



# **Economic Data Report**

**Quarter 1 of 2023/2024**

*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 A Rocky Recovery

(Source: WORLD ECONOMIC OUTLOOK (WEO) Update; WEO April 2023)

Tentative signs in early 2023 that the world economy could achieve a soft landing—with inflation coming down and growth steady—have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. Policymakers have taken forceful actions to stabilize the banking system. As discussed in depth in the Global Financial Stability Report, financial conditions are fluctuating with the shifts in sentiment.

In parallel, the other major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities.

- Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges.
- Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high.
- Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard—most notably China—appear to be recovering, easing supply-chain disruptions.
- Despite the fillips from lower food and energy prices and improved supply-chain functioning, risks are firmly to the downside with the increased uncertainty from the recent financial sector turmoil.

The baseline forecast, which assumes that the recent financial sector stresses are contained, is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before rising slowly and settling at 3.0 percent, the lowest medium-term forecast in decades.

Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023—the weakest growth since the global downturn of 2001,

barring the initial COVID-19 crisis in 2020 and during the global financial crisis in 2009—with advanced economy growth falling below 1 percent.

Fiscal policymakers should buttress monetary and financial policymakers' actions in getting inflation back to target while maintaining financial stability.

In most cases, governments should aim for an overall tight stance while providing targeted support to those struggling most with the cost-of-living crisis.

#### Recommendations

- Aggressive monetary tightening is critical to avoid inflation de-anchoring;
- Protection of vulnerable groups through targeted near-term support to alleviate the burden of the cost-of-living crisis;
- Addressing growing government debt through improvement in debt resolution frameworks;
- Improve productivity and economic capacity;
- Fast-track the green energy transition will yield long-term payoffs for energy security; and
- Successful multilateral cooperation to support economic integration.

**Table 1. Overview of the World Economic Outlook Growth Projections World Economic Outlook Update April 2023**

	Projections										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>World Output</b>	3,2	3,2	3,3	3,8	3,5	2,8	-3,1	6,2	3,4	2,8	3
<b>Advanced Economies</b>	1,9	2,1	1,7	2,5	2,2	1,6	-4,5	5,4	2,7	1,3	1,4
<b>United States</b>	2,4	2,6	1,6	2,4	3	2,2	-3,4	5,9	2,1	1,6	1,1
<b>Euro Area</b>	0,9	2	1,9	2,5	1,9	1,3	-6,3	5,3	3,5	0,8	1,4
<b>Germany</b>	1,6	1,5	1,9	2,5	1,3	0,6	-4,6	2,6	1,8	-0,1	1,1
<b>France</b>	0,6	1,1	1,2	2,3	1,8	1,8	-7,9	6,8	2,6	0,7	1,3
<b>Italy</b>	-0,3	0,8	0,9	1,7	0,8	0,3	-9	6,7	3,7	0,7	0,8
<b>Spain</b>	1,4	3,2	3,3	3	2,4	2	-10,8	5,5	5,5	1,5	2
<b>Japan</b>	-	1,1	0,9	1,9	0,3	0	-4,5	2,1	1,1	1,3	1
<b>United Kingdom 2/</b>	3,1	2,2	1,9	1,8	1,3	1,4	-9,3	7,6	4	-0,3	1
<b>Canada</b>	2,5	0,9	2,3	3	2	1,9	-5,2	5	3,4	1,5	1,5
<b>Other Advanced Economies 3/</b>	2,8	2,2	2,3	2,9	2,7	1,9	-1,8	5,3	2,6	1,8	2,2
<b>Emerging Market and Developing Economies</b>	4,6	4,3	4,4	4,8	4,5	3,7	-2	6,7	4	3,9	4,2
<b>Emerging and Developing Asia</b>	6,8	6,8	6,4	6,6	6,3	5,4	-0,8	7,4	4,4	5,3	5,1
<b>China</b>	7,3	6,9	6,7	6,8	6,7	6	2,2	8,4	3	5,2	4,5
<b>India 4/</b>	7,2	8	7,1	7,2	6,1	4	-6,6	8,7	6,8	5,9	6,3
<b>Emerging and Developing Europe</b>	2,8	4,7	3,2	3,9	3,3	2,5	-1,8	6,9	0,8	1,2	2,5
<b>Russia</b>	0,7	-2,8	-0,2	1,6	2,5	2	-2,7	4,7	-2,1	0,7	1,3
<b>Latin America and the Caribbean</b>	1,3	0,1	-0,7	1,2	1,1	0,1	-6,9	7	4	1,6	2,2
<b>Brazil</b>	0,1	-3,8	-3,5	1,1	1,3	1,4	-3,9	5	2,9	0,9	1,5
<b>Mexico</b>	2,2	2,6	2,9	2,1	2,2	-0,2	-8,1	4,7	3,1	1,8	1,6
<b>Middle East and Central Asia</b>	2,7	2,7	4,9	2,3	2,1	1,4	-2,9	4,5	5,3	2,9	3,5
<b>Saudi Arabia</b>	3,6	4,1	1,7	-0,7	2,4	0,3	-4,1	3,2	8,7	3,1	3,1
<b>Sub-Saharan Africa</b>	5,1	3,4	1,4	3	3,2	3,2	-1,6	4,7	3,9	3,6	4,2
<b>Nigeria</b>	6,3	2,7	-1,6	0,8	1,9	2,2	-1,8	3,6	3,3	3,2	3
<b>South Africa</b>	1,6	1,3	0,6	1,4	0,8	0,2	-6,3	4,9	2	0,1	1,8
<b>Memorandum</b>											

<b>World Growth Based on Market Exchange Rates</b>	2,7	2,7	2,5	3,2	3,1	2,4	-3,4	6	3	2,4	2,4
<b>European Union</b>						1,8	-5,8	5,5	3,7	0,7	1,6
<b>ASEAN-5-5/</b>	4,6	4,9	4,9	5,3	5,3	4,9	-3,4	3,8	5,5	4,5	4,6
<b>Middle East and North Africa</b>						0,8	-3,4	4,1	5,3	3,1	3,4
<b>Emerging Market and Middle-Income Economies</b>						3,5	-2,2	7	3,8	3,9	3,9
<b>Low-Income Developing Countries</b>	6	4,6	3,6	4,7	5,1	5,3	0,1	4,1	5	4,7	5,4
<b>World Trade Volume (Goods and Services)<sup>6</sup></b>	3,7	2,6	2,5	5,7	3,9	0,9	-7,9	10,4	5,1	2,4	3,5
<b>Imports</b>											
<b>Advanced Economies</b>	3,6	4	2,6	4,7	3,6	1,4	-8,8	9,4	6,6	1,8	2,7
<b>Emerging Market and Developing Economies</b>	3,9	0,3	2,3	7,5	5	-0,2	-6,2	12,1	3,5	3,3	5,1
<b>Exports</b>											
<b>Advanced Economies</b>	3,6	4	2,6	4,7	3,3	1,3	-9,1	8,7	5,2	3	3,1
<b>Emerging Market and Developing Economies</b>	3,9	0,3	2,3	7,5	4,1	-0,2	-4,8	11,8	4,1	1,6	4,3
<b>Commodity Prices (U.S. dollars)</b>											
<b>Oil <sup>7/</sup></b>	-7,5	-47,2	-15,7	23,3	29,4	-10,2	-32,7	65,8	39,2	-24,1	-5,8
<b>Nonfuel (average based on world commodity export weights)</b>	-4	-17,5	-1,6	6,4	1,3	0,8	6,7	26,4	7,4	-2,8	-1
<b>World Consumer Prices <sup>8/</sup></b>							3,2	4,7	8,7	7	4,9
<b>Advanced Economies <sup>9/</sup></b>	1,4	0,3	0,8	1,7	2	1,4	0,7	3,1	7,3	4,7	2,6
<b>Emerging Market and Developing Economies <sup>9/</sup></b>	4,7	4,7	4,3	4,3	4,9	5,1	5,2	5,9	9,8	8,6	6,5
<b>London Interbank Offered Rate (percent)</b>											
<b>On U.S. Dollar Deposits (six month)</b>	0,3	0,5	1,1	1,5	2,5	2,3	0,7	0,2	0,4		
<b>On Euro Deposits (three month)</b>	0,2	0	-0,3	-0,3	-0,3	-0,4	-0,4	-0,5	-0,5		
<b>On Japanese Yen Deposits (six month)</b>	0,2	0,1	-	-	-	0	0	-0,1	0		
<b>"Source: IMF staff.</b>											

Source: IMF staff estimates.

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 15, 2023–March 15, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1Difference based on rounded figures for the current, January 2023 WEO Update, and October 2022 WEO forecasts.

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

3For 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. Quarterly data are non-seasonally adjusted and differences from the January 2023 WEO Update and October 2022 WEO are not available.

4Indonesia, Malaysia, Philippines, Singapore, Thailand

5Simple 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 \$96.36 in 2022; the assumed price, based on futures markets, is \$73.13 in 2023 and \$68.90 in 2024.

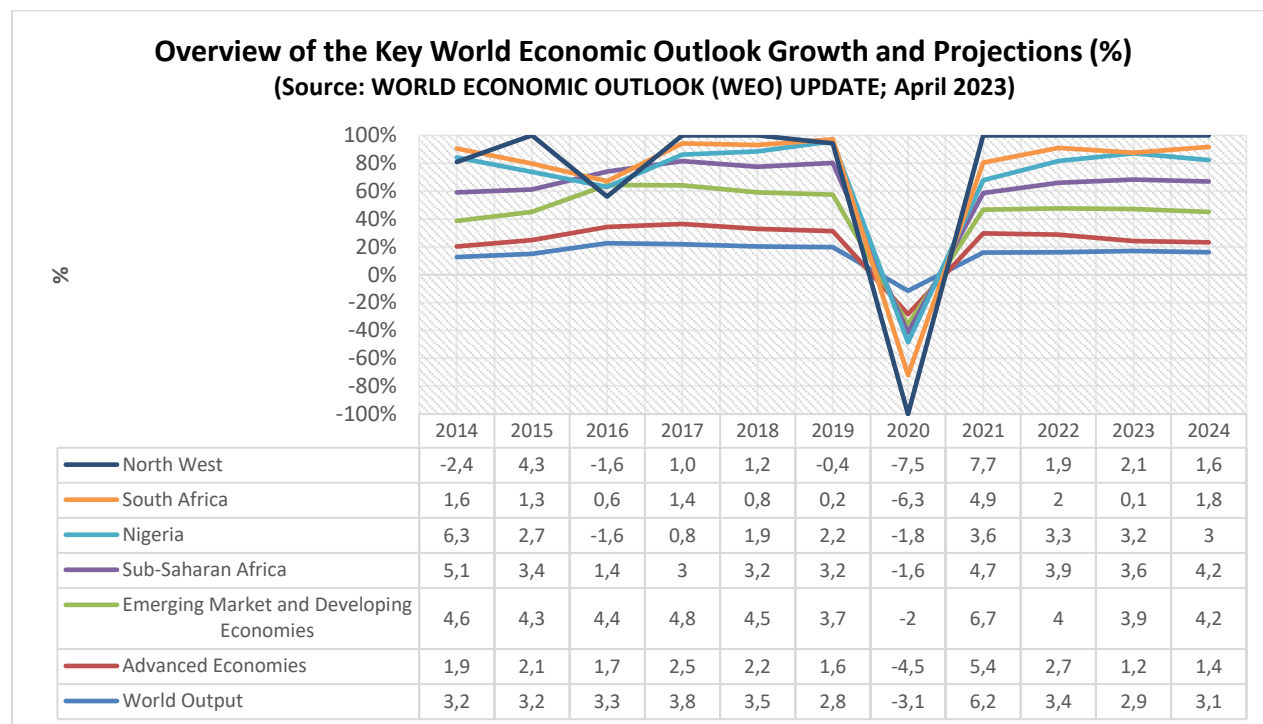
6Excludes Venezuela. See the country-specific note for Venezuela in the “Country Notes” section of the Statistical Appendix.

7The inflation rates for 2023 and 2024, respectively, are as follows: 5.3 percent and 2.9 percent for the euro area, 2.7 percent and 2.2 percent for Japan, and 4.5 percent and 2.3 percent for the United States.

8For world output, the quarterly estimates and projections account for approximately 90 percent of annual world output at purchasing-power-parity weights.

9For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 85 percent of annual emerging market and developing economies' output at purchasing-power-parity weights.

**Figure 1: Overview of the Key World Economic Outlook Growth and Projections (%)**  
(Source: **WORLD ECONOMIC OUTLOOK (WEO) UPDATE; April 2023**)



## 2.2 South African Economy

### 2.2.1 Highlights Q1 2023/2024

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 60,6 million in mid-2022. 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 over the past 8 years grew by an average of 1.6% while the economy grew by 3,1% which will increase income per capita and result in a wealthier population.

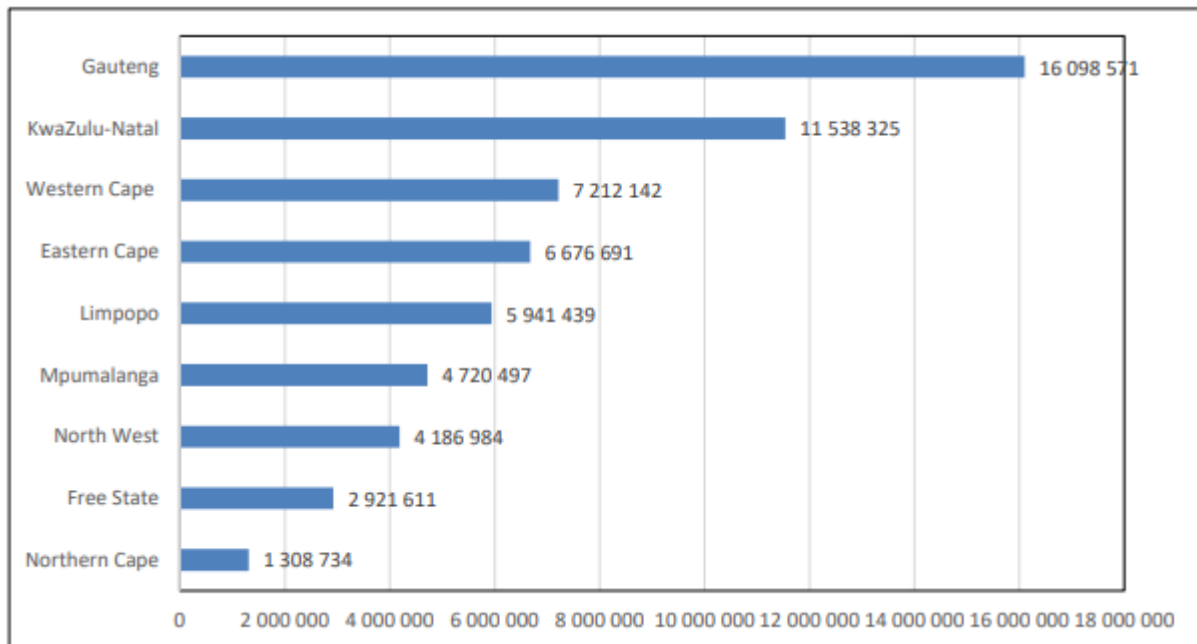
**Table 2: South African and North West Population and Population Growth Rates**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>South Africa</b>	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	60 604 992
<b>Growth rate %</b>	1,56%	1,55%	1,56%	1,53%	1,48%	1,51%	1,52%	1,50%	1,38%	1,01%	0,77%
<b>North-West</b>	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	4 186 984
<b>Growth rate %</b>	1,75%	1,72%	1,70%	1,64%	1,59%	1,64%	1,69%	1,66%	1,58%	1,15%	1,56%

**Table 3: Mid-year population estimates for South Africa by population group and sex, 2022**

Population group	Male		Female		Total	
	Number	% distribution of males	Number	% distribution of females	Number	% distribution of total
Black African	23 985 479	81,0	25 085 330	81,0	49 070 809	81,0
Coloured	2 601 932	8,8	2 737 987	8,8	5 339 919	8,8
Indian/Asian	794 882	2,7	760 114	2,5	1 554 996	2,6
White	2 242 589	7,6	2 396 679	7,7	4 639 268	7,7
<b>Total</b>	<b>29 624 882</b>	<b>100,0</b>	<b>30 980 110</b>	<b>100,0</b>	<b>60 604 992</b>	<b>100,0</b>

**Figure 1: Mid-year population estimates for South Africa by province, 2022**



**Table 4: Mid-year population estimates for North West by population group and sex, 2022**

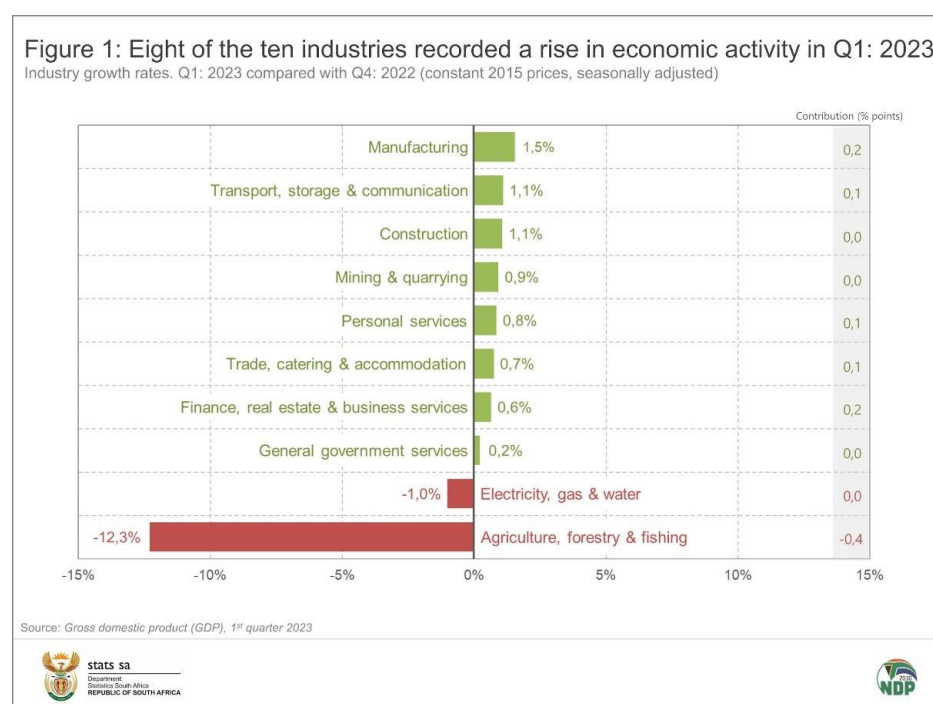
Age	North West		
	Male	Female	Total
0-4	199 494	196 101	395 595
5-9	197 583	194 019	391 602
10-14	206 015	202 049	408 065
15-19	179 636	177 570	357 207
20-24	155 205	148 399	303 604
25-29	177 532	156 651	334 183
30-34	202 976	175 002	377 977
35-39	191 806	165 192	356 998
40-44	154 075	135 455	289 530
45-49	122 773	115 344	238 117
50-54	98 383	95 051	193 434
55-59	80 768	80 938	161 706
60-64	64 127	66 599	130 726
65-69	44 059	53 272	97 331
70-74	27 539	39 027	66 565
75-79	16 163	27 758	43 921
80+	10 822	29 601	40 424
<b>Total</b>	<b>2 128 956</b>	<b>2 058 028</b>	<b>4 186 984</b>

## South African economy expands by 0,4% in Q1 2023

After contracting by a revised 1,1% in the fourth quarter of 2022, real gross domestic product (GDP) edged higher in the first quarter of 2023 (January–March), expanding by an estimated 0,4%.<sup>1</sup> The manufacturing and finance industries were the major drivers of growth on the supply side of the economy. The demand side was lifted by exports, with smaller positive contributions for household, government, and investment spending.

### Manufacturing and finance were the main drivers of growth

Eight of the ten industries recorded growth in the first three months of the year (Figure 1), with manufacturing and finance, real estate & business services the largest positive contributors. Manufacturing output increased by 1,5%, adding 0,2 of a percentage point to GDP growth. The production of food and beverages was the main catalyst behind the industry's positive showing.



Finance, real estate & business services crept up by 0,6%, mainly driven by financial intermediation, insurance & pension funding, real estate and business services.

Personal services increased by 0,8%, driven by increased activity in community services.

A rise in rail freight and rail passenger transport helped the transport, storage & communication industry expand by 1,1%. Air transport, transport support services and communications also witnessed stronger economic activity, contributing to the industry's positive reading.

After a disappointing end to 2022, mining activity turned positive in the first quarter. The rise in production was led by platinum group metals and gold.

The trade industry also registered upward growth, with positive results from wholesale trade, retail trade and catering & accommodation. Motor trade wasn't as lucky, however, recording a decrease in economic activity.

Electricity, gas & water and agriculture contracted in the first quarter. Electricity, gas & water (utilities) registered its fourth consecutive quarter of decline, dampened by weaker electricity production and lower



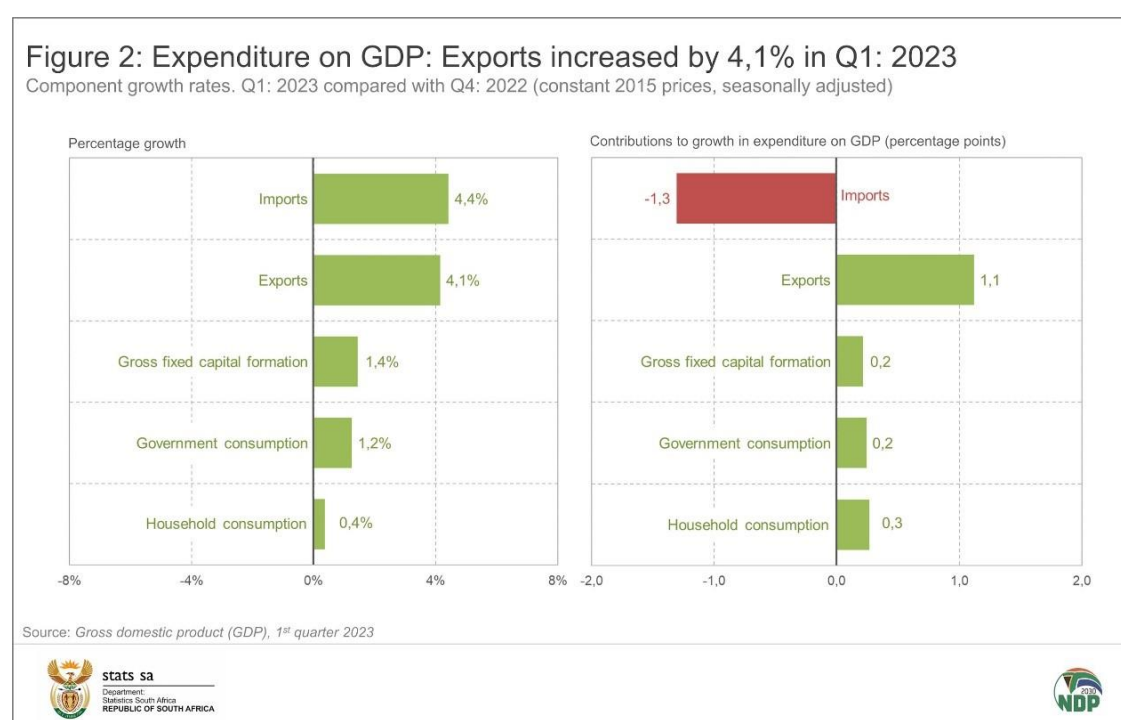
water consumption. The decline in utilities in the first quarter was an improvement from the decrease recorded in the previous quarter.

Agriculture slumped by 12,3%, weighed down by a decline in the production of field crops and animal products. Agriculture was the largest negative contributor in the first quarter, subtracting 0,4 of a percentage point from GDP growth.

### Exports the main positive contributor to 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 government consumption, household consumption, investment (gross fixed capital formation and changes in inventories), and net exports.

South African exports were buoyant in the first quarter, expanding by 4,1% (Figure 2). Export growth was mainly driven by increased trade in base metals, food (vegetable products, prepared foodstuffs & beverages) and machinery & electrical equipment.



Mirroring the rise in construction on the supply side of the economy, gross fixed capital formation increased on the back of government investment. While the private sector and public corporations made smaller positive contributions, their impact was not on the same scale as government.

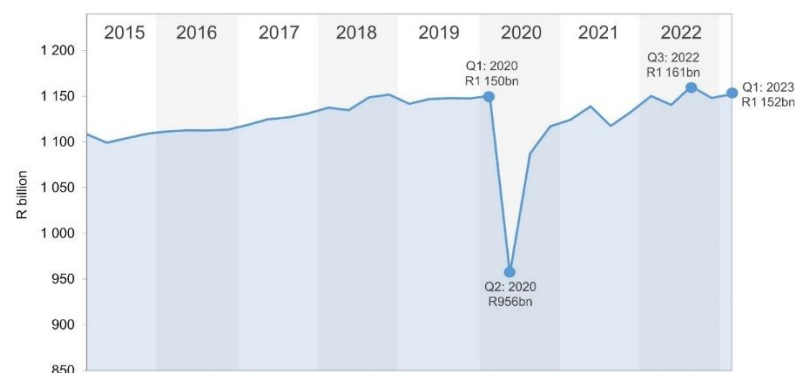
Households increased spending on restaurants & hotels by 6,9%. This budget item was the largest positive contributor to the 0,4% rise in overall household consumption expenditure.

Imports were also up in the first quarter, mainly driven by increased trade in machinery & equipment, chemical products, vehicles & transport equipment, and prepared foodstuffs & beverages.

### GDP: a time series

Those familiar with GDP media briefings may recognise Figure 3. Updated for the first quarter, the graph provides a quick overview of how the economy has performed since 2015. After the sharp downturn in the second quarter of 2020, real GDP (constant 2015 prices) took two years to return to pre-pandemic levels. In the third quarter of 2022, real GDP reached an all-time high of R1 161 billion. Despite the 0,4% rise in the first quarter of 2023, GDP remains below this peak.

**Figure 3: Gross domestic product (GDP) expanded by 0,4% in Q1: 2023**  
 Remaining below the peak of R1 161 billion recorded in Q3: 2022. Real GDP (constant 2015 prices, seasonally adjusted)



Source: Gross domestic product (GDP), 1<sup>st</sup> quarter 2023



## 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 6,3% in May 2023, down from 6,8% in April 2023. The consumer price index increased by 0,2% month-on-month in May 2023.

The main contributors to the 6,3% annual inflation rate were:

- Food and non-alcoholic beverages increased by 11,8% year-on-year and contributed 2,1 percentage points;
- Housing and utilities increased by 4,0% year-on-year and contributed 1,0 percentage point;
- Transport increased by 7,0% year-on-year and contributed 1,0 percentage point; and
- Miscellaneous goods and services increased by 6,3% year-on-year and contributed 0,9 of a percentage point.

In May the annual inflation rate of goods was 8,0%, down from 9,0% in April; and for services it was 4,7%, unchanged from 4,7% in April.

Note: Not all items in the CPI are surveyed every month. Table F shows the survey schedule for items that are not surveyed monthly. Additional surveys are conducted for these items when Statistics South Africa (Stats SA) is aware of significant price changes outside regular survey months.

**Table 5: Historical Inflation Rates**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Avg
<b>2014</b>	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%
<b>2015</b>	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%
<b>2016</b>	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%
<b>2017</b>	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%
<b>2018</b>	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%
<b>2019</b>	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%
<b>2020</b>	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%
<b>2021</b>	3,2%	2,9%	3,2%	4,4%	5,2%	4,9%	4,6%	4,9%	5,0%	5,0%	5,5%	5,9%	4,5%
<b>2022</b>	5,7%	5,7%	5,9%	5,9%	6,5%	7,4%	7,8%	7,6%	7,5%	7,6%	7,4%	7,2%	6,9%
<b>2023</b>	6,9%	7,0%	7,1%	6,8%	6,3%								

Provincial annual inflation rates ranged from 5,9% in Gauteng to 7,8% in Free State.

**Table 6: Provincial Inflation Rates**

Province	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	Feb 2022 CPI	May 2022 CPI	Aug 2022 CPI	Nov 2022 CPI	Mar- 2023 CPI	May 2023 CPI
Western Cape	4,1%	5,1%	3,6%	3,8%	3,7%	3,7%	3,6%	5,4%	5,2%	5,7%	5,4%	6,1%	7,2%	7,1%	7,1%	6,6%
Eastern Cape	3,2%	4,0%	2,4%	3,2%	3,3%	3,3%	3,4%	5,4%	5,1%	5,6%	5,7%	6,8%	8,8%	8,4%	7,9%	7,3%
Northern Cape	3,5%	4,4%	3,1%	3,1%	3,6%	3,5%	3,2%	5,0%	5,4%	5,6%	6,1%	6,8%	8,3%	8,0%	7,8%	7,1%
Free State	3,6%	4,0%	2,7%	3,0%	3,1%	3,2%	3,1%	5,0%	4,9%	5,3%	5,5%	6,2%	8,5%	8,8%	8,5%	7,8%
KwaZulu-Natal	3,4%	4,0%	3,0%	2,9%	3,1%	3,3%	3,3%	5,1%	5,1%	5,4%	5,5%	6,6%	8,0%	8,1%	7,9%	7,2%
North West	3,3%	4,1%	2,6%	3,0%	3,2%	3,2%	3,3%	5,7%	5,7%	6,2%	6,1%	6,8%	7,6%	7,3%	7,2%	6,4%
Gauteng	3,4%	4,4%	2,8%	2,7%	2,9%	2,8%	2,9%	5,3%	4,8%	5,5%	5,7%	6,5%	7,6%	7,2%	6,6%	5,9%
Mpumalanga	3,5%	4,2%	2,7%	2,9%	2,7%	2,9%	2,8%	5,0%	4,8%	5,3%	5,7%	6,6%	7,9%	8,2%	7,9%	7,3%
Limpopo	4,1%	4,7%	2,8%	3,1%	3,4%	2,9%	3,6%	5,6%	5,1%	5,7%	5,4%	7,2%	8,8%	8,2%	7,4%	6,4%

## Inflation: the most vulnerable are at risk

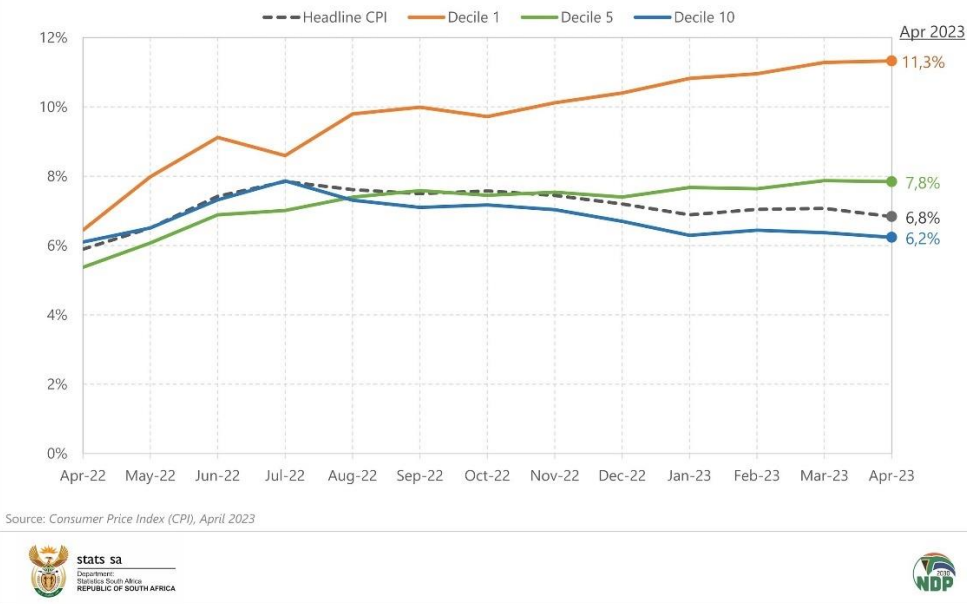
The groups that are most susceptible to economic hardship are experiencing large increases in the cost of living, according to the latest inflation data.

Together with the headline consumer price index (CPI), Stats SA publishes inflation rates for each province, for ten different income groups and for pensioners. The basket for each of these indices is weighted according to the proportions of spending of each group.<sup>1</sup>

### The poor are struggling the most

The headline rate was 6,8% in April 2023. The poorest households experienced the highest inflation rate: in the 12 months to April, the cost of living for households in decile 1 (the poorest households) increased by 11,3% (Figure 1).<sup>2</sup> The rate was 7,8% for households in decile 5 and 6,2% for the wealthiest households (decile 10).

Figure 1: Annual inflation rates for decile 1, decile 5 and decile 10 expenditure groups  
The poorest households (decile 1) experienced the highest inflation rate (11,3%) in April 2023



The rate for decile 1 exceeded the rates for decile 5 and decile 10 throughout this period, with the gap widening from July 2022 as food inflation accelerated. This shows how the poor have recently shouldered the brunt of rising prices.

The baskets for rich and poor exhibit stark differences (Figure 2).<sup>3</sup> The poorest households (decile 1) spend half of their annual budgets on food and non-alcoholic beverages (NAB). For those with the highest expenditure (decile 10), food and NAB contributes 11%. Poorer households are thus more vulnerable to increases in the price of food.

Figure 2: Which products take up the bulk of household spending?\*

The poorest households (decile 1) spend 50% of their budgets on food and non-alcoholic beverages

	Decile 1 ≤ R20 140†	Decile 5 R65 214 to R84 698	Decile 10 ≥ R312 247	South African CPI basket
Food and non-alcoholic beverages	50%	34%	11%	17%
Alcoholic beverages and tobacco	4%	5%	6%	6%
Clothing and footwear	9%	6%	3%	4%
Housing and utilities	16%	30%	16%	24%
Household contents and services	3%	3%	6%	4%
Health	1%	1%	2%	1%
Transport	1%	4%	22%	14%
Communication	6%	3%	2%	2%
Recreation and culture	2%	3%	6%	5%
Education	0,3%	1%	3%	3%
Restaurants and hotels	3%	4%	3%	3%
Miscellaneous goods and services	4%	6%	20%	15%
TOTAL	100%	100%	100%	100%

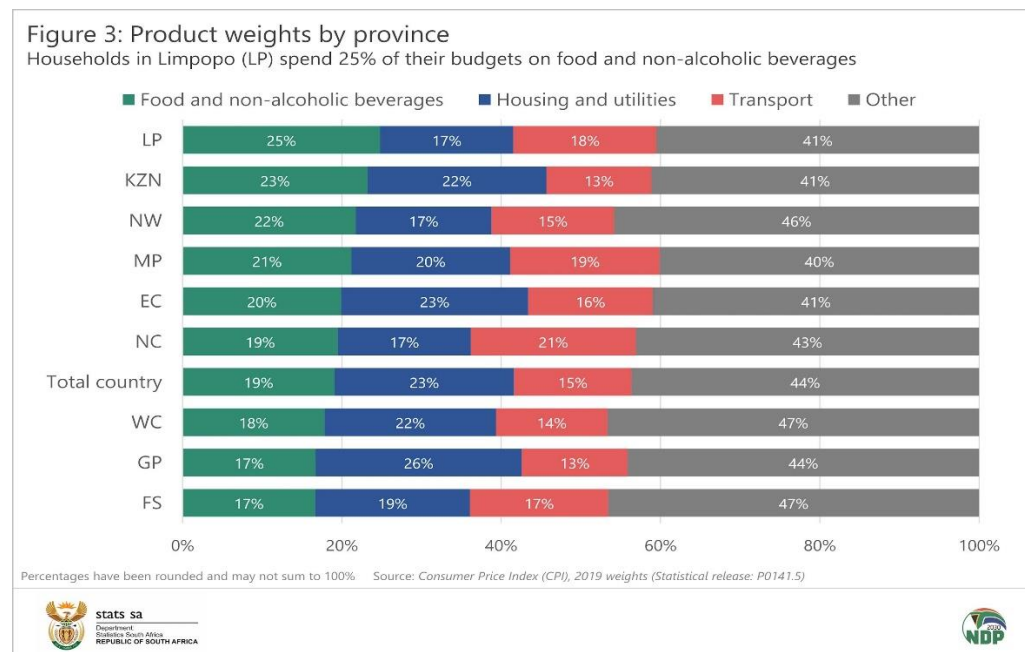
Percentages have been rounded and may not sum to 100%.

\*As a percentage of total household expenditure †Annual expenditure Source: Consumer Price Index (CPI), 2019 weights (Statistical release: P0141.5)

For the wealthiest, the biggest expenditure item is transport, followed by miscellaneous goods and services (which includes insurance). Increases in fuel prices therefore affect this group more severely.

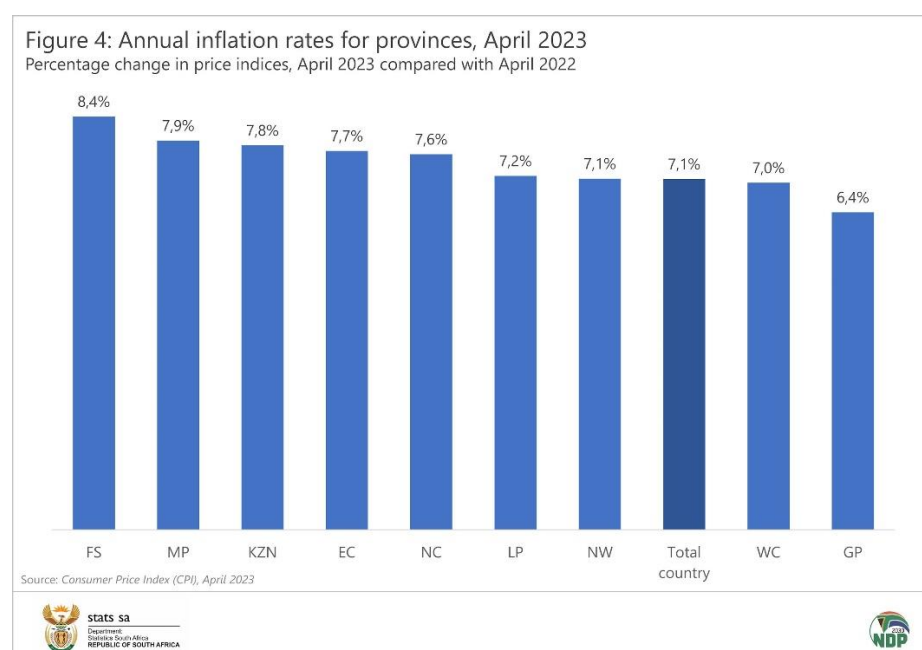
### The cost of living has risen the fastest in Free State and Mpumalanga

Geography matters. Households in Limpopo spend a fourth of their budgets on food and NAB (Figure 3), while the vast distances across Northern Cape have made transport the biggest spending item in that province. In Gauteng, R26 of every R100 of household expenditure goes to housing and utilities.



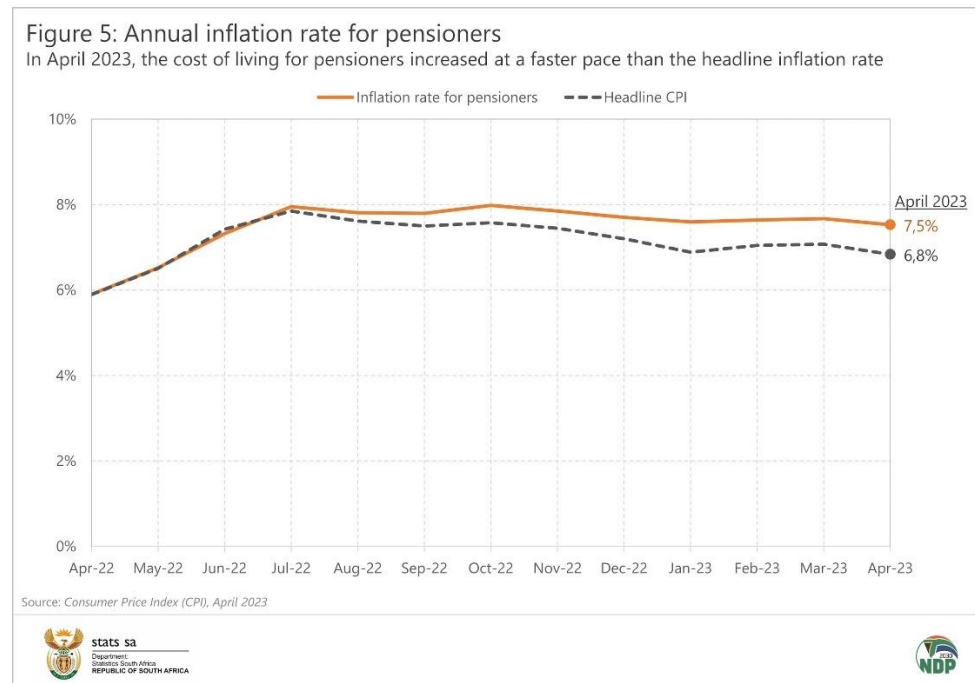
Free State and Mpumalanga recorded the highest annual inflation rates in April 2023 (Figure 4), followed by KwaZulu-Natal and Eastern Cape. In fact, Free State has recorded the highest rate since September 2022.

The predominantly urban provinces of Western Cape and Gauteng recorded the lowest rates in April 2023.



## The cost of living for pensioners is above general inflation

Stats SA publishes an inflation rate for pensioners too. Since July 2022, the annual rate for pensioners has exceeded the headline rate (Figure 5). In the 12 months to April 2023, the cost of living for pensioners increased by 7,5%, higher than the 6,8% reading for general inflation.



For more information on the range of consumer price indices published by Stats SA, download the latest Consumer Price Index (CPI) statistical release [here](#).

## 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 2022



	<b>Consumer Price Index (CPI)</b>	<b>Producer Price Index (PPI)</b>
<b>Average 2012</b>	5,6%	
<b>Average 2013</b>	4,7%	6,0%
<b>Average 2014</b>	6,1%	7,5%
<b>Average 2015</b>	4,6%	3,6%
<b>Average 2016</b>	6,4%	7,0%
<b>Average 2017</b>	5,3%	4,9%
<b>Average 2018</b>	4,7%	5,5%
<b>Average 2019</b>	4,1%	4,7%
<b>Average 2020</b>	3,3%	2,5%
<b>Average 2021</b>	4,5%	7,1%
<b>Average 2022</b>	6,9%	14,3%

## Key findings for April 2023

### Final manufactured goods –

Headline PPI Annual producer price inflation (final manufacturing) was 8,6% in April 2023, down from 10,6% in March 2023. The producer price index remained unchanged month-on-month in April 2023.

The main contributors to the headline PPI annual inflation rate were food products, beverages and tobacco products; coke, petroleum, chemical, rubber and plastic products; paper and printed products; transport equipment; and metals, machinery, equipment and computing equipment.

- Food products, beverages and tobacco products increased by 8,4% year-on-year and contributed 2,2 percentage points.
- Coke, petroleum, chemical, rubber and plastic products increased by 6,0% year-on-year and contributed 1,6 percentage points.
- Paper and printed products increased by 16,1% year-on-year and contributed 1,3 percentage points.
- Transport equipment increased by 13,8% year-on-year and contributed 1,2 percentage points.
- Metals, machinery, equipment and computing equipment increased by 6,9% year-on-year and contributed 1,0 percentage point.

### Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 4,6% in April 2023 (compared with 5,0% in March 2023). The index increased by 1,2% month-on-month. The main contributors to the annual rate were basic and fabricated metals (1,5 percentage points); chemicals, rubber and plastic products (1,2 percentage points); and sawmilling and wood (0,8 of a percentage point). The main contributor to the monthly rate was basic and fabricated metals (1,0 percentage point).

### Electricity and water

The annual percentage change in the PPI for electricity and water was 13,1% in April 2023 (compared with 10,1% in March 2023). The index increased by 6,4% month-on-month. Electricity contributed 12,1 percentage points and water contributed 1,1 percentage points to the annual rate. Electricity contributed 6,1 percentage points and water contributed 0,3 of a percentage point to the monthly rate.

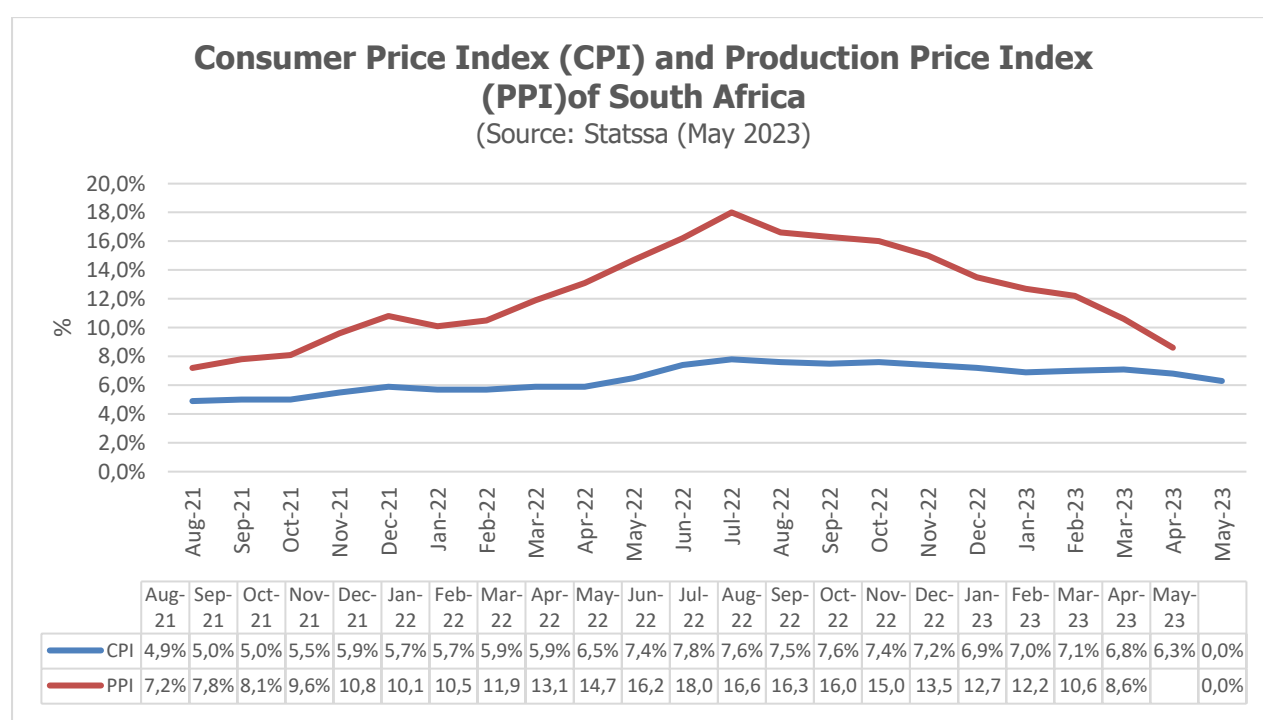
### Mining

The annual percentage change in the PPI for mining was 10,5% in April 2023 (compared with 17,1% in March 2023). The index decreased by 3,0% month-on-month. The main contributors to the annual rate were coal and gas (5,4 percentage points) and gold and other metal ores (3,1 percentage points). The main contributor to the monthly rate was non-ferrous metal ores (-3,3 percentage points).

### Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 6,0% in April 2023 (compared with 7,5% in March 2023). The index increased by 0,7% month-on-month. The main contributors to the annual rate were agriculture (3,1 percentage points) and fishing (2,3 percentage points). The main contributors to the monthly rate were forestry (0,4 of a percentage point) and agriculture (0,2 of a percentage point).

**Figure 4: South Africa's Consumer Price Index (CPI) and Production Price Index (PPI) August 2021 to May 2023**



### Employment

#### Employment drops in Formal Non-Agricultural Sector in Q1 of 2023

The working-age population increased by 141 000 or 0,3% in the first quarter of 2023 compared to the fourth quarter of 2022. Compared to Q1: 2022, the working-age population increased by 571 000 or 1,4%.

The number of employed persons increased by 258 000 to 16,2 million in Q1: 2023, and the number of unemployed persons increased by 179 000 to 7,9 million compared to Q4: 2022, resulting in an increase of 437 000 (up by 1,8%) in the number of people in the labour force.

The number of discouraged work-seekers decreased by 87 000 (down by 2,6%) and the number of people who were not economically active for reasons other than discouragement also decreased by 209 000 (down by 1,6%) between the two quarters, resulting in a net decrease of 296 000 in the not economically active population.



It was observed that a large number of persons moved from the "not economically active" category to "employed" and "unemployed" statuses between the two quarters, which resulted in an increase of 0,2 of a percentage point in the unemployment rate to 32,9%.

The labour force participation rate in Q1: 2023 was higher than that reported in Q4: 2022 as a result of these movements – increasing by 0,9 of a percentage point to 59,4%.

The absorption rate increased by 0,5 of a percentage point to 39,9% in the first quarter of 2023 compared to the fourth quarter of 2022.

Employment gains were observed in the formal sector (up by 209 000), the informal sector (up by 107 000) and Agricultural sector (up by 27 000), while losses were observed in Private households (down by 85 000) in Q1: 2023

Compared to a year ago, total employment increased by 1,3 million persons (or 8,6%). The number of unemployed persons increased by 71 000 (or 0,9%), while the number of persons who were not economically active decreased by 778 000 (or 4,5%)

**Table 6: Employment by Province**

Province	Jan-Mar 2022	Oct-Dec 2022	Jan-Mar 2023	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand					Per cent	
South Africa	14 914	15 934	16 192	258	1 278	1,6	8,6
Western Cape	2 298	2 596	2 658	62	360	2,4	15,7
Eastern Cape	1 293	1 380	1 421	41	128	3,0	9,9
Northern Cape	321	336	339	4	18	1,1	5,5
Free State	781	794	790	-4	8	-0,6	1,1
KwaZulu-Natal	2 371	2 541	2 594	54	224	2,1	9,4
North West	917	881	877	-4	-40	-0,5	-4,3
Gauteng	4 586	4 905	4 984	80	398	1,6	8,7
Mpumalanga	1 082	1 186	1 141	-45	59	-3,8	5,4
Limpopo	1 265	1 317	1 388	71	123	5,4	9,7

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

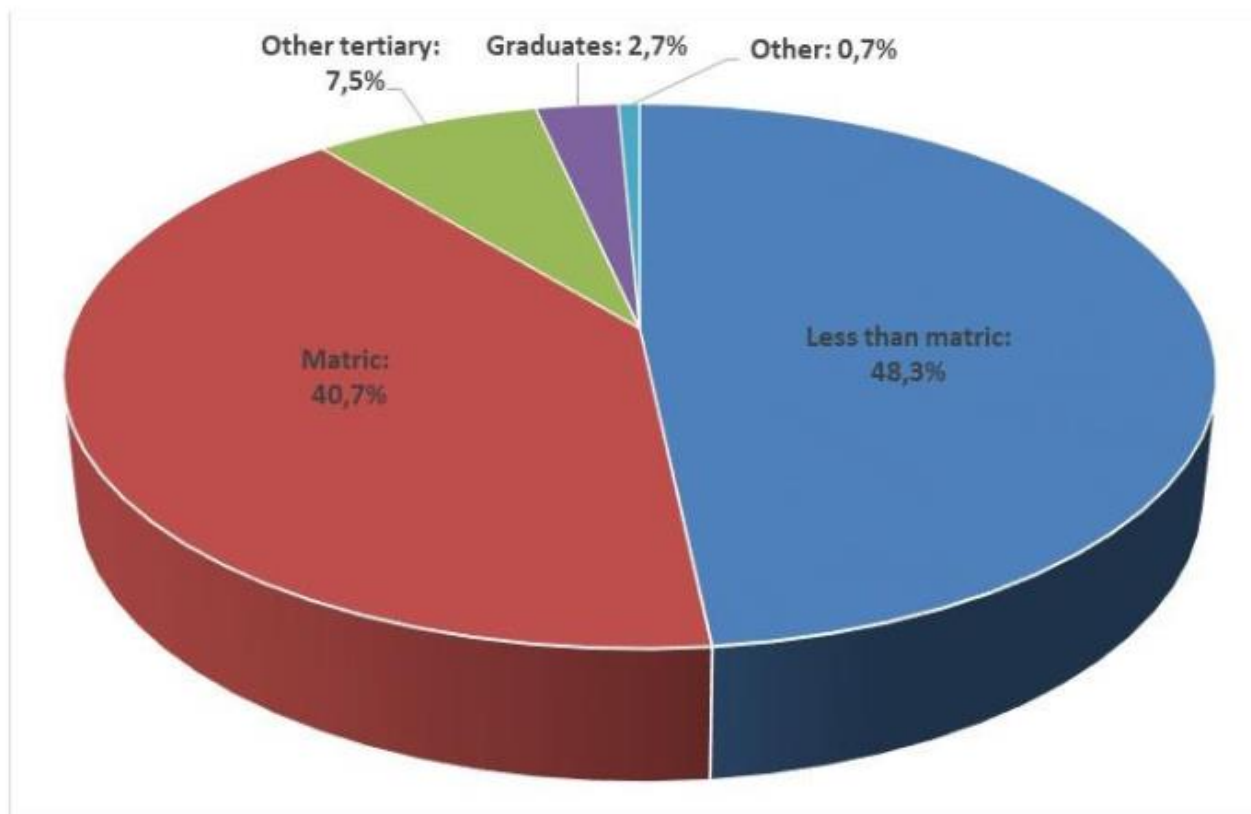
The number of employed persons increased in six provinces between Q4: 2022 and Q1: 2023. Large employment increases were recorded in Gauteng (up by 80 000), Limpopo (up by 71 000), Western Cape (up by 62 000) and KwaZulu-Natal (up by 54 000).

Employment losses were recorded in Mpumalanga (down by 45 000), North West and Free State (down by 4 000 each) during the same period.

Limpopo recorded the biggest quarter-to-quarter change in employment with an increase of 5,4%. Compared to Q1: 2022, the largest increases in employment were recorded in Gauteng (up by 398 000), Western Cape (up by 360 000), KwaZulu-Natal (up by 224 000), Eastern Cape (up by 128 000) and Limpopo (up by 123 000).

North West was the only province that experienced losses in employment with a decrease of 40 000 during the same period. Western Cape had the biggest year-on-year percentage change in employment with an increase of 15,7%, followed by Eastern Cape and Limpopo with increases of 9,9% and 9,7%, respectively.

**Table 7: Proportion of the unemployed by education level, Q1: 2023**



Of the 7,9 million unemployed persons in the first quarter of 2023, as many as 48,3% did not have matric, and 40,7% had completed matric. Almost 8% of the unemployed had other tertiary qualifications, while only 2,7% of unemployed persons were graduates.

**Table 8: Unemployment Rate by Province**

	Official unemployment rate					Expanded unemployment rate				
	Jan-Mar 2022	Oct-Dec 2022	Jan-Mar 2023	Qtr-to-qtr change	Year-on-year change	Jan-Mar 2022	Oct-Dec 2022	Jan-Mar 2023	Qtr-to-qtr change	Year-on-year change
	Per cent			Percentage points		Per cent			Percentage points	
South Africa	34,5	32,7	32,9	0,2	-1,6	45,5	42,6	42,4	-0,2	-3,1
Western Cape	25,2	22,5	21,6	-0,9	-3,6	29,0	26,8	25,9	-0,9	-3,1
Eastern Cape	44,0	42,1	40,0	-2,1	-4,0	52,6	47,1	45,3	-1,8	-7,3
Northern Cape	24,9	22,1	26,6	4,5	1,7	44,4	44,0	42,6	-1,4	-1,8
Free State	31,1	34,6	34,4	-0,2	3,3	40,5	39,6	39,7	0,1	-0,8
KwaZulu-Natal	33,2	31,4	30,9	-0,5	-2,3	50,4	47,9	47,3	-0,6	-3,1
North West	30,1	37,0	38,0	1,0	7,9	49,2	52,3	54,0	1,7	4,8
Gauteng	36,7	34,0	34,3	0,3	-2,4	43,4	39,4	39,6	0,2	-3,8
Mpumalanga	38,6	36,1	38,5	2,4	-0,1	51,6	48,2	49,7	1,5	-1,9
Limpopo	35,6	31,8	33,6	1,8	-2,0	50,9	49,6	48,6	-1,0	-2,3

The official unemployment rate increased by 0,2 of a percentage point to 32,9% in Q1: 2023 compared to Q4: 2022.

The official unemployment rate increased in five provinces. The largest increases were recorded in Northern Cape (up by 4,5 percentage points), followed by Mpumalanga and Limpopo (up by 2,4

percentage points and 1,8 percentage points respectively). Eastern Cape recorded the largest decrease of 2,1 percentage points in the official unemployment rate, followed by Western Cape (down by 0,9 of a percentage point), KwaZulu-Natal (down by 0,5 of a percentage point) and Free State (down by 0,2 of a percentage point).

Year-on-year, the official unemployment rate decreased by 1,6 percentage points. The official unemployment rate decreased in six provinces. The largest decrease in the unemployment rate was recorded in Eastern Cape (down by 4,0 percentage points), followed by Western Cape (down by 3,6 percentage points), Gauteng (down by 2,4 percentage points) and KwaZulu-Natal (down by 2,3 percentage points).

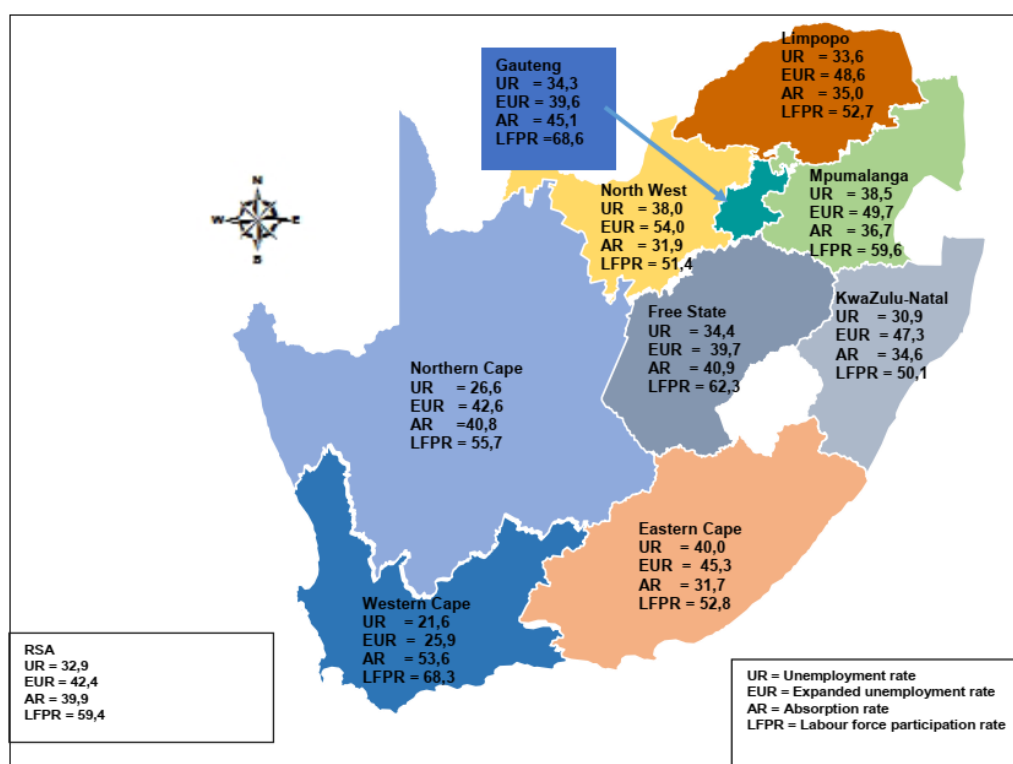
The only increases in the unemployment rate were recorded in North West (up by 7,9 percentage points), Free State (up by 3,3 percentage points) and Northern Cape (up by 1,7 percentage points).

The expanded unemployment rate decreased by 0,2 of a percentage point in Q1: 2023 compared to Q4: 2022. Most provinces recorded a decrease in the expanded unemployment rate, except in North West, Mpumalanga, Gauteng and Free State, where it increased by 1,7 percentage points, 1,5 percentage points, 0,2 of a percentage point and 0,1 of a percentage point, respectively. The largest decrease was recorded in Eastern Cape (down by 1,8 percentage points), followed by Northern Cape (down by 1,4 percentage points), Limpopo (down by 1,0 percentage point) and Western Cape (down by 0,9 of a percentage point).

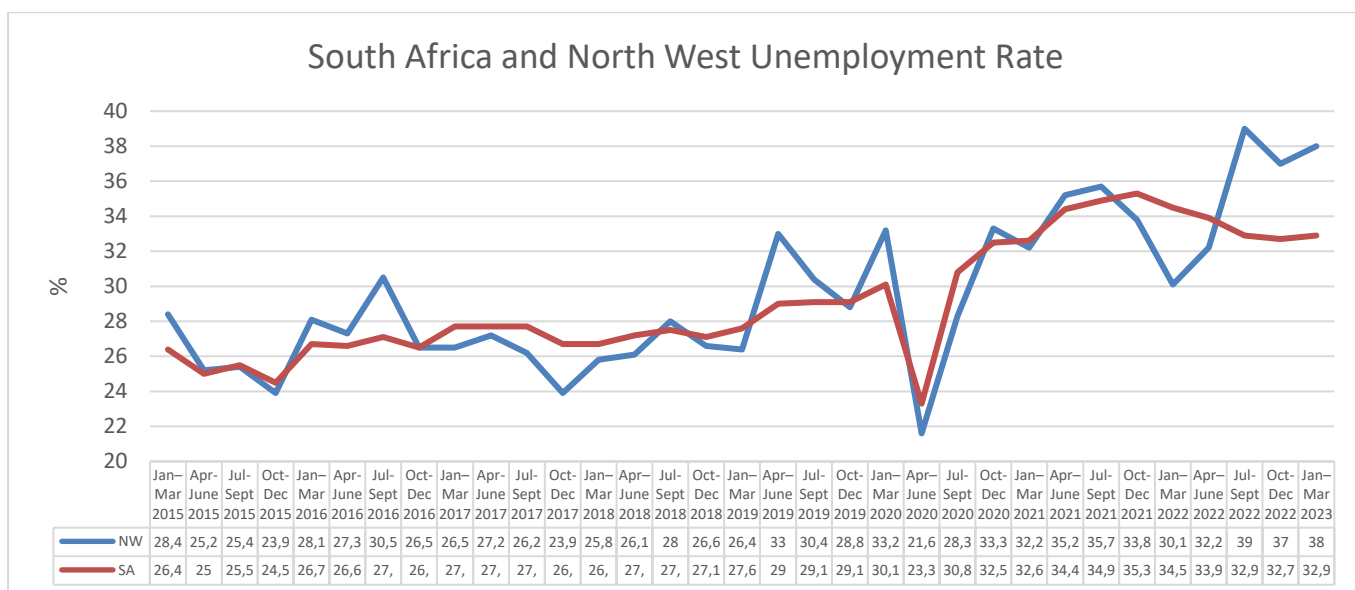
Compared to the same period last year, the expanded unemployment rate decreased by 3,1 percentage points in Q1: 2023. Eight out of the nine provinces recorded decreases in the expanded unemployment rate. The largest decrease in the expanded unemployment rate was recorded in Eastern Cape (down by 7,3 percentage points), followed by Gauteng (down by 3,8 percentage points), Western Cape and KwaZulu-Natal (down by 3,1 percentage points each) and Limpopo (down by 2,3 percentage points).

The only increase in the expanded unemployment rate was recorded in North West (up by 4,8 percentage points).

**Figure 4: Summary of the Labor Market Measures at a Glance**



**Figure 5: South Africa and North West Unemployment Rate (Source: Statssa Q1 2023)**



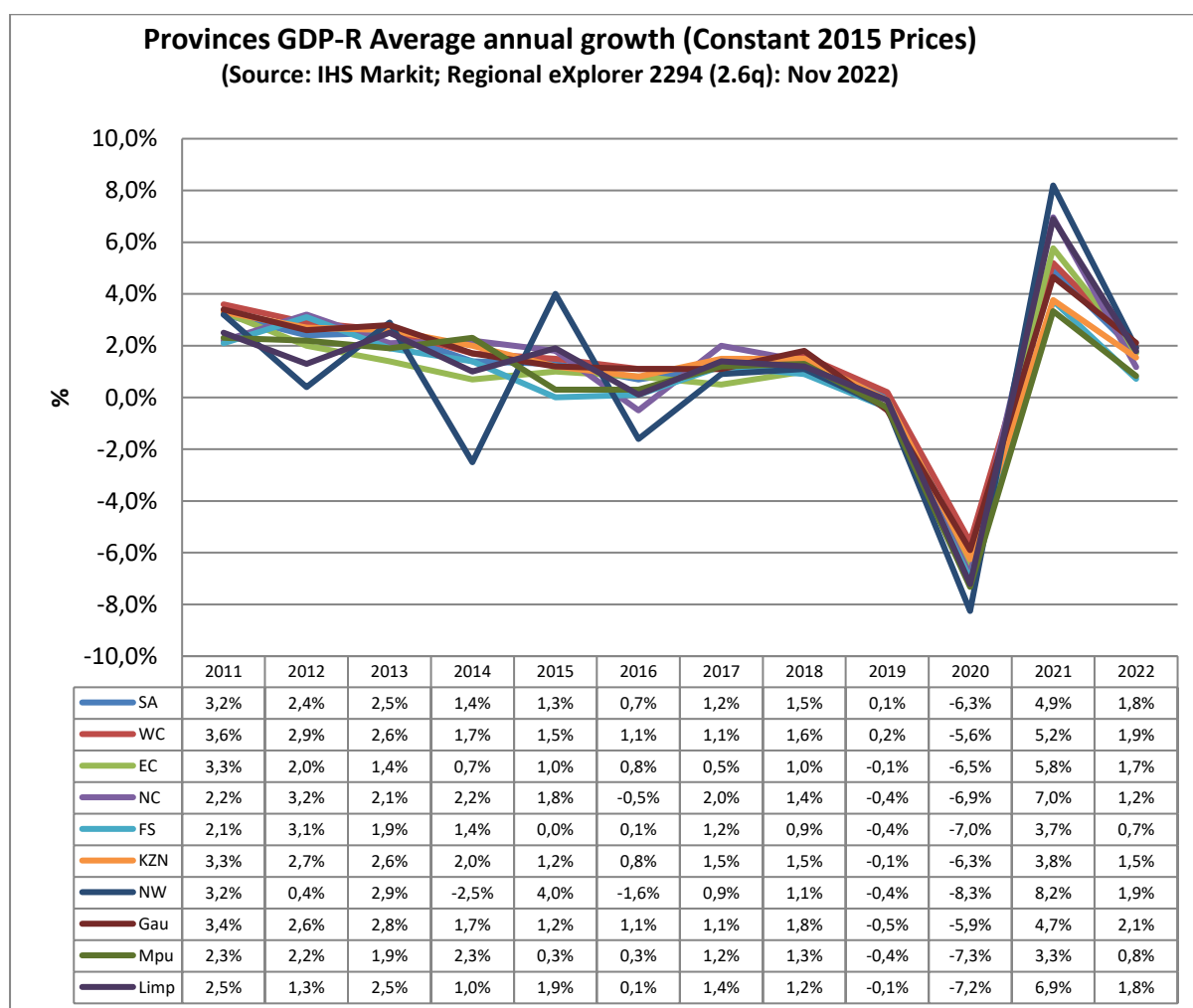
## 2.3 North West Province Economic Overview

### 2.3.1 North West Key Economic Indicators Compared to South Africa

It is clear that the GDP of the North West Province had the most dramatic contraction with Covid-19 in 2020 but also recovered very well in 2021 with a positive growth of 0,5% for the period of 2018 to 2023.

**Figure 5: 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 2294 (2.6q): Nov 2022)

- The population of South Africa increased to 60 604 992 million in mid-2022 with the North West population at 4 186 984.
- Inflation Consumer Price Index (CPI) is a matter of concern as it has moved outside the 3%-6% target of the Reserve Bank in October 2022 recording an increase of 7,6% for South Africa and 7,3% for the North West Province. With the Production Price Rate increase of 16% there is no indication that the inflation rate will decrease soon.
- Increases in Energy Prices continue with a proposed ESKOM hike of 32% for 2023 2024 as well as the fuel price is also remaining high at over \$80 per barrel. These increases will ultimately contribute to inflation as well.

- The South African Reserve Bank raised its repo rate by 75 bps to 7% at its November 2022 meeting (double that of a year ago). The increase is taking the prime lending rate to 10.50%, meaning more pain for consumers.
- The official unemployment rate in Q3 of 2022 decreased to 32,9% for South Africa and increased by 6,8% to 39,0% for the North West. The North West Province (NWP) and its four District Municipalities' key demographic and socio-economic characteristics are summarised in the table below and put in context to the South African national picture.

The North West Province (NWP) and its four District Municipalities' key demographic and socio-economic characteristics are summarised in the table below and put in context to the South African national picture.

- The region covers approximately 104 882 square kilometres, forming 8.6 percent of the national area.
- The area is not densely populated compared to the national population density.
- The NWP houses approximately 7 percent of the country's total population.
- Income levels in the NWP are below the national average (which is to be expected for the more rural and sparsely populated areas in South Africa).
- The unemployment rate is slightly higher than the national average. At the same time, the percentage of people in poverty (measured using Stats SA's definition of the number of people below the food poverty line) is marginally lower than the national average.
- The NWP has a resident population of approximately 4.1 million people;
- The area contributes about 6.3 percent to 2021 national production and has a share of approximately 5.5 percent of national employment (including both formal and informal sector employment).
- The Human Development Index (HDI ) for the NWP indicates that the province lags slightly behind the national average (0.61 vs 0.64).
- Based on the IHS Markit's Index of Buying Power (IBP), the buying power in the area indicates that only 5.6 percent of the country's spending power resided in the NWP in 2021.

Please note that Dark Green = Highest value per variable/measure; Dark Red = Lowest value per variable/measure. 1 The upper poverty line is defined by Stats SA as the level of consumption at which individuals can purchase sufficient food and non-food items without sacrificing one for the other.

Variable / Measure (2021)	Bojanala Platinum DM (BPDM)	Ngaka Modiri Molema DM (NMMDM)	Dr Ruth Segomotsi Mompoti DM (RSMDM)	Dr Kenneth Kaunda DM (KKDM)	North West Province (NWP)	National
Size of area (sq. km)	18 333	28 114	43 764	14 671	104 882	1 221 246
Population (number)	1 844 459	964 297	523 007	811 996	4 143 760	60 324 819
Population density (number of people per sq. km)	100.61	34.30	11.95	55.35	39.51	49.40
Economically active population (as % of total pop.)	35.2%	27.5%	24.3%	35.0%	32.0%	36.8%
Number of households (Number)	581 326	259 596	142 134	232 709	1 215 766	16 650 357
Average household income (Rand, current prices)	236 112	195 615	179 980	283 897	230 049	264 920
Annual per capita income (Rand, current prices)	74 416	52 661	48 912	81 362	67 496	73 121
Gini coefficient (Index between 0 and 1)	0.61	0.61	0.61	0.63	0.62	0.63
Formal sector employment (Number)	273 410	168 313	75 273	175 334	692 331	12 132 368
Informal sector employment (Number)	42 443	32 067	17 176	33 868	125 554	2 627 361
Unemployment rate (Official definition)	47.9%	20.4%	22.6%	21.0%	34.2%	33.6%
Share below the food poverty line (Stats SA defined)	26.0%	38.4%	40.4%	30.8%	31.7%	32.5%
Poverty gap rate (from the upper poverty line) <sup>1</sup>	31.7%	31.8%	31.7%	31.6%	31.7%	31.4%
Human Development Index (HDI)	0.63	0.57	0.55	0.64	0.61	0.64
Index of Buying Power (IBP)	0.03	0.01	0.01	0.01	0.06	1.00
GVA (R million current prices)	179 041	65 053	25 482	79 947	349 523	5 572 608
GVA % of SA (Current prices)	3.2%	1.2%	0.5%	1.4%	6.3%	100.0%
GVA (R million constant 2015 prices)	90 733	45 240	17 673	55 957	209 602	4 074 103
GVA % of SA (Constant 2015 prices)	3.2%	1.2%	0.5%	1.4%	6.3%	100.0%
GVA % of NWP (Constant 2015 prices)	43.3%	21.6%	8.4%	26.7%	100.0%	n/a
Annual GVA % growth (using constant 2015 prices)	-1.8%	2.9%	2.6%	2.7%	0.6%	0.4%

**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 2294 (2.6q): Nov 2022)							
		SA	North-West	Bojanala DM	Ngaka Modiri Molema DM	Dr Ruth Segomotsi Mompoti DM	Dr Kenneth Kaunda DM
<b>Size of Area</b>	(km <sup>2</sup> )	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%
<b>Demographic</b>	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
<b>Development</b>	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
	<b>Poverty indicators</b>						
	People below the food poverty line (StatsSA defined)	19 584 179	1 311 981	479 744	370 524	211 467	250 247

	2020 %	32,71%	31,99%	26,46%	38,59%	40,74%	31,07%
	2021%	32,46%	31,66%	26,01%	38,42%	40,43%	30,82%
	% 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%
	%Change 2020 to 2021	-0,25%	-0,33%	-0,45%	-0,16%	-0,30%	-0,26%
	Highest level of education: age 20+; Matric only	12 982 536	830 243	435 142	155 973	73 075	166 053
	Population density (number of people per km²)	49,40	39,51	100,61	34,30	11,95	55,35
	Urban Population Rate (%)	64,76%	46,55%	38,90%	28,58%	39,12%	90,06%

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
<b>Household Infrastructure</b>	Share of household occupying formal dwellings (2021)	81,30%	83,50%	79,10%	85,70%	90,80%	87,70%
<b>Labour</b>	EAP as % of total population, official definition 2020	36,85%	32,00%	35,19%	27,55%	24,32%	34,99%
	Unemployment rate, official definition (%)	33,60%	34,21%	47,90%	20,39%	22,65%	21,01%
	Youth Unemployment rate (Aged 15-24) (Official Definition)	64,08%	66,92%	80,78%	52,37%	50,93%	50,08%
<b>Income &amp; Expenditure</b>	Annual total personal income (R million, current prices)	4 411 012	279 686	137 258	50 781	25 581	66 065
	Annual per capita income (Rand, current prices)	73 121	67 496	74 416	52 661	48 912	81 362
	Annual per household income (Rand, current prices)	264 920	230 049	236 112	195 615	179 980	283 897
	Index of buying power	100,00%	5,60%	2,72%	1,06%	0,54%	1,28%

(Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)

The *Index of Buying Power* has also increased for the NW province. IHS Global Insight's Index of Buying Power (IBP) indicates that 5,6% 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.

### Contribution of the four District Municipalities to GVA in the NWP in 2017 and 2021

*The NWP is a large and significant local economy in the South African economic context.* Bojanala Platinum DM (BPDM) contributed 43.3 percent of the province's economic activity in 2021, followed by Dr Kenneth Kaunda DM (KKDM) at 26.7 percent, Ngaka Modiri Molema DM (NMMDM) at 21.6 percent and Dr Ruth Segomotsi Mompoti DM (RSMMDM) contributing 8.4 percent.



The contribution of the four District Municipalities to GVA in the NWP in 2017 and 2021 is shown in the figure ebelow. The major contributor to GVA in the NWP is the BPDM, which represents about 43.3 percent of the total contribution to GVA in 2021 (down from 48.6% in 2017), with KKDM at 26.7 percent (up from 24.3% in 2017), NMMDM at 21.6 percent (up from 19.4% in 2017)and RSMDM at 8.4 percent (up from 7.7% in 2017).

Over time these shares have changed little. Since 2017, KKDM, RSMDM, and NMMDM have gained some economic activity, whereas BPDM has lost some (due to the large concentration of mining activity in the region)

		SA	North-West	Bojanala DM	Ngaka Modiri Molema DM	Dr Ruth Segomotsi Mompoti DM	Dr Kenneth Kaunda DM
<b>Economic</b>	GVA-R Current prices (R 1000)	5 572 608 252	349 522 846	179 041 138	65 052 887	25 481 512	79 947 308
	GVA-R Constant 2015 prices (R 1000)	4 074 102 928	209 602 155	90 732 692	45 239 961	17 673 001	55 956 501
	GVA-R Constant 2015 prices (R 1000) Avg Annual Growth 2021	5,00%	6,20%	8,00%	4,70%	4,40%	4,80%
	GVA-R Constant 2015 prices (R 1000) Avg Annual Growth 2022	1,86%	2,03%	1,88%	2,33%	2,13%	2,00%
	Sector's share of regional total (%) 2022	SA	NW	BPDM	NMMDM	DRSMDM	DKKDM
	Agriculture	2,74%	3,06%	0,94%	5,37%	9,15%	4,03%
	Mining	9,48%	36,11%	61,93%	7,96%	7,04%	10,06%
	Manufacturing	13,74%	5,22%	5,06%	5,73%	3,58%	5,70%
	Electricity	3,16%	3,02%	2,16%	4,78%	3,43%	3,37%
	Construction	2,45%	1,54%	0,90%	1,96%	2,39%	2,36%
	Trade	13,90%	10,19%	6,58%	12,41%	14,53%	15,18%
	Transport	7,56%	4,55%	2,66%	6,15%	6,96%	6,74%
	Finance	21,47%	13,24%	8,92%	15,44%	20,01%	19,04%
	Community services	25,49%	23,07%	10,85%	40,20%	32,92%	33,52%
	Total Industries	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
	GDP-R Current prices (R 1000)	6 192 497 252	386 955 882	194 325 190	73 427 948	28 884 599	90 318 145
	GDP-R Constant 2015 prices (R 1000)	4 504 292 296	231 899 862	98 560 863	50 696 103	19 884 896	62 758 000
	GDP-R Constant 2015 prices Avg Annual Growth 2020	-6,34%	-8,25%	-13,60%	-3,68%	-4,29%	-3,65%
	GDP-R Constant 2015 prices Avg Annual Growth 2021	4,91%	8,19%	6,92%	9,24%	8,53%	9,27%

GDP-R Constant 2015 prices Avg Annual Growth 2022	1,76%	1,91%	1,50%	2,34%	2,15%	2,13%
GDP-R Constant 2015 prices Avg Annual Growth 2018-2023	0,34%	0,51%	-1,37%	2,20%	1,81%	2,01%
GDP-R per Capita Current prices	102 653	93 383	105 356	76 147	55 228	111 230
GDP-R per Capita Constant Prices 2015	74 667	55 964	53 436	52 573	38 020	77 289
Tress index	46,4	52,56	67,65	51,97	51,31	51,32

(Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)

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.

From 2017 to 2021, there has been little change in the NWP's sectoral composition.

An exception is the share of mining, which increased from 25.1 percent in 2017 to 35.7 percent in 2021.

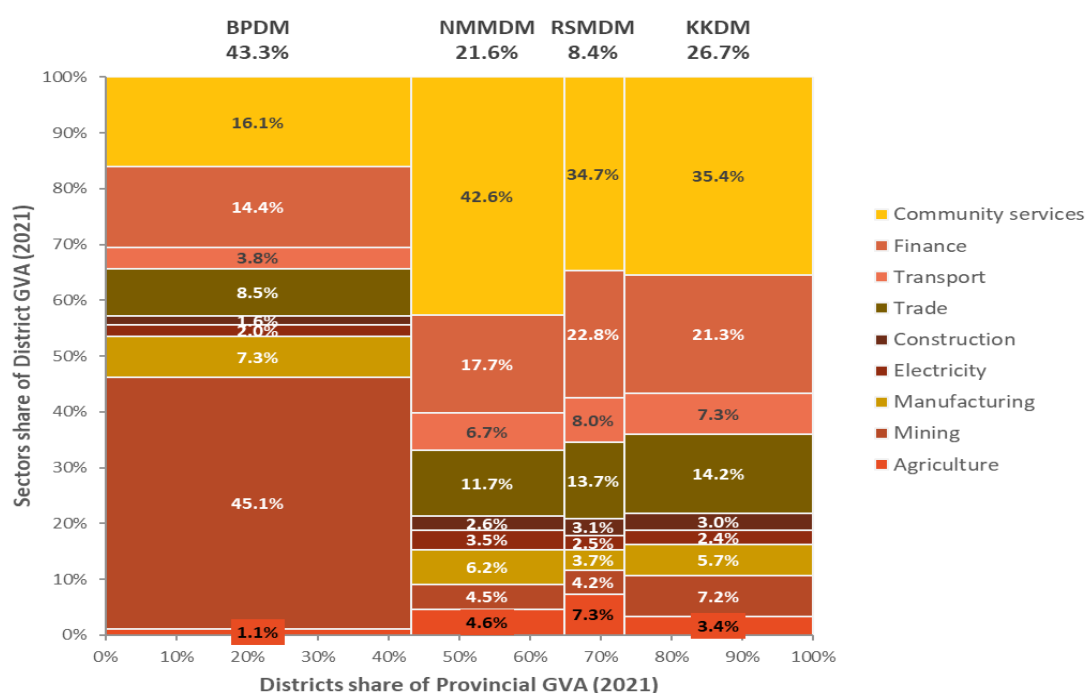
Manufacturing's share decreased from 6.0 percent to 5.0 percent in 2021.

All other sectors' shares decreased from their initial levels in 2017.

The structure of the NWP's economy shows an unhealthy mix of contributions from only a few sectors.

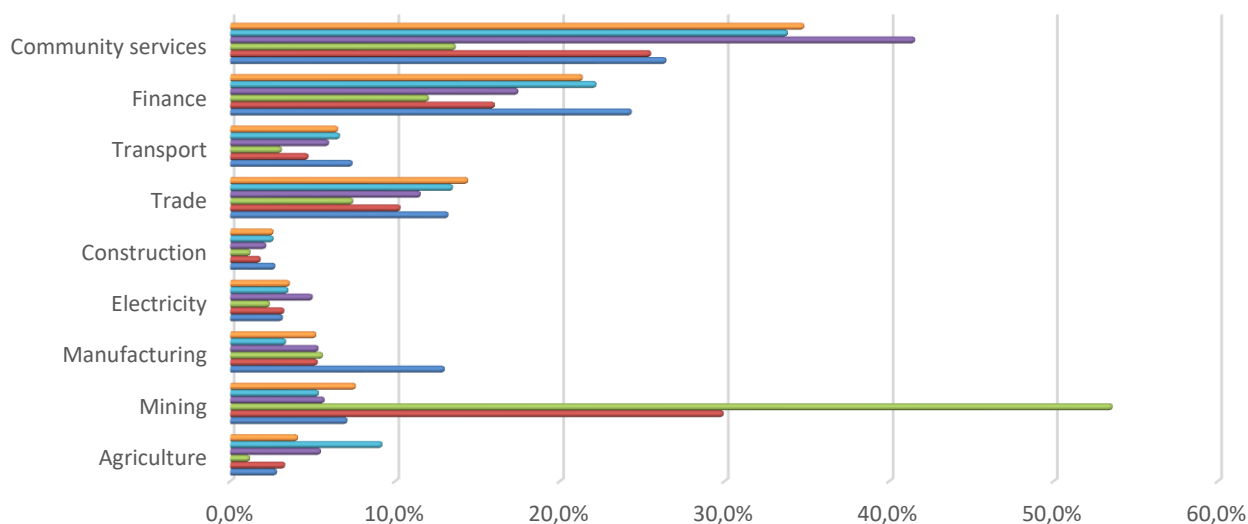
Figure 8 shows how the contribution of each sector is distributed across the NWP's four District Municipalities (horizontally) and across economic sectors (vertically) for GVA.

**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 2021** (Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)



### GVA-R 2020; Sector's share of regional total (%); Broad Economic Sectors (9 sectors); Current prices (R 1000)

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



	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services
DKKDM	4,1%	7,6%	5,2%	3,6%	2,6%	14,4%	6,5%	21,4%	34,8%
DRSMMDM	9,2%	5,3%	3,3%	3,5%	2,6%	13,5%	6,6%	22,2%	33,8%
NMMDM	5,5%	5,7%	5,3%	5,0%	2,1%	11,5%	6,0%	17,4%	41,5%
BPDM	1,2%	53,6%	5,6%	2,4%	1,2%	7,4%	3,1%	12,0%	13,6%
NW	3,3%	29,9%	5,3%	3,2%	1,8%	10,3%	4,7%	16,0%	25,5%
SA	2,8%	7,1%	13,0%	3,1%	2,7%	13,2%	7,4%	24,3%	26,4%

Total Tourism spend as % of GDP (Current prices) is 4% for the North West province but higher in Bojanala at 4,6% where the Pilanesberg Game Reserve is located. It is clear from the 2021 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 2020 and 2021 figures.

**Table 10: Tourism Statistics 2020 and 2021 Compared**

Number of Trips by Purpose of trip	SA	NW	BPDM	NMMDM	DRSMDM	DKKDM
Leisure / Holiday 2020	6 240 939	526 247	365 288	48 028	28 482	84 448
Business 200	1 941 513	92 380	46 668	13 515	6 342	25 855
Visits to friends and relatives 2020	12 567 568	888 086	329 905	231 423	166 729	160 028
Other (Medical, Religious, etc) 2020	1 915 316	75 369	23 566	15 656	13 798	22 349
Total 2020	22 665 335	1 582 082	765 428	308 622	215 351	292 681
Leisure / Holiday 2021	5 812 264	588 782	405 099	55 419	32 985	95 279
Business 2021	2 663 855	142 054	69 457	20 983	9 908	41 707
Visits to friends and relatives 2021	12 651 390	915 790	317 798	250 791	183 862	163 338
Other (Medical, Religious, etc) 2021	2 584 539	105 215	30 642	23 543	21 297	29 734
Total 2021	23 712 048	1 751 840	822 996	350 735	248 051	330 058
Number of Trips by Origin of tourist	SA	North-West	BPDM	NMMDM	DRSMDM	DKKDM
Domestic tourists 2020	19 437 667	1 378 523	647 425	279 170	201 554	250 374
Domestic tourists 2021	21 337 099	1 603 255	738 401	328 746	237 568	298 539
International tourists 2020	3 227 668	203 559	118 002	29 452	13 798	42 307
International tourists 2021	2 374 949	148 586	84 595	21 989	10 483	31 519
Total tourists 2020	22 665 335	1 582 082	765 428	308 622	215 351	292 681
Total tourists 2021	23 712 048	1 751 840	822 996	350 735	248 051	330 058
Bednights by Origin of Tourist	SA	North-West	BPDM	NMMDM	DRSMDM	DKKDM
Domestic tourists 2020	58 021 882	3 384 539	1 589 819	685 526	494 941	614 253
Domestic tourists 2021	71 981 428	4 173 892	1 926 169	857 481	619 787	770 454
International tourists 2020	32 315 443	1 193 846	696 690	173 600	79 635	243 921
International tourists 2021	25 015 487	790 112	454 046	117 295	54 592	164 180
Total tourists 2020	90 337 325	4 578 385	2 286 509	859 125	574 576	858 173
Total tourists 2021	96 996 914	4 964 004	2 380 215	974 776	674 379	934 634
Total Tourist Spending (R 1000, Current prices) 2020	131 051 777	6 886 642	4 176 752	1 047 722	441 776	1 220 392
Total Tourist Spending (R 1000, Current prices) 2021	296 534 867	15 447 200	9 015 452	2 466 122	1 094 464	2 871 163
2020 Growth in Tourism (using bednights) by origin	SA	North-West	BPDM	NMMDM	DRSMDM	DKKDM
Domestic tourists	-56,74%	-57,68%	-57,74%	-58,05%	-57,35%	-57,38%
International tourists	-68,33%	-71,05%	-71,74%	-69,89%	-69,45%	-70,28%
Total tourists	-61,75%	-62,23%	-63,28%	-61,14%	-59,57%	-62,06%
2021 Growth in Tourism (using bednights) by origin						
Domestic tourists	24,06%	23,32%	21,16%	25,08%	25,22%	25,43%
International tourists	-22,59%	-33,82%	-34,83%	-32,43%	-31,45%	-32,69%
Total tourists	7,37%	8,42%	4,10%	13,46%	17,37%	8,91%
Total Tourist spend as % of GDP (Current prices) 2020	2,36%	2,14%	2,67%	1,66%	1,76%	1,57%
Total Tourist spend as % of GDP (Current prices) 2021	4,79%	3,99%	4,64%	3,36%	3,79%	3,18%

Average Tourist spend per resident capita (Rand, Current prices) 2020	2 197	1 682	2 294	1 099	854	1 519
Average Tourist spend per resident capita (Rand, Current prices) 2021	4 916	3 728	4 888	2557	2093	3 536

(Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)

**Table 11: International Trade Statistics 2021**

International Trade	SA	North-West	Bojanala DM	Ngaka Modiri Molema DM	Dr Ruth Segomotsi Mompoti DM	Dr Kenneth Kaunda DM
Exports (R 1000)	1 810 179 453	10 793 422	6 819 984	2 314 335	301 094	1 358 009
Imports (R 1000)	1 328 526 000	7 749 526	3 393 394	591 252	326 460	3 438 420
Total Trade (R 1000)	3 138 705 453	18 542 949	10 213 378	2 905 588	627 554	4 796 429
Trade Balance (R 1000)	481 653 453	3 043 896	3 426 590	1 723 083	-25 366	-2 080 411
Exports as % of GDP	29,23%	2,79%	3,51%	3,15%	1,04%	1,50%
Total trade as % of GDP	50,69%	4,79%	5,26%	3,96%	2,17%	5,31%
Regional share - Exports	100,00%	0,60%	0,38%	0,13%	0,02%	0,08%
Regional share - Imports	100,00%	0,58%	0,26%	0,04%	0,02%	0,26%
Regional share - Total Trade	100,00%	0,59%	0,33%	0,09%	0,02%	0,15%

(Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)

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 where 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 were 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.

In 2021 the exports of the North West province remained low.

### **Sectoral comparative advantages of areas in the NWP**

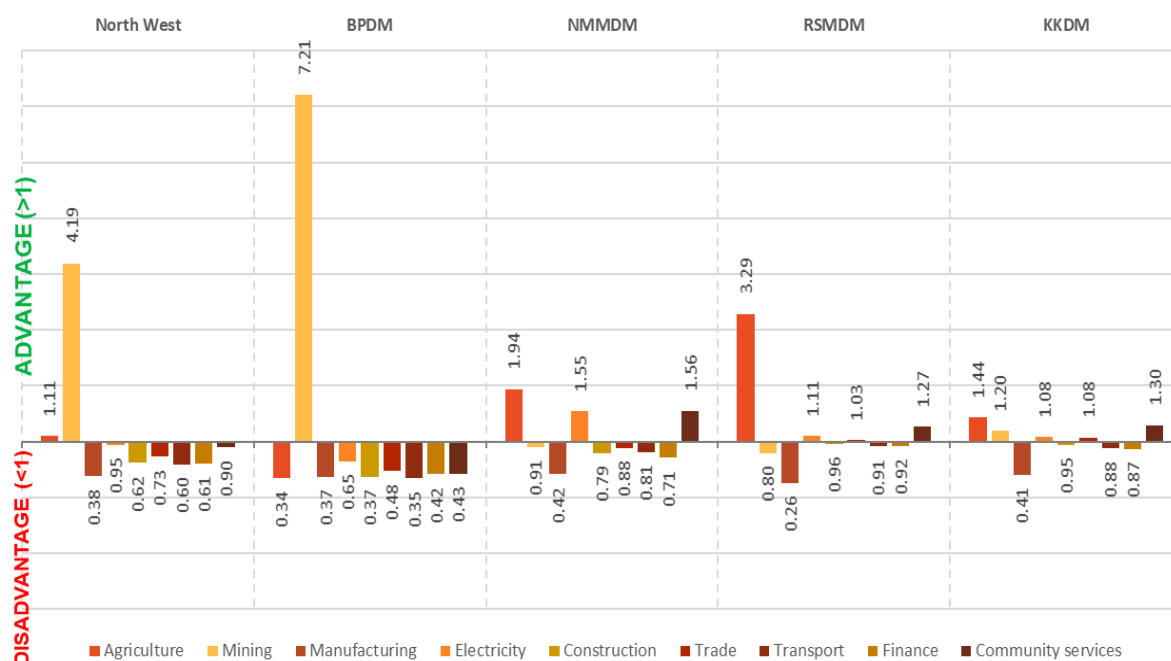
The comparative advantages of sectors within areas are measured by the index called a location quotient. This index illustrates whether a specific area has a comparative advantage (or disadvantage) in a specific sector when comparing the sector's contribution to the economic output of the area relative to that of the national picture. More specifically, the location quotient is calculated by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

Similar to the NWP overall, all the District Municipalities of the NWP have a comparative advantage for the primary and government/ community services sectors compared to the national picture, except for the NMMDM and RSMDM for mining and BPDM for Agriculture. Also, the electricity and water services sector shows a comparative advantage for the NMMDM, RSMDM and KKDM. Wholesale and retail trade feature prominently in the RSMDM and KKDM. In all other sectors, all the District Municipalities, as well as the NWP, have a comparative disadvantage. All areas except BPDM have a comparative advantage in the

agriculture sector. None of the areas in the NWP has a comparative advantage in the manufacturing sector.

**Table 12: Areas with location quotients  $\geq 1.1$  by broad economic sector in the NWP (2021)**

(Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)



**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

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 Q1 2023)

**Table 15: South Africa's Employment Figures April 2020 to March 2023**

South Africa Thousands	SA Apr–Jun 2020 Thous	SA July–Sep 2020 Thous	SA Oct–Dec 2020 Thous	SA Jan–Mar 2021 Thous	SA Apr–Jun 2021 Thous	SA July–Sep 2021 Thous	SA Oct–Dec 2021 Thous	SA Jan–Mar 2022 Thous	SA Apr–Jun 2022 Thous	SA July–Sep 2022 Thous	SA Oct–Dec 2022 Thous	SA Jan–Mar 2023 Thous	SA % Share Contribution Jan-Mar 2023	Y on Y Change Thous
<b>Agriculture</b>	799	808	810	792	862	829	868	844	874	873	860	888	5,5%	44,0
<b>Mining</b>	373	419	384	395	398	345	370	406	407	407	436	413	2,6%	7,0
<b>Manufacturing</b>	1 456	1 460	1 491	1 497	1 415	1 402	1 316	1 579	1 507	1 630	1 656	1 654	10,2%	75,0
<b>Utilities</b>	113	90	99	115	118	96	82	103	104	116	124	135	0,8%	32,0
<b>Construction</b>	1 066	1 080	1 166	1 079	1 222	1 157	1 133	1 073	1 177	1 223	1 212	1 201	7,4%	128,0
<b>Trade</b>	2 946	3 008	3 063	2 979	3 087	2 778	2 896	2 994	3 163	3 245	3 297	3 269	20,2%	275,0
<b>Transport</b>	885	878	943	903	969	964	951	960	906	939	982	992	6,1%	32,0
<b>Finance</b>	2 234	2 434	2 312	2 527	2 248	2 386	2 404	2 332	2 460	2 380	2 484	2 667	16,5%	335,0
<b>Community and Social Services</b>	3 244	3 381	3 551	3 567	3 401	3 191	3 268	3 546	3 821	3 849	3 727	3 902	24,1%	356,0
<b>Private House Holds</b>	1 005	1 121	1 197	1 127	1 194	1 130	1 258	1 072	1 124	1 088	1 142	1 056	6,5%	-16,0
<b>Other</b>	27	12	8	14	27	5	3	4	18	15	15	15	0,1%	11,0
<b>TOTAL</b>	14 148	14 691	15 024	14 995	14 942	14 282	14 544	14 914	15 562	15 765	15 934	16 192	100,0%	1 278,0

South Africa Thousands	Jan-Mar 2020	Apr-June 2020	July-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-June 2021	July-Sept 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	% Change Y on Y
Population 15-64 yrs	38 874	39 021	39 167	39 311	39 445	38 433	39 745	39 888	40 033	40 177	40 322	40 462	40 604	1,40
Labour Force	23 452	18 443	21 224	22 257	22 237	22 968	21 925	22 466	22 776	23 556	23 491	23 688	24 125	5,40
Employed	16 383	14 148	14 691	15 024	14 995	16 313	14 282	14 544	14 914	15 562	15 765	15 934	16 192	9,6
Unemployed	7 070	4 295	6 533	7 233	7 242	6 655	7 643	7 921	7 862	7 994	7 725	7 753	7 933	-2,1
Not economically active	15 422	20 578	17 944	17 054	17 218	15 465	17 820	17 423	17 257	16 621	16 831	16 774	16 479	-3,7
Discouraged work-seekers	2 918	2 471	2 696	2 930	3 131	2 749	3 862	3 806	3 752	3 568	3 514	3 363	3 276	-11,7
Other	12 504	18 107	15 248	14 124	14 086	12 716	13 958	13 617	13 505	13 053	13 317	13 412	13 202	-1,5
Rates (%)														
Unemployment rate	30,1	23,3	30,8	32,5	32,6	29,0	34,9	35,3	34,5	33,9	32,9	32,7	32,9	-1,6
Employed / population ratio (Absorption)	42,1	36,3	37,5	38,2	38,0	42,4	35,9	36,5	37,3	38,7	39,1	39,4	39,9	2,6
Labour force participation rate	60,3	47,3	54,2	56,6	56,4	59,8	55,2	56,3	56,9	58,6	58,3	58,5	59,4	2,5

**Table 16: North West's Employment Figures April 2020 to March 2023**

	Jan-Mar 2020	Apr-Jun 2020	July-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	July-Sept 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	% Change Y on Y
Population 15-64 yrs	2 630	2 641	2 651	2 661	2 588	2 599	2 692	2 702	2 712	2 722	2 732	2 742	2 751	1,5
Labour Force	1 452	1 114	1 298	1 416	1 318	1 370	1 323	1 297	1 312	1 363	1 407	1 397	1 414	7,8
Employed	969	874	930	944	970	918	851	858	917	924	858	881	877	-4,3
Unemployed	483	240	368	472	348	452	472	439	395	439	549	516	538	36,1
Not economically active	1 178	1 527	1 353	1 245	1 270	1 228	1 369	1 405	1 400	359	1 325	1 344	1 337	-4,5
Discouraged work-seekers	229	231	247	241	339	260	355	334	363	360	355	353	394	8,5
Other	949	1296	1106	1004	931	968	1 014	1 071	1 038	999	970	992	943	-9,1
Rates (%)														
Unemployment rate	33,2	21,6	28,3	33,3	26,4	33	35,7	33,8	30,1	32,2	39	37	38	1
Employed / population ratio (Absorption)	36,9	33,1	35,1	35,5	37,5	35,3	31,6	31,8	33,8	33,9	31,4	32,1	31,9	-0,2
Labour force participation rate	55,2	42,2	49	53,2	50,9	52,7	49,1	48	48,4	50,1	51,5	51	51,4	0,4

**Table 17: North West Employment by Industry Figures Compared to South Africa (Source: STASSA Q1 2023)**

North West Thousands	Apr-Jun 2020	Jul-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sept 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Jul-Sept 2022	Oct-Dec 2022	Jan-Mar 2022	NW% Share Jan-Mar 2023	NW as % of SA	Y on Y Change Thous
Agriculture	45	66	40	40	70	52	71	51	54	34	44	45	5,1%	5,1%	-6,0
Mining	122	140	120	123	138	124	126	109	120	126	137	123	14,0%	31,4%	14,0
Manufacturing	63	44	51	72	44	63	39	53	59	46	42	43	4,9%	2,5%	-10,0
Utilities	4	1	7	9	5	5	5	4	4	4	4	4	0,5%	3,2%	0,0
Construction	51	53	60	64	82	60	56	67	70	58	55	64	7,3%	4,5%	-3,0



<b>Trade</b>	180	178	176	175	187	160	154	224	211	186	164	171	19,5%	5,0%	-53,0
<b>Transport</b>	33	35	29	30	38	28	19	27	17	28	40	37	4,2%	4,1%	10,0
<b>Finance</b>	85	110	107	96	92	93	92	103	80	80	98	112	12,8%	3,9%	9,0
<b>Community and Social Services</b>	240	242	282	265	269	216	224	216	226	238	231	222	25,3%	6,2%	6,0
<b>Private House Holds</b>	50	61	72	59	51	50	72	62	82	58	65	52	5,9%	5,7%	-10,0
<b>Other</b>														0,0%	0,0
<b>TOTAL</b>	<b>874</b>	<b>930</b>	<b>944</b>	<b>933</b>	<b>979</b>	<b>851</b>	<b>858</b>	<b>917</b>	<b>924</b>	<b>858</b>	<b>881</b>	<b>877</b>	<b>100,0%</b>	<b>5,5%</b>	<b>-40,0</b>

### ***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 NWPs 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 CONSUMER.

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**

#### **3.1 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 64 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.

The World Competitiveness Ranking is based on 336 competitiveness criteria selected as a result of comprehensive research using economic literature, international, national, and regional sources, and feedback from the business community, government agencies, and academics. The criteria are revised and updated regularly as new theories, research, and data become available and as the global economy evolves.

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

	2017	2018	2019	2020	2021	2022	2023
<b>Overall</b>	53	53	56	59	62	60	61
<b>Economic Performance</b>			59	61	61	59	61
<b>Government Efficiency</b>			50	54	61	53	59
<b>Business Efficiency</b>			44	56	58	56	54
<b>Infrastructure</b>			60	61	61	60	62

### 3.2 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:**

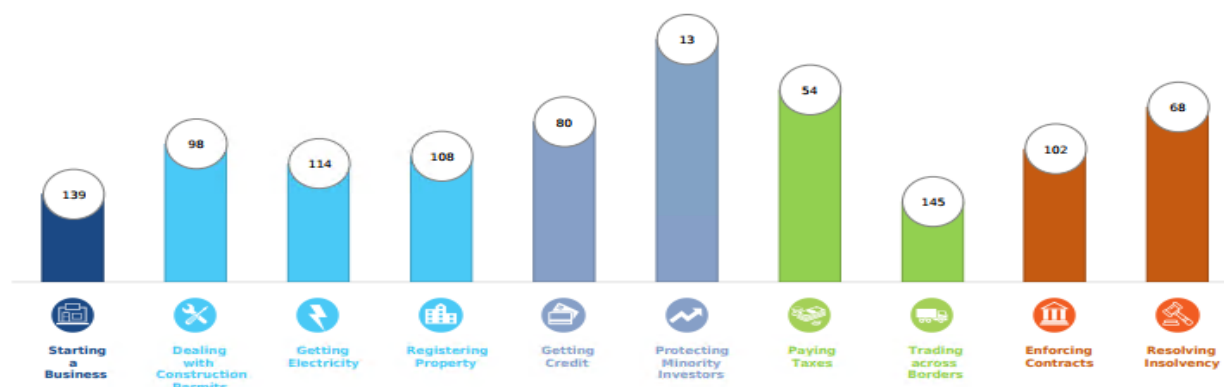
What is measured in *Doing Business*?



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

Ease of Doing Business in <b>South Africa</b> 	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

81.2	68.3	68.8	59.5	60.0	80.0	81.2	59.6	56.9	54.6
<b>Starting a Business (rank)</b>	<b>Dealing with Construction Permits (rank)</b>	<b>Getting Electricity (rank)</b>	<b>Registering Property (rank)</b>	<b>Getting Credit (rank)</b>	<b>Protecting Minority Investors (rank)</b>	<b>Paying Taxes (rank)</b>	<b>Trading across Borders (rank)</b>	<b>Enforcing Contracts (rank)</b>	<b>Resolving Insolvency (rank)</b>
Score of starting a business (0-100)	Score of dealing with construction permits (0-100)	Score of getting electricity (0-100)	Score of registering property (0-100)	Score of getting credit (0-100)	Score of protecting minority investors (0-100)	Score of paying taxes (0-100)	Score of trading across borders (0-100)	Score of enforcing contracts (0-100)	Score of resolving insolvency (0-100)
Procedures (number)	Procedures (number)	Procedures (number)	Procedures (number)	Strength of legal rights index (0-12)	Extent of disclosure index (0-10)	Payments (number per year)	Time to export	Time (days)	Recovery rate (cents on the dollar)
Time (days)	Time (days)	Time (days)	Time (days)	Depth of credit information index (0-8)	Extent of director liability index (0-10)	Time (hours per year)	Documentary compliance (hours)	Cost (% of claim value)	Time (years)
Cost (number)	Cost (% of warehouse value)	Cost (% of income per capita)	Cost (% of property value)	Credit registry coverage (% of adults)	Ease of shareholder suits index (0-10)	Total tax and contribution rate (% of profit)	Border compliance (hours)	Cost (% of estate)	Outcome (0 as piecemeal sale and 1 as going concern)
Paid-in min. capital (% of income per capita)	Building quality control index (0-15)	Reliability of supply and transparency of tariff index (0-8)	Quality of the land administration index (0-30)	Credit bureau coverage (% of adults)	Extent of shareholder rights index (0-6)	Postfiling index (0-100)	Cost to export	Quality of judicial processes index (0-18)	Strength of insolvency framework index (0-16)
					Extent of ownership and control index (0-7)		Documentary compliance (USD)		
					Extent of corporate transparency index (0-7)		Border compliance (USD)		
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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 was down 42% in 2020. Global foreign direct investment (FDI) flows in 2021 were \$1.58 trillion, up 64 % from the exceptionally low level in 2020. (Source: World Investment Report; June 2022; UNCTAD)

The recovery showed significant rebound momentum, with booming merger and acquisition (M&A) markets and rapid growth in international project finance because of loose financing conditions and major infrastructure stimulus packages.

However, the global environment for international business and cross-border investment changed dramatically in 2022. The war in Ukraine – on top of the lingering effects of the pandemic – is causing a triple food, fuel and finance crisis in many countries around the world. Investor uncertainty could put significant downward pressure on global FDI in 2022.

The 2021 growth momentum is unlikely to be sustained. Global FDI flows in 2022 will likely move on a downward trajectory, at best remaining flat. New project activity is already showing signs of increased risk aversion among investors: preliminary data for Q1 2022 show greenfield project numbers down 21 % and international project finance deals down 4 %.

The 2021 FDI recovery brought growth in all regions. However, almost three quarters of the global increase was due to the upswing in developed countries, where FDI reached \$746 billion – more than double the 2020 level. The increase was mostly caused by M&A transactions and high levels of retained earnings of multinational enterprises (MNEs). Those, in turn, led to sizeable intrafirm financial flows and major FDI fluctuations in large investment hubs.

The high levels of retained earnings in 2021 were the result of record MNE profits. The profitability of the largest 5,000 MNEs doubled to more than 8 per cent of sales. Profits were high especially in developed countries, because of the release of pent-up demand, low financing costs and significant government support.

Despite high profits, the appetite of MNEs for investing in new productive assets overseas remained weak. While infrastructure-oriented international project finance was up 68 % and cross-border M&As were up 43 %, greenfield investment numbers increased by only 11 %, still one fifth below pre-pandemic levels.

The value of greenfield announcements overall rose by 15 per cent, to \$659 billion, but remained flat in developing countries at \$259 billion – stagnating at the lowest level ever recorded. This is a concern, as new investments in industry are crucial for economic growth and development prospects.

FDI flows to developing economies grew more slowly than those to developed regions but still increased by 30 %, to \$837 billion. The increase was mainly the result of strong growth performance in Asia, a partial recovery in Latin America and the Caribbean, and an upswing in Africa. The share of developing countries in global flows remained just above %.

- FDI flows to Africa reached \$83 billion, from \$39 billion in 2020. Most recipients saw a moderate rise in FDI. The total for the continent was inflated by a single large intrafirm financial transaction. Greenfield announcements remained depressed, but international project finance deals were up 26 %, with strong growth in extractive industries.
- In developing Asia, despite successive waves of COVID-19, FDI rose to an alltime high for the third consecutive year, reaching \$619 billion. Asia is the largest recipient region, accounting for 40 per cent of



global FDI. However, inflows remain highly concentrated; six economies account for more than 80 per cent of FDI to the region.

- FDI in Latin America and the Caribbean rose by 56 per cent to \$134 billion. Most economies saw inflows rebound, with only a few experiencing further declines, caused by pandemic-induced economic crises. Total inflows remained about 15 % below the pre-pandemic level.
- FDI flows to the structurally weak, vulnerable and small economies rose by 15 % to \$39 billion. Inflows to the least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing States (SIDS) combined accounted for only 2.5 per cent of the world total in 2021, down from 3.5 per cent in 2020.

International investment in sectors relevant for the Sustainable Development Goals (SDGs) in developing countries increased substantially in 2021, by 70%.

The combined value of greenfield announcements and international project finance deals in SDG sectors exceeded the pre-pandemic level by almost 20 per cent. Most of the growth went to renewable energy. Investment activity in other SDG-related sectors – including infrastructure, food and agriculture, health, and WASH – saw only a partial recovery.

Renewable energy and energy-efficiency projects represent the bulk of climate change investments. International private investment in climate change sectors is directed almost exclusively to mitigation; only 5 % goes to adaptation projects. More than 60 % is invested in developed countries, where 85 % of projects are purely privately financed. In contrast, almost half of the projects in developing countries require some form of public sector participation.

International project finance is increasingly important for SDG and climate change investment. The strong growth performance of international project finance can be explained by favourable financing conditions, infrastructure stimulus and significant interest on the part of financial market investors to participate in large-scale projects that require multiple financiers. The instrument also enables governments to leverage public investment through private finance participation.

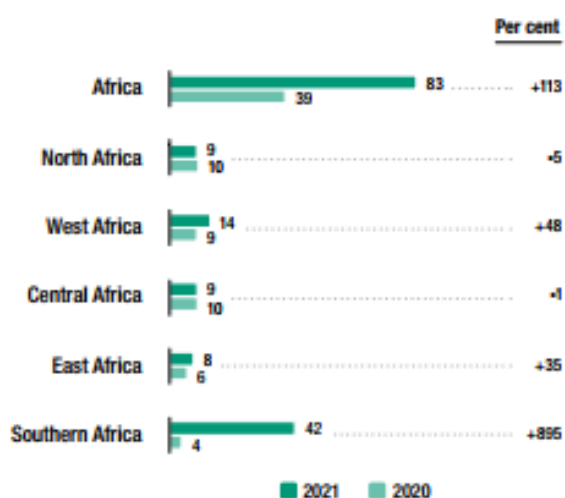
Finally, comparing the largest, the smallest and the digital MNEs shows starkly contrasting investment trends. Sales of UNCTAD's top 100 digital MNEs grew five times faster than those of the traditional top 100 over the past five years, with the pandemic providing a huge boost. The largest MNEs engage more in greenfield investment, and digital MNEs more in M&As. Digital MNEs are FDI light, needing relatively little investment in physical assets to reach overseas markets. International production by both digital and large MNEs has grown continuously, albeit at different speeds. In contrast, FDI by SMEs is in decline. Over the past five years, the share of SMEs in greenfield investment projects declined from 5.7 to 1.3 %.

## 4.2 Africa

### Africa Regional Investment Trends

FDI flows to Africa reached \$83 billion – a record level – from \$39 billion in 2020, accounting for 5.2 % of global FDI. Most recipients saw a moderate rise in FDI after the fall in 2020 caused by the pandemic. The total for the continent was inflated by a single intrafirm financial transaction in South Africa in the second half of 2021. Excluding that transaction, the increase in Africa is moderate, more in line with other developing regions. Southern Africa, East Africa and West Africa saw their flows rise; Central Africa remained flat and North Africa declined.

Figure I.9. FDI inflows in Africa, by subregion  
2020–2021 (Billions of dollars)



Source: UNCTAD, FDIWINE database (<https://unctad.org/Statistics>).

FDI to Southern Africa jumped to \$42 billion due to a large corporate reconfiguration in South Africa – a share exchange between Naspers and Prosus in the third quarter of 2021. New project announcements included a \$4.6 billion clean energy project finance deal sponsored by Hive Energy (United Kingdom) and a \$1 billion greenfield project by Vantage Data Centers (United States), with its first African campus.



### 4.3 South Africa

The report examines foreign direct investment (FDI) trends by all companies from 53 source countries investing in South Africa in ten activities between January 2003 and March 2023.

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.

Headline figures	
No of FDI projects	1,620
Total jobs created	262,437
Average project size (jobs)	161
Total capital investment	ZAR 2,147,991.61 m
Average project size	ZAR 1,325.38 m

#### 4.3.1 Executive Summary

##### FDI projects peaked in 2011

Some 130 projects, or 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 20,557 jobs were created and ZAR 183.86bn capital was invested by these projects, equating to a 7.8% and 8.6% of total jobs and capital investment respectively.

##### Key investors account for almost one-third of projects.

The top 10% of investors have created a total of 502 projects, 31% of the total projects. These investors have created a combined total of 91,675 jobs, which equates to more than one-third of the overall total. The combined capital investment from these companies reached ZAR 743.51bn, equating to more than one-third of the total for all companies.

##### Business services is top sector with almost one-fifth of projects.

Out of a total of 36 sectors, Business services accounted for 19.4% of projects. Project volume in this sector peaked during 2012, with 29 projects tracked. Total jobs creation and capital investment in this sector was 15,673 jobs and ZAR 97.38bn respectively.

##### Largest projects originate in China

With an average project size of ZAR 2.64bn, projects originating in China are approximately two times larger than the average across all source countries. Ranked fifth in overall projects recorded with 75 in total, China created a total of 25,084 jobs and ZAR 198.07bn capital investment.

##### Top five destinations attract the majority of projects.

Out of a total of 98 destination cities, the top five account for the majority of projects. Johannesburg is the top destination city accounting for 27.5% of projects tracked. Total investment into Johannesburg resulted in the creation of 34,556 jobs and ZAR 319.45bn capital investment, equating to an average of 77 jobs and ZAR 717.91m investment per project.

#### 4.3.2 Key Investment Trends

Between January 2003 and March 2023 a total of 1,620 FDI projects were recorded. These projects represent a total capital investment of ZAR 2,147.99bn, which is an average investment of ZAR 1.33bn per project. During the period, a total of 262,437 jobs were created.

The largest number of projects was announced in 2011, with 130 projects that year. Average capital investment peaked in 2022, while average job creation peaked in 2005.

**Table 19: FDI Projects recorded for South Africa between January 2003 and March 2023**

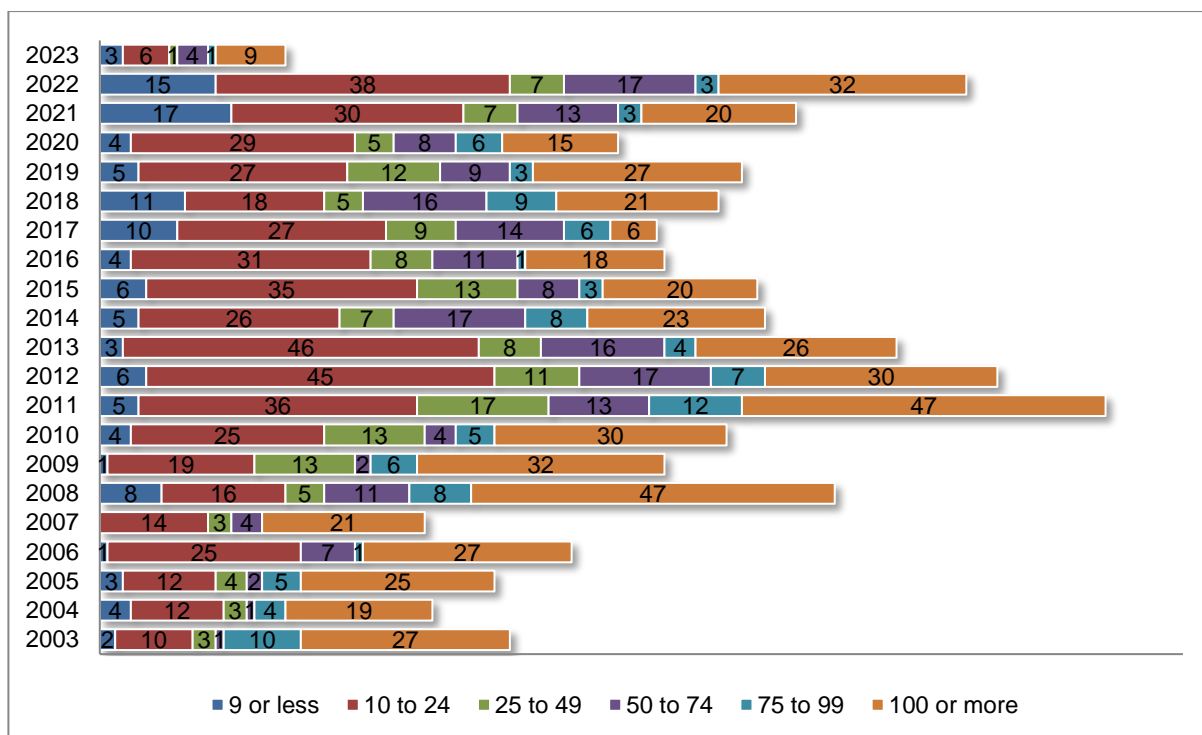
South Africa Aggregate Annual Figures Headline FDI trends by year

Year	Number of projects	% growth per annum	Jobs created		Capital investment	
			Total	Average	Total (ZAR m)	Average (ZAR m)
2023	24	n/a	4,232	176	60,662.03	2,528.03
2022	112	24.4	13,384	119	404,916.17	3,615.64
2021	90	34.3	9,246	102	78,523.93	872.85
2020	67	n/a	7,642	114	98,843.29	1,475.71
2019	83	3.8	10,177	122	68,575.94	826.83
2018	80	11.1	13,441	168	90,102.56	1,125.96
2017	72	n/a	4,946	68	48,943.80	679.56
2016	73	n/a	14,126	193	106,884.52	1,463.44
2015	85	n/a	9,994	117	71,943.07	846.77
2014	86	n/a	12,368	143	177,897.98	2,067.83
2013	103	n/a	14,000	135	98,194.41	952.61
2012	116	n/a	14,247	122	80,324.84	691.83
2011	130	60.5	20,557	158	183,859.10	1,414.35
2010	81	11	18,731	231	85,588.00	1,056.93
2009	73	n/a	15,840	216	76,506.72	1,047.72
2008	95	126.2	22,423	236	162,792.68	1,713.48
2007	42	n/a	6,756	160	54,283.66	1,293.16
2006	61	19.6	10,755	176	48,209.02	790.01
2005	51	18.6	16,376	321	43,812.57	859.04
2004	43	79.2	7,767	180	53,674.66	1,248.68
Year 21 to 21	24	n/a	4,232	176	60,662.03	2,528.03
<b>Total</b>	<b>1,620</b>	<b>n/a</b>	<b>262,437</b>	<b>161</b>	<b>2,147,991.17</b>	<b>1,325.38</b>

Source: fDi Intelligence from The Financial Times Ltd

When allocated into bands, projects creating between 10 and 24 jobs represent one-third of projects, while projects creating 100 jobs or more represent almost one-third of projects.

*Number of FDI projects by jobs created and year*

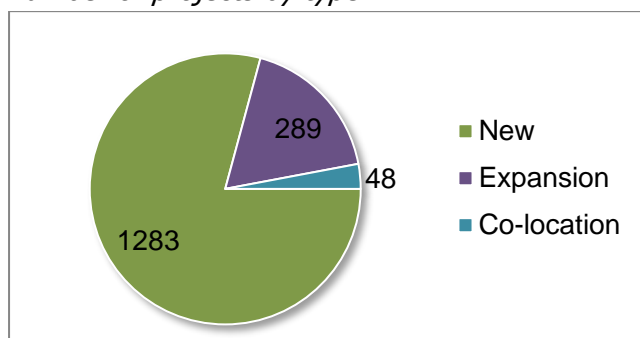


Source: fDi Intelligence from The Financial Times Ltd

In terms of project type, 79.2% of projects are new investments. New projects have an average capital investment of ZAR 1,360.66 million and job creation of 134 per project.

The average capital investment for expansion and co-location is ZAR 1,144.36 million and ZAR 1,501.79 million respectively. The average number of jobs created in these project types is 272 and 216 respectively.

*Number of projects by type*

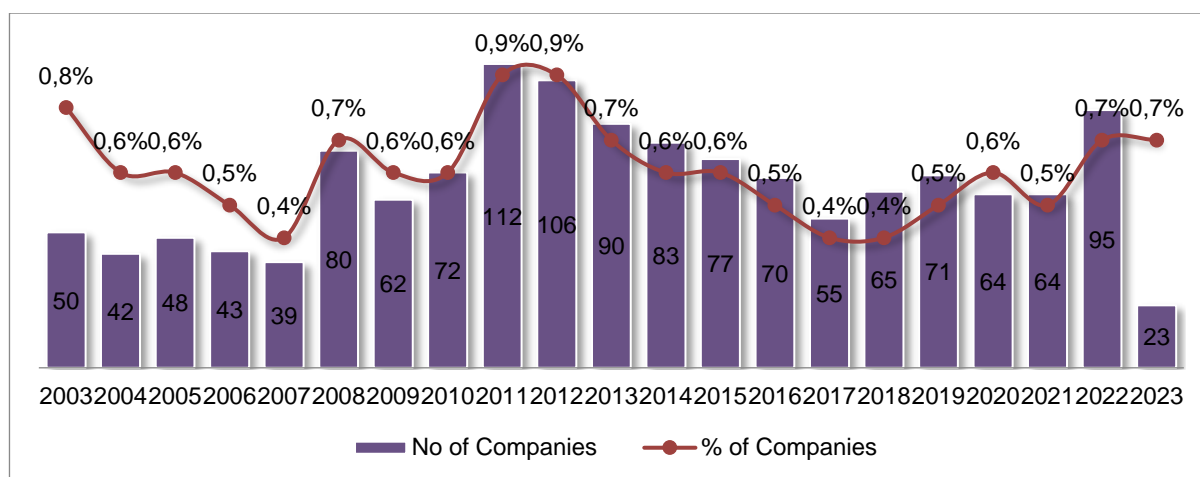


Source: fDi Intelligence from The Financial Times Ltd

### 4.3.3 Companies

A total of 1,128 companies from 53 source countries invested in South Africa in ten activities between January 2003 and March 2023, out of a total 120,270 companies investing in FDI globally.

*Number of companies by year and percentage of all companies*



Source: fDi Intelligence from The Financial Times Ltd

The top 10 companies accounted for a combined total of 128 projects (7.9% of projects). Within the past 12 months, three of the top 10 companies have announced projects, with International Workplace Group (Regus) being the top investor for this period with six projects.

#### *Top 10 companies: number of projects*

Company name	Source country	No of projects	Global projects*	% of global projects**	Projects in last 12 mths
Mainstream Renewable Power	Ireland	23	54	42.5	0
Nedbank	United Kingdom	16	22	72.7	0
Enel Green Power	Italy	13	86	15.1	0
International Workplace Group (Regus)	United Kingdom	13	988	1.3	6
Volkswagen South Africa	Germany	12	14	85.7	1
Spaces	Netherlands	12	406	2.9	0
Building Energy	Italy	10	32	31.2	0
Amazon Web Services (AWS)	United States	10	198	5	1
Ford South Africa	United States	10	10	100	0
Huawei Technologies	China	9	441	2	0

\*Total number of projects worldwide from the company regardless of report criteria.

\*\* The share of global projects from the company which match report criteria.

Source: fDi Intelligence from The Financial Times Ltd

The top 10 companies account for 4.9% of job creation and 8.3% of capital investment. Collectively, they create smaller projects in terms of job creation at 101 jobs on average.

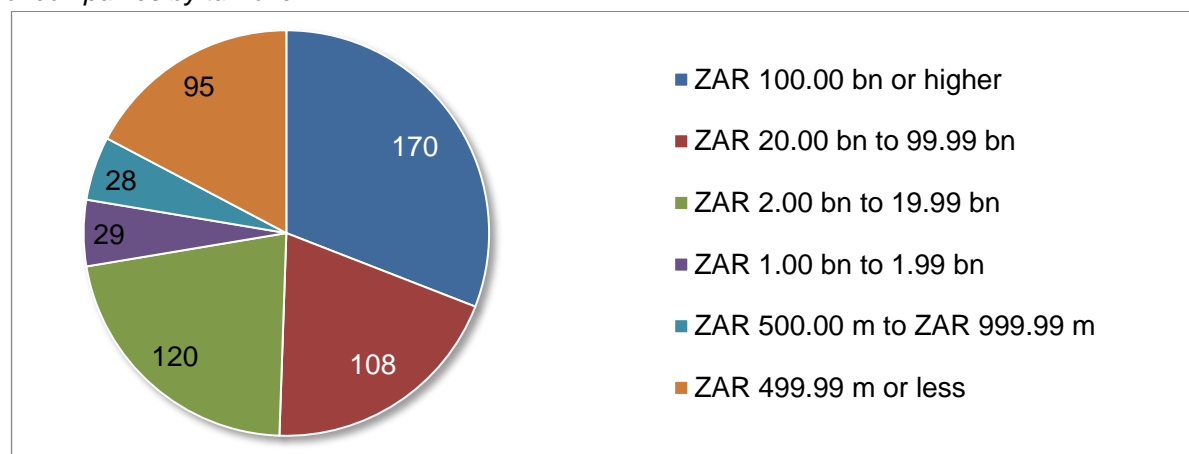
#### *Top 10 Companies: Jobs Created and Capital Investment*

Company Name	Jobs created		Capital investment	
	Total	Average per project	Total (ZAR m)	Average (ZAR m)
Mainstream Renewable Power	411	17	37,831.51	1,644.45
Nedbank	329	20	2,564.85	159.54
Enel Green Power	386	29	38,161.32	2,936.08
International Workplace Group (Regus)	104	8	378.90	29.15
Spaces	96	8	349.75	29.15
Volkswagen South Africa	5,488	457	13,993.15	1,165.84
Amazon Web Services (AWS)	776	77	15,726.57	1,572.35
Building Energy	429	42	25,378.50	2,537.24
Ford South Africa	4,708	470	19,144.32	1,914.43
EDF Renewables South Africa	189	21	23,967.22	2,663.02

Source: fDi Intelligence from The Financial Times Ltd

In terms of company size, almost one-third of companies have an annual turnover of ZAR 100.00 billion or higher, while one-sixth of companies have a turnover of ZAR 499.99 million or less.

#### *Size of companies by turnover*



Source: fDi Intelligence from The Financial Times Ltd

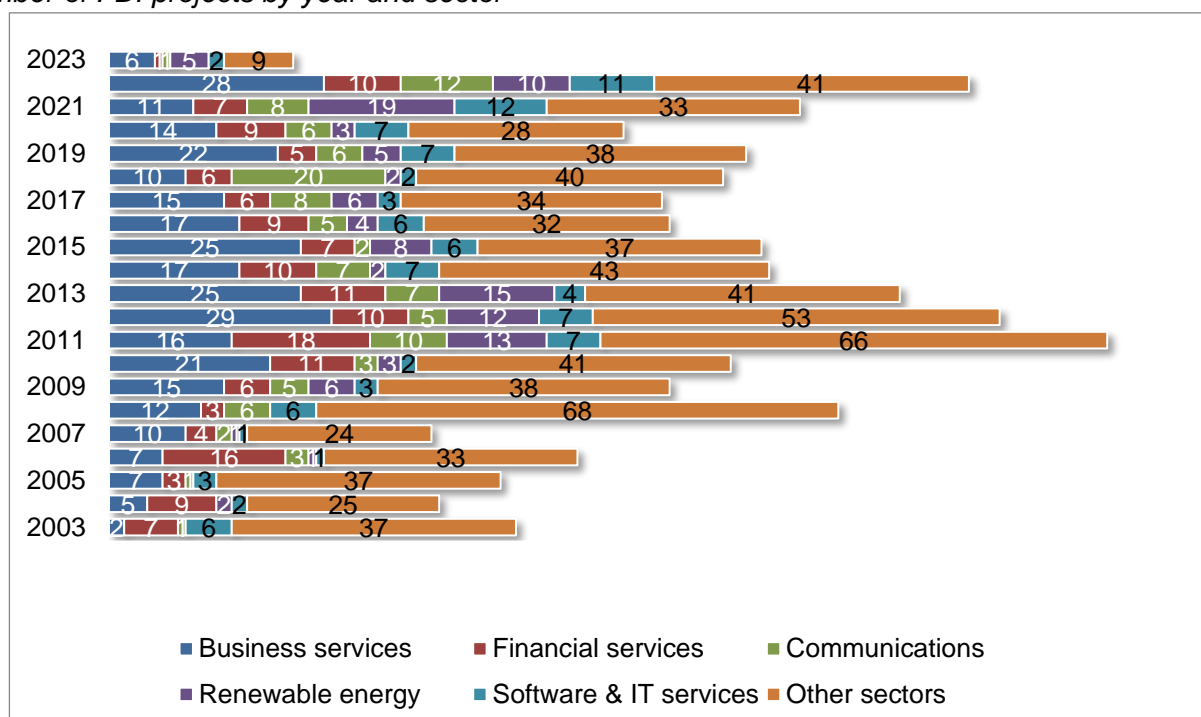
During the period April 2022 to March 2023, 33 projects were announced by 32 companies that had not previously had a project recorded by fDi Markets since 2003.

These investments created a total of 3,762 jobs and generated ZAR 18,882.47 million capital investment. To provide perspective on the size of these companies, the majority of these companies have a turnover of ZAR 1570m or less.

### **4.3.3 Industry Analysis: Sectors**

Out of a total of 36 sectors, the top five account for the majority of projects. Business services is the top sector accounting for almost one-fifth of projects tracked. Project volume in this sector peaked during 2012, with 29 projects tracked.

*Number of FDI projects by year and sector*



Source: fDi Intelligence from The Financial Times Ltd

Automotive OEM has generated the highest number of total jobs and has the largest project size, with 612 jobs per project. Renewable energy has both the highest total and highest average investment at ZAR 376.88bn overall and ZAR 3.22bn per project.

*FDI trends by sector*

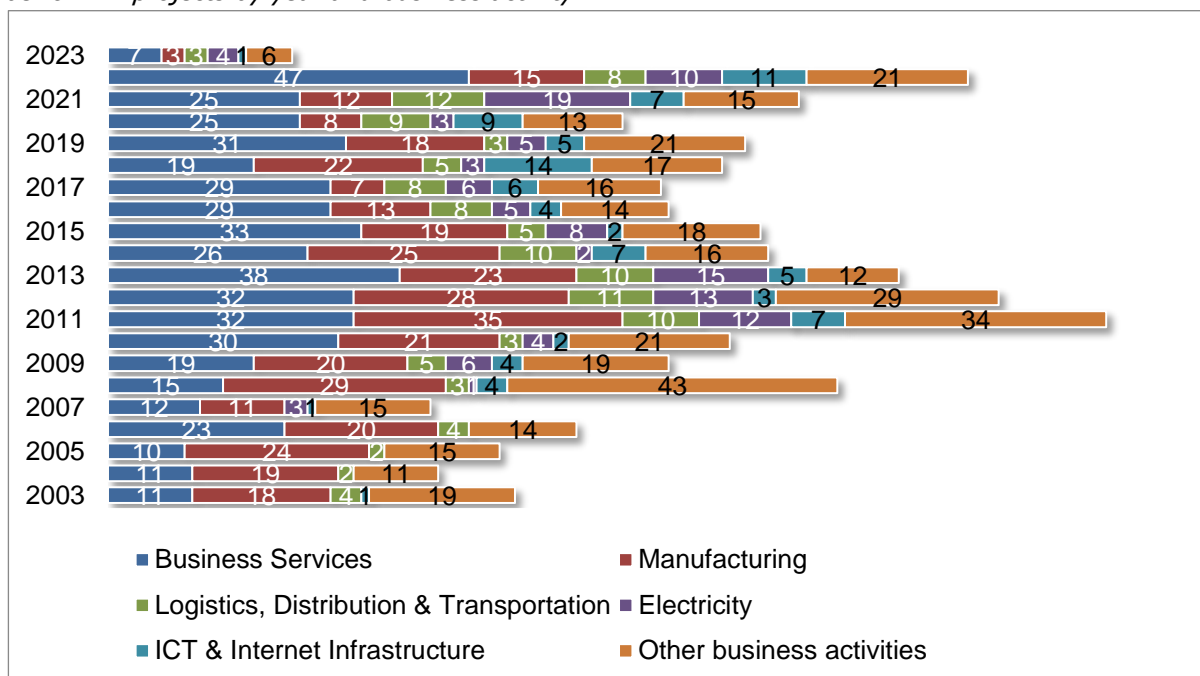
Sector	No of projects	Jobs Created		Capital investment	
		Total	Average	Total (ZAR m)	Average (ZAR m)
Business services	314	15,673	49	97,381.40	309.90
Financial services	168	5,103	30	32,332.10	191.80
Communications	118	12,162	103	223,842.80	1,897.60
Renewable energy	117	3,695	31	376,876.20	3,221.40
Software & IT services	105	16,943	161	55,734.80	530.80
Automotive OEM	84	51,428	612	168,574.30	2,006.50
Metals	81	48,608	600	224,129.70	2,767.30
Food & Beverages	72	6,758	93	55,788.50	774.70
Industrial equipment	64	6,635	103	14,198.70	222.40
Transportation & Warehousing	61	5,905	96	54,450.90	892.80
Other sectors	436	89,527	205	844,684.80	1,937.40
<b>Total</b>	<b>1,620</b>	<b>262,437</b>	<b>161</b>	<b>2,147,991.20</b>	<b>1,325.40</b>

Source: fDi Intelligence from The Financial Times Ltd

#### 4.3.4 Industry Analysis: Business activity

Out of a total of 14 business activities, the top five account for the majority of projects. Business Services is the top business activity accounting for almost one-third of projects tracked. Project volume in this business activity peaked during 2022, with 47 projects tracked.

*Number of FDI projects by year and business activity*



Source: fDi Intelligence from The Financial Times Ltd

Manufacturing has generated the highest number of total jobs and greatest investment with a total of 141,361 jobs and ZAR 561.55bn investment. Electricity and Extraction have the largest project size on average in terms of investment and jobs creation, respectively.

*FDI trends by business activity*

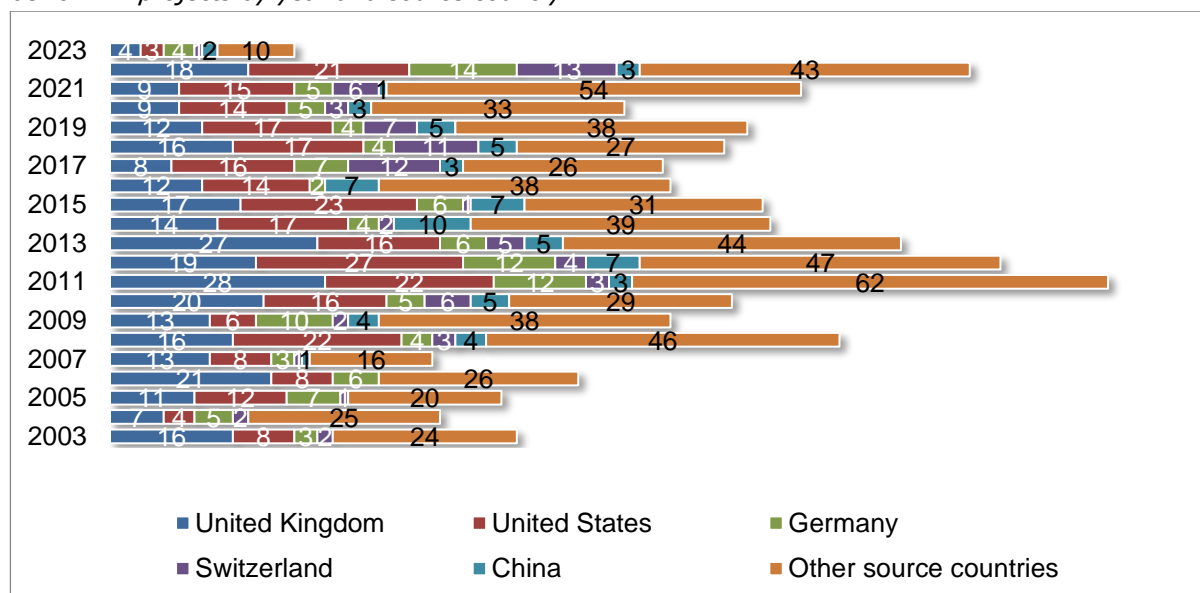
Business activity	No of projects	Jobs Created		Capital investment	
		Total	Average	Total (ZAR m)	Average (ZAR m)
Business Services	504	18,080	35	119,759.40	237.80
Manufacturing	390	141,361	362	561,551.40	1,440.40
Logistics, Distribution & Transportation	125	11,865	94	79,737.30	638.10
Electricity	119	4,038	33	389,930.50	3,276.60
ICT & Internet Infrastructure	93	7,206	77	238,305.40	2,561.80
Research & Development	92	6,776	73	33,913.70	368.20
Headquarters	82	10,021	122	30,316.40	369.70
Extraction	64	29,340	458	208,329.50	3,255.10
Education & Training	47	2,835	60	7,473.60	159.50
Customer Contact Centre	35	14,395	411	6,028.60	171.80
Other business activities	69	16,520	239	472,643.80	6,849.30
<b>Total</b>	<b>1,620</b>	<b>262,437</b>	<b>161</b>	<b>2,147,991.20</b>	<b>1,325.40</b>

Source: fDi Intelligence from The Financial Times Ltd

#### 4.3.5 Source Countries

Out of a total of 53 source countries, the top five account for the majority of projects. United Kingdom is the top source country accounting for almost one-fifth of projects tracked. Project volume in this source country peaked during 2011, with 28 projects tracked.

*Number of FDI projects by year and source country*



Source: fDi Intelligence from The Financial Times Ltd

United States has generated the highest number of total jobs and greatest investment with a total of 43,419 jobs and ZAR 289.07bn investment. China has the largest project size on average in terms of both investment and jobs creation.

*FDI trends by source country*

Source country	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (ZAR m)	Average (ZAR m)
United Kingdom	310	226	42,091	135	262,203.60	845.20
United States	306	216	43,419	141	289,070.00	944.90
Germany	128	88	30,217	236	157,975.90	1,234.90
Switzerland	85	37	14,883	175	52,065.50	612.10
China	75	56	25,084	334	198,070.10	2,641.50
France	74	50	7,989	107	86,252.20	1,165.80
India	72	50	12,390	172	79,086.90	1,098.30
Netherlands	56	47	4,773	85	31,922.50	570.60
Japan	55	35	14,378	261	56,876.10	1,033.90
Canada	45	37	6,990	155	42,264.80	938.80
Other source countries	414	288	60,223	145	892,202.00	2,155.30
<b>Total</b>	<b>1,620</b>	<b>1,128</b>	<b>262,437</b>	<b>161</b>	<b>2,147,991.20</b>	<b>1,325.40</b>

Source: fDi Intelligence from The Financial Times Ltd



### 4.3.6 Source cities

Out of a total of 434 source cities, the top five account for almost one-quarter of projects. London is the top source city accounting for one-eighth of projects tracked. Project volume in this source city peaked during 2013, with 21 projects tracked.

Dubai has both the highest total and highest average investment at ZAR 349.08bn overall and ZAR 19.39bn per project. London has generated the highest number of total jobs, while Stuttgart has the largest project size with 627 jobs per project on average.

#### *FDI trends by source city*

Source city	Projects		Companies		Jobs Created	Capital Investment (ZAR m)
	No	%	No	%		
London	210	12.96	149	14.71	30,151	206,464.10
Paris	58	3.58	36	3.55	6,483	74,931.30
Mumbai	41	2.53	24	2.37	6,911	57,434.50
Tokyo	32	1.98	23	2.27	4,776	31,506.80
Zug	31	1.91	6	0.59	8,954	19,018.50
NYC (NY)	30	1.85	26	2.57	3,784	23,503.90
Dublin	23	1.42	9	0.89	1,010	41,161.80
Amsterdam	20	1.23	18	1.78	2,258	20,414.50
Zurich	20	1.23	10	0.99	1,156	5,183.40
Ebene	19	1.17	5	0.49	1,147	41,887.40
Seattle (WA)	19	1.17	4	0.39	7,462	24,080.70
Dubai	18	1.11	16	1.58	5,403	349,077.00
Munich	18	1.11	9	0.89	7,995	22,197.00
Beijing	17	1.05	17	1.68	9,579	63,611.90
Milan	15	0.93	5	0.49	610	26,058.10
Perth	15	0.93	10	0.99	5,246	31,382.60
Rome	15	0.93	3	0.30	446	38,554.00
Lysaker	14	0.86	3	0.30	238	8,532.10
Stuttgart	14	0.86	10	0.99	8,791	28,356.00
Toronto	14	0.86	10	0.99	2,325	17,426.20
Other source cities	940	58.02	710	70.09	143,854	975,064.10
Not Specified	37	2.28	33	3.26	5,413	54,495.40
<b>Total</b>	<b>1,620</b>	<b>100.00</b>	<b>1,128</b>	<b>111.35</b>	<b>262,437</b>	<b>2,147,991.20</b>

Source: fDi Intelligence from The Financial Times Ltd

### 4.3.7 Destination Cities

Out of a total of 98 destination cities, the top five account for the majority of projects. Johannesburg is the top destination city accounting for 27.5% of projects tracked. Project volume in this destination city peaked during 2013, with 33 projects tracked.

Johannesburg has received the highest number of total jobs and greatest investment with a total of 34,556 jobs and ZAR 319.45bn investment. Richards Bay and Rosslyn have the largest project size on average in terms of investment and jobs creation, respectively.

#### *FDI trends by destination city*

Destination city	Projects		Companies		Jobs Created	Capital Investment (ZAR m)
	No	%	No	%		
Johannesburg	445	27.47	391	38.60	34,556	319,450.90
Cape Town	269	16.60	243	23.99	26,172	137,521.60
Durban	75	4.63	63	6.22	15,454	56,587.70
Pretoria	51	3.15	42	4.15	8,648	41,085.10
Gqeberha (Port Elizabeth)	42	2.59	32	3.16	8,846	54,800.60
Midrand	23	1.42	20	1.97	2,822	15,085.40
East London	22	1.36	17	1.68	9,334	32,171.00
Boksburg	12	0.74	12	1.18	5,266	4,922.60
Kariega (Uitenhage)	11	0.68	3	0.30	4,985	12,756.70
Rosslyn	11	0.68	7	0.69	7,436	27,375.80
Centurion	10	0.62	8	0.79	611	27,492.30
Pietermaritzburg	10	0.62	9	0.89	5,585	3,377.90
Richards Bay	10	0.62	10	0.99	2,781	33,942.80
Stellenbosch	10	0.62	10	0.99	505	2,693.70
Kempton Park	9	0.56	7	0.69	895	2,874.70
Germiston	7	0.43	5	0.49	1,464	3,118.60
Isando	7	0.43	6	0.59	1,132	2,285.70
Sandton	7	0.43	7	0.69	151	1,989.60
Kimberley	6	0.37	5	0.49	873	3,831.90
Ladysmith	6	0.37	3	0.30	1,755	4,315.10
Other destination cities	148	9.14	138	13.62	32,948	217,188.30
Not Specified	429	26.48	331	32.68	90,218	1,143,127.60
<b>Total</b>	<b>1,620</b>	<b>100.00</b>	<b>1,128</b>	<b>111.35</b>	<b>262,437</b>	<b>2,147,991.20</b>

Source: fDi Intelligence from The Financial Times Ltd

### 4.3.8 Project Profiles

#### **March 2023 - Arvato Services, a subsidiary of Bertelsmann into South Africa**

Arvato Services, a subsidiary of Bertelsmann (Gutersloh, Germany) is investing in the city of Cape Town, South Africa in the Business services sector in a Customer Contact Centre project.

Arvato CRM Solutions, which designs customer service and back-office processing services for private and public sector clients and is a division of Arvato, itself a subsidiary of Germany-based Bertelsmann, has opened a new facility in Cape Town, South Africa. From the new facility, Arvato will deliver high-end concierge services through multichannel, multilingual, 24/7 customer support to

Techsembly's global client base.

Company contact: Debra Maxwell (Chief Executive Officer (UK and Ireland), CRM and Public Sector, Arvato)

Jobs Created: 310 (est)

Investment: ZAR 61.36 million (est)

FDI project type: New

#### **March 2023 - Juwi, a subsidiary of MVV Energie into South Africa**

Juwi, a subsidiary of MVV Energie (Mannheim, Germany) is investing in South Africa in the Renewable energy sector in a Electricity project.

Juwi, a renewable energy company which operates as a unit of Germany-based MVV Energie, plans to establish 1000 megawatts of wind, solar, and hybrid power plants in South Africa. It will begin developing the projects in 2023.

Jobs Created: 21 (est)

Investment: ZAR 2,581.72 million (est)

FDI project type: New

#### **March 2023 - Sumitomo Rubber South Africa, a subsidiary of Sumitomo Group into South Africa**

Sumitomo Rubber South Africa, a subsidiary of Sumitomo Group (Tokyo, Japan) is investing in the city of Ladysmith, South Africa in the Rubber sector in a Manufacturing project.

Tyre manufacturer Sumitomo Rubber South Africa, a subsidiary of Japan-based Sumitomo Group, has plans to invest in an expansion of its plant in Ladysmith, South Africa. This will improve local production capacity, expand product lines, and create new job opportunities, reinforcing support for the domestic market.

Company contact: Lubin Ozoux (Chief Executive Officer, Sumitomo Rubber South Africa)

Jobs Created: 339 (est)

Investment: ZAR 625.87 million (est)

FDI project type: Expansion

#### **March 2023 - Deutsche Bank into South Africa**

Deutsche Bank (Frankfurt am Main, Germany) is investing in the city of Johannesburg, South Africa in the Financial services sector in a Business Services project.

Germany-based Deutsche Bank, a leading provider of financial services, has opened a new representative office in Johannesburg, South Africa, to expand its wealth management offering in the region.

Company contact: Paul Sayers (Head (Africa), International Private Banking)

Jobs Created: 27 (est)

Investment: ZAR 145.73 million (est)

FDI project type: New

#### **March 2023 - Chery South Africa, a subsidiary of Chery Automobile into South Africa**

Chery South Africa, a subsidiary of Chery Automobile (Wuhu, China) is investing in the city of

Boksburg, South Africa in the Automotive components sector in a Logistics, Distribution & Transportation project.

Chery South Africa, a subsidiary of China-based Chery Automobile, has expanded to a new parts warehouse in Boksburg, South Africa. The warehouse represents a doubling of storage space and available parts. The expansion will support the company's sales growth in South Africa, with the company also planning to add a dealer and staff training facility at the site.

*"Our choice of the warehouse in Boksburg gives us easy access to all the main arteries in and out of Gauteng," said Tony Liu, executive deputy general manager, Chery South Africa.*

Company contact: Tony Liu (Executive Deputy General Manager, Chery South Africa)

Jobs Created: 72 (est)

Investment: ZAR 427.99 million (est)

FDI project type: Expansion

#### **March 2023 - Haval Motors South Africa, a subsidiary of Great Wall Motors (GWM) into South Africa**

Haval Motors South Africa, a subsidiary of Great Wall Motors (GWM) (Baoding, China) is investing in the city of Waterfall, South Africa in the Automotive components sector in a Logistics, Distribution & Transportation project.

Haval Motors South Africa, an automotive manufacturer which operates as a subsidiary of China-based Great Wall Motors, has moved to larger distribution centre in Waterfall, South Africa. It will serve the domestic market.

Company contact: Yusuf Patel (Head, Aftersales, Haval Motors South Africa)

Jobs Created: 72 (est)

Investment: ZAR 427.99 million (est)

FDI project type: Expansion

#### **March 2023 - Salt into South Africa**

Salt (London, United Kingdom) is investing in the city of Johannesburg, South Africa in the Business services sector in a Business Services project.

UK-based Salt, a global digital recruitment agency, has expanded its operations in Johannesburg, South Africa. The company has opened a new office, which will support the growth of its local team and serve the domestic market.

Company contact: Alex Martin (Managing Director)

Jobs Created: 14 (est)

Investment: ZAR 426.45 million (est)

FDI project type: Expansion

#### **March 2023 - Sygma into South Africa**

Sygma (Tessenderlo, Belgium) is investing in the city of Johannesburg, South Africa in the Metals sector in a Headquarters project.

Belgium-based Sygma, which provides portable machine and bolting solutions, has opened a new headquarters in Johannesburg, South Africa. It will serve markets in sub-Saharan Africa.

Jobs Created: 56 (est)

Investment: ZAR 179.48 million (est)

FDI project type: New

#### **March 2023 - Stellantis into South Africa**

Stellantis (Amsterdam, Netherlands) is investing in South Africa in the Automotive OEM sector in a Manufacturing project.

Netherlands-based Stellantis, a multinational automotive manufacturing corporation, has announced that it will develop a manufacturing facility in South Africa. This follows the signing of a memorandum of understanding with South Africa's Industrial Development Corporation and Department of Trade, Industry and Competition. The manufacturing plant will be established within a South African Special Economic Zone and is expected to commence operations by 2025.

Company contact: Fernao Silveira (Media Contact)

Jobs Created: 614 (est)

Investment: ZAR 1,909.83 million (est)

FDI project type: New

#### **March 2023 - Paratus South Africa, a subsidiary of Paratus Africa Group into South Africa**

Paratus South Africa, a subsidiary of Paratus Africa Group (Windhoek, Namibia) is investing in the city of Pretoria, South Africa in the Communications sector in a ICT & Internet Infrastructure project.

Paratus South Africa, a subsidiary of Namibia-based telecommunications operator Paratus, has announced that it will build a new satellite teleport facility in Pretoria, South Africa. The facility will deliver reliable and quality satellite connectivity to businesses and consumers in South Africa. Construction of the facility is expected to be completed in August 2023.

Company contact: Kallie Carlsen (Managing Director, Paratus South Africa)

Jobs Created: 70 (est)

Investment: ZAR 2,431.39 million (est)

FDI project type: New

#### **February 2023 - Ivanhoe Mines into South Africa**

Ivanhoe Mines (Vancouver, Canada) is investing in the city of Limpopo, South Africa in the Metals sector in a Extraction project.

Canada-based Ivanhoe Mines, a platinum-group metals mining company, is to open a Platreef platinum group metals mine in Limpopo, South Africa. The first phase of its construction is expected to be completed in the third quarter of 2024, with the company investing \$490m.

Company contact: Marna Cloete (President)

Jobs Created: 616 (est)

Investment: ZAR 7,516.60 million

FDI project type: New

#### **February 2023 - WKN, a subsidiary of PNE Group into South Africa**

WKN, a subsidiary of PNE Group (Cuxhaven, Germany) is investing in South Africa in the Renewable energy sector in a Manufacturing project.

WKN, a renewable energy specialist and subsidiary of Germany-based PNE Wind, has signed a

memorandum of understanding with Italy-based Omnia Group to explore and plan green ammonia plants with a capacity of 100,000 tonnes annually in South Africa. This is to reduce South Africa's reliance on energy imports and help decarbonise local industries.

Company contact: Markus Lesser (Chief Executive Officer)

Jobs Created: 110 (est)

Investment: ZAR 35,102.52 million (est)

FDI project type: New

#### **February 2023 - TotalEnergies (Total) into South Africa**

TotalEnergies (Total) (Paris, France) is investing in South Africa in the Renewable energy sector in a Electricity project.

France-based TotalEnergies, an international energy conglomerate, has announced it will install a 140 MW wind farm in Northern Cape, South Africa. The site, one of two to be installed in the country, will be used to help supply around 850 GWh of electricity per year to Sasol's oxygen production site in Secunda under a power purchase agreement between the two companies. The wind facility is expected to be operational in 2025.

Jobs Created: 21 (est)

Investment: ZAR 2,663.02 million (est)

FDI project type: New

#### **February 2023 - Asbis Group into South Africa**

Asbis Group (Limassol, Cyprus) is investing in the city of Johannesburg, South Africa in the Business machines & equipment sector in a Logistics, Distribution & Transportation project.

Cyprus-based Asbis, a distributor of electronic goods, has opened a new distribution centre in Johannesburg, South Africa. The distribution centre provides a 500 sq m warehouse, which will increase to 8500 sq m. It will serve South Africa and central Africa.

Company contact: Costas Tziamalis (Deputy Chief Executive Officer)

Jobs Created: 115 (est)

Investment: ZAR 213.23 million (est)

FDI project type: New

#### **February 2023 - TotalEnergies (Total) into South Africa**

TotalEnergies (Total) (Paris, France) is investing in South Africa in the Renewable energy sector in a Electricity project.

France-based TotalEnergies, an international energy conglomerate, has announced it will install a 120 MW solar plant in Northern Cape, South Africa. The site, one of two to be installed in the country, will be used to help supply around 850 GWh of electricity per year to Sasol's oxygen production site in Secunda under a power purchase agreement between the two companies. The solar facility is expected to be operational in 2025.

Jobs Created: 21 (est)

Investment: ZAR 2,663.02 million (est)

FDI project type: New

#### **February 2023 - CleverProfits into South Africa**

CleverProfits (Annapolis (MD), United States) is investing in the city of Cape Town, South Africa in the Business services sector in a Business Services project.

US-based CleverProfits, a financial advisory and accounting firm, has relocated and expanded to a new office in Cape Town, South Africa due to growth.

Jobs Created: 14 (est)

Investment: ZAR 426.45 million (est)

FDI project type: Expansion

#### **February 2023 - KHIPU Networks into South Africa**

KHIPU Networks (Fleet, United Kingdom) is investing in the city of Cape Town, South Africa in the Software & IT services sector in a Business Services project.

UK-based KHIPU Networks, a cyber security company that offers network, wireless, and security solutions, technologies, and services, has announced that it has opened a new office in Cape Town, South Africa. It is located at 13 Waterford Mews in Century City and will serve the market in the Western Cape region of South Africa.

Company contact: Matt Ashman (Chief Commercial Officer)

Jobs Created: 231 (est)

Investment: ZAR 78.23 million (est)

FDI project type: New

#### **February 2023 - Bordeaux & Burgundy into South Africa**

Bordeaux & Burgundy (London, United Kingdom) is investing in South Africa in the Business services sector in a Business Services project.

UK-based Bordeaux & Burgundy, which operates as a marketing agency for SaaS companies, has announced it has established a presence in South Africa.

Company contact: Alfie Dawson (Chief Executive Officer)

Jobs Created: 14 (est)

Investment: ZAR 426.45 million (est)

FDI project type: New

#### **January 2023 - Advanced Call Center Technologies (ACT) into South Africa**

Advanced Call Center Technologies (ACT) (Berwyn (PA), United States) is investing in the city of Durban, South Africa in the Business services sector in a Customer Contact Centre project.

US-based Advanced Call Center Technologies, a provider of contact centre and back-office support services, has opened a new facility in Durban, South Africa. The new facility will serve global markets and create 1000 new jobs.

Company contact: Susan Parker (Chief Operating Officer)

Jobs Created: 1000

Investment: ZAR 285.32 million (est)

FDI project type: New

#### **January 2023 - VoltVision into South Africa**

VoltVision (Harwell, United Kingdom) is investing in the city of Johannesburg, South Africa in the Software & IT services sector in a Technical Support Centre project.

United Kingdom-based VoltVision, a digitised industrial power networks company, has opened a global power analytics centre in Johannesburg, South Africa. The centre will provide expert technical interpretation of performance data from clients' high and medium voltage electrical networks. The Johannesburg office will serve the market in Africa, particularly the mining sector.

*Manoli Yannaghas, managing director, VoltVision, said, "Johannesburg remains one of the main mining centres of the African continent and a nucleus for mining expertise, services and manufacturing. We have chosen to open VoltVision's Power Analytics Centre here to support our Africa-focused clients with the expert analysis, technical skills and experience which may not be available in-house."*

Company contact: Malcolm Evans (Technical Director)

Jobs Created: 393 (est)

Investment: ZAR 245.44 million (est)

FDI project type: New

#### **January 2023 - Toyota South Africa, a subsidiary of Toyota Motor into South Africa**

Toyota South Africa, a subsidiary of Toyota Motor (Toyota, Japan) is investing in the city of Durban, South Africa in the Renewable energy sector in a Electricity project.

Toyota South Africa Motors, a vehicle manufacturer and a subsidiary of Japan-based Toyota Motor, is to invest more than R800m to install 31 megawatts of solar capacity at its production plant in Durban, South Africa. This is in line with the company's goal to move to renewable energy by 2028 and become carbon neutral by 2035.

Company contact: Andrew Kirby (Chief Executive Officer, Toyota SA)

Jobs Created: 9 (est)

Investment: ZAR 714.38 million

FDI project type: Co-Location

#### **January 2023 - Baker McKenzie (Baker & McKenzie) into South Africa**

Baker McKenzie (Baker & McKenzie) (Chicago (IL), United States) is investing in the city of Johannesburg, South Africa in the Business services sector in a Business Services project.

US-based law firm Baker & McKenzie has expanded its capacity in Johannesburg, South Africa. The firm has recruited three senior hires to grow its mergers & acquisitions and private equity practice.

Company contact: Lerisha Naidu (Managing Partner (Johannesburg))

Jobs Created: 3

Investment: ZAR 6.14 million (est)

FDI project type: Expansion

#### **January 2023 - International Workplace Group (Regus) into South Africa**

International Workplace Group (Regus) (Zug, Switzerland) is investing in the city of Pretoria, South Africa in the Real estate sector in a Business Services project.

Switzerland-based International Workplace Group, a workspace and office provider, has opened a new business centre at the Boardwalk Office Park in Pretoria, South Africa.



Jobs Created: 8 (est)

Investment: ZAR 29.15 million (est)

FDI project type: New

#### January 2023 - Ace Green Recycling into South Africa

Ace Green Recycling (Singapore, Singapore) is investing in South Africa in the Electronic components sector in a Recycling project.

Singapore-based Ace Green Recycling, a battery recycling technology start-up, has entered a joint venture with South Africa-based Tabono Investments to build two environmentally sustainable battery recycling facilities in South Africa. The facilities will separately process and recycle lead-acid and lithium-ion batteries. ACE Green Recycling will own 51% of the recycling facilities and Tabono Investments will own 49%.

Company contact: Nishchay Chadha (Chief Executive Officer)

Jobs Created: 82 (est)

Investment: ZAR 1,073.80 million (est)

FDI project type: New

#### December 2022 - Carl Zeiss Meditec AG, a subsidiary of Carl-Zeiss-Stiftung into South Africa

Carl Zeiss Meditec AG, a subsidiary of Carl-Zeiss-Stiftung (Oberkochen, Germany) is investing in the city of Johannesburg, South Africa in the Medical devices sector in a Education & Training project.

Carl Zeiss Meditec, a manufacturer of surgical microscopes and visualisation solutions, and a subsidiary of Germany-based Carl-Zeiss Stiftung, has opened its new E1m Zeiss Academy Africa at its regional headquarters in Johannesburg, South Africa. This is to strengthen the company's presence in sub-Saharan Africa.

Company contact: Jorg Nitschke (Group Press Spokesman)

Jobs Created: 3 (est)

Investment: ZAR 16.26 million

FDI project type: Co-Location

### 4.3.9 About this Report

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## 4.4 North West Province

### North West FDI Projects Detail

#	Project date	Investing company	Source state	Destination state / City	Sector	Activity	Jobs created	Capital investment ZARmil
1	Feb 2023	Ivanhoe Mines	British Columbia	North West Limpopo	Metals	Extraction	616	7516,6
2	Dec 2022	AMEA Power	Dubai	North West Limpopo	Renewable energy	Electricity	24	1840,8
3	Dec 2022	Voltalia	Ile-de-France	North West Limpopo	Renewable energy	Electricity	21	2663,024
4	Nov 2022	Nestle South Africa	Switzerland	North West Potchefstroom	Renewable energy	Electricity	21	2663,024
5	Nov 2021	Rangel Group	Portugal	North West Zeerust	Transportation & Warehousing	Logistics, Distribution & Transportation	20	3,835
6	Oct 2019	Bridgestone	Kanto	North West Brits	Rubber	Manufacturing	159	406,0498
7	May 2018	Grand Capital	Central Federal District	North West Klerksdorp	Financial services	Business Services	22	145,73
8	Oct 2016	Neovia (InVivo) (Evalis)	Ile-de-France	North West Brits	Food & Beverages	Logistics, Distribution & Transportation	161	389,636
9	Jun 2015	Anglo American Platinum	South East (UK)	North West Rustenburg	Renewable energy	Electricity	2	171,041
10	Apr 2014	Syngenta	Switzerland	North West Brits	Food & Beverages	Research & Development	51	176,41
11	Dec 2011	IGE Resources (International Gold Exploration)	Sweden	North West	Minerals	Extraction	383	852,904
12	Apr 2011	Monsanto	Missouri	North West	Food & Beverages	Manufacturing	147	345,15
13	Aug 2010	Xstrata-Merafe	Switzerland	North West Rustenburg	Metals	Manufacturing	1706	2098,512
14	Aug 2009	Platinum Australia	Western Australia	North West	Metals	Extraction	1012	4907,266
15	Nov 2008	Anglo Platinum	South East (UK)	North West	Metals	Extraction	1012	4907,266
16	Jun 2008	Guangzhou Pharmaceutical Holdings	Guangdong	North West	Food & Beverages	Manufacturing	106	516,958
17	Jun 2008	Primus Special Projects (Pty)	Switzerland	North West	Minerals	Extraction	383	852,904
18	Aug 2007	Orascom Construction	Cairo	North West	Building materials	Manufacturing	840	6749,6
19	Jul 2007	Eastern Platinum	British Columbia	North West Brits	Metals	Manufacturing	223	1178,112

		(Eastplats)						
20	Nov 2006	Robert Bosch	Baden-Wurttemberg	North West Brits	Automotive components	Manufacturing	183	199,2666
21	Jul 2006	International Ferro Metals	New South Wales	North West Limpopo	Metals	Manufacturing	223	1178,112
22	Oct 2005	International Ferro Metals	New South Wales	North West Mooinooi	Metals	Manufacturing	1000	2581,8754
23	Jun 2003	Monroe Minerals	Alberta	North West	Minerals	Extraction	383	852,904
Notes:								
1) © fDi Markets, from the Financial Times Ltd 2023. Data subject to terms and conditions of use								
2) All Capex figures shown in the table are in ZAR - South Africa Rand millions								

**Table 20: 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)**

#### **5.1.1 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 AfCFTA is the world's largest trading area since the establishment of the World Trade Organization with 54 of the 55 countries of the African Union (AU).

- Africa is moving towards a one African Market.
- To date, 54 countries have signed the Agreement and 47 signatories have deposited instruments of ratification.
- Africa is creating the largest single free trade area, with 1,3 billion people and a Gross Domestic Product of \$3.4 trillion.
- The implementation of AfCFTA will improve intra-Africa trade & the continent's share and participation in global trade.
- It will further stimulate and improve Africa's economy as well as contribute to lifting millions of people out of poverty.
- The free trade area holds the potential to inject \$450 billion worth of investment into the African economy and help lift between 50 to 100 million people out of poverty by 2035. This would represent a significant improvement to the economy and the quality of life of people.

The African Trade Observatory, one of the five operational instruments of the AfCFTA, serves as a repository of trade information and allows monitoring, 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.

## **5.1.2 The Implementation and Benefits of the AfCFTA**

### ***Creating a Single Market***

The main objective is to [create a single market](#) for goods and services to increase trading among African nations. The AfCFTA is tasked to implement protocols to eliminate trade barriers and cooperate with member states on investment and competition policies, intellectual property rights, settlement of disputes and other trade-liberating strategies.

### ***Expected Economic Boost and Trade Diversity***

UNECA estimates that AfCFTA will [boost intra-African trade by 52.3%](#) once import duties and non-tariff barriers are eliminated. The AfCFTA will cover a GDP of \$3,4 trillion of the market. The trade initiative will also diversify intra-African trade as it would encourage more industrial goods as opposed to extractive goods and natural resources. Historically, more than 75% of African exports outside of the continent consisted of extractive commodities whereas only 40% of intra-African trade were extractive.

### ***Collaborative Structure and Enforcement***

All decisions of the AfCFTA institutions are reached by a simple majority vote. There are several key AfCFTA institutions. The AU Assembly provides oversight, guidance and interpretations of the Agreement. The Council of Ministers is designated by state parties and report to the Assembly. The Council makes the decisions that pertain to the Agreement. The Committee of Senior Trade Officials implements the decisions of the Council and monitors the development of the provisions of the AfCFTA. The Secretariat is established as an autonomous institution whose roles and responsibilities are determined by the Council.

### ***Eliminating Tariffs***

State parties will progressively eliminate import duties and apply preferential tariffs to imports from other state parties. If state parties are a part of regional trade arrangements that have preferential tariffs already in place, state parties must maintain and improve on them.

### ***Settling Trade Disputes***

Multilateral trading systems can bring about disputes when a state party implements a trade policy that another state party considers a breach of the Agreement. The AfCFTA has the [Dispute Settlement Mechanism](#) in place for such occasions which offers mediated consultations between disputing parties. The mechanism is only available to state parties, not private enterprises.

### ***Protecting Women Traders***

According to UNECA and the African Trade Policy Centre, women are estimated to account for around 70% of informal cross-border traders. Informal trading can make women vulnerable to harassment and violence. With the reduced tariffs, it will be more affordable for women to trade through formal channels where women traders will not have to put themselves in dangerous situations.

### ***Growing Small and Medium-Sized Businesses***

The elimination of import duties also opens up trading activities to small businesses in the regional markets. Small and medium-sized businesses make up 80% of the region's businesses. Increased trading also facilitates small business products to be traded as inputs for larger enterprises in the region.

### ***Encouraging Industrialization***

The AfCFTA fosters competitive manufacturing. With a successful implementation of this new trade initiative, there is potential for Africa's manufacturing sector to double in size from \$500 billion in 2015 to \$1 trillion in 2025, creating [14 million stable jobs](#).

### ***Contributing to Sustainable Growth***

The United Nations 2030 Agenda for Sustainable Development includes goals that the AfCFTA contributes to. For example, Goal 8 of the Agenda is decent work and economic growth and Goal 9 is the promotion of industry. The AfCFTA initiative also contributes to Goal 17 of the Agenda as it reduces the continent's reliance on external resources, encouraging independent financing and development.

## **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 2021. reduced.

**Table 21: NORTH WEST TRADE VALUES**

<b>NORTH WEST International Trade Totals 2021</b> (Source: IHS Markit; Regional eXplorer 2294 (2.6q); Nov 2022)						
	<b>SA</b>	<b>NW</b>	<b>BPDM</b>	<b>NMMDM</b>	<b>DRSMDM</b>	<b>DKKDM</b>
<b>Exports (R 1000)</b>	1 810 179 453	10 793 422	6 819 984	2 314 335	301 094	1 358 009
<b>Imports (R 1000)</b>	1 328 526 000	7 749 526	3 393 394	591 252	326 460	3 438 420
<b>Total Trade (R 1000)</b>	3 138 705 453	18 542 949	10 213 378	2 905 588	627 554	4 796 429
<b>Trade Balance (R 1000)</b>	481 653 453	3 043 896	3 426 590	1 723 083	-25 366	-2 080 411
<b>Exports as % of GDP</b>	29,23%	2,79%	3,51%	3,15%	1,04%	1,50%
<b>Total trade as % of GDP</b>	50,69%	4,79%	5,26%	3,96%	2,17%	5,31%
<b>Regional share - Exports</b>	100,00%	0,60%	0,38%	0,13%	0,02%	0,08%
<b>Regional share - Imports</b>	100,00%	0,58%	0,26%	0,04%	0,02%	0,26%
<b>Regional share - Total Trade</b>	100,00%	0,59%	0,33%	0,09%	0,02%	0,15%
<b>NORTH WEST International Trade Totals 2020</b> (Source: IHS Markit; Regional eXplorer 2175 (2.6p); October 2021)						

	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%

International Trade 2019 (Source: IHS Markit: Regional eXplorer 1923 (2.6i) October 2020)						
	SA	NW	BPDM	NMMDM	DRSMDM	DKKDM
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%

International Trade (2018) Source: IHS Markit: Regional eXplorer 1692 (2.6f) June 2019						
	SA	NW	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%

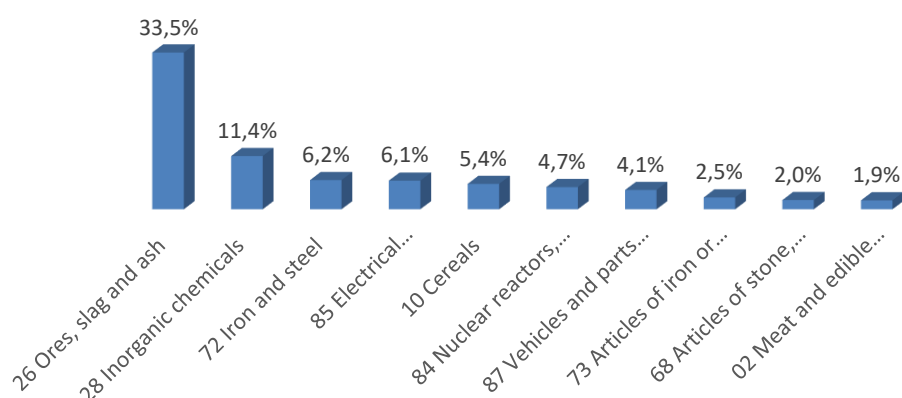
International Trade (2017) Source: IHS Markit: Regional eXplorer 1338 (2.6b)						
	SA	NW	BPDM	NMMDM	DRSMDM	DKKDM
Exports (R 1000)	1 191 658 171	24 259 997	21 309 361	1 086 060	488 320	1 376 256
Imports (R 1000)	1 094 510 375	6 623 924	2 387 554	274 431	395 797	3 566 142
Total Trade (R 1000)	2 286 168 546	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%

**Figure 8: KEY IMPORT AND EXPORT GRAPHS**



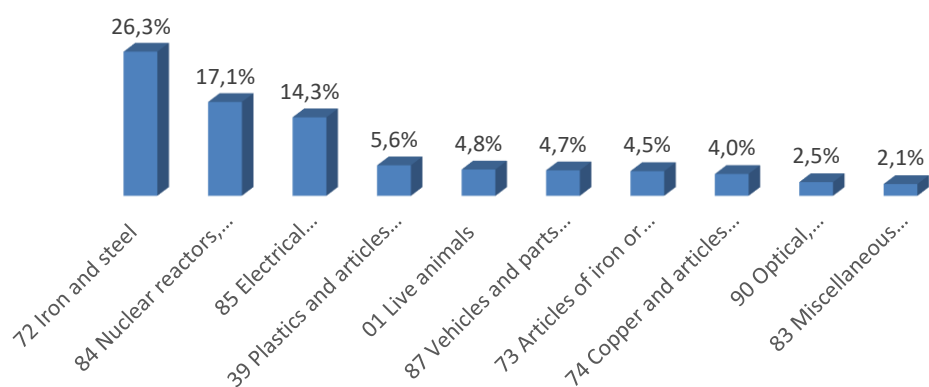
### NW Export Products 2021 Harmonized System (HS) 2-digit (Rand) % Contribution

Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)



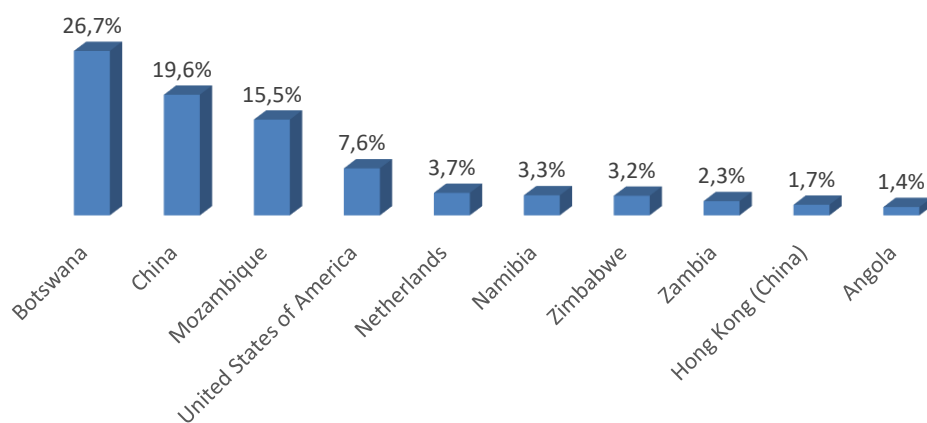
### NW Import Products 2021 Harmonized System (HS) 2-digit (Rand) % Contribution

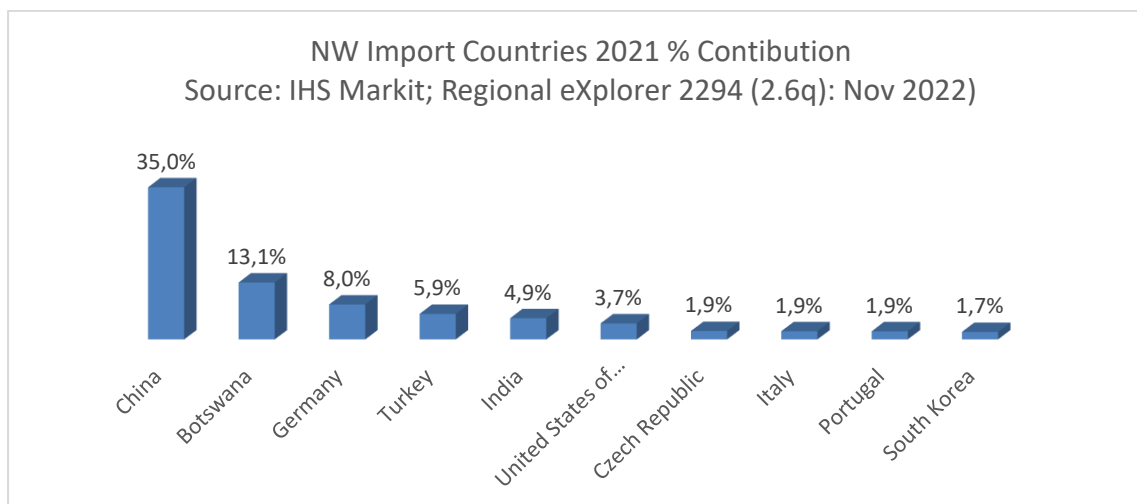
Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)



### NW Export Countries 2021 % Contribution

Source: IHS Markit; Regional eXplorer 2294 (2.6q): Nov 2022)





## 6. RECOMMENDATIONS

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

- Learn from the Covid-19 experience and build organisational resilience.
- 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](http://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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