

compared to 65.94 per cent for Limpopo and 29 per cent in South Africa. The percentage Vhembe and Capricorn households using their own refuse disposal is also higher than the provincial average, at 70 per cent and 68 per cent, respectively.

The Waterberg district has the largest percentage of households with regular refuse removal by local authorities or private companies, at 36 per cent of households, followed by Capricorn, where 22 per cent of households have their refuse disposed of in this way. It should be noted that only six per cent of Greater Sekhukune households have their refuse removed regularly by local authorities or private companies.

Table 1.7: Refuse Removal at National and Provincial Level, 1996 – 2007

	South Africa			Limpopo		
	2007	2001	1996	2007	2001	1996
Removed by local authority/private company at least once a week	7,485,569	6,529,210	4,634,224	214,603	186,278	109,001
Removed by local authority/private company less often	210,565	207,136	200,462	13,981	11,882	8,015
Communal refuse dump	269,485	212,723	286,183	16,318	15,139	29,488
Own refuse dump	3,602,713	3,829,578	2,882,613	801,800	795,581	583,086
No rubbish disposal	892,614	999,305	854,663	167,430	184,735	153,493
Other	39,663	1,006	15,461	1,804	36	328

Source: Afrinem and Quantec Research, 2008

3.1.2.4 Energy

In Limpopo, electricity for lighting was used by 81.21 per cent of the population, higher than the 80 per cent national average. Table 1.8 shows that although the number of households using electricity has declined marginally from 988 594 in 1996 to 987 417 in 2007, 81.21 per cent of the Limpopo population used electricity as their primary energy source in 2007, compared to 63.96 per cent in 1996.

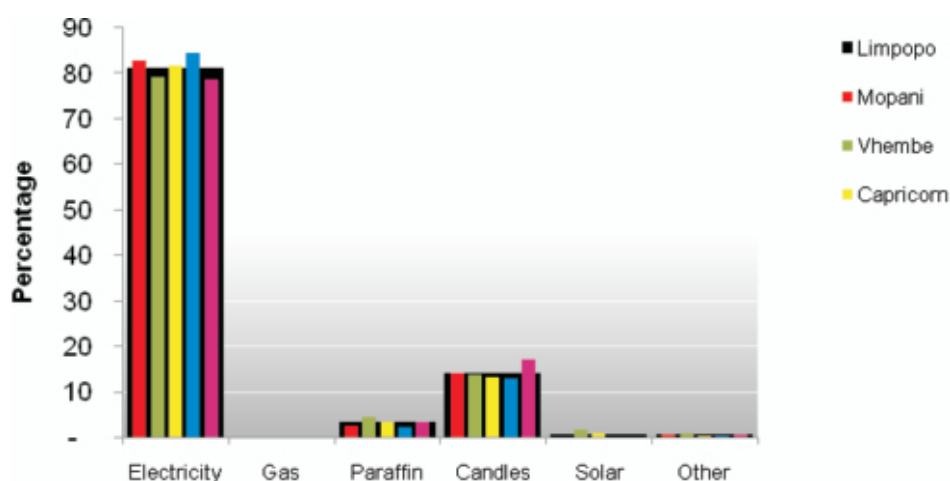
Candles were used for lighting by 14.18 per cent of Limpopo households, slightly higher than the 13.71 per cent for South Africa. Candles represent the second-most used source of lighting for the Province, with 172 429 households using this as their main source of energy in 2007. Paraffin is used by 3.29 per cent of Limpopo households as the main source of energy.

Table 1.8: Energy for Lighting at National and Provincial Level, 1996 – 2007

	South Africa			Limpopo		
	2007	2001	1996	2007	2001	1996
Total	12,500,609	11,778,959	9,024,208	1,215,934	1,193,651	1,545,585
Electricity	10,010,273	8,270,909	10,031,037	987,417	753,879	988,594
Gas	20,764	34,876	32,162	1,177	2,628	4,347
Paraffin	658,576	773,350	35,297	40,044	88,610	4,638
Candles	1,713,613	2,637,970	1,131,926	172,429	339,154	208,533
Solar	30,404	25,136	2,564,908	8,304	3,275	328,191
Other	66,979	36,719	80,009	6,563	6,105	11,282

Source: Afrinem and Quantec Research, 2008

Figure 1.13: Energy at District Level, 2007



Source: Afrinem and Quantec Research, 2008

3.1.2.5 Water

The majority of Limpopo residents have access to piped water, with 83.63 per cent of households having some form of access to piped water. 18.04 per cent of Limpopo households have access to piped water inside their dwellings, compared to 47 per cent nationally. Piped water not inside the dwelling, but inside the households' yards, is the main source of water for 25.55 per cent of Limpopo residents. Households accessing piped water from outside their yards comprised 40.05 per cent of Limpopo households in 2007, compared to 18.04 per cent for South Africa.

Access to piped water on residents' properties has improved since 1996. Table 1.9 indicates that since 1996, 59 397 more households in Limpopo have access to piped water in their dwellings and 147 102 in their yards, representing growth of 37.1 per cent and 89.9 per cent, respectively, over the 11 years. In relative terms, 17.8 per cent of Limpopo residents had access to piped water from inside their dwellings in 1996. This proportion has since increased to 18 per cent. Households using piped water from inside their yards were at 18.2 per cent in 1996, growing to 25.55 per cent in 2007.

Table 1.9: Water Access at National and Provincial Level, 2007

	South Africa			Limpopo		
	2007	2001	1996	2007	2001	1996
Total	12,500,609	11,778,959	9,024,208	1,215,935	1,193,650	900,864
Piped water inside the dwelling	5,894,171	3,821,879	3,972,821	219,368	122,566	159,971
Piped water inside the yard	2,785,632	3,519,718	1,488,941	310,655	370,098	163,553
Other	3,820,806	4,437,361	3,562,445	685,912	700,986	577,340

Source: Afrinem and Quantec Research, 2008

At a district level, it can be observed that the Waterberg district has the largest portion of residents accessing piped water from within their dwellings, at 35 per cent of households. By contrast, only eight per cent of Greater Sekhukune residents have access to piped water from within their dwellings. Greater Sekhukune also falls short of other Limpopo districts in terms of the percentage of households with access to piped water in their yards. In total, 25.5 per cent of households in Limpopo access water from piped sources within the yard. The corresponding figure for Greater Sekhukune households is 15 per cent. A similar percentage of Greater Sekhukune households access their water from rivers and streams.

3.2 Provincial economic performance and outlook

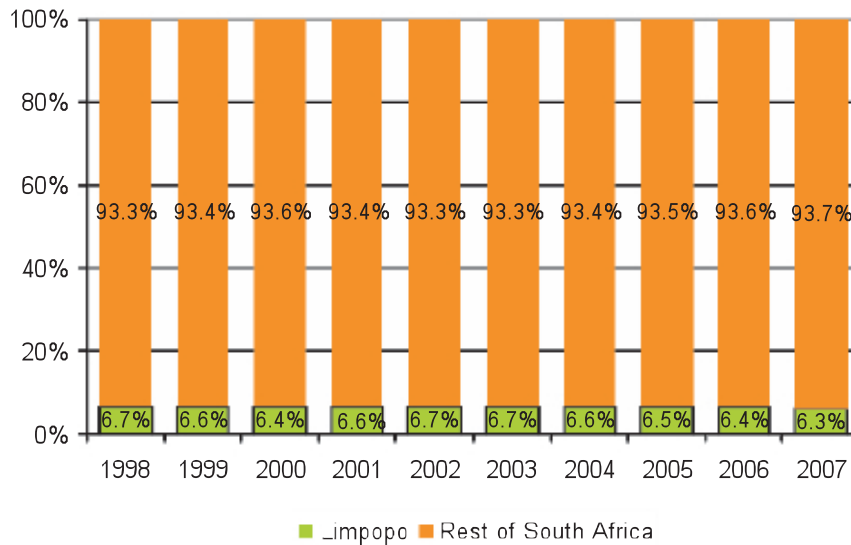
3.2.1 Performance of the Limpopo economy

3.2.1.1 Provincial production

An economy that experiences a sustained increase in its gross domestic product (GDP) over a long period of time will achieve an improvement in the living standard of its citizens. Limpopo is the northern-most province in South Africa, and comprises 11.6 per cent of the total population of the country, but contributes less than 10 per cent of the country's total output every year, generating 6.3 per cent of total South African GDP in 2007. Figures 1.14 and 1.15 reveal that the share of Limpopo in South Africa's

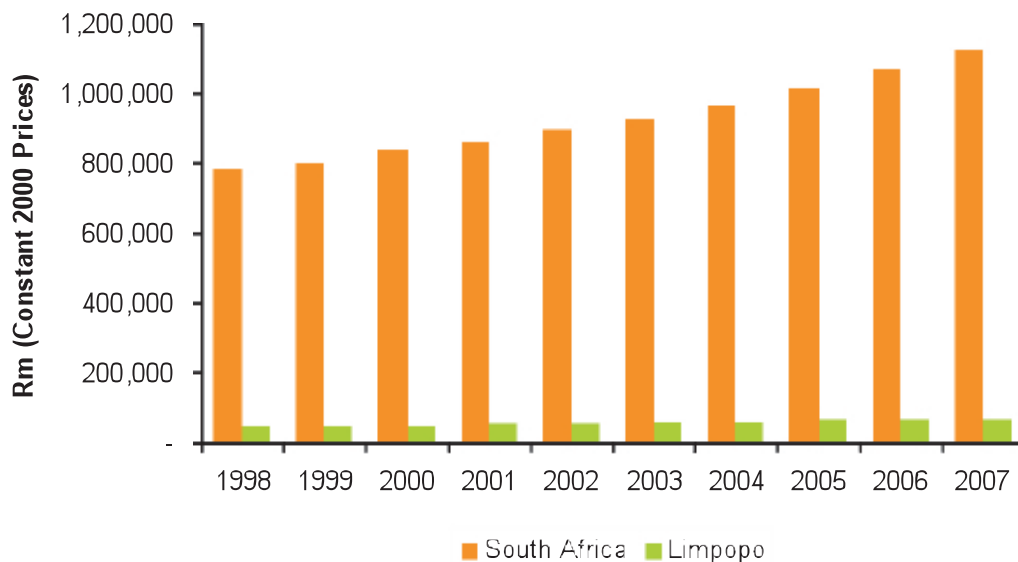
economic growth has remained constant over the last decade, with a marginal fall recorded in 2007.

Figure 1.14. Contribution of Limpopo to National Output, 1998 – 2007



Source: Afrinem and Quantec Research, 2008

Figure 1.15: Real GDP, South Africa and Limpopo, 1998 – 2007

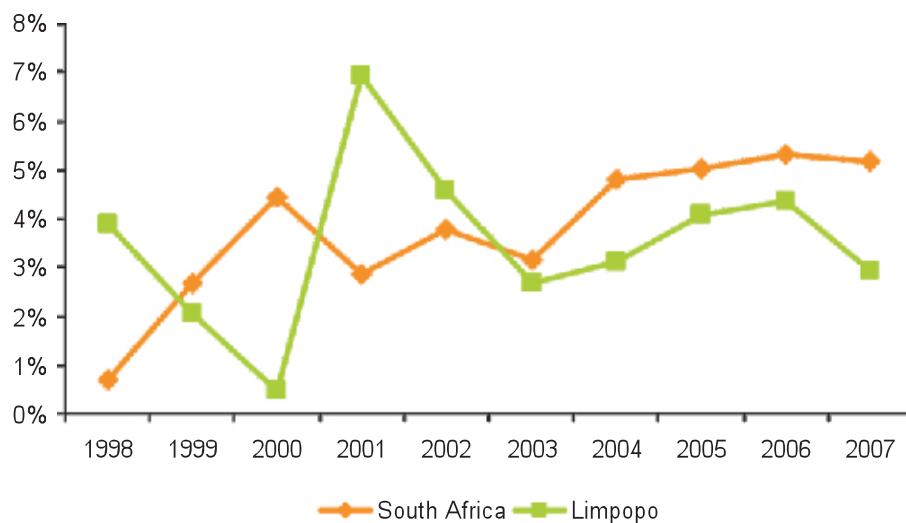


Source: Afrinem and Quantec Research, 2008

Figure 1.16 compares real annual economic growth rates in Limpopo with those of South Africa over the last decade. Limpopo's growth performance has consistently been below the national average, except in 1998, 2001 and 2002. For the remainder of the

period, Limpopo has not kept up with national growth, although it has tracked a similar, albeit diverging, path to the national economy since 2003.

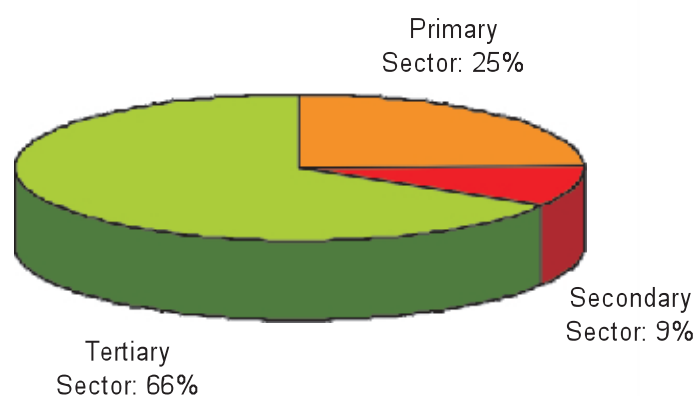
Figure 1.16: Annual Real Economic Growth Rates, South Africa and Limpopo, 1998 – 2007



Source: Afrinem and Quantec Research, 2008

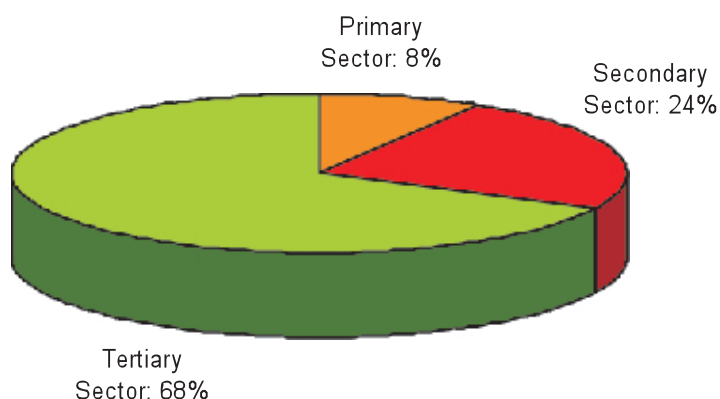
The sectoral contributions of the broad primary, secondary and tertiary industries to Provincial and national output are shown in Figures 1.17 and 1.18. The primary sector plays a larger role in the Limpopo than in the national economy, whilst the role of the secondary sector is more pronounced in the national economy than in the Limpopo economy. The tertiary sector has the largest share in both the Limpopo and national economies, contributing 66 per cent and 68 per cent to total output, respectively.

Figure 1.17: Broad Sectoral Contributions to Output, Limpopo, 2007



Source: Afrinem and Quantec Research, 2008

Figure 1.18: Broad Sectoral Contributions to Output, South Africa, 2007



Source: Afrinem and Quantec Research, 2008

An analysis of the growth in contributions of the primary, secondary and tertiary industries to output in Limpopo from 2000 to 2007 is presented in Table 1.10. It is evident that the tertiary sector has shown the most consistently rising growth rates, while the secondary sector has experienced more fluctuations in growth performance. The secondary sector did, however, perform better than the tertiary sector in 2000, 2002, 2004 and 2007, with growth rates of 7.4 per cent, 4.5 per cent, 4.3 per cent and 5.8 per cent, respectively. Primary sector growth in Limpopo is waning and has recorded negative rates since 2006. It would thus appear from this table that the tertiary sector is a key target area for the Limpopo Provincial government in terms of growth development strategies.

Table 1.10: Gross Value -added (Constant 2000 Prices) and Growth per Sector, Limpopo, 2000 – 2007

		2000	2001	2002	2003	2004	2005	2006	2007
Primary Sector	Rm	13,724	15,424	16,612	17,111	17,330	17,719	17,537	17,367
	%	-1.8%	12.4%	7.7%	3.0%	1.3%	2.2%	-1.0%	-1.0%
Secondary Sector	Rm	5,145	5,147	5,381	5,439	5,673	5,891	6,240	6,599
	%	7.4%	0.0%	4.5%	1.1%	4.3%	3.8%	5.9%	5.8%
Tertiary Sector	Rm	34,274	36,280	37,481	38,550	39,991	41,965	44,680	46,504
	%	0.5%	5.9%	3.3%	2.9%	3.7%	4.9%	6.5%	4.1%

Source: Afrinem and Quantec Research, 2008

The major contributors to the three broad industry categories are shown in Table 1.11. In Limpopo, mining and quarrying (91 per cent) account for the bulk of the primary sector, whilst manufacturing makes the largest contribution to the secondary sector (41 per cent). The predominant industry in the tertiary sector is general government services (28 per cent) followed closely by finance and business services (26 per cent).

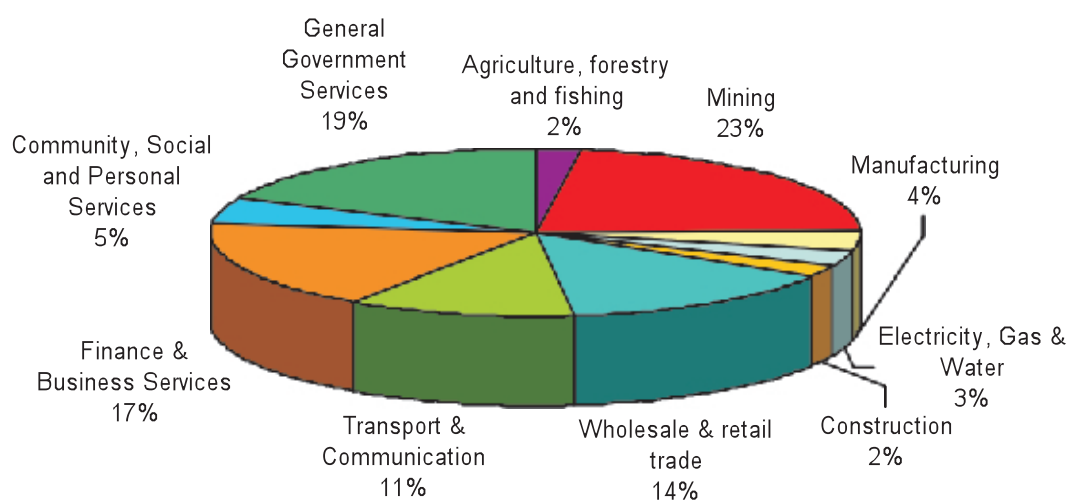
Table 1.11: Broad Sectoral Contributions to Output, Limpopo, 2007

Primary Sector		Secondary Sector		Tertiary Sector	
Agriculture, forestry and fishing	9%	Manufacturing	41%	Wholesale and retail trade	21%
		Electricity, gas and water	34%	Transport and communication	17%
		Construction	25%	Finance and business services	26%
Mining and quarrying	91%			Community, social and personal services	8%
				General government services	28%

Source: Afrinem and Quantec Research, 2008

A detailed dissemination of sectoral output in Limpopo is shown in Figure 1.19. The tertiary and primary sectors were the largest contributors to the Province's GDP in 2007, at 66 per cent and 25 per cent, respectively. A major role-player in the primary sector, and indeed the largest industry in Limpopo, is the mining and quarrying industry, contributing 23 per cent to total output. This industry is identified in the PGDS as a target cluster, along with tourism and agriculture. The key tertiary industries are general government services (19 per cent of total output) and finance and business services (17 per cent of total output).

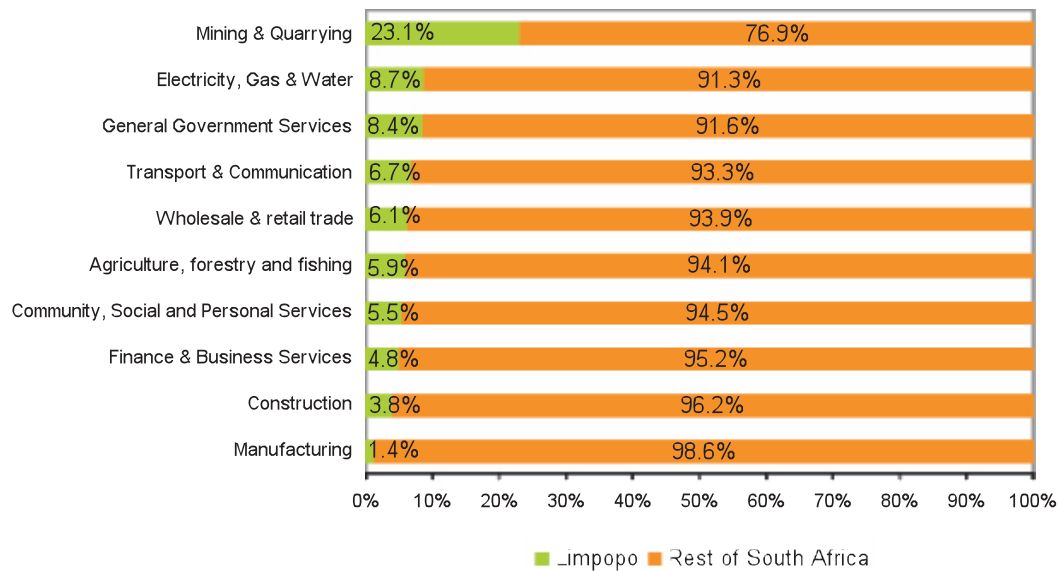
The smallest sector in Limpopo is the secondary sector, contributing approximately nine per cent of total output. Of this, the construction industry comprised the smallest component of Provincial output, at two per cent.

Figure 1.19: Specific Sectoral Contributions to Output, Limpopo, 2007

Source: Afrinem and Quantec Research, 2008

Limpopo's contribution to sectoral output in South Africa is shown in Figure 1.20. Quite apparent is the fact that Limpopo's mining and quarrying industry accounts for nearly one quarter of that of the national economy. The remaining sectors, however, are smaller role-players in the national economy, contributing less than 10 per cent to total output.

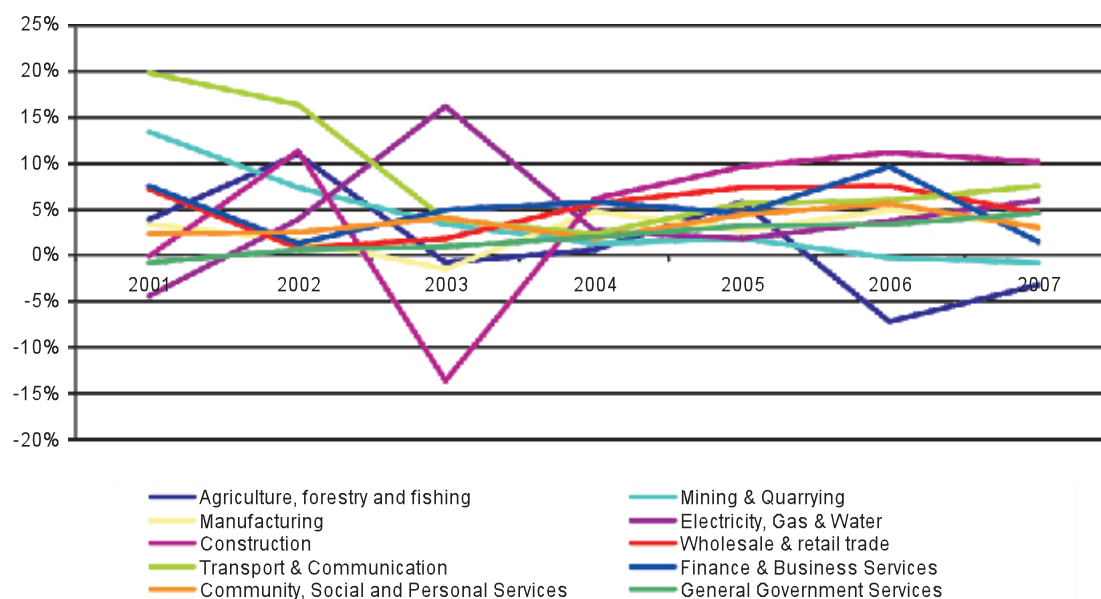
Figure 1.20: Limpopo's Contribution to National Sectoral Output, 2007



Source: Afrinem and Quantec Research, 2008

Figure 1.21 shows the annual growth rates of all sectors of the Limpopo economy. Most noticeable is the increasing positive growth in the construction sector since 2004, which expanded from 6.1 per cent in 2004 to 11.1 per cent in 2006, declining marginally to 10.1 per cent in 2007. Other sectors that have maintained a consistent growth path since 2004 are general government services, and transport and communication. Negative growth rates were recorded in the primary sector industries of agriculture, forestry and fishing, and mining and quarrying, in 2006 and 2007.

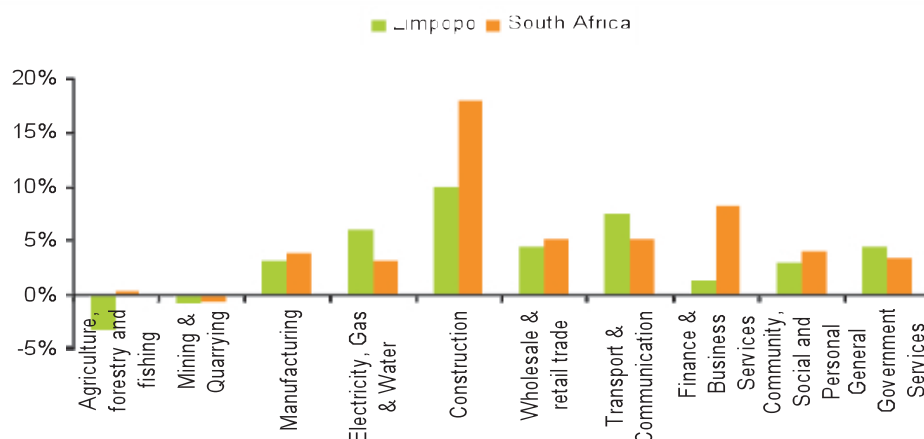
Figure 1.21: Growth in Production Sectors, Limpopo, 1998 – 2007



Source: Afrinem and Quantec Research, 2008

In Figure 1.22, growth per sector in Limpopo is compared to that of South Africa for 2007. It is apparent that sectoral growth in the Province is predominantly below that of the national average, particularly in the construction, financial, wholesale and agriculture sectors. In general though, the sectoral growth rates in the Province follow similar trends to those of the national economy.

Figure 1.22: Sectoral Growth, Limpopo and South Africa, 2007

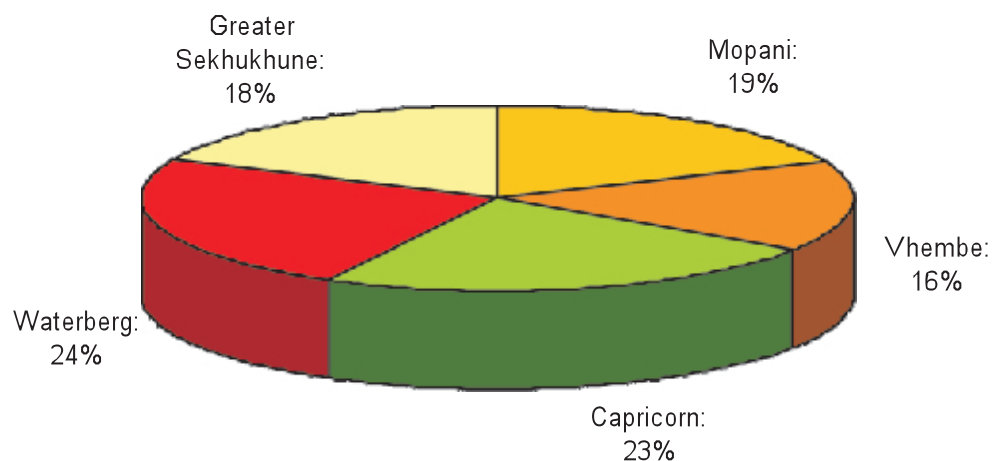


Source: Afrinem and Quantec Research, 2008

In terms of district municipalities' contributions to Limpopo's output in 2007 (Figure 1.23), the spread appears to be relatively even. The Waterberg district municipality is

the Province's largest contributor with 24 per cent of economic activity, while the Vhembe district municipality is the smallest contributor with about 16 per cent of total output.

Figure 1.23: Municipal Contributions to Output, Limpopo, 2007



Source: Afrinem and Quantec Research, 2008

Table 1.12 presents the location quotient for Limpopo in 2007. The location quotient is a tool used to measure the significance of an economic sector in the Province relative to the same sector at the national level.¹ This tool is used to further clarify the structural economic challenges facing a province. A desirable result is for the location quotient to exceed one.

¹ The location quotient is calculated as the ratio of the Provincial sectoral contribution to Provincial GDP growth (2.9 per cent in 2007) divided by the ratio of national sectoral contribution to national GDP growth (5.2 per cent).

Table 1.12: Limpopo Location Quotient, 2007

<i>Contribution to output</i>	Limpopo	South Africa	Location Quotient Limpopo
Primary Industries	24.5%	8.5%	5.3
Agriculture, forestry and fishing	2.3%	2.4%	1.6
Mining and quarrying	22.2%	6.1%	6.4
Secondary Industries	9.4%	23.7%	0.7
Manufacturing	3.9%	17.7%	0.4
Electricity, gas and water	3.2%	2.3%	2.8
Construction	2.3%	3.8%	1.1
Tertiary Industries	65.6%	67.8%	1.7
Wholesale and retail	14.0%	14.4%	1.7
Transport and communication	11.4%	10.7%	1.9
Finance and business services	16.9%	22.7%	1.3
Community, social and personal services	5.0%	5.8%	1.6
General government services	18.3%	13.7%	2.4
All Industries	99.5%	100.0%	1.8

Source: Afrinem, 2008

At the national level, the industries that contributed most to the GDP in 2007 are finance and business services, manufacturing, wholesale and retail trade, general government services, transport and communication, and mining and quarrying.

The Limpopo location quotient is higher in mining and quarrying, with a value of 6.4, followed by electricity, gas and water with 2.8. The lowest location quotient is in the manufacturing industry with a value of 0.4 – a decline from the 0.5 recorded in 2004. Overall, Limpopo has a very strong location quotient in the primary sector (5.3), while the location quotient for the entire Province (all industries) exceeds one, which is acceptable.

3.2.1.2 Provincial consumption expenditure

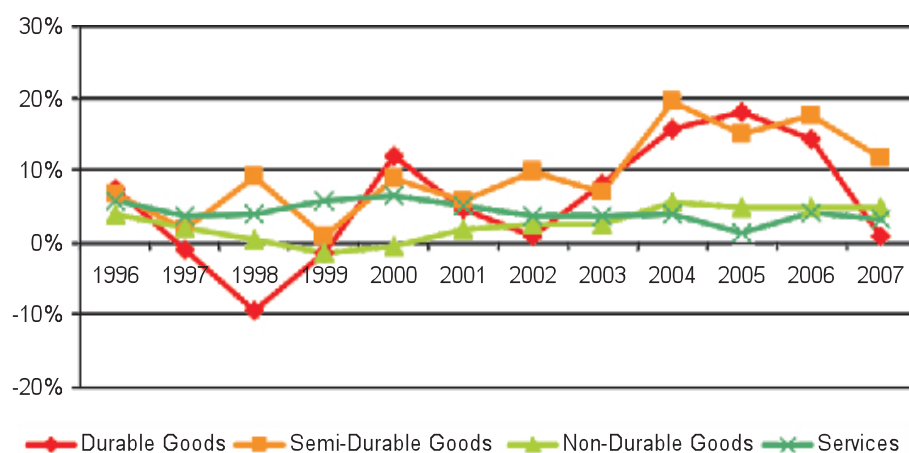
Household consumption expenditure in South Africa increased steadily in real terms from about R500 billion in 1995 to absolute levels of R850 billion in 2007. By comparison, household consumption in Limpopo increased from levels of approximately R24 billion to R40 billion during the same period.

In terms of real growth rates in total final consumption expenditure by households in Limpopo, final consumption expenditure in the Province expanded at higher rates than was the case in the national economy between 2001 and 2004. For the remainder of the sample period, Limpopo recorded lower consumption growth rates than the national economy. A significant drop in Limpopo's household consumption expenditure growth was recorded in 2007 (5 per cent, down from 7.6 per cent in 2006). This has created a divergence between the growth paths in consumption of the Province and the national economy.

In terms of the contributions of Limpopo households to overall national private consumption expenditure in the four broad categories of consumption, across all categories Limpopo contributes on average 5 per cent to total national consumption expenditure.

Figure 1.24 shows growth in the broad expenditure categories in Limpopo from 1996 to 2007. It appears that the fastest expanding consumption goods in the Province are semi-durable goods. However, growth in consumption of these goods declined in 2007 to 11.8 per cent, from 17.4 per cent in 2006, largely due to a contraction in expenditure on motorcar accessories and parts and miscellaneous goods of one per cent and nine per cent, respectively. Durable goods experienced a significant decline in growth in 2007, to 0.9 per cent from 14.2 per cent in 2006, primarily caused by a decrease in the growth of personal transport equipment consumption of approximately eight per cent.

Figure 1.24: Growth in Consumption Categories, Limpopo, 1996 – 2007

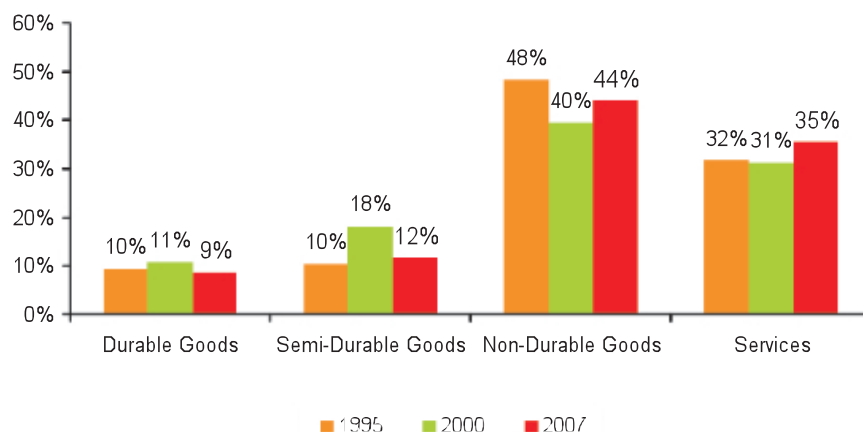


Source: Afrinem and Quantec Research, 2008

Figure 1.25 shows the shares of the broad consumption categories of total consumption in Limpopo. Household expenditure in Limpopo is predominantly on non-durable goods (44 per cent of total consumption in 2007) and has been so since 1995. This is closely followed by services (35.5 per cent in 2007). However, the importance of non-durable goods in Limpopo households appears to have declined since 1995, whilst the significance of services has increased over the same period.

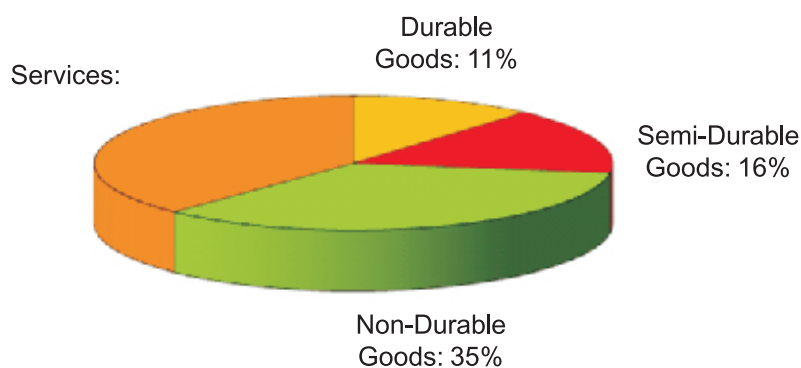
These figures are slightly different to the national figures, as shown in Figure 1.26. In South Africa as a whole, consumption of services comprises the largest share of total expenditure (38 per cent in 2007), followed closely by non-durable goods (35 per cent).

Figure 1.25: Shares of Household Expenditure, Limpopo: 1995, 2000 and 2007



Source: Afrinem and Quantec Research, 2008

Figure 1.26: Shares of Household Expenditure, South Africa, 2007



Source: Afrinem and Quantec Research, 2008

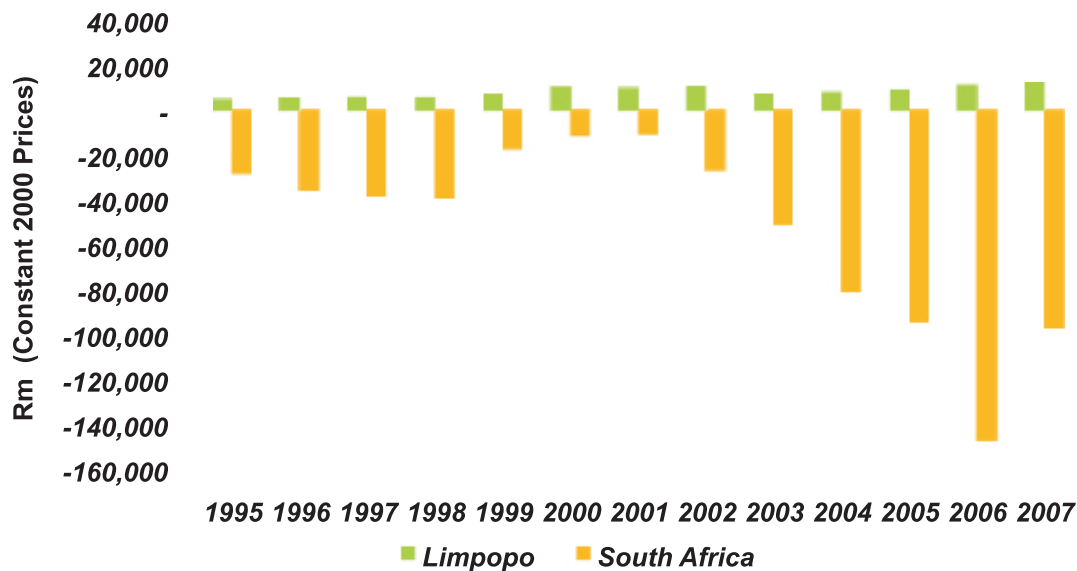
A more expansive breakdown of the consumption categories in Limpopo, along with their contribution to overall Provincial household expenditure, reveals notable trends. The contribution of food, beverages and tobacco to total consumption (by far the largest component of household consumption in the Province) has declined steadily from over 28 per cent in 2000 to 26 per cent in 2007; the contribution of petroleum products has declined from about four per cent in 2000 to three per cent in 2007; and the contribution of clothing and footwear to total consumption has increased dramatically, from 7.5 per cent in 2000 to 12.9 per cent in 2007.

3.2.1.3 Provincial trade position

Limpopo's share in overall national trade with the rest of the world is very small, with the Province accounting for less than one per cent of the country's imports and about five

per cent of its exports in 2007. Despite this, the Province has recorded a positive trade balance since 1995, in contrast to the national trend, as evidenced in Figure 1.27. Limpopo predominantly trades in petroleum products, wholesale and retail products, and transport and storage.

Figure 1.27: Trade Balance of Goods and Services, Limpopo and South Africa, 1995 – 2007



Source: Afrinem and Quantec Research, 2008

Imports

Limpopo accounts for a very small share of South Africa's imports from the rest of the world, a common trend since 1995, as shown in Table 1.13 . In fact, the contribution of Limpopo to national imports has nearly halved, from 0.9 per cent in 1995 to 0.5 per cent in 2007.