LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO
ECONOMIC BULLETIN
Q 4

2022/23

The heartland of southern Africa - development is about people

Foreword

The fourth Quarterly Economic Bulletin (QEB) is presented during the ongoing war between Russia and Ukraine at international level and the continuing electricity crisis in South Africa. This is a reality that calls for concerted efforts both nationally and provincially to develop impactful interventions that can better the lives of the citizens. The International Monetary Fund (IMF) growth forecast gives an indication that more than a third of the global economy is headed for contraction in 2022 and 2023. Global economic 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.

Global economic risks which are influenced by amongst others, the ongoing war in Ukraine remain high and could impede growth if they materialise. The reopening of the Chinese economy, however, may offer some reprieve by supporting a stronger rebound in global trade and demand. Economic growth in some of the world's largest economies is set to slow in 2023, with Europe and the United States showing signs of weakening activity. China's manufacturing activity was adversely affected by its zero-COVID policy, and the removal will support a gradual rebound in activity this year. Many countries are encountering the effects of high inflation through increased interest rates and while headline inflation seems to have peaked in many countries, it remains high.

South African GDP declined by 1.3 percent in the fourth quarter and on year to year the SA economy grew for a second consecutive year, expanding by 2.0 percent between 2021 and 2022, from R4.50 trillion to R4.60 trillion. The size of the economy in 2022 was bigger than the pre-pandemic levels in real terms which is evidence of a robust economic recovery, however, the medium-term growth outlook has deteriorated. The continuous load shedding by Eskom, has taken a heavy toll on the SA and Limpopo economy as major industries were hit by power outages and this has led to closure of businesses. The load-shedding has become more persistent and prolonged, impacting on service delivery, and threatening the survival of many businesses.

pp ______________________ 27 March 2023

PHUKUNTSI M.J. **DATE**
DDG: SRM

Table of Contents

Table of Figures

Table of Tables

LIST OF ABRIVIATIONS

CPI	Consumer Price Inflation
GDP	Gross Domestic Product
IMF	International Monetary Fund
LDP	Limpopo Development Plan
LP	Limpopo Province
MPC	Monetary Policy Committee
PGMs	Platinum Group Metals
Q	Quarter
QEB	Quarterly Economic Bulletin
Q on Q	Quarter on Quarter
QLFS	Quarterly Labour Force Survey
SA	South African
SARB	South African Reserve Bank
StatsSA	Statistics South Africa
USA	United States of America
WEO	World Economic Outlook

1.1 Introduction

During the tabling of the 2023 National Budget, the Minister of Finance upgraded the 2022 South African economic prospects from 1.9 percent to 2.5 percent in consideration of the upward revision of the IMF's global forecast. The South African economy declined by 1.3 percent in the fourth quarter of 2022 and on year to year the SA economy grew for a second consecutive year, expanding by 2.0 percent between 2021 and 2022.

Indications are that the continuing Russia-Ukraine conflict is also expected to put a major dent to South Africa and Limpopo'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			
		Estimate	Projections	
	2021	2022	2023	2024
World Output	**6,2**	**3,4**	**2,9**	**3,1**
Advanced Economies	**5,4**	**2,7**	**1,2**	**1,4**
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
Emerging and Developing Europe	6,9	0,7	1,5	2,6
Latin America and the Caribbean	7,0	3,9	1,8	2,1
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
World Consumer Prices	**4,7**	**8,8**	**6,6**	**4,3**
Advanced Economies	3,1	7,3	4,6	2,6
Emerging Market and Developing Economies	5,9	9,9	8,1	5,5

Source: International Monetary Fund, WEO, January 2023

Global economic 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 continues to weigh on economic activity. 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 - 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 room for an upside scenario with lower-than-expected inflation and less monetary tightening.

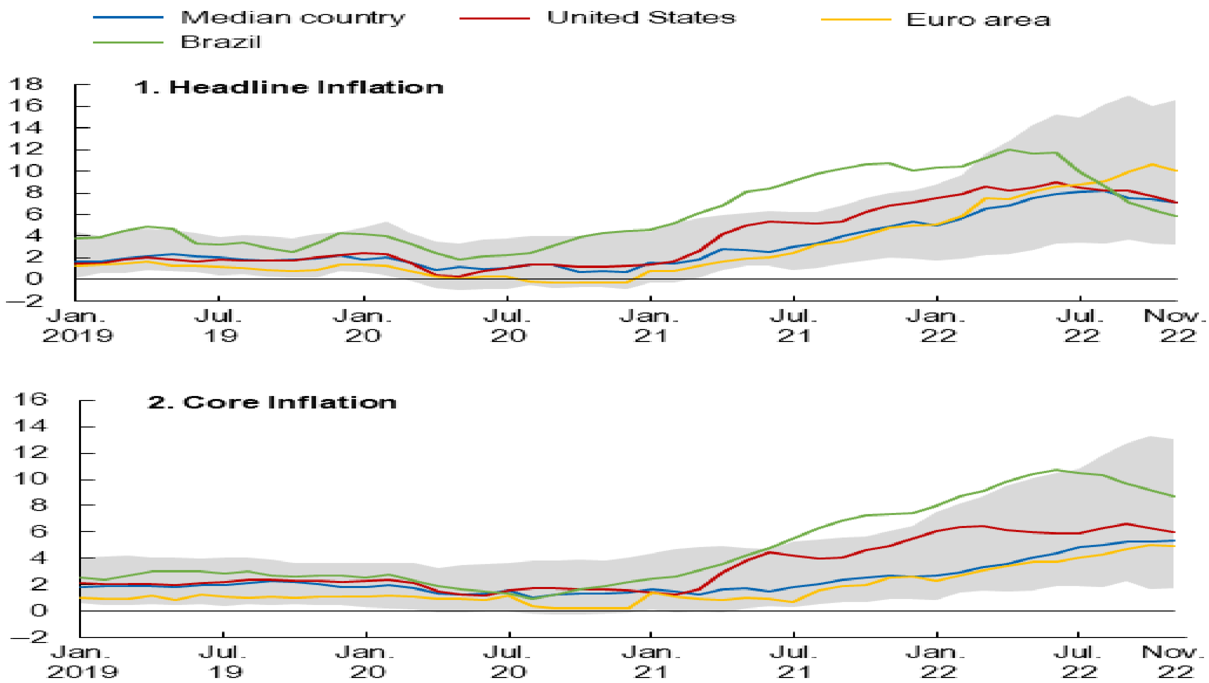
Downside risks- Numerous downside risks continue to weigh on the global outlook, lowering growth while, in a number of cases, adding further to inflation and these include China's recovery stalling, War in Ukraine escalating, Debt distress, Inflation persisting, Sudden financial market repricing and Geopolitical 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.

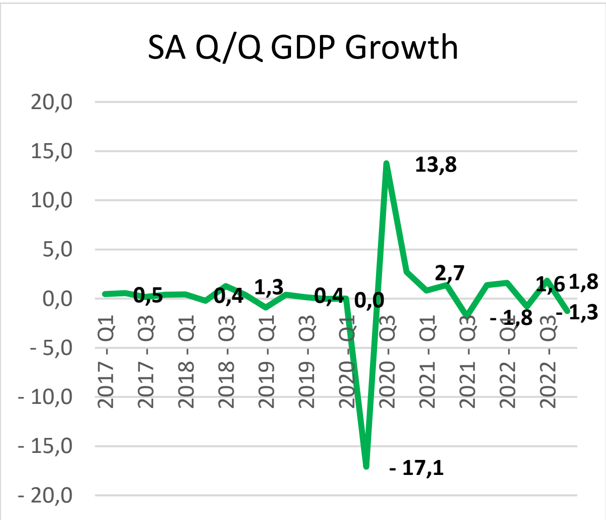
Core inflation is declining in some economies that have completed their tightening cycle such as Brazil. Financial markets are displaying high sensitivity to inflation news, with equity markets rising following recent releases of lower inflation data in anticipation of interest rate cuts, despite central 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.

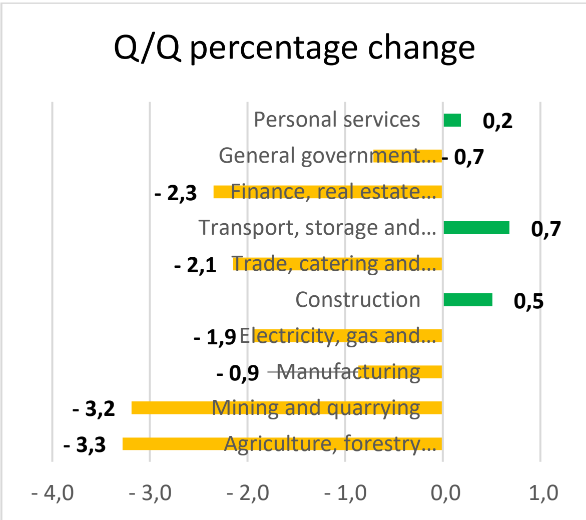
1.4 SA Economic Overview

1.4.1 SA Quarterly GDP Growth

After rallying in the third quarter of 2022, South African Gross Domestic Product (GDP) declined by 1.3 percent in the fourth quarter (October–December). Growth was dragged lower mainly by finance, trade, mining, agriculture, manufacturing and general government services.

Figure 2: SA GDP growth in expenditure (constant 2015 prices seasonally adjusted percent change Q on Q) and industry growth





Source: StatsSA, Gross Domestic Product, Q4 2022

Seven of the ten industries contracted in the fourth quarter. The finance, real estate & business services industry shrank by 2.3 percent. This was on the back of lower economic activity in financial intermediation, insurance & pension funding and auxiliary activities. As the finance, real estate & business services industry is the largest in the South African economy, the 2.3 percent decrease was the biggest factor behind the decline in GDP, subtracting 0.6 of a percentage point from GDP growth. The trade, catering & accommodation industry was the second largest negative contributor to growth, recording a contraction of 2.1 percent. This was mainly due to a decline in wholesale trade. Mining output was dragged lower by a decline in the production of diamonds, iron ore and platinum group metals (PGMs). Economic activity in the electricity, gas & water supply industry was hampered by lower levels of production and consumption of electricity (mainly due to load shedding) and water. Agriculture recorded the largest contraction in the quarter (-3.3%), pulled lower mainly by weaker production figures for field crops and horticulture products.

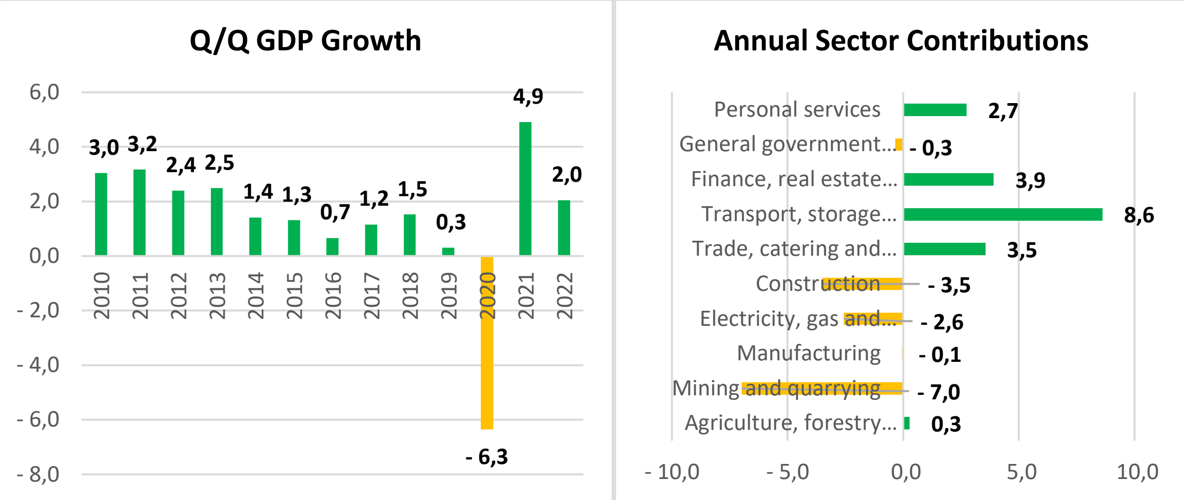
On the positive side, transport, storage & communication, construction and personal services were the bright spots in the fourth quarter. Transport, storage & communication made the largest positive impact, rising by 0.7 percent and contributing 0.1 of a percentage point to growth. This was mainly due to increased economic activity in passenger land transport, air transport and communication services.

1.4.2 SA Annual GDP Growth

The fourth quarter data concludes the results for the calendar year, providing an opportunity to revisit the annual GDP series. The South African economy grew for a second consecutive year, expanding by 2.0 percent between 2021 and 2022, from R4.50 trillion to R4.60 trillion.

Although GDP reached an all-time high in 2022, the economy has only grown by 0.3 percent from the 2019 pre-pandemic reading of R4,58 trillion. This lags behind the 3.5 rise in the country's population over the same period.

Figure 3: Annual growth in GDP at constant 2015 prices (measured by production)



Source: StatsSA, Gross Domestic Product, Q4 2022

Exploring the economy in more detail, six industries have yet to recover to their pre-pandemic levels of production (Figure 3). Construction is the worst in shape, remaining 23.1 percent smaller than what it was before the pandemic. In fact, construction's woes started way before COVID-19. A shadow of its former self, 2022 marked construction's sixth consecutive year of economic decline.

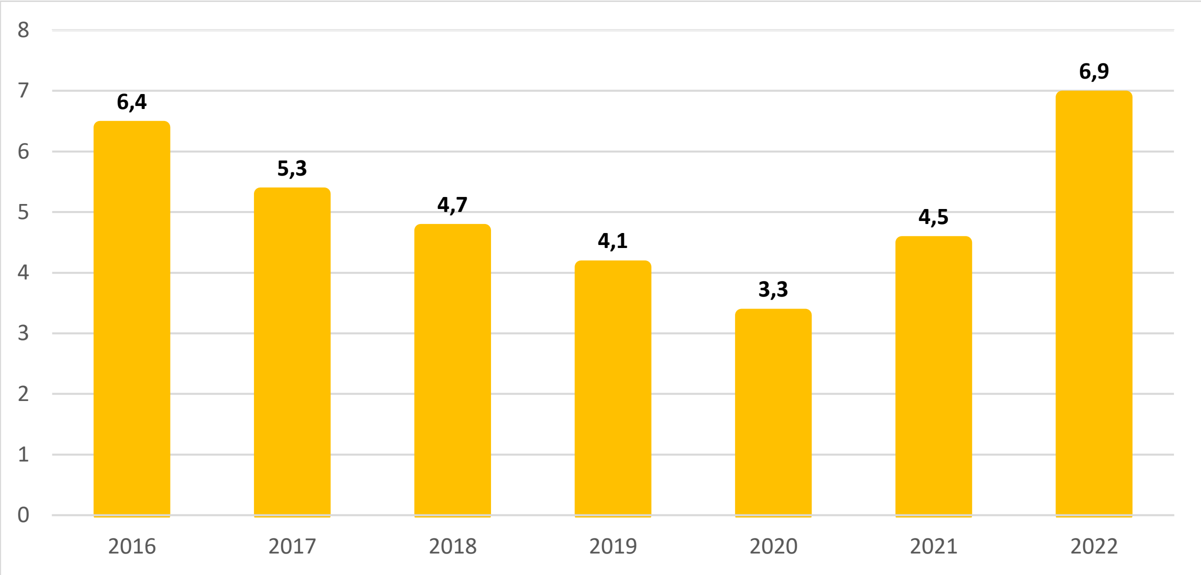
On the upside, South African agricultural activity was robust in the face of the pandemic. The industry grew strongly in 2020 while many other industries faltered, following up with further gains in 2021 and 2022. The finance, real estate & business services industry also recorded positive growth figures for all three years, although not as strong as agriculture.

1.5 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 of Russia and Ukraine that also has a major impact in fuelling the consumer prices which were already on an upward spiral. As per the December CPI release, the results for the

2022 calendar year and 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 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 raise interest rates. Despite that decline, 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.

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 local interest rates have been attractive for many years compared to other countries. 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 levels of load shedding.

1.6 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.

1.7 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 the 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 amongst others 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.

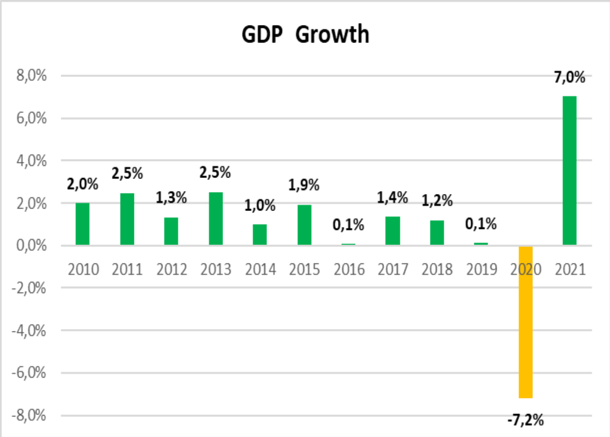
- Efforts to finish incomplete plants and maintenance of other major units are being made.
- The time to complete regulatory processes for new plants has been reduced.

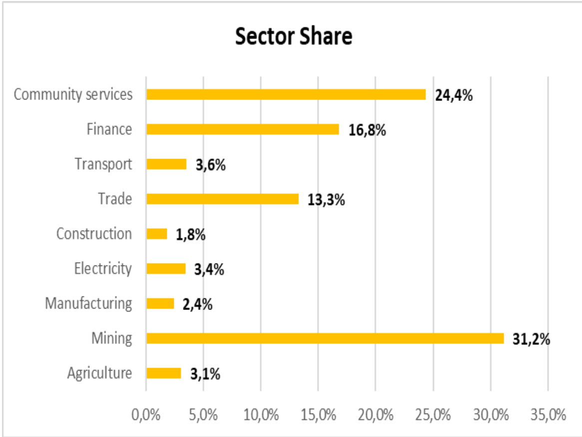
Experts agree that this plan is the most realistic route to end load shedding. During the last six months, considerable progress in implementing the plans were made and steps were taken to improve the performance of Eskom's existing power stations so that the coal-fired power stations that provide 80 percent of the country electricity produce the amount of electricity for which they were designed for. In the 2023 State of the nation address, the President further emphasised plans to fix the energy crisis to address the electricity shortfall of 4 000 to 6 000 MW. It is worth noting that the electricity crisis is going to continue for the foreseeable future unless if there is a speedily implementation of the above.

1.8 Limpopo Economic Growth

The Limpopo economy has been on slow trajectory growing on an average below 2.0 percent since 2010 to 2019 and the situation was worsened by the COVID-19 pandemic in 2020. The provincial economic growth is below the 5.0 percent target 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 by 7.0 percent in 2021. The 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 had the biggest share (31.2%) in terms of percentage share to the provincial economy, followed by the community services (24.4%), Finance (16.8%) and Trade (13.3%). Other sectors contributed less 4 percent each to 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.

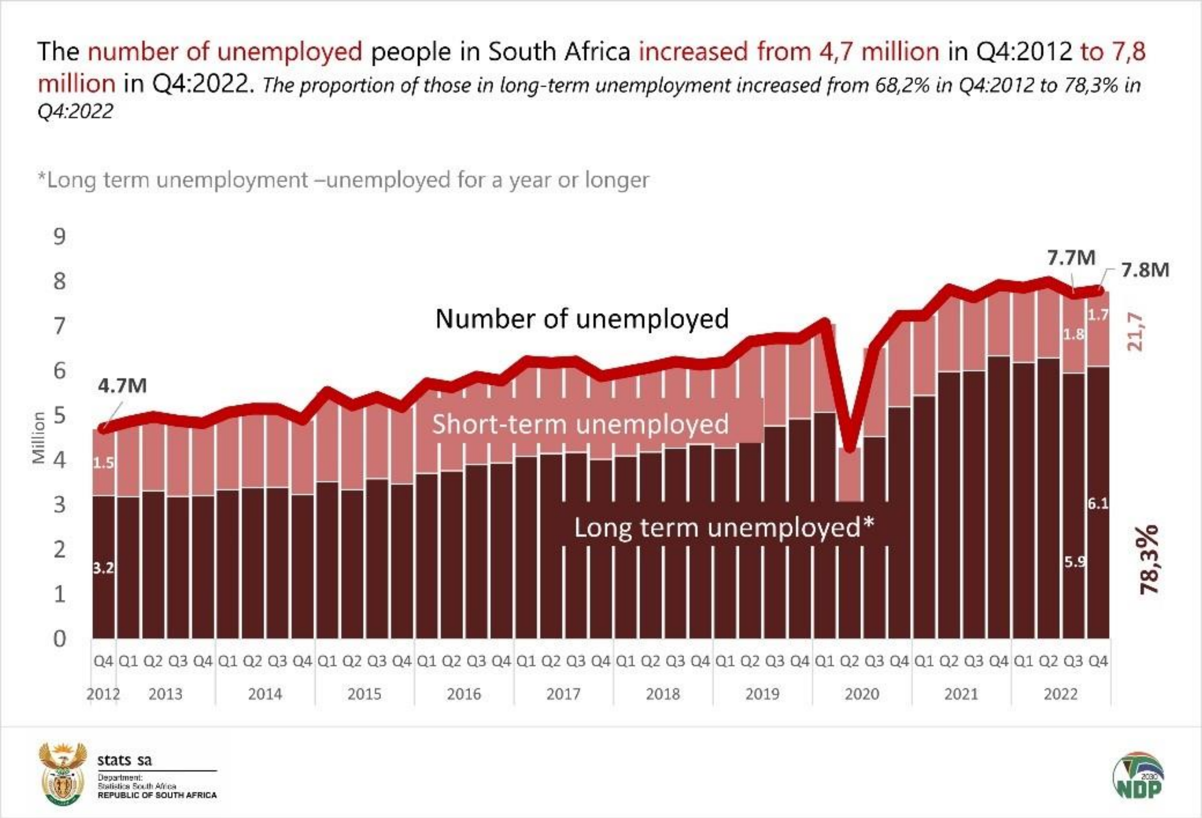
1.9 Labour Force Characteristics

1.9.1 SA Labour Force Characteristics

South Africa's unemployment rate decreased by 0.2 of a percentage point to 32.7 percent in Q4:2022 compared to Q3:2022. According to the Quarterly Labour Force Survey (QLFS) for the fourth quarter of 2022, there were about 28 thousand more people who were unemployed than in Q3:2022.

In the fourth quarter of 2022, South Africa had 7.8 million persons who were without work, looking for work and available to work, of which 6.1 million were in long-term unemployment and 1.7 million in short-term unemployment. Findings from Q4:2022 show that long-term unemployment has almost doubled since Q4:2012, while short-term unemployment has increased by 0.2 million persons.

Figure 6: SA unemployment

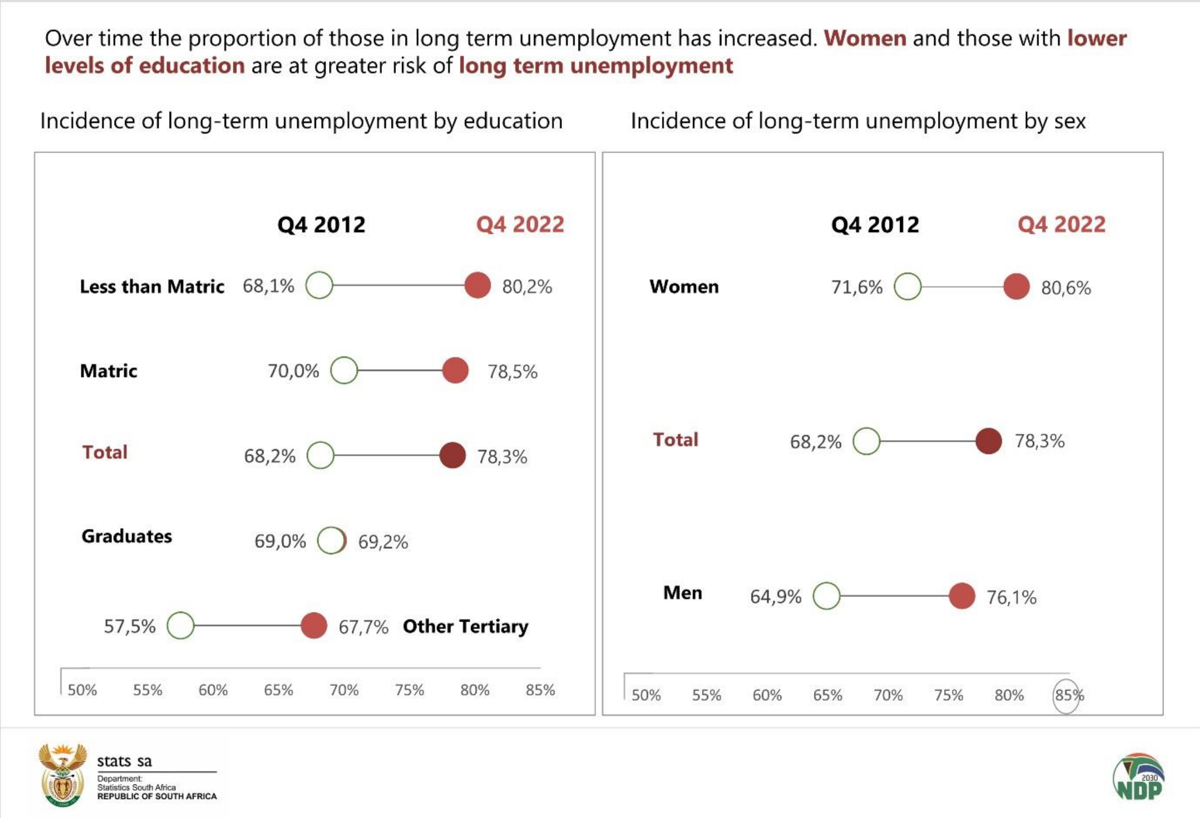


Source: StatsSA, 2023

Unemployment levels are persistently higher post-2016, reaching a peak in Q4:2021 with 7.9 million unemployed persons. During the same period, long-term unemployment also recorded its highest point (6.3 million) while short-term unemployment reached its peak of 2.0 million in Q4:2020, during the national lockdown. Almost four out of five (78.3%) unemployed persons have been without work, looking for work and available for work for a year or longer. Less than one out of five (21.7%) unemployed persons were in short-term unemployment.

Apart from other factors such as low level of education and lack of experience, long-term unemployment negatively affects the employability of unemployed persons while short-term unemployment provides time for job seekers to find favourable employment. The effects of long-term unemployment are more likely to result from structural problems in the labour market due to a mismatch between supply and demand for labour, i.e. jobs may be available in the labour market but the skills the unemployed possess are not what is demanded by employers. Reducing the duration of unemployment is vital to reducing the overall unemployment rate. In terms of long-term unemployment disparities exist by, but not limited to, sex and education level. In a global sense, higher levels of unemployment mostly affects women and people with lower levels of education.

Figure 7: Incidence of long term unemployment by education and sex



Source: StatsSA, 2023

Women are the most vulnerable in the labour market. Compared to men, women are more likely to remain unemployed for longer periods, which eventually affects their chances of being employed in the future. In this respect, in Q4:2022, 80.6 percent of women were in long-term unemployment compared to their male counterparts with 76.1 percent. The incidence of long-term unemployment among women has consistently been higher than the national average. Although men recorded the highest increase in the incidence of long-term unemployment, the incidence among women was higher in 2012 and 2022.

Level of education plays a vital role in the employability of unemployed persons in the labour market. Generally, persons with the highest level of education are less likely to be affected by high levels of unemployment. The findings suggest that unemployed persons with less than a matric level of education and matric qualification have a higher likelihood of being in long-term unemployment as opposed to tertiary and other tertiary qualifications. A possible reason for this might be a lack or shortage of necessary skills required to meet the demand in the labour market. Conversely, persons who pursue higher education careers are more likely to increase their employability and boost their success in the labour market.

1.9.2 Limpopo Labour Force Characteristics

According to StatsSA Q3:2022 labour force characteristics, Limpopo has a population of about 3.9 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 1.4 million were employed, while 600 thousand were unemployed. About 2 million of the Limpopo working age population were not economically active, with 639 thousand being discouraged work seekers.

Table 2:Limpopo expanded unemployment rate

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

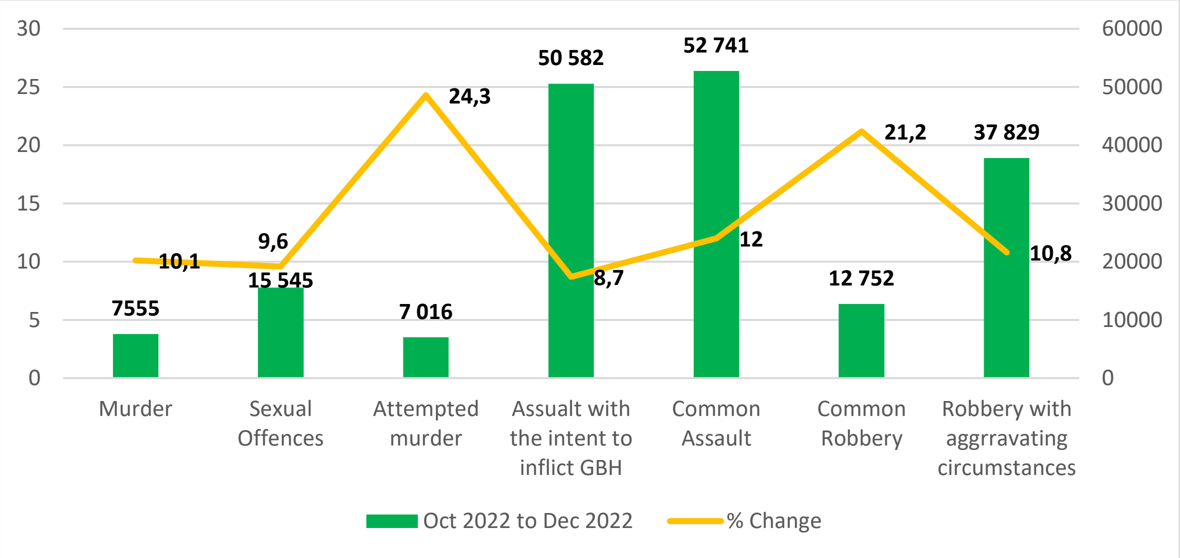
Labour Force Participation rate	43,6	45,9	50,2	55,5	49,1

Source: StatsSA, 2022

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.

1.10 National crime overview

Figure 8: 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 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: 1101 murders (12 every single day and an increase of 199 from the last year Q3) 1636 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).

1.11 Conclusions and recommendations

Global economic growth continues to be supported primarily by Emerging Market and Developing Economies. The Russia-Ukraine war continues, with adverse effects on global prices and a survey of economists by Bloomberg found that experts believe there is a 45 percent chance that South Africa will enter a recession this year, driven by load shedding and the ongoing power crisis. 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.

Continuous load shedding by Eskom took a heavy toll in the Limpopo provincial economy as major industries were hit by power outages. The recently announced increase in electricity prices and other administered prices continue to present clear medium-term risks, this calls for the provincial government to seek and invest in alternative sources of energy. Given the current load shedding challenges in the country and the province, the provincial government will need to be on the drive to install and encourage the use of solar energy in the province for both households and businesses as an alternative source of energy. The province will also need to gradually shift from the electricity as it assists in relieving the pressure from Eskom and invest in alternative sources of energy supply and implement green energy initiatives as it develops new sustainable settlement.

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 have borne fruits in the third quarter as unemployment in the province has reduced drastically, giving hope to the provincial citizens during these difficult times. The province will need to continue doing more in in terms of future planning and implementation of infrastructure projects so that the intended benefits to the communities are achieved. The provincial unemployment numbers are very high and are well above the LDP aspirations and this requires concerted efforts in the provincial government to address the employment handicaps which ranges from skills mismatches and lack of required skills as per the labour markets demands in the province. Transforming of the provincial economy remains fundamental as the province need to move from an extractor of raw materials and become a processor and add value through manufacturing and processing. This will help in creating industries and more employment opportunities in the province.

Poverty and inequality challenge is global, and intimately connected to other pressing issues of our times: not only rapid technological change, but also the climate crisis, urbanization and migration. 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 achieve 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. Investment by government and private sector in 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.

The World Bank's thirteenth edition of the South Africa Economic Update, "Building back better from COVID-19", with a special focus on jobs, identified underlying factors or parts of the labour market that South Africa can leverage to be able to halve high levels of unemployment. It has argued that, given the small percentage of self-employment in the country, the government should focus more on supporting entrepreneurship and self-employment since they provide opportunities for job creation in South Africa and Limpopo province.