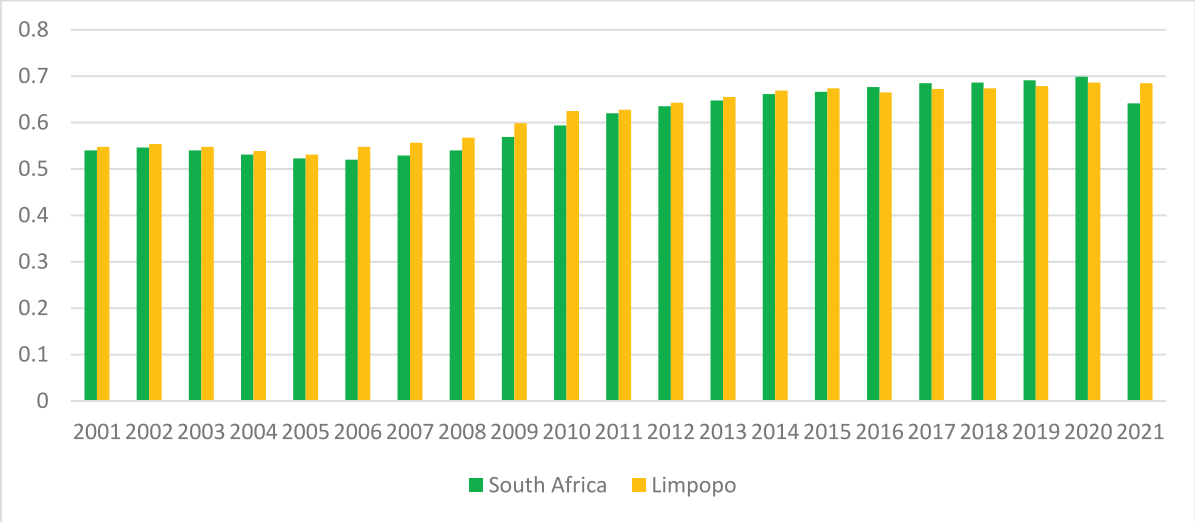
The Human Development Index (HDI) can be described as a composite index focusing on three basic dimensions of human development, which are: to lead a long and health life, measured by life expectancy at birth; the ability to acquire knowledge, measured by mean years of schooling and expected years of schooling; and the ability to achieve a decent standard of living, measured by gross national income per capita. The HDI can assume a maximum value of 1 indicating a very high level of development and a minimum value of 0, indicating no human development.

Income inequality is measured through the Gini Coefficient. When the Coefficient is equal to zero it means that incomes are distributed in a perfectly equal manner, indicating a low variance between high and low income earners in the population. When the Gini coefficient is equal to one, income is completely inequitable, with one individual in the population earning income, whilst everyone else earns nothing.

4.2 SA and Limpopo Human Development Index

HDI is used to quantify and measure the standard of development of the populations in a particular region.

Figure 17: SA and Limpopo HDI

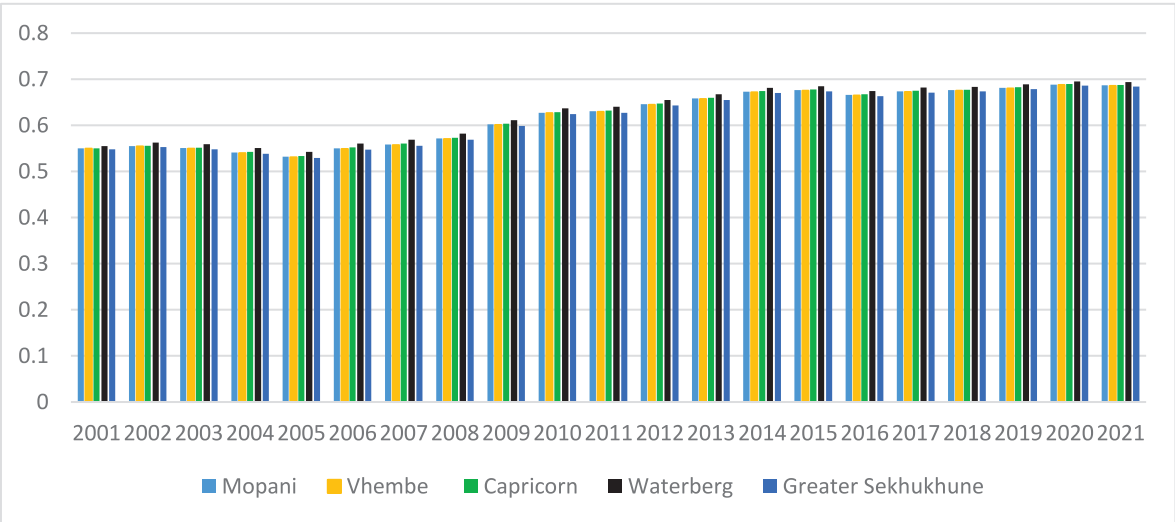


Source: Quantec,2023

There has been significant improvement in terms of the standard of living for the country and the province over the past 20 years, as the country and provincial Human Development Index increased from 0.54 in 2001 to 0.64 and 0.66 in 2021 respectively. This is an indication that there was a substantial improvement in the living conditions of the people in the country and the province during this period, though the Covid-19 pandemic has put a dent in the positive trajectory the country and the province improved the living conditions of the people.

4.3 Limpopo Districts Human Development Index

Figure 18: Limpopo district HDI



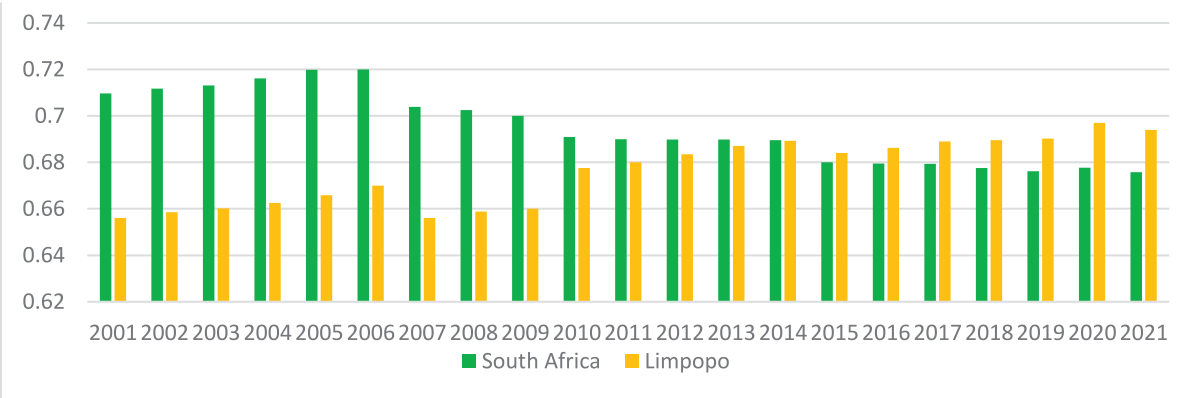
Source: Quantec,2023

There has been increase in terms of development of the standards of living in the Limpopo provincial districts, though the improvements were fluctuating among the provincial districts. In comparison of districts, Waterberg and Capricorn district have higher standard of living versus other districts, Sekhukhune district is the least district in the province that shows less human prosperity in levels of education, standard of living and life expectancy compared with other districts in the province, though there is significant improvement over time.

4.3 SA and Limpopo Inequality

Income inequality continue to be a challenge that is facing not only the country, but also in the provinces and districts in Limpopo. In recent times, the province experienced an increase in the number of unemployed persons resulting in unemployment been also considered one of the factors of income inequality. Low level of education and skills limit people’s ability to access decent jobs and to also participate fully in the society.

Figure 19: SA and Limpopo Gini coefficient



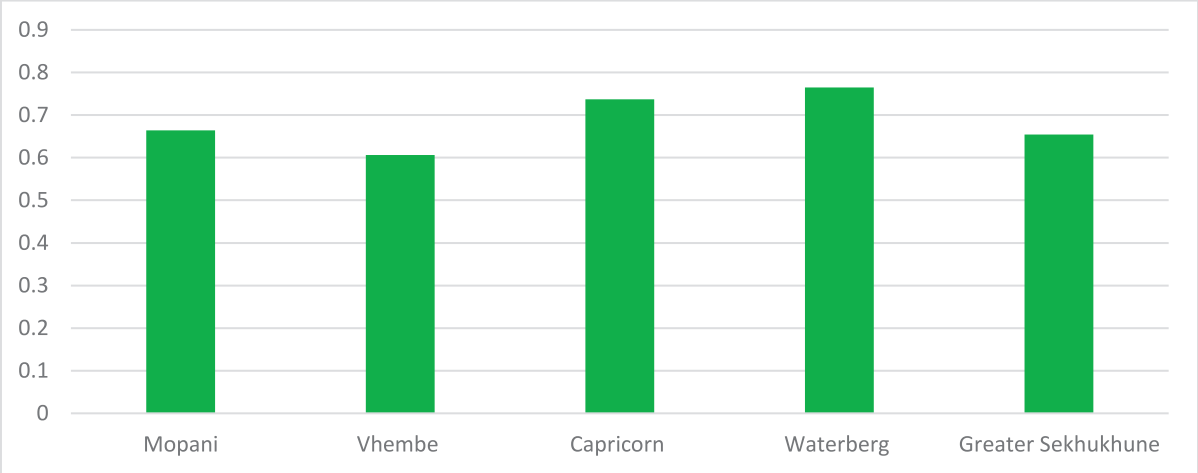
Source: Quantec, 2023

In South Africa, inequality has been on a decline from 2006 to 2021 declining from a high of 0.72 percent in 2006 to 2021. This can be attributed to high levels of economic growth and creation of employment opportunities for the people of the country during

this period. The Limpopo province situation though has been different as the provincial Gini Coefficient has been on the rise during the period 2001 to 2021, the Gini Coefficient increased from a low of 0.65 percent in 2007 to a high of 0.69 in 2020, this is an indication that there hasn't been significant changes between 2001 and 2021 in terms of improving the income inequality of the people of the province.

4.4 Limpopo District Gini coefficient

Figure 20:Limpopo District Gini coefficient



Source: Quantec, 2023

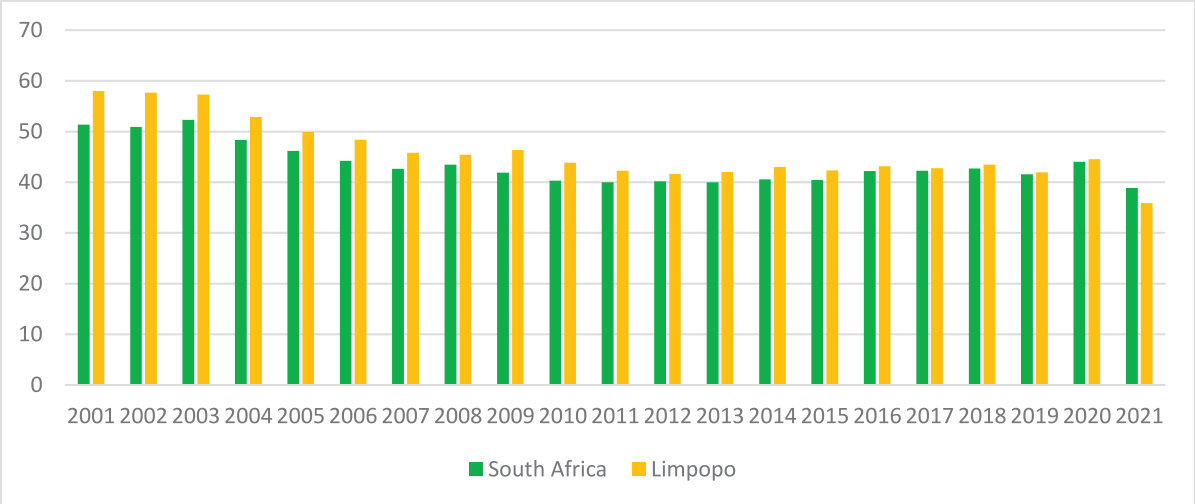
Waterberg and Capricorn district recorded the highest income inequality amongst other districts in the province at 0.62 and 0.61. This is affirming that the rich are getting richer while poor citizens are becoming poorer, while in Vhembe district the income distribution is more equal compared to other districts in the province.

4.5 Limpopo Poverty indicators

Poverty can be described as more than just lack of income and productive resources to ensure sustainable livelihoods, as it includes hunger and malnutrition, limited access to education and other basic services as well as lack of participation in decision making. Poverty challenges range from people failing to meet their basic needs and facing different types of health problems. The LDP's continuous strive for poverty eradication is a long-standing policy priority for the provincial government programs

with the aim to ensure an equitable society characterized by broad-based development. The number of people living in poverty has worsened due to the consequences of COVID-19 where many people lost income streams from employment and business failures (particularly informal traders). The lockdown also highlighted the extreme plight of the poor with hundreds of people joining queues to get food. The continuing electricity challenges in the country is another factor that further push the poor to poverty as businesses are closing and people are losing employment.

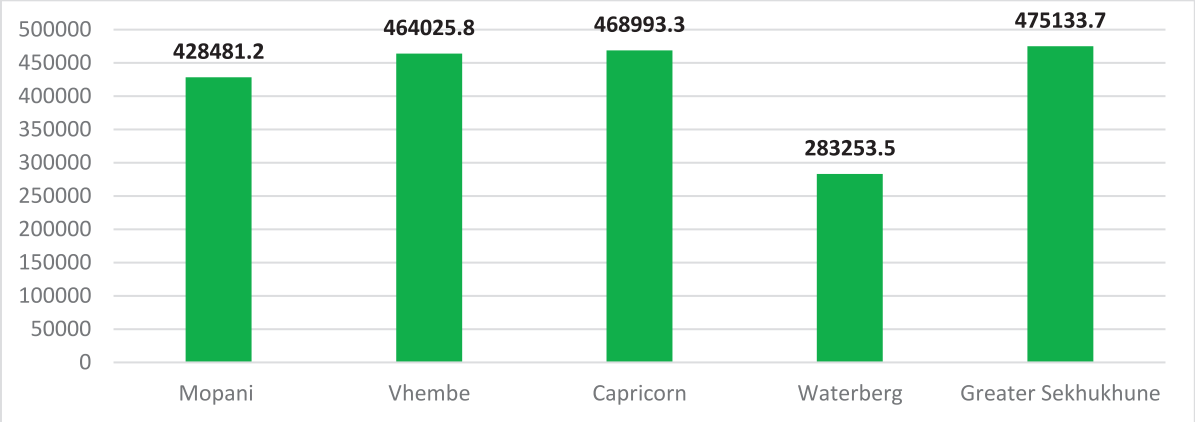
Figure 21:SA and Limpopo percentage of people living below the lower poverty line



Source: Quantec, 2023

The percentage of people living below the lower poverty line has been decreasing over time for both the country and the province. Though the COVID-19 pandemic has put a dent in the decrease as many people have lost their jobs and some businesses closed down, but through the government intervention such as the social relief of distress grant of R350 and other programmes the impact of the pandemic were minimised.

Figure 22: Limpopo people living below the lower poverty line per district



Source: Quantec, 2023

The Greater Sekhukhune district has the highest number of people living below the poverty line in Limpopo at 475 thousand followed by Capricorn, Vhembe and Mopani district at 468; 464 and 428 thousand respectively. Waterberg district recorded the least number of people living below the lower poverty line at 283 thousand.

4.6 Conclusion

Poverty and inequality challenge is global, and intimately connected to other recent pressing issues: not only rapid technological change, but also the climate crisis, urbanization and migration. In many places, the growing tide of inequality could further swell under the force of these megatrends. Limpopo province and the country need to strive for high economic growth as the economic spill-offs of the growth will be the primary way for the province to achieving high living conditions and closing the income gap, this will be through creating opportunities for the poor in the economy, as sustainable employment is the route out of poverty and inequality. Low employment and high poverty levels will lead to high reliance on public goods and services which will adversely affect the provincial fiscus, at its worse situation diverting investment expenditure to social welfare; and are likely to increase the level of crime. Investment by government and private sector into skills development could improve the provincial human development by providing more skilled workforce that can be absorbed and be productive in the economy of the province.

CHAPTER 5: SOCIAL SERVICES

5.1 Introduction

It is more than 2 years since the surge of the COVID-19 pandemic and it remains an acute global emergency. COVID -19 continues to be a challenge for policy makers and planers as the pandemic continue to be at the back of their minds as they plan for the future. The pandemic continues to be a burden for the health system, a societal burden and an economic burden, as it is projected to remain in the foreseeable future.

5.2 World update on COVID-19 as of 03 February 2023

As at 3 February 2023, **754 018 841** confirmed cases of COVID-19 have been recorded Globally with **6 817 478** deaths, reported to WHO. As at 30 January 2023, a total of **13 168 935 724** vaccine doses have been administered and about **152 656** new cases were reported.

As the World continues to battle the surge of the COVID-19 pandemic, the World Health Organisation (WHO) proposed two strategic objectives to assist national and global efforts to end the COVID-19 emergency worldwide, WHO updated the COVID-19 Global Preparedness, Readiness and Response plan in 2022. Firstly, reduce the circulation of the virus by protecting individuals, especially vulnerable individuals at risk of severe disease or occupational exposure to the virus. Secondly, prevent, diagnose and treat COVID-19 to reduce deaths, disease and long-term consequences. These combined strategies can save lives and livelihoods.

To provide actionable approaches to meeting these objectives, WHO has produced six short policy briefs that are based on previously published technical guidance. They outline essential actions that national and sub-national policy makers can implement for the following:

- Gatherings in the context of COVID-19.
- COVID-19 testing.
- Clinical management of COVID-19.
- Reaching COVID-19 vaccination targets.

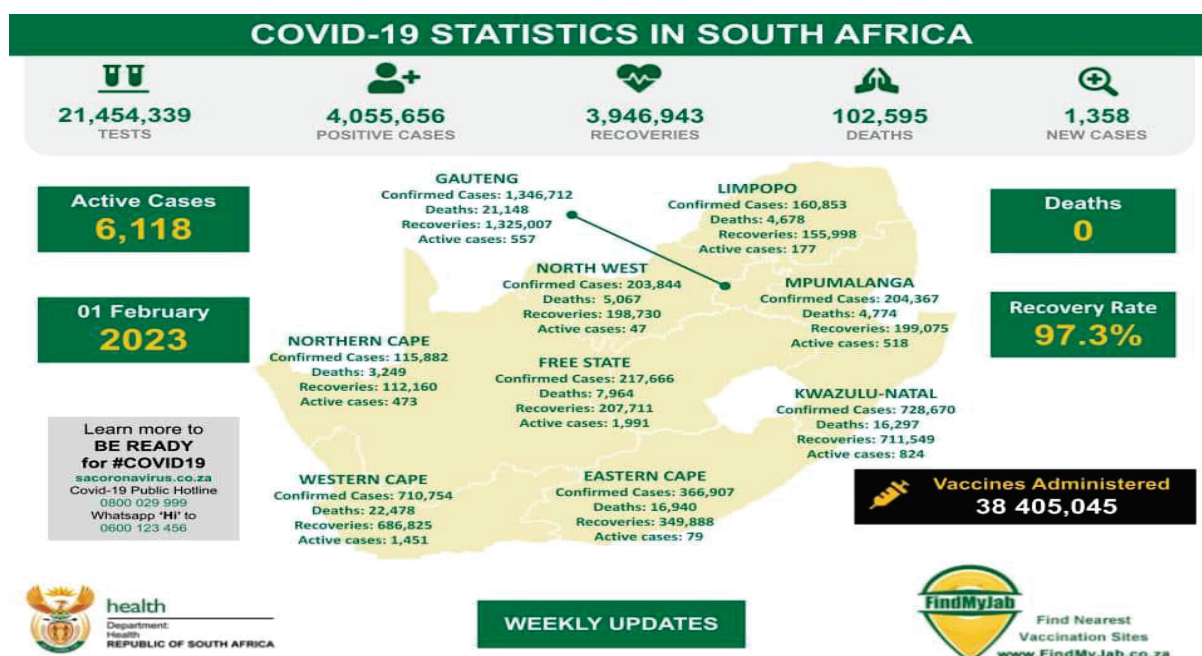
- Maintaining infection prevention and control measures for COVID-19 in health care facilities.
- Building trust through risk communication and community engagement.
- Managing the COVID-19 infodemic.

WHO Member States are in different stages with regard to COVID-19 due to a number of factors such as population-level immunity, public trust and access to vaccines and therapeutics. These policy briefs will provide the basis for an agile response as countries continue to confront the pandemic while consolidating the foundation for a stronger public health infrastructure and strengthening the global architecture for health emergency preparedness, response and resilience.

5.3 SA update as of 01 February 2023

As of the 1st February 2023 the National Institute for Communicable Diseases (NICD) confirmed, the cumulative number of detected COVID-19 cases in South Africa stood at 4 055 656 with 1 358 new cases identified and the number of active cases was recorded at 6 118. The number of recoveries were recorded at 3 946 943, while number of deaths were recorded at 102 595. The country has managed to tests around 21 454 339 people.

Figure 23: SA Covid-19 stats

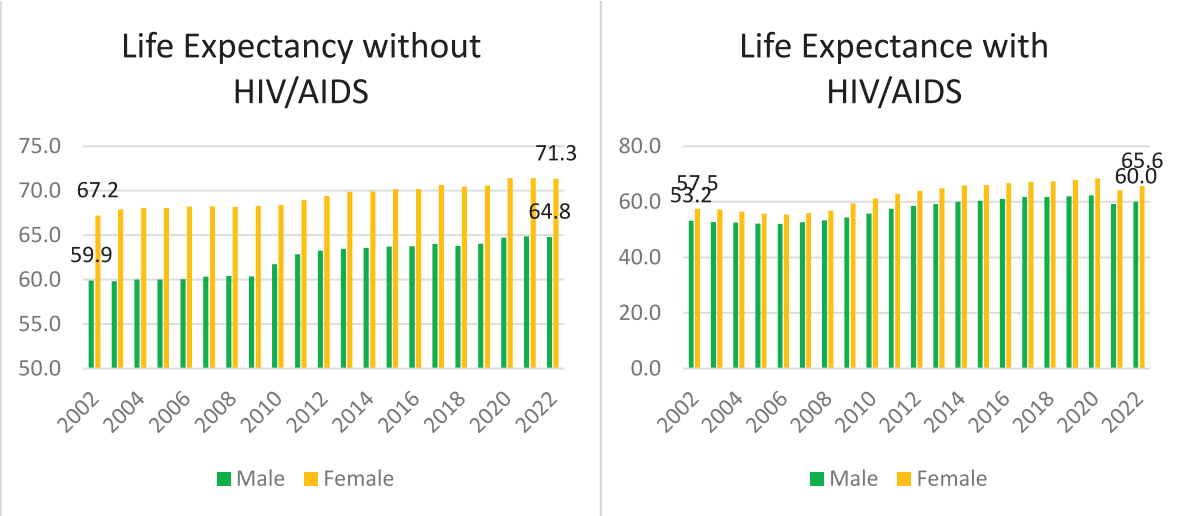


Source: NCID,2023

The total number of vaccinations administered in the country were recorded at 38 405 045, which is 63 percent of the population.

5.4 Life expectancy at birth without HIV/AIDS

Figure 24: Life expectancy at birth without HIV/AIDS reflects the overall mortality level of a population



Source: StatsSA,2022

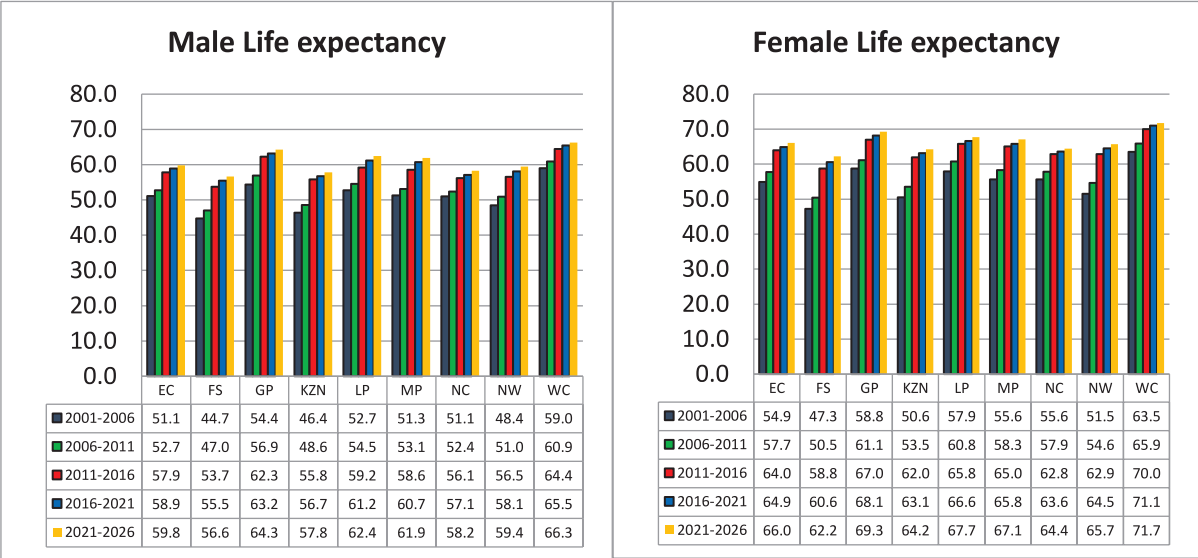
SA Life expectancy at birth without HIV/AIDS for both male and female has been on a rise over the period 2002- 2022. The Life expectancy at birth without HIV/AIDS for male increased from 59.9 years in 2002 to 64.8 years in 2022, this shows an increase of around five years for male during this period. For female, life expectancy at birth without HIV/AIDS increased from 67.2 years in 2002 to 71.3 years in 2022, indicating an increase of around four years in terms of life expectancy. Generally, in South Africa the average life span for females at birth without HIV/AIDS is higher than that of male, this is an indication that there will be more female headed households in the country.

The Life expectancy at birth with HIV/AIDS for both male and female has been increasing over the period 2002- 2022. The Life expectancy at birth with HIV/AIDS for male increased from 53.2 years in 2002 to 60.0 years in 2022. For female, life expectancy at birth with HIV/AIDS increased from 57.5 years in 2002 to 65.6 in 2022, indicating that generally, the average life span for females at birth with HIV/AIDS is

higher than that of male. This indicates that strategies in place by the department of Health yield better results in this regard.

5.5 Provincial male and female life expectancy

Figure 25: Male and female Life expectancy at birth



Source: StatsSA,2022

Figure 25 above reflect the average provincial life expectancies at birth for males and females for the 5-year periods 2001–2006; 2006–2011; 2011–2016; 2016–2021 and 2021-2026. The life expectancy for both males and females have increased incrementally for each period across all provinces but more significantly in the period 2011–2016 due to the uptake of antiretroviral therapy over time in South Africa. The increase in life expectancy for the province is around 10 years for both genders between the period 2001-2006 and 2021-2026. Western Cape consistently has the highest life expectancy at birth for both males and females over time whilst the Free State has the lowest life expectancy at birth.

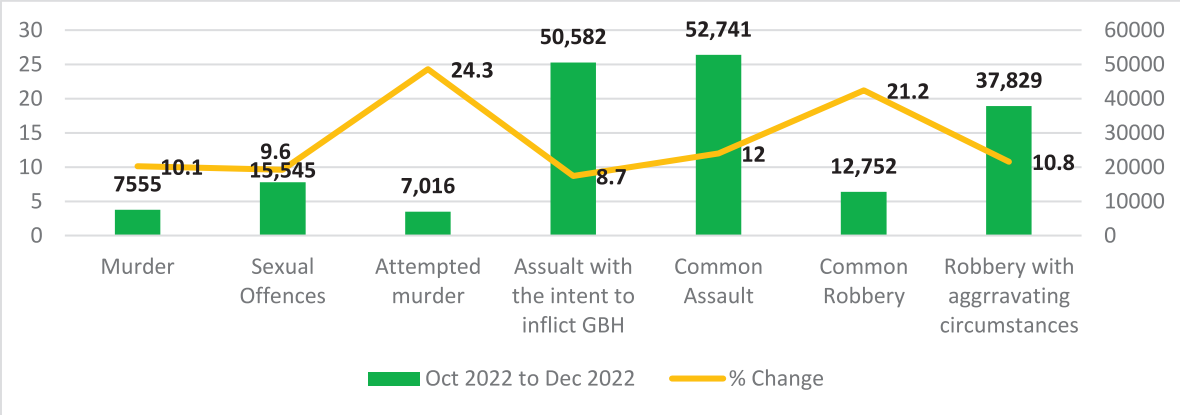
5.6 Crime

Crime in South Africa includes all violent and non-violent crimes that take place in the country. When compared to other countries South Africa has notably high rates of violent crime and has a reputation for consistently having one of the highest murder rates in the world. The country also experiences high rates of organised crime relative to other countries. High levels of crime has a negative bearing as it has a potential of scaring off investors. Crime not only affects economic productivity when victims miss work, but communities also are affected through loss of tourism and retail sales. Even the so-called victimless crimes of prostitution, drug abuse, and gambling have major social consequences. Not only does crime add a direct cost to the business through the loss of merchandise or money, but it also adds indirect costs. This can include costs like security expenses, repairs needed after a burglary, insurance costs, temporary business closure, and a loss of work hours. In addition to the potential for death, disability, and other injuries, people who survive violent crime endure physical pain and suffering and may also experience mental distress and reduced quality of life.

During the COVID-19 pandemic, the country implemented strict measures, with multi-level lockdowns, curfews, the ban on travel, and restrictions on sale of alcohol and cigarettes. This assisted in lowering the levels of crime during this period. Though after the reopening the crime levels started picking up again.

5.6.1 National crime overview

Figure 26: Q3 2022 National crime overview



Source: SAPS, 2023

About 7 555 murders were recorded in Q3 in South Africa, an increase of 696 murders (10.1%) compared to the previous year. Attempted murder cases increased to 7 016, an increase of 1 371 (24.3%) and 15 545 sexual offences were recorded in the quarter, which is an increase of 1 357 cases (9.6%).

In total, contact crimes, which include the offences mentioned above and assault GBH, common assault, common robbery and robbery with aggravating circumstances, increased by 19 067 (11.6%) cases in the quarter to 184 020.

The most common causative factor for murder was arguments, misunderstandings, road rage or provocation, with 1164 murders recorded in Q3. The second-most common factor was vigilantism/mob justice, with 536 murders. The police also pointed to gang-related killings, which was the fifth most common factor, and said the majority of the 272 gang murders took place in the Western Cape.

In Q3 of 2022, Gender Based Violence and Femicide skyrocketed to 1 101 murders (12 every single day and an increase of 199 from the last year Q3) 1 636 attempted murders (17.8 per day and an increase of 396 from last year) 17 271 assaults (187.7 per day and an increase of 1579 from last year).

5.6.2 Impact of Crime on South African Economy

Violent crime is commonly faced by all citizens, regardless of what their economic status is as timeously reported in the South African newspapers mentioning incidents in the suburbs as well as in the upscale neighbourhoods of the country.

There have been several attempts made to understand the cause of escalating violence in South Africa. However, until now, it has not been possible to zero down on a particular root cause. According to the Global Peace Index, South Africa has been ranked as the tenth most unsafe place in the world! This index also estimates that violent crime consumes as much as 19 percent of the country's GDP. This means that the South African government has to spend close to \$67 billion per annum only to contain violence. If this number is adjusted in purchasing power parity terms, the equivalent cost for the United States would be a whopping \$125 billion.

According to the survey, South Africa stands out in many categories such as easy access to weapons, number of murders and even rising number of violent protests. It would be appropriate to say that the country's performance has been dismal since it only ranks ahead of war-torn countries like Syria, Iraq, and Afghanistan, etc.

These observations are not limited to the Global Peace Index. Several such observations have already been made by the World Economic Forum and also the World Health Organization.

The prevalence of a high crime rate ensures the wastage of money from an economic point of view. Enormous number of people are incarcerated and this is a double whammy for the government since an incarcerated person is not productive, does not earn for the nation and for the economy while government has to provide food, uniform, health and educational services amongst others. The South African government spends close to \$9 billion on incarceration every year. However, even after spending this huge sum of money it creates more problem than it solves. It is a known fact that the South African system is handling at least 20 to 30 percent more prisoners than it is supposed to. This leads to overcrowding which causes problems such as violence and the spread of infectious diseases amongst criminals. The healthcare cost further adds to the expenses making prisons unviable.

South Africa needs a bigger police force in order to prevent violent crimes from happening. Also, the number of courts and judges have to be increased because more cases related to violent crime have to be tried. Hiring all these civil servants is expensive while expenditure on crime prevention doesn't add any value to society.

The South African police service has to continually spend money in order to upgrade itself in the area of forensics so that more criminals can be brought to justice. Presently, the South African government spends twice as much on science related to crime as it does on science related to education or science related to health!

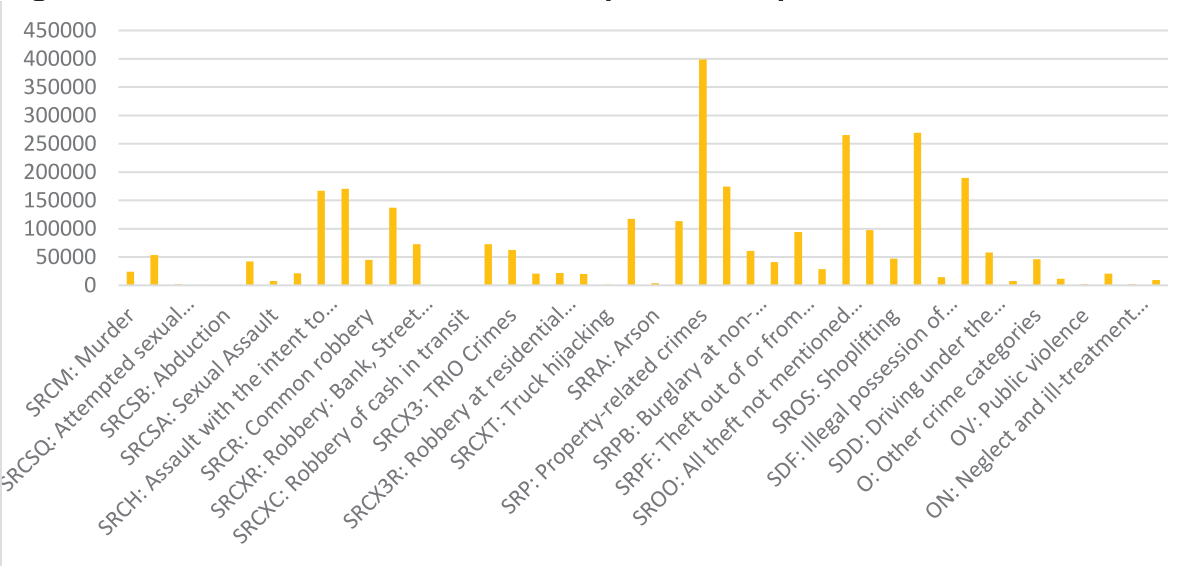
There is a lot of international capital which is flowing around the world looking for a new home. Countries like India have been able to capitalize on this opportunity and hence are developing their economy with money received from investors. However, because of South Africa's perception as a nation infested with violent crime, investors are retracting to back this country. It needs to be understood that South Africa has a fully functional legal system, however the perception of violence keeps expats and

immigrants with potential to contribute to the economy, out of the country. Since multinationals are not able to move their talent freely when they invest in South Africa, they choose to ignore the country altogether. The socio-economic effects of this are felt all across the nation as development takes place at a much slower rate than it ideally should.

In summary, violence costs South Africa a lot of money, it is dragging down the entire economy, and as such it is no surprise that most South Africans consider it to be the number one problem in the country.

5.6.3 Total Number of crimes in South Africa

Figure 27: Total Number of crimes as reported in a police station in SA

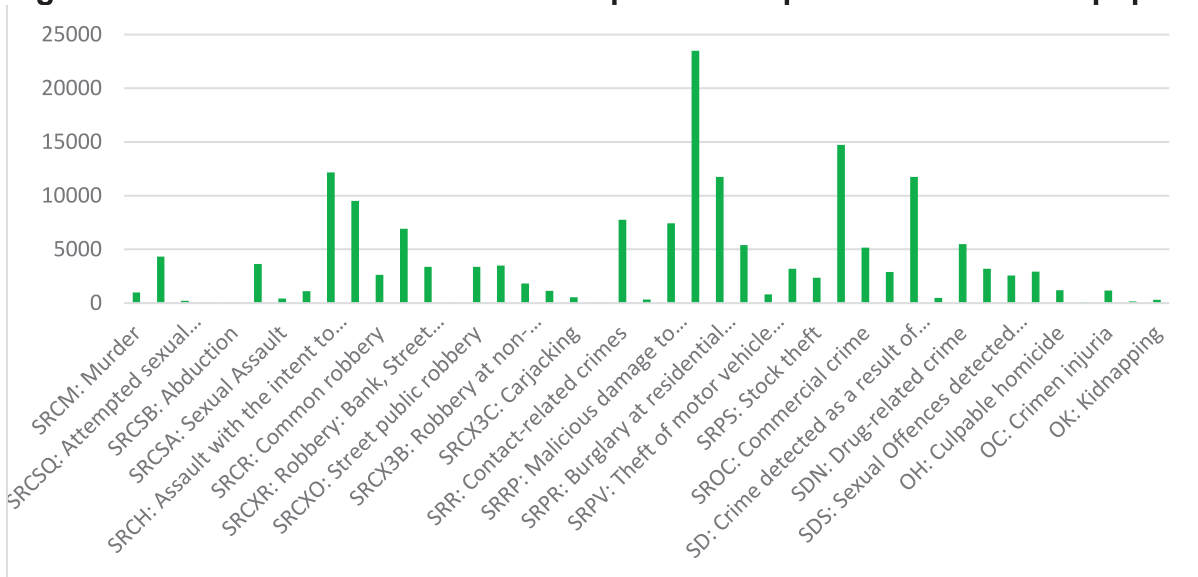


Source: Quantec, 2023

The above diagram shows the 2022 total number of crimes as reported at a police station in South Africa. The highest reported crime in the country was property related crimes at around 398 thousand, followed by crimes detected as a results of police action at 269 thousand, crimes of all theft not reported else at 265 thousand and drug related crimes at 189 thousand.

5.6.4 Total Number of crimes in Limpopo

Figure 28: Total Number of crimes as reported in a police station in Limpopo



Source: Quantec, 2023

The above diagram shows the 2022 total number of crimes as reported at a police station in Limpopo province. The highest reported crime in the province was property related crimes at around 23 thousand, followed by crimes of all theft not reported else at around 14 thousand, assault with the intent to inflict bodily harm at 12 thousand, crimes detected as a results of police action at 11 thousand and burglary at residential premises at 11 thousand and common assault crimes at 9 thousand.

5.7 Conclusion

The COVID-19 continues to have an ever lasting imprint on the world economy, causing permanent changes and teaching important lessons. South Africa and its provinces have done extraordinarily well in combating COVID-19, but the prospects of development of new variants requires vigilance. The country and the province needs to be prepared for what comes after the pandemic as the issue of the after effects of the infections are a prospect and this may last for years and many people suffering from anxiety and depression from all the changes in their lives. The province need to continue to encourage the people to be vaccinated.

The ever increasing crime levels in the country have attributed to issues of poverty, problems with delivery of public services, and wealth disparity. The Institute for Security Studies also highlighted factors beyond poverty and high levels of inequality, unemployment, social exclusion, marginalisation, social stress from uncaring environments in early childhood and subsequent lack of guardianship which requires attention to alleviate level of crime. The country and the province needs to invest in a bigger police force in order to prevent violent crimes from happening, this means investment in new police stations and employment of more police officers as well as the rapid use of technology such as monitoring cameras on the streets. Also, the number of courts and judges have to be increases for purposes of trials.

CHAPTER 6: EDUCATION

6.1 Introduction

Education is at the heart of the 2030 Agenda for Sustainable Development: it is identified as a stand-alone goal (Sustainable Development Goal 4) and it is also set as a target under other SDGs on health, growth and employment, sustainable consumption and production, and climate change. Education is a fundamental human right and an enabling right. To fulfil this right, the country and the province must ensure universal equal access to inclusive and equitable quality of education and learning, which should be free and compulsory, leaving no one behind irrespective of their gender, disabilities, social and economic situation. Education shall aim at the full development of the human personality, and promote mutual understanding, tolerance, friendship and peace. Education should go beyond basic literacy and numeracy skills, and equip individuals with creative, critical thinking and collaborative skills, while building curiosity, courage and resilience.

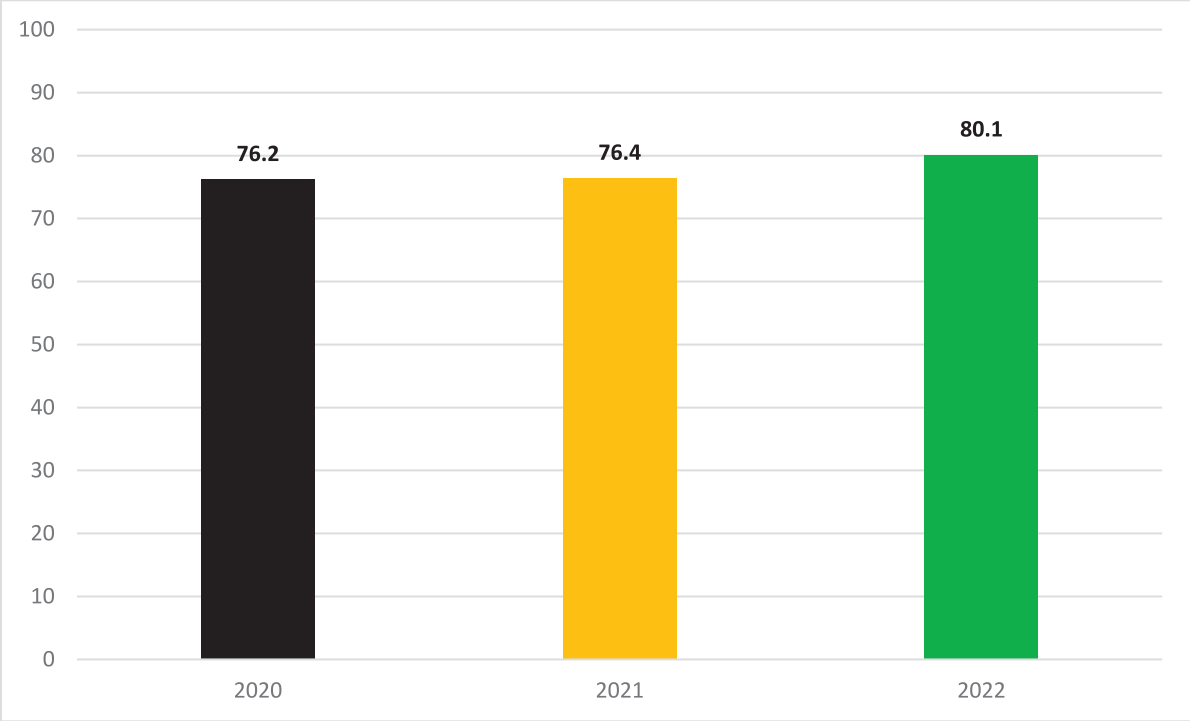
All people in the province, irrespective of sex, age, race, colour, ethnicity, language, religion, political or other opinion, national or social origin, property or birth, as well as persons with disabilities, migrants, indigenous peoples, and children and youth, especially those in vulnerable situations or other status, should have access to inclusive, equitable quality education and lifelong learning opportunities.

The COVID-19 pandemic brought some creative destruction and challenge to the education sector in the country and the province, as schools in the country experienced sudden closure for a period of time and learners were expected to continue learning from home. The Department of Basic Education was also faced with a need to teach the learners while they were at home, which required the need for gargets and internet connection for both learners and teachers to enhance communication. Limpopo province is considered rural and the quality of education is not as advanced as in other provinces such as Gauteng and the Western Cape and

most public schools in the province still lack proper technology in the classes and this has had a negative effect on the performance of the schools in the province.

6.2 National Matric pass rate

Figure 29: National Matric pass rate



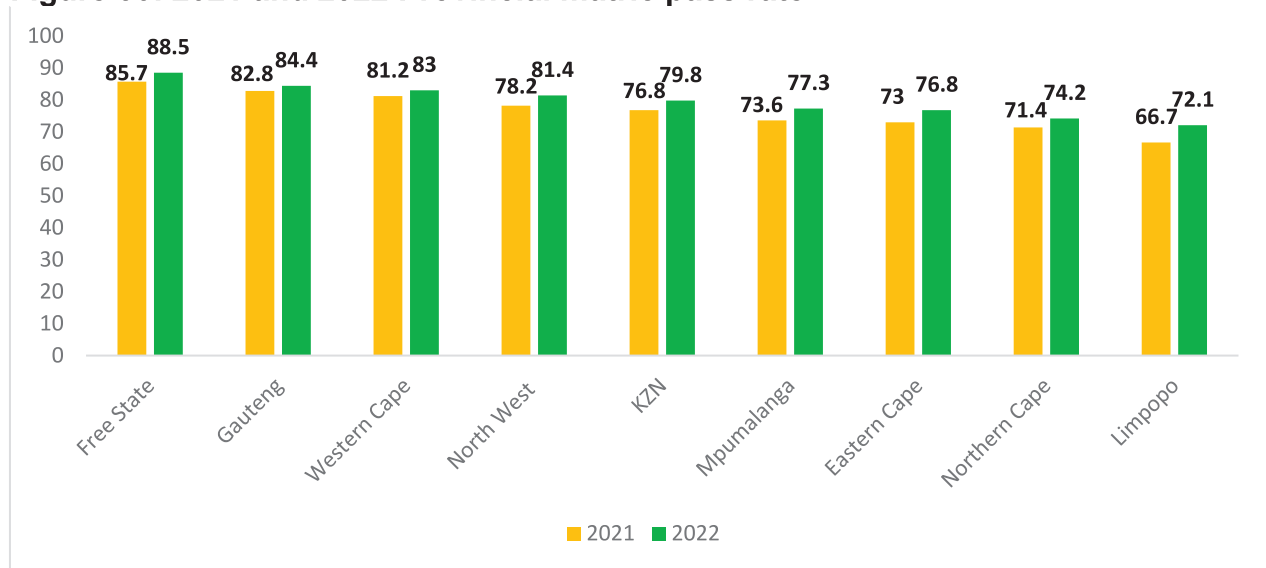
Source: The Department of Basic Education (DBE)

The National Department of Basic Education (DBE) has published the matric results for the 2022 cohort, with the group achieving 80.1 percent pass rate. The 2022 matric results show an improvement of 3.7 percent from the 2021 pass rate of 76.4 percent. Moreover, the 80.1 percent is the second highest since 2019. The 2022 cohort also attained the highest number of bachelor passes in the history of the National Senior Certificate (NSC) exams.

The 2022 class was also impacted by the COVID-19 pandemic as it endured two years of restrictions and disruptions, as well as load shedding distractions which contributed to difficult learning environment for the learners.

6.3 Provincial Matric pass rate

Figure 30: 2021 and 2022 Provincial matric pass rate



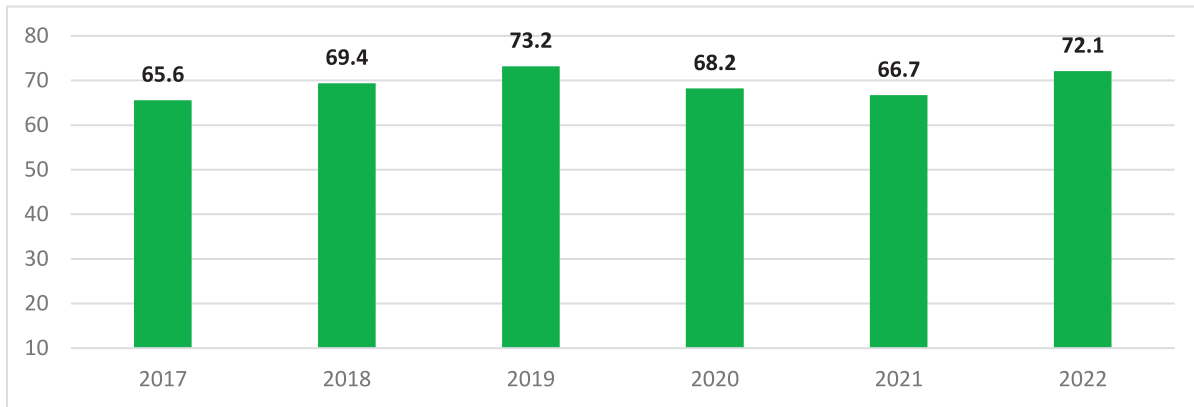
Source: The Department of Basic Education (DBE)

All provinces have seen an improvement in terms of 2022 NSC provincial matric pass rate performance, with the Free State province continuing to be the best-performing province with a pass rate of 88.5 percent. Gauteng came second at 84.4 percent and the Western Cape achieved 83.0 percent. Limpopo province has witnessed a significant improvement moving from a low of 66.7 percent in 2021 to 72.1 percent in 2022, a significant improvement of 5.4 percent increase.

6.4 Limpopo Matric Pass rate

Limpopo province at 72.1 percent, continue to be the lowest in terms of matric pass rate among the nine provinces in the country however, the province has shown significant progress moving from 66.7 percent in 2021. This is a step in the right direction and the Department of Education in the province should continue to provide targeted support so those schools that have shown no significant progress in their NSC results.

Figure 31: Limpopo matric pass rate



Source: Limpopo Department of Basic Education (DBE)

6.5 Limpopo District matric pass rate

In 2022, the province had a total of 110 295 thousand learners who wrote the 2022 NSC and 79 493 thousand passed the exams. About 32 878 thousand learners obtained Bachelor pass, 27 020 thousand obtained Diploma pass and 19 585 thousand managed to get the Higher certificate pass.

Table 5: Limpopo District 2022 matric pass rate

District Performance -ALL Grade 12 NSC 2022										
District	Progressed	Entered	Wrote	Bachelor	Diploma	H-Cert	NSC	Passed	%Pass	%(B+D)
MOGALAKWENA	579	5 457	5 360	1 757	1 476	966	0	4 199	78.3	60.3
WATERBERG 2	217	4 306	4 244	1 373	1 188	729	1	3 219	77.5	60.3
MOPANI WEST	433	9 830	9 718	3 268	2 493	1 689	0	7 450	76.7	59.3
CAPRICORN SOUTH	1063	14 703	14 523	5 236	3 577	2 320	0	11 133	76.7	60.7
CAPRICORN NORTH	897	9 735	9 644	3 167	2 388	1 756	0	7 311	75.8	57.6
VHEMBE EAST	1846	19 045	18 904	5 374	4 645	3 638	6	13 663	72.3	53.0
VHEMBE WEST	1038	13 104	13 016	3 485	3 253	2 472	0	9 210	70.8	51.8
MOPANI EAST	887	12 218	12 057	3 226	2 899	2 120	1	8 246	68.4	50.8
SEKHUKHUNE SOUTH	1274	11 852	11 653	3 219	2 623	1 941	1	7 784	66.8	50.1
SEKHUKHUNE EAST	1435	11 368	11 176	2 773	2 478	1 954	1	7 206	64.5	47.0
LIMPOPO	9 687	111 618	110 295	32 878	27 020	19 585	10	79 493	72.1	54.3

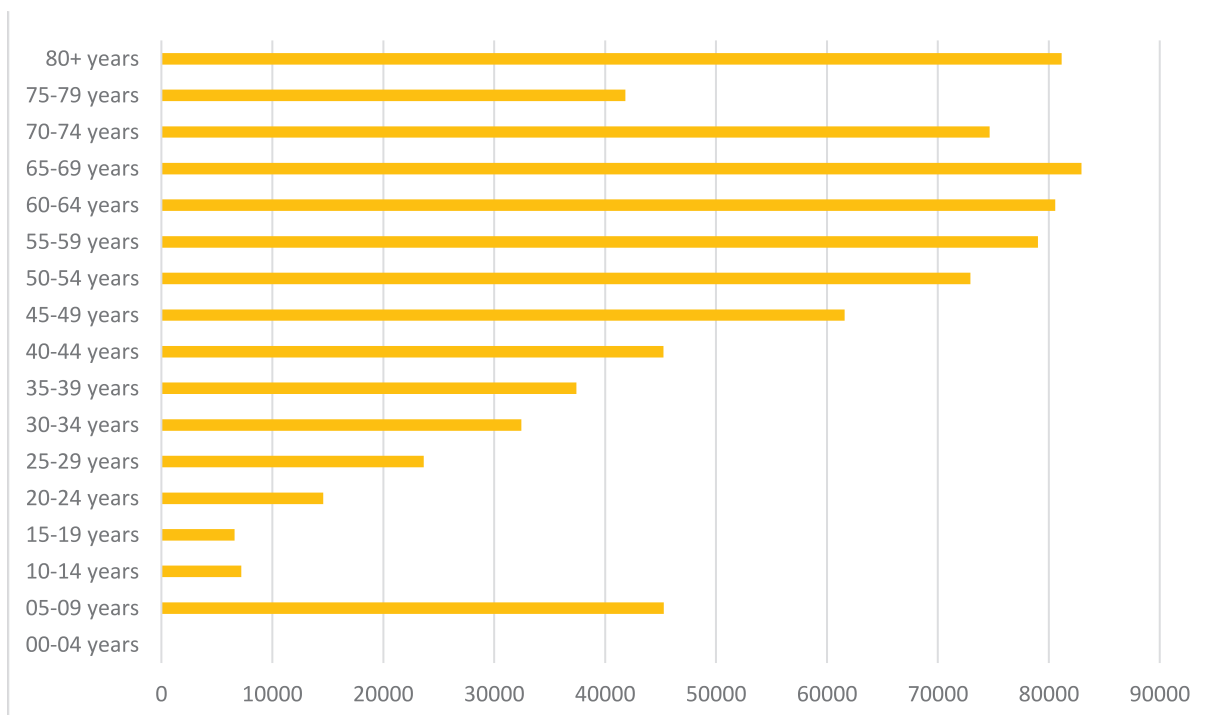
Source: Limpopo Department of Education, 2023

In terms of district performance in Limpopo class of 2022, all 10 districts in the province improved their performance from 2021 to 2022. Mogalakwena district at 78.3 percent obtained the highest percentage pass in the province, followed by Waterberg at 77.5 percent and Mopani and Capricorn South at 76.7 percent respectively. The least performing district in the province are both Sekhukhune South and Sekhukhune West at 66.8 and 64.5 percent respectively. Vhembe East and Capricorn South obtained the most bachelor passes in the province, while Mokgalakwena and Waterberg 2 had the least bachelor pass.

6.6 Number of no schooling in Limpopo

Education or attending any form of schooling is a right to everyone as it broadens up the mind and knowledge of a person. Those with no schooling hardly engage openly in many things as they lack educational knowledge and understanding.

Figure 32: Number of no schooling persons in Limpopo in 2021

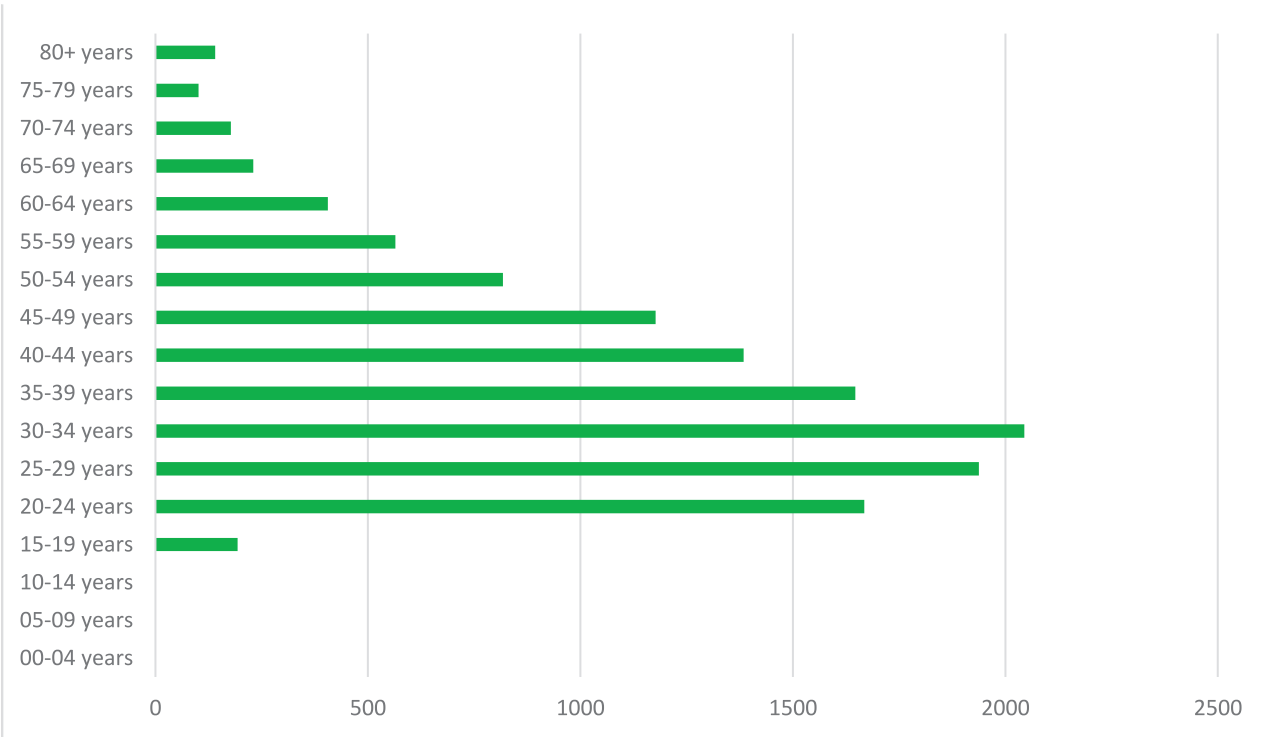


Source: Quantec, 2023

The number of people with no schooling in the province is very high for the age group of 0-9 years as about 42 thousand young kids are found to be out of school in Limpopo in 2021, the number reduces for the ages between 10-24 years and start to be on a rise from the ages of between 25-80 plus. The above diagram indicates that there is a substantial number of people in the province not in attendance of schooling and a worrying factor is that of the ages between 05-09 years as they are expected to be in school by law.

6.7 Limpopo People with less than Matric & Certificate/diploma

Figure 33: Limpopo people with less than Matric & Certificate/diploma by age



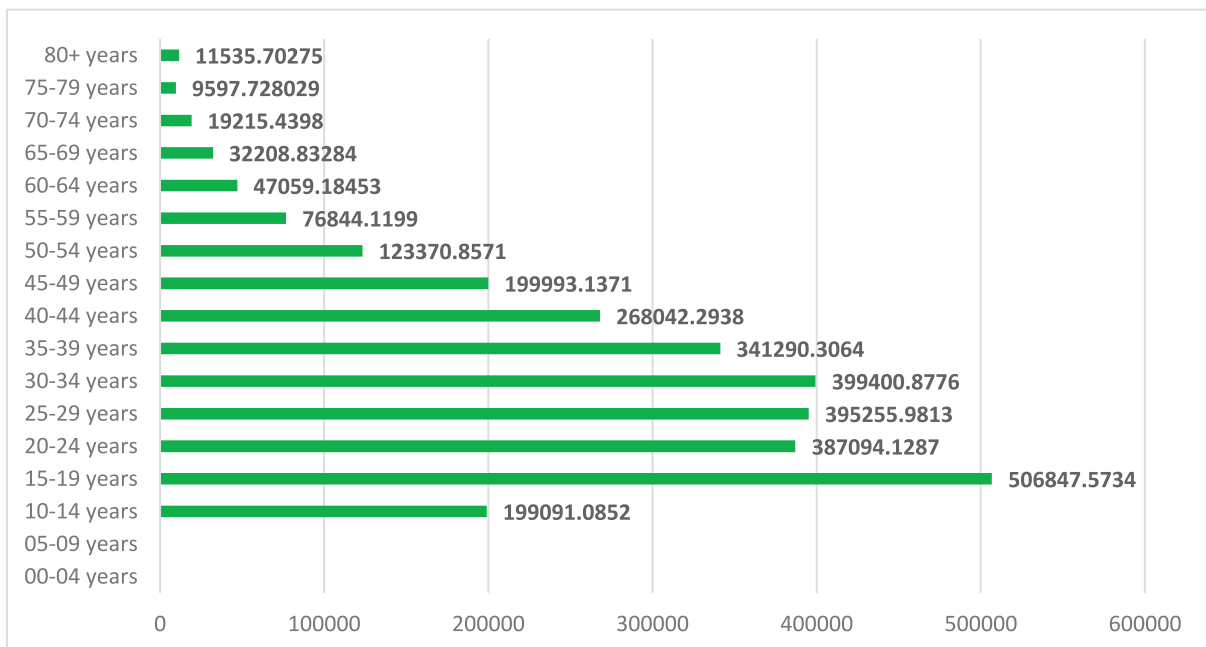
Source: Quantec, 2023

Limpopo province has many youthful people between the age of 20-49 years with less than matric & certificate/diploma. and this contributes to unemployment resulting from the lack of the pre-requisite skills to enter the labour market; this calls for the province to introduce strategies to assist this age group.

6.8 Functional literacy

Functional literacy refers to the capacity of a person to engage in all those activities in which literacy is required for effective function of his or her group and community and also for enabling him or her to continue to use reading, writing and calculation for his or her own and the community's development. Therefore, unlike basic literacy which focuses majorly on the acquisition of 3Rs, i.e. reading, writing and arithmetic skills, functional literacy deals with how people actually use 3Rs and other essential skills and competencies to solve both personal and societal problems. For example, functional literacy, can be defined as the capacity to read a newspaper, sign a check and write a short postcard at least, was an essential and indispensable precondition of the functioning of nineteenth- and twentieth-century society.

Figure 34: Limpopo 2021 functional literacy



Source: Quantec, 2023

In Limpopo the level of functional literacy improves with age, as the people of the ages below 9 years are not functionally literate, and as the ages progresses from ages 10-64 years the number of people who are functionally literate increases and then the number drops as the ages gets to 65 years and above. A lot needs to be done in the province to improve the literacy of the young people below the ages of 9 as this is the critical stages of development of the population of the province.

6.9 Conclusion

Education is regarded as a shared societal endeavour, which implies an inclusive process of public policy formulation and implementation, in which civil society, teachers and educators, the private sector, communities, families, youth and children have important roles to play in assisting in the overall performance of the kids at school. Though the role of the state is essential in setting and regulating standards and norms, parents, traditional leaders and churches will also be required to play an equal role. The right to education for all is another important factor in the society as it assists in achieving gender equality, which will mean an approach that ensures that boys and girls, women and men not only gain access to and complete education cycles but are empowered equally in and through education.

For the Department of Education in the province to achieve the desired matric pass rate, there is a need to find ways to encourage and train the teachers to get themselves acquainted with programmes, as this will assist in dealing with some sort of reluctance or resistance amongst the teachers. Also, a need to involve parents, traditional leaders and churches in contributing to education would contribute meaningfully in improving matric pass rate.

The NSC pass rates have consistently been going up in recent years to above 70 percent. The class of 2022 must be commended for maintaining an increasing trend, despite the challenges they were faced with. The Limpopo province has followed suit and bridged the 70 percent mark, though still lagging behind as the least performing province in the country. This is an indication that the strategies employed by the provincial Department of Education are assisting the province to move towards the right path, though a lot of work still needs to be done mostly towards assisting the underperforming schools and districts which requires targeted support.

CHAPTER 7: BASIC SERVICES

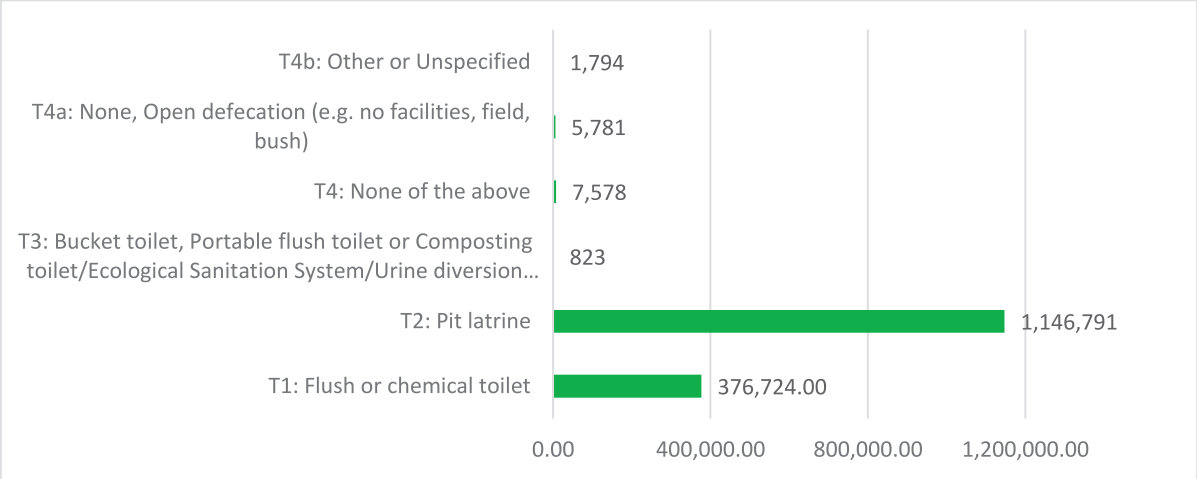
7.1 Introduction

The provision of basic services continues to be a key mandate for government and this entails the provision of clean drinking water, sanitation, electricity, shelter, waste removal and roads as these are basic human rights and essential components of the right to dignity enshrined in the Constitution of South Africa and the Bill of Rights. Recently the government has been faced with challenges of continuous provision of basic services while also protecting citizens from the deadly pandemic. This has compromised the provision of basic services such as water and electricity provision as these services were badly affected. There has been major infrastructure damages in the country and the province and this was caused by amongst others, the climate change and extremely variant weather conditions were experienced as the province continues to experience droughts, heavy rains and extremely cold winter days.

7.2 Sanitation

Provision of basic sanitation is regarded as having access to facilities for the safe disposal of human waste, as well as having the ability to maintain hygienic conditions, through services such as garbage collection, industrial/hazardous waste management, and waste water treatment and disposal. A huge backlog on sanitation continues to be experienced by the province due to its rurality and this delays public services to reach most rural areas timely, as well as increased cost to deliver such services since villages are far apart from each other.

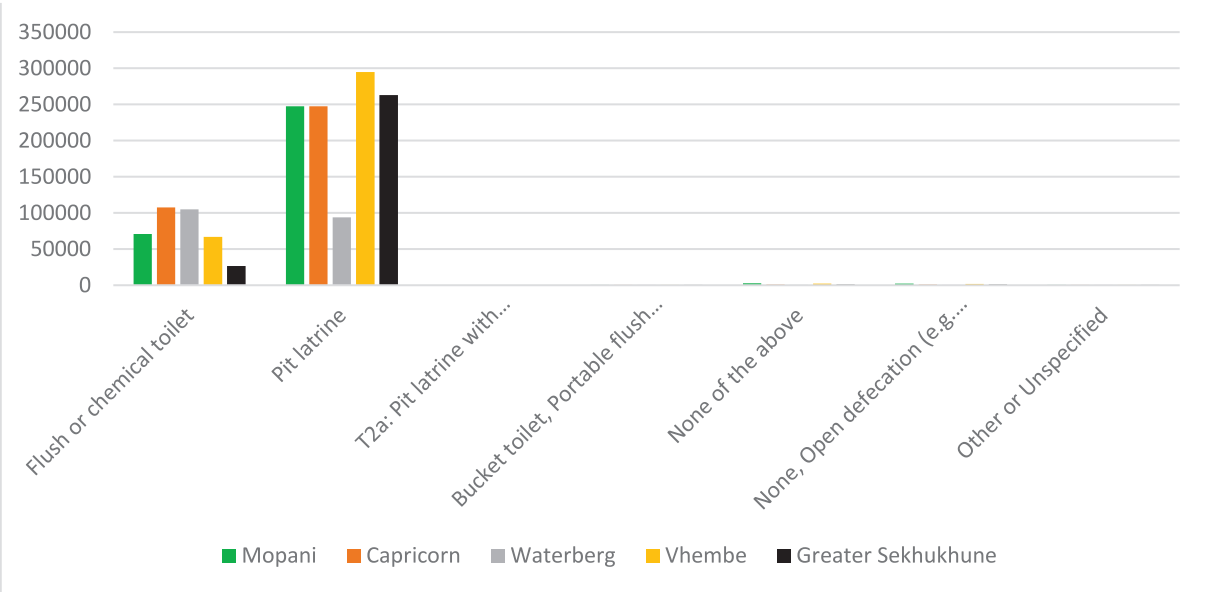
Figure 35: Limpopo household access to sanitation by type in 2021



Source: Quantec, 2023

The province is dominated by number of households who are using pit latrine toilet facilities at 1.146 million in 2021. This is followed by households with flush or chemical toilets at around 376 thousand. There is a need for the province to continue improving efforts in addressing the sanitation for households and ensure people are having toilet facilities with some ventilation or drainage.

Figure 36: Limpopo district household access to sanitation by type in 2021



Source: Quantec, 2023

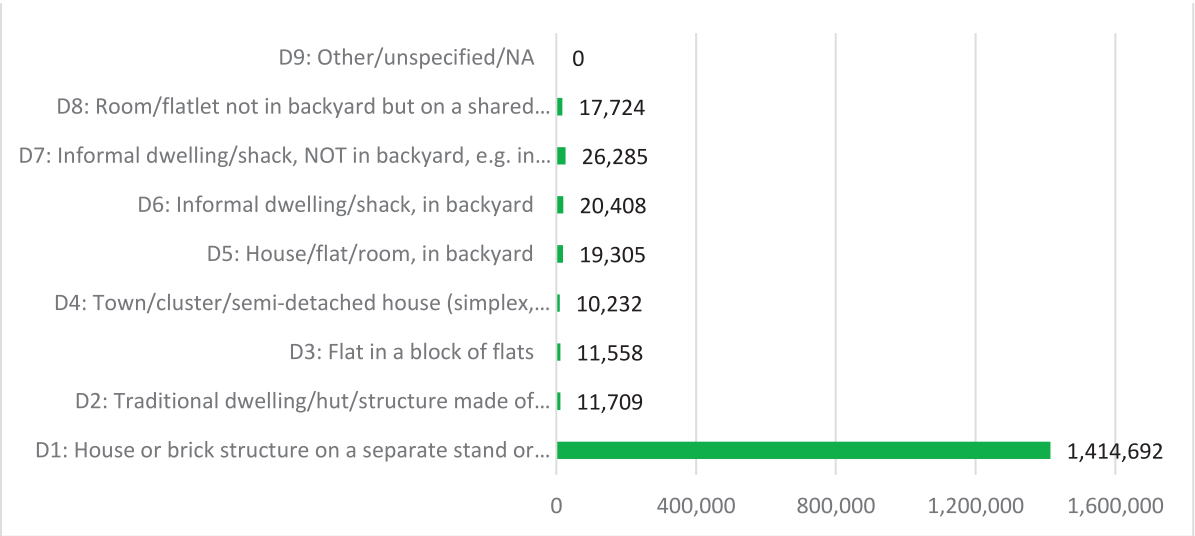
In terms of the districts in the provincial sanitation, there is dominant usage of pit latrines by both urban and rural areas in the province and this is an indication of the

rural nature of the province. Sekhukhune district has the least number of households with flush toilets in the province, while all districts in the province except for Waterberg has more people using pit latrines than all other type of toilet facilities.

7.3 Dwelling

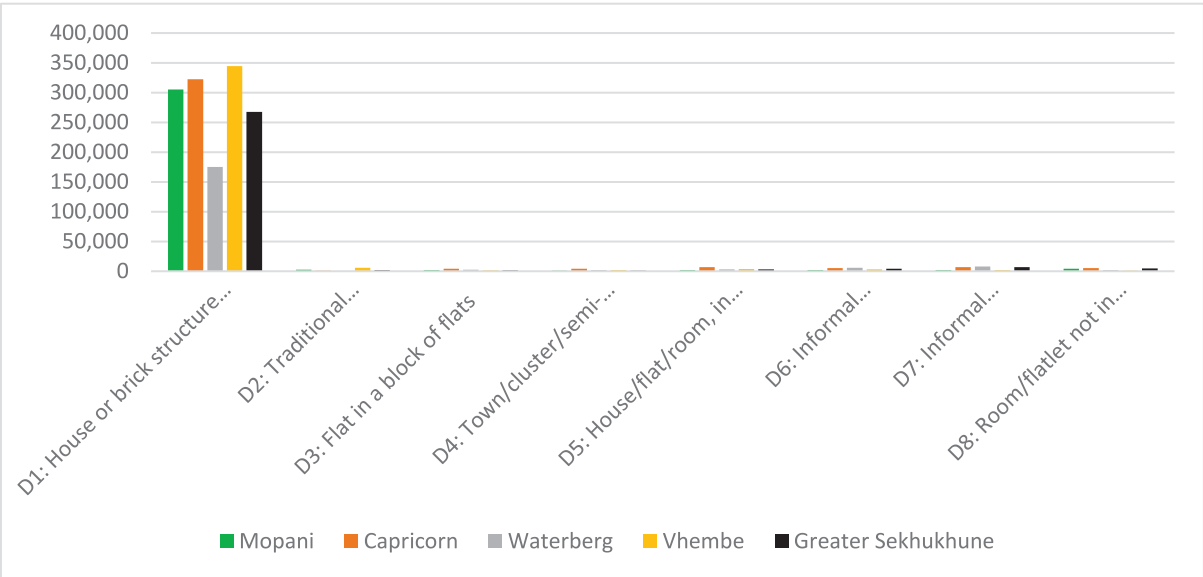
It remains the responsibility of the province to ensure that households have access to decent place of resident with easy access to transportation for work and other facilities. Majority of the households in Limpopo province (1.146 million) live in a house or brick house structure on a separate stand or yard. This is an indication that the provincial government has done well in provision of dwelling facilities for its people and moving the households from living in a traditional dwelling/hut/structure as well as informal dwelling/shacks.

Figure 37: Limpopo household access to dwelling by type in 2021



Source: Quantec, 2023

Figure 38: Limpopo District household access to dwelling by type in 2021



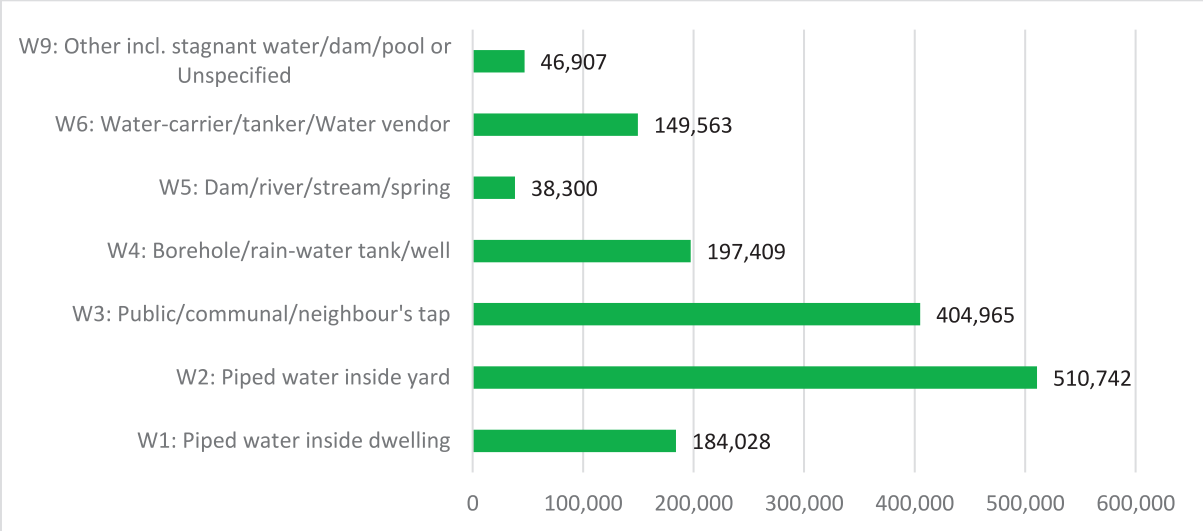
Source: Quantec, 2023

The above figure portrays that all districts in the province have high number of houses or brick structure on a separate stand compared to other forms of dwelling. Vhembe district is leading with living in houses of bricks, followed by Capricorn and Mopani districts. While Waterberg has the least number of households living on houses or brick structure in the province which calls for concerted efforts to improve the living conditions.

7.4 Water infrastructure

Access to clean drinking water is of prominent importance in South Africa and in the Limpopo province, where most of the population does not have access to safe water facilities. This access is even lower in rural areas and among disadvantaged socio-economic groups.

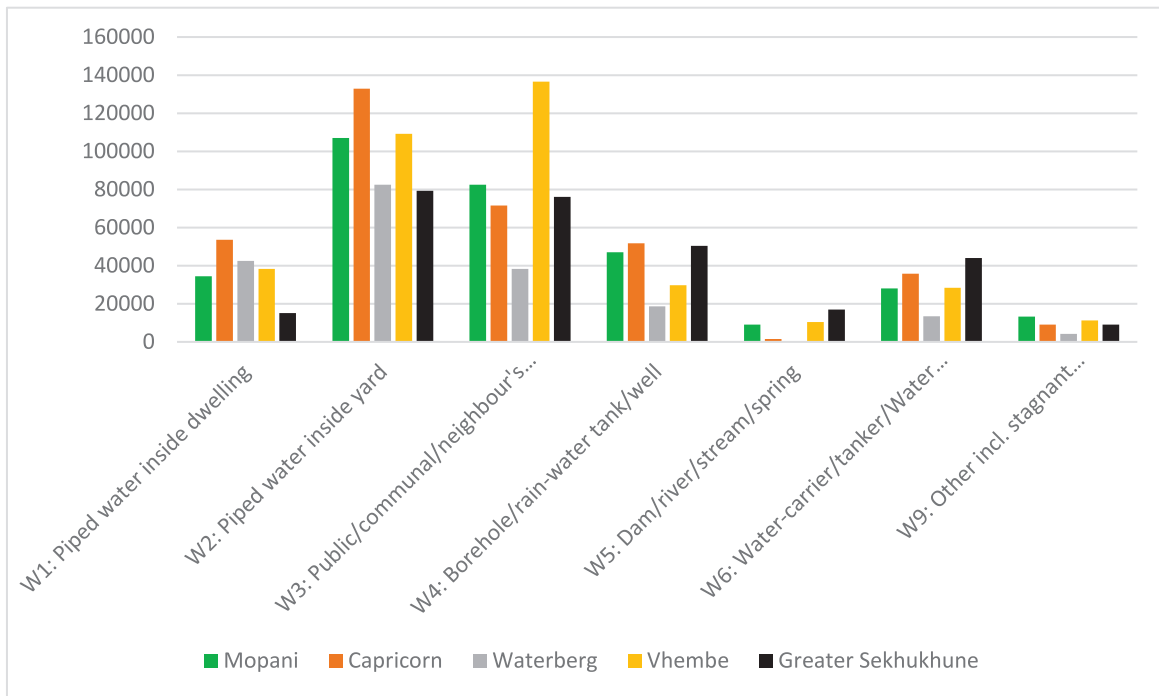
Figure 39: Limpopo household access to water by type in 2021



Source: Quantec, 2023

The number of households in Limpopo with access to piped water inside yard was recorded at 510 thousand during the year 2021, followed by 404 thousand households who use public/communal/neighbours' tap and those who use borehole/rain water tank/well at 197 thousand, while those who are having piped water inside the dwelling at 184 thousand households. The level of access to clean drinking water in the province needs to be improved as the province still has a sizeable number of households who collect their water from dams/river/stream/spring, and others who receive water through water-carrier/tanker/water vendors and this has a bearing on water quality issues.

Figure 40: Limpopo District household access to water by type in 2021



Source: Quantec, 2023

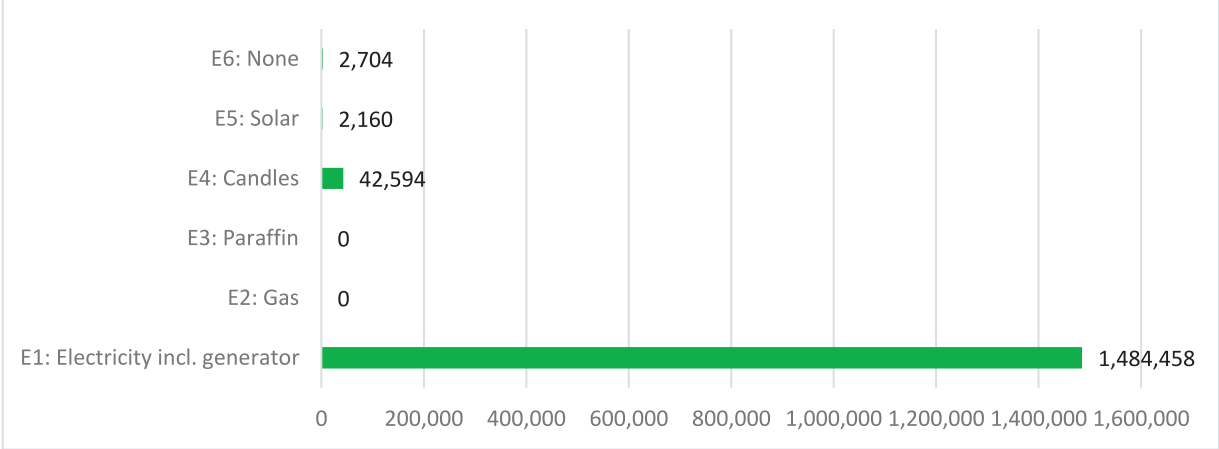
The Limpopo districts access to water follows a similar pattern as depicted at the provincial level, with most of the household who have access to water are accessing the water within their yards or in public/communal/neighbour’s yard. Vhembe and Capricorn district have the highest number of households who have access to water, while Waterberg and Sekhukhune district has least number of household with access to water. Capricorn district has more households who have piped water inside their yard followed by Mopani and Vhembe districts. More work is still required in Sekhukhune District in which many households depend on Dam/river/stream/spring and water tankers for water.

7.5 Electricity connection

The country and the province must jointly work together to overcome the energy crisis and as such a call is made to all South Africans to pay for the electricity they use as well as to save on electricity usage. Non-payment and illegal connections make electricity provision more expensive and less reliable. The usage and need of reliable

energy sources is significantly important to embrace the 4th industrial revolution, and for Limpopo to be advanced in Information, Communication and Technology (ICT) there should be good electrical connectivity, mostly in the rural remote areas of the province, and this calls for investment in alternative sources of electricity supply to augment the challenges faced by Eskom in provision of this necessity.

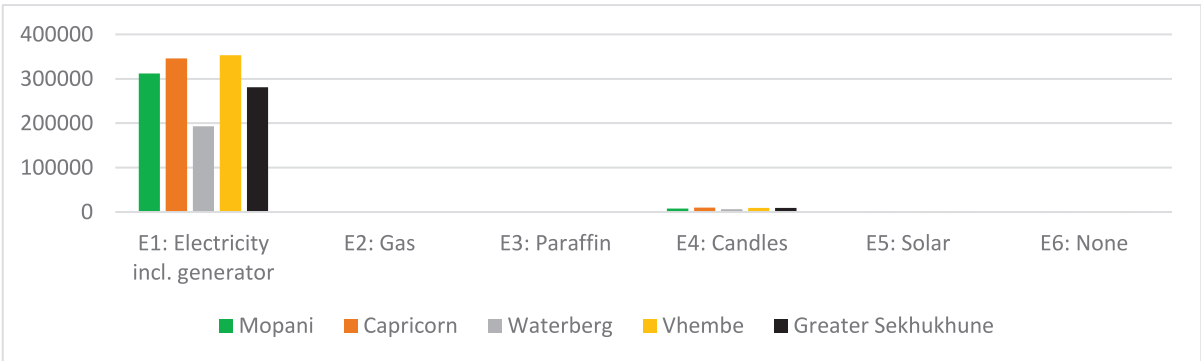
Figure 41: Limpopo household source of energy by type in 2021



Source: Quantec, 2023

Limpopo province has done well on electrical connection of its households over the years, the number of households with electrical connection including generator was recorded at around 1.484 million in 2021. Households depending on candles and paraffin for lighting continue to diminish in the province, while a new trend for solar and gas usage has emerged as households are escaping the scourge of load-shedding which appears to be a new normal.

Figure 42: Limpopo District household source of energy by type in 2021



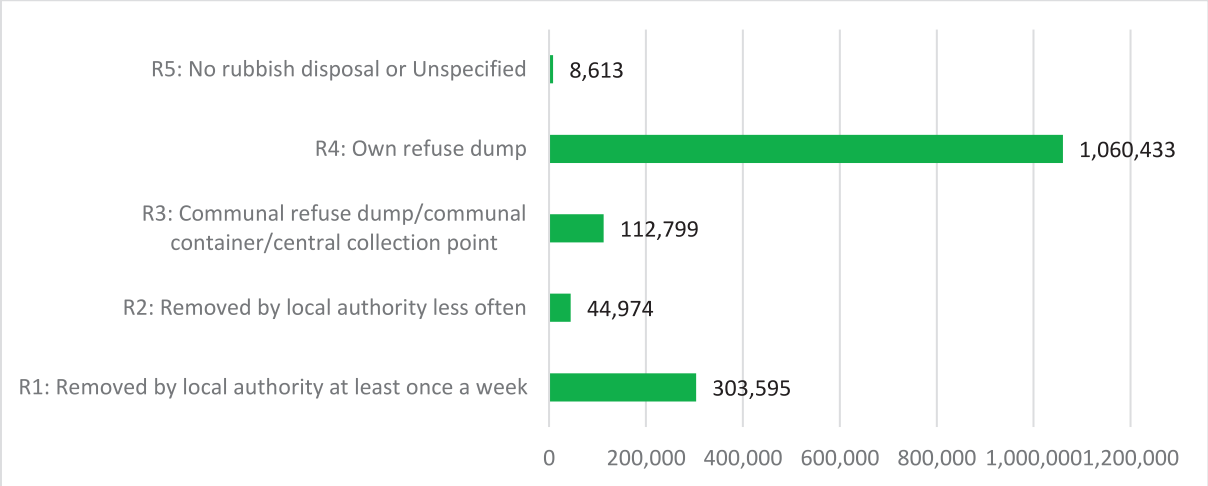
Source: Quantec 2023

Limpopo province districts are continuing to be dominated by households that use electricity including generator as the main source of energy, with Vhembe, Capricorn and Mopani districts being the leader in terms of electricity connections for their households, however the eradication of usage of candles requires government efforts

7.6 Refuse removal

It remains the responsibility of local government to provide waste management services, which include waste removal, waste storage and waste disposal services, as per Schedule 5b of the Constitution of the Republic. Proper management of refuse removal is important in Limpopo and its district municipalities as this helps in avoiding polluting the environment. In recent times waste management has been seen as an economic opportunity for the municipality as the waste and recycling economy is becoming prominent in the municipal space. This calls for municipalities to invest in the waste economy and start to manage this industry prudently as it has benefits of creating employment opportunities for the low skilled labour force.

Figure 43: Limpopo household access to refuse removal by type in 2020

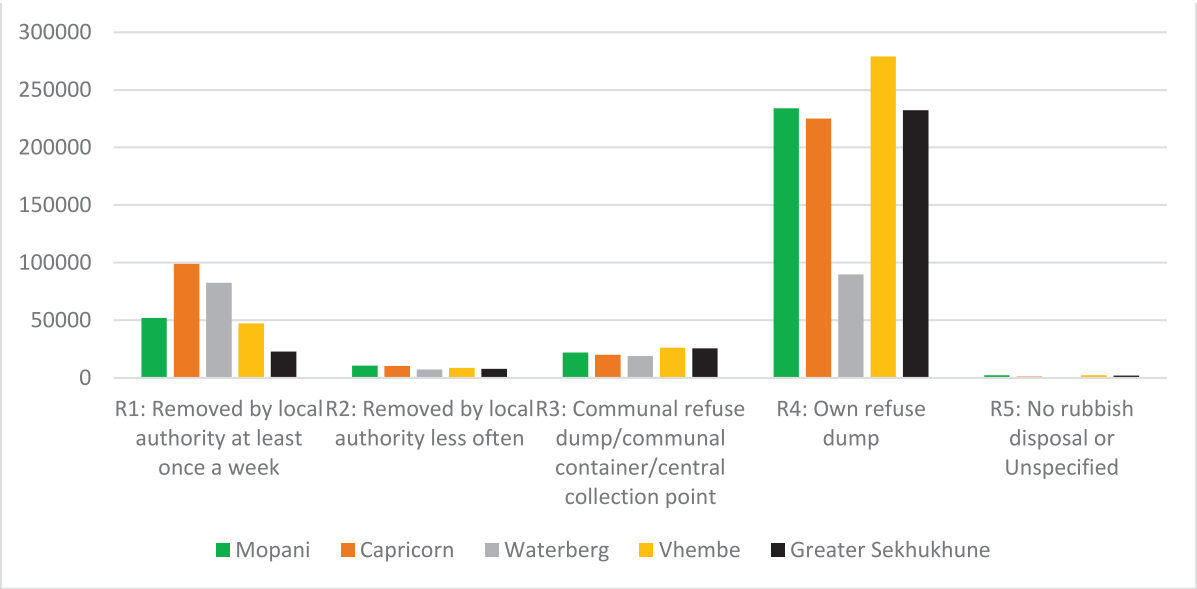


Source: Quantec, 2023

The province is lagging behind in refuse removal as the number of households that use their own refuse dump is over 1 million, with those who use communal refuse

dump/communal container/central collection point are 112 thousand households, and people end up disposing waste illegally or anywhere exposing risks to livelihood. The local authorities remove the refuse in the province at least once a week for 303 thousand households and this leads to households in the province to find alternative ways of dumping and some go as far as burning their own waste materials in avoidance of traveling long distances to the dumping sites.

Figure 44: Limpopo District household access to refuse removal by type in 2021



Source: Quantec, 2023

Most households in the provincial districts continue to use their own refuse dump as shown in the above diagram, with a handful of household’s refuse removed by the local authority once a week and the rest of the people in the province are found to be without any form of rubbish disposal or use communal refuse dumb.

7.7 Conclusion

Provision of basic services to all is a government mandate in improving the lives of citizenry. Limpopo province in general, has a serious challenge of refuse removal and this calls for the province to cultivate proper refuse removal management in the municipalities and the district. This is more important in helping to avoid polluting the degrading environment we live in and this can be done in the form of providing accessible dumping sites and provision of dumping bins at the convenience of the citizens, as this will encourage the usage. Municipalities should also explore the opportunities as presented by the waste and recycling economy as a new industry, as this has a potential of employment creation and revenue generation.

Given the current load shedding challenges in the country and the province, the provincial government should drive to install and encourage the use of solar energy for both households and businesses as an alternative source of energy. The introduction of alternative sources of electricity would relieve pressure from Eskom. Incentives were also announced at national level to encourage investment in alternative sources of energy supply and implementation of green energy initiatives.

Water provision and access needs to be improved as the province has a sizeable number of households who still collect their water from dams/river/stream/spring and others who still receive water through water-carrier/tanker/water vendors and this has a bearing to the water quality issues and inequalities.



LIMPOPO

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