

provincial treasury

Department:
Provincial Treasury
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ECONOMIC REVIEW AND OUTLOOK (PERO)

2023



Let's Grow North West together.

Foreword

The North West Province is an open provincial economy with the potential to become one of the top industrialized regions in South Africa. Geographically, the province is located in the sunny region of the country with ample opportunities for investment in renewable energy. The North West Province is accessible to domestic and international markets through rail and road transport infrastructure. Currently, the services and the primary industries are the main drivers of the provincial economy.

Despite the availability of raw materials, the province is not attracting manufacturing investment in line with its mineral wealth. Raw materials are exported for beneficiation outside the province. This is negatively affecting the growth potential of the manufacturing industries in the province. It is not economically sustainable especially at the time when the province is faced with massive unemployment of semiskilled workers who could be absorbed by the manufacturing industries to reduce prevailing socio-economic challenges of the province.

The Provincial Economic Review and Outlook (PERO) publication provides a detailed analysis of the provincial industrial performance for the period under review. Importantly, the publication demonstrates that across all districts, the manufacturing industries are the least contributors when coming to employment creation. It further shows that there are ample investment opportunities in the metal beneficiation, agro-processing, as well as in the tourism and renewable energy industries because of the availability of land and other natural resources.

It is believed that this publication will be resourceful to inform District Development Model economic planning.



Ms. M.Z. Rosho

MEC for Finance

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Executive Summary

International trade must still recover from the devastating effects of Corona virus (COVID-19) which disrupted the movements of goods and persons across borders. Economic recoveries from the after-effects of the pandemic were disrupted by negative externalities of the Russian and Ukraine conflicts which started during February 2022. The conflict disrupted the flow of goods traded from both countries to the world and vice versa. According to United Nation Development Programme (2022), oil became scarce, and its price had to increase because of energy supply reduction during the war.

At the time of the implementation of measures to combat the spread of Corona Virus, the South African economy was already on a declining trend. The country has regressed from being the largest economy in the continent to becoming the third largest after Nigeria and Egypt. According to Statista (2023) and Stats SA (2023), the South African economy is currently at \$405.7 billion U.S. dollars in 2022 compared to Egypt at \$475.2 billion U.S. dollars and Nigeria at \$477.3 U.S. dollars. It is however important to indicate that latest forecasts by the International Monetary Fund (IMF) indicate that South Africa would once again become the largest economy in Africa during 2024. The economy has reported quarterly nominal GDP growth of 5.6 per cent and 5.3 between the first and second quarters of 2023 and real growth rates of 0.4 per cent and 0.6 per cent respectively during the same period.

The North West Provincial economic performance is influenced by the national fiscal and monetary economic policies because South Africa is a unitary state. Provincial economic growth is sluggish because of the unprecedented levels of load shedding and the high interest rates that weigh heavily on consumers. The main drivers of the provincial economy are the services industries which include financial services and the provincial public services which jointly contribute 39.1 per cent of the provincial economy and the primary industries including mining and agriculture which jointly contribute 35.2 per cent to the provincial economy. These two industries account for 74.3 per cent of the provincial economy. High unemployment in the North West Province remains a challenge.

The unemployment rate grew to 38.6 per cent in quarter 3 of 2023 from 36.8 per cent that was recorded in quarter 2 of the same year. The North West Province needs a faster economic growth that will create more jobs and reduce inequality, poverty and unemployment.

Growth in domestic tourism was negative during most of the years between 2013 and 2022 whilst when considering international tourists' growth was negative at -5.9 per cent in 2018, -13.6 per cent in 2019, -70.0 per cent in 2020 and -29.3 per cent in 2021. The lowest growth for both domestic and international tourists was at -57.4 per cent and -70.0 per cent respectively in 2020 while they had the highest growth both in 2022.

1. Introduction

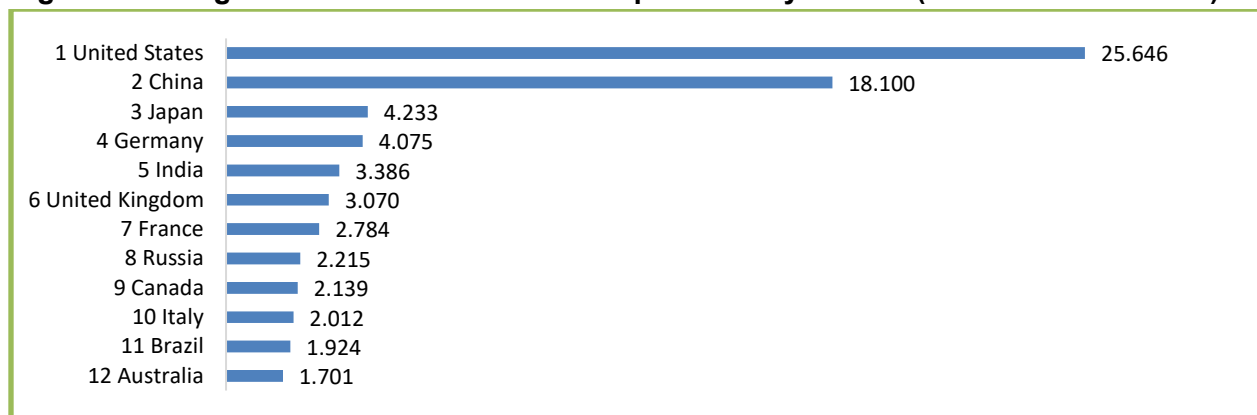
The global economy suffered immensely since the beginning of the spread of Corona virus (COVID-19) in 2020. Although the Corona virus is no longer a world pandemic, the negative effects of the virus on some economies will take longer to overcome. In South Africa, this is manifested by the high unemployment rate and increasing number of poor people participating in different forms of government social support programs especially the SDG provided by the central government.

In the midst of the conflict between Russia and Ukraine impacting the global and local economies negatively, South Africa began to experience unprecedented levels of power outages in 2022 which continued into 2023. Administered prices escalated causing inflation to rise above the three to six per cent Central Bank target range. The national shortage of electricity also had a negative impact on the North West Province and affected both the business community and households. The Provincial Economic Outlook and Review (PERO) covers global, national and provincial economies as well as labour and tourism market dynamics of the North West Province by district.

2. World Economic Outlook

According to Statista website (2023), the global GDP was about \$95 trillion U.S. dollars in 2022, with the United States making up more than one fifth of that amount alone. The United States remains the largest economy in the world with a GDP of \$25.5 trillion U.S. dollars in 2022 as shown by Figure 1.1 below.

Figure 1.1: Largest Gross Domestic Product per Country in 2022 ('in billion US Dollars)



Source: Statista, (2023)

China is the largest member of the BRICS plus economic bloc with an economy of \$18 trillion which has increased from four to eleven member states. The world economy is experiencing higher inflation compared to the previous years. Global growth remains sluggish because of the disruptions in the trade of food and oil which resulted to price shocks. According to the World Bank’s Economic Update (2022), economic activity will continue to be depressed.

Global output is projected to fall from an estimated 3.5 per cent in 2022 to 3.0 per cent in 2024. In the advanced economies, growth is forecasted to decrease to 1.5 per cent in 2023 from 2.7 per cent in 2022. Economic growth in emerging market and developing economies will increase from 4.0 per cent in 2023 to 4.1 per cent in 2024. Sub-Saharan Africa recorded growth of 3.9 per cent in 2022 and it is predicted to decline to 3.5 per cent in 2023 subsequent to that, economic outlook will advance to 4.1 per cent in 2024.

Table 2.1: World Economic Outlook and Projections, 2022, 2023 and 2024

	2022	2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
Emerging market and Developing Economies	4.0	4.0	4.1
Sub-Saharan Africa	3.9	3.5	4.1

Source: IMF, (2023)

Global inflation remains high and continues to erode household purchasing power. It is expected to reach 6.6 per cent in 2023 and 4.3 per cent in 2024 respectively. The IMF maintains that most countries continue to prioritize containing to price stability. Policy tightening by central banks in response to inflation has raised the cost of borrowing and thus further constraining economic activities.

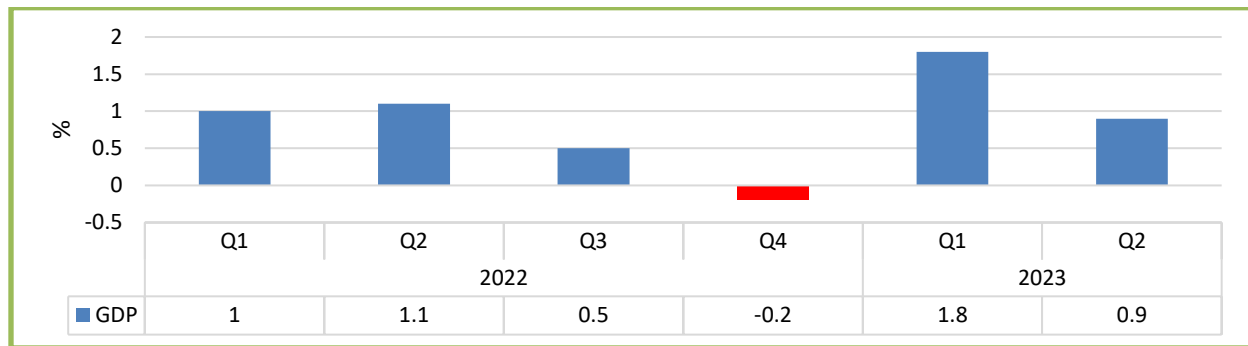
3. BRICS Bloc Economic Performance

Currently, the BRICS is comprised Brazil, Russia, India, China and South Africa and six more countries will join the bloc effective from January 2024. The economic performance of the current members is demonstrated by Figures 3.1 through Figure 3.4.

3.1: Brazil GDP Growth Rate

Trading Economics (2023) maintain that the Brazilian GDP grew by 0.9 per cent in the second quarter of 2023. The economy benefitted from commodity exports. GDP was also driven by an increase in household consumption which grew by 0.9 per cent moving from 0.7 per cent growth in the previous quarter. Government consumption increased to 0.7 per cent growth from 0.4 per cent. The fourth quarter of 2022 is the only period that recorded a negative growth at -0.2 per cent.

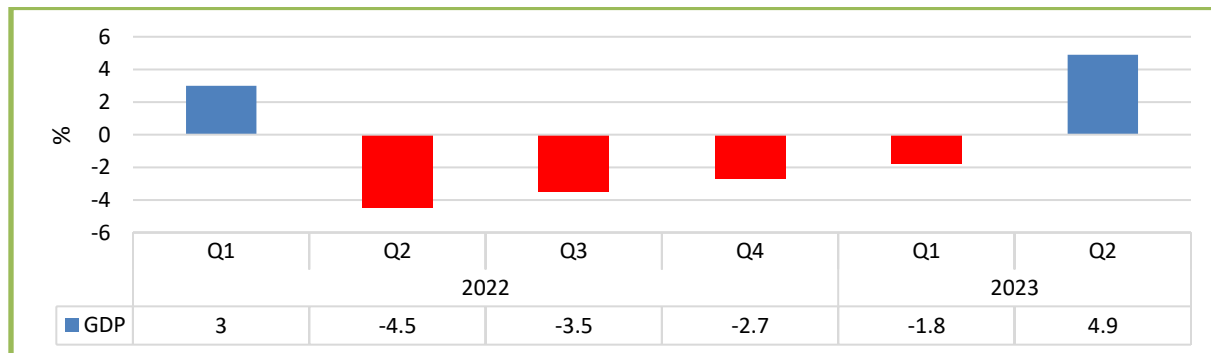
Figure 3.1: Brazil GDP Growth Rate



Source: Trading Economics, (2023)

The economy of Russia was in recession for the greater part of 2022 flowing through to the first quarter of 2023. GDP in Russia grew by 4.9 per cent year-on-year in the second quarter of 2023 improving from -1.8 per cent in the first quarter of 2023. It was the first positive growth since the first quarter of 2022 when Russia declared war with Ukraine and associated international sanctions started to roll over.

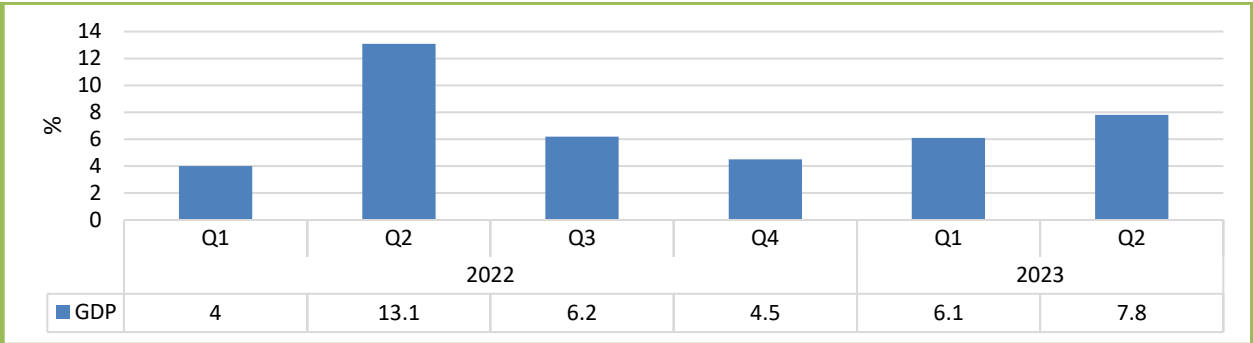
Figure 3.2: Russia GDP Growth Rate



Source: Trading Economics, (2023)

The largest negative growth was recorded in the second quarter of 2022 at -4.5 per cent decreasing from 3.0 per cent in the first quarter of 2022 as shown by Figure 3.2. India is the fastest growing economy globally and among the BRICS bloc. The economy recorded real growth of 6.1 per cent in the 1st quarter of 2023 and 7.8 per cent for the 2nd quarter of 2023 as shown by Figure 3.3.

Figure 3.3: India GDP Growth Rate

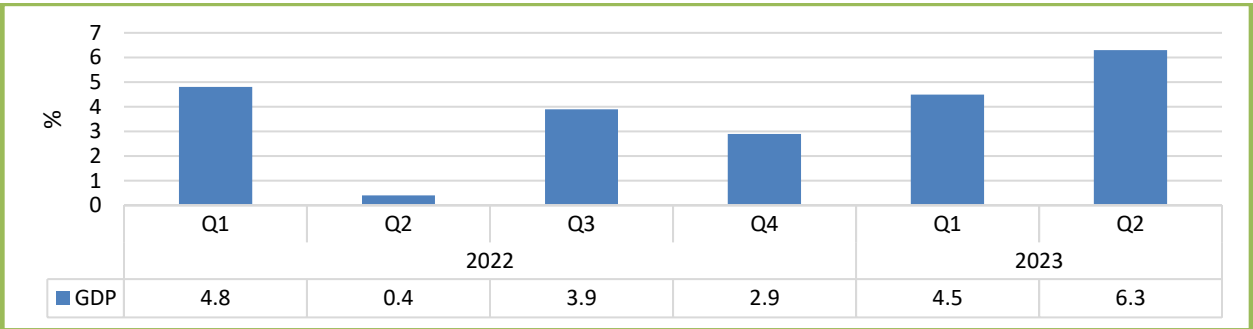


Source: Trading Economics, (2023)

The main drivers of the Indian economic growth include the service sector, household consumption expenditure and government capital expenditure. Private consumption, which accounts for nearly 60 per cent of the economy. According to forecasts released by the Reserve Bank of India, Asia's third-largest economy is projected to grow by 6.5 per cent in 2023.

China is the biggest economy within the BRICS bloc and second largest globally. The Chinese economy grew by 6.3 per cent year-on-year in the 2nd quarter of 2023 as shown by Figure 3.4.

Figure 3.4: China GDP Growth Rate

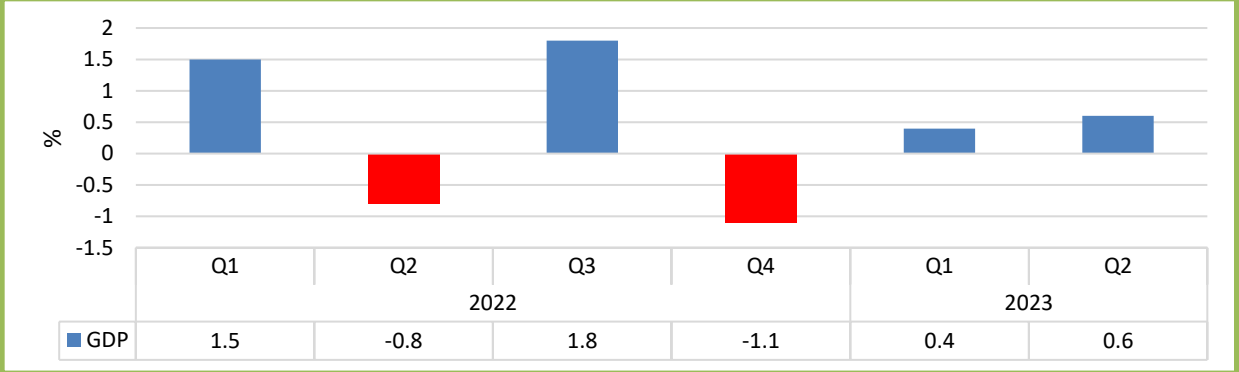


Source: Trading Economics, (2023)

When considering the urban unemployment rate in China, data shows that it was recorded at 5.2 per cent, while youth unemployment reached a new high of 21.3 per cent. Earlier released data indicated that China's exports declined the most in three years due to high inflation in key markets and geopolitical factors affecting foreign demand.

South Africa recorded the largest GDP growth at 1.8 per cent in Quarter 3 of 2022 followed by 1.5 per cent in quarter 1 of 2022. The economy of the country experienced negative growth in quarter 2 and 4 of 2022 at -0.8 per cent and -1.1 per cent respectively.

Figure 3.5: South Africa GDP Growth Rate



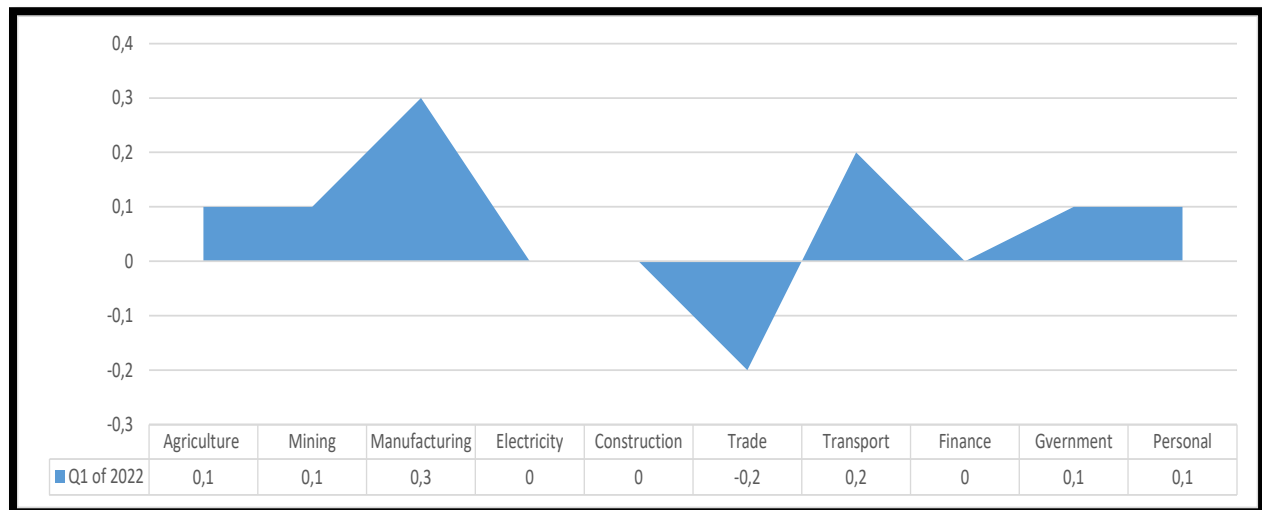
Source: Stats SA, (2023)

When looking at Africa as a continent, South Africa had the third largest GDP at \$405.7 billion U.S. dollars in 2022 after Egypt at \$475.2 billion U.S. dollars and Nigeria at \$477.3 billion U.S. dollars for the same period (Statista, 2023). It is worth noting that South Africa was the second largest economy in 2017 (five years ago) before dropping to the third largest in 2022. According to the World Bank (2023), the rapid declining of Nigeria and Egypt economies is likely to result in South Africa, which is the most industrialized country in Africa, becoming the largest economy for the African continent in 2023. The South African economy has recorded two successive quarters of positive growth during the 1st and the 2nd quarters of 2023 as reflected by Figure 3.5.

4. South African Economic Overview

The availability of raw agricultural and mineral products affords South Africa with second round opportunity to restructuring into manufacturing-based economy. In particular, the export of minerals from provinces including Limpopo, Mpumalanga, Northern Cape and North West is negatively affecting provincial economic growth and job creations of the provinces.

Figure 4.1: Contribution to growth in GDP

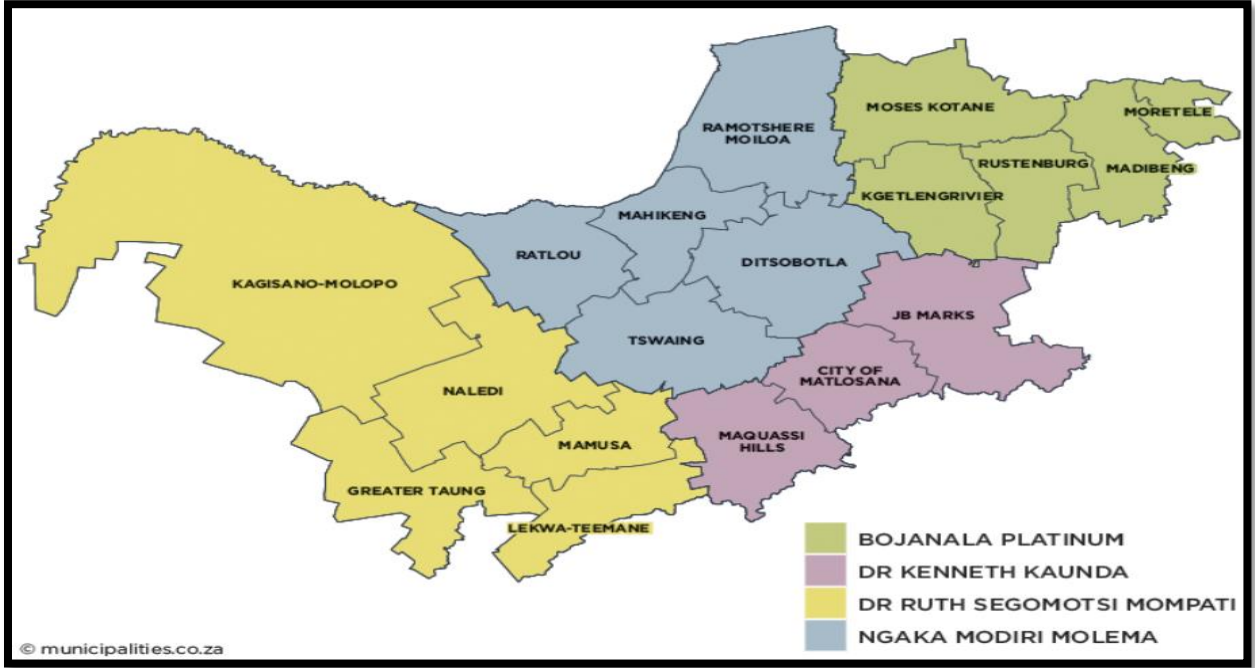


Source: Stats SA, (2023)

According to Stats SA (2023), almost all industries except for trade industry, have reported positive growth for the 1st and 2nd quarters of 2023. Household final consumption expenditure (HFCE) declined by 0.3 per cent in the second quarter of 2023, contributing -0.2 of a percentage point to total growth. Government final consumption expenditure (GFCE) increased by 1.7 per cent, contributing 0.3 of a percentage points. Gross fixed capital formation (GFCF) increased by 3.9 per cent, contributing 0.6 percentage points. Changes in inventories (INV) in the second quarter of 2023 contributed 0.6 of a percentage point to total growth. Exports (EXP) contributed 0.2 per cent to total growth in expenditure on GDP while imports (IMP) contributed -0.1 percentage points for the same period. All these economic activities have translated into a corresponding quarterly economy growth rate of 0.4 per cent and 0.6 percent respectively.

5. North West Economic Outlook

The province is made up of four (4) District Municipalities and eighteen (18) Local Municipalities. The province is predominantly a rural with the main economic activities being those of a primary nature in the form of mining and agriculture. There are corridors that are link with Gauteng, Free State and Limpopo Provinces, including a gateway to Botswana. These corridors position the province centrally within the movement of goods and services and presents several opportunities for growth.



The North West Province recorded a fluctuating average annual growth from 2018 to 2022. Between 2012 and 2022, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 23.3 per cent. The mining sector reached its highest point of growth of 20.1 per cent in 2015. The agricultural sector experienced the lowest growth for the period during 2015 at -12.9 per cent, while the mining sector reaching its lowest point of growth in 2014 at -11.6 per cent. Both the agriculture and mining sectors are generally characterized by volatility in growth over the period.

Figure 5.1: North West Average Annual Growth rate (Constant 2015 Prices)



Source: S&P Global, (2023)

The average annual growth rate for the North West Province significant decline to -7.9 per cent in 2020 because of the implementation of Covid 19 regulations which restricted economic activities. Subsequent to that, the economy of the province grew by 7.6 per cent in 2021 which mainly a rapid recovery from the Covid 19 was caused induced decline. In addition, bouts of electricity supply interruptions experienced during the last three years are having negative effects on the provincial industrial performance of the manufacturing.

For the period 2022 and 2012, the Gross Value Added (GVA) in the agriculture sector had the highest average annual growth rate in North-West at 1.72 per cent. The industry with the second highest average annual growth rate is the transport sector averaging at 1.65 per cent per year. The electricity sector had an average annual growth rate of -2.13 per cent, while the construction sector had the lowest average annual growth of -2.75 per year. Overall, a positive growth was registered for all the industries in 2022 with an annual growth rate of 0.68 per cent since 2021 as shown by Table 5.2.

Table 5.2: Gross value added (GVA) by broad economic sector - North-West

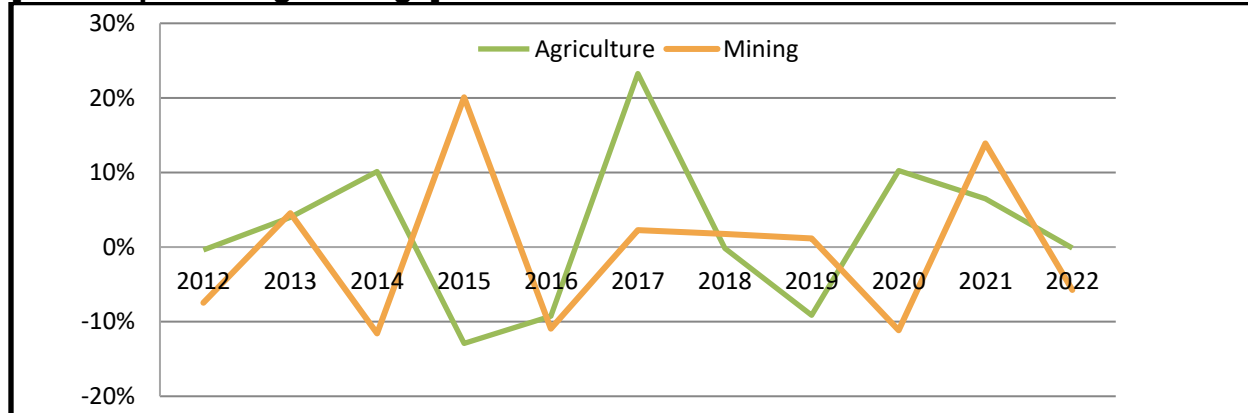
	2012	2017	2022	Average Annual growth
Agriculture	6.5	7.2	7.7	1.72%
Mining	49.4	49.9	49.0	-0.07%
Manufacturing	13.6	13.5	12.6	-0.72%
Electricity	7.9	7.0	6.4	-2.13%
Construction	5.5	5.5	4.1	-2.75%
Trade	29.2	30.4	29.9	0.23%
Transport	13.7	14.9	16.1	1.65%
Finance	39.0	41.8	45.9	1.64%
Community services	56.3	60.9	65.7	1.56%
Total Industries	221.1	231.1	237.5	0.72%

Source: S&P Global, (2023)

5.1. Primary sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in North-West Province from 2012 to 2022.

Figure 5.3: Gross value added (GVA) by primary sector - North-West, 2012-2022 [Annual percentage change]

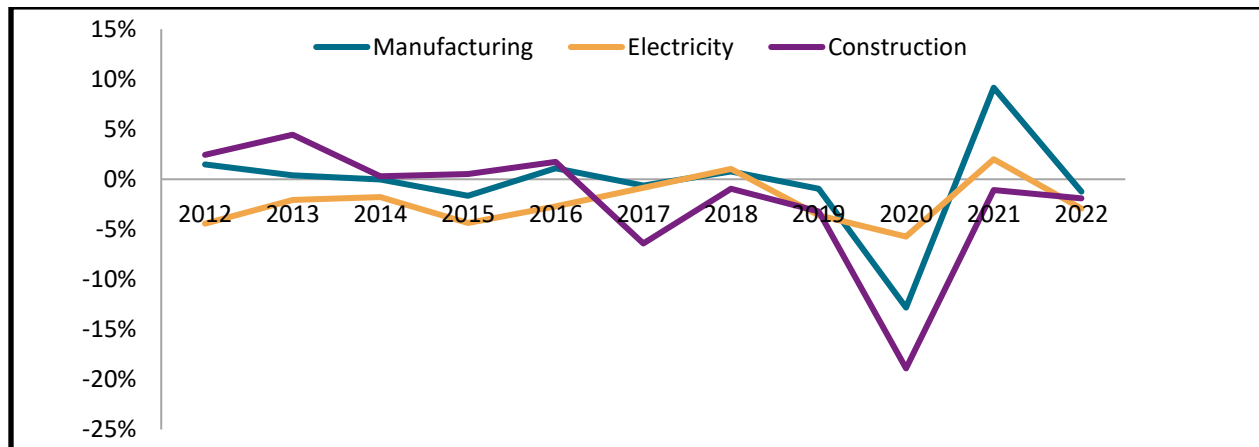


Source: S&P Global, (2023)

5.2 Secondary sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in North-West Province from 2012 to 2022.

Figure 5.4: Gross value added (GVA) by secondary sector - North-West, 2012-2022 [Annual percentage change]



Source: S&P Global, (2023)

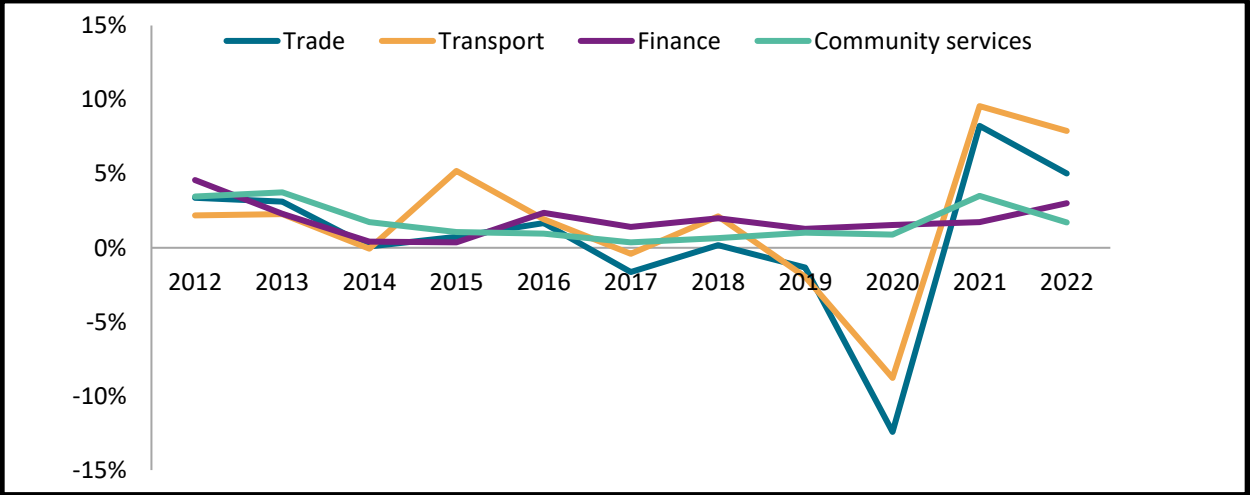
Between 2012 and 2022, the manufacturing sector experienced the highest positive growth in 2021 with a growth rate of 9.2 per cent. The construction sector reached its highest growth in 2013 at 4.4 per cent.

The manufacturing sector experienced its lowest growth in 2020 of -12.8 per cent, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -18.9 per cent which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2021 at 2.0 per cent, while it recorded the lowest growth of -5.7 per cent in 2020.

5.3 Tertiary sector

The tertiary sector contributes the most to the Gross Value Added within the North-West Province at 56.6 per cent. The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in North-West Province from 2012 to 2022.

Figure 5.5: Gross value added (GVA) by tertiary sector - North-West, 2012-2022 [Annual percentage change]

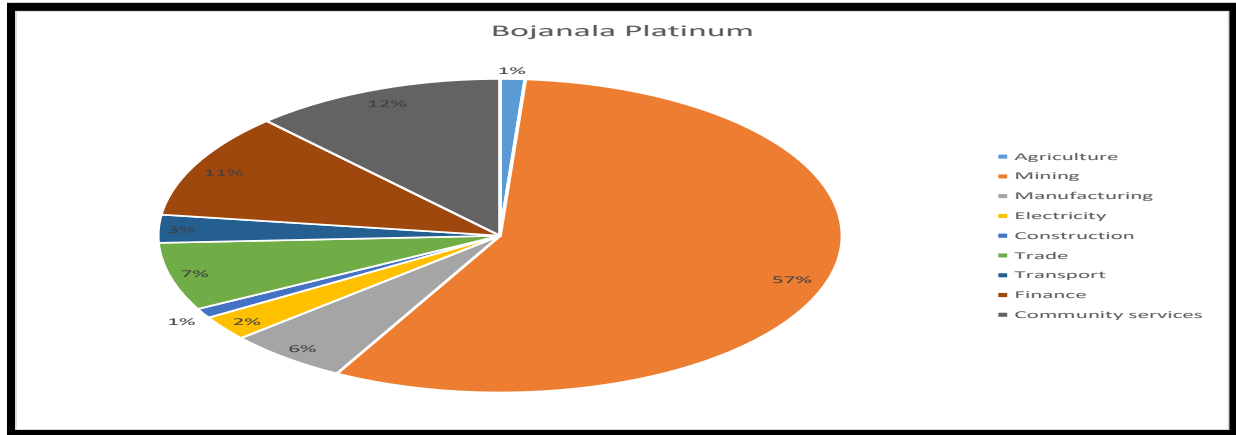


Source: S&P Global, (2023)

The trade sector experienced the highest positive growth in 2021 with a growth rate of 8.2 per cent. It is evident for the transport sector that the highest positive growth rate also existed in 2021 at 9.6 per cent which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2012 when it grew by 4.6 per cent and recorded the lowest growth rate in 2015 at 0.4 per cent. The Trade sector had the lowest growth rate in 2020 at -12.4 per cent. The community services sector, which largely consists of government, experienced its highest positive growth in 2013 with 3.7 per cent and the lowest growth rate in 2017 with 0.4 per cent.

The construction and agriculture industries had the smallest contributions at 1 per cent each and the second smallest contributor was the electricity industry contributing 2 per cent in 2022. Further studies need to be done to explore potential industries that can practically grow the economy in the district and create more jobs opportunities. The economy of Bojanala Platinum District Municipality is mainly driven by the mining industry as shown by Figure 5.6 below.

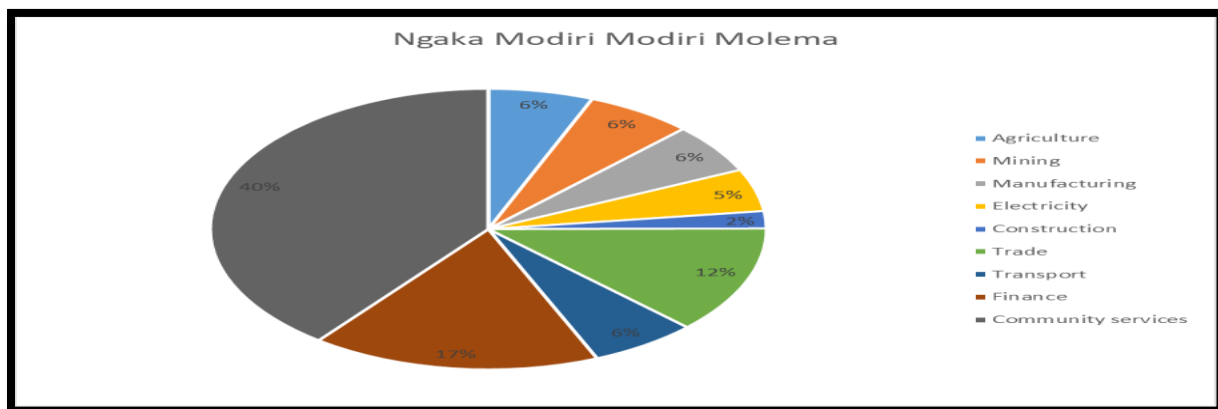
Figure 5.6: Bojanala Platinum Sector Share of Regional Total, 2022



Source: S&P Global, (2023)

Ngaka Modiri Molema District houses the provincial capital of the North West Provincial Administration and is the second most populous district of the four. The community services industry in Ngaka Modiri Molema District Municipality contributed a share to the GDP of the district at 40 per cent in 2022. The concentration of the district economy is due to the fact that the provincial government head offices which house most of the civil servants are in the jurisdiction of Ngaka Modiri Molema District Municipality.

Figure 5.7: Ngaka Modiri Molema Sector Share of Regional Total, 2022



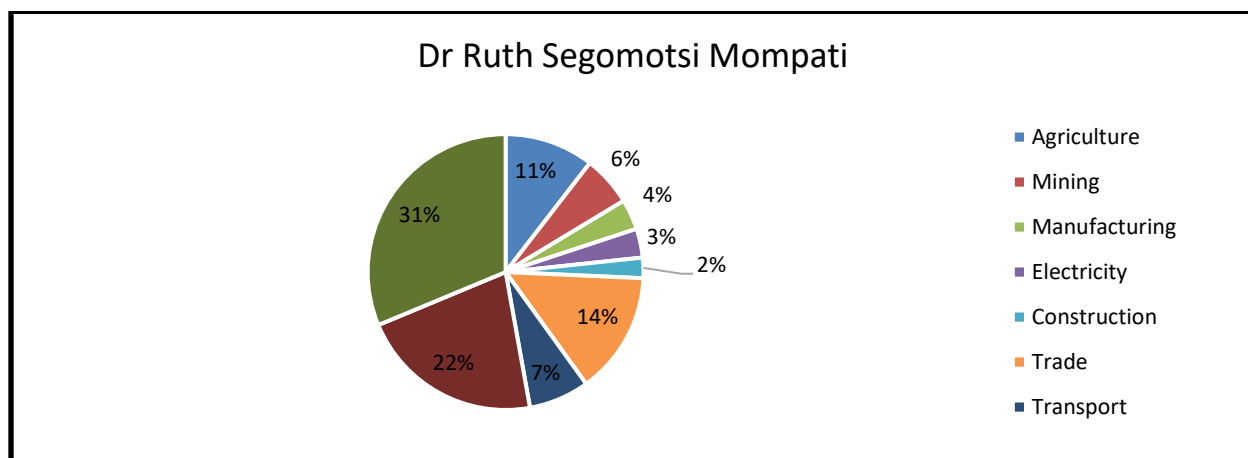
Source: S&P Global, (2023)

The finance industry was the second largest contributor at 17 per cent for the period under study. The smallest contributor for the district was construction which recorded 2 per cent in 2022. Figure 5.8 shows that community services had the largest contribution towards the economic growth in Dr Ruth Segomotsi Mompoti District Municipality at 31 per cent in 2022 while finance contributed about 22 per cent in 2022.

Construction contributed the least at 2 per cent for the period under review. The agriculture industry was the third largest contributor at 11 per cent and it has the potential to enhance its contribution since the district has comparative advantage in agriculture.

Agriculture remains an important sector for this district due to its abundance of vast pieces of land that could be utilized for various activities within the sector. The district remains a labour sending region for other districts in and outside the province.

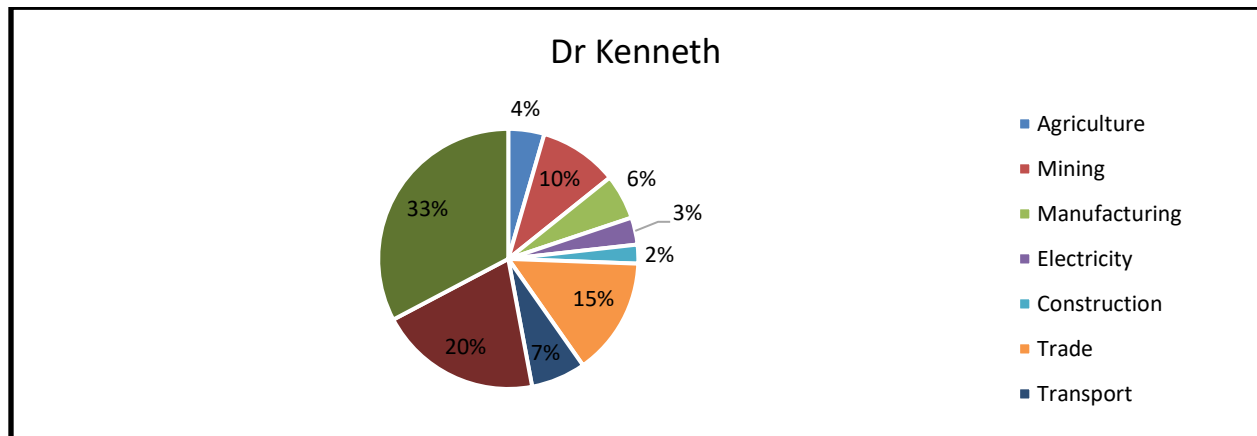
Figure 5.8: Dr Ruth Segomotsi Mompoti Sector Share of Regional Total, 2022



Source: S&P Global, (2023)

When looking at the Dr Kenneth Kaunda District, the community services industry had the largest share of regional total at 33 per cent while finance was the second largest at 20 per cent in 2022. The construction and electricity industries had the smallest share of regional total in the district at 2 per cent and 3 per cent respectively in the period under review.

Figure 5.9: Dr Kenneth Kaunda Sector Share of Regional Total, 2022



Source: S&P Global, (2023)

The district is not taking full advantage of its location quotient. Dr Kenneth Kaunda District has a comparative advantage in the mining and agriculture industries but the contribution of those sectors to the economy of the region was less than 15 per cent each in 2022. More work needs to put in to improve economic activities in those industries.

6. Tourism

Tourism offers great opportunities for emerging economies and developing countries. It creates jobs, strengthens the local economy, contributes to local infrastructure development and can help to conserve the natural environment and cultural assets as well as traditions. It is a good catalyst in efforts to reduce poverty, inequality and unemployment.

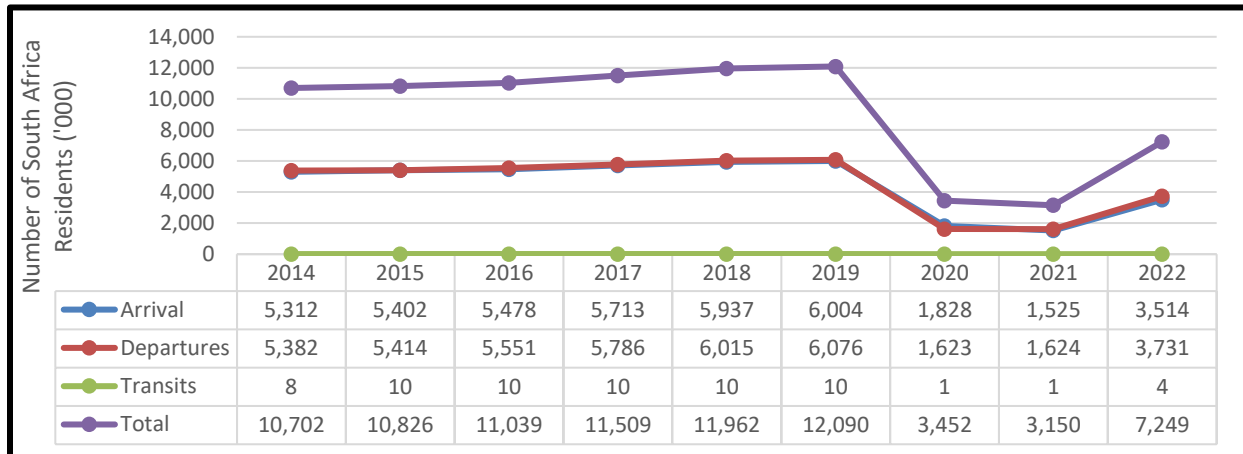
Growth in the sector can be achieved, in particular, if local people are able to benefit from the income opportunities arising from tourism. Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to places of interest. Whether one visits a relative or friend, travel for business purposes, goes on holiday or on medical and religious trips - these are all included as trips related to tourism activities.

According to the BMZ (2023) website, to make tourism in developing countries and emerging economies to be more sustainable and more crisis-resilient, there should be close cooperation between the tourism industry, academia, and the development community. The South African government needs to continue considering tourism as an important tool for development.

Tourism could be used locally as a lever for fostering local and regional economic development in line with the United Nations 2030 agenda. The more money tourists spend, and the more of that money stays in the region, the more regional value is added by the tourism and hospitality industry. This formula provides an increase to two essential strategies for promoting regional tourism value addition. Total foreign or international travelers to South Africa amounted to about 15.1 million in 2022 expanding from 6.1 million in 2021. It is worth noting that the number of arrivals were more than those of departures from 2014 to 2022. The largest number of arrivals and departures were at 16.1 million and 14.5 million respectively both in 2016. The smallest number of arrivals were at 3.1 million in 2020 while for departures it was at 2.8 million for the same period. More transits were at 824 thousand in 2016 and the least was recorded at 114 thousand in 2021.

Figure 6.2 depicts the number of tourist arrival for South Africa. According to the figure 6.2, the number of arrival, departures and transits decreased between 2014 and 2022 and also followed the same trend. The number of departures were more than those of arrival from 2014 to 2022 with exception to 2020. Most transits were from 2015 to 2019 at 10 000 each.

Figure 6.2: Number of Arrivals, Departures and Transits of South African Residents



Source: Stats SA, (2023)

The Table 6.1 shows number of trips by purpose of trip for North West and its district municipalities in 2022. Number of Trips by Purpose of Trip. As defined by the United Nations World Tourism Organisation (UN WTO); a trip refers to travel, by a person, from when they leave their usual residence until they return to that residence.

Table 6.1: Number of Trips by Purpose of Trip for North West and its District Municipalities, 2022

	North-West	Bojanala Platinum	Ngaka Modiri Molema	Dr Ruth Segomotsi Mompoti	Dr Kenneth Kaunda
Leisure / Holiday	799 417	528 043	82 687	49 330	139 356
Business	162 174	78 808	24 920	12 041	46 405
Visits to friends and relatives	1 005 819	353 001	277 388	199 249	176 181
Other (Medical, Religious, etc)	118 447	36 638	26 494	23 529	31 786
Total	2 085 857	996 490	411 490	284 150	393 727

Source: S&P Global, (2023)

Bojanala Platinum District Municipality is the only district with a large number of trips for leisure/holiday at 528 thousand in 2022 while the other three district municipalities had large number of trip from visits to friends and relatives for the same period. The North West Province followed the trend of the three district municipalities, visits to friends and relatives had the largest number of trips in 2022.

Business in Bojanala Platinum and Dr Kenneth Kaunda District Municipalities recorded the second largest trips at around 78.8 thousand and 46.4 thousand respectively for the period under review. Business is a trip undertaken whose main purpose corresponds to the business and professional category. This includes trips undertaken for the purpose of attending conferences, meetings, trade fairs etc., and therefore by definition includes all trips corresponding to the 'meetings industry.' This definition also includes shopping for business purposes, study trips and trips made for the purpose of participating in sports events.

Bojanala Platinum District Municipality had the largest total number of trips by specified purpose at 996.4 thousand in 2022 followed by Ngaka Modiri Molema District Municipality at 441 thousand for the same period. Dr Ruth Segomotsi Mompoti had the smallest number of trips compared to other district municipalities at 284 thousand in 2022. The total of the North West province was at 2.08 million in the period under review.

Table 6.2 Number of Trips by Origin of Tourist for North West and its District Municipalities, 2022

	North-West	Bojanala Platinum	Ngaka Modiri Molema	Dr Ruth Segomotsi Mompoti	Dr Kenneth Kaunda
Domestic tourists	1 743 047	799 855	360 510	260 299	322 383
International tourists	342 810	196 635	50 980	23 851	71 344
Total tourists	2 085 857	996 490	411 490	284 150	393 727

Source: S&P Global, (2023)

Bojanala Platinum District Municipality had the largest number of domestic tourists at 799 thousand compared to other district municipalities in the province in 2022 followed by Ngaka Modiri Molema at 360 thousand for the same period. The largest number of international tourists were recorded in Bojanala Platinum District Municipality at 196 thousand second largest number was in Dr Kenneth Kaunda District Municipality at 71.3 thousand. It is worth Noting that North West had the largest number of domestic tourists compared to international tourist in 2022.

7. Labour Market

This section will focus on the National and North West Province labour status. Most of the data will be from the Statistics South Africa Quarterly Labour Force Survey for quarter 3 of 2023 and it is a household-based sample survey. According to StatsSA (2023), the working-age population for South Africa increased by 140 thousand which was a quarter-to-quarter increase of 0.3 per cent change in the third quarter of 2023 compared to the second quarter of 2023. Compared to quarter 3 of 2022, the working-age population increased by 564 thousand which was a year-on-year increase of 1.4 per cent.

The South African number of employed people increased by 979 000 year-on-year to 16.7 million in quarter 3 of 2023, while the number of unemployed people decreased by 72 thousand to 7.8 million compared to quarter 2 of 2023. The number of discouraged work-seekers declined by 26 thousand on quarter-to-quarter (down by 1.1 per cent) whereas the number of people who were not economically active for reasons other than discouragement decreased by 160 thousand (down by 1.2 per cent) between the two quarters.

Table 7.1: Official Unemployment Rate by Province, Q2: 2022, Q2 & 3 of 2023

	Quarter 3 2022	Quarter 2 2023	Quarter 3 2023	Qtr-to-Qtr Change	year-on- Year Change
	Percentage points				
South Africa	32,9	32,6	31,9	-0,7	-1,0
Western Cape	24,5	20,9	20,2	-0,7	-4,3
Eastern Cape	42,4	39,7	38,8	-0,9	-3,6
Northern Cape	26,4	26,9	26,3	-0,6	-0,1
Free State	33,8	36,7	38,5	1,8	4,7
KwaZulu-Natal	30,6	31,0	29,4	-1,6	-1,2
North West	39,0	36,8	38,6	1,8	-0,4
Gauteng	33,7	34,4	33,7	-0,7	0,0
Mpumalanga	35,1	38,4	35,5	-2,9	0,4
Limpopo	31,0	31,6	30,8	-0,8	-0,2

Source: Stats SA, (2023)

The official unemployment rate decreased by 0.7 of a percentage point to 31.9 per cent in quarter 3 of 2023 compared to quarter 2 of 2023. The official unemployment rate decreased in seven provinces on a quarter-to-quarter basis. The largest decreases were recorded in Mpumalanga down by 2.9 percentage points, followed by KwaZulu-Natal and Eastern Cape down by 1.6 percentage points and 0.9 of a percentage point respectively. Free State and North West recorded the largest increase both at 1.8 percentage points in the official unemployment rate.

The official unemployment rate decreased in seven provinces on a year-on-year basis between quarter 3 of 2022 and quarter 3 of 2023. Western Cape had largest year-on-year decrease of 4.3 percentage point bringing unemployment down to 20.2 per cent in quarter 2023 from 24.4 per cent in quarter 3 of 2022. The Eastern Cape had the second largest year-on-year decrease of 3.6 percentage point unemployment rate in the province decreasing to 38.8 per cent in quarter 3 of 2023. The North West Province experienced a decrease in unemployment at 0.4 percentage point year-on-year which was the third largest decrease compared to other provinces. More work needs to be done to significantly reduce unemployment rate in the province.

Table 7.2: NW Labour Force Characteristics, Q3&Q4: 2022 and Q1, Q2 and Q3: 2023

	Quarter 3 2022	Quarter 4 2022	Quarter 1 2023	Quarter 2 2023	Quarter 3 2023
	Thousand				
Population 15-64 years	2 732	2 742	2 751	2 761	2 771
Labour force	1 407	1 397	1 414	1 394	1 533
Employed	858	881	877	881	942
Unemployed	549	516	538	513	591
Not economically active	1 325	1 344	1 337	1 367	1 237
Discouraged work-seekers	355	353	394	395	310
Other	970	992	943	972	928
	Rate (%)				
Unemployment	39,0	37,0	38,0	36,8	38,6
Employed/ population ratio (absorption)	31,4	32,1	31,9	31,9	34,0
Labour force participating	51,5	51,0	51,4	50,5	55,3

Source: Stats SA, (2023)

Table 7.2 shows the labour dynamics for the North West Province. The table shows that the number of employed people increased to 881 thousand from 858 thousand between the 3rd and the 4th quarters of 2022. During the same period, the number of discouraged job seekers decreased from 355 thousand to 353 thousand. Overall, the population of those not economically active increased from 1 325 thousand to 1 344 thousand. The latest figures shows that number of those employed and unemployed increased by 61 thousand and 78 thousand respectively between quarter 2 and 3 of 2023.

The labour market experienced a decrease in the number of discouraged work-seekers from 395 thousand in quarter 2 of 2023 to 310 thousand in quarter 3 of 2023. Unemployment rate for North West was at 38.6 per cent in quarter 3 of 2023, higher than the national estimate for the same period while the labour force participation was at 55.3 per cent in quarter 3 of 2023 increasing from 50.5 per cent in quarter 2 of 2023. Employment/population ration (absorption) recorded an increase from 31.4 per cent in quarter 3 of 2022 to 34.0 per cent in quarter 3 of 2023. Working age Population continue to increase, in quarter 3 of 2023 it increased to 2 771 thousand in quarter 3 of 2023 from 2761 in quarter 2 of 2023.

According to the statistics on table 7.3 below, community and social services remains the largest employer in the North West Province in quarter 3 & 4 of 2022 and quarter 1, 2 & 3 of 2023. Employment in community and social services industry decreased from 238 thousand in quarter 3 of 2022 to 231 thousand in quarter 3 of 2022.

Thereafter the number increased to 247 thousand in quarter 3 of 2023. The industry with the second largest workers was trade; its largest number of employees was in quarter 3 of 2022 at 186 thousand.

Table 7.3: NW employment by Industry, Q3, 4: 2022 and Q 1, Q2 & Q3: 2023

Industry	Quarter 3 2022	Quarter 4 2022	Quarter 1 2023	Quarter 2 2023	Quarter 3 2023
	Thousand				
Agriculture	34	44	45	39	51
Mining	126	137	123	129	113
Manufacturing	46	42	43	42	36
Utilities	4	4	4	9	4
Construction	58	55	64	49	68
Trade	186	164	171	182	183
Transport	28	40	37	43	45
Finance	80	98	112	108	131
Community and social services	238	231	222	223	247
Private households	58	65	54	57	63
Total	858	880	875	881	941

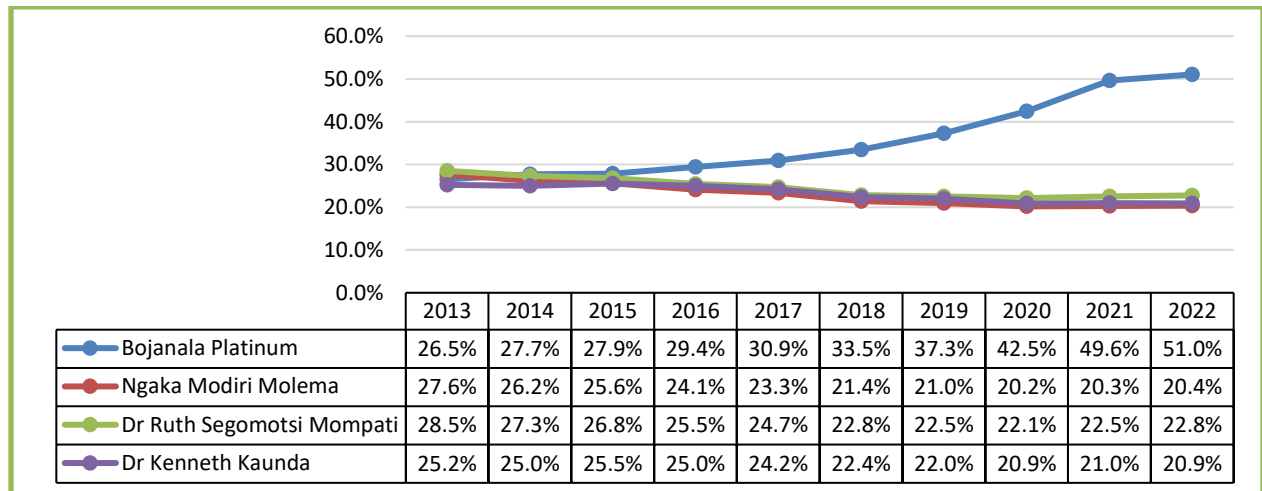
Source: Stats SA, (2023)

Mining industry was the third largest employer from quarter 3 of 2022 to quarter 3 of 2023. Utilities industry had the smallest number of employees recording a constant number of 4 thousand from quarter 3 of 2022 to quarter 1 of 2023. The largest number of workers in the utilities industry was at 9 thousand in quarter 2 of 2023 thereafter decreased back to 4 thousand in quarter 3 of 2023.

Six out of ten industries experienced an increase in the number of workers between quarter 3 of 2022 and quarter 3 of 2023. Generally, the largest number of workers in North West Province was at 941 thousand in quarter 3 of 2023 while the least number of workers was at 858 thousand in quarter 3 of 2022.

The unemployment rate for all the district municipalities ranged between 25.2 per cent and 28.5 per cent in 2013. It is worth noting that unemployment rate decreased between 2013 and 2022 in all the district municipalities with exception to Bojanala Platinum District Municipality.

Figure 7.1: NW's District Municipalities Unemployment Rate (official Definition)



Source: S&P Global, (2023)

Ngaka Modiri Molema District Municipality had the highest unemployment rate in 2013 at 27.6 per cent in 2013; Bojanala Platinum District Municipality recorded the highest unemployment rate between 2014 and 2022. The lowest unemployment rate was in Ngaka Modiri Molema District Municipalities at 20.4 per cent while Bojanala Platinum had the highest at 51.0 per cent for the same period.

Table 7.4: Employment by industry per District Municipality, 2022

Percentage Employment by industry per District Municipality (2022)				
Industry	Bojanala District	Ngaka Modiri	Dr Ruth Segomotsi	Dr Kenneth
Agriculture	2,8	6,3	18,1	8,3
Mining and Quarrying	41,0	2,4	2,2	7,3
Manufacturing	4,7	4,7	3,8	6,1
Electricity and water	0,5	0,5	0,6	0,5
Construction	4,0	4,0	4,3	5,7
Wholesale and retail trade	12,6	17,4	15,7	19,0
Transport and communication	1,0	1,7	1,4	1,5
Finance, real estate and business services	8,8	13,5	11,0	13,5
Community services	15,5	36,9	31,8	30,2
Households	9,2	8,7	11,1	7,8

Source: S&P Global, (2023)

Bojanala Platinum District Municipality had the largest number of people employed in the mining industry at 106 thousand in 2022 followed by community services at 40.2 thousand for the same period. The electricity industry had the smallest number of employees at 1.1 thousand in 2022. Bojanala Platinum District Municipality had a total of 259 thousand workers in 2022. It is worth noting that electricity had the smallest number of workers in all the district municipalities of North West for the period under review.

Ngaka Modiri Molema District Municipality recorded the largest number of workers in the community services industry at 61.7 thousand in 2022 while transport industry had the second least employees for the same period. The total number of employees in Ngaka Modiri Molema District Municipality was at 167 thousand in 2022.

Community services industry followed by the agriculture industry were the largest employer having about 23.6 thousand and 13.4 thousand respectively during 2022 within Dr Ruth Segomotsi Mompati District Municipality. The largest employer in Dr Kenneth Kaunda District Municipality was community services industry at 52 thousand in 2022 and the second largest was the trade industry at 33 thousand for the period under review.

8. Census 2022

The release indicates that the South African total population increased to 62 million in 2022 from 51.7 million in 2011. The North West Province population increased by 294 595 between 2011 and 2022 bringing the total population of the province to 3.8 million in 2022. The province contributed about 6.1 per cent of the total population of the country which makes it the 7th most populous province out of 9 for the same period.

Females are slightly more at 50.5 per cent compared their male counterparts at 49.5 per cent in the province. Previously males were more than females at 50.7 per cent and 49.3 per cent in 2011. Bojanala Platinum had the largest number of population at 1.62 million in 2022 followed by Ngaka Modiri Molema at 937 723. Dr Ruth Segomotsi Mompati had the smallest number of population at 508 192 and the second smallest population was Dr Kenneth Kaunda at 734 203 for the same period.

Table 8.1: Total Population for North West and its District Municipalities, 2022

	2022
Ngaka Modiri Molema	937 723
Dr Ruth Segomotsi Mompati	508 192
Dr Kenneth Kaunda	743 203
Bojanala Platinum	1 624 144
North West (Total)	3 804 779

Source: Stats SA, (2023)

The North West Province recorded a decrease in the percentage of young children (0-14 years) to 28.3 per cent in 2011 from 29.6 per cent in 2022. More than three million children (0–4 years) participated in Early Childhood Development (ECD) in the country. When focusing on the province, about 52.4 per cent of children in the North West were more likely not to participate in ECD, compared to other provinces. Approximately, 28 per cent of children in North West were less likely to attend crèche/educare centres. The province had more people who completed secondary education which amounted to 785 636 in 2022. More than half of children in Northern Cape and North West were not attending any ECD facilities thus recording figures of 56.7 per cent and 52.4 per cent respectively in 2022.

The percentage of working age population (15-64 years) increased to 65.5 per cent in 2022 from 64.7 in 2011 and elderly (65+ years) also increased to 6.2 per cent from 5.6 per cent for the same period. The increase in the percentage of the working age population (15-64 years) provides the province with the opportunity to benefit from the population dividend which is an economic growth led by a change/increase in the structure of the region's population. The increase in the number elderly (65+ years) indicates an improvement in the life expectancy and this provides an indication that the health status of citizens has improved.

People with no schooling (20+ years) declined from 11.8 per cent in 2011 to 7.9 per cent in 2022 while those with higher education (20+ years) increased by 0.1 per cent between 2011 and 2022. More work needs to be done to increase those with higher education (20+ years) in order to have more people with specialised qualifications who seeks employment or the need to participate in the economy of the province.

The increase in the total population of the North West Province led to an increase in the number of households to 1.14 million in 2022 from 1.06 million in 2011. The province recorded 58.5 per cent in 2022 when considering flush toilets connected to sewerage at household level. The report indicates that 53.5 per cent of households have access to weekly refuse disposal services whilst 43.3 per cent have access to piped water in dwellings during the period under review. It is worth noting that access to electricity for lighting grew from 84.0 per cent to 93.9 per cent in 2022 even though the entity that is responsible for electricity is faced with the challenge of shortage of electricity supply. The numbers indicate significant progress in connection of electricity in the North West Province.

Table 8.2: Electricity for Lighting, Formal Dwelling, Refuse Disposal Services for North West and its District Municipalities, 2022

	Electricity for lighting	Formal dwelling	Refuse disposal services
Ngaka Modiri Molema	94,5	91,1	31,0
Dr Ruth Segomotsi Mompoti	95,3	95,1	39,6
Dr Kenneth Kaunda	92,1	89,3	78,7
Bojanala Platinum	94,1	84,2	57,5
North West (Total)	93,9	88,0	53,5

Source: Stats SA, (2023)

Ngaka Modiri Molema had electricity for lighting at 94.5 per cent, Dr Ruth Segomotsi Mompoti was at 95.3 per cent, Dr Kenneth Kaunda at 92.1 per cent whilst Bojanala Platinum was at 94.1 per cent.

Formal dwellings in Ngaka, Modiri Molema was recorded at 91.1 per cent in 2022 Dr Ruth Segomotsi Mompoti was at 95.1 per cent, Dr Kenneth Kaunda at 89.3 per cent and Bojanala Platinum at 84.2 per cent. Weekly refuse disposal services in Ngaka Modiri Molema was recorded at 31.0 per cent which is below average. That of Dr Ruth Segomotsi Mompoti was recorded 39.6 per. Dr Kenneth Kaunda on the other hand recorded 78.7 per cent and with Bojanala Platinum's number coming in at 57.5 per cent. Access to piped water in dwellings came in at 38.3 per cent for Dr Ruth Segomotsi Mompoti and that of Ngaka Modiri Molema was at 34.4 per cent. Dr Kenneth Kaunda showed access to piped water at 58.4 per cent whilst that of Bojanala Platinum was at 41.6 per cent.

Census 2022 Summary and Implications

The results of Census 2022 shows that the total population of the North West Province decreased compared to the midyear population estimates of 2022 although from Census 2011 to Census 2022 there was an increase in population. The North West Provincial Government budget needs to cater for about 3.8 million people. The province experienced an a decrease in the number of people with no schooling and an increase in those with secondary schooling.

Access to basic services like electricity for lighting even though the country is still facing shortage in the supply of electricity connection to the grid is improving especially for those who were previously disadvantaged. Weekly refuse disposal services improved in the province and its district municipalities however Ngaka Modiri Molema and Dr Ruth Segomotsi Mompati District Municipalities recorded access to refuse removal below 50 per cent. Those two district municipalities are rural in nature compared to other two. Refuse disposal services is mostly rendered in urban areas than in rural regions. The province needs to take advantage of the large working age (15-64 years) and benefit of the population dividend.

Census 2022 data will assist planners and decision makers in government and private sector to improve their planning processes make informed decision.

9. Conclusions and Recommendations

South African economy is still striving to recover after the lifting of the COVID-19 lockdown restrictions the economy was faced by the increasing rate of load shedding which continued to harm growth in the country. According to IOL website (02/10/2023) the year 2022 had about 205 days of load shedding and from January 2023 to 7 May 2023 there have been 127 days of load shedding; in terms of hours there was load shedding of 3 767 hours in 2022 and 2 927 hours in 2023 up to 7 May 2023. Each industry contributed less than 0.5 per cent towards the growth of GDP in the country. The North West Province had a sluggish average annual growth in 2022 and S&P Global estimates that the province will have a negative average annual growth in 2023.

COVID-19 was detrimental to the tourism sector decreasing number of travelers to South Africa and the North West Province and eventually that affected growth within tourism in 2020. High unemployment remains a challenge South Africa had unemployment rate at 32.6 per cent in the second quarter of 2023 while the North West Province was at 36.8 per cent which was high than the national average.

In terms of employment the province had the largest number of employees within the community and social services industry in quarter 2 of 2023 and all the North West district municipalities followed the same pattern with exception to Bojanala Platinum District Municipality which has the largest number of workers in the mining industry. Ngaka Modiri Molema, Dr Ruth Segomotsi Mompati, Dr Kenneth Kaunda District Municipalities had the similar pattern of unemployment from 2013 to 2022. Bojanala Platinum had the highest unemployment rate compared to other district municipalities in the North West Province.

The power utility company needs to continue to expedite the implementation of the strategic solution to shortage of electricity. That will assist in avoiding further collapse of companies mainly small medium enterprises (SMMEs) which are unable to sustain their operation due to lack of sufficient electricity. Energy forms an integral part of the production inputs to various institution across all industries.

The North West Provincial Government needs to explore more economic opportunities that it could leverage from within the BRICS formation since South Africa is member. More studies need to be undertaken to identify more trade opportunities and skills exchange programmes focusing on food security (agricultural-technology (Agri-Tech), agro-processing) education (machine-learning, nuclear medicine, mineral processing, water engineering, information communication and technology (ICT) etc.).

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