



**NORTH WEST
DEVELOPMENT
CORPORATION**

Economic Data Report

Quarter 3 of 2021/2022

Research & Innovation



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1. INTRODUCTION

The purpose of the Research and Innovation Unit is to initiate, plan, gather, analyse and disseminate verified, reliable and relevant economic data, intelligence and research for the benefit of users to support informed decision making.

One of the performance indicators of the unit is A Quarterly Economic Data Report.

Economic data or economic statistics may refer to data (quantitative measures) describing an actual economy, past or present. These are typically found in time-series form, that is, covering more than one time period (say the monthly unemployment rate for the last five years) or in cross-sectional data in one time period (say for consumption and income levels for sample households). Data may also be collected from surveys of for example individuals and firms or aggregated to sectors and industries of a single economy or for the international economy. A collection of such data in table form comprises a data set.

The purpose of this report is to supply an overview of the economic data and information gathered and analysed from a global, African, South African, and North West provincial perspective in order to ensure that recent, relevant and reliable economic data supports NWDC and other client and stakeholder decisions and activities.

The economic data report will be structured as follows: First a macro-economic overview taking a global perspective in terms of developed and emerging economies moving to South Africa and the North West province. Secondly subjects that have an impact on the economy and relevance to NWDC will be covered including the Global Competitiveness, Foreign Direct Investment and Trade.

2. MACRO ECONOMIC OVERVIEW

2.1 Global Economy: Recovery During a Pandemic; Health Concerns, Supply Disruptions, and Price Pressures

(Source: WORLD ECONOMIC OUTLOOK (WEO) Update; October 2021)

The global economic recovery is continuing, even as the pandemic resurges. The fault lines opened up by COVID-19 are looking more persistent—near-term divergences are expected to leave lasting imprints on medium-term performance. Vaccine access and early policy support are the principal drivers of the gaps. Rapid spread of Delta and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome. Policy choices have become more difficult, confronting multidimensional challenges—subdued employment growth, rising inflation, food insecurity, the setback to human capital accumulation, and climate change—with limited room to maneuver.

The global economy is projected to grow 5.9 percent in 2021 and 4.9 percent in 2022. The downward revision for 2021 reflects a downgrade for advanced economies—in part due to supply disruptions—and for low-income developing countries, largely due to worsening pandemic dynamics. This is partially offset by stronger near-term prospects among some commodity-exporting emerging market and developing economies.

Employment is generally expected to continue lagging the recovery in output. Beyond 2022 global growth is projected to moderate to about 3.3 percent over the medium term. Headline inflation rates have increased rapidly in the United States and in some emerging market and developing economies.

All the while, long-term challenges—boosting productivity, improving policy frameworks, and addressing climate change—cannot be ignored.

In summary:

- Strong international cooperation is vital ensuring that emerging market economies and low-income developing countries continue to narrow the gap between their living standards and those of high-income countries.
- Ensuring adequate worldwide vaccine production and universal distribution at affordable prices—including through sufficient funding for the COVAX facility;
- Ensure that financially constrained economies have adequate access to international liquidity so that they can continue needed health care, other social, and infrastructure spending required for development and convergence to higher levels of income per capita.
- Redouble climate change mitigation efforts.
- Resolve economic issues underlying trade and technology tensions (as well as gaps in the rules-based multilateral trading system).
- Building on recent advances in international tax policy, efforts should continue to focus on limiting cross-border profit shifting, tax avoidance, and tax evasion.

Table 1. Overview of the World Economic Outlook Growth Projections World Economic Outlook Update October 2021

| | Projections | | | | | | | | |
|--|-------------|------|------|------|------|------|-------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| World Output | 3,2 | 3,2 | 3,3 | 3,8 | 3,5 | 2,8 | -3,1 | 5,9 | 4,9 |
| Advanced Economies | 1,9 | 2,1 | 1,7 | 2,5 | 2,2 | 1,6 | -4,5 | 5,2 | 4,5 |
| United States | 2,4 | 2,6 | 1,6 | 2,4 | 3 | 2,2 | -3,4 | 6 | 5,2 |
| Euro Area | 0,9 | 2 | 1,9 | 2,5 | 1,9 | 1,3 | -6,3 | 5 | 4,3 |
| Germany | 1,6 | 1,5 | 1,9 | 2,5 | 1,3 | 0,6 | -4,6 | 3,1 | 4,6 |
| France | 0,6 | 1,1 | 1,2 | 2,3 | 1,8 | 1,8 | -8 | 6,3 | 3,9 |
| Italy | -0,3 | 0,8 | 0,9 | 1,7 | 0,8 | 0,3 | -8,9 | 5,8 | 4,2 |
| Spain | 1,4 | 3,2 | 3,3 | 3 | 2,4 | 2 | -10,8 | 5,7 | 6,4 |
| Japan | - | 1,1 | 0,9 | 1,9 | 0,3 | 0 | -4,6 | 2,4 | 3,2 |
| United Kingdom | 3,1 | 2,2 | 1,9 | 1,8 | 1,3 | 1,4 | -9,8 | 6,8 | 5 |
| Canada | 2,5 | 0,9 | 2,3 | 3 | 2 | 1,9 | -5,3 | 5,7 | 4,9 |
| Other Advanced Economies 2/ | 2,8 | 2,2 | 2,3 | 2,9 | 2,7 | 1,9 | -1,9 | 4,6 | 3,7 |
| Emerging Market and Developing Economies | 4,6 | 4,3 | 4,4 | 4,8 | 4,5 | 3,7 | -2,1 | 6,4 | 5,1 |
| Emerging and Developing Asia | 6,8 | 6,8 | 6,4 | 6,6 | 6,3 | 5,4 | -0,8 | 7,2 | 6,3 |
| China | 7,3 | 6,9 | 6,7 | 6,8 | 6,7 | 6 | 2,3 | 8 | 5,6 |
| India 4/ | 7,2 | 8 | 7,1 | 7,2 | 6,1 | 4 | -7,3 | 9,5 | 8,5 |
| ASEAN-5-5/ | 4,6 | 4,9 | 4,9 | 5,3 | 5,3 | 4,9 | -3,4 | 2,9 | 5,8 |
| Emerging and Developing Europe | 2,8 | 4,7 | 3,2 | 3,9 | 3,3 | 2,5 | -2 | 6 | 3,6 |
| Russia | 0,7 | -2,8 | -0,2 | 1,6 | 2,5 | 2 | -3 | 4,7 | 2,9 |
| Latin America and the Caribbean | 1,3 | 0,1 | -0,7 | 1,2 | 1,1 | 0,1 | -7 | 6,3 | 3 |
| Brazil | 0,1 | -3,8 | -3,5 | 1,1 | 1,3 | 1,4 | -4,1 | 5,2 | 1,5 |
| Mexico | 2,2 | 2,6 | 2,9 | 2,1 | 2,2 | -0,2 | -8,3 | 6,2 | 4 |
| Middle East and Central Asia | 2,7 | 2,7 | 4,9 | 2,3 | 2,1 | 1,4 | -2,8 | 4,1 | 4,1 |
| Saudi Arabia | 3,6 | 4,1 | 1,7 | -0,7 | 2,4 | 0,3 | -4,1 | 2,8 | 4,8 |
| Sub-Saharan Africa | 5,1 | 3,4 | 1,4 | 3 | 3,2 | 3,2 | -1,7 | 3,7 | 3,8 |
| Nigeria | 6,3 | 2,7 | -1,6 | 0,8 | 1,9 | 2,2 | -1,8 | 2,6 | 2,7 |
| South Africa | 1,6 | 1,3 | 0,6 | 1,4 | 0,8 | 0,2 | -6,4 | 5 | 2,2 |
| Memorandum | | | | | | | | | |
| World Growth Based on Market Exchange Rates | 2,7 | 2,7 | 2,5 | 3,2 | 3,1 | 2,4 | -3,5 | 5,7 | 4,7 |
| European Union | | | | | | 1,8 | -5,9 | 5,1 | 4,4 |
| Middle East and North Africa | | | | | | 0,8 | -3,2 | 4,1 | 4,1 |
| Emerging Market and Middle-Income Economies | | | | | | 3,5 | -2,3 | 6,5 | -2,3 |
| Low-Income Developing Countries | 6 | 4,6 | 3,6 | 4,7 | 5,1 | 5,3 | 0,1 | 3 | 5,3 |
| World Trade Volume (Goods and Services)⁶ | 3,7 | 2,6 | 2,5 | 5,7 | 3,9 | 0,9 | -8,2 | 9,7 | 6,7 |

| | | | | | | | | | |
|--|------|-------|-------|------|------|-------|-------|------|------|
| Imports | | | | | | | | | |
| Advanced Economies | 3,6 | 4 | 2,6 | 4,7 | 3,6 | 1,4 | -9 | 9 | 7,3 |
| Emerging Market and Developing Economies | 3,9 | 0,3 | 2,3 | 7,5 | 5 | -0,2 | -8 | 12,1 | 7,1 |
| Exports | | | | | | | | | |
| Advanced Economies | 3,6 | 4 | 2,6 | 4,7 | 3,3 | 1,3 | -9,4 | 8 | 6,6 |
| Emerging Market and Developing Economies | 3,9 | 0,3 | 2,3 | 7,5 | 4,1 | -0,2 | -5,2 | 11,6 | 5,8 |
| Commodity Prices (U.S. dollars) | | | | | | | | | |
| Oil 8/ | -7,5 | -47,2 | -15,7 | 23,3 | 29,4 | -10,2 | -32,7 | 59,1 | -1,8 |
| Nonfuel (average based on world commodity export weights) | -4 | -17,5 | -1,6 | 6,4 | 1,3 | 0,8 | 6,7 | 26,7 | -0,9 |
| Consumer Prices | | | | | | | | | |
| Advanced Economies 9/ | 1,4 | 0,3 | 0,8 | 1,7 | 2 | 1,4 | 0,7 | 2,8 | 2,3 |
| Emerging Market and Developing Economies 7/ | 4,7 | 4,7 | 4,3 | 4,3 | 4,9 | 5,1 | 5,1 | 5,5 | 4,9 |
| London Interbank Offered Rate (percent) | | | | | | | | | |
| On U.S. Dollar Deposits (six month) | 0,3 | 0,5 | 1,1 | 1,5 | 2,5 | 2,3 | 0,7 | 0,2 | 0,4 |
| On Euro Deposits (three month) | 0,2 | 0 | -0,3 | -0,3 | -0,3 | -0,4 | -0,4 | -0,5 | -0,5 |
| On Japanese Yen Deposits (six month) | 0,2 | 0,1 | - | - | - | 0 | 0 | -0,1 | 0 |
| "Source: IMF staff. | | | | | | | | | |

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 23- August 2021. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current July 2021 and April 2021 WEO forecasts.

2/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries

3/ For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

4/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.

"5/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$41.29 in 2020; the assumed price, based on futures markets, is \$65.68 in 2021 and \$64.52 in 2022."

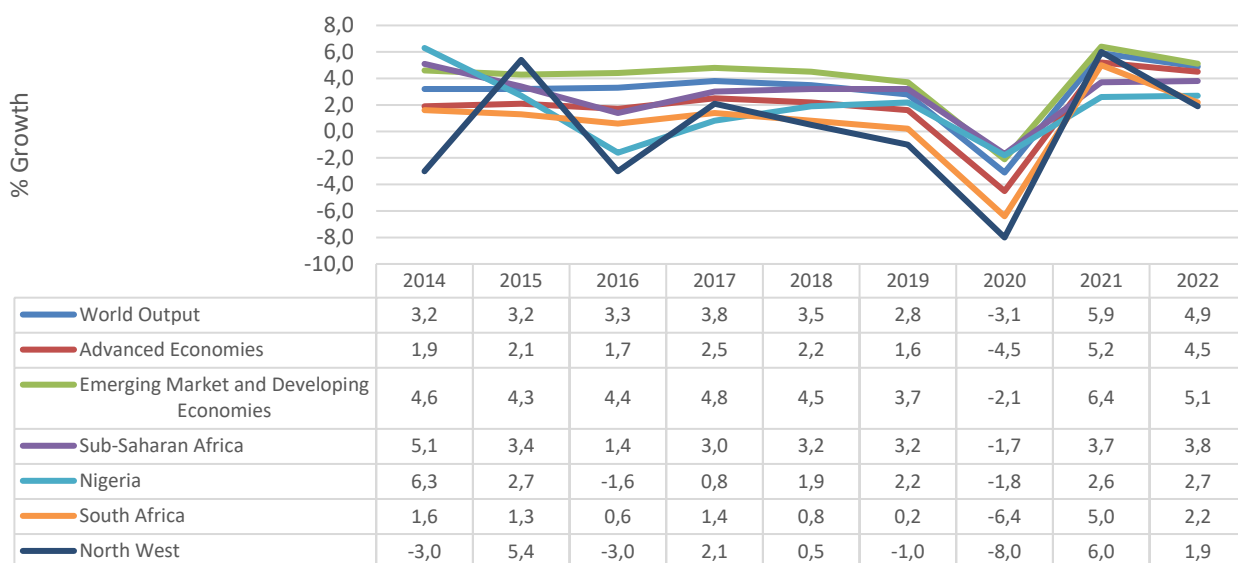
"6/ The inflation rates for 2021 and 2022, respectively, are as follows: 2.2 percent and 1.7 percent for the euro area, -0.2 percent and 0.5 percent for Japan, and 4.3 percent and 3.5 percent for the United States."

7/ Excludes Venezuela. See the country-specific note for Venezuela in the "Country Notes" section of the Statistical Appendix

Figure 1: Overview of the Key World Economic Outlook Growth and Projections (%)
(Source: **WORLD ECONOMIC OUTLOOK (WEO) UPDATE; October 2021**)

Overview of the Key World Economic Outlook Growth and Projections (%)

(Source: WORLD ECONOMIC OUTLOOK (WEO) UPDATE; October 2021)



2.2 South African Economy

2.2.1 Highlights Q3 2021/2022

In this section the key quarterly indicators will be mentioned including economic growth, inflation and employment.

Population

The population of South Africa increased from 54 million in mid-2014 to million 60,14 million in mid-2021. When comparing the population growth rate in the table below with the GDP growth rate of South Africa as in the table above it is clear that the population is growing at a faster rate than the economy which will lower income per capita and result in a poorer population.

Table 2: South African and North West Population and Population Growth Rates

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| South Africa | 52 827 909 | 53 649 096 | 54 488 424 | 55 319 826 | 56 140 764 | 56 990 964 | 57 859 351 | 58 726 826 | 59 538 697 | 60 142 978 |
| Growth rate % | 1,56% | 1,55% | 1,56% | 1,53% | 1,48% | 1,51% | 1,52% | 1,50% | 1,38% | 1,01% |
| North-West | 3 575 520 | 3 636 912 | 3 698 739 | 3 759 428 | 3 819 022 | 3 881 560 | 3 946 988 | 4 012 494 | 4 076 040 | 4 122 854 |
| Growth rate % | 1,75% | 1,72% | 1,70% | 1,64% | 1,59% | 1,64% | 1,69% | 1,66% | 1,58% | 1,15% |

COVID-19 epidemic reduces life expectancy in 2021

The population of South Africa was estimated to be 60,14 million at mid-year 2021, an increase of about 604 281 (1,01%) since mid-year 2020. The latest [Mid-year population estimates, 2021](#) released by Statistics South Africa (Stats SA), shows that the COVID-19 pandemic impacted mortality and migration in the country since the start of the pandemic early in 2020.

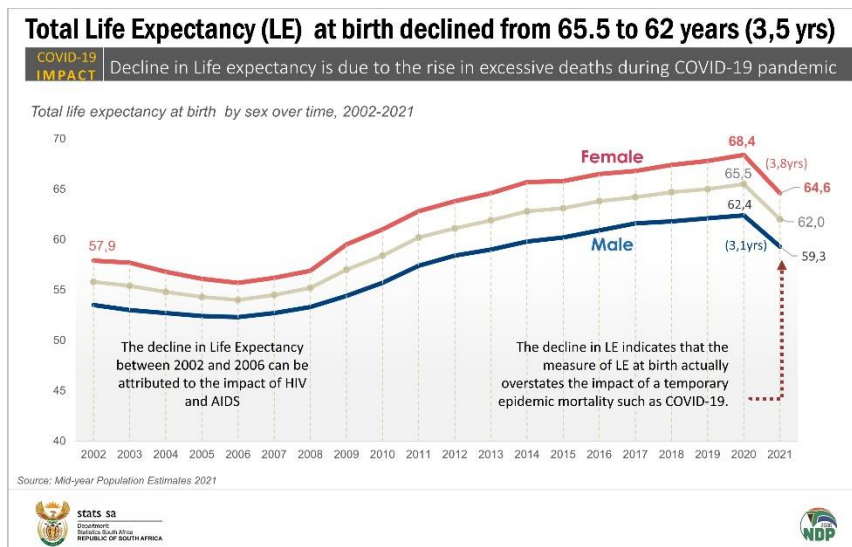
South Africa experienced both peaks of deaths in the first and second waves of the COVID-19 pandemic within the 2021 Mid-year Population Estimates (MYPE) period between July 2020 and June

2021. This resulted in a significant increase in the crude death rate (CDR) from 8,7 deaths per 1 000 people in 2020 to 11,6 deaths per 1 000 people in 2021. The significant rise in deaths in 2021 (approximately 34%), meant a drop in the 2021 Life expectancy (LE) at birth for South Africa.

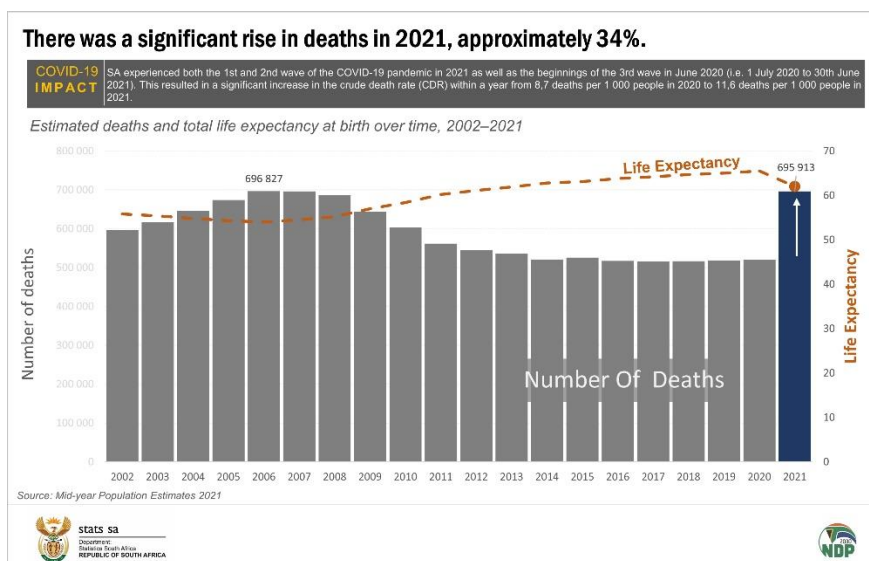
Life expectancy at birth for males declined from 62,4 in 2020 to 59,3 in 2021 (3,1 year drop) and from 68,4 in 2020 to 64,6 for females (3,8 year drop). Whilst the life expectancy at birth indicator is an important health indicator, in this COVID-19 period it should not be interpreted as a projection of an individual's lifespan, but should rather be used to shed light on the cumulative burden of a crisis compared to recent trends.

To make informed decisions for planning purposes when experiencing transitory mortality shocks such as the COVID-19 pandemic, the use of a combination of mortality measures, i.e. crude death rate and age specific mortality over time, should be used. Assuming:

- greater vaccination coverage,
- continued prevention practices i.e. mask wearing;
- social distancing and sanitising of hands and surfaces;
- further innovation in drug and treatment protocols; and
- the avoidance of more severe or infectious strains of the virus leading to future waves, may likely see life expectancy in South Africa revert to previous levels.



The waves resulted in significantly higher proportions of deaths in the country than would normally have occurred. As a result of this rise in deaths, life expectancy at birth declined significantly.



The age-mortality profile of the disease indicates that older people and those with co-morbidities, specifically diabetes and hypertension, face a higher risk of mortality. Broader categories of respiratory diseases, circulatory diseases, cancer and HIV and AIDS also face higher risk of mortality.

What is certain is that the COVID-19 pandemic has changed the very core of how we interact in society and what we once knew as normal. As new data becomes available over time, we will have a better sense of the full impact of the pandemic on the demography of the nation and the world.

Summary of Midyear Population Estimate 2021

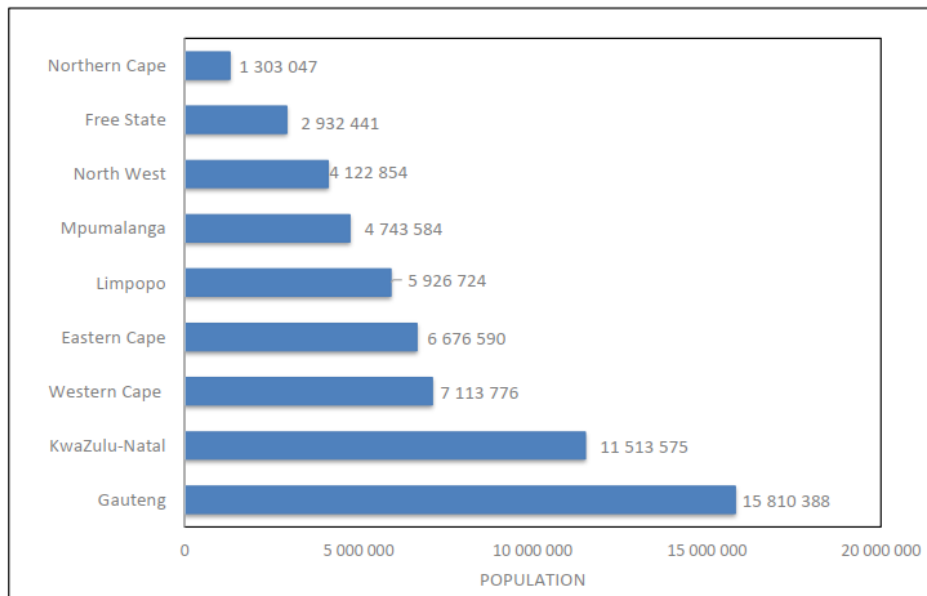
- For 2021, Statistics South Africa (Stats SA) estimates the mid-year population at 60,14 million people.
- Approximately 51,1% (approximately 30,75 million) of the population is female.
- On 5 March 2020, South Africa recorded its first case of COVID-19. By the 11th of March, the World Health Organisation (WHO) declared COVID-19 a global pandemic. South Africa's first COVID-19 related death occurred on 27 th March 2020. As the spread of the disease occurred over time, there was a rise in the number of direct and indirect deaths in the population due to COVID-19. In conjunction, there was a rise in innovation in COVID-19 related treatment protocols, prevention measures and vaccination development over this time.
- Life expectancy at birth for 2021 is estimated at 59,3 years for males and 64,6 years for females.
- The infant mortality rate for 2021 is estimated at 24,1 per 1 000 live births.
- The estimated overall HIV prevalence rate is approximately 13,7% among the South African population. The total number of people living with HIV (PLWHIV) is estimated at approximately 8,2 million in 2021. For adults aged 15–49 years, an estimated 19,5% of the population is HIV positive.
- There is a reduction in international migration, which is indicative of the COVID-19 travel restrictions and subsequent impact on migratory patterns since March 2020. Migration is an important demographic process, as it shapes the age structure and distribution of the provincial population. For the period 2016–2021, Gauteng and Western Cape are estimated to experience the largest inflow of migrants of approximately, 1 564 861 and 470 657 respectively.
- Gauteng still comprises the largest share of the South African population, with approximately 15,81 million people (26,3%) living in this province. KwaZulu-Natal is the province with the second largest population, with an estimated 11,5 million people (19,1%) living in this province. With a population of approximately 1,30 million people (2,2%), Northern Cape remains the province with the smallest share of the South African population.
- About 28,3% of the population is aged younger than 15 years (17,04 million) and approximately 9,2% (5,51 million) is 60 years or older. Of those younger than 15 years of age, the majority reside in Gauteng (21,8%) and KwaZulu-Natal (21,2%). The proportion of elderly persons aged 60 years and older in South Africa is increasing over time and as such policies and programs to care for the needs of this growing population should be prioritised

Table 3: Mid-year population estimates for South Africa by population group and sex, 2021

| Population group | Male | | Female | | Total | |
|------------------|-------------------|-------------------------|-------------------|---------------------------|-------------------|-------------------------|
| | Number | % distribution of males | Number | % distribution of females | Number | % distribution of total |
| Black African | 23 761 051 | 80,9 | 24 879 278 | 80,9 | 48 640 329 | 80,9 |
| Coloured | 2 578 930 | 8,8 | 2 716 038 | 8,8 | 5 294 968 | 8,8 |
| Indian/Asian | 790 412 | 2,7 | 754 810 | 2,5 | 1 545 222 | 2,6 |
| White | 2 257 654 | 7,7 | 2 404 805 | 7,8 | 4 662 459 | 7,8 |
| Total | 29 388 047 | 100,0 | 30 754 931 | 100,0 | 60 142 978 | 100,0 |

**Due to rounding totals may not add up to 100%*

Figure 1: Mid-year population estimates for South Africa by province, 2021

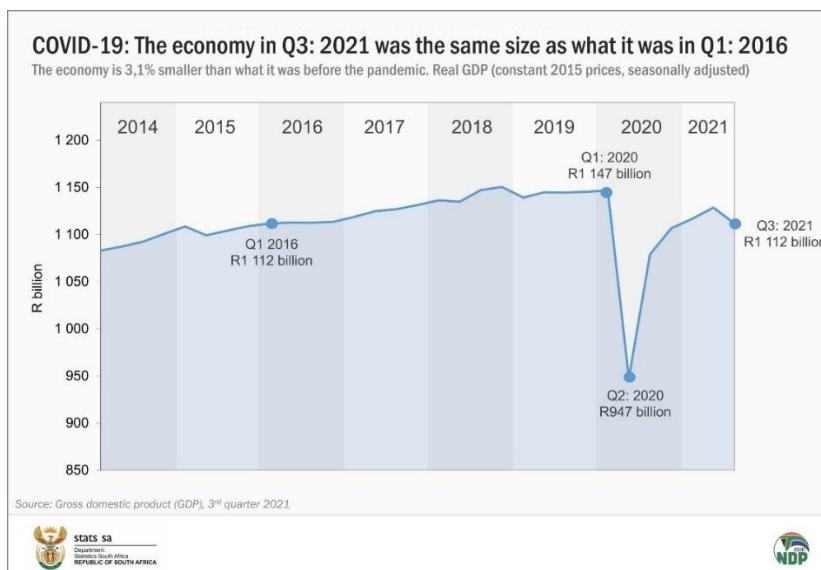


South African Economic Growth Q3 2021/2022

Third wave of COVID and civil disorder pummel economy as GDP falls by 1,5%

Under the twin pressures of tighter COVID-19 lockdown restrictions and a spate of civil disorder in July, as well as several other headwinds, the South African economy contracted in the third quarter of 2021 (July–September).

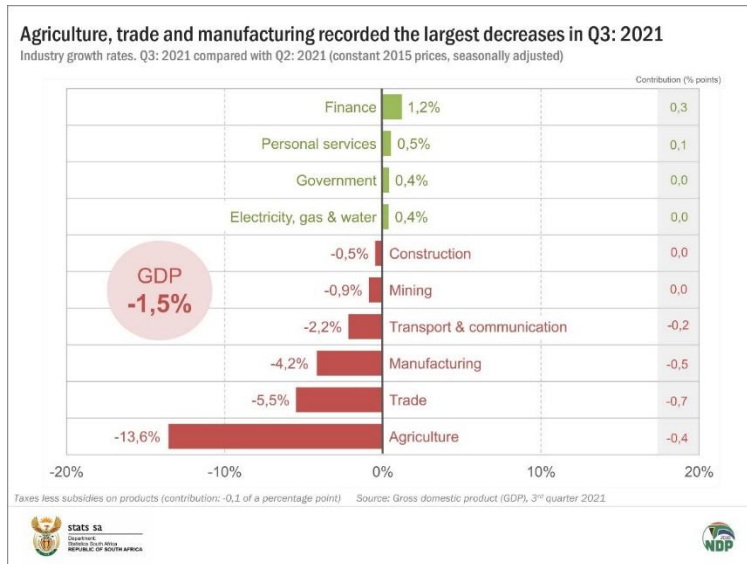
After recording four consecutive quarters of positive growth, real gross domestic product (GDP) slumped by 1,5%¹, eroding some of the economic gains the country has made since the severe impact of COVID-19 in the second quarter of 2020. In the third quarter of 2021 the level of GDP was on par with the first quarter of 2016.



A double blow: civil disorder and lockdown

Six of the ten industries recorded a decline in production in the third quarter, with agriculture, trade and manufacturing the hardest hit.

The agriculture industry recorded its biggest drop in production since 2016, contracting by 13,6%. Together with a decline in the production of animal products, the industry in KwaZulu-Natal was dealt a major blow by the civil disorder in July. Maize, citrus and sugarcane farms recorded losses from fires set during the upheaval.



The trade industry shrank by 5,5%, with all trade sectors reporting losses. Wholesale, retail and motor trade were negatively affected by the widespread looting and destruction that gripped KwaZulu-Natal as well as Gauteng. Retail businesses were the most affected.

A cyberattack that disrupted operations at South African ports dealt a further blow to motor trade. In response to the rapid spread of the COVID-19 Delta variant, the country was on Alert Level 4 lockdown from 28 June to 25 July. This stymied growth in the tourist accommodation sector, as well as constricting restaurant and catering trade.

The manufacturing industry declined by 4,2%, dragged lower in the main by the civil disorder and global shortages of raw materials.

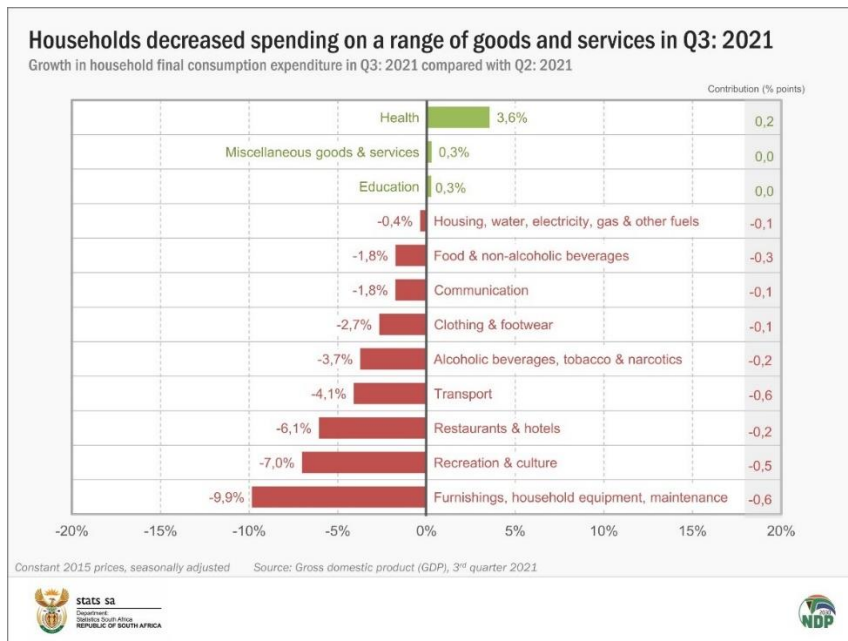
The transport and communications industry didn't escape unscathed. Road freight transport into and out of KwaZulu-Natal was severely disrupted by the violence. Several domestic airlines recorded flight cancellations following leisure travel restrictions imposed by the Alert Level 4 lockdown.

Four industries managed to keep their heads above water. The finance industry increased economic activity by 1,2%. Personal services saw an uptick in economic activity on the back of increased spending on private healthcare and the roll-out of COVID-19 vaccines for those aged between 18 and 35 years. General government expanded by 0,4%, attributed to a rise in employment in local government and extra-budgetary accounts and funds.

Household spending and exports drive down expenditure on GDP

Stats SA also measures the expenditure side of GDP, providing an indication of total demand in the economy. This includes measures of household expenditure, government expenditure, investment (gross fixed capital formation and changes in inventories), and net exports.

Household final consumption expenditure decreased by 2,4%. The looting and closure of retailers in KwaZulu-Natal during the civil disorder resulted in food shortages. Many consumers struggled to buy basic supplies.



The Adjusted Level 4 lockdown restricted trading hours and limited restaurant activity. Declines in fuel sales and a decrease in the trade of furniture and appliances also contributed negatively to household expenditure growth.

Exports decreased by 5,9%. Shortages in parts disrupted the production and export of motor vehicles. The civil disorder in July also had an impact on manufacturers who struggled to transport goods to the Durban port.

For more information, download the Q3: 2021 GDP release and media presentation here.

1 Unless otherwise stated, growth rates are quarter-on-quarter, seasonally adjusted and in real (volume) terms. This is Stats SA's second GDP release after the completion of its latest benchmarking and rebasing exercise. More information on this exercise is available here. Note that Stats SA no longer uses the annualised rate as the headline growth rate.

Inflation Consumer Price Index (CPI)

Background:

- High and volatile inflation is bad for the economy
- Inflation targeting was adopted by the SA authorities in 2000
- The target is for consumer price inflation to be maintained between 3 and 6 per cent per annum
- This target was adopted by government through a cabinet decision
- The SA Reserve Bank has instrument independence
 - It must use its repurchase rate (interest rate) to keep inflation between 3 and 6 per cent
 - Inflation too high => raise repurchase rate => reduce credit extension and expenditure => lower inflation
 - Inflation too low => reduce repurchase rate => raise credit extension and expenditure => higher inflation
 - It takes time for the interest rate mechanism to work through to inflation: typically 18 to 24 months.

Key Findings

Headline consumer price index (CPI for all urban areas)

Annual consumer price inflation was 5,5% in November 2021, up from 5,0% in October 2021. The consumer price index increased by 0,5% month-on-month in November 2021.

The main contributors to the 5,5% annual inflation rate were food and non-alcoholic beverages; housing and utilities; transport; and miscellaneous goods and services.

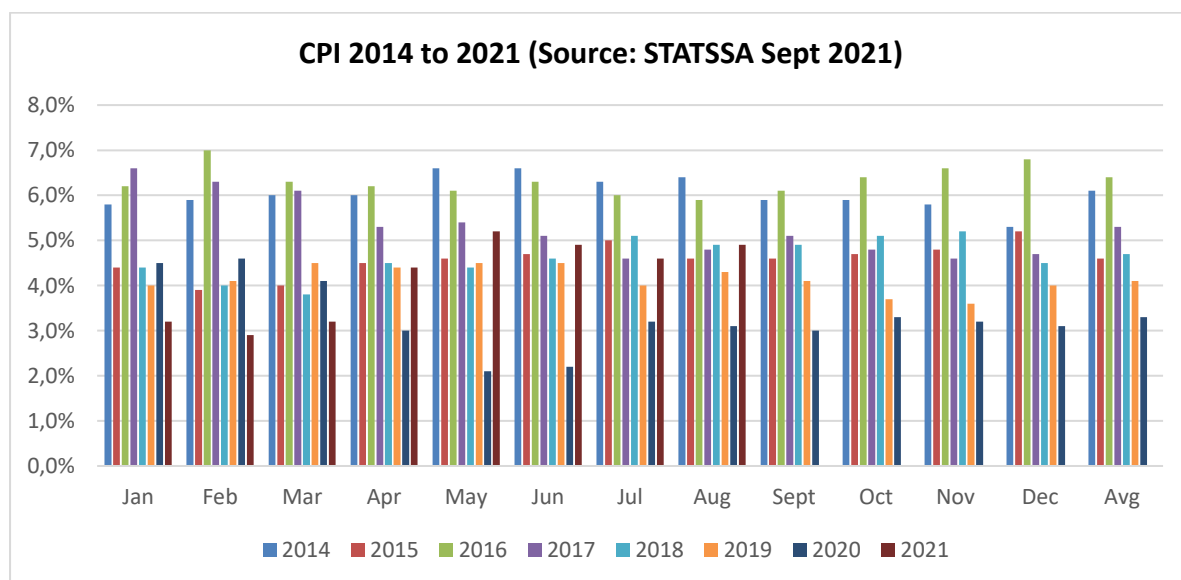
- Food and non-alcoholic beverages increased by 5,5% year-on-year, and contributed 1,0 percentage point to the total CPI annual rate of 5,5%.
- Housing and utilities increased by 3,9% year-on-year, and contributed 1,0 percentage point.
- Transport increased by 15,0% year-on-year, and contributed 2,1 percentage points.
- Miscellaneous goods and services increased by 4,2% year-on-year, and contributed 0,7 of a percentage point.

In November the annual inflation rate for goods was 7,9%, up from 7,1% in October; and for services it was 3,1%, up from 3,0% in October.

Note: Not all items in the CPI are surveyed every month. Table F shows the survey schedule for items that are not surveyed monthly.

Table 3: Historical Inflation Rates

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Avg |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2014 | 5,8% | 5,9% | 6,0% | 6,0% | 6,6% | 6,6% | 6,3% | 6,4% | 5,9% | 5,9% | 5,8% | 5,3% | 6,1% |
| 2015 | 4,4% | 3,9% | 4,0% | 4,5% | 4,6% | 4,7% | 5,0% | 4,6% | 4,6% | 4,7% | 4,8% | 5,2% | 4,6% |
| 2016 | 6,2% | 7,0% | 6,3% | 6,2% | 6,1% | 6,3% | 6,0% | 5,9% | 6,1% | 6,4% | 6,6% | 6,8% | 6,4% |
| 2017 | 6,6% | 6,3% | 6,1% | 5,3% | 5,4% | 5,1% | 4,6% | 4,8% | 5,1% | 4,8% | 4,6% | 4,7% | 5,3% |
| 2018 | 4,4% | 4,0% | 3,8% | 4,5% | 4,4% | 4,6% | 5,1% | 4,9% | 4,9% | 5,1% | 5,2% | 4,5% | 4,7% |
| 2019 | 4,0% | 4,1% | 4,5% | 4,4% | 4,5% | 4,5% | 4,0% | 4,3% | 4,1% | 3,7% | 3,6% | 4,0% | 4,1% |
| 2020 | 4,5% | 4,6% | 4,1% | 3,0% | 2,1% | 2,2% | 3,2% | 3,1% | 3,0% | 3,3% | 3,2% | 3,1% | 3,3% |
| 2021 | 3,2% | 2,9% | 3,2% | 4,4% | 5,2% | 4,9% | 4,6% | 4,9% | 5,0% | 5,0% | 5,5% | | |



Provincial annual inflation rates ranged from 5,0% in Northern Cape, Free State and Mpumalange to 5,7% in North West.

Table 4: Provincial Inflation Rates

| Province | Jan 2019 CPI | Apr 2019 CPI | May 2019 CPI | Aug 2019 CPI | Nov 2019 CPI | Jan 2020 CPI | Apr 2020 CPI | Aug 2020 CPI | Nov 2020 CPI | Dec 2020 CPI | Jan 2021 CPI | May 2021 CPI | Aug 2021 CPI | Nov 2021 CPI |
|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Western Cape | 4,6% | 5,2% | 5,4% | 4,9% | 4,1% | 5,1% | 3,6% | 3,8% | 3,7% | 3,7% | 3,6% | 5,4% | 5,2% | 5,7% |
| Eastern Cape | 3,6% | 3,8% | 3,9% | 4,0% | 3,2% | 4,0% | 2,4% | 3,2% | 3,3% | 3,3% | 3,4% | 5,4% | 5,1% | 5,6% |
| Northern Cape | 3,7% | 4,2% | 4,2% | 4,6% | 3,5% | 4,4% | 3,1% | 3,1% | 3,6% | 3,5% | 3,2% | 5,0% | 5,4% | 5,6% |
| Free State | 4,1% | 4,5% | 4,4% | 4,2% | 3,6% | 4,0% | 2,7% | 3,0% | 3,1% | 3,2% | 3,1% | 5,0% | 4,9% | 5,3% |
| KwaZulu-Natal | 3,6% | 3,9% | 4,0% | 4,1% | 3,4% | 4,0% | 3,0% | 2,9% | 3,1% | 3,3% | 3,3% | 5,1% | 5,1% | 5,4% |
| North West | 3,3% | 3,9% | 3,8% | 3,8% | 3,3% | 4,1% | 2,6% | 3,0% | 3,2% | 3,2% | 3,3% | 5,7% | 5,7% | 6,2% |
| Gauteng | 4,1% | 4,2% | 4,4% | 4,1% | 3,4% | 4,4% | 2,8% | 2,7% | 2,9% | 2,8% | 2,9% | 5,3% | 4,8% | 5,5% |
| Mpumalanga | 3,7% | 4,3% | 4,4% | 4,4% | 3,5% | 4,2% | 2,7% | 2,9% | 2,7% | 2,9% | 2,8% | 5,0% | 4,8% | 5,3% |
| Limpopo | 3,5% | 4,4% | 5,0% | 4,7% | 4,1% | 4,7% | 2,8% | 3,1% | 3,4% | 2,9% | 3,6% | 5,6% | 5,1% | 5,7% |

Production Price Index (PPI)

Another important price index is the production price index (PPI). Whereas the consumer price index (CPI) measures the cost of a representative basket of goods and services to the consumer, the PPI measures prices at the level of the first significant commercial transaction. For example, the prices of imported goods are measured at the point where they enter the country and not where they are sold to consumers. Likewise, manufactured goods are priced when they leave the factory, not when they are sold to consumers.

Another important feature of the PPI is that it includes capital and intermediate goods (excluded from the CPI), excludes VAT (included in the CPI) and excludes services (which account for 45% of the CPI basket). The PPI is therefore based on a completely different basket of items than the CPI.

The PPI, which is also estimated and published on a monthly basis by Statistics South Africa, measures the cost of production rather than the cost of living. Unlike the CPI, the PPI therefore cannot be related directly to consumers' living standards. The PPI is nevertheless very useful in the analysis of inflation. Because it measures the cost of production, a significant change in the rate of increase in the PPI is usually an indication that the rate of increase in the CPI will also change a few months later.

The methods used for calculating the rate of increase in the PPI are the same as the methods used for calculating an inflation rate based on the CPI.

Table 5: Average Annual CPI and PPI 2012 to 2020

| | Consumer Price Index (CPI) | Producer Price Index (PPI) |
|--------------------------------|-------------------------------|-------------------------------|
| Average 2012 | 5,6% | |
| Average 2013 | 4,7% | 6,0% |
| Average 2014 | 6,1% | 7,5% |
| Average 2015 | 4,6% | 3,6% |
| Average 2016 | 6,4% | 7,0% |
| Average 2017 | 5,3% | 4,8% |
| Average 2018 | 4,7% | 5,5% |
| Average 2019 | 4,1% | 4,6% |
| Average 2020 | 3,3% | 2,6% |
| Average 2021 over 11 Months | 4,4% | 6,8% |

Key findings for November 2021

Final manufactured goods – headline PPI

Annual producer price inflation (final manufacturing) was 9,6% in November 2021, up from 8,1% in October 2021. The producer price index increased by 1,4% month-on-month in November 2021. The main contributors to the headline PPI annual inflation rate were coke, petroleum, chemical, rubber and plastic products; food products, beverages and tobacco products; and metals, machinery, equipment and computing equipment.

- Coke, petroleum, chemical, rubber and plastic products increased by 22,8% year-on-year and contributed 4,5 percentage points.
- Food products, beverages and tobacco products increased by 5,4% year-on-year and contributed 2,0 percentage points.
- Metals, machinery, equipment and computing equipment increased by 12,6% year-on-year and contributed 1,8 percentage points.

The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 4,0% month-on-month and contributed 0,9 of a percentage point.

Consumer inflation the highest since March 2017

Annual consumer inflation accelerated to its highest reading in more than four-and-a-half years in November, driven mostly by rising transport costs. The annual change in the consumer price index (CPI) was 5,5%, up from 5,0% in October and September. This is the biggest annual increase since March 2017 when the rate was 6,1%.



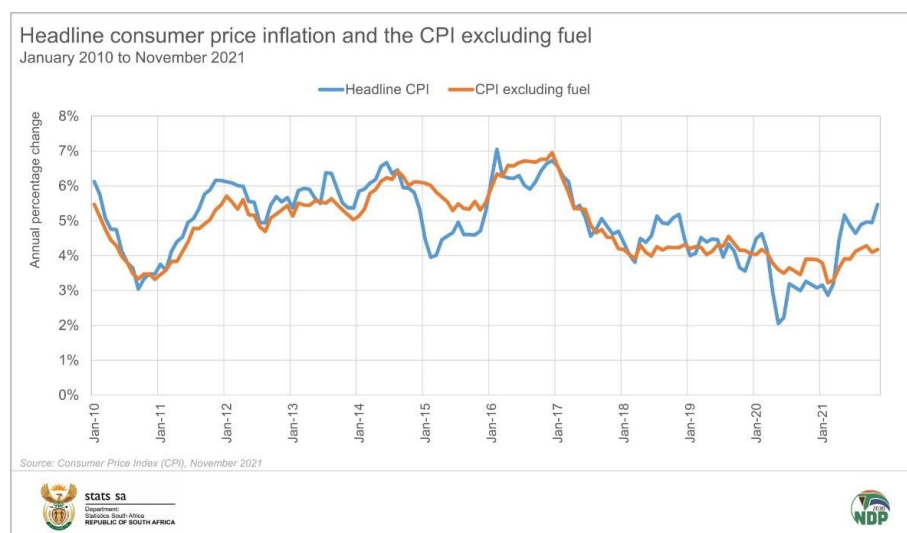
The monthly change in November 2021 was 0,5%.

Transport prices drive inflation higher

The transport category continues to be the major factor behind inflation, recording an annual increase of 15,0% in November. This makes it the only major group in the inflation basket with an annual rate above the 6,0% upper limit of the South African Reserve Bank's monetary policy target range. The transport category was the only contributor to the monthly increase in the CPI and was the largest factor driving the annual change in the index, contributing 2,1 percentage points to the 5,5% annual inflation rate.

Fuel prices increased by 7,1% between October and November, taking the annual rate to 34,5%. The price of inland 95-octane petrol was R19,54 per litre in November 2021 compared with R14,59 in November 2020.¹ The diesel index increased by 35,1% over the same period. The average price of diesel was R18,75 per litre in November 2021 compared with R13,89 per litre in November 2020.

To highlight the impact of fuel prices, the chart below is from a recent Stats SA article on the breakdown of the fuel price², updated with data for October and November 2021. The CPI excluding fuel line shows what overall inflation would be if the influence of fuel was removed. Those periods where headline CPI does not closely follow the CPI excluding fuel indicate a noticeable impact of changing fuel prices on overall inflation.



In 2021, headline inflation was mostly higher than the CPI excluding fuel, indicating the impact of rapidly rising fuel prices. In November, the annual change in the CPI excluding fuel index was 4,2%, lower than the headline rate of 5,5%.

Public transport tariffs recorded a monthly increase of 1,7% and an annual rise of 8,3%. On average, vehicles are 5,6% more expensive than they were in November 2020.

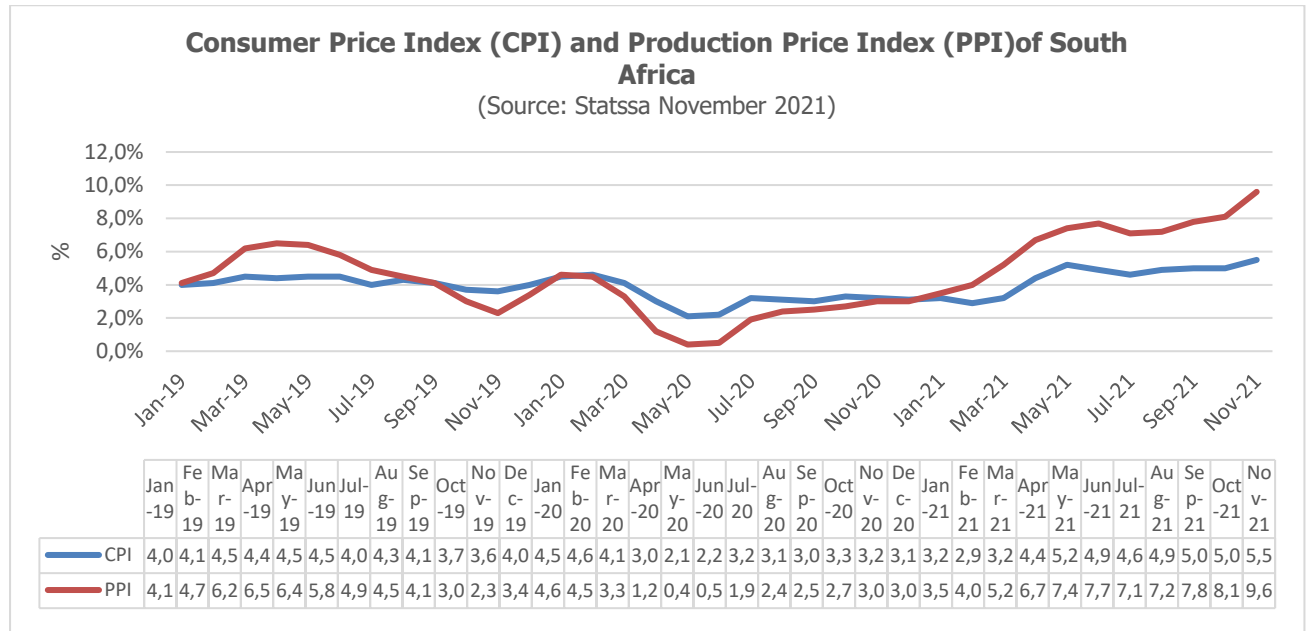
Food inflation slows in November 2021

Prices for food and non-alcoholic beverages recorded an annual increase of 5,5% and a monthly rise of 0,1%. The annual increase is the lowest in 9 months – since February 2021 when the rate was 5,2%.

- Bread and cereal products recorded above average price increases of 0,5% between October and November. White bread prices increased by 1,2% and brown bread by 1,4% in this period.
- Meat inflation slowed for the third consecutive month, recording an annual rise of 8,5%, down from 10,7% recorded in August 2021. Chicken and beef products registered the largest annual increases in November. Price increases were recorded for IQF chicken portions (up 13,7%), chicken giblets (up 7,7%), beef offal (up 14,6%) and beef mince (up 5,1%).
- Oils and fats have been a notable factor behind higher food inflation over the past 12 months. The year-on-year increase of 21,0% in November 2021 is slightly up from the 20,9% recorded in October 2021.
- 'Other' food, which includes condiments, spices and baby food, has seen a steady increase in its annual rate to reach 6,1% in November from a low of 1,5% in February this year. Specific

products showing large annual increases are soup powder (7,0%), spices (7,4%), salt (9,8%), mayonnaise (13,7%) and vinegar (9,7%).

Figure 4: South Africa's Consumer Price Index (CPI) and Production Price index (PPI) January 2019 to November 2021



Employment

Q3 2021: Highlights of the labour force in Q3 2021

South Africa Jobless Rate Hits New Record High in Q3 2021

South Africa's unemployment rate rose to 34.9% in the third quarter of 2021, up from 34.4% in the previous period. It was the highest jobless rate since comparable data began in 2008, on the back of the July unrests and the still stringent lockdown.

The number of unemployed persons fell by 183 thousand to 7.6 million, but employment slumped by 660 thousand to 14.2 million and the labour force plunged by 842 thousand to 21.9 million.

Job losses were concentrated in the trade sector (-309 thousand), community and social services (-210 thousand), construction (-65 thousand), private households (-65 thousand) and mining (-54 thousand), while the finance sector posted the only increase (+138 thousand).

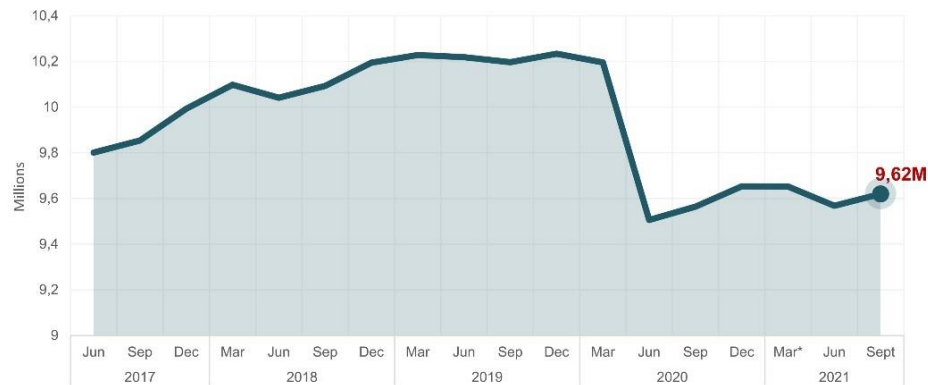
The expanded definition of unemployment, including people who have stopped looking for work, was at 46.6%, up from 44.4% in the second quarter. The youth unemployment rate, measuring job-seekers between 15 and 24 years old, hit a new record high of 66.5%.

Jobs increase in formal non-agricultural sector in Q3: 2021

Jobs in the formal non-agricultural sector increased by 52 000 in the third quarter of 2021, bringing the total number of persons employed in the formal non-agricultural sector in South Africa to approximately 9,62 million. According to the Quarterly Employment Statistics (QES, Q3:2021) survey released by Statistics South Africa (Stats SA), year-on-year, formal sector jobs increased by 54 000.

Jobs in the formal non-agricultural sector increased by 52 000 in the third quarter of 2021. (total number of persons employed in the formal non-agricultural sector in South Africa to approximately 9,62 million.)

Number of employees time-series from Q2:2017 to Q3:2021



Total employment increased by 52 000 (0,5%) quarter-on-quarter, from 9 568 000 in June 2021 to 9 620 000 in September 2021. This was largely due to increases in the following industries: community services (63 000 or 2,3%), mining (7 000 or 1,5%) and transport (1 000 or 0,2%). The electricity industry reported no quarterly change. However, there were decreases in the following industries: trade (-13 000 or -0,6%), business services (-3 000 or -0,1%), manufacturing (-2 000 or -0,2%) and construction (-1 000 or -0,2%).

Total employment increased by 56 000 (0,6%) year-on-year between September 2020 and September 2021.

Full-time employment decreased by 35 000 (-0,4%) quarter-on-quarter, from 8 579 000 in June 2021 to 8 544 000 in September 2021. This was largely due to decreases in the following industries: community services (-26 000 or -1,1%), trade (-12 000 or -0,6%), construction (-3 000 or -0,7%) and business services (-1 000 or -0,1%). The manufacturing, electricity and transport industries reported no quarterly change. However, the mining industry reported an increase of 7 000 employees or 1,5%.

Full-time employment decreased by 77 000 (-0,9%) year-on-year between September 2020 and September 2021.

Part-time employment increased by 87 000 (8,8%) quarter-on-quarter, from 989 000 in June 2021 to 1 076 000 in September 2021. This was largely due to increases in the following industries: community services (89 000 or 21,9%), construction (2 000 or 3,1%) and transport (1 000 or 5,0%). The electricity industry reported no quarterly change. However, there were decreases in the following industries: manufacturing (-2 000 or -2,8%), business services (-2 000 or -0,9%) and trade (-1 000 or -0,5%).

Part-time employment increased by 133 000 (14,1%) year-on-year between September 2020 and September 2021.

Gross earnings paid to employees increased by R26 billion (3,6%) from R721 billion in June 2021 to R747 billion in September 2021. This was largely due to increases in the following industries:

community services, business services, mining, construction and manufacturing. However, there were decreases in the following industries: transport, electricity and trade.



Year-on-year, total gross earnings increased by R66,3 billion (9,7%) between September 2020 and September 2021.

Basic salary/wages paid to employees increased by R21,7 billion (3,3%) from R659,8 billion in June 2021 to R681,5 billion in September 2021. This was largely due to increases in the following industries: community services, mining, business services, construction, manufacturing and transport. However, there were decreases in the trade and electricity industries.

Year-on-year, basic salary/wages increased by R49,7 billion (7,9%) between September 2020 and September 2021.

Bonus and overtime paid to employees increased by R4,2 billion (6,9%) from R61,1 billion in June 2021 to R65,3 billion in September 2021. This was largely due to increases in the following industries: business services, manufacturing and trade. However, there were decreases in the following industries: transport, community services, electricity and construction.

Year-on-year, bonus and overtime payments increased by R16,5 billion (33,9%) between September 2020 and September 2021.

There was a quarter-on-quarter increase of 1,6% in average monthly earnings paid to employees in the formal non-agricultural sector from R23 681 in May 2021 to R24 051 in August 2021.

Year-on-year, average monthly earnings paid to employees in the formal non-agricultural sector increased by 6,5%.

Table 6: Employment by Province

| Province | Jul-Sep 2020 | Apr-Jun 2021 | Jul-Sep 2021 | Qtr-to-qtr change | Year-on-year change | Qtr-to-qtr change | Year-on-year change |
|---------------------|---------------|---------------|---------------|-------------------|---------------------|-------------------|---------------------|
| | Thousand | | | | Per cent | | |
| South Africa | 14 691 | 14 942 | 14 282 | -660 | -409 | -4,4 | -2,8 |
| Western Cape | 2 216 | 2 256 | 2 225 | -31 | 9 | -1,4 | 0,4 |
| Eastern Cape | 1 212 | 1 235 | 1 216 | -19 | 4 | -1,5 | 0,3 |
| Northern Cape | 287 | 256 | 275 | 19 | -11 | 7,3 | -4,0 |
| Free State | 723 | 723 | 720 | -3 | -3 | -0,4 | -0,5 |
| KwaZulu-Natal | 2 389 | 2 421 | 2 297 | -123 | -91 | -5,1 | -3,8 |
| North West | 930 | 979 | 851 | -128 | -80 | -13,1 | -8,6 |
| Gauteng | 4 506 | 4 648 | 4 448 | -200 | -58 | -4,3 | -1,3 |
| Mpumalanga | 1 161 | 1 166 | 1 104 | -62 | -57 | -5,3 | -4,9 |
| Limpopo | 1 266 | 1 257 | 1 145 | -112 | -121 | -8,9 | -9,6 |

Due to rounding, numbers do not necessarily add up to totals.

The number of employed persons decreased in eight provinces between Q2: 2021 and Q3: 2021.

The largest employment decreases were recorded in

- Gauteng (down by 200 000),
- North West (down by 128 000),
- KwaZulu-Natal (down by 123 000) and
- Limpopo (down by 112 000).

Employment gains were only recorded in Northern Cape at 19 000 during the same period.

North West had the biggest change in employment with a decrease of 13,1%, followed by Limpopo with a decrease of 8,9%.

EC, LP and NW recorded expanded unemployment rates above 50,0% in Q3:2021. *NC and LP have more than 20,0 percentage points difference between their expanded and official unemployment rates.*

Provincial unemployment rate: Official vs Expanded Q3:2021

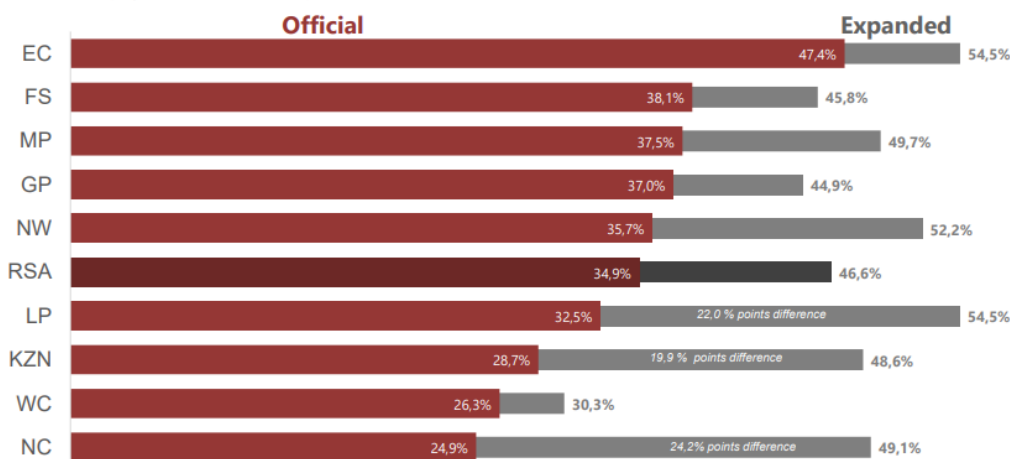


Table 7: Work Location by Province Q2 2021 and Q3 2021

| Province | Apr-Jun 2021 | | | Jul-Sep 2021 | | | Apr-Jun 2021 | Jul-Sep 2021 | Qtr-to-qtr change (%) |
|---------------------|---------------------|----------------|---------------|---------------------|----------------|---------------|-----------------------------|-----------------------------|-----------------------|
| | Usual place of work | Work from home | Total | Usual place of work | Work from home | Total | % worked from home Q2: 2021 | % worked from home Q3: 2021 | |
| | Thousand | | | Thousand | | | % | | |
| Western Cape | 1 436 | 250 | 1 687 | 1 499 | 276 | 1 775 | 14,8 | 15,6 | 0,7 |
| Eastern Cape | 749 | 74 | 823 | 881 | 52 | 933 | 9,0 | 5,5 | -3,4 |
| Northern Cape | 180 | 6 | 186 | 201 | 5 | 206 | 3,2 | 2,6 | -0,6 |
| Free State | 571 | 25 | 596 | 564 | 38 | 602 | 4,1 | 6,3 | 2,2 |
| KwaZulu-Natal | 2 082 | 65 | 2 147 | 1 958 | 93 | 2 051 | 3,0 | 4,5 | 1,5 |
| North West | 484 | 28 | 511 | 501 | 13 | 514 | 5,5 | 2,4 | -3,0 |
| Gauteng | 3 817 | 312 | 4 129 | 3 462 | 379 | 3 841 | 7,6 | 9,9 | 2,3 |
| Mpumalanga | 1 089 | 44 | 1 133 | 1 027 | 48 | 1 075 | 3,9 | 4,4 | 0,5 |
| Limpopo | 1 042 | 42 | 1 084 | 978 | 32 | 1 010 | 3,8 | 3,1 | -0,7 |
| South Africa | 11 450 | 846 | 12 296 | 11 072 | 936 | 12 008 | 6,9 | 7,8 | 0,9 |

The proportion of those who worked from home was higher in Western Cape and Gauteng than in the other provinces. There was an increase in the proportion of workers who worked from home in most provinces in Q3: 2021 compared to Q2: 2021. Only Eastern Cape, Northern Cape, North West and Limpopo recorded decreases in this regard.

Table 8: Unemployment Rate by Province

| | Official unemployment rate | | | | | Expanded unemployment rate | | | | |
|---------------------|----------------------------|--------------|--------------|-------------------|---------------------|----------------------------|--------------|--------------|-------------------|---------------------|
| | Jul-Sep 2020 | Apr-Jun 2021 | Jul-Sep 2021 | Qtr-to-qtr change | Year-on-year change | Jul-Sep 2020 | Apr-Jun 2021 | Jul-Sep 2021 | Qtr-to-qtr change | Year-on-year change |
| | Per cent | | | Percentage points | | Per cent | | | Percentage points | |
| | | | | | | | | | | |
| South Africa | 30,8 | 34,4 | 34,9 | 0,5 | 4,1 | 43,1 | 44,4 | 46,6 | 2,2 | 3,5 |
| Western Cape | 21,6 | 25,8 | 26,3 | 0,5 | 4,7 | 29,1 | 29,1 | 30,3 | 1,2 | 1,2 |
| Eastern Cape | 45,8 | 47,1 | 47,4 | 0,3 | 1,6 | 51,2 | 53,0 | 54,5 | 1,5 | 3,3 |
| Northern Cape | 23,1 | 28,1 | 24,9 | -3,2 | 1,8 | 44,0 | 50,3 | 49,1 | -1,2 | 5,1 |
| Free State | 35,5 | 36,5 | 38,1 | 1,6 | 2,6 | 42,6 | 45,2 | 45,8 | 0,6 | 3,2 |
| KwaZulu-Natal | 26,4 | 32,5 | 28,7 | -3,8 | 2,3 | 47,5 | 47,1 | 48,6 | 1,5 | 1,1 |
| North West | 28,3 | 35,2 | 35,7 | 0,5 | 7,4 | 46,5 | 46,9 | 52,2 | 5,3 | 5,7 |
| Gauteng | 33,7 | 35,4 | 37,0 | 1,6 | 3,3 | 41,0 | 42,7 | 44,9 | 2,2 | 3,9 |
| Mpumalanga | 27,8 | 35,2 | 37,5 | 2,3 | 9,7 | 45,6 | 46,5 | 49,7 | 3,2 | 4,1 |
| Limpopo | 26,3 | 30,4 | 32,5 | 2,1 | 6,2 | 46,9 | 49,9 | 54,5 | 4,6 | 7,6 |

The official unemployment rate increased by 0,5 of a percentage point to 34,9% in Q3: 2021 compared to Q2: 2021.

The official unemployment rate increased in all provinces except KwaZulu-Natal and Northern Cape, where it decreased by 3,8 percentage points and 3,2 percentage points, respectively. The largest increases were recorded in Mpumalanga (up by 2,3 percentage points), followed by Limpopo (up by 2,1 percentage points), Gauteng and Free State (up by 1,6 percentage points each). Eastern Cape recorded the least increase of 0,3 of a percentage point.

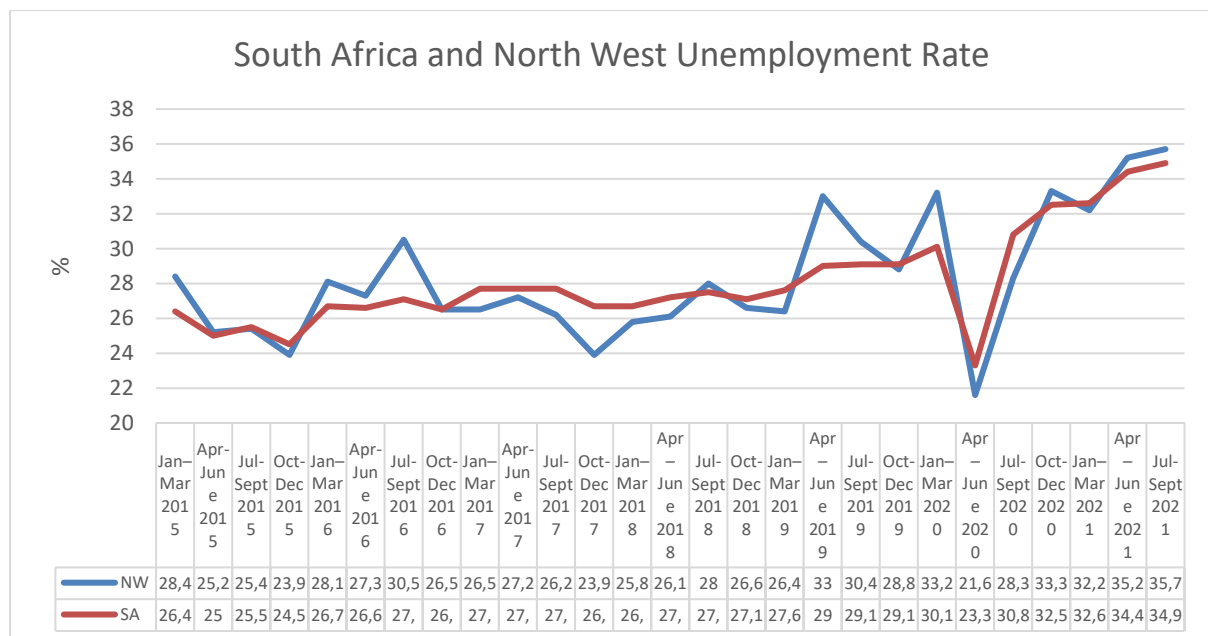
Year-on-year, the official unemployment rate increased by 4,1 percentage points. The official unemployment rate increased in all the nine provinces, with the largest increase recorded in Mpumalanga (up by 9,7 percentage points), followed by North West (up by 7,4 percentage points), Limpopo (up by 6,2 percentage points) and Western Cape (up by 4,7 percentage points). Eastern

Cape recorded the lowest increase of 1,6 percentage points in the official unemployment rate during the same period.

The **expanded unemployment rate** increased by 2,2 percentage points in **Q3: 2021 compared to Q2: 2021**. This is reflective of the fact that people were available for work but did not actively look for work. Eight provinces recorded an increase in the expanded unemployment rate. Northern Cape recorded a decline in expanded unemployment rate, where it decreased by 1,2 percentage points. **The largest increase was recorded in North West (up by 5,3 percentage points)**, followed by Limpopo (up by 4,6 percentage points), Mpumalanga (up by 3,2 percentage points) and Gauteng (up by 2,2 percentage points).

Compared to the **same period last year**, the expanded unemployment rate increased by 3,5 percentage points in Q3: 2021. All provinces recorded increases in the expanded unemployment rate. The largest increase in the expanded unemployment rate was recorded in Limpopo (up by 7,6 percentage points), followed by North West (up by 5,7 percentage points each), Northern Cape (up by 5,1 percentage points), Mpumalanga (up by 4,1 percentage points) and Gauteng (up by 3,9 percentage points).

Figure 4: South Africa and North West Unemployment Rate (Source: Statssa Q3 2021)



2.3 North West Province Economic Overview

2.3.1 North West Key Economic Indicators Compared to South Africa

The table below summarises the key demographic and socio-economic characteristics for the NWP and its four district municipalities' in context of the South African picture with regards to demographics, development, household infrastructure, labour, income and expenditure, economy, tourism and international trade as per the 2021 IHS Global Insight Indicators.

The NW region covers approximately 104 882 square kilometres, comprising 8.6% of the national area. The NWP is not densely populated when compared to the national population density. The NWP houses approximately 7,0% of the country's total population.

Table 8: KEY INDICATORS: South Africa, North West Province and NW District Municipalities (2021)

| KEY INDICATORS: South Africa, North West Province and NW District Municipalities (2021) | | | | | | | |
|---|--|------------|------------|-------------|------------------------|------------------------------|----------------------|
| (Source:IHS Markit; Regional eXplorer 2175 (2.6p);October 2021) | | | | | | | |
| | | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
| Size of Area | (km ²) | 1 221 246 | 104 882 | 18 333 | 28 114 | 43 764 | 14 671 |
| | % Share of Region | | 8,6% | 17,5% | 26,8% | 41,7% | 14,0% |
| Demographic | Total population | 59 646 053 | 4 095 248 | 1 820 994 | 953 420 | 517 562 | 803 272 |
| | % Share of Region | | 6,9% | 44,5% | 23,3% | 12,6% | 19,6% |
| | Population Growth rate (%) 2020 | 1,5% | 1,5% | 1,6% | 1,4% | 1,3% | 1,4% |
| | Number of Households | 16 820 584 | 1 226 035 | 587 937 | 261 720 | 142 422 | 233 956 |
| Development | Human Development Index (HDI) | 0,66 | 0,63 | 0,65 | 0,59 | 0,56 | 0,66 |
| | Gini coefficient | 0,64 | 0,63 | 0,62 | 0,62 | 0,62 | 0,63 |
| | Poverty indicators | | | | | | |
| | People below the food poverty line (StatsSA defined) | 19 396 783 | 1 304 752 | 480 348 | 365 801 | 210 392 | 248 211 |
| | % | 32,5% | 31,9% | 26,4% | 38,4% | 40,7% | 30,9% |
| | % Increase 2018 to 2019 | 4,09% | 4,45% | 5,05% | 4,19% | 3,75% | 4,29% |
| | % Increase 2019 to 2020 | 10,41% | 10,76% | 12,29% | 9,52% | 9,17% | 11,05% |
| | Highest level of education: age 20+; Matric only | 12 010 795 | 766 043 | 404 222 | 142 729 | 66 269 | 152 823 |
| | Population density (number of people per km ²) | 48,84 | 39,05 | 99,33 | 33,91 | 11,83 | 54,75 |
| Urban Population Rate (%) | 65,1% | 47,0% | 39,5% | 29,2% | 39,7% | 90,2% | |

The NW shows improvement in most of the *developmental indicators* (2009 used as baseline). Most notable is the improvement in the Human Development Index (HDI) currently at 0.63 up 0.52 in 2009. Similar improvements are seen in both the number and percentage of people below the food poverty line (StatsSA defined). Improvements in all measures relating to schooling and education are also reported.

| | | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
|---------------------------------|--|-----------|------------|-------------|------------------------|------------------------------|----------------------|
| Household Infrastructure | Share of household occupying formal dwellings (2020) | 79,3% | 79,5% | 74,0% | 82,0% | 88,1% | 85,3% |
| Labour | EAP as % of total population, official definition 2020 | 37,1% | 32,1% | 35,4% | 27,6% | 24,4% | 35,1% |
| | Unemployment rate, official definition (%) | 29,9% | 31,1% | 41,6% | 20,3% | 22,2% | 20,8% |
| | Youth Unemployment rate (Aged 15-24) (Official Definition) | 59,5% | 63,6% | 75,8% | 51,7% | 49,8% | 49,5% |
| Income & Expenditure | Annual total personal income (R million, current prices) | 3 977 123 | 251 077 | 123 880 | 45 316 | 22 525 | 59 356 |
| | Annual per capita income (Rand, current prices) | 66 679 | 61 309 | 68 029 | 47 530 | 43 521 | 73 893 |
| | Annual per household income (Rand, current prices) | 236 444 | 204 788 | 210 703 | 173 146 | 158 157 | 253 705 |
| | Index of buying power | 100,0% | 5,8% | 2,8% | 1,1% | 0,6% | 1,3% |

(Source:IHS Markit; Regional eXplorer 2175 (2.6p);October 2021)

The *Index of Buying Power* has also increased for the NW province. IHS Global Insight's Index of Buying Power (IBP) indicates that 5,8% of the country's spending power is located in the NW. Income levels in the NWP are below the national average (which is to be expected for the more rural areas in South Africa). The unemployment rate is slightly higher than that of the national average, while the percentage of people living in poverty is marginally lower than the national average. The NWP has a share of approximately 5.4% of national employment.

The NWP is a large and significant local economy in the South African economic context. North West mining GVA-R contributes approximately (R86,7bn) 29,9% to the total industries GVA (Current prices) in the province and 24,4% to national mining GDP and 14.0% to North West formal employment (122 000 jobs) and 32,7% to national mining employment. (Source:IHS Markit; Regional eXplorer 2175 (2.6p);October 2021) and Statssa Q3 2021)

| | | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
|-----------------|--|---------------|-------------|-------------|------------------------|------------------------------|----------------------|
| Economic | GVA-R Current prices (R 1000) | 4 997 872 091 | 289 926 170 | 144 235 421 | 56 142 185 | 22 658 634 | 66 889 929 |
| | GVA-R Constant 2015 prices (R 1000) | 3 879 359 729 | 193 302 945 | 84 853 404 | 41 661 103 | 16 762 918 | 50 025 519 |
| | GVA-R Constant 2015 prices (R 1000) Avg Annual Growth 2020 | -5,9% | -7,1% | -12,4% | -2,5% | -2,3% | -2,6% |
| | GVA-R Constant 2015 prices (R 1000) Avg Annual Growth 2021 | 5,0% | 6,2% | 8,0% | 4,7% | 4,4% | 4,8% |
| | Sector's share of regional total (%) 2020 | SA | NW | BPDM | NMMDM | DRSMDM | DKKDM |
| | Agriculture | 2,8% | 3,3% | 1,2% | 5,5% | 9,2% | 4,1% |
| | Mining | 7,1% | 29,9% | 53,6% | 5,7% | 5,3% | 7,6% |
| | Manufacturing | 13,0% | 5,3% | 5,6% | 5,3% | 3,3% | 5,2% |

| | | | | | | |
|---|---------------|-------------|-------------|------------------------|------------------------------|----------------------|
| Electricity | 3,1% | 3,2% | 2,4% | 5,0% | 3,5% | 3,6% |
| Construction | 2,7% | 1,8% | 1,2% | 2,1% | 2,6% | 2,6% |
| Trade | 13,2% | 10,3% | 7,4% | 11,5% | 13,5% | 14,4% |
| Transport | 7,4% | 4,7% | 3,1% | 6,0% | 6,6% | 6,5% |
| Finance | 24,3% | 16,0% | 12,0% | 17,4% | 22,2% | 21,4% |
| Community services | 26,4% | 25,5% | 13,6% | 41,5% | 33,8% | 34,8% |
| Total Industries | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% |
| GDP-R Current prices (R 1000) | 5 521 075 091 | 321 279 589 | 157 732 580 | 62 934 922 | 25 448 984 | 75 163 103 |
| GDP-R Constant 2015 prices (R 1000) | 4 279 646 860 | 214 550 333 | 93 088 724 | 46 594 437 | 18 784 095 | 56 083 077 |
| GDP-R Constant 2015 prices Avg Annual Growth 2020 | -6,4% | -7,9% | -13,1% | -3,6% | -3,5% | -3,5% |
| GDP-R Constant 2015 prices Avg Annual Growth 2021 | 5,0% | 6,3% | 7,7% | 5,1% | 5,0% | 5,4% |
| GDP-R per Capita Current prices | 92 564 | 78 452 | 86 619 | 66 010 | 49 171 | 93 571 |
| GDP-R per Capita Constant Prices 2015 | 71 751 | 52 390 | 51 120 | 48 871 | 36 293 | 69 818 |
| Tress index | 46,40 | 52,56 | 67,65 | 51,97 | 51,31 | 51,32 |
| Location quotient | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
| Agriculture | 1,00 | 1,18 | 0,41 | 1,96 | 3,29 | 1,46 |
| Mining | 1,00 | 4,23 | 7,58 | 0,80 | 0,75 | 1,07 |
| Manufacturing | 1,00 | 0,41 | 0,43 | 0,41 | 0,26 | 0,40 |
| Electricity | 1,00 | 1,03 | 0,75 | 1,58 | 1,11 | 1,13 |
| Construction | 1,00 | 0,67 | 0,44 | 0,80 | 0,96 | 0,96 |
| Trade | 1,00 | 0,78 | 0,56 | 0,87 | 1,02 | 1,09 |
| Transport | 1,00 | 0,64 | 0,42 | 0,81 | 0,90 | 0,88 |
| Finance | 1,00 | 0,66 | 0,49 | 0,72 | 0,91 | 0,88 |
| Community services | 1,00 | 0,96 | 0,52 | 1,57 | 1,28 | 1,32 |
| Total Industries | 1,00 | 1,00 | 1,00 | 1,00 | 1,00 | 1,00 |

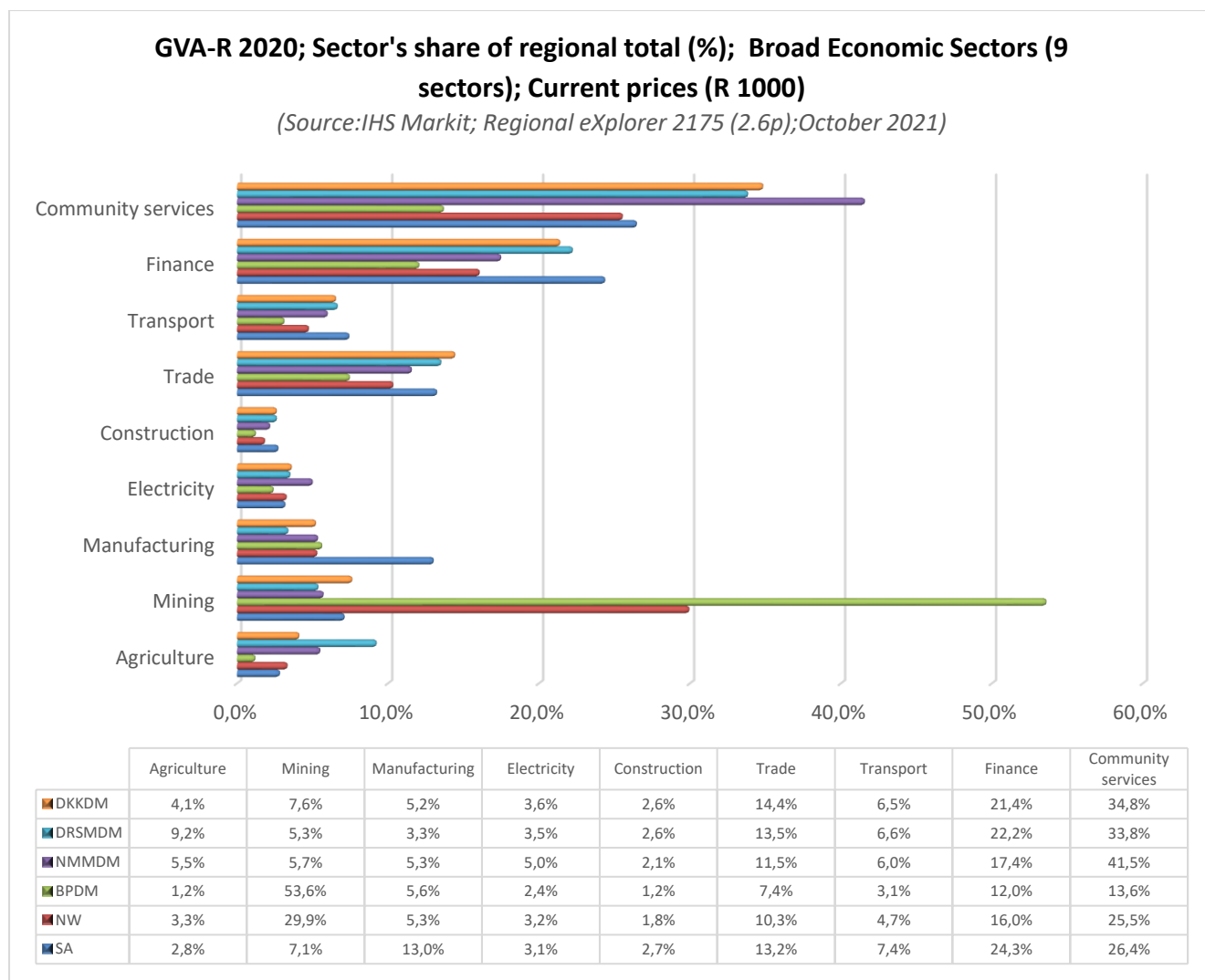
(Source:IHS Markit; Regional eXplorer 2175 (2.6p);October 2021)

The *Gini coefficient* indicates that the level of equality is decreasing from 0,60 in 2009 to 0.63 in 2020 of the North West province. This is a trend for South Africa and the District Municipalities as well.

With regards to the economy, the *Tress index* provides insight into the level of concentration (or diversification) within an economic region. A Tress index value of 0 means that all economic sectors in the region contribute *equally* to GVA, whereas a Tress index of 1 means that only one economic

sector makes up the whole GVA of the region. In the table above it is clear that the NW province is one of the most concentrated economies in the country due to the mining sector.

Figure 6: Sector share contribution of the nine (9) broad economic sectors to the economy of the North West Province and the NW District Municipalities 2020



Total Tourism spend as % of GDP (Current prices) is 1,5% for the North West province but higher in Bojanala at 1,9% where the Pilanesberg Game Reserve is located. It is clear from the 2020 figures that domestic tourism is decreasing and international tourism is increasing. The increase in international Tourism was adversely affected by the COVID-19 Pandemic as international tourism was restricted.

The table below indicates the impact of COVID-19 on the Tourism sector when comparing 2019 and 2020 figures.

Table 10: Tourism Statistics 2019 and 2020 Compared

| Number of Trips by Purpose of trip | SA | NW | BPDM | NMMDM | DRSMMDM | DKKDM |
|--------------------------------------|------------|-----------|---------|---------|---------|---------|
| Leisure / Holiday 2019 | 10 610 525 | 684 489 | 492 217 | 53 173 | 31 061 | 108 038 |
| Business 2019 | 3 241 022 | 152 160 | 85 616 | 20 258 | 9 503 | 36 783 |
| Visits to friends and relatives 2019 | 26 916 428 | 1 977 918 | 866 043 | 454 230 | 307 905 | 349 739 |
| Other (Medical, Religious, etc) 2019 | 3 895 859 | 170 916 | 60 459 | 33 293 | 27 678 | 49 486 |

| | | | | | | |
|--|-------------|------------|-----------|-----------|-----------|-----------|
| Total 2019 | 44 663 835 | 2 985 483 | 1 504 336 | 560 954 | 376 147 | 544 046 |
| Leisure / Holiday 2020 | 3 790 723 | 268 626 | 196 083 | 20 076 | 12 037 | 40 431 |
| Business 2020 | 963 794 | 49 706 | 28 375 | 6 645 | 3 201 | 11 484 |
| Visits to friends and relatives 2020 | 8 742 114 | 641 347 | 285 998 | 144 968 | 102 653 | 107 728 |
| Other (Medical, Religious, etc) 2020 | 1 280 309 | 56 032 | 19 844 | 10 654 | 9 273 | 16 261 |
| Total 2020 | 14 776 939 | 1 015 711 | 530 300 | 182 343 | 127 164 | 175 903 |
| Number of Trips by Origin of tourist | SA | North-West | BPDM | NMMDM | DRSMDM | DKKDM |
| Domestic tourists 2019 | 34 941 101 | 2 322 187 | 1 102 043 | 471 764 | 334 910 | 413 469 |
| Domestic tourists 2020 | 11 549 272 | 796 826 | 399 020 | 152 705 | 113 206 | 131 896 |
| International tourists 2019 | 9 722 733 | 663 296 | 402 292 | 89 190 | 41 237 | 130 577 |
| International tourists 2020 | 3 227 668 | 218 884 | 131 280 | 29 638 | 13 958 | 44 008 |
| Total tourists 2019 | 44 663 835 | 2 985 483 | 1 504 336 | 560 954 | 376 147 | 544 046 |
| Total tourists 2020 | 14 776 939 | 1 015 711 | 530 300 | 182 343 | 127 164 | 175 903 |
| Bednights by Origin of Tourist | SA | North-West | BPDM | NMMDM | DRSMDM | DKKDM |
| Domestic tourists 2019 | 138 668 418 | 8 322 610 | 3 950 490 | 1 691 114 | 1 200 565 | 1 480 441 |
| Domestic tourists 2020 | 42 850 737 | 2 576 304 | 1 289 291 | 493 427 | 365 770 | 427 817 |
| International tourists 2019 | 108 073 653 | 4 542 653 | 2 775 757 | 614 159 | 275 121 | 877 616 |
| International tourists 2020 | 35 543 721 | 1 402 205 | 854 369 | 190 425 | 84 712 | 272 700 |
| Total tourists 2019 | 246 742 071 | 12 865 264 | 6 726 247 | 2 305 274 | 1 475 686 | 2 358 057 |
| Total tourists 2020 | 78 394 458 | 3 978 509 | 2 143 660 | 683 851 | 450 481 | 700 517 |
| Total Tourist Spending (R 1000, Current prices) 2019 | 317 076 902 | 14 700 133 | 7 983 487 | 2 551 550 | 1 076 015 | 3 089 080 |
| Total Tourist Spending (R 1000, Current prices) 2020 | 95 784 066 | 4 955 294 | 3 007 206 | 731 758 | 321 523 | 894 808 |
| 2019 Growth in Tourism (using bednights) by origin | SA | North-West | BPDM | NMMDM | DRSMDM | DKKDM |
| Domestic tourists | 25,4% | 26,3% | 25,7% | 26,5% | 27,1% | 27,2% |
| International tourists | -2,0% | -7,9% | -8,2% | -7,7% | -8,9% | -6,5% |
| Total tourists | 11,8% | 11,7% | 9,1% | 15,1% | 18,4% | 12,1% |
| 2020 Growth in Tourism (using bednights) by origin | | | | | | |
| Domestic tourists | -69,1% | -69,0% | -67,4% | -70,8% | -69,5% | -71,1% |
| International tourists | -67,1% | -69,1% | -69,2% | -69,0% | -69,2% | -68,9% |
| Total tourists | -68,2% | -69,1% | -68,1% | -70,3% | -69,5% | -70,3% |
| Total Tourist spend as % of GDP (Current prices) 2019 | 5,7% | 4,6% | 5,2% | 4,1% | 4,3% | 4,1% |
| Total Tourist spend as % of GDP (Current prices) 2020 | 1,7% | 1,5% | 1,9% | 1,2% | 1,3% | 1,2% |
| Average Tourist spend per resident capita (Rand, Current prices) 2019 | 5 394 | 3 643 | 4 456 | 2 714 | 2 106 | 3 898 |
| Average Tourist spend per resident capita (Rand, Current prices) 2020 | 1 606 | 1 210 | 1 651 | 768 | 621 | 1 114 |

(Source: IHS Markit: Regional eXplorer 2175 (2.6p) October 2021)

Table 11: International Trade Statistics 2019

| International Trade | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
|---------------------|---------------|-------------|-------------|------------------------|------------------------------|----------------------|
| Exports (R 1000) | 1 303 145 000 | 103 481 541 | 99 706 431 | 1 578 683 | 739 218 | 1 457 209 |
| Imports (R 1000) | 1 263 823 999 | 6 242 868 | 3 261 084 | 264 466 | 183 628 | 2 533 690 |

| | | | | | | |
|------------------------------|---------------|-------------|-------------|-----------|---------|------------|
| Total Trade (R 1000) | 2 566 968 999 | 109 724 410 | 102 967 515 | 1 843 149 | 922 846 | 3 990 899 |
| Trade Balance (R 1000) | 39 321 000 | 97 238 673 | 96 445 347 | 1 314 217 | 555 590 | -1 076 481 |
| Exports as % of GDP | 23,2% | 32,7% | 64,5% | 2,6% | 2,9% | 2,0% |
| Total trade as % of GDP | 45,8% | 34,7% | 66,6% | 3,0% | 3,7% | 5,3% |
| Regional share - Exports | 100,0% | 7,9% | 7,7% | 0,1% | 0,1% | 0,1% |
| Regional share - Imports | 100,0% | 0,5% | 0,3% | 0,0% | 0,0% | 0,2% |
| Regional share - Total Trade | 100,0% | 4,3% | 4,0% | 0,1% | 0,0% | 0,2% |

(Source: IHS Markit: Regional eXplorer 2175 (2.6p) October 2021)

Table 12: International Trade Statistics 2020

| International Trade | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
|------------------------------|---------------|------------|-------------|------------------------|------------------------------|----------------------|
| Exports (R 1000) | 1 394 345 999 | 9 936 026 | 6 189 990 | 2 356 350 | 260 438 | 1 129 247 |
| Imports (R 1000) | 1 109 458 999 | 5 760 462 | 2 610 311 | 506 784 | 153 435 | 2 489 932 |
| Total Trade (R 1000) | 2 503 804 998 | 15 696 488 | 8 800 302 | 2 863 134 | 413 873 | 3 619 179 |
| Trade Balance (R 1000) | 284 887 001 | 4 175 564 | 3 579 679 | 1 849 566 | 107 003 | -1 360 684 |
| Exports as % of GDP | 25,3% | 3,1% | 3,9% | 3,7% | 1,0% | 1,5% |
| Total trade as % of GDP | 45,3% | 4,9% | 5,6% | 4,5% | 1,6% | 4,8% |
| Regional share - Exports | 100,0% | 0,7% | 0,4% | 0,2% | 0,0% | 0,1% |
| Regional share - Imports | 100,0% | 0,5% | 0,2% | 0,0% | 0,0% | 0,2% |
| Regional share - Total Trade | 100,0% | 0,6% | 0,4% | 0,1% | 0,0% | 0,1% |

(Source: IHS Markit: Regional eXplorer 2175 (2.6p) October 2021)

Exports from the Province are low as per the statistics above. This can be attributed to the fact that most of the exporters in the North West have their Head Quarters in other provinces and the exports are recorded there. The province had a healthy positive export balance which indicates more exports than imports. Please see more information in the section on trade.

Comparing 2019 export figures of the North West province to 2017, North West exports increased from approximately R24 bn to approximately R103 bn representing 32,7% of the GDP of the North West province, compared to 8.9% in 2017. Imports remained at about R6 bn. R88,7bn of the exports were from Rustenburg and R10,9 bn from Madibeng and was mostly represented by precious metals.

Comparing 2020 export figures of the North West province to 2019, North West Exports decreased to R9,9bn representing only 3,1% of the GDP of the North West province. R3,3bn of exports was from Rustenburg and R2,8bn Madibeng. The recording of the province from where the exports of mining related products take place seems to be the root cause of this dramatic change in export figures of the North West province as well as Rustenburg and Madibeng.

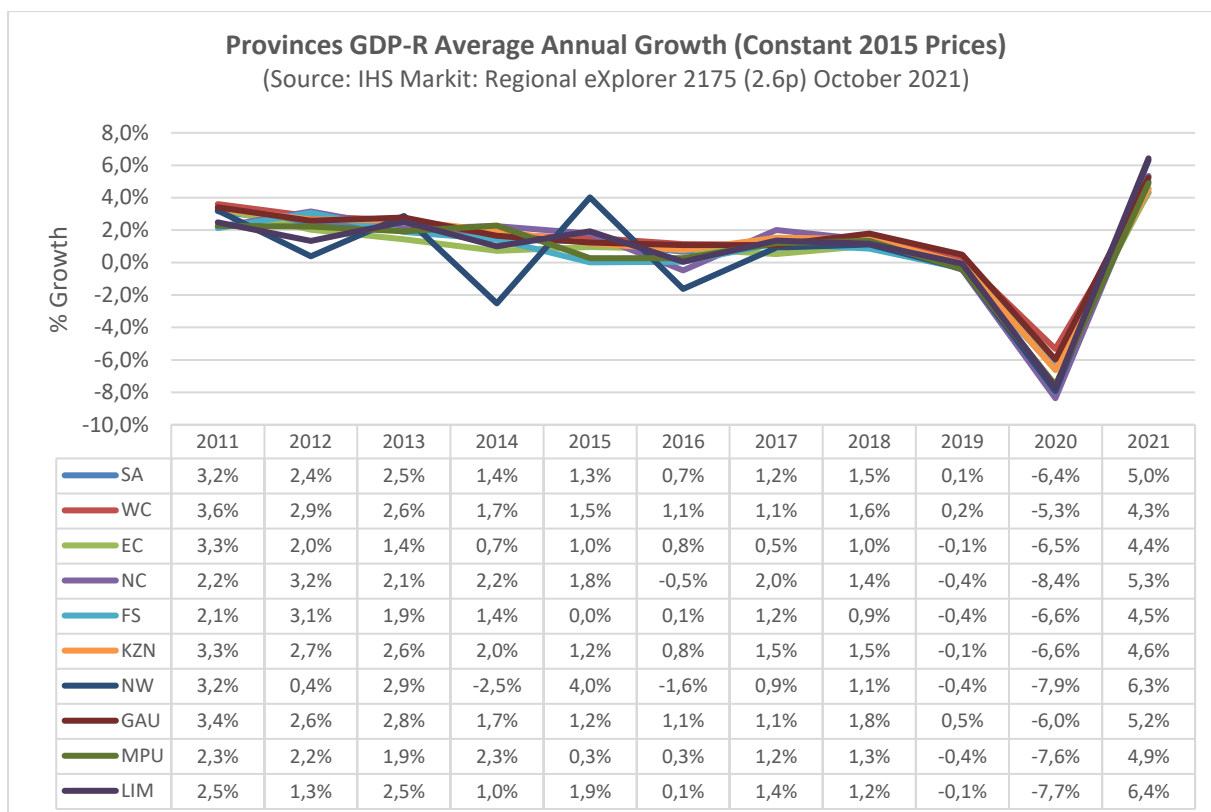
Table 13: Areas with location quotients ≥ 1.1 by broad economic sector in the NWP (2020)
(Source: IHS Markit: Regional eXplorer 2175 (2.6p) October 2021)

| Location Quotient 2020 (Source: IHS Markit: Regional eXplorer 2175 (2.6p) October 2021) | | | | | | | | | |
|---|-------------|--------|---------------|-------------|--------------|-------|-----------|---------|--------------------|
| | Agriculture | Mining | Manufacturing | Electricity | Construction | Trade | Transport | Finance | Community Services |
| NW | 1,18 | 4,23 | 0,41 | 1,03 | 0,67 | 0,78 | 0,64 | 0,66 | 0,96 |
| District Municipalities | | | | | | | | | |
| BPDM | 0,41 | 7,58 | 0,43 | 0,75 | 0,44 | 0,56 | 0,42 | 0,49 | 0,52 |
| NMMDM | 1,96 | 0,80 | 0,41 | 1,58 | 0,80 | 0,87 | 0,81 | 0,72 | 1,57 |

| | | | | | | | | | |
|----------------------------------|------|-------|------|------|------|------|------|------|------|
| DRSMDM | 3,29 | 0,75 | 0,26 | 1,11 | 0,96 | 1,02 | 0,90 | 0,91 | 1,28 |
| DKKDM | 1,46 | 1,07 | 0,40 | 1,13 | 0,96 | 1,09 | 0,88 | 0,88 | 1,32 |
| Local Municipalities | | | | | | | | | |
| BPDM | | | | | | | | | |
| Moretele | 0,34 | 0,25 | 0,84 | 2,14 | 0,89 | 1,18 | 0,84 | 1,14 | 1,05 |
| Madibeng | 0,71 | 5,09 | 0,74 | 0,53 | 0,64 | 0,75 | 0,62 | 0,62 | 0,74 |
| Rustenburg | 0,15 | 11,38 | 0,12 | 0,46 | 0,18 | 0,24 | 0,16 | 0,26 | 0,19 |
| Kgetlengrivier | 0,34 | 11,43 | 0,11 | 0,35 | 0,21 | 0,23 | 0,21 | 0,20 | 0,21 |
| Moses Kotane | 0,26 | 7,77 | 0,14 | 1,82 | 0,35 | 0,66 | 0,28 | 0,48 | 0,51 |
| NMMDM | | | | | | | | | |
| Ratlou | 2,67 | 0,53 | 0,24 | 0,60 | 0,82 | 0,80 | 0,75 | 0,77 | 1,77 |
| Tswaing | 6,50 | 0,38 | 0,42 | 0,32 | 0,90 | 0,85 | 0,82 | 0,54 | 1,52 |
| Mahikeng | 0,87 | 0,30 | 0,26 | 1,69 | 0,74 | 0,89 | 0,84 | 0,81 | 1,78 |
| Ditsobotla | 2,85 | 1,53 | 0,81 | 0,47 | 0,98 | 0,83 | 0,97 | 0,67 | 1,22 |
| Ramotshere Moiloa | 1,34 | 1,60 | 0,43 | 3,62 | 0,67 | 0,92 | 0,55 | 0,58 | 1,36 |
| DRSMDM | | | | | | | | | |
| Naledi | 3,58 | 0,29 | 0,27 | 0,65 | 0,81 | 1,30 | 1,20 | 1,10 | 1,04 |
| Mamusa | 4,64 | 0,87 | 0,19 | 0,99 | 1,40 | 1,05 | 0,81 | 1,02 | 1,01 |
| Greater Taung | 1,17 | 1,08 | 0,15 | 2,17 | 0,80 | 0,85 | 0,69 | 0,92 | 1,49 |
| Lekwa-Teemane | 4,62 | 0,29 | 0,64 | 0,55 | 1,30 | 1,12 | 0,92 | 0,73 | 1,22 |
| Kagisano/Molopo | 4,25 | 1,36 | 0,15 | 0,72 | 0,92 | 0,69 | 0,73 | 0,61 | 1,61 |
| DKKDM | | | | | | | | | |
| City of Matlosana | 0,66 | 1,32 | 0,34 | 1,14 | 0,95 | 1,18 | 0,96 | 0,93 | 1,24 |
| Maquassi Hills | 6,12 | 0,58 | 0,41 | 0,32 | 1,36 | 1,03 | 0,84 | 0,67 | 1,24 |
| JB Marks (Tlokwe/Ventersdorp) | 2,12 | 0,71 | 0,50 | 1,25 | 0,91 | 0,94 | 0,74 | 0,82 | 1,46 |

Figure 7: GDP-R Average annual growth Provinces (Constant 2015 Prices)

In the graph below the average annual growth of the North West Province is compared with the growth figures of other provinces. It is clear that the North West province growth is more volatile which can be attributed to the heavy reliance on mining.



(Source: IHS Markit: Regional eXplorer 2175 (2.6p) October 2021)

According to the *Regional Economic Review: Current realities in the North West Province, A report from the TRADE (Trade and Development) research niche area of the North West University; March 2014*, the provincial economy is *structurally unbalanced with the primary and tertiary sectors contributing more towards GDP-R* and growing faster than the secondary sector. The situation is further exacerbated by;

- limited water and electricity supply,
- the poor state of infrastructure,
- shortage of skilled labourers and
- rigid regulatory and legislative policies.

A provincial input-output analysis points to a situation of high economic leakages and a dislocation of supply and demand across a number of industries. This has resulted in input and output activities between industries not operating in tandem, minimising the competitiveness of the province.

Employment

North West Employment Figures Compared to South Africa (Source: STASSA Q3 2021)

Table 14: North West Economically Active Employment Rate (Source: Statssa Q3 2021)

| North West | Black African | Coloured | Indian/Asian | White | Total |
|------------|---------------|----------|--------------|-------|-------|
| Male | 51,4% | 0,4% | 1,9% | 4,6% | 58,3% |
| Female | 35,9% | 0,2% | 0,3% | 5,2% | 41,7% |
| Total | 87,3% | 0,6% | 2,2% | 9,9% | 100 |

Table 15: South Africa's Employment Figures October 2018 to September 2021

| South Africa Thousands | Oct-Dec 2018 | Jan-Mar 2019 | Apr-June 2019 | July-Sept 2019 | Oct-Dec 2019 | Jan-Mar 2020 | Apr-June 2020 | July-Sept 2020 | Oct-Dec 2020 | Jan-Mar 2021 | SA Apr-Jun 2021 | July-Sept 2021 | Jul-Sept 2021 SA % Share Contribution | Y on Y Change Thous |
|----------------------------------|---------------|-----------------|------------------|----------------|---------------|-----------------|------------------|----------------|---------------|---------------|--------------------|----------------|---|------------------------|
| Agriculture | 849 | 837 | 842 | 880 | 885 | 865 | 799 | 808 | 810 | 792 | 862 | 829 | 5,4% | 21,0 |
| Mining | 438 | 417 | 381 | 419 | 430 | 436 | 373 | 419 | 384 | 395 | 398 | 345 | 2,6% | -74,0 |
| Manufacturing | 1 766 | 1 780 | 1 789 | 1 760 | 1 720 | 1 706 | 1 456 | 1 460 | 1 491 | 1 497 | 1 415 | 1 402 | 9,9% | -58,0 |
| Utilities | 134 | 150 | 151 | 133 | 120 | 116 | 113 | 90 | 99 | 115 | 118 | 96 | 0,7% | 5,0 |
| Construction | 1 481 | 1 339 | 1 363 | 1 339 | 1 350 | 1 343 | 1 066 | 1 080 | 1 166 | 1 079 | 1 222 | 1 157 | 7,8% | 78,0 |
| Trade | 3 320 | 3 345 | 3 429 | 3 408 | 3 249 | 3 320 | 2 946 | 3 008 | 3 063 | 2 979 | 3 087 | 2 778 | 20,4% | -231,0 |
| Transport | 965 | 1 025 | 983 | 975 | 1 011 | 995 | 885 | 878 | 943 | 903 | 969 | 964 | 6,3% | 86,0 |
| Finance | 2 611 | 2 516 | 2 493 | 2 492 | 2 568 | 2 517 | 2 234 | 2 434 | 2 312 | 2 527 | 2 248 | 2 386 | 15,4% | -48,0 |
| Community and Social Services | 3 624 | 3 574 | 3 622 | 3 679 | 3 792 | 3 759 | 3 244 | 3 381 | 3 551 | 3 567 | 3 401 | 3 191 | 23,6% | -190,0 |
| Private House Holds | 1 332 | 1 301 | 1 251 | 1 268 | 1 286 | 1 316 | 1 005 | 1 121 | 1 197 | 1 127 | 1 194 | 1 130 | 8,0% | 9,0 |
| Other | 9 | 7 | 6 | 5 | 9 | 11 | 27 | 12 | 8 | 14 | 27 | 5 | 0,1% | -7,0 |
| TOTAL | 16 529 | 16 291 | 16 313 | 16 375 | 16 420 | 16 383 | 14 148 | 14 691 | 15 024 | 14 995 | 14 942 | 14 282 | 100,0 % | -409,0 |

| South Africa Thousands | Oct-Dec 2018 | Jan-Mar 2019 | Apr-June 2019 | July-Sept 2019 | Oct-Dec 2019 | Jan-Mar 2020 | Apr-June 2020 | July-Sept 2020 | Oct-Dec 2020 | Jan-Mar 2021 | Apr-June 2021 | July-Sept 2021 | % Change Y on Y |
|--|--------------|-----------------|------------------|-------------------|--------------|-----------------|------------------|-------------------|--------------|-----------------|------------------|-------------------|--------------------|
| Population 15-64 yrs | 38 134 | 38 283 | 38 433 | 38 582 | 38 727 | 38 874 | 39 021 | 39 167 | 39 311 | 39 445 | 38 433 | 39 745 | 1,5 |
| Labour Force | 22 668 | 22 492 | 22 968 | 23 109 | 23 146 | 23 452 | 18 443 | 21 224 | 22 257 | 22 237 | 22 968 | 21 925 | 3,3 |
| Employed | 16 529 | 16 291 | 16 313 | 16 375 | 16 420 | 16 383 | 14 148 | 14 691 | 15 024 | 14 995 | 16 313 | 14 282 | -2,8 |
| Unemployed | 6 139 | 6 201 | 6 655 | 6 734 | 6 727 | 7 070 | 4 295 | 6 533 | 7 233 | 7 242 | 6 655 | 7 643 | 17 |
| Not economically active | 15 466 | 15 791 | 15 465 | 15 474 | 15 581 | 15 422 | 20 578 | 17 944 | 17 054 | 17 218 | 15 465 | 17 820 | -0,7 |
| Discouraged work- seekers | 2 841 | 2 997 | 2 749 | 2 793 | 2 855 | 2 918 | 2 471 | 2 696 | 2 930 | 3 131 | 2 749 | 3 862 | 43,3 |
| Other | 12 625 | 12 793 | 12 716 | 12 681 | 12 726 | 12 504 | 18 107 | 15 248 | 14 124 | 14 086 | 12 716 | 13 958 | -8,5 |
| Rates (%) | | | | | | | | | | | | | |
| Unemployment rate | 27,1 | 27,6 | 29,0 | 29,1 | 29,1 | 30,1 | 23,3 | 30,8 | 32,5 | 32,6 | 29,0 | 34,9 | 4,1 |
| Employed / population ratio (Absorption) | 43,3 | 42,6 | 42,4 | 42,4 | 42,4 | 42,1 | 36,3 | 37,5 | 38,2 | 38,0 | 42,4 | 35,9 | -1,6 |
| Labour force participation rate | 59,4 | 58,8 | 59,8 | 59,9 | 59,8 | 60,3 | 47,3 | 54,2 | 56,6 | 56,4 | 59,8 | 55,2 | 1,0 |

Table 16: North West's Employment Figures October 2018 to September 2021

| | Oct-Dec 2018 | Jan-Mar 2019 | Apr-June 2019 | July-Sept 2019 | Oct-Dec 2019 | Jan-Mar 2020 | Apr-Jun 2020 | July-Sept 2020 | Oct-Dec 2020 | Jan-Mar 2021 | Apr-Jun 2021 | July-Sept 2021 | % Change Y on Y |
|-------------------------|-----------------|-----------------|------------------|-------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-------------------|--------------------|
| Population 15-64 yrs | 2 577 | 2 588 | 2 599 | 2 609 | 2 620 | 2 630 | 2 641 | 2 651 | 2 661 | 2 588 | 2 599 | 2 692 | 1,5 |
| Labour Force | 1 325 | 1 318 | 1 370 | 1 380 | 1 393 | 1 452 | 1 114 | 1 298 | 1 416 | 1 318 | 1 370 | 1 323 | 1,9 |
| Employed | 973 | 970 | 918 | 960 | 992 | 969 | 874 | 930 | 944 | 970 | 918 | 851 | -8,6 |
| Unemployed | 352 | 348 | 452 | 420 | 401 | 483 | 240 | 368 | 472 | 348 | 452 | 472 | 28,4 |

| | | | | | | | | | | | | | |
|---|-------------|-------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|--------------|-------------|
| Not economically active | 1 253 | 1 270 | 1 228 | 1 230 | 1 227 | 1 178 | 1 527 | 1 353 | 1 245 | 1 270 | 1 228 | 1 369 | 1,2 |
| Discouraged work-seekers | 313 | 339 | 260 | 275 | 271 | 229 | 231 | 247 | 241 | 339 | 260 | 355 | 43,9 |
| Other | 940 | 931 | 968 | 955 | 956 | 949 | 1296 | 1106 | 1004 | 931 | 968 | 1 014 | -8,3 |
| Rates (%) | | | | | | | | | | | | | |
| Unemployment rate | 26,6 | 26,4 | 33 | 30,4 | 28,8 | 33,2 | 21,6 | 28,3 | 33,3 | 26,4 | 33 | 35,7 | 7,4 |
| Employed / population ratio (Absorption) | 37,7 | 37,5 | 35,3 | 36,8 | 37,9 | 36,9 | 33,1 | 35,1 | 35,5 | 37,5 | 35,3 | 31,6 | -3,5 |
| Labour force participation rate | 51,4 | 50,9 | 52,7 | 52,9 | 53,2 | 55,2 | 42,2 | 49 | 53,2 | 50,9 | 52,7 | 49,1 | 0,1 |

Table 17: North West Employment by Industry Figures Compared to South Africa
(Source: STASSA Q3 2021)

| North West Thousands | Oct-Dec 2018 | Jan-Mar 2019 | Apr-Jun 2019 | Jul-Sept 2019 | Oct-Dec 2019 | Jan-Mar 2019 | Apr-Jun 2020 | Jul-Sept 2020 | Oct-Dec 2020 | Jan-Mar 2021 | Apr-Jun 2021 | Jul-Sept 2021 | NW% Share Jul-Sept 2021 | NW as % of SA | Y on Y % Change |
|--------------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|----------------------------|---------------|--------------------|
| Agriculture | 62 | 62 | 61 | 59 | 48 | 51 | 45 | 66 | 40 | 40 | 70 | 52 | 7,1% | 6,3% | -14,0 |
| Mining | 130 | 136 | 122 | 130 | 134 | 125 | 122 | 140 | 120 | 123 | 138 | 124 | 15,1% | 35,9% | -16,0 |
| Manufacturing | 55 | 75 | 72 | 74 | 70 | 62 | 63 | 44 | 51 | 72 | 44 | 63 | 4,7% | 4,5% | 19,0 |
| Utilities | 10 | 9 | 6 | 6 | 3 | 6 | 4 | 1 | 7 | 9 | 5 | 5 | 0,1% | 5,2% | 4,0 |
| Construction | 87 | 65 | 70 | 56 | 63 | 59 | 51 | 53 | 60 | 64 | 82 | 60 | 5,7% | 5,2% | 7,0 |
| Trade | 179 | 191 | 161 | 186 | 170 | 176 | 180 | 178 | 176 | 175 | 187 | 160 | 19,1% | 5,8% | -18,0 |
| Transport | 32 | 45 | 38 | 37 | 38 | 30 | 33 | 35 | 29 | 30 | 38 | 28 | 3,8% | 2,9% | -7,0 |
| Finance | 94 | 89 | 93 | 93 | 126 | 106 | 85 | 110 | 107 | 96 | 92 | 93 | 11,8% | 3,9% | -17,0 |
| Community and Social Services | 237 | 212 | 227 | 245 | 267 | 283 | 240 | 242 | 282 | 265 | 269 | 216 | 26,0% | 6,8% | -26,0 |
| Private House Holds | 85 | 84 | 70 | 74 | 75 | 72 | 50 | 61 | 72 | 59 | 51 | 50 | 6,6% | 4,4% | -11,0 |
| Other | | | | | | | | | | | | | | 0,0% | 0,0 |
| TOTAL | 973 | 970 | 918 | 960 | 992 | 969 | 874 | 930 | 944 | 933 | 979 | 851 | 100,0% | 6,0% | -79,0 |

2.3.2 North West Location and Infrastructure

Location is one of the NWP's greatest natural advantages. The main Cape Town to Zimbabwe railway line runs through the provincial capital of Mahikeng, linking the NWP to several southern African countries, including Angola, Zambia and Botswana. An extensive road network connects the major commercial centres of the province to the rest of the country via a network of 1 785 km of national roads. The vital east-west corridor links the eastern Africa seaboard at Maputo to the western African seaboard at Walvis Bay, running through the NWP en-route. Its strategic positioning has been further improved with the completion of the Trans Kalahari Corridor through Botswana and Namibia – and these developments bode well for a thriving business and tourism economy.

In terms of airports, Mahikeng has an established airport with one of the longest runways in the world and Pilanesberg (near Sun City) also has an international airport, primarily servicing the tourism industry.

Water is considered one of the key limiting factors to development in the NWP. The province is not only depleting its precious water reserves, but suffers from an additional problem – that of pollution of

groundwater caused by both natural and human-induced factors including mining and industrial activities, agriculture and domestic use.

With regards to electricity, the NWP has a well-developed electricity distribution network due to mining activities. The current electricity crisis can also be seen as an opportunity to develop other energy technologies and to invest in renewable energy.

Bordering Botswana, the NWP is ideally positioned to access the 14 countries comprising the Southern African Development Community and the development of the proposed Trans-Kalahari corridor will enhance NWP access to the West African market.

The NWP's well developed road and rail links provide the platform and infrastructure for ground transportation deep into sub-Saharan Africa.

The SADC Foreign Trade Agreement (FTA) signed in August 2008 provides access to a market of over 250 MILLION CONSUMERS.

Future FTA with SADC, COMESA & EAC will provide access to a market of over 700 MILLION CONSUMERS.

NWP offers easily available skills and distribution channels imperative for agriculture commercial ventures.

NWP plays a significant role in the supply of energy, transport and communications to the continent.

NWP is well positioned to a shared services hub for investors interested in African operations, especially for Sub-Saharan countries.

2.3.3 North West Policy Guidelines

Given the economic growth forecasts, key demographic and socio-economic characteristics and the current economic and structural realities in the North West, the NWPG has an important role to play in setting the framework for growth and outlining the necessary actions to stimulate growth in areas such as innovation, research and development, skills, education, exports, FDI and entrepreneurship. This also means identifying and supporting business growth in areas where there is the greatest potential, whilst ensuring that the necessary economic infrastructure is in place to capitalise on the existing strengths and opportunities.

The North West Development Corporation (NWDC) has identified the following key and cross-cutting sectors, based on the renewed focus in the NWP

Key economic sectors include:

- Agriculture and agro-processing
- Tourism
- Mining and mineral beneficiation
- Manufacturing
- Green economy
- ICT

Cross-cutting sectors include:

- Small and medium enterprise (SME)
- International trade
- Innovation and R&D
- Business process outsourcing (BPO)

Based on the information above NWDC will close the gap by focusing on smart specialization. Smart specialization is about placing greater emphasis on innovation and having an innovation-driven development strategy in place that focuses on each area's strength and competitive advantage. It aims at identifying factors of competitiveness and concentrating resources on key priorities. It also aims to

harness area diversity by avoiding uniformity and duplication in investment goals. It combines goal-setting with a dynamic and entrepreneurial discovery process involving key stakeholders from government, business, academia and other knowledge-creating institutions.

3. SOUTH AFRICA'S GLOBAL COMPETITIVENESS

The Global Competitiveness Index (GCI) tracks the performance of close to 140 countries on 12 pillars of competitiveness. It assesses the factors and institutions identified by empirical and theoretical research as determining improvements in productivity, which in turn is the main determinant of long-term growth and an essential factor in economic growth and prosperity. The Global Competitiveness Report hence seeks to help decision makers understand the complex and multifaceted nature of the development challenge; to design better policies, based on public-private collaboration; and to take action to restore confidence in the possibilities of continued economic progress.

3.1 2020 Special Edition of the Global Competitiveness Report

Out of 140 economies South Africa ranked 60th in 2019, 67th in 2018 and 62nd in 2017.

The 2020 special edition of The Global Competitiveness Report (GCR) series considers a very difficult and uncertain historical moment. The outbreak of the COVID-19 pandemic has led to a global health crisis and deep economic recession—deeper than the downturn during the 2008–2009 financial crisis—but has also created a climate of profound uncertainty about the future outlook.

Consequently there are growing calls for “building back better”. The situation calls for innovative and much-needed shifts in policy, focusing on the priorities for recovery and revival, and considering the building blocks of a transformation towards new economic systems that combine “productivity”, “people” and “planet” targets to lead to environmental sustainability and shared prosperity.

Based on analyses of historical trends on factors of competitiveness as well as the latest thinking on future priorities, recommendations are made against three timelines: before the health crisis; beyond immediate responses to the COVID-19 crisis, revival over the next 1-2 years; and priorities and policies needed to reboot economic systems in the longer run to achieve sustainable and inclusive prosperity in the future, transformation over the next 3-5 years.

Recommendations and timeframes are grouped into four broad areas of action:

- 1) Reviving and transforming the enabling environment,
- 2) Reviving and transforming human capital,
- 3) Reviving and transforming markets, and
- 4) Reviving and transforming the innovation ecosystem.

Based on the assessment of business leaders:

- economic digitization and digital skills;
- safety nets and financial soundness;
- governance and planning; and
- health system and research capacity have contributed to countries’ resilience to the health crisis.

An initial assessment of countries on readiness for transformation is also provided that converts key priorities into quantitative measures for 37 economies. Please note that South Africa is included in the group of 37 economies that are more developed.

TABLE18: SOUTH AFRICA'S TRANSFORMATION READINESS SCORES in 11 Categories (0-100 best)

| | INDICATOR DESCRIPTION | SA SCORE | SA RANK |
|----|--|----------|---------|
| 1. | Ensure public institutions embed strong governance principles. | 53.9 | 26 |

| | | | |
|-----|--|---------------|----|
| | Build a long-term vision and establish trust by serving their citizens | | |
| 2. | Upgrade infrastructure to accelerate the energy transition and broaden access to electricity and ICT | 63.8 | 35 |
| 3. | Shift to more progressive taxation, rethinking how corporations, wealth and labour are taxed Nationally and in an international cooperative framework. | 65.2 | 1 |
| 4. | Update education curricula and expand investment in the skills needed for jobs in markets of tomorrow. | 42.6 | 31 |
| 5. | Rethink labour laws and social protection for the new economy and the new needs of the workforce | 42.9 | 36 |
| 6. | Expand eldercare, childcare and healthcare infrastructure and innovation for the benefit of people and the economy | Not available | 37 |
| 7. | Increase incentives to direct financial resources towards long-term investments, strengthen stability and expand inclusion | 38.6 | 35 |
| 8. | Rethink competition and anti-trust frameworks needed in the Fourth Industrial Revolution, ensuring market access, both locally and internationally | 58.3 | 28 |
| 9. | Facilitate the creation of "markets of tomorrow", especially in areas that require public-private collaboration | 35.6 | 35 |
| 10. | Incentivize and expand patient investments in research, innovation and invention that can create new "markets of tomorrow" | 31.7 | 33 |
| 11. | Incentivize firms to embrace diversity, equity and inclusion to enhance creativity | 61.5 | 19 |

Parallels between the World Competitiveness Yearbook and the Global Competitiveness Report

Conceptually there are parallels between the World Competitiveness Yearbook and the Global Competitiveness Report understandings of competitiveness. For the Global Competitiveness Report competitiveness is "the set of institutions, policies, and factors that determine the level of productivity of a country". The level of productivity, in turn, sets the level of prosperity that can be reached by an economy" (WEF, 2014). According to the World Competitiveness Yearbook, competitiveness is the "ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people" (IMD World Competitiveness Center, 2014). Both reports, in other words, highlight the importance of prosperity as the ultimate outcome of competitiveness.

THE IMD WORLD COMPETITIVENESS SCOREBOARD

The IMD World Competitiveness Scoreboard 2020 by the Institute for Management Development in Zurich (IMD) assesses the competitiveness landscape of 63 economies, providing insight into the drivers of their productivity and prosperity. South Africa ranked no 56 in 2019 from 53 in 2017 as well as in 2018 and has been alternating between positions 52 and 53 since 2013.

IMD World Competitiveness Overall Ranking of South Africa out of 64 Economies

| 2017 | 2018 | 2019 | 2020 | 2021 |
|------|------|------|------|------|
| 53 | 53 | 56 | 59 | 62 |

Challenges in 2021

- Deteriorating headline and youth unemployment.
- Rising public debt levels amid a shrinking fiscal space.
- Lack of decisive plans to revive the struggling economy.

- Ongoing electricity supply problems and rolling blackouts.
- Slow vaccination rates to fast track the post COVID-19 recovery.

Country data is evaluated through distinct criteria, grouped into four competitiveness factors, namely:

- government efficiency,
- business efficiency,
- economic performance and infrastructure.

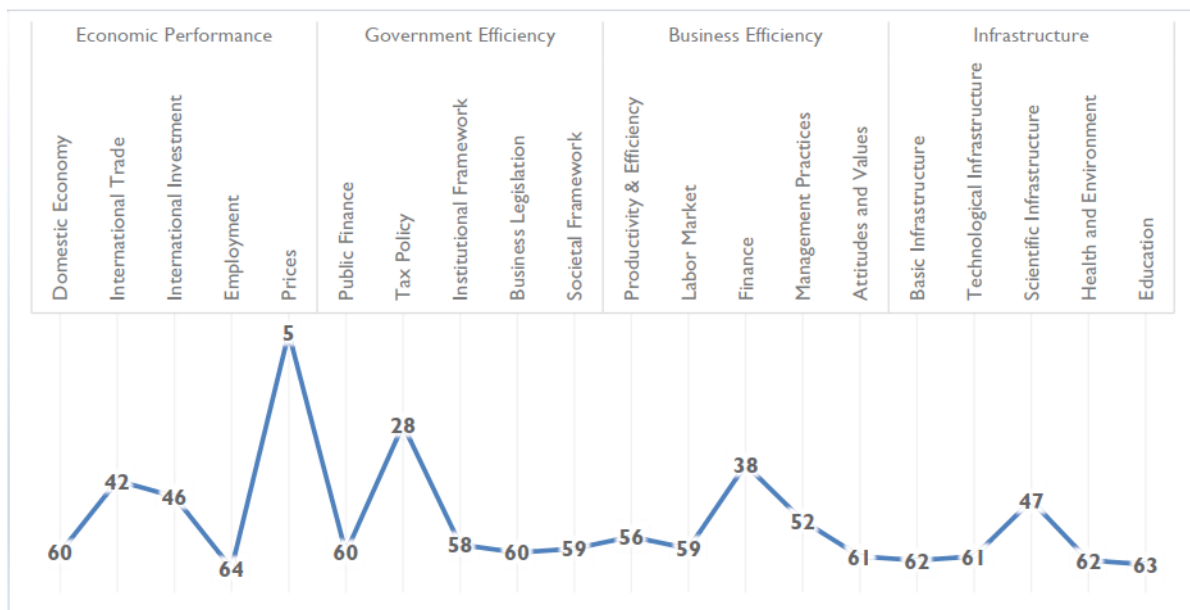
Productivity SA is the information partner for the IMD in South Africa.

South Africa hits all time low in competitiveness ranking in 2021 faced with sluggish economic growth and in the mist of the global Covid-19 pandemic, according to the latest World Competitiveness Yearbook (WCY) compiled by Switzerland based Institute of Management Development (IMD).

According to the 2021 WCY, South Africa fell by three notches to be ranked **59 out of 62** countries rated by the IMD. The country recorded a reasonably good level of global competitiveness between 2000 and 2006 averaging below 40 of the 63 countries, the best being 37 in 2001 and 2005, respectively, South Africa's performance has been on a downward trend since 2007.

This is a worrying factor in a country with high rates of unemployment, poverty and inequality and it calls for policy reform to enable a sustainable business environment.

COMPETITIVENESS LANDSCAPE



DOING BUSINESS (Business Environment/Climate) (COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS IN 190 ECONOMIES World Bank Group Flagship Report 2020

The aggregate ranking on the ease of doing business benchmarks each economy's performance on the indicators against that of all other economies in the Doing Business sample. While this ranking tells much about the business environment in an economy, it does not tell the whole story. A high ranking does mean that the government has created a regulatory environment conducive to operating a business.

"Sound and efficient business regulations are critical for entrepreneurship and a thriving private sector. Without them, we have no chance to end extreme poverty and boost shared prosperity around the world." (Source: Jim Yong Kim; President of the World Bank Group)

Economies are ranked on their ease of doing business, from 1–190. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm. And the following aspects are measured to determine the Doing Business Score:


1. Starting a business
2. Dealing with construction permits
3. Getting electricity
4. Registering property
5. Getting credit
6. Protecting minority investors
7. Paying taxes
8. Trading across borders
9. Enforcing contracts
10. Resolving insolvency

Figure 9: What is measured in Doing Business:

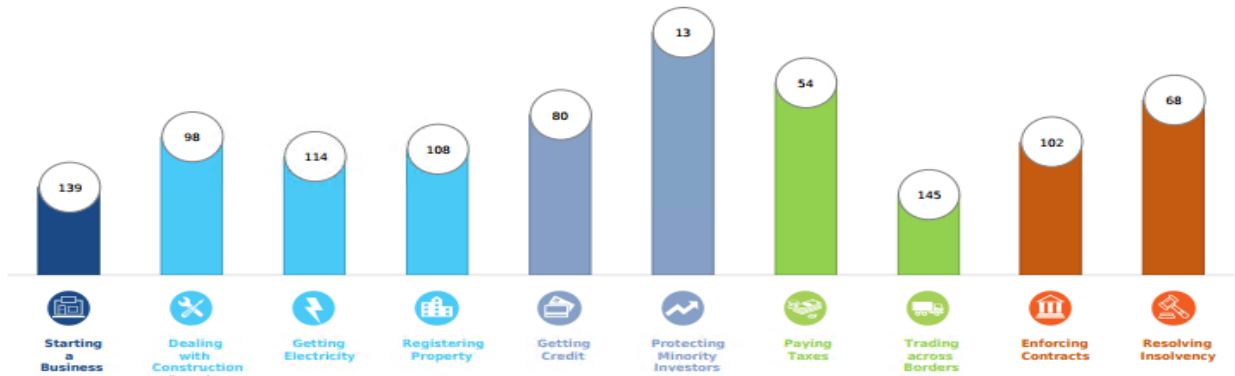
What is measured in *Doing Business*?



Source: *Doing Business* database. Note: Labor market regulation is not included in the ease of doing business ranking.

| | | | | |
|---|-----------------|---------------------|---------|----------|
| <p>Ease of Doing Business in South Africa</p>  | Region | Sub-Saharan Africa | DB RANK | DB SCORE |
| | Income Category | Upper middle income | 84 | 67.0 |
| | Population | 57,779,622 | | |
| | City Covered | Johannesburg | | |

Rankings on Doing Business topics - South Africa



Topic Scores



| | | | | | |
|--|-------|--|------|--|-------|
| Starting a Business (rank) | 139 | Getting Credit (rank) | 80 | Trading across Borders (rank) | 145 |
| Score of starting a business (0-100) | 81.2 | Score of getting credit (0-100) | 60.0 | Score of trading across borders (0-100) | 59.6 |
| Procedures (number) | 7 | Strength of legal rights index (0-12) | 5 | Time to export | |
| Time (days) | 40 | Depth of credit information index (0-8) | 7 | Documentary compliance (hours) | 68 |
| Cost (number) | 0.2 | Credit registry coverage (% of adults) | 0.0 | Border compliance (hours) | 92 |
| Paid-in min. capital (% of income per capita) | 0.0 | Credit bureau coverage (% of adults) | 66.5 | Cost to export | |
| | | | | Documentary compliance (USD) | 55 |
| Dealing with Construction Permits (rank) | 98 | Protecting Minority Investors (rank) | 13 | Border compliance (USD) | 1,257 |
| Score of dealing with construction permits (0-100) | 68.3 | Score of protecting minority investors (0-100) | 80.0 | Time to export | |
| Procedures (number) | 20 | Extent of disclosure index (0-10) | 8.0 | Documentary compliance (hours) | 36 |
| Time (days) | 155 | Extent of director liability index (0-10) | 8.0 | Border compliance (hours) | 87 |
| Cost (% of warehouse value) | 1.9 | Ease of shareholder suits index (0-10) | 8.0 | Cost to export | |
| Building quality control index (0-15) | 12.0 | Extent of shareholder rights index (0-6) | 5.0 | Documentary compliance (USD) | 73 |
| | | Extent of ownership and control index (0-7) | 6.0 | Border compliance (USD) | 676 |
| | | Extent of corporate transparency index (0-7) | 5.0 | | |
| Getting Electricity (rank) | 114 | Paying Taxes (rank) | 54 | Enforcing Contracts (rank) | 102 |
| Score of getting electricity (0-100) | 68.8 | Score of paying taxes (0-100) | 81.2 | Score of enforcing contracts (0-100) | 56.9 |
| Procedures (number) | 5 | Payments (number per year) | 7 | Time (days) | 600 |
| Time (days) | 109 | Time (hours per year) | 210 | Cost (% of claim value) | 33.2 |
| Cost (% of income per capita) | 158.4 | Total tax and contribution rate (% of profit) | 29.2 | Quality of judicial processes index (0-18) | 8.5 |
| Reliability of supply and transparency of tariff index (0-8) | 4 | Postfiling index (0-100) | 60.8 | | |
| | | | | Resolving Insolvency (rank) | 68 |
| Registering Property (rank) | 108 | | | Score of resolving insolvency (0-100) | 54.6 |
| Score of registering property (0-100) | 59.5 | | | Recovery rate (cents on the dollar) | 34.7 |
| Procedures (number) | 7 | | | Time (years) | 2.0 |
| Time (days) | 23 | | | Cost (% of estate) | 18.0 |
| Cost (% of property value) | 8.0 | | | Outcome (0 as piecemeal sale and 1 as going concern) | 0 |
| Quality of the land administration index (0-30) | 15.5 | | | Strength of insolvency framework index (0-16) | 11.5 |

4. FOREIGN DIRECT INVESTMENT (FDI)

Definition: What is a 'Foreign Direct Investment - FDI'

Foreign direct investment (FDI) is an investment made by a company or individual in one country in business interests in another country, in the form of either establishing business operations or acquiring business assets in the other country, such as ownership or controlling interest in a foreign company. Foreign direct investments are distinguished from portfolio investments in which an investor merely purchases equities of foreign-based companies. The key feature of foreign direct

investment is that it is an investment made that establishes either effective control of, or at least substantial influence over, the decision making of a foreign business. (Source: <http://www.investopedia.com/terms/f/fdi.asp#ixzz4I3cOUDNW>)

There are various institutions that do research on FDI and publish reports including: the annual World Investment Report by UNCTAD (Free Report), the annual fDi Report on Greenfield Investment - by fDi Intelligence a subsidiary of the Financial Times Ltd, the Annual Africa Investment Report by fDi Intelligence and The Foreign Direct Investment Confidence Index®. Information on FDI to the North West province can be obtained through subscription to fDi Intelligence at a cost of £20,000 British pounds per annum. NWDC research has agreed with Dti that they will supply the information to NWDC.

The 2021 A.T. Kearney Foreign Direct Investment Confidence Index®

The Foreign Direct Investment Confidence Index®, established in 1998, examines the overarching trends in FDI. The top 25 ranking is a forward-looking analysis of how political, economic, and regulatory changes will likely affect countries' FDI inflows in the coming years and there has been a strong correlation between the rankings and global FDI flows.

Summary Of The 2021 Foreign Direct Investment (FDI) Confidence Index

The shockwaves of the coronavirus pandemic cannot be overstated. The 2020 global economy contracted by 3.7 %, the most since World War II, according to our Global Economic Outlook 2021–2023. Global trade collapsed even more dramatically last year—by about 9.5 % according to the World Bank. Direct investment flows, which historically correspond closely with the fluctuations in global output and trade in goods in services, had already started to decline prior to the pandemic. Last year, they declined even more precipitously—by a staggering 42 %, according to the United Nations Conference on Trade and Development (UNCTAD).

The effects of the pandemic on direct investment flows are likely to be long-lasting. Our estimates suggest that the world could be looking at a multiyear long-haul recovery for global FDI flows—2016 peak levels will likely not be surpassed until 2028. And, under less positive assumptions, it could take as much as a decade for flows to reach their earlier apogee.

Given these dynamics, it's not surprising that investors are more cautious. In this year's Index, respondents were less optimistic about the three-year outlook for the global economy than they have been since 2016, suggesting concern about how quickly the economy will recover from COVID-19. Specifically, only 57 percent expressed optimism about the global economy this year, which is much lower than the peak of 79 percent in 2014 and 72 percent just one year.

Fast-forward to 2021—and what a difference a year makes. Following the historic economic, social, and political disruptions that came with the pandemic, vaccines have been developed, and countries around the world are now racing to inoculate their people. Our baseline projections suggest the global economy will rebound this year to 5.6 % growth and that, in the second quarter of 2021, global output will exceed its pre-pandemic level from the fourth quarter of 2019. Yet even as conditions are starting to look up, investors appear far more cautious in their outlook only 12 months after the COVID upheaval began.

In addition to the fall in optimism, most of the overall scores for the top-25 economies have fallen. In fact, only five registered higher than they did in 2020. This reflects concern about the uncertain state of the economic recovery. In fact, investors pointed to the macroeconomic environment as the most prominent factor in explaining why direct investment might decrease. In contrast, availability of funds is identified as a primary driver of investments. And this makes sense—with the pandemic severely testing their corporate finances, executives are likely to take their time expanding their store of capital before they mobilize FDI.

Such sentiment is understandable. When this year’s survey was in the field, investors were still contending with the financial and psychological shocks of COVID-19. Several obstacles to overcoming the pandemic remain at this writing, including the sheer complexity of delivering vaccines to all corners of the world and the emergence of potentially deadlier and more easily transmissible strains of the virus. These have since resulted in renewed lockdowns and disruptions to economic activity, casting more doubt on the ability of the global business and investment environment to rapidly rebound to pre-pandemic conditions.

And while there is light at the end of the tunnel, emerging from the shadow of COVID-19 will be a marathon rather than a sprint. The Index respondents say they expect a long haul and a tenuous recovery for investment flows. For this reason, we have titled this year’s Index On shaky ground.

4.1 Global Investment Trends

Global FDI flows down 42% in 2020. Further weakness expected in 2021, risking sustainable recovery (Source: World Investment Monitor; Jan 2021; UNCTAD)

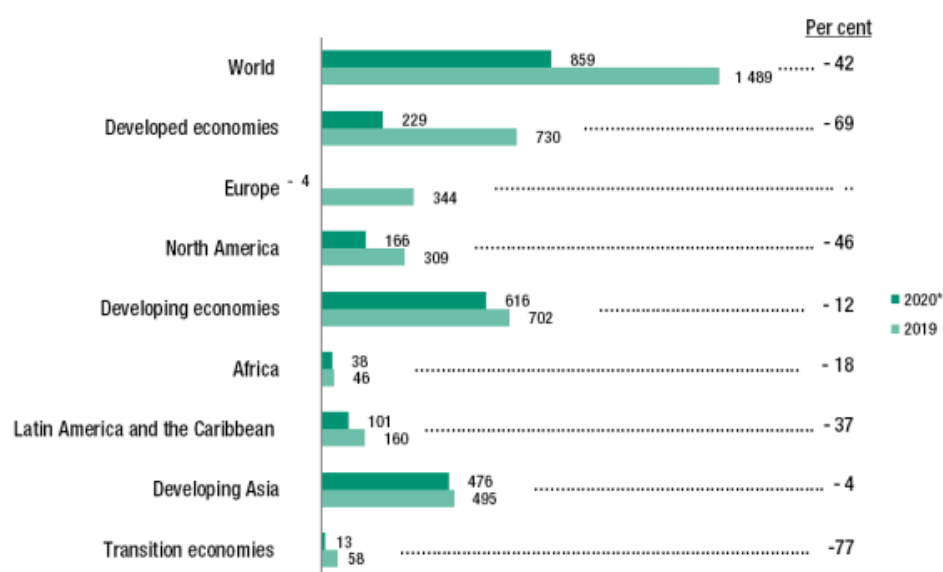
Global foreign direct investment (FDI) collapsed in 2020, falling by 42% to an estimated \$859 billion, from \$1.5 trillion in 2019. FDI finished 2020 more than 30% below the trough after the global financial crisis in 2009 and back at a level last seen in the 1990s.

The decline was concentrated in developed countries, where FDI flows fell by 69% to an estimated \$229 billion. Flows to Europe dried up completely to -4 billion (including large negative flows in several countries). A sharp decrease was also recorded in the United States (-49%) to \$134 billion.

The decline in developing economies was relatively measured at -12% to an estimated \$616 billion. The share of developing economies in global FDI reached 72% – the highest share on record. China topped the ranking of the largest FDI recipients.

The fall in FDI flows across developing regions was uneven, with -37% in Latin America and the Caribbean, -18% in Africa and -4% in developing Asia. East Asia was the largest host region, accounting for one-third of global FDI in 2020. FDI to the transition economies declined by 77% to \$13 billion.

Figure 2. FDI inflows by region, 2019 and 2020*
(Billions of US dollars)



Source: UNCTAD.
* Preliminary estimates.

4.2 Africa

Africa Regional Investment Trends

- FDI in Africa set to fall sharply, following the decline in 2019. FDI flows are forecast to decline by 25 to 40 percent to \$25-\$35 billion, based on GDP growth projections and a range of investment-specific factors.
- The COVID-19 pandemic will severely curtail foreign investment in Africa, mirroring the global trend.
- The downturn will be exacerbated by low oil and commodity prices because of the resource-oriented investment profile of the continent.
- Investment in GVC-intensive manufacturing industries will be among the hardest hit, which will hurt efforts to promote economic diversification and industrialization in Africa.
- Announced greenfield investment projects already show a strong negative trend in the first quarter of 2020, although the value of projects (-62 per cent) has declined more than their number (-23 per cent).
- Despite the immediate negative prospects for FDI to Africa, there are some mitigating factors that could limit the extent of the investment decline and help initiate a stabilization and recovery in 2021 and beyond.
- Several major investment partners outside the continent are increasingly engaged in initiatives to strengthen investment ties with the continent, promoting investment in infrastructure, resources, but also industrial development. Also, deepening regional integration with the implementation of the African Continental Free Trade Area Agreement (AfCFTA) and the expected conclusion of its investment protocol could have a positive effect.
- In 2019, FDI flows to Africa already declined by 10 per cent to \$45 billion. Tepid global and regional GDP growth and dampened demand for commodities inhibited flows to countries with diversified and natural resource-oriented investment profiles alike, although a few received higher inflows from large new projects.
- FDI inflows to North Africa decreased by 11 per cent to \$14 billion, with reduced inflows in all countries except Egypt. Egypt remained the largest FDI recipient in Africa in 2019, with inflows increasing by 11 per cent to \$9 billion.
- After an increase in 2018, FDI flows to Sub-Saharan Africa decreased again by 10 per cent in 2019 to \$32 billion.
- FDI to West Africa fell by 21 per cent to \$11 billion in 2019 largely driven by the steep decline in investment in Nigeria.
- FDI flows to East Africa also decreased, by 9 per cent to \$7.8 billion as inflows to Ethiopia contracted by a fourth to \$2.5 billion.
- Central Africa received \$8.7 billion in FDI, marking a decline of 7 per cent mainly due to the fall in flows to the Democratic Republic of the Congo.
- Southern Africa was the only sub-region that received higher inflows in 2019 (a 22 per cent increase to \$4.4 billion) but only due to the slowdown in net divestment from Angola.
- FDI inflows to South Africa decreased by 15 per cent to \$4.6 billion in 2019.

Inflows

Top 5 host economies



Outflows: top 5 home economies

(Billions of dollars and 2019 growth)

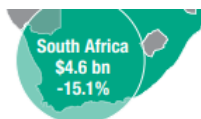
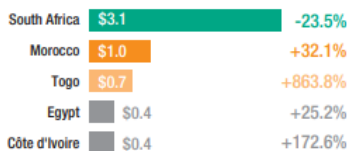
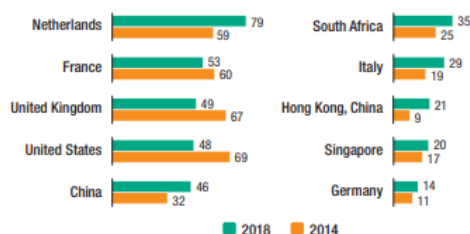


Figure A. Top 10 investor economies by FDI stock, 2014 and 2018 (Billions of dollars)



Source: UNCTAD.

Source: UNCTAD World Investment Report 2020.

Sustainable Development Goals (SDGs) and an Action Plan for promoting private sector contributions. SDGs are being formulated by the United Nations.

4.3 South Africa

According to a report compiled based on information from FDI Markets.com from the Source: fDi Intelligence from The Financial Times Ltd., that examines foreign direct investment (FDI) trends by all companies from 53 source countries investing in South Africa in ten activities between January 2003 and February 2020.

The report includes estimated values on capital investment and the number of jobs created in cases where information was not available at project announcement.

Retail and inter-state projects are excluded from this report

All FDI into South Africa

South Africa recorded smaller foreign direct investment (FDI) inflows in the third quarter 2019 2020 compared with the second quarter, but portfolio investment inflows jumped after the government issued international bonds, central bank data showed on Friday.

Africa's most industrialised economy had FDI inflows of R17-billion in the third quarter from inflows of R26.3-billion in the second quarter, the South African Reserve Bank (SARB) said in its Quarterly Bulletin.

The portfolio investment inflows were at R40.2-billion from July to the end of September from inflows of R10-billion in the prior quarter, mainly reflecting the government's issuance of international bonds of \$5-billion, the SARB said. (Source: Prepared by Trade and Investment South Africa (TISA) a division in the dti)

Summary

FDI projects peaked in 2011

Some 192 projects, or 9.8% of projects, were recorded in 2011. This was the year in which the highest numbers of projects were recorded. During this period a total of 21,683 jobs were created and ZAR 183.02bn capital was invested by these projects, equating to a 9% and 12.3% of total jobs and capital investment respectively.

Key investors account for more than one-quarter of projects.

The top 10% of investors have created a total of 525 projects, 27% of the total projects. These investors have created a combined total of 82,285 jobs, which equates to more than one-third of the overall total. The combined capital investment from these companies reached ZAR 584.14bn, equating to almost two-fifths of the total for all companies.

Software & IT services is top sector with more than one-eighth of projects.

Out of a total of 37 sectors, Software & IT services accounted for 13.8% of projects. Project volume in this sector peaked during 2011, with 31 projects tracked. Total jobs creation and capital investment in this sector was 11,645 jobs and ZAR 52.56bn respectively.

Largest projects originate in China

With an average project size of ZAR 2.06bn, projects originating in China are approximately two and a half times larger than the average across all source countries. Ranked fifth in overall projects recorded with 88 in total, China created a total of 24,714 jobs and ZAR 180.86bn capital investment.

Top five destinations attract the majority of projects.

Out of a total of 84 destination cities, the top five account for the majority of projects. Johannesburg is the top destination city accounting for one-third of projects tracked. Total investment into Johannesburg resulted in the creation of 35,518 jobs and ZAR 293.18bn capital investment, equating to an average of 54 jobs and ZAR 453.14m investment per project.

Between January 2003 and February 2020 a total of 1,961 FDI projects were recorded. These projects represent a total capital investment of ZAR 1,488.76bn, which is an average investment of ZAR 759.54m per project. During the period, a total of 241,189 jobs were created.

The largest number of projects was announced in 2011, with 192 projects that year. Average capital investment peaked in 2014, while average job creation peaked in 2005.

Table 19: FDI Projects recorded for South Africa between January 2003 and February 2020

South Africa Aggregate Annual Figures Headline FDI trends by year

| Year | Number of projects | % growth per annum | Jobs created | | Capital investment | |
|------|--------------------|--------------------|--------------|---------|--------------------|-----------------|
| | | | Total | Average | Total (ZAR m) | Average (ZAR m) |
| 2020 | 11 | n/a | 401 | 36 | 6,818.63 | 620.01 |
| 2019 | 123 | 20.6 | 9,910 | 80 | 58,533.73 | 476.15 |
| 2018 | 102 | 1 | 11,529 | 113 | 68,436.56 | 670.35 |
| 2017 | 101 | n/a | 6,133 | 60 | 50,759.92 | 502.05 |
| 2016 | 108 | n/a | 15,015 | 139 | 105,455.65 | 976.76 |
| 2015 | 131 | n/a | 11,265 | 85 | 73,859.81 | 563.90 |
| 2014 | 135 | n/a | 13,267 | 98 | 173,754.11 | 1,287.48 |
| 2013 | 167 | n/a | 16,523 | 98 | 106,651.07 | 638.71 |
| 2012 | 183 | n/a | 15,683 | 85 | 88,148.72 | 481.91 |
| 2011 | 192 | 60 | 21,683 | 112 | 183,016.80 | 953.74 |
| 2010 | 120 | n/a | 19,520 | 162 | 85,136.44 | 709.19 |
| 2009 | 126 | n/a | 16,773 | 133 | 79,818.20 | 632.95 |
| 2008 | 132 | 109.5 | 23,080 | 174 | 153,885.16 | 1,165.21 |

| | | | | | | |
|--------------|--------------|------------|----------------|------------|---------------------|---------------|
| 2007 | 63 | n/a | 7,190 | 114 | 53,429.83 | 848.73 |
| 2006 | 92 | 50.8 | 11,670 | 126 | 55,081.26 | 598.43 |
| 2005 | 61 | 17.3 | 16,798 | 275 | 42,558.87 | 697.69 |
| 2004 | 52 | n/a | 7,994 | 153 | 51,375.61 | 988.27 |
| 2003 | 62 | n/a | 16,755 | 270 | 52,038.77 | 838.66 |
| Total | 1,961 | n/a | 241,189 | 122 | 1,488,759.11 | 759.54 |

Notes:

- 1) ©fDi Intelligence, from the Financial Times Ltd 2017. Data subject to terms and conditions of use.
- 2) All Capex Figures shown in the table are in ZAR - South African Rand millions.
- 3) Capex data includes estimated values Financial Times Ltd takes no responsibility for the accuracy or otherwise of this data.
- 4) Jobs data includes estimated values Financial Times Ltd takes no responsibility for the accuracy or otherwise of this data. (Source: FDI Intelligence Markets database, prepared by Investment South Africa (ISA) a division in the dti)

Table 20: Destination Provinces

Data for Companies from 53 source countries investing in South Africa between January 2003 and August 2017

| Destination State | Projects | CAPEX (R millions) | Avg. CAPEX (R millions) | Jobs Created | Avg. Jobs Created | Companies |
|--------------------------|-----------------|-------------------------------|------------------------------------|-------------------------|------------------------------|------------------|
| Gauteng | 452 | 272 794,30 | 603,7 | 60 113 | 132 | 390 |
| Western Cape | 199 | 117 805,90 | 591,9 | 20 410 | 102 | 185 |
| KwaZulu-Natal | 113 | 108 031,00 | 956,0 | 26 285 | 232 | 90 |
| Eastern Cape | 74 | 99 673,10 | 1346,3 | 21 975 | 296 | 50 |
| Northern Cape | 44 | 130 765,80 | 2971,5 | 7 092 | 161 | 26 |
| Mpumalanga | 32 | 41 009,10 | 1282,1 | 11 650 | 364 | 28 |
| Limpopo | 16 | 49 964,20 | 3122,1 | 3 407 | 212 | 12 |
| North West | 16 | 23 773,30 | 1486,4 | 7 805 | 487 | 15 |
| Free State | 13 | 29 183,30 | 2244,7 | 4 830 | 371 | 13 |
| Not Specified | 176 | 177 365,50 | 1007,1 | 40 011 | 227 | 166 |
| Total | 1135 | 1 050 358,00 | 925,9 | 203 578 | 179 | 830 |

Notes:

- 5) ©fDi Intelligence, from the Financial Times Ltd 2017. Data subject to terms and conditions of use.
- 6) All Capex Figures shown in the table are in ZAR - South African Rand millions.
- 7) Capex data includes estimated values Financial Times Ltd takes no responsibility for the accuracy or otherwise of this data.
- 8) Jobs data includes estimated values Financial Times Ltd takes no responsibility for the accuracy or otherwise of this data. (Source: FDI Intelligence Markets database, prepared by Investment South Africa (ISA) a division in the dti)

4.4 North West Province

The North West Province received 1.4% (16) of all projects (1135) in South Africa between 2003 and Aug 2018. This represents 2.3% (R 23.7 billion) of the capital investment and 3.8% (7805 jobs).

The following report examines foreign direct investment (FDI) trends by all companies from 53 source countries investing in North West in ten activities between January 2010 and August 2021.

The report includes estimated values on capital investment and the number of jobs created in cases where information was not available at project announcement.

Retail and inter-state projects are excluded from this report.

North West FDI Projects Detail

Table 21: FDI Projects recorded for the North West Province between January 2010 and August 2021

| Headline figures | |
|-----------------------------|----------------|
| No of FDI projects | 8 |
| Total jobs created | 2,628 |
| Average project size (jobs) | 328 |
| Total capital investment | ZAR 4,324.50 m |
| Average project size | ZAR 540.89 m |

Project Profiles

October 2019 - Bridgestone into South Africa

Bridgestone (Tokyo, Japan) is investing in the city of Brits, South Africa in the Rubber sector in a Manufacturing project.

Japan-based Bridgestone, a tyre manufacturer, is investing R400m to expand its existent manufacturing facility in Brits, South Africa.

Jobs Created: 159 (est)

Investment: ZAR 380.78 million

FDI project type: Expansion

May 2018 - Grand Capital into South Africa

Grand Capital (Moscow, Russia) is investing in the city of Klerksdorp, South Africa in the Financial services sector in a Business Services project.

Russia-based Grand Capital, a forex broker, has opened a new office in Klerksdorp, South Africa. It is part of its African expansion.

Company contact: Sergey Kozlovsky (Head, Analytics)

Jobs Created: 19 (est)

Investment: ZAR 136.66 million (est)

FDI project type: New

October 2016 - Neovia (InVivo) (Evalis), a subsidiary of Union InVivo into South Africa

Neovia (InVivo) (Evalis), a subsidiary of Union InVivo (Paris, France) is investing in the city of Brits, South Africa in the Food & Beverages sector in a Logistics, Distribution & Transportation project.

Neovia, a producer of animal nutrition products and subsidiary of France-based Union InVivo, has opened a new storage and distribution centre at its production site in Brits, South Africa. The 1000 sq m facility will increase the site's capacity and facilitate the distribution of its various products

and services in South Africa as well as in 10 other African countries. The centre is supplemented by new administrative offices.

Company contact: Hubert de Roquefeuil (Chief Executive Officer, Neovia)

Jobs Created: 157 (est)

Investment: ZAR 388.40 million (est)

FDI project type: Co-Location

June 2015 - Anglo American Platinum, a subsidiary of Anglo American into South Africa

Anglo American Platinum, a subsidiary of Anglo American (London, United Kingdom) is investing in the city of Rustenburg, South Africa in the Renewable energy sector in a Electricity project.

Anglo American Platinum, a subsidiary of UK-based Anglo American, has opened a new power plant in Rustenburg, South Africa. The Eternity power plant at the firm's Waterval smelting complex is a joint venture initiative with South Africa-based Vuselela Energy and H1 Holdings. The R150m project uses waste heat from the connected plant's cooling circuit to evaporate an organic liquid and drive an expansion turbine. The plant has an installed capacity of 5 megawatts and will help reduce Anglo American Platinum's power consumption. The Department of Trade and Industry provided a R30m grant as part of its infrastructure development support initiative.

Company contact: July Ndlovu (Executive Head, Process, Anglo American Platinum)

Jobs Created: 2 (est)

Investment: ZAR 160.40 million

FDI project type: Co-Location

April 2014 - Syngenta into South Africa

Syngenta (Basel, Switzerland) is investing in the city of Brits, South Africa in the Food & Beverages sector in a Research & Development project.

Switzerland-based Syngenta, an agribusiness specialist, has opened a new research and development centre in Brits, South Africa. The Africa Middle East Seed Care Institute is located at the firm's existing packing plant and aims to stimulate the development and testing of seed treatment and protection technologies.

Company contact: Antonie Delport (Managing Director (South Africa))

Jobs Created: 55 (est)

Investment: ZAR 166.87 million (est)

FDI project type: Co-Location

December 2011 - IGE Resources (International Gold Exploration) into South Africa

IGE Resources (International Gold Exploration) (Stockholm, Sweden) is investing in South Africa in the Minerals sector in a Extraction project.

Sweden-based exploration and mining company IGE Resources has commenced production at its Bakerville diamond mine in South Africa's North West region. In the first phase the mine and treatment plant have an average output of 120 tonnes per hour of run-of-mine material. The company will carry out further drilling and exploration at the mine, with further results expected in quarter one 2012. IGE Resources holds 55% of the mining licence for the project, with 26% being held by a Black Economic Empowerment company and local investors holding the remaining 19%.

Company contact: Thomas Carlsson (Chief Financial Officer)

Jobs Created: 383 (est)

Investment: ZAR 799.82 million (est)

FDI project type: New

April 2011 - Monsanto into South Africa

Monsanto (St Louis (MO), United States) is investing in South Africa in the Food & Beverages sector in a Manufacturing project.

US-based agricultural products company Monsanto has set up a new manufacturing plant in Lichtenburg, South Africa. The company has invested R150m into the facility, which will process corn seed and can store up to 140,000 bags of seed. Around 4000 sq m will be used for cold storage below 15 degrees for 40,000 bags.

Company contact: Kobus Lindeque (Managing Director (Sub-Saharan Africa))

Jobs Created: 147 (est)

Investment: ZAR 323.67 million

FDI project type: New

August 2010 - Xstrata-Merafe, a subsidiary of Xstrata PLC into South Africa

Xstrata-Merafe, a subsidiary of Xstrata PLC (Zug, Switzerland) is investing in the city of Rustenburg, South Africa in the Metals sector in a Manufacturing project.

Xstrata-Merafe, a ferro-chrome producer, has announced plans to open a manufacturing plant at its Rustenburg mine in South Africa. The company will invest R1bn into the facility, which will have a capacity to sinster and pellitise 600,000 tonnes per year of chrome-fines. The company expects the unit to be operational by 2013.

Jobs Created: 1706 (est)

Investment: ZAR 1,967.91 million

FDI project type: Co-Location

5. TRADE

5.1 African Continental Free Trade Area (AfCFTA)

Facilitating trade and economic integration in Africa

Official intra-African trade remains low and Africa trades more with the rest of the World than with itself. One of the main reasons for this is the lack of information on market opportunities and market access conditions.

The AfCFTA lowers trade barriers and promotes regional economic integration. Trading under the continent-wide area commenced on 1 January 2021.

The African Trade Observatory, one of the five operational instruments of the AfCFTA, it serves as a repository of trade information and allows to monitor, in real time, the pace of trade and economic integration in Africa. A new trade intelligence tool that enables firms to easily explore and compare trade opportunities across Africa to support trade under the new African Continental Free Trade Area. The African Trade Observatory (Link: <https://ato.africa/en>) was rolled out by the African Union (AU), the European Union (EU) Commission and the International Trade Centre (ITC) at an AU summit on 5 December 2020.

The African Trade Observatory is especially valuable for empowering the economic operators during this COVID-19 pandemic, by putting an entire continent of trade intelligence at the fingertips of African entrepreneurs, especially to support small local firms, women and young people in making the most of new opportunities.

Following the release of two publicly available modules (Compare and Explore), policymakers and Regional Economic Communities will have access to a third Monitor module. This module will provide a range of real-time indicators on trade flows, utilization of AfCFTA tariff preferences, tax revenues, clearance time and trade simulations, thereby facilitating the evaluation of the implementation process and impact of the AfCFTA.

5.2 North West Trade

The negative impact of COVID-19 and the resulting lockdown is also clearly visible when comparing the international trade statistics from 2019 and 2020. When drilling into the details it is clear that in 2019 the largest contributor to exports and trade in the North West was precious metals including PGMS and the export destinations included the UK and the USA, Japan, Hong Kong and Germany. In 2020 the national export figure for precious metals actually increased but the North West province is not indicated as the export province. It is suspected that due to the fact that the head office of the exporter or exporters are in other provinces and the North West figures are therefore drastically reduced.

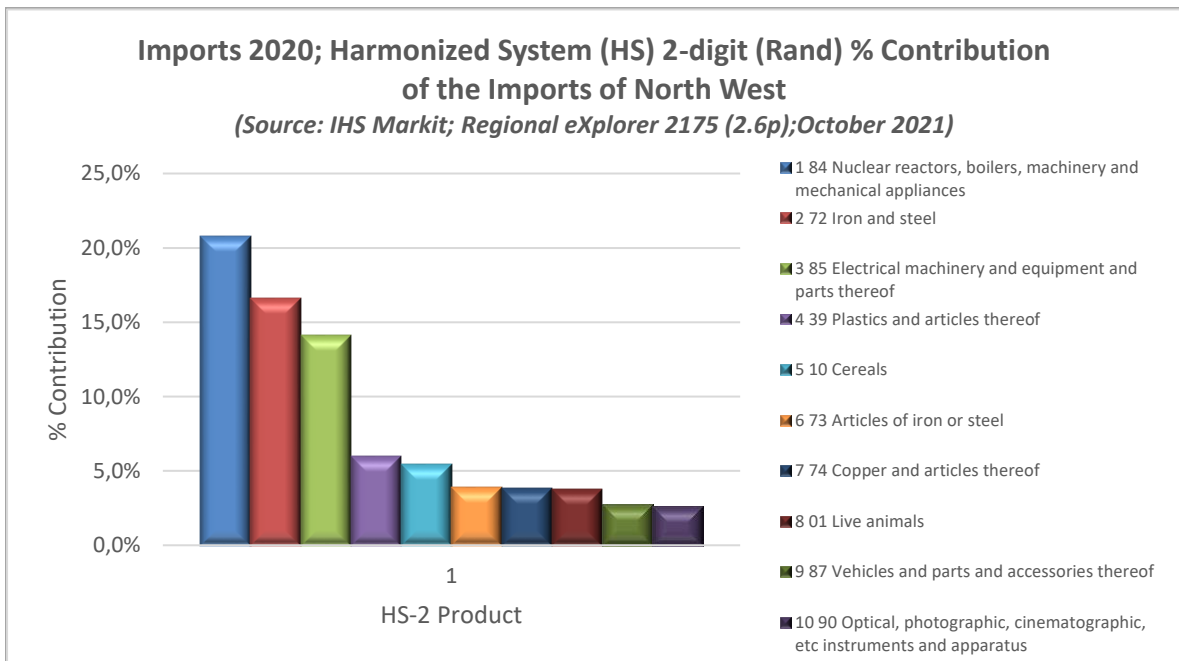
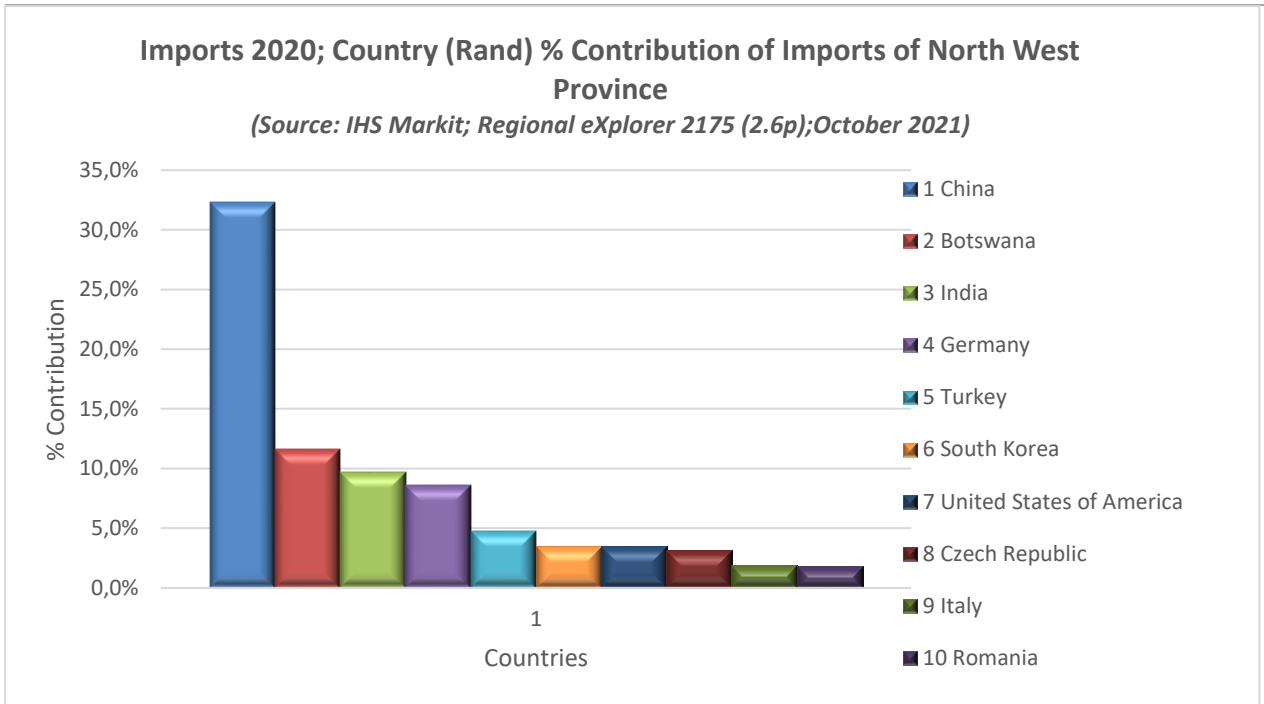
| Exports Harmonized System (HS) 2-digit (Rand) | SA | NW | BPDM | Madibeng | Rustenburg |
|---|-----------------|----------------|----------------|---------------|----------------|
| 71 Precious metals 2019 | 221 262 284 620 | 77 931 663 975 | 77 923 801 336 | 3 923 571 543 | 73 987 158 466 |
| 71 Precious metals 2020 | 324 139 623 779 | 1 740 500 | 73 374 | 59 796 | 0 |

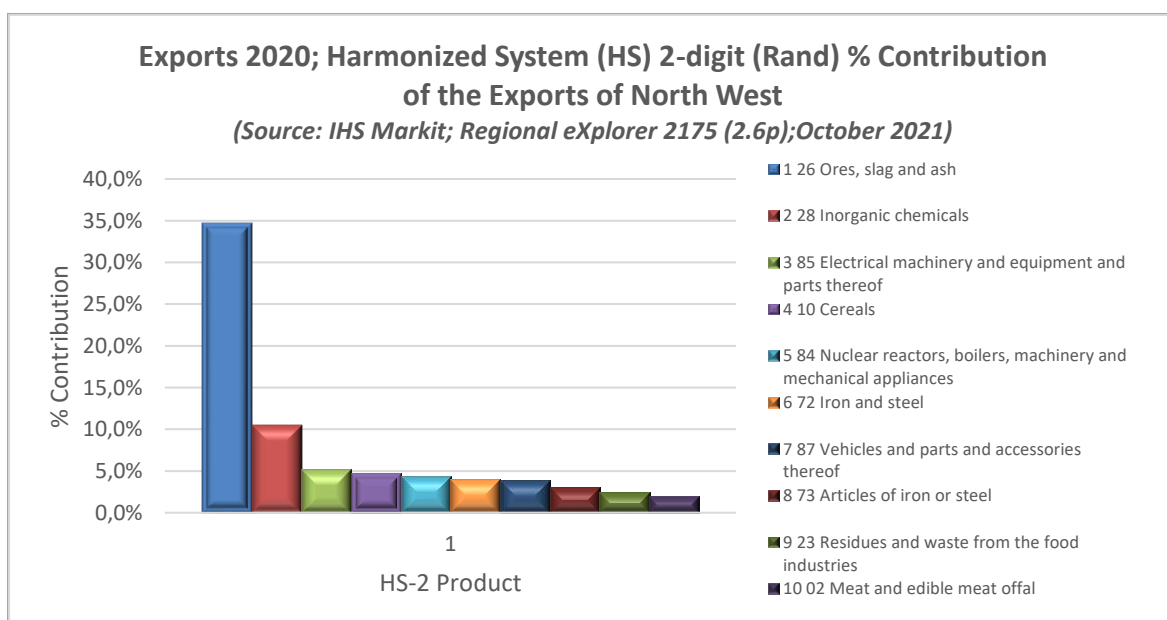
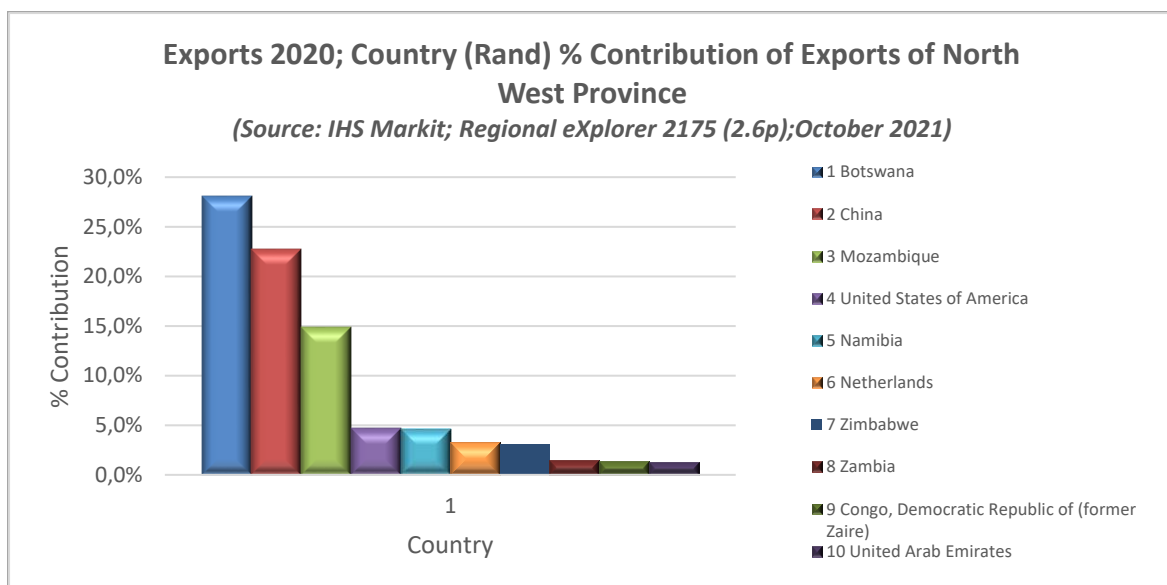
Table 22: NORTH WEST TRADE VALUES

| NORTH WEST International Trade Totals 2020 | | | | | | |
|--|---------------|------------|-----------|-----------|---------|------------|
| | SA | NW | BPDM | NMMDM | DRSMDM | DKKDM |
| Exports (R 1000) | 1 394 345 999 | 9 936 026 | 6 189 990 | 2 356 350 | 260 438 | 1 129 247 |
| Imports (R 1000) | 1 109 458 999 | 5 760 462 | 2 610 311 | 506 784 | 153 435 | 2 489 932 |
| Total Trade (R 1000) | 2 503 804 998 | 15 696 488 | 8 800 302 | 2 863 134 | 413 873 | 3 619 179 |
| Trade Balance (R 1000) | 284 887 001 | 4 175 564 | 3 579 679 | 1 849 566 | 107 003 | -1 360 684 |
| Exports as % of GDP | 25,3% | 3,1% | 3,9% | 3,7% | 1,0% | 1,5% |
| Total trade as % of GDP | 45,3% | 4,9% | 5,6% | 4,5% | 1,6% | 4,8% |
| Regional share - Exports | 100,0% | 0,7% | 0,4% | 0,2% | 0,0% | 0,1% |
| Regional share - Imports | 100,0% | 0,5% | 0,2% | 0,0% | 0,0% | 0,2% |
| Regional share - Total Trade | 100,0% | 0,6% | 0,4% | 0,1% | 0,0% | 0,1% |

(Source: IHS Markit; Regional Explorer 2175 (2.6p); October 2021)

Figure 8: KEY IMPORT AND EXPORT GRAPHS





The information above indicates the competitive and comparative strengths of the North West economy as well as considers the external economic environment in which NWDC operates.

When considering the 2020 export figures of the North West province, there has been a significant decrease from R103 bn in 2019 to approximately R10bn in 2020 as indicated in Table 22 above.

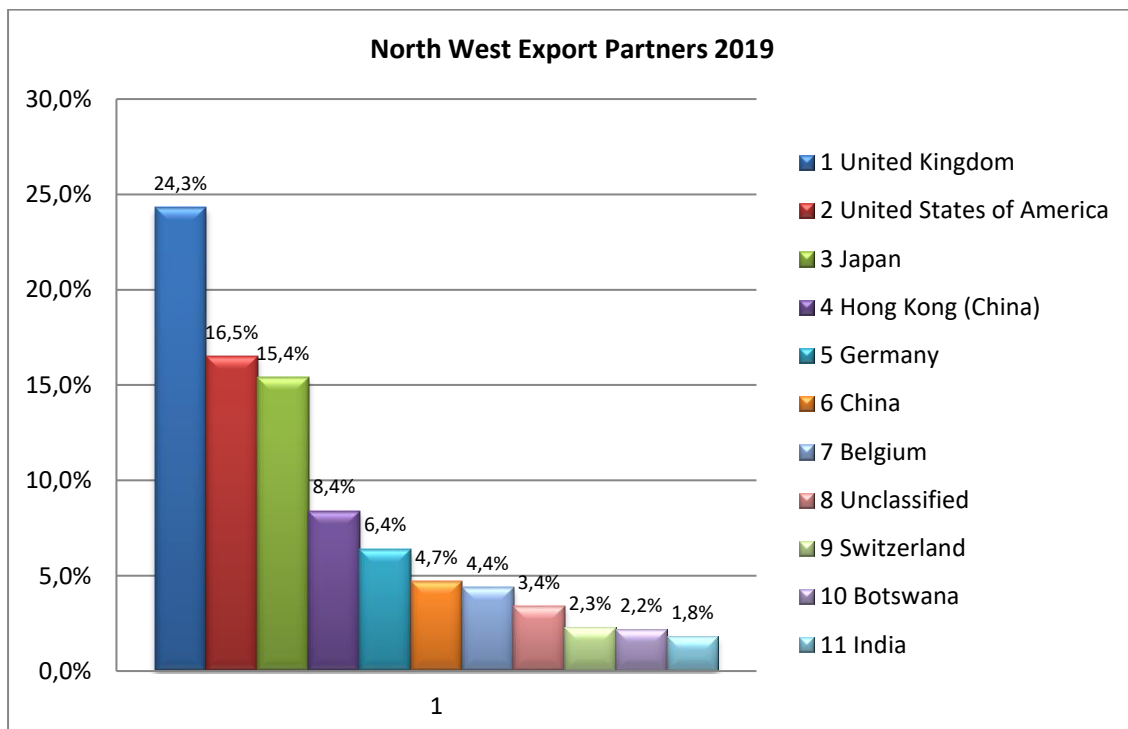
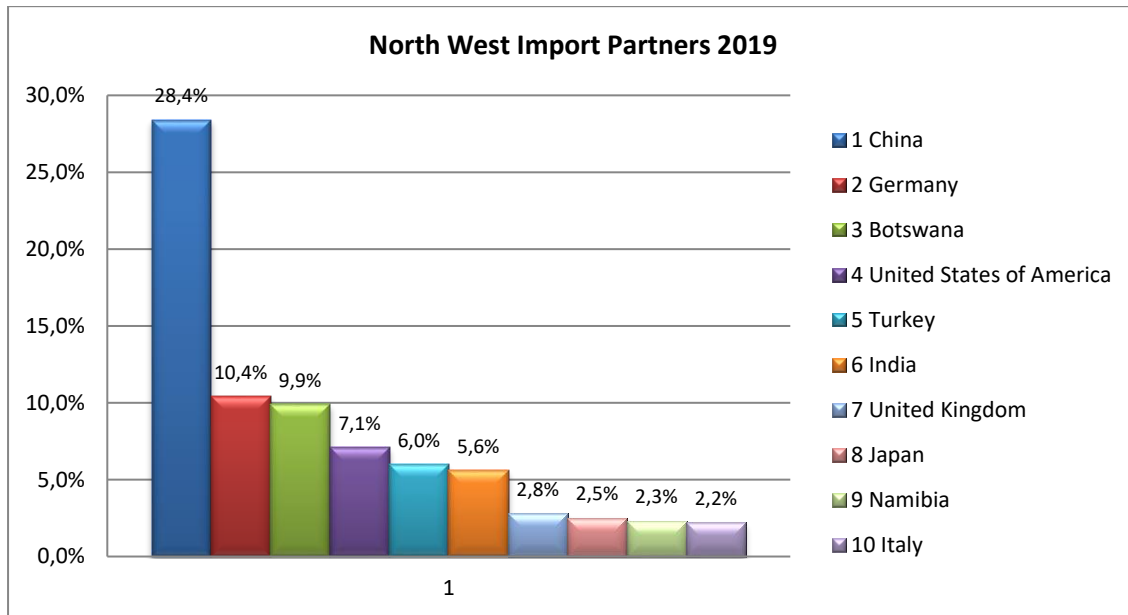
Compared to 2017, North West exports increased from approximately R24 bn to approximately R103 bn in 2019. Imports remained at about R6 bn. Exports were from mainly from Rustenburg and Madibeng.

Table 23: North West Trade Summary 2019

| International Trade | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
|---------------------|----|------------|-------------|------------------------|------------------------------|----------------------|
| | | | | | | |

| | | | | | | |
|------------------------------|---------------|-------------|-------------|-----------|---------|------------|
| Exports (R 1000) | 1 303 144 999 | 103 472 583 | 99 697 307 | 1 578 752 | 739 251 | 1 457 273 |
| Imports (R 1000) | 1 263 823 998 | 6 237 964 | 3 255 797 | 264 500 | 183 652 | 2 534 016 |
| Total Trade (R 1000) | 2 566 968 997 | 109 710 547 | 102 953 103 | 1 843 252 | 922 902 | 3 991 289 |
| Trade Balance (R 1000) | 39 321 000 | 97 234 619 | 96 441 510 | 1 314 253 | 555 599 | -1 076 743 |
| Exports as % of GDP | 25,7% | 34,0% | 62,4% | 2,7% | 3,2% | 2,3% |
| Total trade as % of GDP | 50,6% | 36,0% | 64,4% | 3,1% | 4,0% | 6,4% |
| Regional share - Exports | 100,0% | 7,94% | 7,7% | 0,1% | 0,1% | 0,1% |
| Regional share - Imports | 100,0% | 0,49% | 0,3% | 0,0% | 0,0% | 0,2% |
| Regional share - Total Trade | 100,0% | 4,27% | 4,0% | 0,1% | 0,0% | 0,2% |
| Trade | | | | | | |

(Source: IHS Markit: Regional eXplorer 1923 (2.6i) October 2020)



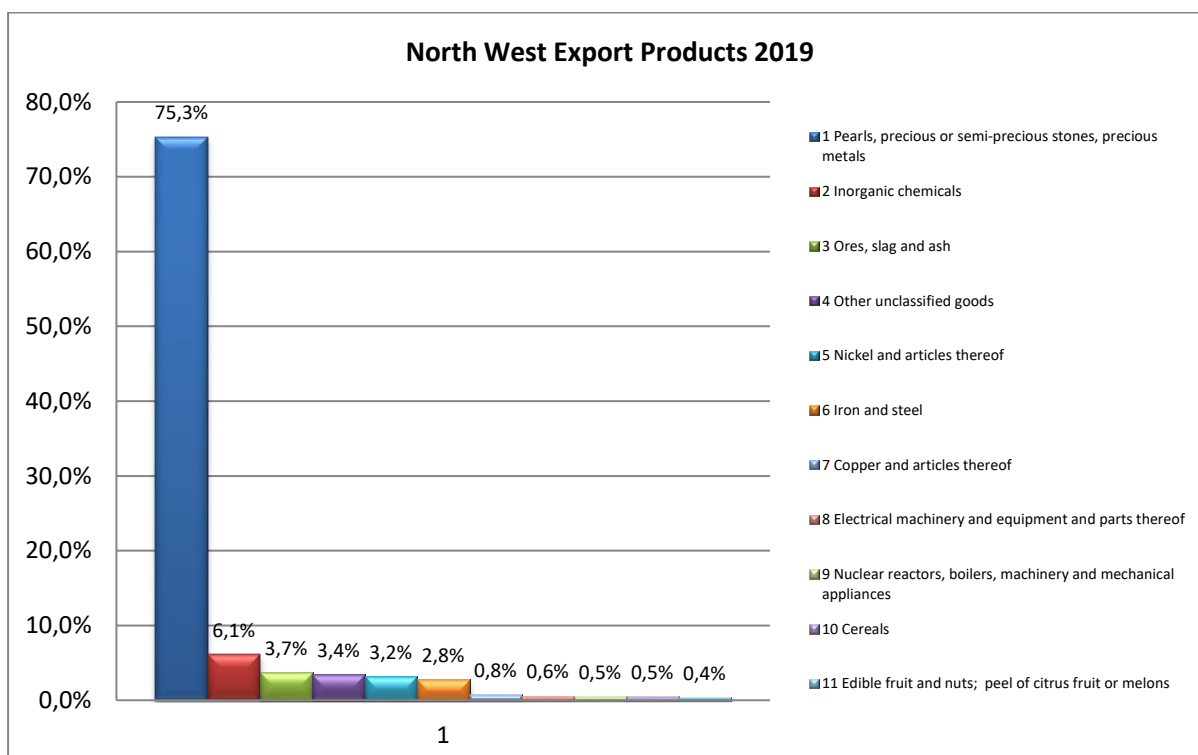
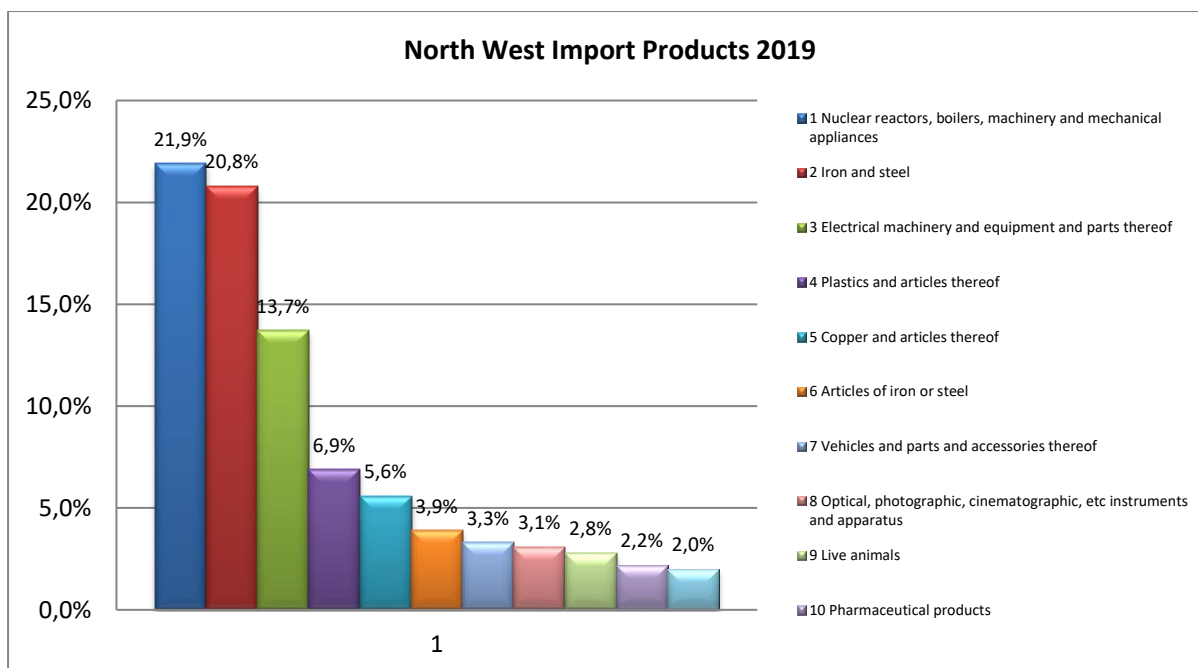


Table 24: International Trade Figures for 2019

| International Trade 2019 | | | | | | |
|--------------------------|---------------|-------------|-------------|------------------------|------------------------------|----------------------|
| | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
| Exports (R 1000) | 1 303 144 999 | 103 472 583 | 99 697 307 | 1 578 752 | 739 251 | 1 457 273 |
| Imports (R 1000) | 1 263 823 998 | 6 237 964 | 3 255 797 | 264 500 | 183 652 | 2 534 016 |
| Total Trade (R 1000) | 2 566 968 997 | 109 710 547 | 102 953 103 | 1 843 252 | 922 902 | 3 991 289 |
| Trade Balance (R 1000) | 39 321 000 | 97 234 619 | 96 441 510 | 1 314 253 | 555 599 | -1 076 743 |
| Exports as % of GDP | 25,7% | 34,0% | 62,4% | 2,7% | 3,2% | 2,3% |
| Total trade as % of GDP | 50,6% | 36,0% | 64,4% | 3,1% | 4,0% | 6,4% |

| | | | | | | |
|------------------------------|--------|-------|------|------|------|------|
| Regional share - Exports | 100,0% | 7,94% | 7,7% | 0,1% | 0,1% | 0,1% |
| Regional share - Imports | 100,0% | 0,49% | 0,3% | 0,0% | 0,0% | 0,2% |
| Regional share - Total Trade | 100,0% | 4,27% | 4,0% | 0,1% | 0,0% | 0,2% |

(Source: IHS Markit: Regional eXplorer 1923 (2.6i) October 2020)

Table 25: International Trade Figures for 2018

| International Trade (2018) | | | | | | |
|------------------------------|---------------|------------|------------|-----------|-----------|------------|
| | SA | North-West | BPDM | NMMDM | DRSMDM | DKKDM |
| Exports (R 1000) | 1 247 225 999 | 87 832 784 | 84 085 706 | 1 552 124 | 677 355 | 1 517 598 |
| Imports (R 1000) | 1 222 943 998 | 6 897 343 | 3 521 084 | 217 496 | 408 902 | 2 749 861 |
| Total Trade (R 1000) | 2 470 169 997 | 94 730 127 | 87 606 790 | 1 769 620 | 1 086 258 | 4 267 459 |
| Trade Balance (R 1000) | 24 282 001 | 80 935 440 | 80 564 622 | 1 334 629 | 268 453 | -1 232 263 |
| Exports as % of GDP | 25,6% | 30,3% | 55,1% | 2,9% | 3,2% | 2,4% |
| Total trade as % of GDP | 50,7% | 32,6% | 57,4% | 3,3% | 5,1% | 6,8% |
| Regional share - Exports | 100,0% | 7,0% | 6,7% | 0,1% | 0,1% | 0,1% |
| Regional share - Imports | 100,0% | 0,6% | 0,3% | 0,0% | 0,0% | 0,2% |
| Regional share - Total Trade | 100,0% | 3,8% | 3,5% | 0,1% | 0,0% | 0,2% |

Source: IHS Markit; Regional eXplorer 1692 (2.6f) June 2019

Table 26: International Trade Figures for 2017

| International Trade (2017) | | | | | | |
|------------------------------|---------------|------------|------------|-----------|---------|------------|
| | SA | North-West | BPDM | NMMDM | DRSMDM | DKKDM |
| Exports (R 1000) | 1 191 658 171 | 24 259 997 | 21 309 361 | 1 086 060 | 488 320 | 1 376 256 |
| Imports (R 1000) | 1 094 510 375 | 6 623 924 | 2 387 554 | 274 431 | 395 797 | 3 566 142 |
| Total Trade (R 1000) | 2 286 168 546 | 30 883 921 | 23 696 915 | 1 360 491 | 884 118 | 4 942 397 |
| Trade Balance (R 1000) | 97 147 796 | 17 636 073 | 18 921 808 | 811 628 | 92 523 | -2 189 886 |
| Exports as % of GDP | 25,6% | 8,8% | 14,5% | 2,2% | 2,4% | 2,3% |
| Total trade as % of GDP | 49,1% | 11,2% | 16,1% | 2,8% | 4,4% | 8,3% |
| Regional share - Exports | 100,0% | 2,0% | 1,8% | 0,1% | 0,0% | 0,1% |
| Regional share - Imports | 100,0% | 0,6% | 0,2% | 0,0% | 0,0% | 0,3% |
| Regional share - Total Trade | 100,0% | 1,4% | 1,0% | 0,1% | 0,0% | 0,2% |

Source: IHS Markit: Regional eXplorer 1338 (2.6b)

Table 27: International Trade Figures for 2016

| International Trade (2016) | | | | | | |
|------------------------------|---------------|------------|-------------|------------------------|------------------------------|----------------------|
| | SA | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |
| Exports (R 1000) | 1 107 472 999 | 24 747 607 | 21 046 353 | 1 246 032 | 582 597 | 1 872 625 |
| Imports (R 1000) | 1 089 677 002 | 5 878 139 | 2 415 301 | 281 730 | 213 319 | 2 967 790 |
| Total Trade (R 1000) | 2 197 150 001 | 30 625 746 | 23 461 654 | 1 527 762 | 795 916 | 4 840 415 |
| Trade Balance (R 1000) | 17 795 997 | 18 869 468 | 18 631 052 | 964 302 | 369 278 | -1 095 164 |
| Exports as % of GDP | 25,5% | 9,4% | 15,3% | 2,7% | 3,4% | 3,0% |
| Total trade as % of GDP | 50,7% | 11,6% | 17,1% | 3,3% | 4,6% | 7,8% |
| Regional share - Exports | 100,0% | 2,2% | 1,9% | 0,1% | 0,1% | 0,2% |
| Regional share - Imports | 100,0% | 0,5% | 0,2% | 0,0% | 0,0% | 0,3% |
| Regional share - Total Trade | 100,0% | 1,4% | 1,1% | 0,1% | 0,0% | 0,2% |

(Source: IHS Markit: Regional eXplorer 1070 (2.5y))

Table 28: International Trade Figures for 2015

| International Trade (2015) | | | | | | |
|----------------------------|--------------|------------|-------------|------------------------|------------------------------|----------------------|
| | South Africa | North-West | Bojanala DM | Ngaka Modiri Molema DM | Dr Ruth Segomotsi Mompoti DM | Dr Kenneth Kaunda DM |

| | | | | | | |
|------------------------------|---------------|------------|------------|-----------|---------|-----------|
| Exports (R 1000) | 1 041 437 998 | 23 716 878 | 20 335 113 | 1 112 529 | 564 055 | 1 705 181 |
| Imports (R 1000) | 1 075 891 997 | 5 652 685 | 2 442 159 | 306 278 | 282 885 | 2 621 364 |
| Total Trade (R 1000) | 2 117 329 995 | 29 369 564 | 22 777 272 | 1 418 807 | 846 940 | 4 326 545 |
| Trade Balance (R 1000) | -34 453 999 | 18 064 193 | 17 892 954 | 806 251 | 281 171 | -916 183 |
| Exports as % of GDP | 25,9% | 10,0% | 15,4% | 2,8% | 3,7% | 3,4% |
| Total trade as % of GDP | 52,8% | 12,4% | 17,2% | 3,6% | 5,6% | 8,6% |
| Regional share - Exports | 100,0% | 2,3% | 2,0% | 0,1% | 0,1% | 0,2% |
| Regional share - Imports | 100,0% | 0,5% | 0,2% | 0,0% | 0,0% | 0,2% |
| Regional share - Total Trade | 100,0% | 1,4% | 1,1% | 0,1% | 0,0% | 0,2% |

Source: IHS Global Insight: Regional eXplorer 993 (2.5v)

Table 29: International Trade Figures for 2013 and 2014

| International Trade Totals | South Africa | | North West | |
|------------------------------|---------------|---------------|------------|------------|
| | 2013 | 2014 | 2013 | 2014 |
| Exports (R 1000) | 924 055 893 | 1 003 825 998 | 20 156 967 | 18 300 516 |
| Imports (R 1000) | 991 185 991 | 1 072 463 997 | 6 022 629 | 5 553 622 |
| Total Trade (R 1000) | 1 915 241 883 | 2 076 289 995 | 26 179 596 | 23 854 138 |
| Trade Balance (R 1000) | -67 130 098 | -68 637 999 | 14 134 338 | 12 746 893 |
| Exports as % of GDP | 27,3% | 26,4% | 10,5% | 8,1% |
| Total trade as % of GDP | 56,6% | 54,7% | 13,7% | 10,6% |
| Regional share - Exports | 100,0% | 100,0% | 2,2% | 1,8% |
| Regional share - Imports | 100,0% | 100,0% | 0,6% | 0,5% |
| Regional share - Total Trade | 100,0% | 100,0% | 1,4% | 1,1% |

(Source: Regional eXplorer 832 (2.5q))

6. RECOMMENDATIONS

When considering the above it is recommended that attention should be given to the following:

- Covid-19 remains a major issue.
- The major focus of NWDC should be to support its Property and SMME Divisions.
- Develop SMMEs and assist them to access funding. Please see details on NWDC web page at www.nwdc.co.za ;
- The Department of Small Business Development has introduced three intervention measures to support SMMEs affected by the COVID-19 pandemic. These are the Business Growth and Resilience Facility, SMME Relief Finance Scheme and Sefa-Debt Restructuring Facility.
- Attract Investment to the Bojanala SEZ;
- Diversify the economy of the NW province to benefit from new trends;
- Actively explore opportunities to participate in the fourth industrial revolution and innovation that will lead to the knowledge economy;
- Actively seek for opportunities to benefit from the BRICS Fund;
- Seek for investment broader than the BRICS economies;
- Develop and diversify the manufacturing sector;
- Identify leakages in the current manufacturing value chains to attract investment as well as investigate global value chains as the new trend;
- Utilise localisation strategies and products identified for local procurement to link to local suppliers and SMMEs that can benefit from the infrastructure development programmes;
- Increase agricultural activity and agro-processing;
- Contribute to rural development programmes;
- Utilise co-operatives to stimulate these economies;
- Utilise ICT for communication and training purposes;
- Include designated groups, youth, women and disabled as beneficiaries of projects;
- The unemployed graduates database and other databases can be consulted for possible beneficiaries;
- Skilling in line with provincial plans is very important and closer co-operation should be encouraged between tertiary institutions and project drivers to be able to develop appropriate skills.

Report Submitted By

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J.H. Hoogkamer
J.H. Hoogkamer

**Manager Research and Innovation,
North West Development Corporation
+27 14 594 2570**