

# Economic Outlook Report

Fourth Quarter 2023/2024

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**North West Development Corporation**  
**Authored by: Research & Innovation**



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# Economic Outlook Report

## 1. Introduction

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

The purpose of this report is to supply an overview of the economic data and information gathered and analyzed from a global, domestic and North West provincial perspective in order to ensure that recent, relevant and reliable economic data supports NWDC and other external stakeholder's decision making and implementation.

This report covers the global, the overall domestic and the provincial economic landscape. It further acknowledges that the economy does not exist in a vacuum, but rather directed by people and therefore it will cover the socio-economic outlook both domestically and specific to the Northwest province.

## 2. Global economic outlook

According to the United States Census Bureau, the world population is sitting at a total of eight point one billion 8,036,144,239 with the top 10 most populous countries estimated as follows:

**Table 2.1 Top 10 most populous countries (July 1, 2024)**

1. China	1,416,043,270	6. Nigeria	236,747,130
2. India	1,409,128,296	7. Brazil	220,051,512
3. United States	336,673,595	8. Bangladesh	168,697,184
4. Indonesia	281,562,465	9. Russia	140,820,810
5. Pakistan	252,363,571	10. Mexico	130,739,927

**Table 2.2 Selected Economies Real GDP Growth***(Percent change)*

					Difference from October 2023 WEO Projections 1/	
	2022	Estimate 2023	Projections		2024	2025
			2024	2025		
Argentina	5,0	-1,1	-2,8	5,0	-5,6	1,7
Australia	3,8	1,8	1,4	2,1	0,2	0,1
Brazil	3,0	3,1	1,7	1,9	0,2	0,0
Canada	3,8	1,1	1,4	2,3	-0,2	-0,1
China	3,0	5,2	4,6	4,1	0,4	0,0
Egypt 2/	6,7	3,8	3,0	4,7	-0,6	-0,3
France	2,5	0,8	1,0	1,7	-0,3	-0,1
Germany	1,8	-0,3	0,5	1,6	-0,4	-0,4
India 2/	7,2	6,7	6,5	6,5	0,2	0,2
Indonesia	5,3	5,0	5,0	5,0	0,0	0,0
Iran 2/	3,8	5,4	3,7	3,2	1,2	1,2
Italy	3,7	0,7	0,7	1,1	0,0	0,1
Japan	1,0	1,9	0,9	0,8	-0,1	0,2
Kazakhstan	3,3	4,8	3,1	5,7	-1,1	1,1
Korea	2,6	1,4	2,3	2,3	0,1	0,0
Malaysia	8,7	4,0	4,3	4,4	0,0	0,0
Mexico	3,9	3,4	2,7	1,5	0,6	0,0
Netherlands	4,3	0,2	0,7	1,3	-0,4	-0,2
Nigeria	3,3	2,8	3,0	3,1	-0,1	0,0
Pakistan 2/	6,2	-0,2	2,0	3,5	-0,5	-0,1
Philippines	7,6	5,3	6,0	6,1	0,1	0,0
Poland	5,3	0,6	2,8	3,2	0,5	-0,2
Russia	-1,2	3,0	2,6	1,1	1,5	0,1
Saudi Arabia	8,7	-1,1	2,7	5,5	-1,3	1,3
South Africa	1,9	0,6	1,0	1,3	-0,8	-0,3
Spain	5,8	2,4	1,5	2,1	-0,2	0,0
Thailand	2,6	2,5	4,4	2,0	1,2	-1,1
Türkiye	5,5	4,0	3,1	3,2	0,1	0,0
United Kingdom	4,3	0,5	0,6	1,6	0,0	-0,4
United States	1,9	2,5	2,1	1,7	0,6	-0,1

S+A2:H40source: International Monetary Fund, World Economic Outlook, January 2024 Update.

Note: The selected economies account for approximately 83 percent of world output.

1/ Difference based on rounded figures for the current and October 2023 WEO forecasts.

2/ Data and forecasts are presented on a fiscal year basis.

### 3. Domestic economic outlook

According to the census 2022 key findings of the PES 2022, the estimated South African population, including those in collective living quarters, transients and the homeless, is 62,0 million persons on the Census 2022 reference night, midnight of 02–03 February 2022. South Africa's population is a fraction of its BRICS member countries, which could mean that there is ample opportunities in South Africa for Foreign Direct Investments and market diversification.

**Table 3.1 South African market**

Markets	Actual	Q1/24	Q2/24	Q3/24	Q4/24
<b>Currency</b>	19.04	18.82	18.87	18.91	18.96
<b>Stock Market (points)</b>	74026.63	72217	72014	71811	71609
<b>Government Bond 10Y (%)</b>	10.88	10.67	10.65	10.64	10.63

Trading Economics. South Africa Forecast - was last updated on Thursday, March 28, 2024.

**Table 3.2 South African growth overview**

Overview	Actual	Q1/24	Q2/24	Q3/24	Q4/24
<b>GDP Growth Rate (%)</b>	0.10	0.7	1	1.3	1
<b>GDP Annual Growth Rate (%)</b>	1.20	0.5	1.1	1.3	1.2
<b>Unemployment Rate (%)</b>	32.10	32.3	31.8	31.5	32
<b>Inflation Rate (%)</b>	5.60	5.4	5.1	5.3	5
<b>Inflation Rate MoM (%)</b>	1.00	0.3	0.5	0.6	0.4
<b>Interest Rate (%)</b>	8.25	8.25	8.25	8.25	7.5
<b>Balance of Trade (ZAR Million)</b>	-9436.52	18000	6000	8000	12000
<b>Current Account (ZAR Million)</b>	-165528.00	-70000	-150000	-170000	-180000
<b>Manufacturing PMI (points)</b>	51.70	51	49.5	51	50.8
<b>Business Confidence (points)</b>	30.00	30	33	35	37
<b>Consumer Confidence (points)</b>	-15.00	-15	-18	-20	-16
<b>Retail Sales MoM (%)</b>	-3.20	1	-0.1	0.4	1.2
<b>Current Account to GDP (% of GDP)</b>	-1.60				-2.8
<b>Government Debt to GDP (% of GDP)</b>	72.20				74
<b>Government Budget (% of GDP)</b>	-4.90				-4.5

Trading Economics. South Africa Forecast - was last updated on Thursday, March 28, 2024.

South Africa's gross domestic product (GDP) increased by 0,1% in the fourth quarter of 2023. These are the key findings for the annual estimates of 2023 by Statistics South Africa:

According to the latest preliminary indicators, real GDP increased by 0,6% in 2023, following an increase of 1,9% in 2022. The annual increase in real GDP of 0,6% in 2023 was primarily led by higher economic activities in finance, real estate and business services, which

contributed 0,4 of a percentage point based on growth of 1,8%; transport, storage and communication which contributed 0,3 of a percentage point based on growth of 4,3%; personal services, which contributed 0,3 of a percentage point based on growth of 2,0%; and manufacturing, which contributed 0,1 of a percentage point based on growth of 0,5%. The agriculture, forestry and fishing; trade, catering and accommodation; electricity, gas and water; and mining and quarrying divisions recorded negative growth in 2023. Net exports contributed -0,2 of a percentage point to growth in expenditure on GDP.

The transport, storage and communication industry increased by 2,9% in the fourth quarter, contributing 0,2 of a percentage point to GDP growth. Increased economic activities were reported for land transport, air transport, transport support services and communications.

The mining and quarrying industry increased by 2,4% in the fourth quarter, contributing 0,1 of a percentage point. Increased economic activities were reported for platinum group metals (PGMs), coal, chromium ore and diamonds. The personal services industry increased by 0,9% in the fourth quarter, contributing 0,1 of a percentage point. Increased economic activities were reported for health and education.

The finance, real estate and business services industry increased by 0,6% in the fourth quarter of 2023, contributing 0,1 of a percentage point. Increased economic activities were reported for financial intermediation, auxiliary activities, real estate activities and business services.

The trade, catering and accommodation industry decreased by 2,9% in the fourth quarter of 2023, contributing -0,3 of a percentage point. Decreased economic activities were reported for wholesale trade, retail trade, motor trade, accommodation and food and beverages.

The agriculture, forestry and fishing industry decreased by 9,7% in the fourth quarter of 2023, contributing -0,2 of a percentage point to GDP growth. This was primarily due to decreased economic activities reported for field crops, animal products and horticulture products.

#### Expenditure on GDP

Expenditure on real GDP increased by 0,1% in the fourth quarter of 2023. Household final consumption expenditure increased by 0,2% in the fourth quarter, contributing 0,1 of a percentage point to total growth. Increases were reported for durable goods and services.

The main positive contributors to the increase in HFCE were expenditures on the 'other' category (3,1% and contributing 0,4 of a percentage point), transport (0,4% and contributing 0,1 of a percentage point) and communication (1,1% and contributing 0,1 of a percentage point).

The main negative contributors were expenditures on housing, water, electricity, gas and other fuels; food and non-alcoholic beverages; clothing and footwear; and restaurants and hotels.

Final consumption expenditure by general government decreased by 0,3% in the fourth quarter, mainly driven by decreases in purchases of goods and services and compensation of employees.

Total gross fixed capital formation decreased by 0,2% in the fourth quarter. The main negative contributors to the decrease were residential buildings (-3,9% and contributing -0,5 of a percentage point), transport equipment (-3,0% and contributing -0,3 of a percentage point), construction works (-1,1% and contributing -0,2 of a percentage point) and machinery and other equipment (-0,4% and contributing -0,2 of a percentage point).

There was a R7,5 billion build-up of inventories in the fourth quarter of 2023 (seasonally adjusted and annualised value). Large increases in three industries, namely manufacturing; trade, catering and accommodation; and electricity gas and water, contributed to the inventory build-up.

**Table 3.3 Labour market**

Labour	Actual	Q1/24	Q2/24	Q3/24	Q4/24
<b>Unemployment Rate (%)</b>	32.10	32.3	31.8	31.5	32
<b>Employed Persons</b>	16723.19	16900	17200	17500	17700
<b>Unemployed Persons (Thousand )</b>	7895.43	7900	7800	7700	7680
<b>Labor Force Participation Rate (%)</b>	60.00	60.5	61	61.5	61.7
<b>Employment Rate (%)</b>	40.77	41	42	40.8	42.2
<b>Youth Unemployment Rate (%)</b>	59.40	59	58.7	60	61
<b>Population (Million)</b>	62.03				63
<b>Minimum Wages (ZAR/Hour)</b>	27.58				27.58

Trading Economics. South Africa Forecast - was last updated on Thursday, March 28, 2024.

**Table 3.4 Consumer prices**

Prices	Actual	Q1/24	Q2/24	Q3/24	Q4/24
<b>Inflation Rate (%)</b>	5.60	5.4	5.1	5.3	5
<b>Inflation Rate MoM (%)</b>	1.00	0.3	0.5	0.6	0.4
<b>Consumer Price Index CPI (points)</b>	113.90	115	115	118	118
<b>Core Consumer Prices (points)</b>	111.20	112	113	114	115
<b>Core Inflation Rate (%)</b>	5.00	4.8	4.7	4.9	4.8
<b>Producer Prices (points)</b>	100.10	134	133	136	104
<b>Producer Prices Change (%)</b>	4.70	5.2	4.5	3.8	4
<b>Export Prices (points)</b>	175.40	175	178	173	170
<b>Import Prices (points)</b>	164.90	165	163	165	160
<b>Food Inflation (%)</b>	6.10	6.2	5.3	5.6	5.5
<b>Core Inflation Rate MoM (%)</b>	1.20	0.3	0.4	0.5	0.2

<b>Producer Price Inflation MoM (%)</b>	0.10	0.3	0.6	1.1	0.7
<b>CPI Housing Utilities (points)</b>	110.10	110	111	115	116
<b>CPI Transportation (points)</b>	116.60	117	118	118	119

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**Table 3.5 Trade and investment**

<b>Trade</b>	<b>Actual</b>	<b>Q1/24</b>	<b>Q2/24</b>	<b>Q3/24</b>	<b>Q4/24</b>
<b>Balance of Trade (ZAR Million)</b>	-9436.52	18000	6000	8000	12000
<b>Current Account (ZAR Million)</b>	-165528.00	-70000	-150000	-170000	-180000
<b>Exports (ZAR Million)</b>	144269.91	180000	171000	178000	180000
<b>Imports (ZAR Million)</b>	153706.44	162000	165000	170000	168000
<b>Tourist Arrivals</b>	1253216.00	950000	890000	1050000	1100000
<b>Foreign Direct Investment (ZAR Billion)</b>	16200.00	7000	45000	18900	25500
<b>Terms of Trade (points)</b>	106.40	106	109	105	106
<b>Current Account to GDP (% of GDP)</b>	-1.60				-2.8

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Net exports contributed negatively to expenditure on GDP in the fourth quarter. Exports of goods and services increased by 0,6%, largely influenced by increased trade in prepared foodstuffs, beverages and tobacco; vegetable products; chemical products; and base metals and articles of base metals. Imports of goods and services increased by 4,0%, largely influenced by increased trade in mineral products; chemical products; and vegetable products.

**Table 3.6 Business performance**

<b>Business</b>	<b>Actual</b>	<b>Q1/24</b>	<b>Q2/24</b>	<b>Q3/24</b>	<b>Q4/24</b>
<b>Manufacturing PMI (points)</b>	51.70	51	49.5	51	50.8
<b>Business Confidence (points)</b>	30.00	30	33	35	37
<b>Industrial Production (%)</b>	2.60	2	3	4.5	4
<b>Industrial Production Mom (%)</b>	0.80	0.7	1.3	-1	0.9
<b>Capacity Utilization (%)</b>	78.50	78.3	78	78.6	79.4
<b>Bankruptcies (Companies)</b>	109.00	144	147	153	155
<b>Car Registrations (Units)</b>	28857.00	29300	31000	30500	28200
<b>Total Vehicle Sales (Units)</b>	44749.00	48000	47300	46500	41500
<b>Leading Economic Index (%)</b>	-0.50	0.6	1	1.5	1.3
<b>Coincident Index (points)</b>	112.30	108	108	108	109
<b>Electricity Production (Gigawatt-hour)</b>	18184.00	19000	18600	19300	18800
<b>Composite PMI (points)</b>	50.80	50.3	49.8	50.7	51
<b>Mining Production (%)</b>	-3.30	1.7	1.4	2.1	0.9
<b>Gold Production (%)</b>	-12.70	1.3	2	-2.8	1.7

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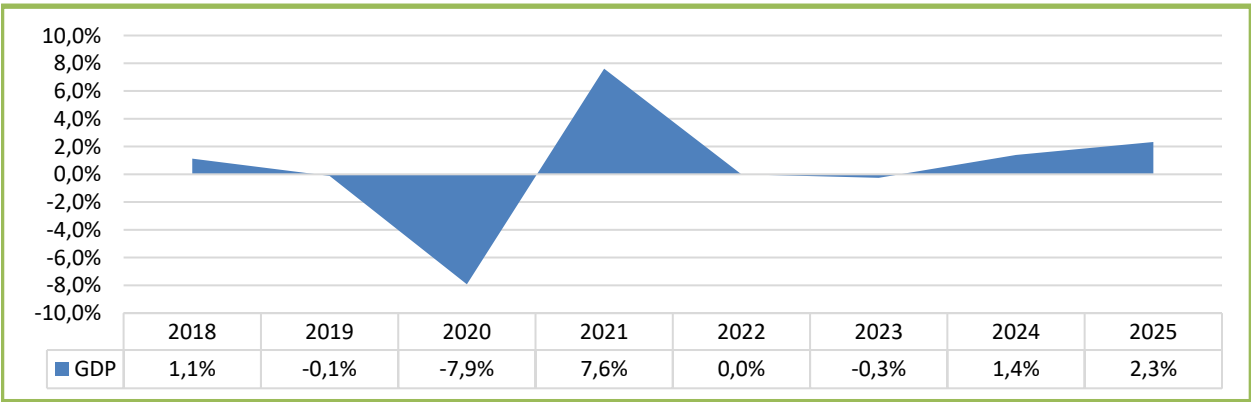
In the fourth quarter of 2023, South Africa's foreign direct investment inflows totaled ZAR 16.2 billion, a decrease from the ZAR 26 billion recorded in the preceding three months, as reported in the latest South African Reserve Bank's Quarterly Bulletin. This marked the lowest figure since the first quarter of 2023. Concurrently, portfolio investments witnessed reduced outflows of ZAR 9.0 billion in the last quarter of 2023, in contrast to the ZAR 41.9 billion outflows in the previous quarter. Over the entirety of 2023, direct investment inflows diminished to ZAR 96.5 billion from the ZAR 151.0 billion seen in 2022, largely due to a slowdown in equity investment by foreign parent companies in domestic enterprises.

#### 4. North West Provincial Outlook

The North West province the 6<sup>th</sup> largest province in South Africa with a 104 882 square kilometers land coverage. The province has a population of around 3.8 million, primarily concentrated in urban areas like Rustenburg, Klerksdorp, and Potchefstroom all which are classified as secondary cities. The NWP has a relatively young population with the median age of 27 years and ranks third with a positive net-migration into the province. Not densely populated when compared to the national population density. The results of Census 2022 shows that the total population of the North West Province decreased compared to the midyear population estimates of 2022 although from Census 2011 to Census 2022 there was an increase in population. The Province experienced a decrease in the number of people with no schooling and an increase in those with secondary schooling meaning that the Northwest population literacy rate is somewhat increasing.

The economy is fueled by mining, agriculture, and tourism, featuring some of the world's largest platinum mines. Below, is a depiction of the annual growth rate for the province.

**Figure 4.1 North West Average Annual Growth rate (Constant 2015 Prices)**



**Source:** S&P Global, (2023)

The average annual growth rate for the North West Province declined by -0.3 per cent in 2023 subsequent to an equilibrium in 2022 with a steady increase in 2024. Electricity supply interruptions experienced during the last three years has a negative effect on the provincial industrial performance, especially in the manufacturing sector.

**Table 4.1: Gross value added (GVA) by broad economic sector - North-West**

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

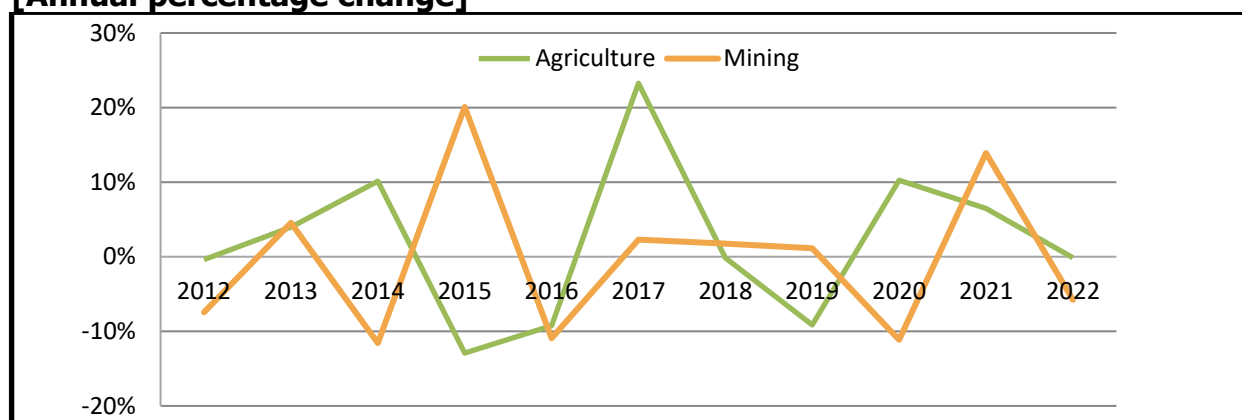
**Source:** S&P Global, (2023)

Between 2012 and 2022, the agriculture sector in North-West exhibited the highest average annual growth rate of Gross Value Added (GVA) at 1.72 percent. Following closely, the transport sector recorded the second highest average annual growth rate, averaging at 1.65 percent per year. Conversely, the electricity sector experienced a decline with an average annual growth rate of -2.13 percent, while the construction sector showed the lowest average annual growth at -2.75 percent per year. Notably, all industries in 2022 demonstrated positive growth compared to 2021, with an overall annual growth rate of 0.68 percent, as indicated in Table 4.1.

#### **4.1. Primary sector**

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

**Figure 4.2: Gross value added (GVA) by primary sector - North-West, 2012-2022 [Annual percentage change]**

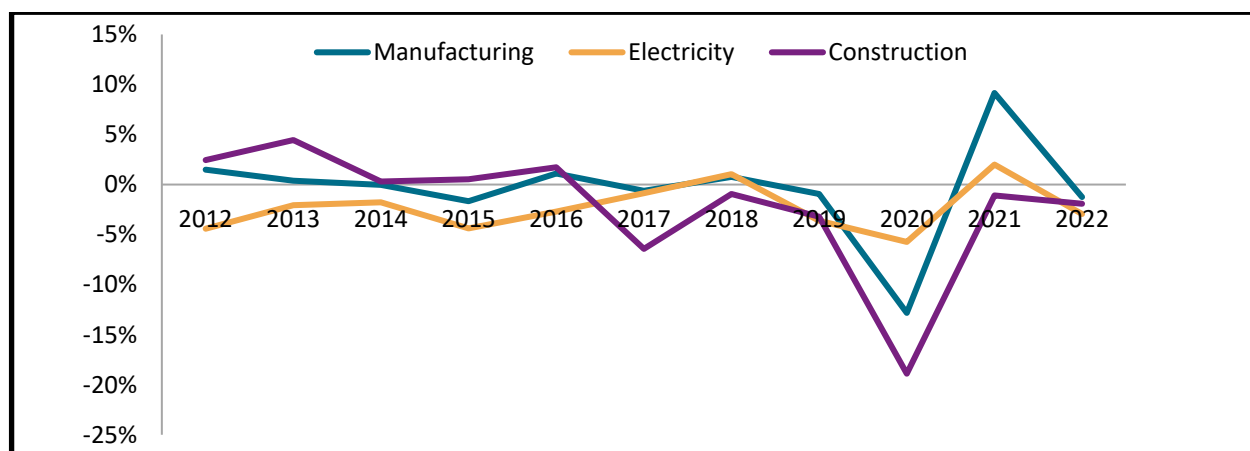


**Source:** S&P Global, (2023)

## 4.2 Secondary sector

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

**Figure 4.3: Gross value added (GVA) by secondary sector - North-West, 2012-2022 [Annual percentage change]**



**Source:** S&P Global, (2023)

The manufacturing sector witnessed its most significant positive growth in 2021, achieving a growth rate of 9.2 percent. In contrast, the construction sector peaked in 2013 with a growth rate of 4.4 percent.

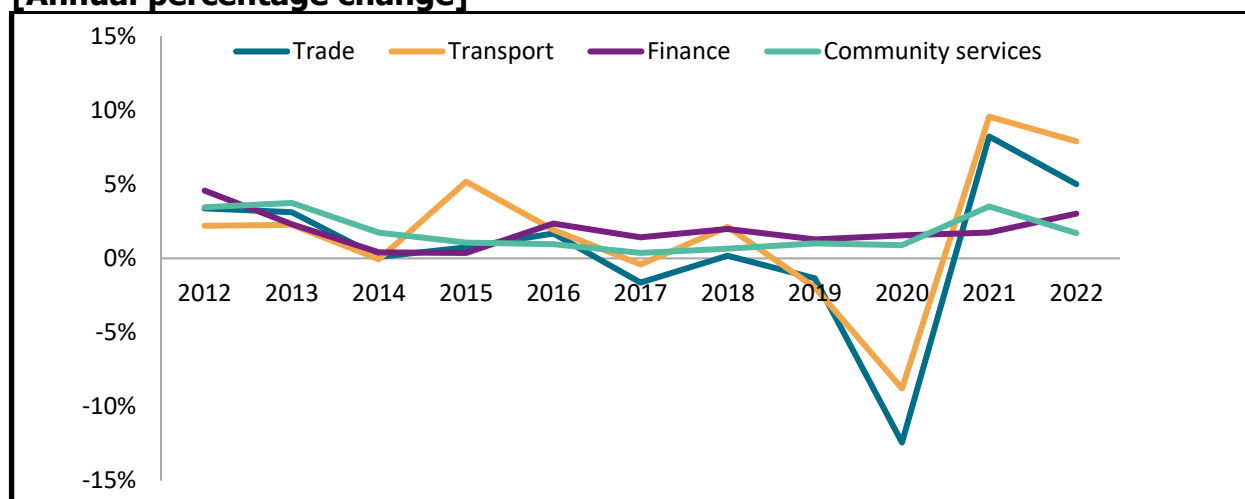
In 2020, both the manufacturing and construction sectors experienced their lowest growth rates. The manufacturing sector plummeted to -12.8 percent, while the construction sector faced an even steeper decline of -18.9 percent, surpassing the manufacturing sector's negative growth rate.

Notably, the electricity sector saw its highest growth in 2021, reaching 2.0 percent, while it endured its lowest growth rate of -5.7 percent in 2020.

### 4.3 Tertiary sector

The tertiary sector is the main contributor to the Gross Value Added within the North-West Province at 56.6 per cent. This is made up of trade, transport, finance and the community services sector. The chart below represents the average growth rates in the GVA for these sectors in North-West Province from 2012 to 2022.

**Figure 4.3.1: Gross value added (GVA) by tertiary sector - North-West, 2012-2022 [Annual percentage change]**

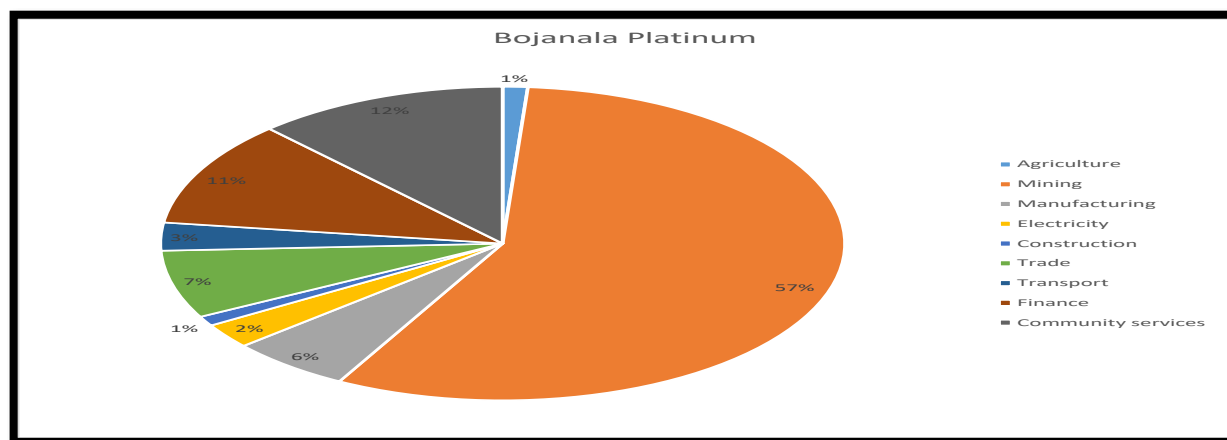


**Source:** S&P Global, (2023)

In 2021, the trade sector saw the highest positive growth rate at 8.2 percent, while the transport sector experienced its highest positive growth rate of 9.6 percent, surpassing that of the manufacturing sector. The finance sector reached its peak growth rate in 2012 at 4.6 percent and its lowest in 2015 at 0.4 percent. Conversely, the trade sector experienced its lowest growth rate in 2020 at -12.4 percent.

Community services, primarily government-related, had its highest positive growth in 2013 at 3.7 percent and its lowest in 2017 at 0.4 percent.

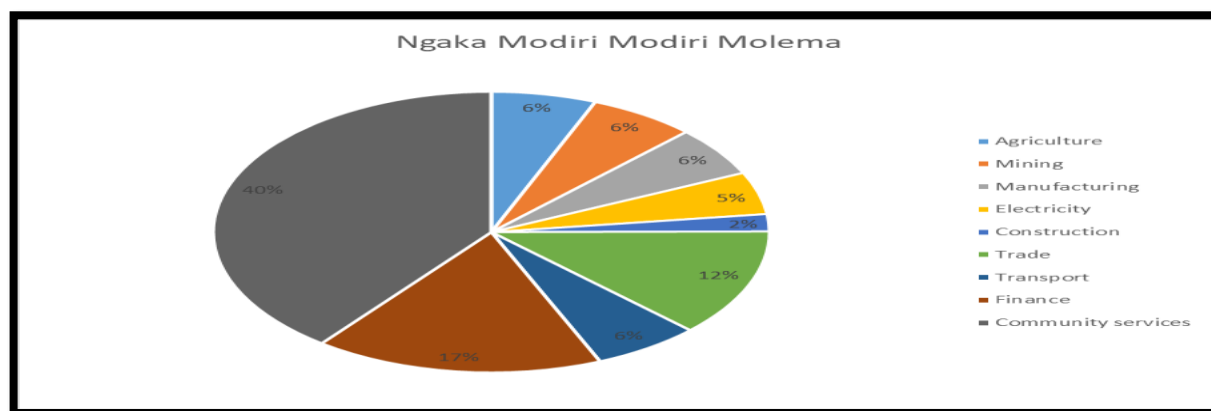
**Figure 4.3.2: Bojanala Platinum Sector Share of Regional Total, 2022**



*Source: S&P Global, (2023)*

In 2022, the construction and agriculture industries each contributed 1 percent, while the electricity industry contributed 2 percent. There is a dire need to diversify the economy to reduce overreliance on the mining sector which could lead to economic collapse. The mining industry predominantly drives the economy of Bojanala Platinum District Municipality, as depicted in Figure 4.3.2.

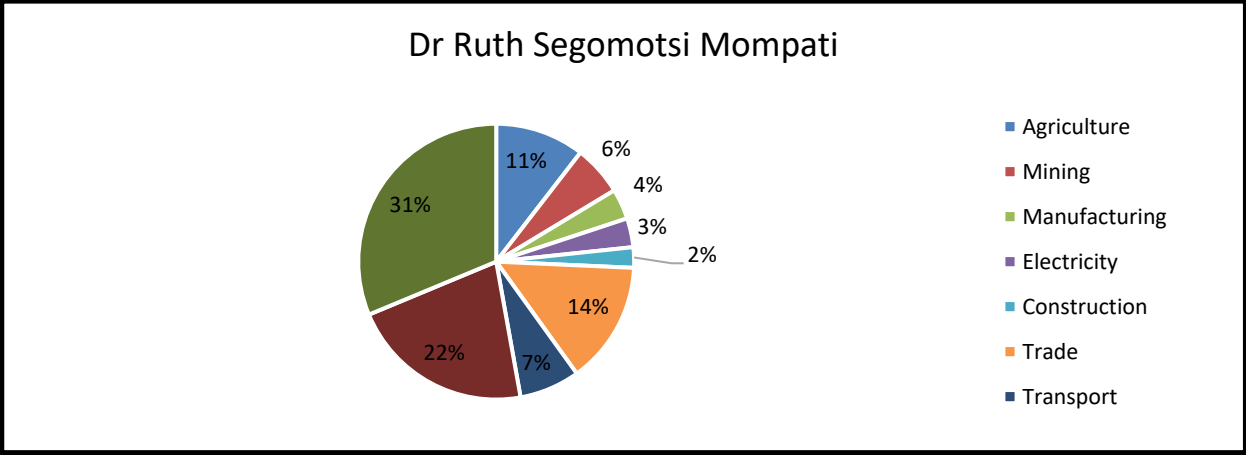
**Figure 4.3.3: Ngaka Modiri Molema Sector Share of Regional Total, 2022**



*Source: S&P Global, (2023)*

Ngaka Modiri Molema District is the gateway to Africa. It is the second most populous district of the four. The community services industry in Ngaka Modiri Molema District Municipality contributed a share to the GDP of the district at 40 per cent in 2022. The concentration of the district economy is due to the fact that the provincial government head offices are in the jurisdiction of Ngaka Modiri Molema District Municipality.

**Figure 4.3.4: Dr Ruth Segomotsi Mompoti Sector Share of Regional Total, 2022**

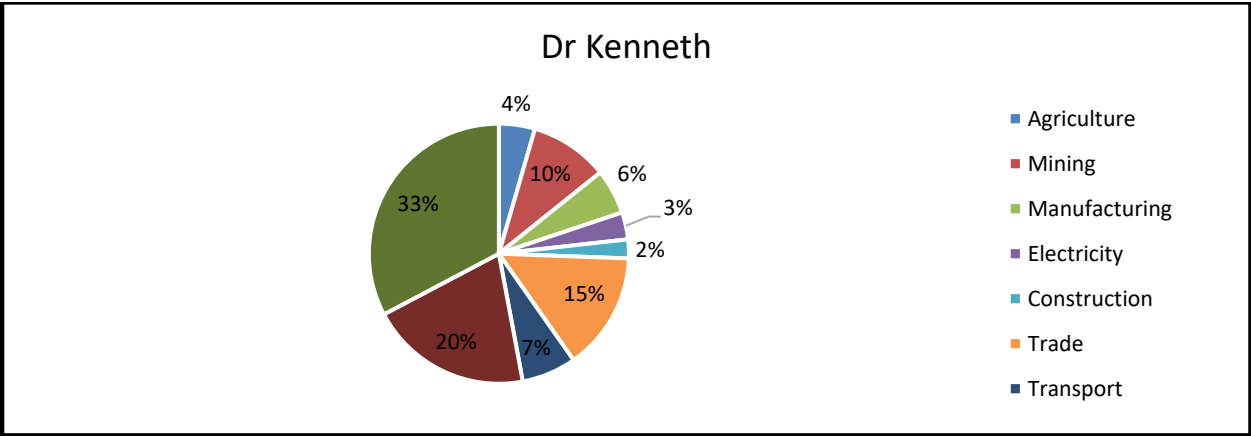


*Source: S&P Global, (2023)*

Community services had the largest contribution towards the economic growth in Dr Ruth Segomotsi Mompoti District Municipality at 31 per cent in 2022 while finance contributed about 22 per cent in 2022. The smallest contributor for the district was construction which recorded 2 per cent in 2022.

Construction contributed the least at 2 per cent for the period under review. The agriculture industry was the third largest contributor at 11 per cent and it has the potential to enhance its contribution since the district has comparative advantage in agriculture. Agriculture remains an important sector for this district due to its abundance of vast pieces of land that could be utilized for various activities within the sector. The district remains a labour sending region for other districts in and outside the province.

**Figure 4.3.5: Dr Kenneth Kaunda Sector Share of Regional Total, 2022**



*Source: S&P Global, (2023)*

In 2022, within the Dr Kenneth Kaunda District, the community services industry held the largest share of the regional total at 33 percent, followed by finance at 20 percent. Conversely, the construction and electricity industries had the smallest share of the regional total, each at 2 percent and 3 percent respectively.

Despite having a comparative advantage in the mining and agriculture sectors, which are underutilized, contributing less than 15 percent each to the region's economy in 2022, there is a need for further efforts to enhance economic activities within these industries.

#### **4.4 Tourism**

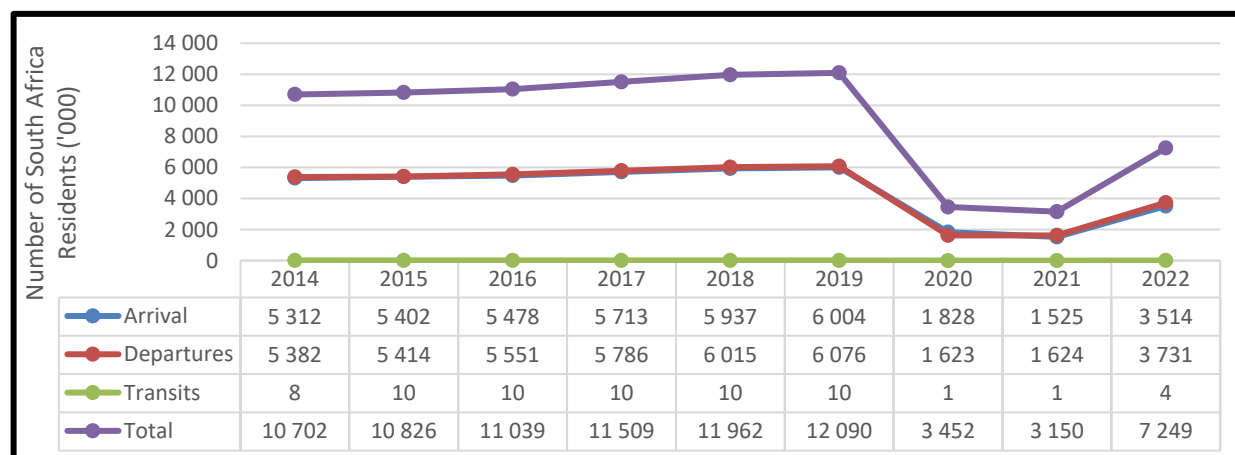
Tourism offers great opportunities for emerging economies and developing countries. It creates jobs, strengthens the local economy, contributes to local infrastructure development and can help to conserve the natural environment and cultural assets as well as traditions. It is a good catalyst in efforts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

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

This formula provides an increase to two essential strategies for promoting regional tourism value addition. Total foreign or international travelers to South Africa amounted to about 15.1 million in 2022 expanding from 6.1 million in 2021. It is worth noting that the number of arrivals are more than those departures from 2014 to 2022. The largest number of arrivals and departures were at 16.1 million and 14.5 million respectively both in 2016. The smallest number of arrivals were at 3.1 million in 2020 while for departures it was at 2.8 million for the same period. More transits were at 824 thousand in 2016 and the least was recorded at 114 thousand in 2021.

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

**Figure 4.4.1: Number of Arrivals, Departures and Transits of South African Residents**



*Source: Stats SA, (2023)*

Table 4.4.1 shows number of trips by purpose of trip for North West and its district municipalities in 2022. Number of Trips by Purpose of Trip. As defined by the United Nations World Tourism Organisation (UN WTO); a trip refers to travel, by a person, from when they leave their usual residence until they return to that residence.

**Table 4.4.1: Number of Trips by Purpose of Trip for North West and its District Municipalities, 2022**

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

*Source: S&P Global, (2023)*

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



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

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

**Table 4.4.3 Number of Trips by Origin of Tourist for North West and its District Municipalities, 2022**

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

*Source: S&P Global, (2023)*

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

## 4.5 Labour Market

According to StatsSA (2023), the working-age population for South Africa increased by 140 thousand which was a quarter to quarter increase of 0.3 per cent change in the third quarter of 2023 compared to the second quarter of 2023. Compared to quarter 3 of 2022, the working-age population increased by 564 thousand which was a year-on-year increase of 1.4 per cent.

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

**Table 4.5.1: Official Unemployment Rate by Province, Q2: 2022, Q2 & 3 of 2023**

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

*Source: Stats SA, (2023)*

The official unemployment rate decreased by 0.7 of a percentage point to 31.9 per cent in quarter 3 of 2023 compared to quarter 2 of 2023. The official unemployment rate decreased in seven provinces on a quarter-to-quarter basis. The largest decreases were recorded in Mpumalanga down by 2.9 percentage points, followed by KwaZulu-Natal and Eastern Cape

down by 1.6 percentage points and 0.9 of a percentage point respectively. Free State and North West recorded the largest increase both at 1.8 percentage points in the official unemployment rate.

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

**Table 4.5.2: NW Labour Force Characteristics, Q3&Q4: 2022 and Q1, Q2 and Q3: 2023**

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

*Source: Stats SA, (2023)*

Table 4.5.2 shows the labour dynamics for the North West Province. The table shows that the number of employed people increased to 881 thousand from 858 thousand between the 3<sup>rd</sup>

and the 4<sup>th</sup> quarters of 2022. During the same period, the number of discouraged job seekers decreased from 355 thousand to 353 thousand. Overall, the population of those not economically active increased from 1 325 thousand to 1 344 thousand. The latest figures shows that number of those employed and unemployed increased by 61 thousand and 78 thousand respectively between quarter 2 and 3 of 2023.

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

According to the statistics on table 4.5.3 below, community and social services remains the largest employer in the North West Province in quarter 3 & 4 of 2022 and quarter 1, 2 & 3 of 2023. Employment in community and social services industry decreased from 238 thousand in quarter 3 of 2022 to 231 thousand in quarter 3 of 2022.

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

**Table 4.5.3: NW employment by Industry, Q3, 4: 2022 and Q 1, Q2 & Q3: 2023**

Industry	Quarter 3 2022	Quarter 4 2022	Quarter 1 2023	Quarter 2 2023	Quarter 3 2023
	Thousand				
Agriculture	34	44	45	39	51
Mining	126	137	123	129	113
Manufacturing	46	42	43	42	36
Utilities	4	4	4	9	4
Construction	58	55	64	49	68
Trade	186	164	171	182	183

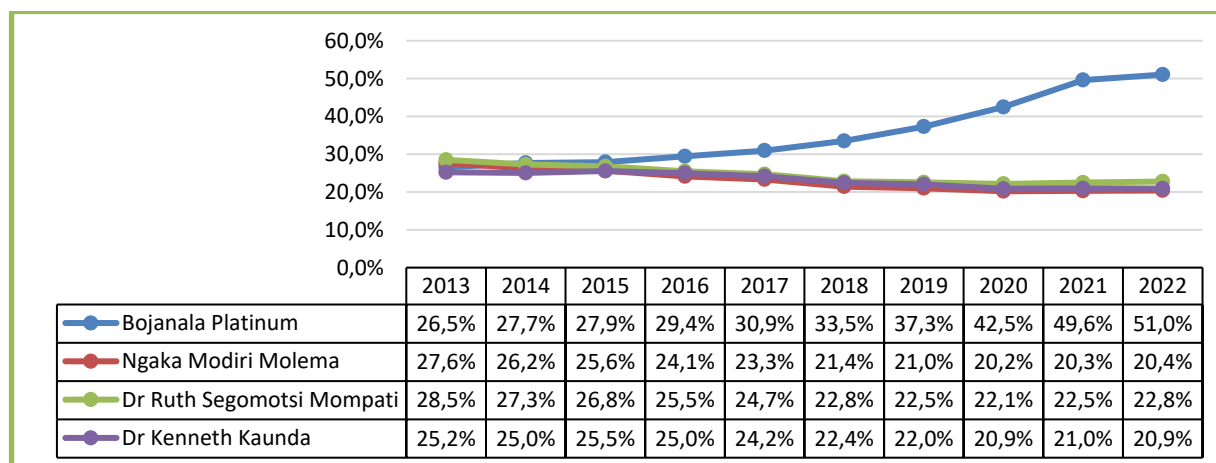
Transport	28	40	37	43	45
Finance	80	98	112	108	131
Community and social services	238	231	222	223	247
Private households	58	65	54	57	63
Total	<b>858</b>	<b>880</b>	<b>875</b>	<b>881</b>	<b>941</b>

Source: Stats SA, (2023)

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

Generally the largest number of workers in North West Province was at 941 thousand in quarter 3 of 2023 while the least number of workers was at 858 thousand in quarter 3 of 2022. The unemployment rate for all the district municipalities ranged between 25.2 per cent and 28.5 per cent in 2013. It is worth noting that unemployment rate decreased between 2013 and 2022 in all the district municipalities with exception to Bojanala Platinum District Municipality.

**Figure 4.5.4: NW's District Municipalities Unemployment Rate (official Definition)**



Source: S&P Global, (2023)

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

**Table 4.5.5: Employment by industry per District Municipality, 2022**

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

**Source:** S&P Global, (2023)

Bojanala Platinum District Municipality led in mining sector employment with 106,000 workers, followed by 40.2 thousand in community services in 2022. Conversely, the electricity industry had the fewest workers at 1.1 thousand. Bojanala Platinum District Municipality's total workforce was 259 thousand, with the electricity industry having the lowest employment across all North West district municipalities.

Ngaka Modiri Molema District Municipality had the highest number of workers in the community services sector, totaling 61.7 thousand, while the transport industry had the second lowest employment figures. The total workforce in Ngaka Modiri Molema District Municipality was 167 thousand.

In Dr. Ruth Segomotsi Mompoti District Municipality, community services employed the most individuals at around 23.6 thousand, followed by the agriculture industry with 13.4 thousand workers.

Dr. Kenneth Kaunda District Municipality saw the community services industry as the largest employer, with 52 thousand workers, closely followed by the trade industry with 33 thousand workers in 2022.

## **5. Conclusion & recommendations**

Real GDP has been increasing at a rate that is not sufficient to cover the rate of population growth. This implies that there are subsequently less and less goods and services per person being introduced into the economy. Since the provincial economy is saturated by the tertiary sector according to the draft PGDS economic forecast report, there is therefore a need to increase productivity within the provincial economy through support to the primary and manufacturing sector. The economy of the province is stifled by the poor state of infrastructure. The diversification of the economy should be directed to the secondary sector which call for beneficiation of primary resources. This requires massive investment in the provincial infrastructure overhaul.

The North West province is endowed with rich culture and diversity in heritage. Tourism should therefore be thoroughly explored locally as a lever for fostering local and regional economic development in line with the United Nations 2030 agenda. The more money tourists spend, and the more of that money stays in the region, the more regional value is added by the tourism and hospitality industry.

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

There is a need for the North West Development Corporation to utilize alternative energy for commercial & Industrial property as value added to tenants to minimize/eradicate production disruption for manufacturers and general business operations.

Unemployment rate of the province is high with fifty percent of the population being young people. This therefore mean that there is a need to make intentional efforts towards youth empowerment programs mainly ranging from mental health, leadership and entrepreneurship.

Collaboration and consultation with relevant stakeholders, including local communities, municipalities, and government agencies responsible for spatial planning and economic development, are essential to ensure that interventions align with broader developmental objectives and legislative frameworks towards inclusivity, reduced unemployment, and poverty.