



North West Economic Outlook

2nd Quarter 2024/2025



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Economic Outlook for North West Province, South Africa (2024)

Global Economic Context

The global economy in 2024 is expected to experience a slight slowdown, with projected growth at 2.7%, down from 2.9% in 2023. This deceleration is attributed to inflationary pressures, particularly from rising energy costs, geopolitical tensions, and continued impacts from global supply chain disruptions. Major economies like China and the US are expected to see moderated growth, with China at 4.7% and the US at 1.5%. Global commodity prices, including those of key exports such as platinum and gold, are anticipated to remain volatile, impacting economies like South Africa that are heavily reliant on mining (National Treasury, Investec).

National Economic Outlook

South Africa's economic growth is projected at 1.0% for 2024, an improvement from the 0.5% growth in 2023. Several factors influence this modest growth:

Inflation Trends: Inflation is expected to decrease to 5.1% in 2024, down from 6% in 2023, owing to lower fuel and food prices. The South African Reserve Bank's (SARB) measures to stabilize inflation and moderate interest rates should support consumption and investment (Deloitte US, National Treasury)

Load Reduction/Shedding and Infrastructure Challenges: Persistent electricity shortages continue to drag on the economy, with ongoing high stages of load shedding predicted for much of 2024. Reforms to address inefficiencies in the electricity and logistics sectors (such as rail and port improvements) are underway, with potential benefits expected in the medium term (Deloitte United States)

Labour Market Strain: Unemployment remains a significant challenge, with national unemployment hovering around 33%. The youth unemployment rate is especially high, dampening consumer confidence and limiting household spending (African Development Bank Group, Investec)

Provincial Economic Outlook

The North West Province is an important contributor to the South African economy, accounting for 5.9% of the national GDP in 2023. However, like the national economy, the province faces constraints due to structural challenges in key sectors such as mining and agriculture.

Economy

Provincial GDP and Sectoral Contribution

TABLE 1. Gross domestic product (GDP) - North-West and National Total, 2013-2023 [R trillions, Current prices]

	North-West	National Total	North-West as % of national
2013	0.23	3.87	6.0%
2014	0.24	4.13	5.9%
2015	0.26	4.42	5.9%
2016	0.27	4.76	5.7%
2017	0.29	5.08	5.7%
2018	0.31	5.36	5.8%
2019	0.33	5.63	5.8%
2020	0.34	5.56	6.1%
2021	0.39	6.22	6.3%
2022	0.41	6.66	6.2%
2023	0.41	7.02	5.9%

Source: South Africa Regional eXplorer v2540.

Data compiled on 4 Oct 2024.

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According to S&P Global data from 2023, the North West GDP stood at R415 billion. It's contribution to the national economy stayed similar in importance from 2013 when it contributed 6.00% to South Africa, but it is lower than the peak of 6.33% in 2021.

TABLE 2. Gross domestic product (GDP) - district municipalities of North-West Province, 2013 to 2023, share and growth

	2023 (Current prices)	Share of province	2013 (Constant prices)	2023 (Constant prices)	Average Annual growth
Bojanala	187.2	45.13%	124.5	107.6	-1.45%
Platinum					
Ngaka Modiri	87.5	21.09%	47.5	59.8	2.32%
Molema					
Dr Ruth	35.1	8.45%	20.0	24.4	1.96%
Segomotsi					
Mompoti					
Dr Kenneth	105.1	25.33%	61.6	72.1	1.59%
Kaunda					
North-West	414.8		253.7	263.9	

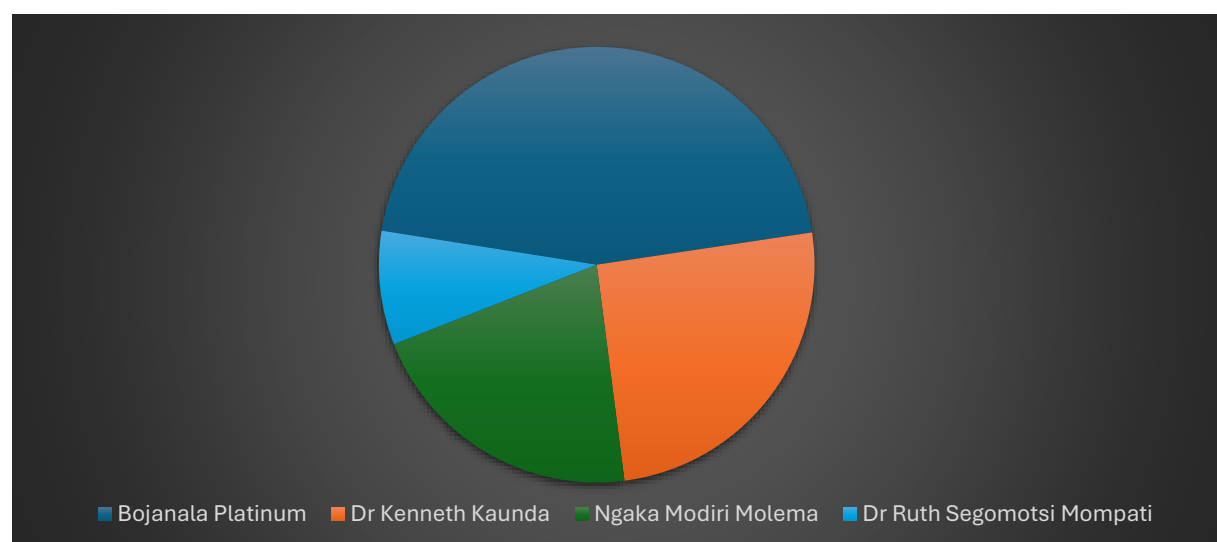
Source: South Africa Regional eXplorer v2540.

Data compiled on 4 Oct 2024.

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Ngaka Modiri Molema had the highest average annual economic growth, averaging 2.32% between 2013 and 2023, when compared to the rest of the regions within the North-West Province. The Dr Ruth Segomotsi Mompati District Municipality had the second highest average annual growth rate of 1.96%. Bojanala Platinum District Municipality had the lowest average annual growth rate of -1.45% between 2013 and 2023.

CHART 1. GDP contribution - district municipalities of North-West Province, 2023 [Current prices, percentage]



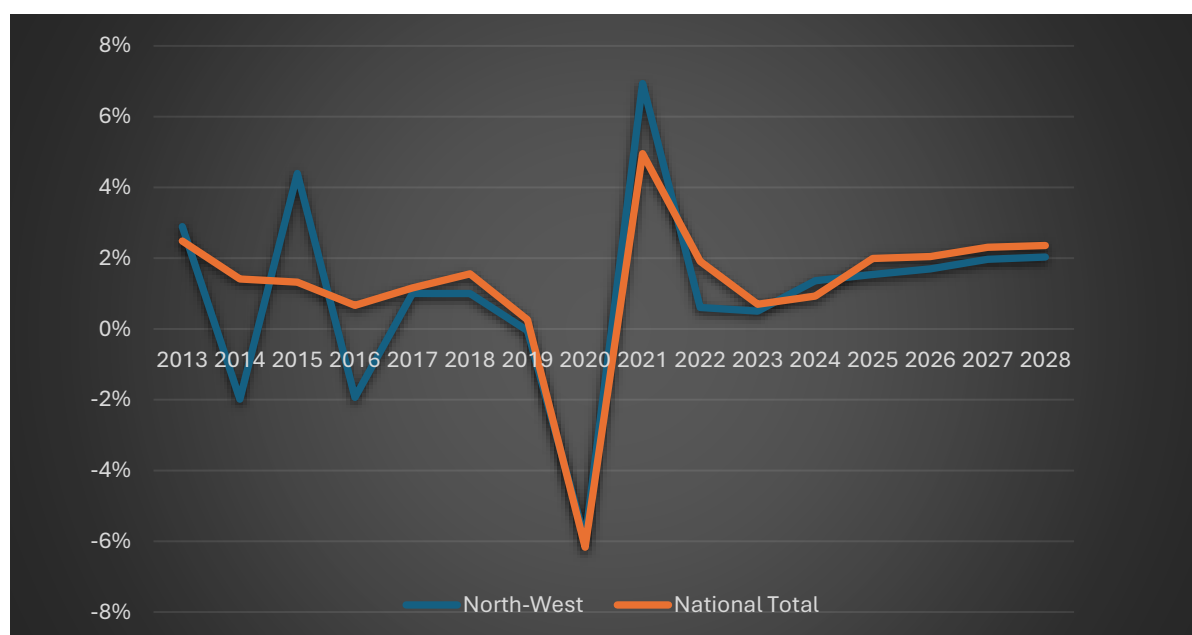
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The greatest contributor to the North-West Province economy is the Bojanala Platinum District Municipality with a share of 45.13% or R 187 billion, increasing from R 119 billion in 2013. The economy with the lowest contribution is the Dr Ruth Segomotsi Mompati District Municipality with R 35.1 billion growing from R 17.6 billion in 2013.

Economic growth forecast

The GDP of the North West Province is projected to grow at an average annual rate of 1.72% between 2023 and 2028. In comparison, South Africa's overall economy is expected to grow at a slightly higher average rate of 1.92% over the same period. The graph below shows projection up to the year 2028.

CHART 2. Gross domestic product (GDP) - North-West and National Total, 2013-2028 [Average annual growth rate, constant 2010 prices]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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By 2028, the GDP of North West Province is projected to reach approximately R287 billion (in constant 2010 prices), accounting for 5.6% of South Africa's total GDP. The province's contribution to the national economy is expected to remain consistent, slightly decreasing from 5.7% in 2023 to 5.6% in 2028. With an average annual GDP growth rate of 1.72% over this period, North West is anticipated to maintain its position as the seventh-largest contributor among the country's regions.

TABLE 3. Gross domestic product (GDP) - district municipalities of North-West Province, 2023 to 2028, share and growth

	2028 (Current prices)	Share of province	2023 (Constant prices)	2028 (Constant prices)	Average Annual growth
Bojanala Platinum	242.2	44.14%	107.6	116.5	1.60%
Ngaka Modiri Molema	120.2	21.90%	59.8	66.1	2.03%
Dr Ruth Segomotsi Mompoti	46.9	8.55%	24.4	26.5	1.71%
Dr Kenneth Kaunda	139.5	25.42%	72.1	78.3	1.65%
North-West	548.7		263.9	287.4	

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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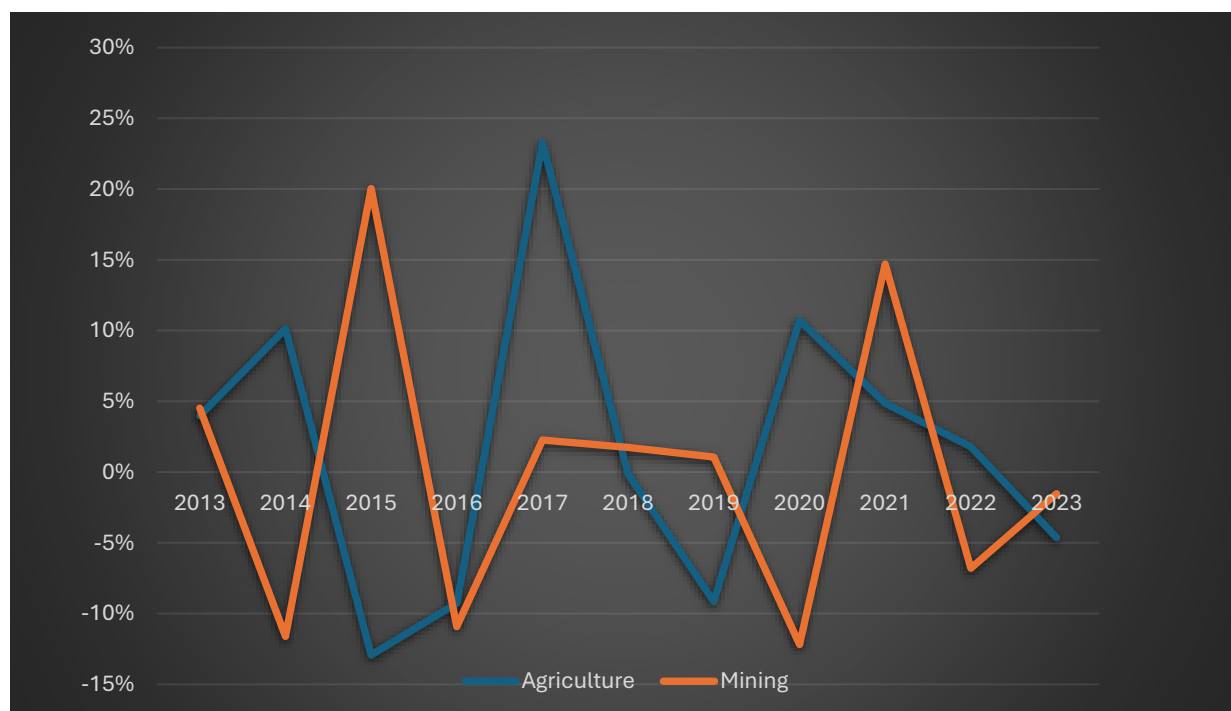
Between 2023 and 2028, the Ngaka Modiri Molema District Municipality is projected to achieve the highest average annual growth rate in the North West Province at 2.03%. The Dr Ruth Segomotsi Mompati District Municipality is expected to follow with an average annual growth rate of 1.71% during the same period. In contrast, Bojanala Platinum District Municipality is forecasted to have the lowest growth rate in the province, with an average annual increase of 1.60%.

Sector Performance

Primary sector

The primary sector is composed of two major economic areas: mining and agriculture. The chart below illustrates the average growth rate in Gross Value Added (GVA) for these sectors in the North West Province from 2013 to 2023.

CHART 3. Gross value added (GVA) by primary sector - North-West, 2013-2023 [Annual percentage change]



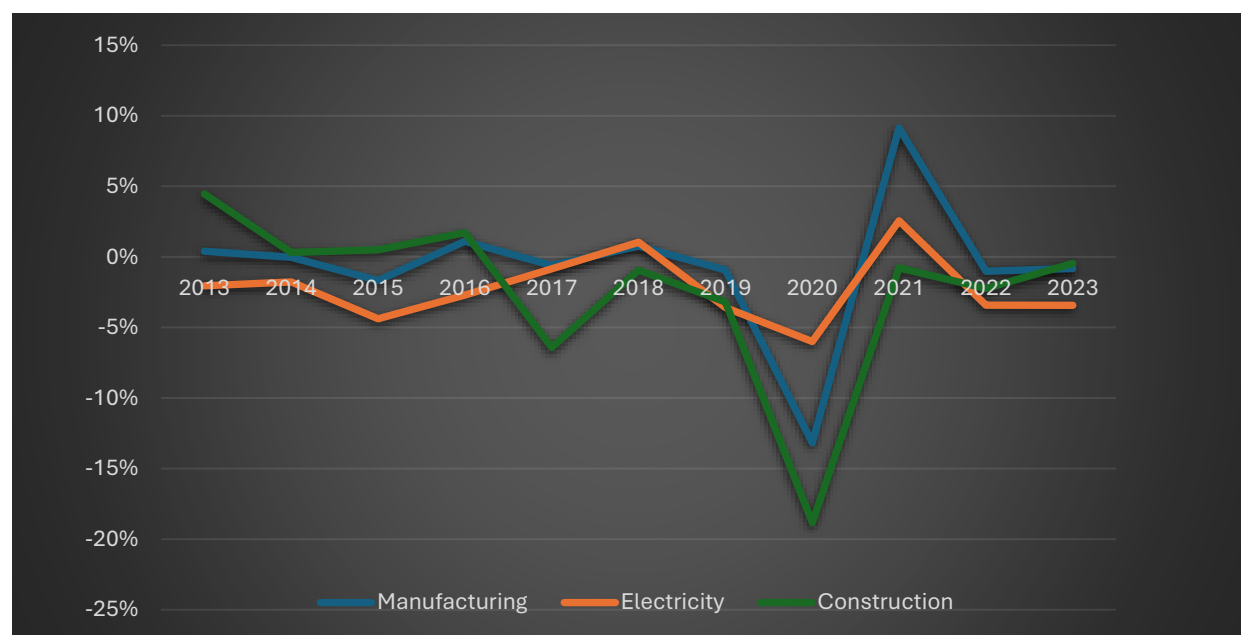
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Between 2013 and 2023, the agriculture sector saw its strongest growth in 2017, with an impressive average growth rate of 23.3%. The mining sector, on the other hand, recorded its highest growth of 20.0% in 2015. However, both sectors experienced significant downturns: agriculture faced its lowest growth in 2015 at -12.9%, while mining hit its lowest point in 2020 with a decline of -12.2%. Overall, both sectors demonstrated considerable volatility throughout this period.

Secondary sector

The secondary sector is comprised of three key industries: manufacturing, electricity, and construction. The chart below highlights the average growth rates in Gross Value Added (GVA) for these sectors in the North West Province between 2013 and 2023.

CHART 4. Gross value added (GVA) by secondary sector - North-West, 2013-2023 [Annual percentage change]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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From 2013 to 2023, the manufacturing sector in North West Province saw its highest positive growth in 2021, reaching a rate of 9.1%. In contrast, the construction sector achieved its peak growth in 2013, with an increase of 4.5%. Both sectors faced significant declines in 2020, with manufacturing shrinking by -13.2% and construction recording an even steeper contraction of -18.8%. The electricity sector experienced its strongest growth in 2021 at 2.6%, while its lowest growth occurred in 2020, with a decrease of -6.0%.

Tertiary sector

The tertiary sector is comprised of four major industries: trade, transport, finance, and community services. The chart below displays the average growth rates in Gross Value Added (GVA) for these sectors in the North West Province from 2013 to 2023.

CHART 5. Gross value added (GVA) by tertiary sector - North-West, 2013-2023 [Annual percentage change]



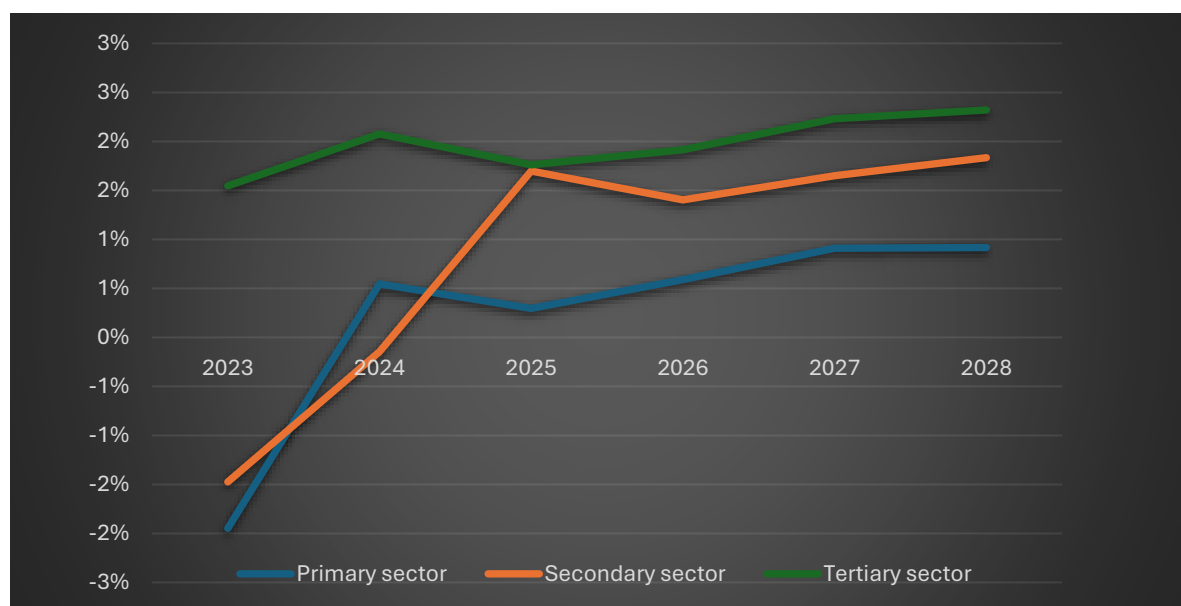
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The trade sector saw its highest growth in 2021, reaching 8.8%. Similarly, the transport sector also peaked in 2021 with a growth rate of 9.9%, surpassing that of the manufacturing sector. The finance sector experienced its strongest growth in 2022 at 3.0%, while its weakest performance occurred in 2015, with a growth rate of just 0.4%. In contrast, the trade sector faced its lowest growth in 2020, declining by -12.2%. The community services sector, predominantly government-related, had its best growth in 2013 at 3.7%, and its lowest growth in 2017 at 0.4%.

Sector growth projections

The Primary sector is expected to grow at an average annual rate of 0.65% between 2023 and 2028, with the Secondary sector growing at 1.29% on average annually. The Tertiary sector is expected to grow at an average annual rate of 2.06% for the same period.

CHART 6. Gross value added (GVA) by aggregate economic sector - North-West Province, 2023-2028 [Annual growth rate, constant 2010 prices]



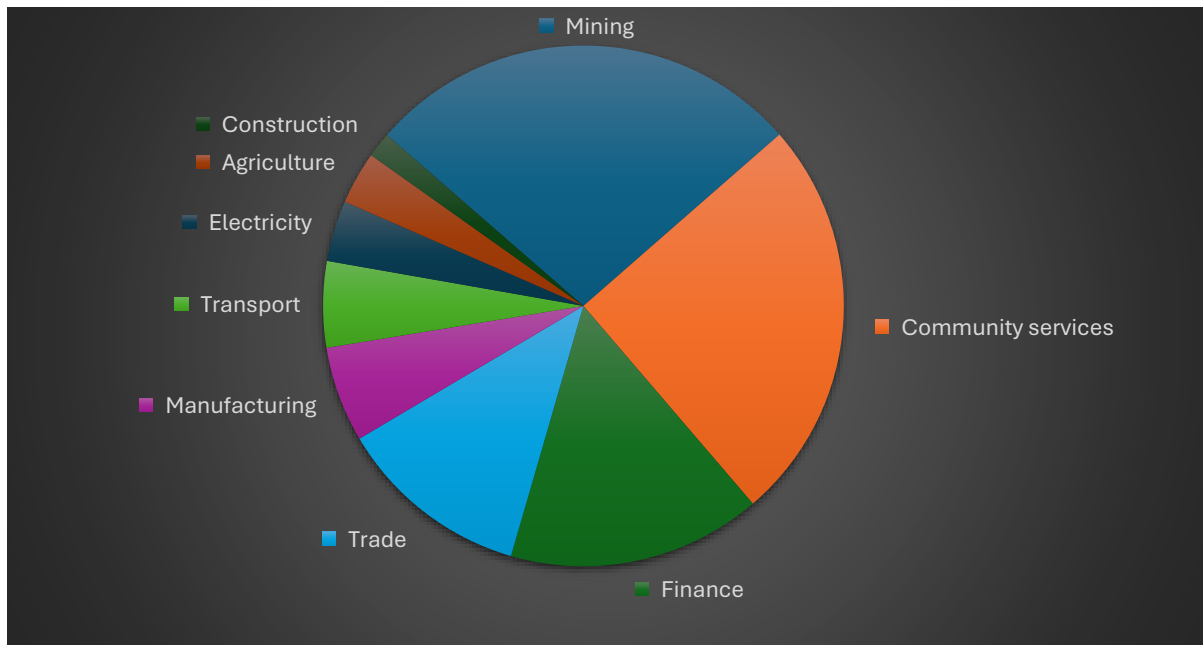
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In line with the typical characteristics of a developing country, we can anticipate more rapid growth in the secondary and tertiary sectors compared to the primary sector. It's important to note that agriculture, in particular, is subject to high volatility due to unpredictable factors such as weather conditions, pests, and other natural occurrences. Therefore, the forecasts presented here represent long-term trends rather than attempts to predict short-term fluctuations caused by these unpredictable environmental factors.

Industry Performance

The chart below depicts prominent industry performance within the North West Province.

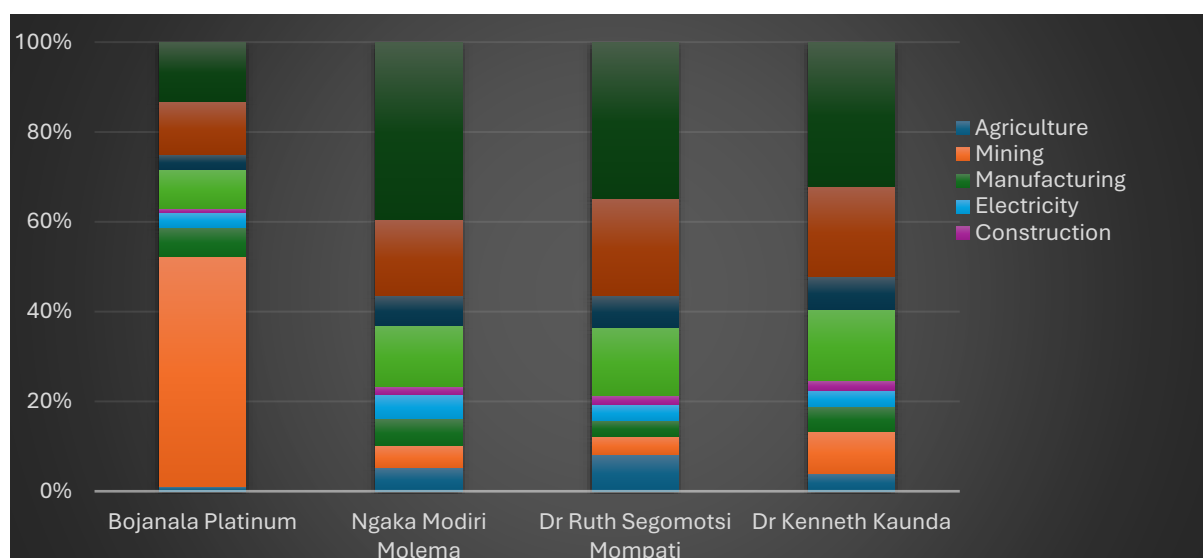
CHART 7. Gross value added (GVA) by broad economic sector - North-West Province, 2023 [percentage composition]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The community services industry, which encompasses government services, plays a significant role in contributing to the Gross Value Added (GVA) in smaller and more rural municipalities. Among the districts in the North West Province, the Ngaka Modiri Molema District Municipality stands out as the largest contributor to the community services industry, accounting for 32.61% of the province's total. In terms of overall GVA, Ngaka Modiri Molema contributed R77.3 billion, representing 20.76% of the province's GVA. The Dr Ruth Segomotsi Mompati District Municipality follows, contributing R31 billion, which constitutes 8.32% of the GVA for the North West Province.

CHART 8. Gross Value Added (GVA) by broad economic industry - district municipalities of North-West Province, 2023 [percentage composition]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The province's economic growth is heavily influenced by its dominant sectors:

Mining: The mining industry remains the backbone of the North West economy, contributing 22.8% of the provincial Gross Value Added (GVA). However, mining growth is subject to fluctuations in global commodity prices, particularly for platinum and palladium. Between 2013 and 2023, mining experienced an average annual growth rate of -0.84%, largely due to market volatility and operational disruptions (S&P Global, 2024).

Agriculture: Contributing 6.6% to the province's GVA, agriculture has been subject to high volatility, particularly due to weather conditions. For 2023, agriculture showed slight growth, with a projected 0.93% annual increase (S&P Global, 2024). The industry's sensitivity to climatic conditions and its relatively small share of the provincial economy limit its ability to drive significant growth.

Community Services and Finance: These industries are becoming increasingly important, contributing 25.2% and 15.8% to the GVA, respectively. Community services (which include government activities) experienced an average annual growth of 1.34% between 2013 and 2023, while finance grew at 1.67%. These industries are expected to continue growing, driven by increased public spending and financial industry reforms (S&P Global, 2024).

Industry growth forecast

The table below depicts a growth forecast of various dominant industries in the province throughout the three sector categorisation.

TABLE 4. Gross value added (GVA) by broad economic industry - North-West Province, 2023-2028 [R billions, constant 2010 prices]

	2023	2024	2025	2026	2027	2028	Average Annual growth
Agriculture	7.4	6.9	7.1	7.2	7.4	7.5	0.23%
Mining	47.6	48.3	48.3	48.5	48.9	49.3	0.72%
Manufacturing	12.5	12.6	12.9	13.1	13.3	13.5	1.47%
Electricity	6.2	6.1	6.2	6.2	6.3	6.4	0.70%
Construction	4.1	4.1	4.2	4.3	4.4	4.5	1.57%
Trade	29.4	29.3	30.2	30.7	31.2	31.8	1.61%
Transport	17.3	18.1	18.6	19.0	19.5	20.0	2.95%
Finance	47.3	48.5	49.5	50.6	52.1	53.5	2.53%
Community services	67.0	68.3	68.9	70.0	71.4	72.8	1.69%
Total Industries	238.7	242.3	245.8	249.6	254.3	259.3	1.67%

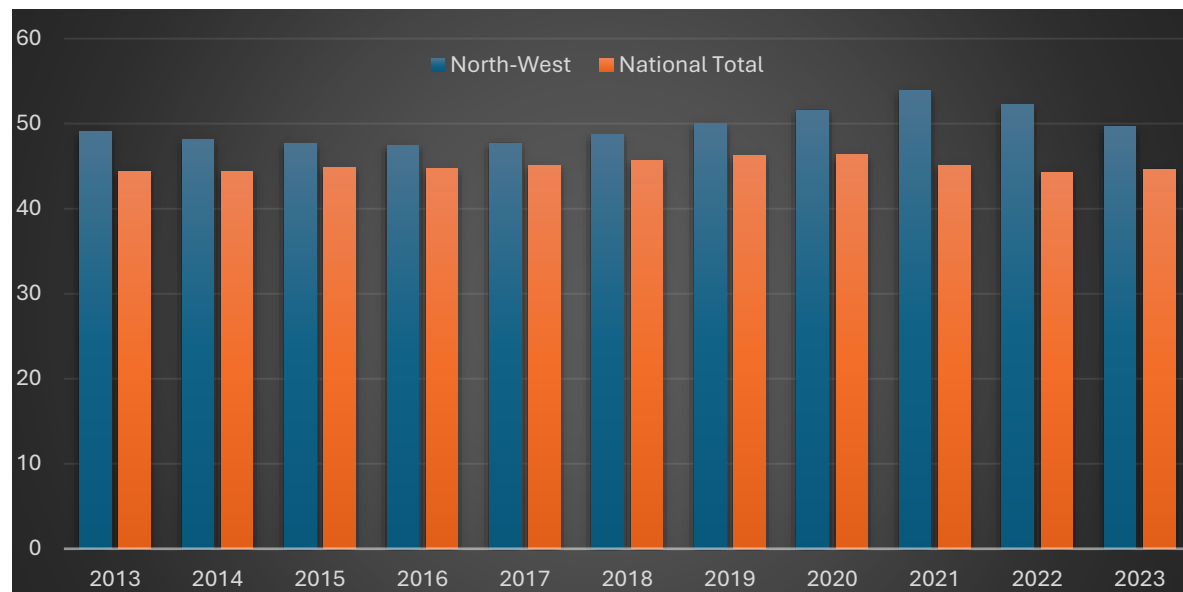
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The transport industry is projected to experience the highest growth, with an average annual increase of 2.95%, rising from R17.3 billion to R20 billion by 2028 in the North West Province. Meanwhile, the community services industry is anticipated to become the largest sector in the province by 2028, capturing 28.1% of the total Gross Value Added (GVA) at current prices, with an average annual growth rate of 1.7%. In contrast, the agriculture industry is expected to have the slowest growth, with a modest average annual growth rate of 0.23%

Tress index

The North-West's Tress Index was estimated at 49.7 which are higher than the 44.6 of the national in 2023. This implies that - on average - North-West Province is less diversified in terms of its economic activity spread than the national's economy, with a very high concentration in the mining sector.

CHART 9. Tress index - North-West and National Total, 2013-2023 [Number]



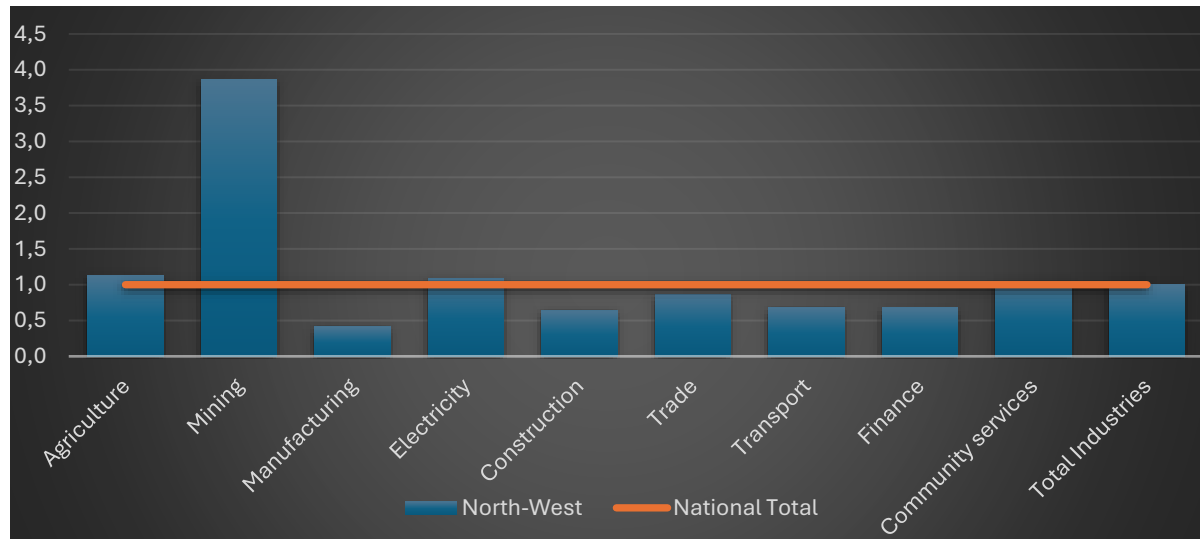
Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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A more diverse economy is more likely to generate employment opportunities across all skill levels, rather than just catering to highly skilled workers. This diversity helps maintain a healthy balance between labour-intensive and capital-intensive industries. For both economic growth and reducing unemployment to be effectively addressed, there must be fast-growing industries that also create jobs, especially for lower-skilled workers. Unfortunately, many rapidly growing sectors often do not generate sufficient employment opportunities for unskilled labourers, which hinders efforts to alleviate unemployment.

Location quotient

The location quotient of the province reiterates the tress index level expressed above.

CHART 10. Location quotient by broad economic sectors - North-West Province and South Africa, 2023 [Number]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, the North West Province exhibits a significant comparative advantage in the mining sector. The agriculture sector also shows a comparative advantage, while the electricity sector has a comparative edge, though it is less pronounced compared to the overall South African economy. Conversely, the province faces a considerable comparative disadvantage in both the manufacturing and construction sectors. Overall, mining is a highly concentrated economic sector within the province, with the entire economy largely centred around mining activities, as indicated by a location quotient (LQ) of 3.86

Labour Market Overview

Employment

TABLE 5. Total employment - North-West and National Total, 2013-2023 [numbers]

	North-West	National Total
2013	782,000	14,700,000
2014	823,000	15,300,000
2015	856,000	15,800,000
2016	878,000	16,100,000
2017	891,000	16,400,000
2018	893,000	16,600,000
2019	895,000	16,600,000
2020	852,000	15,800,000
2021	806,000	15,100,000
2022	808,000	15,700,000
2023	830,000	16,700,000

Average Annual growth

2013-2023 **0.60%** **1.30%**

Source: South Africa Regional eXplorer v2540.

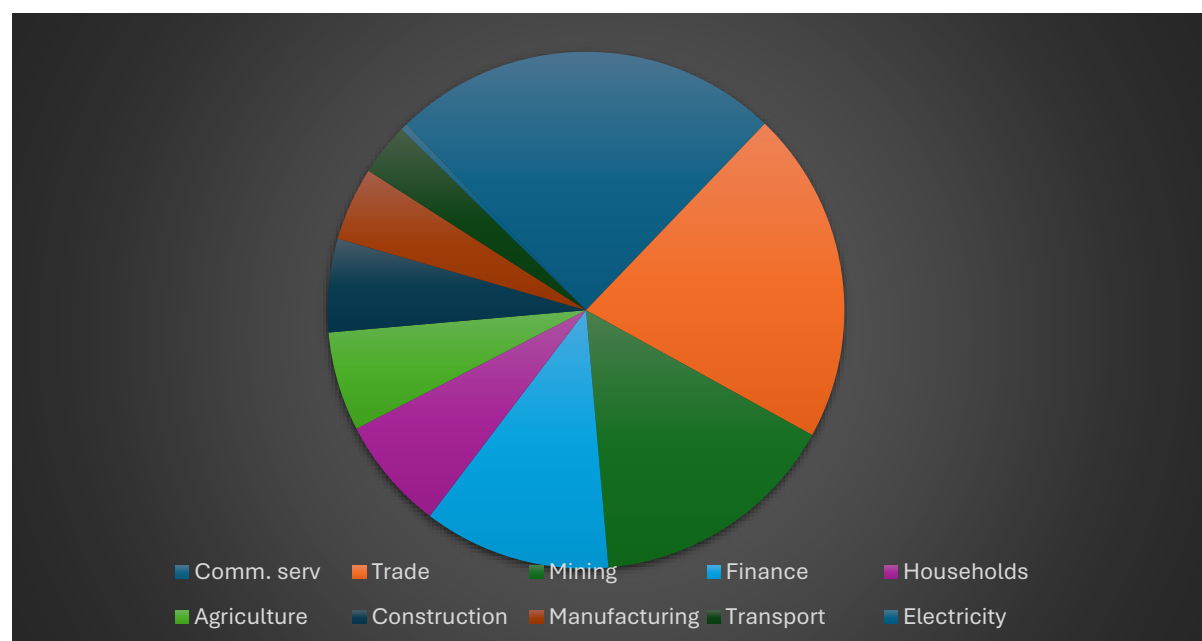
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In 2023, North-West employed 830 000 people which is 4.97% of the total employment in South Africa (16.7 million). Employment within North-West increased annually at an average rate of 0.60% from 2013 to 2023.

Employment by Industry

CHART 11. Total employment per broad economic industry - North-West Province, 2023 [percentage]



Source: South Africa Regional eXplorer v2540.

Data compiled on 4 Oct 2024.

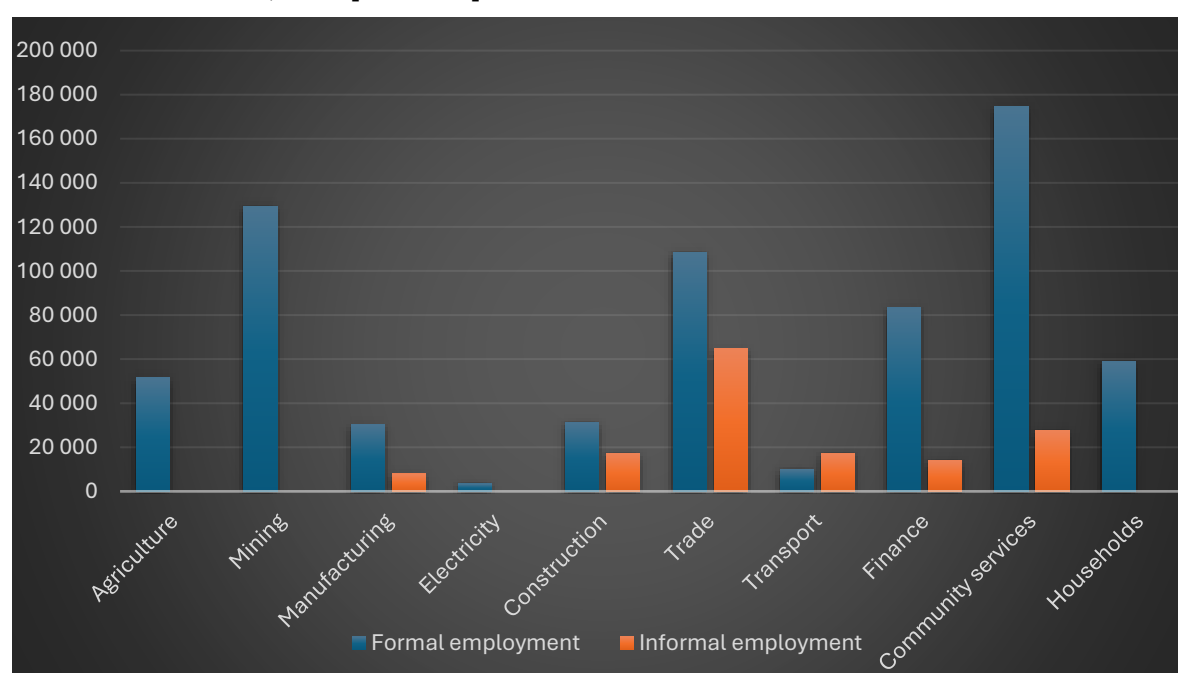
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The economic industries that recorded the largest number of employments in 2023 were the community services industry with a total of 202 000 employed people or 24.4% of total employment in the province. The trade industry with a total of 173 000 (20.9%) employs the second highest number of people relative to the rest of the industries. The electricity industry with 3 590 (0.4%) is the industry that employs the least number of people in North-West Province, followed by the transport industry with 27 200 (3.3%) people employed.

Formal and Informal employment

In 2023, the North West Province recorded 682,000 formally employed individuals, representing approximately 82.10% of total employment. In contrast, the informal sector employed around 149,000 people, accounting for 17.90% of overall employment. The number of informal workers in the North West has grown from 103,000 in 2013 to an estimated 149,000 in 2023.

CHART 12. Formal and informal employment by broad economic industry - North-West Province, 2023 [numbers]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023 the Trade industry recorded the highest number of informally employed, with a total of 64 700 employees or 43.51% of the total informal employment. This can be expected as the barriers to enter the Trade industry in terms of capital and skills required is less than with most of the other industries. The Manufacturing industry has the lowest informal employment with 7 900 and only contributes 5.32% to total informal employment.

The labour force participation rate for the province stands at 51.8%, with a high number of informal sector jobs, particularly in trade. Informal employment has grown to 149,000 in 2023, representing 17.9% of total employment, primarily in industries like construction and trade (S&P Global, 2024). The high rate of informal employment reflects the

structural weaknesses in the formal job market, where growth has been slower than required to absorb the expanding labour force.

Unemployment

The Province recorded the **highest expanded unemployment rate of (54,2%)** in Q2:2024 (StatsSA) and 41,3% official unemployment. Unemployment remains a critical issue in the North West.

This report will use data from S&P Global. As of 2023, the province had an official unemployment rate of 38.1%, an increase from 26.6% in 2013. The mining industry, which historically employed a significant portion of the population, continues to face layoffs due to automation and fluctuating global demand (S&P Global, 2024).

TABLE 6. Unemployment (official definition) - North-West and National Total, 2013-2023 [Number percentage]

	North-West	National Total	North-West as % of national
2013	26.6% (302,000)	25.2% (4,940,000)	6.1%
2014	26.8% (321,000)	25.2% (5,150,000)	6.2%
2015	26.8% (335,000)	25.5% (5,410,000)	6.2%
2016	27.1% (349,000)	26.4% (5,800,000)	6.0%
2017	27.5% (361,000)	27.2% (6,130,000)	5.9%
2018	27.8% (368,000)	27.4% (6,240,000)	5.9%
2019	29.5% (399,000)	28.4% (6,600,000)	6.1%
2020	31.6% (419,000)	30.3% (6,880,000)	6.1%
2021	35.4% (469,000)	33.6% (7,660,000)	6.1%
2022	37.0% (502,000)	33.7% (8,000,000)	6.3%
2023	38.1% (539,000)	32.7% (8,130,000)	6.6%
Average Annual growth			
2013-2023	5.96%	5.11%	

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, there were a total number of 539 000 people unemployed in North-West, which is an increase of 237 000 from 302 000 in 2013. The total number of unemployed people within North-West constitutes 6.63% of the total number of unemployed people in South Africa. The North-West Province experienced an average annual increase of 5.96% in the number of unemployed people, which is worse than that of the South Africa which had an average annual increase in unemployment of 5.11%.

International trade

The North West Province plays a crucial role in South Africa's international trade landscape, particularly due to its strategic location and resource-rich economy. The province is ideally situated as a gateway to the Southern African Development Community (SADC), facilitating trade with 14 neighbouring countries. Its infrastructure, including the N4 highway connecting the Walvis Bay Port in Namibia to the Maputo Port in Mozambique, enhances its trade capabilities. The province is characterized by its rich mineral resources and agricultural output, which drive its trade dynamics.

The table below depicts the North-West Province international trade compared to National Total. In terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the region's contribution to total national exports and imports.

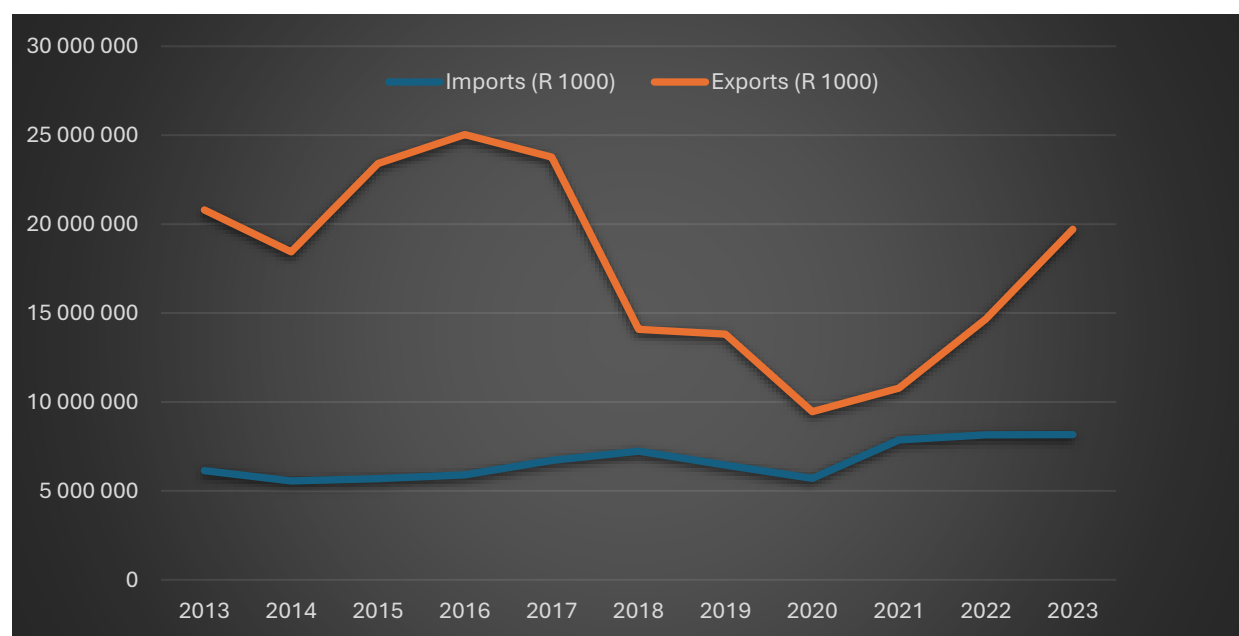
TABLE 7. Merchandise exports and imports - North-West and National Total, 2023 [R 1000, current prices]

	North-West	National Total
Exports (R 1000)	19,708,898	2,023,428,242
Imports (R 1000)	8,166,609	1,913,992,000
Total Trade (R 1000)	27,875,507	3,937,420,242
Trade Balance (R 1000)	11,542,289	109,436,242
Exports as % of GDP	4.8%	28.8%
Total trade as % of GDP	6.7%	56.1%
Regional share - Exports	1.0%	100.0%
Regional share - Imports	0.4%	100.0%
Regional share - Total Trade	0.7%	100.0%

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The merchandise exports from the North West Province total R19.7 billion, which represents approximately 0.97% of South Africa's total exports. These exports account for about 4.75% of the province's Gross Domestic Product (GDP). In terms of imports, the province recorded R8.17 billion, making up about 0.43% of national imports. Overall, trade activities within the North West Province contribute roughly 0.71% to the country's total trade. Notably, the province achieved a positive trade balance of R11.5 billion in 2023.

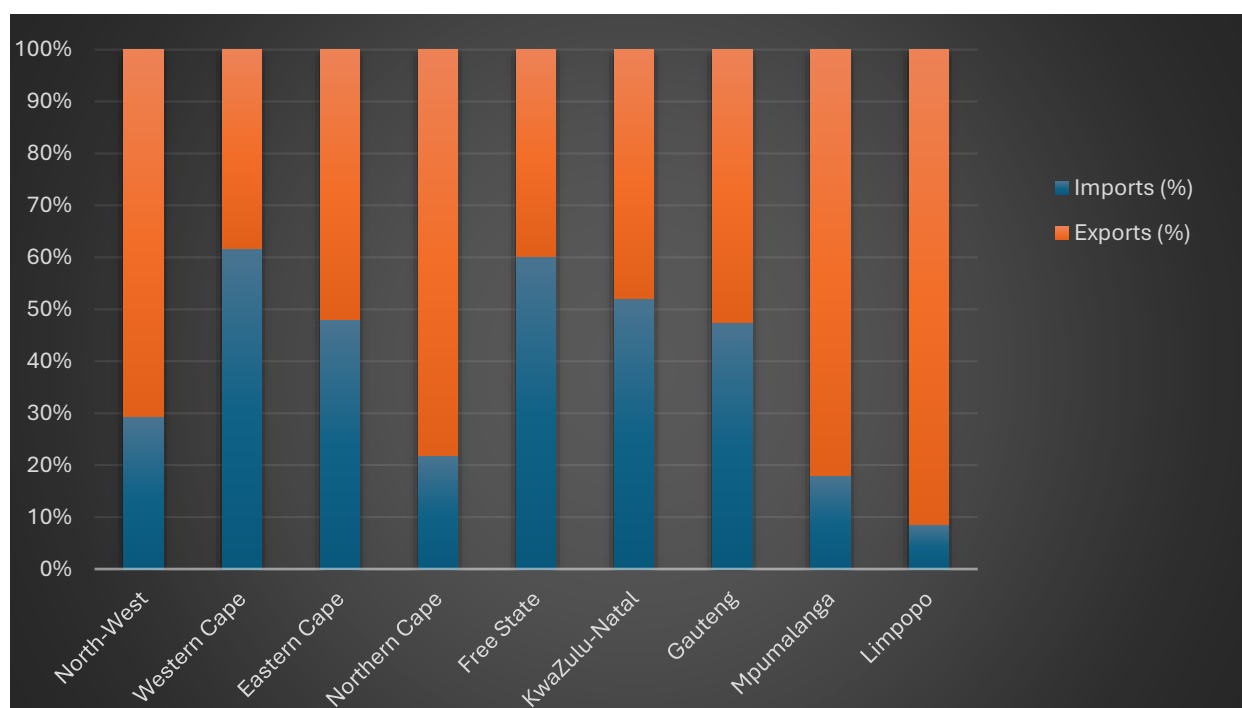
CHART 13. Import and exports in North-West Province, 2013-2023 [R 1000]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Analysing trade trends from 2013 to 2023, total trade in the North West Province grew at an average annual rate of 0.34%. During the same period, merchandise exports declined at an average annual rate of -0.54%, peaking at R25 billion in 2016. Conversely, merchandise imports saw a substantial increase, with an average annual growth rate of 2.90% over the decade, marking the lowest level of imports in 2014.

CHART 14. Merchandise exports and imports - North-West and the rest of National Total, 2023
[Percentage]



Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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When comparing the North West Province to other regions in South Africa, Gauteng stands out with the highest level of international trade, totaling R2.56 trillion when combining both imports and exports. This trend is also evident in its exports, which reached R1.35 trillion in 2023. In contrast, the North West Province recorded low total trade figure at R27.9 billion. The region with the lowest exports in currency value is Free State with a total of R 11.3 billion.

Key Growth Projections and Challenges

GDP Growth: The North West economy is projected to grow at an average annual rate of 1.72% between 2023 and 2028. This is lower than the national average forecast of 1.92%. The primary drivers of this growth will be sectors such as finance and trade, which are expected to expand as infrastructural reforms take effect (S&P Global, 2024)

Sectoral Shifts: The transport sector is expected to be the fastest-growing, with an anticipated growth rate of 2.95% by 2028. This is largely due to improvements in freight logistics and transport infrastructure (S&P Global, 2024). On the other hand, mining and agriculture will likely see slower growth, constrained by global market volatility and environmental challenges.

Key Challenges

The North West faces several structural and systemic challenges stated below.

High Unemployment: The unemployment rate, especially in mining-intensive regions like Bojanala Platinum, is alarmingly high at 52.8% (S&P Global, 2024). Diversifying the economy to reduce reliance on mining is critical.

Energy Constraints: Persistent load reduction/shedding continues to affect productivity across sectors, particularly mining and manufacturing. Although the province stands to benefit from national energy reforms, the immediate outlook remains uncertain.

Informal Employment: High levels of informal employment suggest vulnerability in income stability and limited access to social protections.

Recommendations

1. Economic Diversification

Given the North West Province's heavy reliance on mining, particularly platinum, the NWDC should prioritize diversifying the local economy. This can be achieved by:

Promoting Agricultural Expansion: Agriculture remains a significant sector in the province, contributing 6.6% to the GVA. The NWDC could enhance support for agricultural value chains, with a particular focus on agro-processing and exports. Additionally, investment in climate-resilient farming technologies could boost productivity in this volatile sector.

Supporting the Manufacturing Sector: Although the sector has been declining, targeted support for small and medium-sized enterprises (SMMEs) in manufacturing, particularly in food processing and light manufacturing, could create jobs and stimulate local production.

2. Strengthen Support for SMMEs and Informal Enterprises

The NWDC should enhance its support for small businesses, which play a crucial role in job creation, particularly in the informal sector, which employs around 17.9% of the workforce. Key actions include:

Capacity Building and Mentorship: Provide training programs that focus on business skills, financial management, and technology adoption. This will help small businesses scale and formalize, which can lead to better access to markets and improved sustainability.

Facilitate Market Access: Organize trade fairs and market linkage programs that connect local producers with larger markets, both within and outside the

province. This is particularly relevant for SMMEs in agriculture, manufacturing, and trade.

3. Infrastructure Development

One of the key barriers to growth in the North West Province is the lack of adequate infrastructure, particularly in logistics and energy. To mitigate these constraints:

Improve Freight Logistics and Rail Networks: The NWDC should advocate for the implementation of the National Logistics Crisis Committee's Freight Logistics Roadmap. Improved transport infrastructure is critical for boosting exports, particularly for the mining and agricultural sectors.

Support Renewable Energy Projects: North West Province can benefit from the national reforms in the energy sector by promoting renewable energy investments. The NWDC can facilitate partnerships between private investors and local municipalities to establish renewable energy projects, especially in areas prone to load reduction/shedding.

Investment in Digital Infrastructure: Expand internet access to rural areas to support e-commerce and remote work opportunities, thereby increasing economic participation.

4. Leverage Technology for Economic Growth

Digital transformation should be a central pillar of the NWDC's strategy to drive growth and improve service delivery. This can be achieved by:

Digital Platforms for SMMEs: Develop digital platforms where local businesses can access resources, apply for funding, and connect with potential markets. E-commerce can be promoted as a way for small businesses to reach broader audiences.

Smart Agriculture Solutions: Encourage the adoption of technology in agriculture to improve yields and reduce environmental impact. The NWDC can work with agricultural cooperatives to introduce precision farming and digital monitoring systems

5. Education and Skills Development

Tailored Training Programs: Develop vocational training programs that align with the needs of local industries, particularly in agriculture, mining, and technology sectors. This will ensure that the workforce is equipped with relevant skills.

Partnerships with Educational Institutions: Collaborate with universities and colleges to create internship programs that provide students with practical experience in local industries.

6. Monitoring and Evaluation

Data-Driven Decision Making: Establish a robust system for collecting and analysing demographic and economic data. This will inform policy decisions and allow for timely adjustments based on changing conditions.

Regular Impact Assessments: Conduct assessments of implemented programs to evaluate their effectiveness and make necessary improvements.

Conclusion

The North West Province's economic outlook for 2024 is one of cautious optimism. Modest growth is expected, driven by expansions in the services and finance sectors, but high unemployment and structural challenges in mining and electricity supply remain critical hurdles. Efforts to diversify the economy, invest in infrastructure, and improve the business environment will be crucial for long-term sustainability. By implementing these recommendations, the North West Development Corporation can foster a more inclusive, sustainable, and resilient economy that addresses current challenges while preparing for future growth.

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