



**economic development
& tourism**

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



STRATEGIC PLAN 2025 - 2030

Tabling Date: 10 June 2025

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Acronyms

ACRONYM	FULL DESCRIPTION
AFS	Annual Financial Statement
AGSA	Auditor General South Africa
AO	Accounting Officer
APP	Annual Performance Plan
ASIDI	Accelerated School Infrastructure Delivery Initiative
BBBEE	Broad-Based Black Economic Empowerment
BCP	Business Continuity Plan
BEE	Black Economic Empowerment
BER	Bureau of Economic Research
BRICS	Brazil, Russia, India, China and South Africa
CAPEX	Capital Expenditure
CC's	Close Corporations
CCTV	Closed Circuit Television
CBOs	Community Based Organisations
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPA	Consumer Protection Act
CPI	Consumer Price Inflation
CSI	Corporate Social Investment
DBSA	Development Bank of Southern Africa
DEDT	Department of Economic Development and Tourism
DESD	Decade of Education for Sustainable Development
DoEL	Department of Employment and Labour
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DTIC	Department of Trade, Industry and Competition
EDMS	Employee Development and Management System
EEP	Economic Equity Plan
ESIEIDC	Economy Sector, Investment, Employment & Infrastructure Development Cluster
EHWP	Employee Health and Wellness Programme

EIA	Environmental Impact Assessment
EIC	Enterprise Information Centre
EMC	Executive Management Committee
EU	European Union
ENE	Estimates of National Expenditure
FURNTECH	Furniture Technology
FTE	Full Time Equivalent
GDP	Gross Domestic Product
GIS	Geographical Information System
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HR Plan	Human Resource Plan
HRPIPR	Human Resource Plan Implementation Progress Report
ICC	International Convention Centre
IA	Internal Audit
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IWMP	Integrated Waste Management Plan
IPAP	Industrial Policy Action Plan
KMIA	Kruger Mpumalanga International Airport
LED	Local Economic Development
LRF	Local Regulatory Framework
LTO	Local Tourism Organisations
MOA	Memorandum of Agreement
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MEC	Member of the Executive Council
MEGDP	Mpumalanga Economic Growth and Development Plan
MEGA	Mpumalanga Economic Growth Agency
MER	Mpumalanga Economic Regulator
MGCA	Mpumalanga Green Cluster Agency
MIFPM	Mpumalanga International Fresh Produce Market
MinMEC	Minister and Members of the Executive Council
MinTECH	Minister's Technical Team

MISS	Minimum Information Security Standards
MSI	Mpumalanga Steel Initiative
MTEF	Medium Term Expenditure Framework
MTGS	Mpumalanga Tourism Growth Strategy
MTPA	Mpumalanga Tourism and Parks Agency
MunMEC	Municipalities and Member of the Executive Council
NCC	National Consumer Commission
NDA	National Development Agency
NDP	National Development Plan
NIPF	National Industry Policy Framework
NEDLAC	National Economic Development and Labour Council
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organisations
NGP	New Growth Path
NPOs	Non-Profit Organisations
NSDP	National Spatial Development Perspective
NT	National Treasury
NTSS	National Tourism Sector Strategy
NYS	National Youth Service
OTP	Office of the Premier
PERSAL	Personnel and Salary Administration
PFMA	Public Management Finance Act, 1999 (Act No. 1 of 1999) as amended
PMDS	Performance Management and Development System
POA	Programme of Action
PPPFA	Preferential Procurement Policy Framework Act
PSC	Public Service Commission
RTO	Regional Tourism Organisations
RTP	Responsible Tourism Planning
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SAHC/OOK	South African Handmade Collection / One of a kind exhibition
SALGA	South African Local Government Association
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASSA	South African Social Security Agency



SCM	Supply Chain Management
SDF	Spatial Development Framework
SDMF	Service Delivery Model Framework
SDIP	Service Delivery Improvement Programme
SDS	Service Delivery Standards
SEDA	Small Enterprise Development Agency
SERO	Socio-Economic Review and Outlook
NSEZ	Nkomazi Special Economic Zone
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SOE's	State Owned Entities
SONA	State of the Nation Address
SOPA	State of the Province Address
SP	Strategic Plan
TOR	Terms of Reference
TR	Treasury Regulations
UIF	Unemployment Insurance Fund
WSP	Workplace Skills Plan

Executive Authority Statement

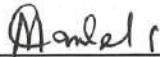
Out with the old; in with the new, as government replaced the Medium-Term Strategic Framework (MTSF) with the Medium-Term Development Plan (MTDP). The latter is aimed at addressing the shortcomings from the former by focusing on policy coherence, capacity building and combating corruption. Accordingly, our Department commits to fully adopt and never to deviate from the tenets of the MTDP, which is now the blueprint for the Seventh Administration. In this regard, our Department will focus on steering Priority 1; that is, *'To drive inclusive economic growth and job creation'*. Although the priority is an all-encompassing target that involves private and public sector, the Department has been entrusted to coordinate the dynamic growing economy in the next five years of the electoral mandate. In the quest to achieve this mandate, we have opted for a cluster approach and developed the following game changers that will assist in ensuring that the MTDP Priority 1 is realised in the next 5 years:

- 1. Place the Province as an investment of tourism destination of choice by aggressively implement the industrial programme through localisation and economic diversification;**
- 2. Leverage and repurpose the existing MEGA's light Industrial Parks for use by SMMEs and other parties for optimal economic growth;**
- 3. Provide comprehensive support to SMMEs as a catalyst for economic growth; and**
- 4. Upscale the incubation programme as part of skills development for the competitive sectors.**

This Strategic Plan of the Department is, thus, aligned to these policy imperatives that seek to shape the Province and ultimately contribute towards improving South African's economic standing. This Five-Year Plan is an all-compassing document, incorporating the plans of our Public Entities; namely; the Mpumalanga Economic Regulator (MER), the Mpumalanga Economic Growth Agency (MEGA), the Mpumalanga Tourism and Parks Agency (MTPA), as well as the Mpumalanga Nkomazi Special Economic Zone (MNSEZ).

As the Executive Authority of the Department, incorporating our Entities, I have the honour and pleasure to submit this Five-Year Strategic Plan which details what we intend to achieve.

We are “***A Province That Works For All***”; hence we will ***Leave No One Behind*** in this journey!



Ms MC MASILELA, MPL
MEC: Economic Development and Tourism
Date: 10 / 06 / 2025

Accounting Officer Statement

The Department of Economic Development and Tourism has a mandate to drive economic growth that creates decent employment and promote sustainable development through partnerships. The Department seeks to achieve the following strategic goals i.e. sustained economic development that increases employment alleviates poverty and addresses inequality among the citizenry and flourishing domestic and foreign tourism and increased inclusivity of all stakeholders in the sector.

The seventh Administration has presented new government priorities, which are part of the Medium-Term Development Plan (MTDP). The latter serves as a comprehensive framework to drive economic growth, job creation and poverty reduction in Mpumalanga over the next five years, shaping the Province's economic future with its focus on creating a sustainable, inclusive economy that drives job creation. The Department has the mandate to respond to three main priorities i.e. inclusive economic growth and job creation, poverty reduction, and fostering a capable, ethical, and developmental state.

The Department seeks to revitalise critical industries such as manufacturing and develop the tourism sector to increase tourism's contribution to GDP by 5% and employment by 6%. The MTDP is inclusive of the post 2020 socio-economic conditions and ongoing impact of COVID-19 and global economic shifts. The Department envisages fostering inclusive economic growth and focusing on infrastructure development, re-industrialisation and investment in labour-intensive sectors. The Department will work closely with the private sector and international partners to attract foreign investment, through projects like the Nkomazi SEZ, Petrochemical Industrial Park and the Forestry Industrial Technology Park. These "game changer" projects will transform the socio-economic landscape of Mpumalanga.

The Department has conclusive and developmental strategies to support SMMEs and encourage youth participation in the economy through ongoing initiatives i.e. Mpumalanga Youth in Tourism program and partnerships with entities i.e. NYDA and Takealot to address youth unemployment and foster business opportunities. The Department will strengthen partnerships with

municipalities to reduce red tape and improve the business environment in townships and rural areas.

The population growth of 8, 3 in Mpumalanga is among the highest in the country with females comprising 52% of the population. This dictates gender inclusivity to be critical in the province's planning processes. The province continues to face challenges of high unemployment rate, with a staggering 38.1% among women and 52.7% for youth. The GDP growth have also been stagnant, with forecasts below 1%. These dictates the need to finalise the digital infrastructure requirements, operationalising SEZs and increase private sector investment by 5% over the MTDP period. The critical role of the Mpumalanga Economic Growth Agency to drive trade and investment in the Province cannot be overemphasized. MEGA has an urgent task to conduct a feasibility studies and securing investment for projects supporting industrialisation and economic diversification.

The Department will support all endeavours to leverage its natural resources, particularly solar and wind energy to support renewable energy projects. The province has collaborated with development agencies to transition from coal dependency and invest in renewable energy projects such as the Ummbila Emoyeni wind farm, Carbon Capture and Storage Initiative. These projects aim to drive both economic and environmental sustainability. The importance of collaborative efforts between provincial departments, private sector and international partners will assist to achieve the Province's developmental goals.

The Department will promote capable governance and ensures efficient usage of resource, strong financial management, and regular monitoring of critical targets. It envisages improving financial management, avoiding wasteful and fruitless expenditures in the Department and its entities with a view to achieve clean audit outcomes. It has priotized and strengthened oversight committees to monitor projects implementation and address the findings from the Auditor General's report.



Ms FI Serakalala

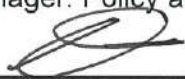
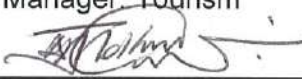
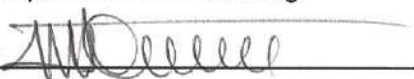
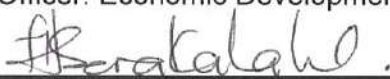
Accounting Officer: Department of Economic Development and Tourism

Date: 09 / 06 / 2025

Official Sign-off

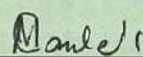
It is hereby certified that this Strategic Plan:

- Was developed by the management of the Department of Economic Development and Tourism under the guidance of Ms MC Masilela, MPL;
- Takes into account all the relevant policies, legislation and other mandates for which the Department is responsible;
- Consider all the relevant policies, legislation and other mandates for which the Department of Economic Development and Tourism is responsible.
- Accurately reflects the Impact and Outcomes which the Department of Economic Development and Tourism will endeavor to achieve over the period of 2025-2030.

Dr. MA Ramodibe Acting Programme Manager: Administration Signature: 	Mr LM Mdluli Programme Manager: Integrated Economic Development Signature: 
Mr J Mnisi Programme Manager: Trade and Sector Development Signature: 	Ms LB Mabaso Programme Manager: Business Regulation and Governance Signature: 
Mr NM Sebitso Programme Manager: Policy and Planning Signature: 	Mr JD Mdluli Programme Manager: Tourism Signature: 
Mr JM Ndima Manager Responsible for Planning Signature: 	Ms H Thrush Chief Financial Officer Signature: 
Ms FI Serakalala Accounting Officer: Economic Development and Tourism Signature: 	

Approved by:

Ms MC MASILELA, MPL
**MEC: ECONOMIC DEVELOPMENT
AND TOURISM**

Signature: 

PART A: OUR MANDATE

The following Constitutional, legislative and related mandates regulate the environment within which the Department executes its operations:

1. Constitutional Mandate

The following table highlights the main mandate of the Department:

Constitutional Mandate	Purpose
The Department derives its mandate from the Constitution of the Republic of South Africa, Act 108 of 1996.	Schedule 4 and 5 of the Constitution make provisions for the following: • Trade and industry promotion • Consumer protection • Casino, racing, gambling, wagering and Liquor Licences • Provincial Public Enterprises • Tourism Promotion and • Nature Conservation

2. Legislative and Policy Mandates

The Departmental mandate is provided in the table below.

Departmental Mandate	Purpose
To stimulate economic growth and development towards creating sustainable and decent employment, economic transformation and alleviation of poverty.	• Influence the development growth patterns in the Province in order to build and accelerate a sustainable, equitable and inclusive economic growth path where people live; • Ensure a participatory economy where the youth, women, workers, rural masses, and the people with disabilities benefit from the natural wealth of the Province; • Enhance integrated regional growth and development through, among other things, fostering public private partnerships to increase trade and investment in the Province, and within the region, and leveraging on Spatial Development Initiatives such as the Maputo Development Corridor; • Position infrastructure delivery programme in a manner that enhances the development of SMME's, creates decent job opportunities and allows participation of the communities through the promotion of co-operatives; • Utilise MOUs with both local and global strategic partners to consolidate existing markets; access new markets and attract foreign direct investment into the provincial economy

The specific legislative and policy mandates that influence and affect operations of the Department are listed in the tables below.

Legislative Mandate	Purpose
Mpumalanga Economic Regulator Act, 2017 (Act 2 of 2017)	• To regulate the gambling industry in the Province, in terms of the Mpumalanga Gambling Act; • To regulate the payment of gambling levies, in terms of the Mpumalanga Gambling Levies Act; • To regulate the liquor industry in the Province, in terms of the Mpumalanga Liquor Licensing Act; and

Legislative Mandate	Purpose
	- To ensure that the MER effectively and efficiently executes its mandate (given that the Department is the shareholder representative). - To oversee the preparation of Quarterly Reports, Annual Reports and Strategic Objectives.
National Tourism Act, 2014 (Act 3 of 2014)	To provide for the development and promotion of sustainable tourism for the benefit of the Republic, its residents and its visitors.
Mpumalanga Gambling Act, 1995 (Act 5 of 1995)	- To provide for control over gaming and matters connected therewith; - To ensure the Mpumalanga Gambling Board (now MER) executes effectively and efficiently its mandate which includes regulating gambling and sensitising the public against the dangers of excessive gambling; and - Overseeing Quarterly Reports, Annual Reports and Strategic Objectives.
Mpumalanga Liquor Licensing Act, 2007 (Act 5 of 2007)	To provide for the regulation of the liquor industry in the Province; and for matter connected within;
National Gambling Act, 2004 (Act 59 of 2003)	- To provide for the coordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matter; - To ensure that the Mpumalanga Gambling Act is aligned to national norms and standards established in terms of the National Gambling Act.
Mpumalanga Consumer Affairs Act, 1998 (Act 6 of 1998)	- To promote a fair accessible and sustainable marketplace for consumer products; - To establish national norms and standards relating to consumer protection; - To establish and manage the Office of Investigation of Unfair Business Practices, whose function is to receive, investigate and resolve complaints of unfair business practices; and - To establish the Consumer Court which adjudicates on matters of alleged unfair business practices.
Mpumalanga Business Act, 1996 (Act 2 of 1996)	To consolidate and amend certain laws, in force in the Province regarding the licensing and carrying on of business.
National Small Business Enabling Act, 1996 (Act 102 of 1996)	- To provide for Small Businesses to enter the economic mainstream; - To create a conducive environment for the promotion, support and development of small businesses in the Province; and - To ensure municipalities comply with prescripts of the Act.
Broad-based Black Empowerment Act, 2003 (Act 53 of 2003)	- To provide for the empowerment of the black owned companies to enter the mainstream of the economy; - To ensure black-owned companies have access to opportunities in the mainstream of the economy in an effort to transform the economy and reduce inequality; and - To ensure that the necessary support is provided to black enterprises plus targeted groups (women, youth and people living with disabilities) to enable them to successfully compete for opportunities in the economy.
National Credit Act, 2005 (Act 34 of 2005)	To promote a fair and non-discriminatory marketplace for access to consumer credit.
The MTPA Act 5 of 2005	To improve tourism industry in Mpumalanga; management of the natural resources of Mpumalanga.

Legislative Mandate	Purpose
Public Financial Management Act, 1999 (Act 1 of 1999)	- To promote sound financial management in the public sector; - To ensure every employee of the Department is enjoined that no fruitless/irregular expenditure occurs within the area of responsibility
Public Service Act, 1994 (Act 103 of 1994)	To regulate the public service in the country.
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)	To create a framework for employer-employee relations.
Labour Relations Act, 1995 (Act 66 of 1995)	To protect the rights of the workers.

3. Institutional Policies and Strategies over the five-year Planning Period

3.1 Institutional Policies and Strategies

Emanating from the Departmental strategic planning process, the following policies and strategies were identified as critical interventions that would assist the Department in realising the intended impact, in line with identified outcomes over the five-year period:

Outcomes	Identified Institutional Policies/Strategies/Priorities
Inclusive, diversified and growing economy	Facilitate and coordinate the following Policies, Strategies and Plans: - Mpumalanga Industrial Development Plan - Provincial ICT Strategy - SMME Provincial Strategy - Mpumalanga Trade and Investment Promotion Strategy - Mpumalanga Green Economy Development Plan - Mpumalanga Forestry Development Plan
Inclusive, competitive and sustainable tourism industry	- Provincial Tourism Growth Strategy - Mpumalanga Integrated Air Transportation Strategy
An ethical, well-coordinated, enabling and capable centre of business excellence	- PFMA - Departmental Human Resource Strategy - Provincial Communication Strategy - Risk Management Strategy

3.2 Links to Government-wide Plans

In the development of the Department's Strategic Plan and Annual Performance Plan, the link and relationship to other government priorities have been considered and included. The following plans and strategies have been considered in the development of the *dedt* Strategic Plan:

3.2.1 The National Development Plan

In the 20 years since the advent of democracy, South Africa has been on a journey towards a destination that is broadly labelled, "a better life for all". Whilst this objective remains the same

going into the future, it is now more clearly expressed in the country's National Development Plan (NDP), which provides a detailed roadmap for development in the years leading up to 2030. Fundamentally, the NDP represents a broad "multi-dimensional strategic framework" to bring about development by guiding key choices and actions.

The journey in the next 20 years is characterised as the second phase of the country's democratic transition. It is a phase that "focuses on the critical role that a robust economy plays in eliminating poverty and unemployment, supporting sustainable livelihoods and reducing inequality".

Therefore, the National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030, and "lays the foundation for long term planning for this radical socio-economic agenda over the next 20 years." In essence, the National Development Plan institutionalises long term planning and gives expression to the policy continuity characterising the past and informing the next 20 years.

Evidently, for effective implementation and meaningful impact to be derived from this plan, the country needs to be guided by a developmental democratic state "capable of mobilising all sectors and boldly intervening in the economy in favour of workers and the poor". Basically, there will be a need for strategic and visionary leadership at all levels, an active citizenry and effective government.

Furthermore, the objectives, targets and key considerations of the National Development Plan must find expression in the planning processes, institutional arrangements and resource allocations of each and every Province.

For the Department, progress over the next decade continues to mean doing things differently. The integration of the NDP proposals and priorities in the planning framework, resource allocation and performance monitoring processes, remains of paramount importance.

The following key issues reflected in Chapter 3 of the NDP (Economy and Employment), continue to inform the mandate and strategic direction of the Department:

- To eliminate poverty and reduce inequality, South Africa has to raise levels of employment and, through productivity, grow the earnings of the working people.
- South Africa needs faster growth and more inclusive growth. Key elements of this strategy include raising exports, improving skills development, lowering the costs of living of the poor, investing in a competitive infrastructure, reducing the regulatory burden on small

businesses, facilitating private investment and improving the performance of the labour market to reduce tension and ease access to young, unskilled work seekers.

- Only through effective partnerships across society can a virtuous cycle of rising confidence, rising investment, higher employment, rising productivity and incomes be generated.
- South Africa requires both a capable and developmental state, able to act to redress historical inequities and a vibrant and thriving private sector able to invest, employ people and penetrate global markets.

In the next five (5) years, like the national government, the Mpumalanga Province will also be pursuing the implementation of the NDP Five Year Implementation Plan. This Plan hinges on three pillars, namely:

Pillar 1: A strong and inclusive economy;

Pillar 2: Capabilities of South Africans; and

Pillar 3: A Capable State

As far as the mandate of the Department is concerned, more focus will be placed on Pillar one (1), with Pillar two (2) and three (3) playing a supporting role. In essence, the Department will be providing thought leadership, facilitation and coordination of MTDP Priority 1: Inclusive Economic Growth and Job Creation which seeks to translate Pillar 1 into reality.

Evidently, the success of the NDP's Five Year Implementation Plan will require that government collaborates with the private sector, labour and civil society to contribute to the achievement of the set priorities.

In addition, an integrated monitoring framework will be applied to track progress against the achievement of the set Priorities.

3.2.2 Mpumalanga Vision 2030: Strategic Implementation Framework

The Mpumalanga Vision 2030 (MP V2030) seeks to locate the NDP within the provincial space. It provides a clear roadmap that will guide the Provincial Government in its quest to realise of the outcomes outlined by the NDP. In short, it is a focused and strategic implementation Framework that provides a direct implementation response to the National Development Plan.

It further prioritise those important aspects of the NDP that relates directly to the situation of the Province, including the mechanisms and conditions that will be pursued to achieve the key priorities, objectives and targets enumerated in the NDP.

Of critical importance, the MP V2030 provides a platform for the improvement in economic policy coordination and implementation, including building of strong partnerships among the public sector, business and labour in their endeavours to accelerate the economic transformation agenda of the Provincial Government.

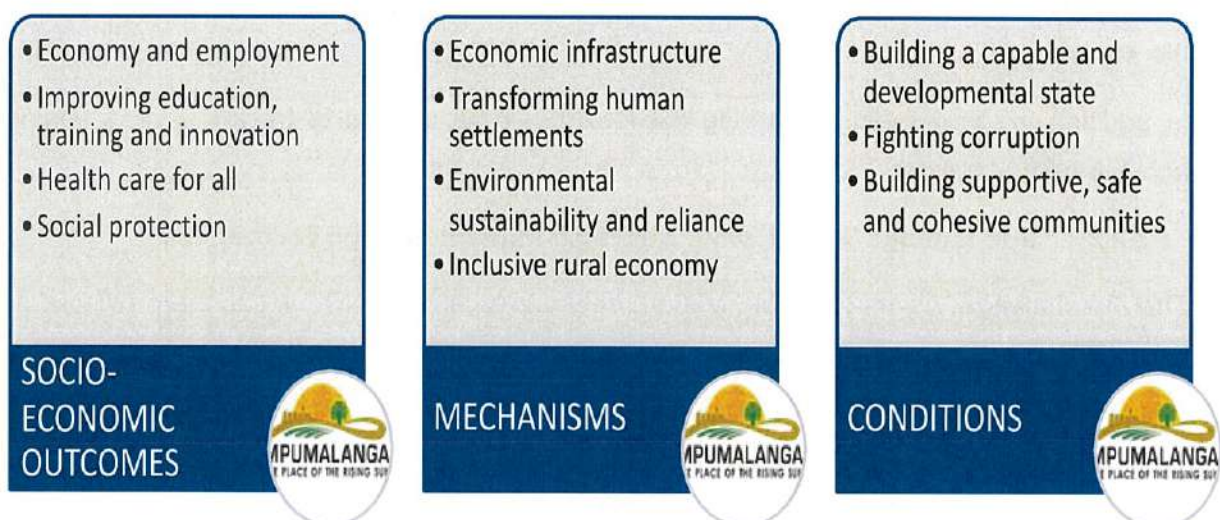
In line with the principles of the NDP, the MP V2030 highlights the following socio-economic outcomes as priorities:

- Employment and economic growth
- Education and training
- Health care for all
- Social protection

These priorities do not imply that the ‘normal business of government’ should be deferred, but rather aim to focus the activities and decisions of the Province, on key areas leveraging high impact for improved and sustainable long term socio-economic development in Mpumalanga.

The achievement of these outcomes is further dependent on the critical success factors described as “mechanisms” and “conditions” below:

Figure 1: Mpumalanga Vision 2030 Strategic Pillars



3.2.3 Mpumalanga Economic Growth and Development Path

The Mpumalanga Economic Growth and Development Path (MEGDP) seeks to realise the broad strategic intent set out by both the NDP and MP V2030. The primary objective of the MEGDP is to foster economic growth that creates jobs, reduce poverty and inequality in the Province. The growth path is anchored on a number of parameters including sector development, inclusive and shared growth, spatial distribution, regional integration, sustainable human development and environmental sustainability with clearly defined strategic targets over the medium to long term.

The MEGDP identified the following sectors as drivers for economic growth and job creation; namely, Agriculture, Forestry, Mining, Manufacturing, Tourism and New Economies (e.g. Green Economy)

The MEGDP further identified four pillars that must guide the implementation process leading up to 2030. The following are the four pillars that constitute the MEGDP Implementation Plan:

- Human Resource Development
- Infrastructure Development
- Rural Development
- Increased Production and Beneficiation

Government has further developed strategies and support plans to guide activities in these four pillars indicated above; namely, Human Resource Development Plan; Mpumalanga Infrastructure Master Plan, Comprehensive Rural Development Plan (CRDP), Mpumalanga Industrial Development Plan, Human Settlement Strategy, Integrated Transport Master Plan, and Mpumalanga Biodiversity Conservation Plan (MBCP), among others.

In addition, The MEGDP Implementation Plan is underpinned by few critical principles to ensure inclusive economic growth and development. Core to these principles is the provision of comprehensive support to the development of small enterprises and co-operatives; Broad-Based Black Economic Empowerment, value-addition, youth focused and community driven development.

The MEGDP also set out clear targets that must be achieved in areas of economic growth, employment, poverty, inequality by 2030. The table below shows the targets that must be achieved by 2030:

Table 1: Summary of key targets (NDP, MP V2030 & MEGDP)

TARGETS			
Indicator	NDP Target	Mpumalanga V2030 Target	MEGDP
Unemployment Rate	6%	6%	15%
Number of Employed	11 million additional jobs	1.2 million additional jobs boosting total employment to 2.1 million to achieve 6% unemployment rate	720 000 additional jobs. Total employment should increase to 1.61 million
GDP Growth Rate	Average annual GDP growth above 5%	Average annual GDP growth above 5%	GDP growth between 5% and 7% per annum
GDP per capita	Raise per capita GDP to R110 000 in constant prices	Raise per capita GDP to R110 000 in constant prices	N/A
Lower bound poverty line (LBPL) – R416 per person (2009 prices)	Reduce the proportion of households with a monthly income below LBPL to 0%	Reduce the proportion of households with a monthly income below LBPL to 5%	Reduce poverty rate to 0%
Gini Co-efficient (Income inequality)	Gini-coefficient of 0.60 and the proportion of income earned by the bottom 40% in SA should rise to 10% by 2030	Gini-coefficient of 0.60 and the proportion of income earned by the bottom 40% in SA should rise to 10% by 2030	Reduce the Gini-coefficient of income distribution to 0.55

3.2.4 Infrastructure Master Plan

The economic infrastructure programme and project highlighted in the 5-year plan of the department are informed the Mpumalanga Infrastructure Master Plan whose sole purpose is as follows:

The purpose of the MIMP 2060 is to address the following:

- Promote comprehensive planning and implementation in the development of all types of infrastructure in the Province.
- Be a catalyst framework for socio-economic development emanating from infrastructure development .
- Transcend into Long-term provincial infrastructure development guiding framework.

- Provide multiple sets of 5-year implementation plans linked to the MTDP and MTEF periods up to 2060.
- Develop a comprehensive list of various infrastructure planning pipeline projects inclusive of capital and catalytic projects linked to socio-economic development.
- Guide infrastructure development and maintenance programmes to Year 2060 for Mpumalanga Province.

3.2.5 The Provincial Spatial Development Plans

Spatial Planning and Land Use Management Act (SPLUMA) requires national, provincial, and municipal spheres of government to prepare Spatial Development Frameworks (SDFs) that establish a clear vision which must be developed, through a thorough inventory and analysis based on national spatial planning principles and local long-term development goals and plans. Accordingly, the Provincial Spatial Development Framework (PSDF, 2019) provides the spatial expression to the vision encapsulated in the Mpumalanga Vision 2030 (MP V2030) and other relevant provincial policies.

Guided by SPLUMA, the Provincial SDF ensures that there is alignment and coordination between the national government and municipalities in the following ways:

- By aligning and coordinating provincial plans and development strategies with the policies of National Government – the draft NSDF provides guidance in this respect.
- By ensuring the alignment and coordination of the plans, policies and development strategies of provincial departments – close linkage to sector departments' approach.
- Ensuring alignment and coordination of the plans, policies and development strategies of municipalities – district SDFs provide guidance but also require re-alignment to the PSDF.

Therefore, the Mpumalanga PSDF aims to create an enabling environment and provides mechanisms to ensure that such coordination, integration and alignment as prescribed by SPLUMA is achieved.

In addition, the PSDF intends addressing the aspects of, among others, spatial justice, spatial sustainability, efficiency, spatial resilience and good administration - integrating necessary functionalities and linkages within the spheres of government and delivering a multitude of services linked to an integrated development approach in the Province. Basically, the PSDF provides a new integrated planning paradigm that is intended to sufficiently provide an

economically and socially balanced development between rural and urban areas in the Province, that is, to address the spatial fragmentation which poses major developmental challenges in spite of the existence of several initiatives and programmes.

Broadly, the PSDF covers, inter alia, the following strategic objectives at provincial level:

- Integration of development policies;
- Prioritised land use development patterns;
- Addressing of developmental needs, unpack spatial directives and objectives for implementation;
- Provide investment guidance and the mechanisms for implementation; and
- Provide guidance on sectoral development needs, investments, integration and programme implementation.

In a nutshell, to address the identified spatial challenges and give effect to the relevant policies, the PSDF aims at directing the development of Mpumalanga towards:

- More inclusivity, productivity, competitiveness and opportunities in urban and rural space-economies;
- Protection of resources and strengthened resilience of natural and built environments; and
- Improved effectiveness of governance

To realise these broad goals, the following Key Areas of Focus were identified:

- Connectivity and corridor functionality;
- Sustainable concentration and agglomeration;
- Conservation and resource utilisation;
- Livability and sense of place;
- Rural diversity and transformation.

The Implementation framework of the PSDF outlines programmes, plans, key actions that must be executed within specific timelines in order to achieve the identified strategic objectives. The Implementation Framework covers the following strategic objectives that must be pursued towards 2030 and beyond:

- Leveraging the N4 corridor to facilitate regional and provincial connectivity;

- Developing the existing corridors and building new linkage corridor to increase capacity and economic opportunities and ensure connectivity to the surrounding areas;
- Upgrading of tourism and rural economy road networks with linkages to transportation corridors;
- Decongesting the coal haul roads and improvement of freight network;
- Enhancing economic competitiveness through economic growth and innovation centres through spatial targeting;
- Economic enabling of growth centres/ typology in relation to higher order growth areas in the Province and economic decentralisation;
- Promoting economic growth through incentives;
- Diversifying the economy;
- Protecting biodiversity and ecosystem services;
- Promoting a sustainable agriculture;
- Promoting a low carbon and climate resilient economy;
- Utilising the mining potential without compromising the long term sustainability of the natural environment;
- Using infrastructure investment for growing the economy; and
- Creating an Integrated Rural Economic Base by Rural Restructuring and Linkages of Rural Economies.

As part of realising some of these objectives enumerated above, the Department will be focusing on the following projects over the 2025 – 2030 period:

Table 2: Provincial Prioritised Projects

EHLANZENI MUNICIPALITY	DISTRICT	NKANGALA MUNICIPALITY	DISTRICT	GERT SIBANDE MUNICIPALITY	DISTRICT
Nkomazi Special Economic Zone (SEZ)		Mining and Metal Industrial Technology Park (Highveld Steel Industrial Park)		Petro-Chemical Technology Park	Industrial
Revitalisation of Kabokweni Industrial Park		Dr JS Moroka Agri-Hub		Revitalisation of Industrial Park	Elukwatini
Forestry Industrial Technology Park		Revitalisation of Ekandustria (situated in Gauteng but owned by MEGA)			
Agriculture Industrial Technology Park		Revitalisation of Siyabuswa Industrial Park			
		Revitalisation of Thembisile Hani Industrial Park			

3.2.6 Sector Priorities

The NDP, Mpumalanga Vision 2030 framework, MEGDP and the MIDP remain the key guiding documents for the 2025- 2030 prioritisation. For stimulating inclusive economic growth that creates more job opportunities for the people of the Province, the following focal areas are prioritised over the 2025 – 2030 period:

- Increasing the industrial base of the Province through value addition and value chains development; beneficiation and agro-processing;
- Support for women and youth owned small businesses and cooperatives;
- Building an inclusive rural economy; and
- Mobilisation of a Development Fund.

For the Province to realise these broad strategic issues highlighted above, the following key economic sectors have been identified as drivers for rapid economic growth and job creations:

- Agriculture;
- Forestry;
- Mining;
- Manufacturing;
- Tourism; and
- New economies (Green economy)

The section below provides a brief overview of the identified sectors above:

Agriculture

Mpumalanga's arable land covers approximately 24% and natural grazing covers approximately 13.6%. The Province produces between 3% and 15% of SA's vegetable production depending on the vegetable type. There are, however, very low levels of vegetable processing into food products. The other primary agricultural subsectors have been reasonably well-established in the commercial farming category, such as fresh fruits (with high volumes of citrus exports) and livestock farming. However, small-scale farming remains a challenge, with lack of facilities and technology hampering sustainability of small operations. With more than 50% of its land biased towards agriculture, this effectively makes Mpumalanga an agricultural region.

The major agricultural crops in the Province include maize, wheat, sorghum, barley, sunflower seed, soybeans, macadamia, groundnuts, sugar cane, vegetables, coffee, tea, cotton, tobacco, citrus, subtropical and deciduous fruit. The more significant crops with established export markets are macadamias, citrus and sugar cane. Crops with significant domestic value include avocado, bananas and mango. Other main products are beef, mutton, wool, poultry and dairy.

Studies have shown that the Agricultural sector is underperforming, despite the agricultural potential of the Province, with declining employment levels. This is due to declining worker productivity levels in the globalised agriculture competitiveness standards and the move towards mechanisation.

The focus in the Province is towards small-scale farming and agro-processing for value-addition to revitalise the sector. The intention is to compliment this with a strong fresh produce export industry through the establishment of International Fresh Produce Markets in Mbombela, and the Special Economic Zone (SEZ) in Komatipoort.

The Province currently has a reasonable innovation capability in fresh produce agriculture through the presence of the institution of higher education, public and private Research and Development institutions. Therefore, the Mpumalanga International Fresh Produce Market is providing a mechanism for institutionalising the capabilities that will lead to such integration within the agricultural sector.

It is, therefore, expected that significant technological innovation capabilities need to be developed to establish the Province's competitiveness and global position. To grow an inclusive agricultural sector that creates more job opportunities for the people of Mpumalanga, intensification of the roll-out of the following programmes is going to be critical:

- The Mpumalanga Government Nutrition Programme
- The Mpumalanga Social Enterprise Programme
- SMME Development Strategy
- The Mpumalanga International Fresh Produce Market Model

Mining

Mining production is a major contributor to the Provincial GDP, with the potential for increased production because of large minerals reserves and increasing global demand for beneficiated minerals.

Mpumalanga produces about 90% of the country's coal. The bulk of its production is used locally by Eskom, in its coal-fired power plants and Sasol for synfuels production, with the remainder exported. The industry is capital intensive with specialised heavy machinery used in both mining and upstream beneficiation. The industry also uses mining technology for mine safety, ventilation and prospecting. Clean coal technology is still the main innovation driver in this industry.

In addition to coal, Mpumalanga's mining operations include gold (Barberton, Evander, Pilgrim's Rest and Balfour), nickel (Nkomati Nickel Mine near Machadodorp, the only primary producer in SA), platinum, chromite (with ferrochrome Smelters in eMalahleni, Middelburg, Mashishing and Machadodorp, and stainless steel production in Middelburg by Columbus), vanadium and magnetite (a high grade iron ore).

Increased production in all deposits is possible but will require massive infrastructure investment. Increased demand is expected in the Province through increased power generation demand at Kusile Power Station. Expansion of coal production is planned into the future, although logistics and new technology challenges have been cited.

For the next five years, the Province will continue to utilise the 'Mpumalanga Mining Lekgotla Pledge' as a framework that must guide its mining activities, aimed at growing the mining sector in order to create more job opportunities for the people of the Province of Mpumalanga:

- Mine Closure and Rehabilitation Programme
- Women and Youth owned enterprises Support Programme
- Iron and Steel Manufacturing Incubation Programme

Manufacturing

Since the adoption of the Mpumalanga Industrial Development Plan (MIDP) and the MIDP Implementation Roadmap in 2015, the Province has elevated this policy document as a blueprint to guide the realisation of the economic growth and job creation targets, as set out in the MEGDP framework.

The Mpumalanga Industrial Development Plan asserts that:

This "...is an integrative approach to industrialisation in the Province, within the context of a broad policy and planning framework that covers all spheres of Government. In particular, the Plan lends action to the Mpumalanga Growth and Development Path, which indicates a clear commitment towards industrialisation by the Provincial Government, through enabling infrastructure development and resource allocation, among others. Furthermore, the Plan aims to build robust partnerships between Government, industry and related stakeholders to ensure a coherent system of supportive initiatives within identified areas of industrialisation. In this way, the Plan aims to achieve its short and long-term inter-related goals of:

- Developing an integrated and diversified industrial base in the Province;
- Developing and expansion medium to high technology labour intensive manufacturing industries;
- Developing inter-sectoral linkages that will localise the supply chains within the Province, especially with major companies in the mining and energy sectors;
- Enhancing value addition through the upgrading/development of local suppliers to enter the supply chains of major industries in the Province;
- Planned efforts to distribute development investments over a range of industries so as to prioritise job creation;
- Expanding sustainable and value adding employment opportunities; and
- Planned infrastructure investment so as to maximise the potential of major industry sectors, both in the short and long term" (MIDP, 2015).

Manufacturing continues to be a major sector of the Provincial economy, providing a significant base for skilled employment opportunities and economic growth. It is clear that the Province's most strategic industrial advantage lays in its mineral deposits and other raw materials, together with its current mineral beneficiation capabilities.

Currently, beneficiation is not occurring at a scope and scale that is possible given the mineral resources available. This lays the foundation for developing an extended manufacturing value chain. Furthermore, these resources are distributed across the Province, which could allow for the geographic dispersion of manufacturing opportunities.

According to the MIDP, the strong bias towards the resource-based sectors of mining, agriculture and forestry, dominated by large corporations, requires an intensive diversification of these

sectors into downstream manufacturing-based industries to enable broader economic growth and labour absorption.

Platforms for these have already been laid through beneficiation of raw materials into value-added materials. Furthermore, a growing manufacturing sector will also improve the demand for resource-based commodities locally. This transition towards what is commonly known as the knowledge economy, requires the development of innovation capabilities that can drive competitive sustainable industries. One of the main barriers confronting the Province's transition towards a knowledge-based economy is the lack of knowledge-based institutions.

Therefore, the large corporations in the Province are crucial stakeholders in the diversification of the industrial economy through supporting the establishment of mutually beneficial knowledge-based institutions, and through the development of mutually beneficial local supply chains; hence the formation of highly cohesive industry-government forums will be critical in setting the development paths for industrialisation.

The MIDP asserts that the industrialisation path that the Province must pursue should be aimed at developing globally competitive industries that continuously improve and innovate to respond to market demands.

Therefore, it is against this context that the development and support of industrial clusters and their capabilities for knowledge flows, innovation and diversification become key pillars of this Industrial Development Plan.

The model for industrialisation of the Mpumalanga economy focuses on three key aspects; namely:

- (a) Targeted Industrial Centres of Competence;
- (b) Implementation of key Industrial Capability Development initiatives; and
- (c) A portfolio of Rural / Township Industries which involves the proliferation of local economic development projects into capability development and linked to the Industrial Centres of Competence.

Accordingly, the MIDP therefore proposes the formalisation of a number of industrial centres of competence which emanated from the analysis of the current industrial economy in the Province. Although six centres of competence were uncovered in the analysis, as shown in the table below, these have been rationalised into three, with one linked to the Nkomazi Special Economic Zone.

The Industrial Centres (or regions) of Competence will serve two purposes: firstly, to establish the innovation platforms necessary for supporting sustainable industrial developing in the targeted sectors; and secondly, to form a central hub or nerve centre from which the Industrial Centre of Competence can be effectively marketed, promoted and coordinated.

Table 3: Provincial Industrial centres of competency

Region	Centre of Competence	Industrial Centre of Competence	Central hub/s
eMalahleni	Mining and Metals Centre of Competence	Mining and Metals Industrial Centre of Competence	Mining and Metals Technology Park
Middelburg	Metals Manufacturing Centre of Competence		
Secunda	Petrochemicals Centre of Competence	Petrochemicals Industrial Centre of Competence	Petrochemicals Industrial Supplier Park
Mbombela	Agriculture Technology Centre of Competence	Agriculture and Forestry Industrial Centre of Competence	Forestry Technology Park
Sabie	Forestry Centre of Competence		International Fresh Produce Market
Komatipoort	Agro-Processing Centre of Competence	Nkomazi Special Economic Zone	Agro-Processing Technology Park

Agriculture and Forestry Industrial Centre of Competency

The MIDP identifies agriculture and forestry as industrial areas of competency for agro-processing. According to the MIDP, the mapping of the Agriculture Industrial Centre of Competence shows the potential to create a highly coordinated and integrated industrialisation platform in these sectors. This includes the coordination and integration of skills development programmes, technology development and transfer, supply chain development, logistics and investment, among others, inputs for industrial development.

Mining and Metal Industrial Centre of Competency

The MIDP also identified mining as another area of industrial competence with huge potential for economic growth and job creation. According the MIDP, this industrial competency covers the region of eMalahleni and Middleburg, the former being biased towards the upstream mining sector and the latter biased towards the downstream manufacturing sector; hence encompassing the full value chain – from mining to fabrication of metal components.

The focus is on production of chromite-based materials through to the production of stainless steel components. The need to diversify the economic base is seen as crucial for future economic sustainability, but also realistic in terms of the raw materials manufacturing base in the region.

Petro-Chemical Industrial Centre of Competency

The petrochemicals industry in the Secunda region is another area identified as a potential Petrochemicals Industrial Centre of Competence. It is also viewed as one of the major industrialisation area with high potential to stimulate economic growth and job creation, both through SME incubation and large-scale production in well-identified areas of technology.

All these industrial centres will also act as business incubator facilities to enable new companies to be formed, and to provide a vast array of resources and technology services to both new and existing SMMEs.

Truly, incubators and cluster developments present opportunities for transformational BBBEE and economic development. The industry scope represented in these incubators and interventions provides opportunities for small, medium and large industrial businesses.

MIDP Implementation Roadmap

In order to develop and grow the Industrial Centre of Competency, the concept of an Industrial Technology Park has been found to be the appropriate catalyst, in this regard. The Industrial Technology Park aims to:

- Attract local and global companies through the provision of a knowledge-based developmental environment;
- Attract foreign and domestic direct investment;
- Develop world-class infrastructure;
- Promote manufacturing and processing opportunities;
- Promote:
 - Enterprise development;
 - SMME development;
 - Wealth creation;
 - Employment creation;
 - Developing and localising industrial supply chains.

In essence, a Technology Industrial Park, at the core, is a clutch of physical facilities and a portfolio of services. The physical facilities, the services provided and the quality as well as the price of the total package offered should contribute in enhancing the competitiveness of the tenants in the Park. The typical range of facilities and services provided in parks around the world can be classified into three categories:

- General physical infrastructure;
- Industry-specific specialist infrastructure;
- Support services.

The MIDP has identified four (4) different Industrial Technology Parks and a Special Economic Zone (SEZ) for development in the three CoC, and the implementation process has already been set into motion.

Priorities for the manufacturing sector over the 5 year period are the following:

- Develop active links between the priority rural nodes with the industrial centres of competence;
- Strengthen institutional capacity in the rural nodes to drive the strategic industrialisation opportunities;
- Enhance appropriate skills development and business infrastructure development interventions;
- Mobilise financial resources and provide financial and supportive services for rural business development;
- Promote and encourage private sector investment in industrialisation nodes, that is, intensify the roll out of the Trade and Export Promotion Implementation Roadmap;
- Implement the Project Initiation Phase of the three (3) Industrial Technology Parks;
- Intensify the roll out of the Black Industrialist Programme; and
- Scale-up the incubation programme to build sustainable SMMEs and Cooperatives within Industrial Technology Parks.

Tourism

Mpumalanga is one of the main tourism destinations in South Africa (SA) as it holds natural wonders as well as cultural and heritage sites that provide an exceptional experience to tourists. The main tourism activities in Mpumalanga are hosted by the district of Ehlanzeni. Here, tourists

will find the famous Kruger National Park, and it is also the home of the Blyde River Canyon, Longmere Dam and many more. Tourism in Mpumalanga is one of the biggest contributors towards the Gross Value-Added (GVA) in Mpumalanga, which will be discussed in the strategy.

The Mpumalanga Economic Growth and Development Plan (MEGDP) identified Mpumalanga's tourism sector as one of the main drivers of economic activities in the province; however, tourism in general has declined due to a decreasing market share. Factors that recently hindered tourism growth include, external factors like the recent COVID 19 Pandemic, ongoing protest in the surrounding areas, insufficient marketing in the sector, fragmented strategies and programmes and especially the lack of skills and poor-quality service.

Tourism is aligned to the following strategies and policies: White Paper on Development and Promotion of Tourism (revised 2024), National Tourism Sector Strategy (NTSS), Mpumalanga Tourism Development Strategy (2019). The Objectives of the Mpumalanga Tourism Development Strategy (2019) are:

- Market Expansion
- Product Development
- Destination Competitiveness
- Responsible and Sustainable Tourism
- Transformation
- Economic Growth

Tourism Priority Projects

Tourism Route Development

Barberton Makhonjwa Mountain Word Heritage Site

Sky Walk

Bourke's Luck Hotel

Upgrading of provincial nature reserves

These issues aside, Mpumalanga has the potential to be a premier and competitive domestic as well as international tourism destination. To grow an inclusive tourism sector that creates more

job opportunities for the people of Mpumalanga, intensification of the prioritisation of the following programmes is going to be critical:

- Tourism related Infrastructure, e.g. improvement of the Nature Reserves, Road Infrastructure.
- Tourism products and routes development.
- Marketing and Promotion of the Province, through events and attending of tourism tradeshow.
- Development and support of Tourism SMMEs.
- Commercialisation of the Public Assets and or products.
- Prioritisation of Tourism Safety and Security.
- Prioritisation of Township and Rural Tourism initiatives.
- Implementation of Tourism Regional Integration, e.g. TRILAN Initiative.
- Effective utilisation of government instruments, such as licensing and concessions, **to accelerate transformation.**
- Embark on tourism **education and awareness campaigns** to empower the communities about the importance of the tourism sector in the Province

Mpumalanga Green Economy plan

The MEGDP has identified new economies as another area with huge potential for inclusive economic growth and development in the Province. In 2016, the Mpumalanga Provincial Government adopted the Mpumalanga Green Economy Development Plan (GEDP) to guide economic activities aimed at enhancing the green economy in Mpumalanga.

In essence, the GEDP provides an integrated approach towards the development of the green economy, particularly in the areas of renewable energy, waste management and sustainable agriculture. Core to Plan is the emphasis on initiatives that leverage the Province's natural resources endowment with a view of addressing, in the main, social, economic, and environmental challenges.

As the hub of coal fired electricity generation in South Africa, the province is highly reliant on non-renewable energy sources. Economic activities such as mining, power generation and petrochemicals production are the leading contributors of carbon emissions in the province and the country as a whole. Other forms of pollution from local industries compromise air and water quality, resulting in adverse effects on biodiversity and human health.

The transition towards a green economy involves shifting away from the traditional 'brown' economy approach which is relatively resource-intensive and heavily dependent on fossil fuels, and this often leads to environmental degradation and involve unsustainable levels of resource extraction. Therefore, the green economy seeks to reduce the adverse effects of the brown economy by embracing economic activities that result in improved human well-being over the long term while reducing environmental risks and ecological scarcities.

Opportunities have been identified and prioritised to guide the implementation of the MEGP. The prioritisation process involved a ranking of the identified prospects and the aggregation of high scoring ideas into thematic areas in order to facilitate implementation. The thematic areas are referred to as implementation pillars. The detailed implementation pillars are shown below.

Green economy thematic areas - the implementation pillars

<u>Implementation pillars</u>	<u>Proposed outcome for 2030</u>
Biomass sector	• To extract more value from biomass assets by increasing implemented bio-energy projects
Sustainable agriculture	A resource conscious, sustainable dual agricultural economy
Towns and urban centres	• Eco-conscious towns with improved resource utilisation
Sustainable Tourism	• Leverage Mpumalanga's natural environment to deliver economic vitality that has low impact on the environment and enables healthy communities

Source: DNA Economics

A detailed implementation plan for each implementation pillar has been developed with the aim of outlining action items under each implementation pillar; recommended key actions to be taken; the relevant actors responsible; resource requirements; and suggested timeframes. The implementation plan focuses on the implementation process and recommends a learning-by-doing approach with a high number of suggested feasibility assessments. Implementation also requires partnerships across various stakeholders.

3.2.7 Medium Term Development Plan

The MTDP will serve as the 5-year medium term plan for the 7th Administration of the GNU. It also serves as the implementation framework for the National Development Plan (NDP), the existing long-term plan for South Africa towards Vision 2030.

Following the outcomes of Provincial Planning Iekgotla and Opening of Legislature Address on the 31 July 2024, the Premier announced the following three Strategic Priorities for the 7th Administration:

- (SP 1) Drive Inclusive growth & job creation;
- (SP 2) Reduce poverty and tackle high cost of living; and
- (SP 3) Build a capable, ethical & developmental state.

These three Strategic Priorities will provide the framework for the detailed Provincial MTDP 2024-2029.

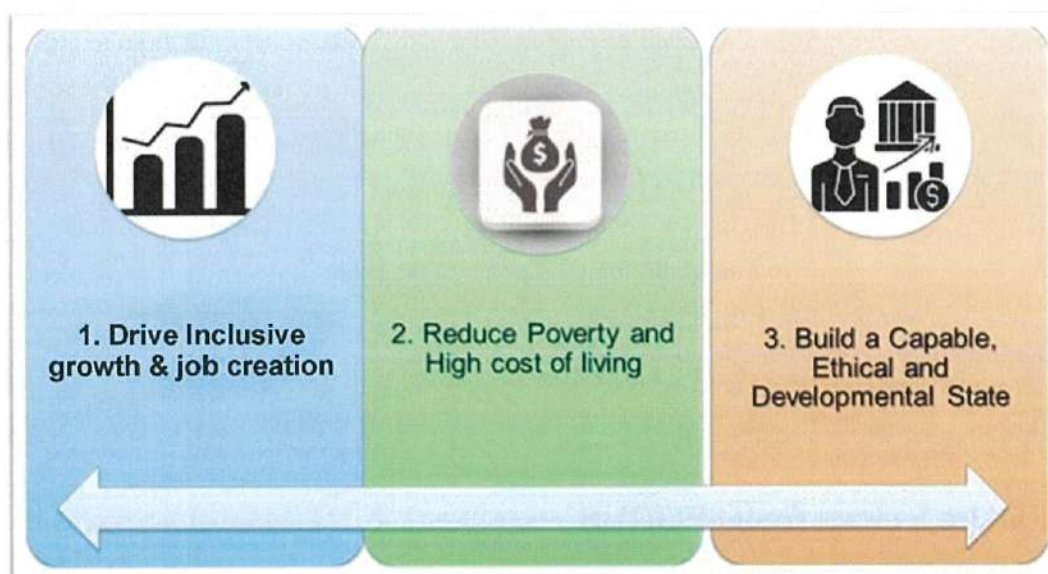
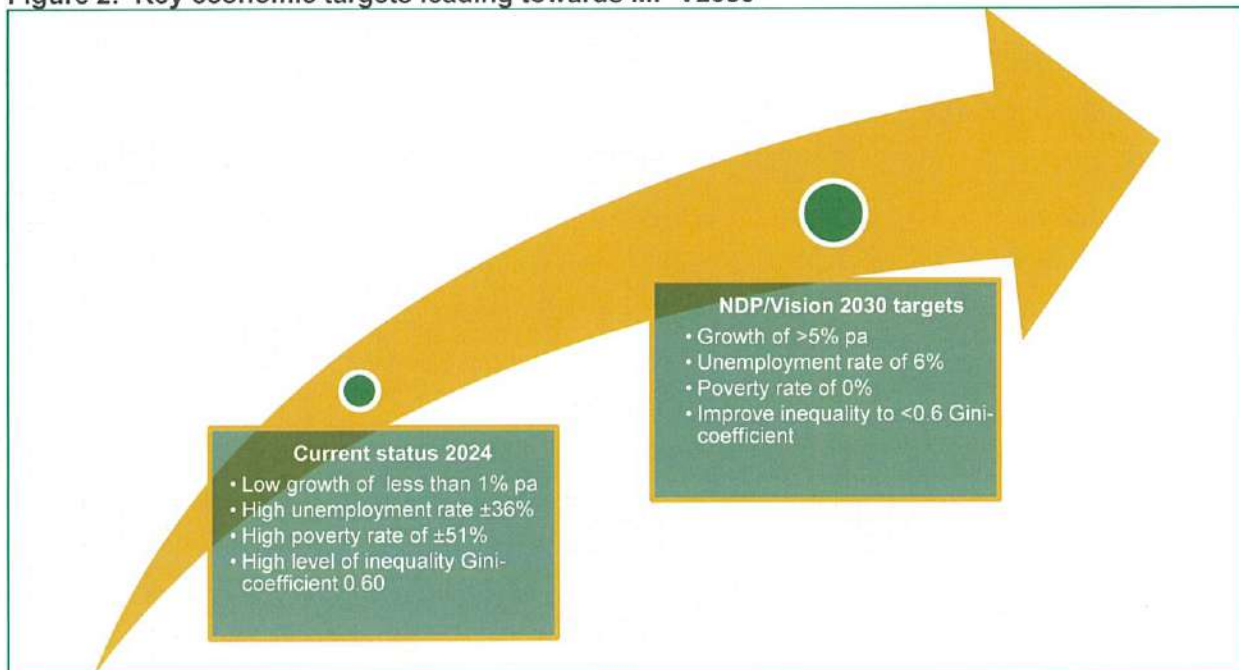
MTDP STRATEGIC PRIORITIES FOR 2024- 2029

The Mpumalanga Provincial Government priority areas as outlined in the Opening of Legislature underpinned by the Medium Term Development Plan (MTDP) and Government of National Unity are:

Figure 3: Strategic Priority Areas for the next five years

This diagram below captures the key economic indicators

Figure 2: Key economic targets leading towards MP V2030



4. Relevant Court Rulings

The following court rulings are mentioned as per the Revised Framework for Strategic and Annual Performance Planning requirement.

Judgement

Table 4: Relevant Court Rulings

Case Number: CASE NO. 73875/14	
Applicant:	Sofiline (Pty) Ltd
Respondent:	MEC, Chairperson of Mpumalanga Gambling Board (MGB) and MGB
Mini Summary:	Application for review and setting aside of Executive Council Resolution on (fourth) 4 th Casino license.
Judgement:	High Court reviewed and set aside the Executive Council's Resolution on award of 4th casino license.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	• Thorough/intensive induction of Members of the Executive Council insofar as their individual and joint accountability responsibilities; and • Presidential Review of state owned entities, particularly the relationship between the Accounting Authority (Board) and Shareholder Representative, will assist in clarifying roles of different stakeholders.
Case Number: CASE NO. 624/22 630/22	
Applicant:	Lottostar Mpumalanga Gambling Board
Respondent:	Ithuba , National Lotteries Commission
Mini Summary:	The SCA opined that the High Court order declaring the offering of bets on the outcome of the lottery unlawful, would impact the rights of other licence holders in the betting industry and that of other Provincial Licensing Authorities ("PLAs)
Judgement:	The Court will deliver judgement in respect of the joinder of these parties, whereafter the main appeal will proceed.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	• The Court must give guidance on whether offering online betting is unlawful. The department will await the decision of the court to effect any policy changes if there will be a need.

PART B: OUR STRATEGIC FOCUS

5. Vision

An Inclusive, Globally Competitive Economy

6. Mission

Drive economic growth that creates decent employment and promotes sustainable development

7. Values

VALUE	VALUE STATEMENT
Integrity	Officials must be dedicated to the adherence of a strict moral and ethical code of conduct in the execution of their duties and responsibilities.
Fairness	Officials must conform to the rules and standards set out by the Department. All decisions should be made free of bias and must always be considerate and just.
Accountability	Officials are, at all times, to be responsible for the performance and results of their agreed upon duties and responsibilities. This refers to the pyramid responsibility that begins with individuals and builds up to top management.
Transparency	Officials will recognise the right to access to information, excluding information that is specifically protected by law.
Professionalism	Officials will behave and execute their duties in a manner that enhances the reputation of the Department, while adhering to the highest ethical standards.

8. Situational Analysis

Organisations conduct external and internal analysis (situational analysis), both of which include analysis of the implementation environment that will serve as the fulcrum within which the intended plans will swing. On the basis of information obtained, the Department created its strategic direction, strategies, and tactics for implementing strategies and control systems. The dynamics that emanate from the Problem analysis method, the SWOT analysis and the research conducted by the Department and relevant diagnostics are outlined below:

Table 5: 2024 -2029 Key Indicators and Priority Actions/ Programme

PRIORITY 1: DRIVE INCLUSIVE GROWTH AND JOB CREATION							
Outcome Indicator	Outcome Indicator	Baseline	Mid Term Targets (Outcome)	Five Year Target	Priority Interventions	Programmes/	
Increased employment opportunities	Number of jobs created (public and private sector) and Percentage of employment opportunities disaggregated per designated group/ Employment equity percentages	Net job creation of 4 395 provincial jobs (2024)	60 000 new, sustainable and decent jobs per annum	300 000 new, sustainable and decent jobs for the 5 year period	Private Sector Employment Programmes - Provincial Short-term Employment Strategy - Provincial Economic Diversification Strategy - Green Economy Development Plan. - SMME Development: Financial and Non-Financial Support - Mpumalanga Industrial Development Plan (MIDP): - Revitalisation of infrastructure, eg Industrial parks and shopping centres - Petrochemical Industrial centre - Agriculture and Forestry Industrial centre		

PRIORITY 1: DRIVE INCLUSIVE GROWTH AND JOB CREATION

Outcome Indicator	Outcome Indicator	Baseline	Mid Term Targets (Outcome)	Five Year Target	Priority Interventions	Programmes/
					- Mining and Metal Industrial centre - Mpumalanga International Food Market (MIFM) operationalised	
Accelerated growth of industrial and labour intensive sectors	GDP Growth rate	0.6% provincial GDP growth (2023)	2%-3% provincial growth per annum	At least 3% provincial growth per annum	• Mpumalanga International Fresh Produce Market (MIFPM) • Agro-Processing Production Units expanded • District Agri-hubs • Mpumalanga Industrial Development Plan (MIDP) • Tourism Development Strategy • Tourism Marketing Strategy • Mpumalanga Green Economy Development Plan • Township small/ light Industrial parks revitalised • Mpumalanga Infrastructure Master Plan	
	Gross Domestic Fixed Investment (GDFI)	R63.6 billion (2022)	Increased domestic and FDI to R1-R2 billion pa investment in various economic sectors	Increased domestic and FDI to R10 billion investment in various economic sectors		
	Percentage increase in growth and employment contribution per relevant sector	Agriculture - provincial growth of - 4.5% (2023) and employment share of 10.4% (Q4 2024)	2%-3% provincial growth per annum and 11% employment share	At least 3% provincial growth per annum and 12% employment share		
		Manufacturing - provincial growth of 0.4% (2023)	2%-3% provincial growth per annum and	At least 3% provincial growth per annum and		

PRIORITY 1: DRIVE INCLUSIVE GROWTH AND JOB CREATION

Outcome Indicator	Outcome Indicator	Baseline	Mid Term Targets (Outcome)	Five Year Target	Priority Interventions	Programmes/
		and 8.4% employment share (Q4 2024)	9% employment share	10% employment share		
		Tourism sector - tourism spend 5.7% of the provincial GDP (2023) and employment share of 6%	7% tourism spend as % of the provincial GDP and 7% employment share	8% tourism spend as % of the provincial GDP and 8% employment share		
Enabling environment for investments and improved competitiveness	Ease of Doing Business	New Indicator	Improve investment to R5 billion	Improve investment to R10 billion	- Red Tape Reduction Strategy: Mpumalanga red tape reduction unit - Comprehensive integrated SMME strategy - Trade & Investment strategy Establishment of the Invest SA One-Stop-Shop - Implement the fourth (4th) Casino development / licence	
Increased energy security and a just energy transition	Total megawatt capacity of renewable energy installed in the province	750MW	Additional renewable energy generation capacity	Additional renewable energy generation capacity	- Accelerated Coal Transition Investment Plan - Retiring and replacing coal-based generation capacity - Mpumalanga community development projects	

PRIORITY 1: DRIVE INCLUSIVE GROWTH AND JOB CREATION							
Outcome Indicator	Outcome Indicator	Baseline	Mid Term Targets (Outcome)	Five Year Target	Priority Interventions	Programmes/	
					- Energy efficiency, distributed generation and community generation project - Renewable Energy Development Zone (REDZ), Mining supplier park next to Komati - Eskom micro grid roll out programme ▪ Mpumalanga Green Economy Development Plan ▪ Mpumalanga Infrastructure Master Plan		
Increased investment, trade and tourism	Provincial market share of international arrivals	21.6% share of international arrivals (2023)	23% share of international arrivals	25% share of international arrivals	▪ Mpumalanga Tourism Development Strategy - Panorama route Cable car at Blyde River Canyon - Sky-walk PPP project - Barberton Makhonjwa Mountain-WHS - Mariepskop (Moholoholo) mountain - Loskop development cluster - Bourke's Lurke - Effective and sustainable management of the biodiversity conservation		
Increased tourist visitor numbers	Number of international tourist arrivals	1 800 000	1 900 000	2 300 000	• International Expos & initiatives: • WTM London • ITB Germany • Triland Initiative		

PRIORITY 1: DRIVE INCLUSIVE GROWTH AND JOB CREATION

Outcome Indicator	Outcome Indicator	Baseline	Mid Term Targets (Outcome)	Five Year Target	Priority Interventions	Programmes/
					SATTE India Road shows	
	Number of domestic, domestic trips	3 100 000	3 200 000	3 700 000	- Domestic Expos & Initiatives - Africa's Travel Indaba - WTM Africa - Meetings Africa	
A dynamic science, technology and innovation ecosystem for growth	Number of provincial IP registered	New target	Increased expenditure on research, development and commercialization of Intellectual Property (IP)	Increased expenditure on research, development and commercialization of Intellectual Property (IP)	- Leverage on partnerships with Agricultural Research Council, CSIR, Universities for research - Modern mechanisation support services to farmers - Support and encourage ICT Automated farming technologies	
A supportive and sustainable economic policy environment	GDP Rate (Provincial economic policy and plans)	0.6% GD - MERRP - MEGDP - MIDP	Enhanced Macro Economic, Trade, Industrial and Innovation Policy/Plan to support economic growth	Enhanced Macro Economic, Trade, Industrial and Innovation Policy/Plan to support growth	- Review of the Mpumalanga Economic Growth and Development Path - Skills development and training aligned to the demand and economy - Business incubators and artisan development	

8.1 External Environment Analysis

The Socio-Economic Review and Outlook (SERO) of Mpumalanga is conducted on a bi-annual basis. The purpose of the SERO is to provide an essential reference to policy makers in Mpumalanga by providing socio-economic data and analysis for assessing the success of government social and economic policies in the Province. Placing Mpumalanga on a sound

growth and integrated development trajectory, requires coherent and coordinated public sector response, to the Province's socio-economic opportunities and challenges. The following socio-economic aspects of Mpumalanga are presented: provincial demographics, economic analysis (including tourism): labour: poverty and income inequality (triple challenges): and the technological factors.

Provincial Demographics

According to Stats SA's Census 2022, Mpumalanga's population was 5.1 million or 8.3% of the national total. Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Mpumalanga's population increased by 1.1 million from 4.0 million in 2011, whilst the share of the national total increased from 7.8%.

Over the period 2011 to 2022, the population of South Africa increased by 1.8% per annum and that of Mpumalanga by 2.3% per annum. Mpumalanga recorded the second fastest average annual increase.

Females constituted 2.67 million or 52.0% of the provincial population distribution and males 2.47 million (48.0%). The youth cohort (0-34 year) made up 64.3% of the total population in the province and the age group 60 years and older, only 8.1%.

When compared with the other provinces Mpumalanga registered the sixth highest/fourth lowest fertility rate for the period 2016 to 2021. It is anticipated that Mpumalanga's fertility rate will increase to 2.40 in the period 2021 to 2026. It is expected to be the sixth highest of the nine provinces.

Mpumalanga's male life expectancy for the period 2016 to 2021 was the joint third highest of the nine provinces. The projection for the period 2021 to 2026 is that male life expectancy in Mpumalanga could increase to 62.8 years. Mpumalanga's female life expectancy for the period 2016 to 2021 was 66.1 years. Mpumalanga recorded the fourth highest female life expectancy for the period 2016 to 2021. The projection for the period 2021 to 2026 is that female life expectancy in Mpumalanga could increase to 67.4 years.

Using Stats SA's classification system, 7.4% of South Africans aged 5 years and older were classified as disabled in 2011 and 6.0% in 2022. Mpumalanga's percentage of persons aged 5 years and older with disability was 7.0% in 2011 and declined to 5.1% in 2022. Mpumalanga recorded the seventh largest/third lowest share of people with disability compared with the other provinces.

8.1.1 Economic Analysis

8.1.1.1 Global and national economy

In 2024, the global economy experienced a modest stabilisation, with growth holding steady at 2.6%, according to the World Bank. The global economy faced significant challenges, including high interest rates, persistent inflation and geopolitical tensions. Growth in China, at 4.7% in year-over-year terms, was below expectations. Growth in India also slowed more than expected, led by a sharper-than-expected deceleration in industrial activity. Growth continued to be subdued in the euro area (with Germany's performance lagging that of other euro area countries), largely reflecting continued weakness in manufacturing and goods exports even as consumption picked up in line with the recovery in real incomes. In Japan, output contracted mildly owing to temporary supply disruptions. By contrast, momentum in the United States remained robust, with the economy expanding at a rate of 2.7% in year-over-year terms in the third quarter, powered by strong consumption.

The global economic outlook for 2025 and 2026 is projected at 3.3%, below the historical average of 3.7% between 2000 and 2019. Inflation is expected to moderate further, converging back to target earlier in advanced economies than in emerging market and developing economies..

Global growth prospects remain uncertain, with advanced economies showing divergent trends. The USA economy is expected to grow by 2.7% in 2025 driven by strong demand, labour markets, and investment, though growth should slow in 2026. In contrast, Euro area growth is revised down to 1.0% for 2025 due to geopolitical tensions and weak manufacturing but is expected to rise to 1.4% in 2026 as financial conditions improve.

Other advanced economies see stable forecasts, with recovering incomes supporting consumption while trade uncertainties dampen investment. Emerging market and developing economies are projected to grow at a similar pace to 2024, with China's 2025 growth revised slightly upward to 4.6%.

The domestic economy tracked world growth relatively closely up to 2000. However, since then, and especially after the economic downturn in 2008/09, the domestic economy has struggled to achieve even modest world growth levels. In 2023, the South African economy expanded by only 0.7% which was not as fast as the other regions in the depiction.

Over the past few years, South Africa's economy has continued to face challenges in recent years. Power shortages and disruptions to rail and port operations constrained growth to 0.7% in 2023. Activity remained subdued in 2024, given election-related uncertainty in the first half of the year and severe droughts. Nonetheless, power generation was stabilized and, following the formation of a Government of National Unity in June, consumer, business and investor confidence rebounded.

The IMF predicts a moderate increase in South Africa's real GDP, projecting a growth of 1.5% in 2025, on the back of improved electricity generation, monetary policy easing and a return of investor and consumer confidence. The Organisation for Economic Cooperation and Development (OECD) projects that economic growth will expand by 1.5% in 2025, with an expected rise to 1.7% in 2026. The World Bank anticipates a slightly faster expansion for South Africa in 2025 (1.9%) and 2026 (1.9%). At the Monetary Policy Committee (MPC) meeting in January 2025 the economic growth forecast by the South African Reserve Bank (SARB) was pronounced as 1.8% for both 2025 2026.

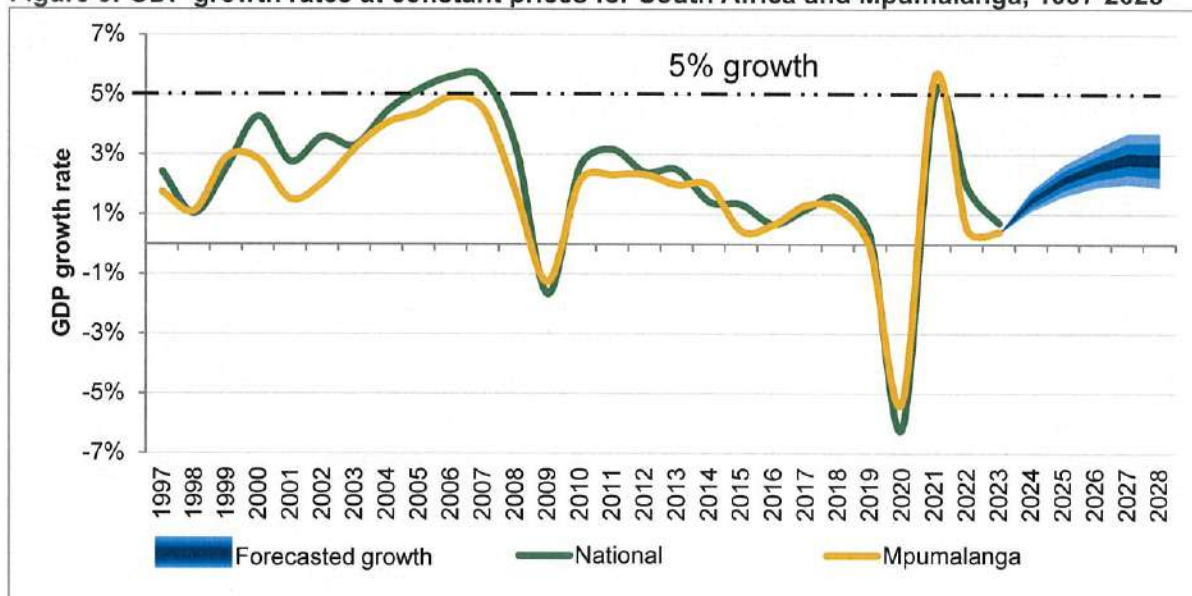
8.1.1.2 Mpumalanga economy

It is estimated that in 2023, Mpumalanga contributed some R549.5 billion in current prices, or some 7.8%, to the GDP of South Africa. Converted to constant 2015 prices, Mpumalanga's contribution was R342.1 billion in 2023. In 2023, Mpumalanga's contribution in constant 2015 prices was the fifth largest among the nine provinces. Mpumalanga's contribution in constant 2015 prices decreased from 8.3% in 1996 to 7.4% in 2023.

Historic growth patterns

In general, the economic growth of the province, as measured by growth in the GDP, was lower than the national rate (Figure 5). The provincial economy has outperformed the national economy in terms of GDP growth only in 1998, 1999, 2014, 2017 and 2021. The average annual growth rate for the country and Mpumalanga over the period 1996 to 2023 was 2.2% and 1.8%, respectively.

Figure 3: GDP growth rates at constant prices for South Africa and Mpumalanga, 1997-2028

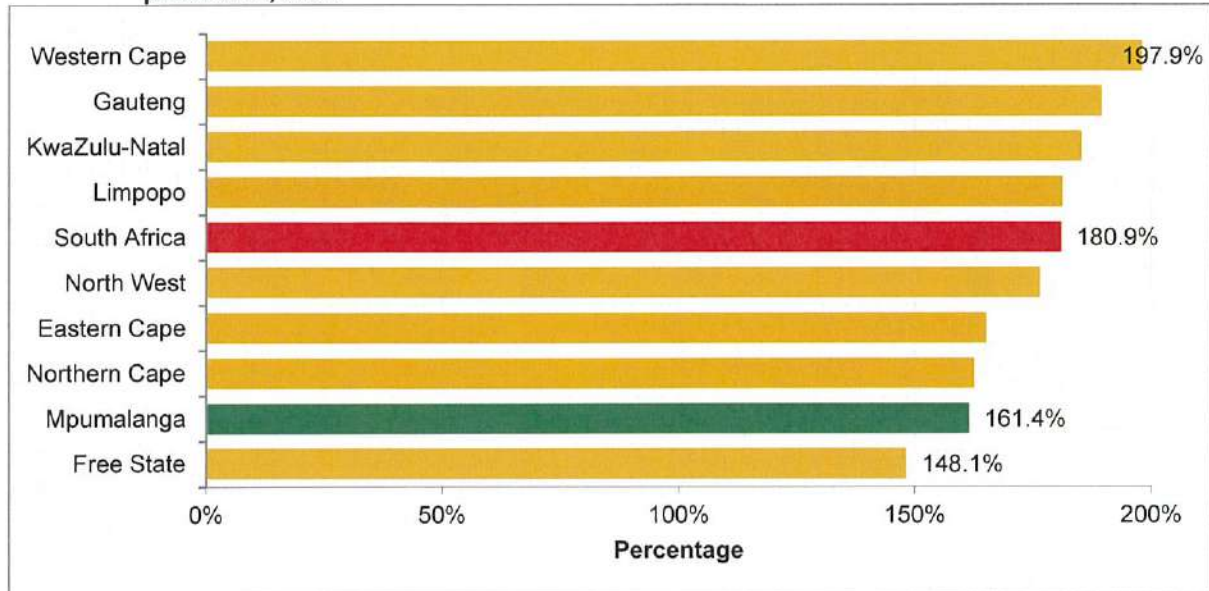


Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, December 2024

It is of great concern that the average annual economic growth for South Africa was only 0.3% between 2019 and 2023, whereas Mpumalanga's economy expanded by only 0.2% per annum over the same period. Mpumalanga recorded the joint second lowest annual average GDP growth rate in the 27-year period and the fourth slowest growth between 2019 and 2023. In 2023, Mpumalanga's economy expanded by an estimated 0.4%, which was even slower than the 0.5% growth registered in 2022. In 2022, Mpumalanga's growth was the joint slowest overall and the 2023 estimate is third slowest.

Because of the moderate economic growth experienced in South Africa over the last 27 years, the South African economy has not doubled in size between 1996 and 2023. From Figure 6 it is also evident that no provincial economy was in 2023 double its size of 1996. By 2023, the Western Cape economy, which grew the fastest between 1996 and 2023, was 197.9% of its 1996 size. Mpumalanga's economy was 161.4% of its 1996 size and registered the eight highest/second lowest increase. For an economy to double in size over a 27-year period, an annual average growth rate of 2.6% is required.

Figure 4: GDP at constant prices expressed as a percentage of 1996 GDP values in South Africa & provinces, 2023

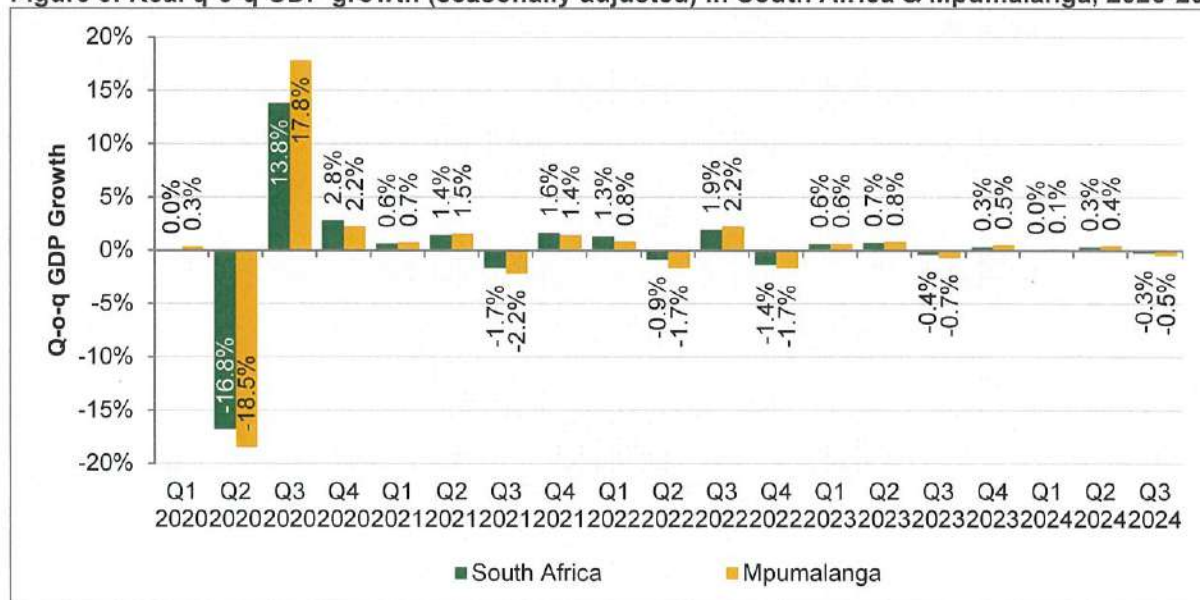


Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, December 2024

Recent economic growth

Prior to the COVID-19 outbreak in 2019, the economy of South Africa was already underperforming with a very low 0.3% growth rate and stagnant quarter-on-quarter (q-o-q) GDP growth (seasonally adjusted) in Q1 2020 of 0.0%. In Q2 2020, when the COVID-19 lockdown was at its most severe, the South African economy contracted by 16.8% (seasonally adjusted) and the Mpumalanga economy by 18.5% (Figure 7). With the easing of the lockdown, the national and provincial economies expanded again in Q3 2020 by 13.8% and 17.8%, respectively. The national economy would eventually contract by 6.2% in 2020 and the Mpumalanga economy by 5.3%.

Figure 5: Real q-o-q GDP growth (seasonally adjusted) in South Africa & Mpumalanga, 2020-2024



Sources: Stats SA – GDP, 2024

S&P Global – ReX, December 2024 & calculations based thereon

The national and provincial economies have faced persistent challenges in its economic recovery efforts since 2020, grappling with both domestic and global factors. On the domestic front, load shedding has posed a significant obstacle, while globally, modest growth hindered mostly by supply chain bottlenecks has compounded the difficulties. Nevertheless, in 2021, both the South African and Mpumalanga economies registered, respective, economic growth of 5.0% and 5.6% from the low base of 2020. In 2022 and 2023, the provincial economy registered low and uneven growth of 0.5% and 0.4%, respectively.

In Q3 2024, the South African economy contracted by 0.3% after a modest 0.4% expansion in the previous quarter. Over the last seventeen quarters since the severe slump in Q2 2020, the South African economy has recorded twelve quarters of expansion and five of decline. Despite the twelve quarters of expansion, the national economy was only 1.2% larger in Q3 2024 than what it was in Q1 2020, before the COVID-19 pandemic.

The national economy experienced real GDP growth of only 0.7% in 2023. The 2023 growth was below the growth target and South Africa's economic progress since COVID-19 has been predominantly stagnant.

The provincial economy has now registered twelve quarters of growth and five of contraction since the drop in economic activity during Q2 2020. The contraction in Q2 2020 was so severe

that the provincial economy, despite the eleven quarters of expansion, was only 0.2% larger in Q3 2024 than what it was in Q1 2020.

Forecasted growth

The annual average growth rates for South Africa and Mpumalanga, from 2024 to 2028, are forecasted at 2.2% and 1.8%, respectively (Table 25). Mpumalanga's economy is forecasted to achieve the joint slowest annual average growth over the period 2024 to 2028. It is expected that the Mpumalanga economy will expand in 2024 by 1.1%.

GDP per capita

GDP per capita is often considered an indicator of a region's standard of living on the rationale that all citizens would benefit from the region's increased economic production. Mpumalanga Vision 2030, states that the GDP per capita expressed in constant 2015 prices must increase from an estimated R77 672 in 2010 to R140 000 by 2030. In 2023, the provincial GDP per capita was, however, lower than in 2010 with an estimate of only R69 578 per person. Sustained annual average GDP growth of more than 5% is necessary to come near to the set target of R140 000 by 2030.

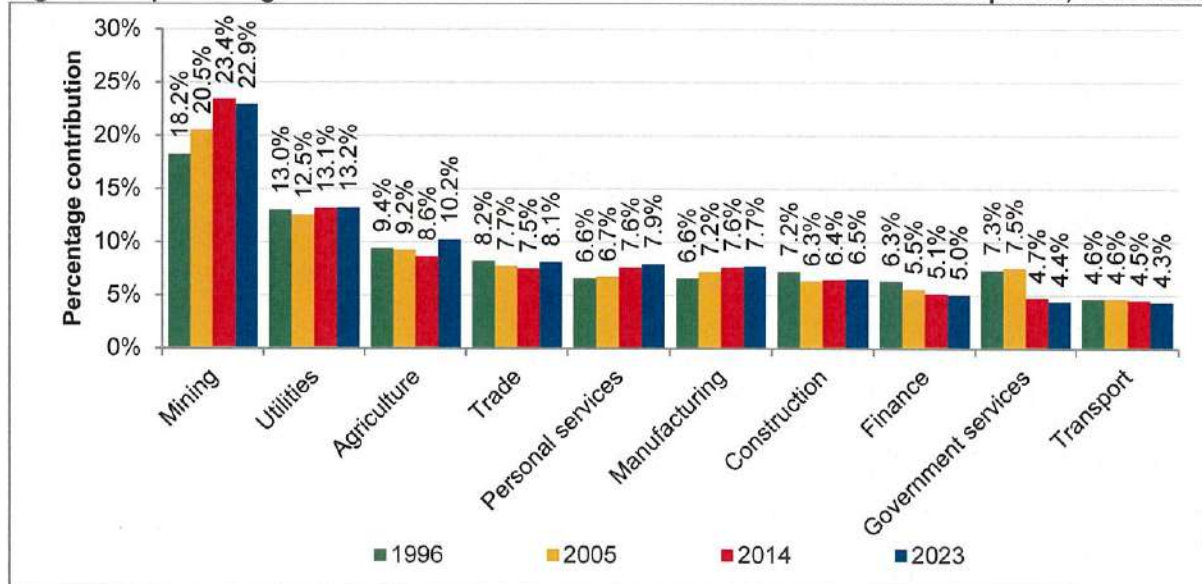
8.1.1.3 Contribution to the national industries

Figure 8 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry between 1996 and 2023. It is estimated that in 2023, the province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective shares of 22.9% and 13.2%. It is noticeable that the contribution by Mpumalanga's mining, utilities, agriculture, personal services and manufacturing industries increased between 1996 and 2023, whereas the other industries' contribution, declined.

8.1.1.4 Contribution to the provincial economy – constant prices

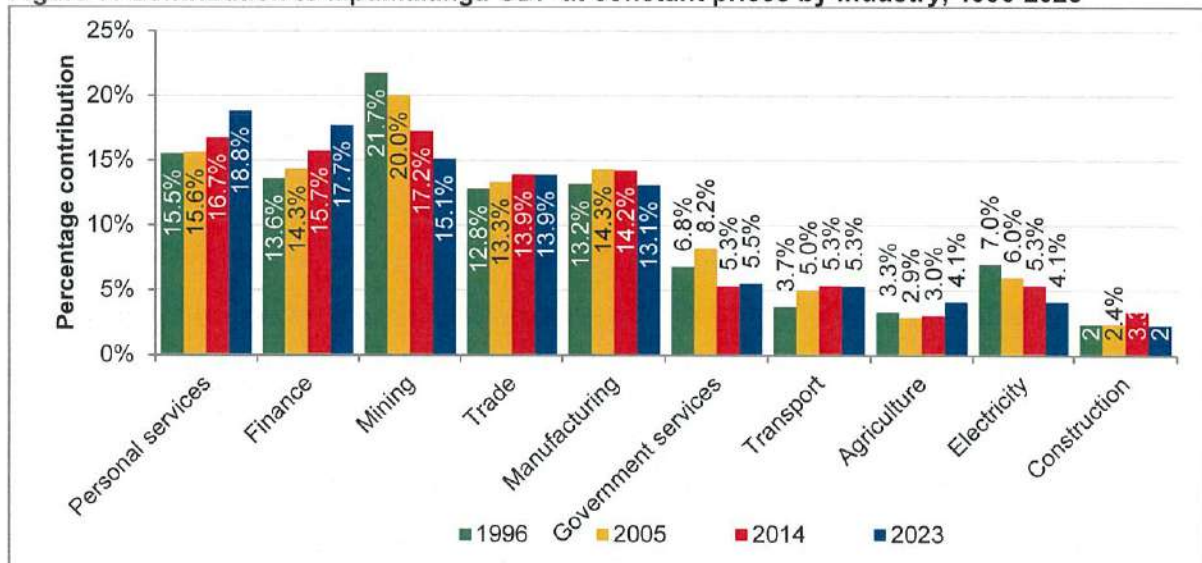
In 2023, the primary sector in Mpumalanga contributed 19.2%, the secondary sector 19.5% and the tertiary sector 61.2% to the provincial GDP at basic prices. Although the economy depended less on the primary sector in 2023 than in 1996 (25.0%), it continued to stand in contrast to the national primary sector's small contribution of 7.9% in 2023. The much smaller contribution by mining to the national economy (4.9% versus 15.1% in Mpumalanga) was the main reason for the difference in primary sector contribution. Nationally, the secondary sector added 17.4% and the tertiary sector 74.7% in 2023, with finance (26.4%) the single largest industry.

Figure 6: Mpumalanga's contribution to South Africa's industries at constant prices, 1996-2023



Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, December 2024

Figure 7: Contribution to Mpumalanga GDP at constant prices by industry, 1996-2023



Sources: Stats SA – Provincial Gross Domestic Product, 2023
S&P Global – ReX, December 2024

Figure 9 displays the share of each economic industry in the provincial economy between 1996 and 2023. It is estimated that in 2023, the three largest contributors to the provincial economy were personal services (18.8%), finance (17.7%) and mining (15.1%). The top three's ranking was somewhat different from 1996, when personal services contributed 15.5%, mining 21.7%

and finance 13.6%.

Between 1996 and 2023, the industries with the fastest economic growth were transport (3.3%) and finance (2.9%). Over the period 2024-2028, it is expected that finance (3.0%) and transport (2.9%) will record the highest average annual growth per annum. The relatively low growth expectation for mining and manufacturing are concerning.

Finance is expected to be the main driver of provincial economic growth between 2024 and 2028. Personal services are expected to make the second largest contributor to provincial growth in the 4-year period, whereas mining is expected to add the same as construction and trade.

8.1.1.5 Tourism

Because tourism is not a clearly defined industry in the ISIC, it was therefore the first economic activity to use Satellite Account standards to measure its impact on national economies – as approved by the United Nations (UN) in March 2000.

Stats SA calculates a Tourism Satellite Account¹ (TSA) for tourism in South Africa. According to the latest preliminary TSA for 2022, the national tourism sector was simulated to have directly contributed some 3.5% to GDP. Some 777 686 persons were directly engaged in producing goods and services purchased by visitors, which accounted for 4.8% of total employment in 2022.

The current lack of sufficient baseline data of tourism supply on a provincial level makes an assessment of the supply side, and therefore a similar exercise such as the TSA for South Africa on a provincial basis, virtually impossible. It is possible to simulate scenarios that can give an indication of the GDP and employment contribution by tourism in Mpumalanga. From a recent study conducted by DEDT², the contribution that tourism makes to the Mpumalanga economy could be between 3.0% and 3.5%. Furthermore, the tourism industry's contribution to employment in Mpumalanga could be between 4.6% and 4.7%.

It is, however, possible to express tourism spend as a percentage of regional GDP in order to indicate how large an impact it makes and whether its contribution is growing. In terms of this indicator, tourism spend in 2017 was equal to 5.2% of South Africa and 4.4% of Mpumalanga's GDP. In 2023, tourism spend in South Africa was equal to 6.8% of GDP, whilst in Mpumalanga it

¹ A Satellite Account is a term developed by the UN to measure the size of economic sectors that are not defined as industries in national accounts.

² Relevant Tourism Statistics & Perspectives with specific reference to Mpumalanga, December 2024.

was equal to 5.7% of the provincial GDP.

According to South African Tourism's *Tourism Performance Report 2023*, Mpumalanga was the province that recorded the second highest number of foreign arrivals in 2023, with a share of 19.0% of total foreign arrivals. This was up from the 12.5% of total foreign arrivals in 2017. In 2023, Mpumalanga captured 14.9% of the total bednights spent by all foreign tourists in South Africa. This was higher than the 10.6% in 2017.

8.1.2 Socio-economic Factors

8.1.2.1 Employment

The national labour market gained 571 165 jobs in the 5-year period from Q3 2019 to Q3 2024. Therefore, the average annual jobs gained on the national level was 114 233 per year. Mpumalanga's increase in employment numbers over the 5-year period of 7 747 was the smallest increase among the six provinces that gained jobs. Mpumalanga's average annual employment increase of 0.6% per annum was also the lowest of the six provinces that showed an increase.

The national labour market gained 201 392 jobs between Q3 2023 and Q3 2024. Mpumalanga's employment increased by 38 698 over the same period. Mpumalanga recorded the third highest number of job gains and the third highest average annual employment increase.

Between Q2 2024 and Q3 2024, Mpumalanga's employment numbers increased by 48 948 or by 4.1%. In Q3 2024, total employment in Mpumalanga constituted 7.3% of employment in the country, which was higher than the 7.2% share recorded in Q3 2023, but lower than the 7.5% share recorded in Q3 2019.

Employment by industry

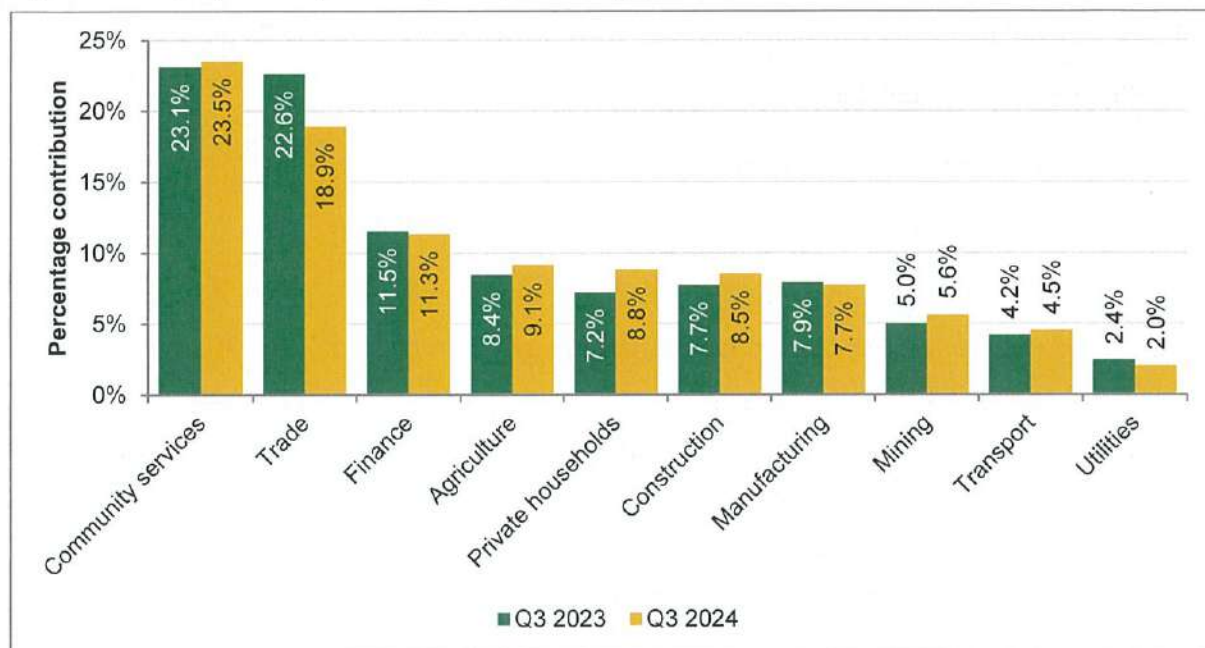
Employment by industry

Figure 10 depicts employment by industry in Mpumalanga in the third quarters of 2023 and 2024, respectively. Community services (23.5%) and trade (18.9%), employed the largest shares of individuals in the province in Q3 2024. The shares of community services, construction, agriculture, manufacturing, mining and transport increased between Q3 2023 and Q3 2024, whereas the contributions of trade, finance, private households and utilities declined in share.

Utilities was the smallest industry throughout while transport was the second smallest employing

industry in Q3 2024. Over the course of the last year, private households recorded the largest percentage point increase and the largest percentage point decline was recorded by trade.

Figure 8: Employment by industry in Mpumalanga, 2023-2024



Source: Stats SA – QLFS, 2024

Employment by gender and age

There were more males (56.1%) employed in Mpumalanga in Q3 2024 than females. Over the past year, the male employment number increased by 51 517 to 696 119. Female employment numbers declined by 12 820 to 545 013, and therefore recorded a smaller share in Q3 2024 (43.9%) than a year earlier (46.4%).

In Q3 2024, adults (35-64 years) held the majority of jobs in Mpumalanga with a share of 64.2%. The adult employment numbers increased by 42 367 from a year earlier and the share increased from 62.7% in Q3 2023 to the current 64.2%. The youth (15-34 years) employment numbers declined by 3 670 and therefore the youth share declined from 37.3% in Q3 2023 to 35.8% in Q3 2024.

Occupational profile

The occupational profile was skewed towards semi-skilled and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) declined from

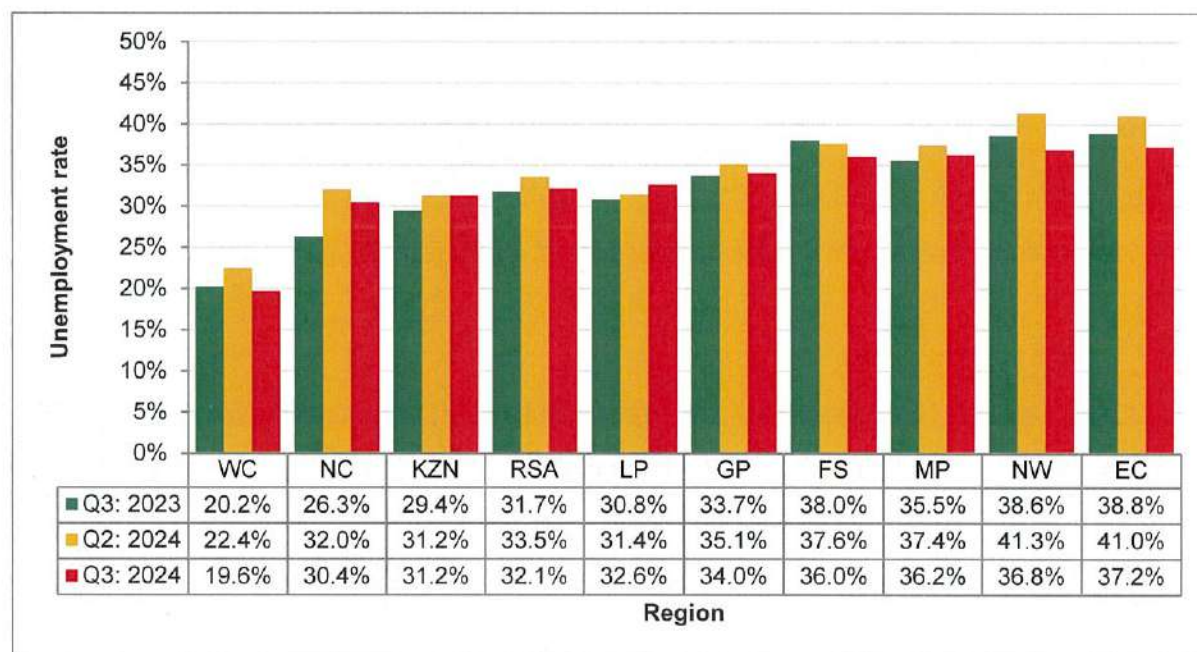
17.3% in Q3 2023 to 15.2% in Q3 2024. The share of semi-skilled occupations declined slightly from 48.4% to 47.7% over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 36.9% in Q3 2024, up from the 34.3% share of one year earlier.

8.1.2.2 Unemployment

Official definition of unemployment

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 36.2% in Q3 2024 (Figure 11), which was lower than the 37.4% recorded in Q2 2024, but higher than the 35.5% in Q3 2023. Mpumalanga's unemployment rate increased/deteriorated by 0.7 of a percentage point over the 5-year period, however, it declined/improved by 0.8 of a percentage point over the last year. Mpumalanga was one of seven provinces with a lower unemployment rate than the previous quarter.

Figure 9: Strict unemployment rate for South Africa by province, 2023-2024



Source: Statistics South Africa – QLFS, 2024

In Q3 2024, Mpumalanga's unemployment rate was higher than the national average of 32.1%, as it has been throughout the 5-year period. Mpumalanga, recorded the third highest unemployment rate among the nine provinces in Q3 2024.

Official unemployment by gender and age

In Q3 2024, females accounted for 48.3% of the total number of unemployed individuals, while males constituted 51.7%. This female share was lower compared to twelve months earlier when females made up 48.5% of the unemployed population. Among the unemployed, the youth cohort represented 63.1% of the total in the province, which was higher than the share recorded in Q3 2023 of 57.4%.

In Q3 2024, the unemployment rate of males stood at 34.4%, which was lower than the female unemployment rate of 38.5%. The unemployment rate for youth of working age (15-34 years) was 50.0%, whereas the unemployment rate of adults (35-64 years) was only 24.6%. The female youth unemployment rate of 56.6% was substantially higher than the male youth unemployment rate of 44.6%. Additionally, the unemployment rate of the 18-24-year age cohort of males was 58.2% in Q3 2024, with the female unemployment rate in that age group reaching 70.3%.

Expanded definition of unemployment

The expanded unemployment rate takes into account everybody who was available for work even if they did not search for work. In essence, it includes all persons who are unemployed according to the strict definition plus part of the inactive population who indicated that they were available, regardless of the reason they gave for not looking for work.

South Africa's expanded unemployment rate was recorded at 41.2% in Q3 2023 and increased/deteriorated to 41.9% in Q3 2024. Mpumalanga's expanded unemployment rate was 47.8% in Q3 2024, which was higher than one year earlier. It was higher than the national average and the second highest expanded unemployment rate among the nine provinces.

Expanded unemployed by gender and age

In Q3 2024, the share of females accounted for 54.1% of the total number of unemployed individuals and males for 45.9%. The share of females was higher than twelve months earlier when females contributed 52.3%. The youth segment contributed 60.3% to the overall number of unemployed individuals in the province, which increased by 3.1 percentage points from Q3 2023.

In Q3 2024, the expanded unemployment rate of males stood at 42.9%, which was lower than the rate among females of 53.0%. The expanded unemployment rate of youth working age (15-34 years) was 60.7%, while for adults it was 36.2%. The unemployment rate among female youth in Q3 2024 was significantly higher at 68.3% compared to the male youth unemployment rate of

53.4%. The expanded unemployment rate of the 18-24-year age cohort of males was 67.9% in Q3 2024 and the 18-24-year-old female unemployment rate was 80.6%.

8.1.2.3 Income Inequality and Poverty

Income inequality

South Africa has one of the highest imbalanced income distributions in the world. The national Gini-coefficient was calculated to be 0.61 in 2023. The most recent national level only reflects a slightly less unequal income distribution than was the case in 1996. The provincial income distribution was as unequal in 2023 (0.60) than what it was in 1996 (0.60). Similar to the national situation, the provincial income inequality also remained declined/improved steadily between 2009 and 2023. Among the provinces, Mpumalanga (0.60) registered the joint third lowest level of income inequality in 2023.

The NDP targets that the poorest 40% of households in South Africa must earn at least 10% of total income by 2030. In practice, one is able to calculate that the poorest 40% of households in Mpumalanga earned 7.7% of income in 2023. This was higher/better than the national figure of 7.0% for 2023, however, it was lower/worse than the 8.6% share achieved in 1996. Among the provinces, Mpumalanga registered the joint second highest/best share.

Poverty aspects

Lower-bound poverty

Mpumalanga's population share below the lower-bound poverty line (LBPL) improved from 64.3% in 1996 to 51.2% in 2023. Although South Africa and Mpumalanga registered an improvement over the 27-year period, the share of population below the LBPL increased between 2014 and 2023. In 2023, Mpumalanga's share below the LBPL was higher than the national figure and the fourth highest/worst among the nine provinces. Between 1996 and 2023, the number of people below the LBPL in Mpumalanga increased by 293 871 from 2.13 million to 2.42 million.

Subjective poverty

Subjective poverty can be used as an additional measure to objective poverty, which allows for more robust measurements of welfare. Stats SA made use of data from the 2019 GHS and 2022

GHS and recently published *Subjective Poverty in South Africa, 2019 & 2022*. The GHS, among other things, measures the living standards of South Africans. The three indicators used to measure subjective poverty, are Self –perceived Wealth (SPW), Minimum Income (MI) and Income Evaluation (IE).

Based on the SPW indicator, Mpumalanga recorded the fifth lowest/highest incidence of poverty. According to the SPW indicator between 2019 and 2022, the proportion of households who perceived themselves as poor from Mpumalanga increased/deteriorated from 19.3% to 22.6% (Table 22).

Based on the MI indicator, Mpumalanga again recorded the fifth lowest/highest incidence of poverty. According to the MI indicator between 2019 and 2022, the proportion of households who perceived themselves as poor from Mpumalanga declined/improved from 58.8% to 51.7%.

Based on the IE indicator, Mpumalanga (58.2%) had the highest incidence of poverty and Western Cape (31.7%) the lowest. According to the IE indicator between 2019 and 2022, the proportion of households who perceived themselves as poor from Mpumalanga declined/improved from 63.9% to 58.2%.

8.1.3 Technological Factors

There is increasing evidence of linkages between investment in electronic communications infrastructure and improvements in the economy. Though broadband impact studies vary on the exact contribution made to economic growth, there is enough evidence to support claims that increases in broadband penetration correlate with increases in GDP, new jobs, broadening of educational opportunities, enhanced public service delivery and rural development.

According to a study conducted by World Bank, with every 10% increase in broadband penetration, there is an increase in GDP growth of 1.38%. Other globally conducted studies suggest that for every 1%, increase in broadband penetration, and ICTs in high and medium income countries productivity grows by 0.13%. The 1% increase also and contributes to total employment growth between 0.14% and 5.32% depending on the industry. Furthermore having Internet access has proved to generate 6% increase in foreign sales for manufacturing companies.

The hard evidence of the economic impact of ICTs is fairly recent. However, it is commonly accepted that ICT acts as an enabler of structural change in the economy as it affects the increasing number of sectors and activities. The evidence points to the fact that in order to achieve an important level of economic impact, broadband needs to reach high levels of penetration. The implication of this finding for developing countries, such as South Africa, where broadband penetration is low, is significant in that huge capital investment is required to increase supply and to stimulate the demand for broadband.

According to the International Telecommunications Union (ITU) the evidence of economic benefits of ICT generated so far fall into four areas, discussed below: (i) contribute to economic growth; (ii) impact on productivity; impact on job creation, (iii) create consumer surplus; and (iv) impact on firm efficiency.

There is a proven correlation between ICT deployment and economic growth; hence the need for the Province and the Department to continue investing in ICT as an enabler for provincial economic growth over the MTFD period. The deployment of broadband technology across enterprises improves productivity by facilitating the adoption of more efficient business processes (e.g. marketing, inventory optimisation, and streamlining of supply chain).

The growth of Artificial Intelligence is causing a massive leap in the advancement of industry as the global economic landscape is changing dramatically. Organisations that do not adapt to these changes, which are driven by ICT, will find themselves fast becoming less influential and will ultimately become irrelevant.

The Department will pursue an ICT strategy that sets clear direction and guidance of how ICT services will be delivered to achieve the strategic objectives of the department. It is however essential that the Department is sufficiently aligned with the evolving ICT world in order to use this as an enabler for change.

The first phase will focus on ensuring the necessary governance instruments are in place for the Department to function in an ICT driven environment as per government prescripts

This will be anchored by a Corporate Governance of ICT Policy Framework aligned to each of the respective business governance structures. This will be supported by various charters, and plans as prescribed through the DPSA. The ICT Steering Committee will provide overall guidance on achieving the Department's goals. The organisational structure will be structured to introduce

the ICT function. This function will be set up under the office of the GITO and coordination within the organisation to execute transformation of the Department to be in line with government requirements and will be supported through an ICT Operational Committee.

Among the areas of transformation will include;

- The move from manual based provision of services to the provision of eGovernment services (i.e. Government-to-Business; Government-to-Citizens and Government-to-Government, etc.) and the migration of internal business processes to paperless based electronic data storage and management of information.
- The processing and utilization of this information for organisational/ business intelligence both, for internal management and external provision of services to stakeholders.

The adoption of information and communication technologies by the Department and its agencies namely; MEGA, MTPA and MER has evolved independently of each other. The second phase will therefore involve the integration of ICT systems between the Department and its entities in order to drive efficiencies and maximize productivity. This phase can run concurrently with the first phase once a basic governance framework is in place.

ICT has become an important tool for e-commerce, e-government, e-education, e-health, etc., and thereby revolutionising the way business is done, the delivery of services including utilities, delivery of education and health care through tele-medicine.

The third phase will focus on the Department to lead the Mpumalanga Provincial Administration in terms of giving direction on how ICT is deployed and utilised as an enabler for economic development in the Province not only in government, but in all spheres of the economy. This will position ICT as a growing sector within the New Economies as identified per the MEGDP. Extensive deployment of broadband accelerates innovation by introducing new consumer applications and services (e.g. e-commerce and financial intermediation). Broadband leads to a more efficient functional deployment of enterprises by maximizing their reach to labour pools, access to raw materials, and consumers, (e.g., outsourcing of services, virtual call centres). Many studies measure the impact of ICT on economic growth on numerous aspects, ranging from its aggregate impact on GDP growth to the differential impact of broadband by industrial sector.

This is an area which has enormous bearing upon the future growth and resilience of the economy of the province hence the Department will require formal backing from the provincial EXCO

All the above will require a workforce that is appropriately skilled hence a massive Human Resource Development initiative will be pursued to capacitate the officials in various areas covering not only the technical user aspects but also the legal, management as well as communication aspects of ICT. Basic operational skill sets from the areas of ICT Risk Management, Data and Records Management, Asset Management to legal skills such as the POPI Act right up to technically advanced areas of Cyber Security, Cloud Computing, Big Data and Artificial Intelligence will all need to be part of a comprehensive upskilling drive for the Department.

Realignment of financial resources to accommodate basic ICT tools and infrastructure as well as human resources to adapt to the rapidly changing needs of the DEDT such as impending redundancies emanating from the depleted need for manual operational staff will require change management that is executed well.

This will lay the foundation for an agile and flexible ICT environment that allows for growth and adapts to rapidly changing organisational needs.

8.1.4 External Environmental Diagnosis

The Department has used the Problem and Solution Tree methodology to conduct an external environmental evaluation and analysis. This section provides an overview of the problem and solution trees that has been identified, and the focal points that the Department need to address to ensure economic growth is sustained.

SWOT Analysis, Burning Platforms and Areas of Focus

Participants contributed to a detailed SWOT analysis and an analysis of the Province's core internal and external burning platform issues to assist with more detailed engagements on the challenges faced in the Province. The analysis was followed by agreement on the core challenges for further deliberations by four Commissions. The inputs are summarised as follows:

Strengths

- **Significant Potential for Job Creation and Economic Growth:** The sector has a strong potential to drive economic development, mainly through tourism and transportation. There are various opportunities for job creation, especially considering the availability of a large, eager, and youthful labour force.

- **The abundance of Natural and Tourism Resources:** The Province is rich in natural resources, including tourism sites, mineral endowments, and biodiversity, such as the Makhonjwa Mountain World Heritage site. These resources offer a competitive advantage for economic and tourism development.
- **Strategic Assets and Infrastructure:** The region benefits from established infrastructure, including roads, tourism facilities, and transmission infrastructure. Provincial assets and economic plans are also in place, supported by financial agencies and experienced staff.
- **Collaboration and Institutional Strengths:** The sector benefits from cooperation with government entities and access to resources like information, funding, and support from entities such as DEDT and financial agencies. Though facing implementation challenges, existing policies provide a robust framework for development.
- **Innovation and Leadership Commitment:** The sector has a wealth of innovative minds capable of proposing solutions for economic improvement. Furthermore, there is leadership commitment and support, with opportunities for SMMEs in the tourism sector and an overall readiness for strategic and operational planning.

Sector Weaknesses

- **Inadequate Investment and Infrastructure:** There is a significant lack of investment in economic and tourism-related infrastructure, such as roads and state-owned tourism sites. Budget constraints, poor financial management, and inadequate funding allocation are significant hindrances to development.
- **Lack of Implementation and Coordination:** The slow or non-implementation of plans and resolutions, coupled with poor coordination and information sharing among various units and entities, undermines progress. The lack of teamwork and cohesion between key stakeholders in the sector exacerbates this.
- **Skills Mismatch and Human Capacity:** The sector suffers from a mismatch between the skills required and those available. There is a lack of adequately skilled personnel, which, combined with poor work ethic and insufficient human capacity development, hampers effective project implementation and economic growth.
- **Corruption and Leadership Issues:** Corruption, favoritism, nepotism, and abuse of power are pervasive issues in the sector, with leadership often focused on self-enrichment rather

than addressing the needs of the public. This leads to slow progress on the transformation agenda and further delays in critical infrastructure projects.

- **Crime and Safety Concerns:** High crime rates and the inability to address them significantly deter tourism and investment in the sector. Safety concerns further exacerbate the challenges of attracting domestic and international tourists, limiting the sector's growth potential.

Sector Opportunities

- **Innovation and Transformation:** The sector has significant innovation potential, mainly through transformation initiatives that promote economic growth, such as green clusters, value-add manufacturing, and beneficiation. There is also room to leverage new technologies and economies, such as ICT and just transition strategies.
- **Tourism and Natural Attractions:** Tourism remains one of the most substantial opportunities, with the Province's world-class tourist destinations, including popular attractions and national parks. The strategic location near ESwatini and Mozambique enhances the sector's appeal, as do infrastructure development and agri-processing opportunities.
- **Untapped Resources and Youthful Workforce:** The region is rich in natural resources and has a large, youthful population that can be tapped for economic development. Access to new markets, investment opportunities in various industries, and the support of small and medium-sized enterprises (SMMEs) further amplify the sector's potential.
- **International Trade and Strategic Location:** The Province's strategic location presents opportunities for international trade and investment, including access to neighboring countries and critical industries. Initiatives like the MIFPM offer avenues to promote economic growth through global partnerships.
- **Job Creation and Small Business Growth:** There are ample opportunities for job creation, mainly through the development of small businesses and entrepreneurial ventures. With proper financing and support, these businesses can help diversify the economy and attract investors, creating employment in areas like bed and breakfast ventures, where there is a demand in towns like Graskop and Hazyview.

Sector Threats

- **Corruption and Crime:** The sector is heavily impacted by high levels of corruption, nepotism, cronyism, and widespread crime. These issues, including a lack of innovation and trust, are eroding public confidence and slowing down business opportunities.
- **Dilapidated Infrastructure and Energy Shortages:** Poor infrastructure, especially ageing municipal systems, along with ongoing energy shortages and service delivery protests, pose severe challenges to tourism and economic development.
- **Leadership and Political Will:** There is a significant lack of leadership at both political and senior management levels. This, coupled with a lack of clear mandates, political will, and accountability, hinders effective governance and decision-making.
- **Climate Change and Global Warming:** The effects of climate change, such as global warming, are increasingly threatening infrastructure, environmental sustainability, and the sector's ability to compete globally.
- **Budget Constraints and Skills Shortages:** Serious financial mismanagement, lack of resources, and a shortage of skilled labour further exacerbate the sector's challenges, limiting its capacity to innovate and grow effectively.

External Burning Platform Issues

- **Lack of Coordination and Collaboration:** A significant issue highlighted is the poor coordination between government entities, the private sector, and various departments. This lack of collaboration and working in silos impedes the effective implementation of projects and initiatives.
- **Leadership and Political Will:** Strong leadership and political will are needed to drive transformation and development. Political interference and low work ethic among officials are seen as barriers to progress, and leadership needs to be more proactive in ensuring yearly targets are set and met.
- **Crime and Safety:** High crime rates are consistently identified as a critical external issue affecting growth and investment in the sector. Reducing crime and improving safety are necessary to attract investment, tourists, and business opportunities.
- **Economic Inclusivity and Job Creation:** The need for more inclusive economic growth and the creation of job opportunities are highlighted as critical concerns. Access to business

opportunities must be expanded, and economic projects should be implemented to impact job creation and growth positively.

- **Infrastructure and Foreign Investment:** Inadequate infrastructure and a lack of foreign direct investment (FDI) are significant hurdles. The Department must also better oversee these issues and develop coordinated outreach mechanisms to attract investment and address critical infrastructural deficits.

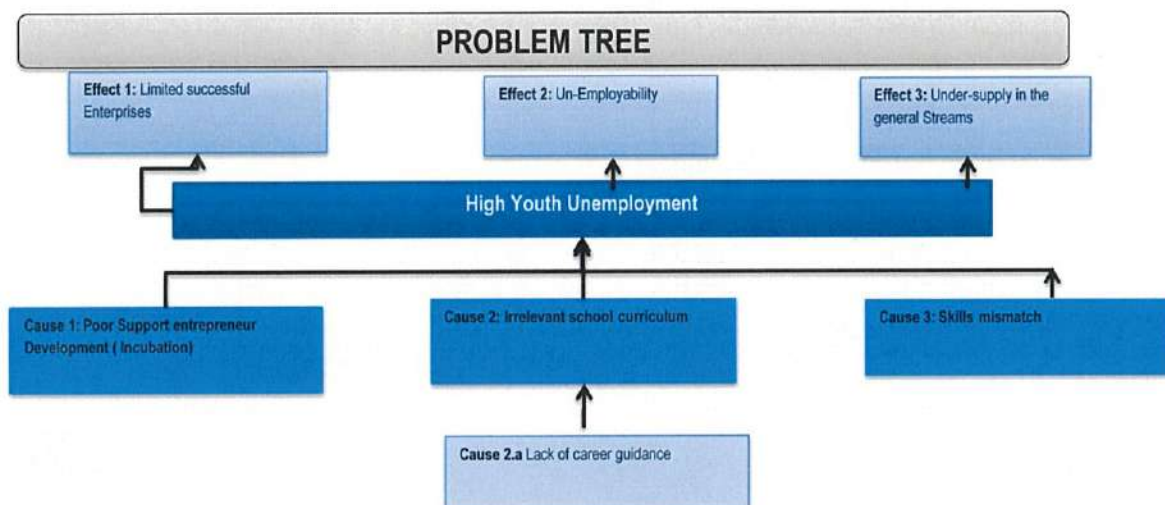
Internal Burning Platform Issues

- **Leadership and Political Will:** There is a clear gap in leadership and political will, with issues of low work ethic, unclear leadership direction, and political instability hindering the Department's effectiveness. Stronger, more decisive leadership is needed to drive progress and ensure accountability.
- **Skills and Capacity Building:** Skills challenges, including a lack of skilled and capacitated personnel, are major internal issues. Addressing these gaps by investing in skills development and ensuring that staff are adequately trained is crucial for improved performance.
- **Coordination and Oversight:** Poor coordination and oversight, particularly between the Department and its agencies, negatively impact the implementation of high-impact projects. Better entity oversight is also needed to ensure that the agencies work collaboratively and not in isolation.
- **Nepotism, Favoritism, and Equal Opportunities:** Internal issues such as nepotism, favoritism, and lack of equal opportunities are highlighted as significant barriers to fair and efficient functioning. These issues contribute to low morale and undermine the Department's credibility and effectiveness.
- **Funding and Budget Management:** A recurring theme is better budgeting management and securing adequate funding to carry out key projects. Addressing budget issues and ensuring proper financial oversight will allow the Department to meet its strategic goals effectively.

Core Problems and Challenges

Core Problem No. 1: High Youth Unemployment and Insufficient Economic Growth:

Mpumalanga faces a critical challenge with 46.4% youth unemployment, and the current 2% economic growth rate is insufficient to create meaningful employment opportunities or reduce poverty, exacerbating socio-economic instability and inequality.



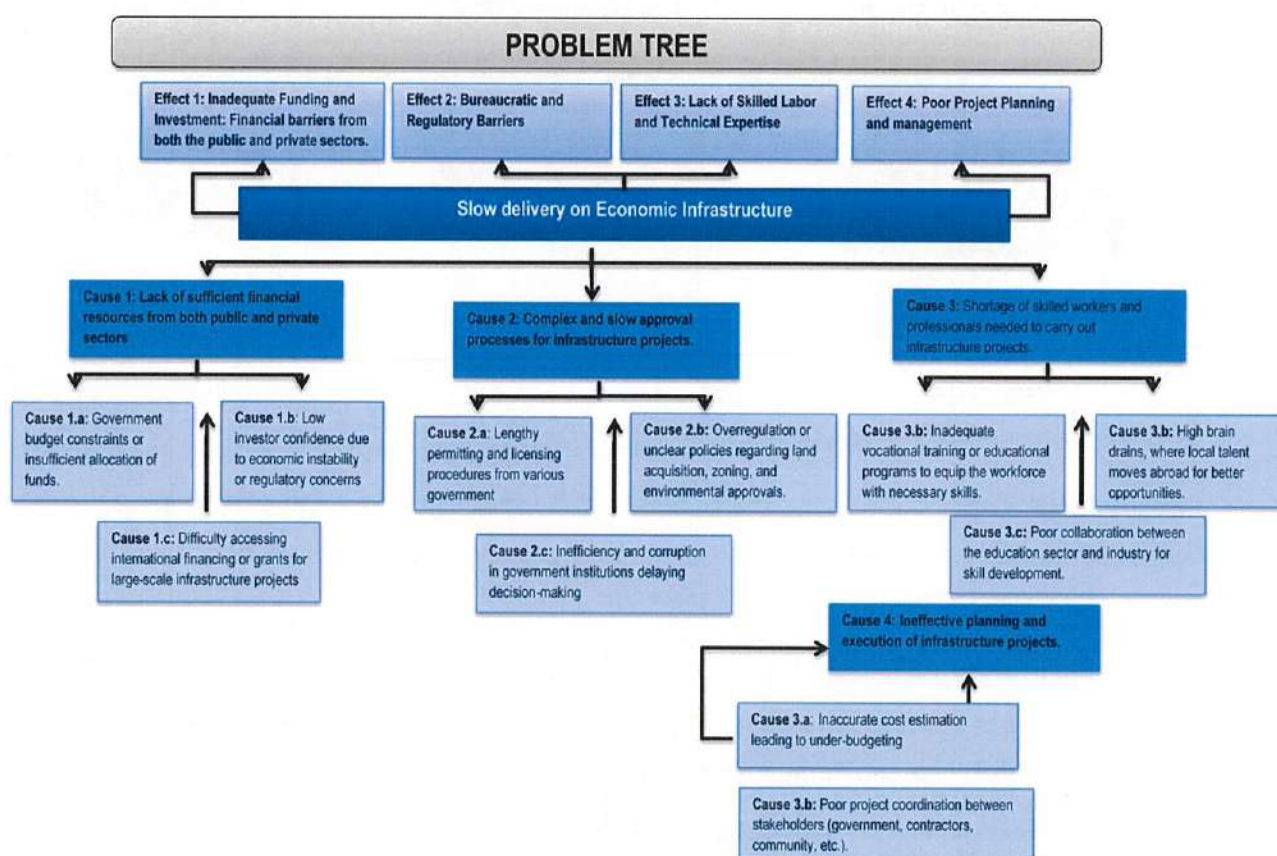
Proposals on Future Interventions:

Mpumalanga can reduce youth unemployment by aligning education and training with market needs, enhancing entrepreneurial support, and improving employment opportunities for young people.

- **Enhance Entrepreneurial Support:** Increase access to financial and non-financial resources for young entrepreneurs to encourage innovation and self-employment opportunities.
- **Provide Career Guidance and Skills Development:** To improve employability, empower youth through skills development programs and offer targeted career guidance that equip youth with the relevant skills needed for the job market.
- **Invest in Youth Employment Programs:** Invest in internship, apprenticeship, and mentorship programs to bridge the gap between education and employment and ensure young people gain practical work experience.
- **Increase Market Access for Youth-Led Businesses:** Support youth-led businesses in entering new markets and scaling their operations, improving their access to markets.
- **Enterprise Development Unit:** Establish a dedicated unit within MEGA to coordinate and streamline enterprise support across the Province.

- **Technology Innovation Hubs:** Establish innovation hubs to provide solutions to industry challenges and stimulate growth in various sectors.

Core Problem No.2: Slow delivery on Economic Infrastructure: Delays in vital infrastructure projects, including transport, energy, and water services, hinder economic expansion, limit industrialisation, and deter investment in high-potential sectors like agriculture and manufacturing.



Proposals on Future Interventions:

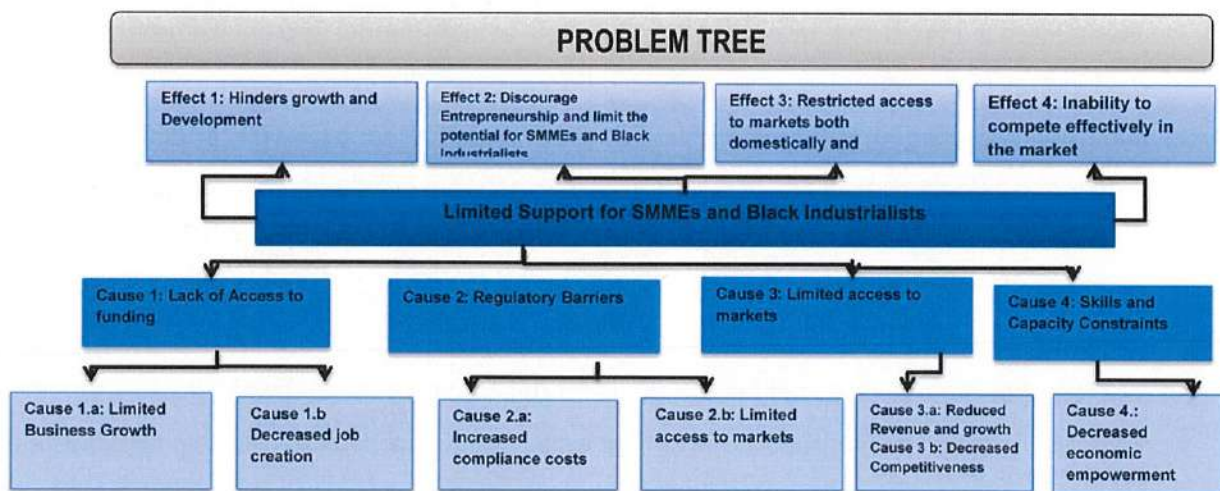
Delays in vital infrastructure projects, including transport, energy, and water services, hinder economic expansion, limit industrialisation, and deter investment in high-potential sectors like agriculture and manufacturing.

Mpumalanga has a solid potential to unlock economic growth and job creation by addressing infrastructure delays in transport, energy, and water services and creating a supportive environment for industrialisation and investment.

- **Accelerate Project Approvals and Execution:** Streamline regulatory and bureaucratic processes to fast-track approvals for infrastructure projects, reducing delays and ensuring timely project delivery.
- **Enhance Public-Private Partnerships (PPPs):** Strengthen collaboration with the private sector by establishing clear legal frameworks, risk-sharing agreements, and incentives to encourage investment in infrastructure projects, particularly in high-impact sectors like energy, transport, and industrial zones.
- **Increase Funding and Investment:** Prioritise budget allocation for critical infrastructure projects, seek alternative financing through international grants and improve access to private and public funding to ensure sustainable project financing.
- **Improve Project Planning and Management:** Develop more robust project management capabilities within provincial departments to ensure efficient planning, budgeting, and coordination across stakeholders, minimising delays and cost overruns.
- **Expand Access to International and Domestic Financing:** Collaborate with global financial institutions and investors to unlock international financing opportunities for large-scale infrastructure projects that support industrialisation, manufacturing, and agro-processing sectors.
- **Resolve Land Acquisition Issues:** Establish clear guidelines for land acquisition, improve negotiations with local communities, and address legal and compensation challenges to ensure smooth land transfer for infrastructure development.
- **Promote Environmental Sustainability:** Ensure that infrastructure projects are planned and executed with environmental sustainability in mind by adhering to strict environmental regulations, conducting thorough impact assessments, and promoting green technologies.
- **Private Investment Crowding-In:** Encourage private sector investment through incentives and partnerships with municipalities to accelerate infrastructure development.
- **Integrated District Development Model (DDM):** Apply the DDM to coordinate and align investments in sectors like agriculture and manufacturing.
- **Infrastructure Refurbishment:** Prioritise refurbishing existing infrastructure to enhance economic value and efficiency.

- Empowering SMMEs: Ensure infrastructure development initiatives empower local SMMEs by providing them with contract opportunities.

Core Problem No.3: Limited Support for SMMEs and Black Industrialists: SMMEs and black industrialists, particularly in rural and township areas, struggle with limited access to financial resources, infrastructure, and markets, restricting their ability to contribute to economic growth, job creation, and transformation.



Proposals on Future Interventions:

SMMEs and black industrialists, particularly in rural and township areas, struggle with limited access to financial resources, infrastructure, and markets, restricting their ability to contribute to economic growth, job creation, and transformation.

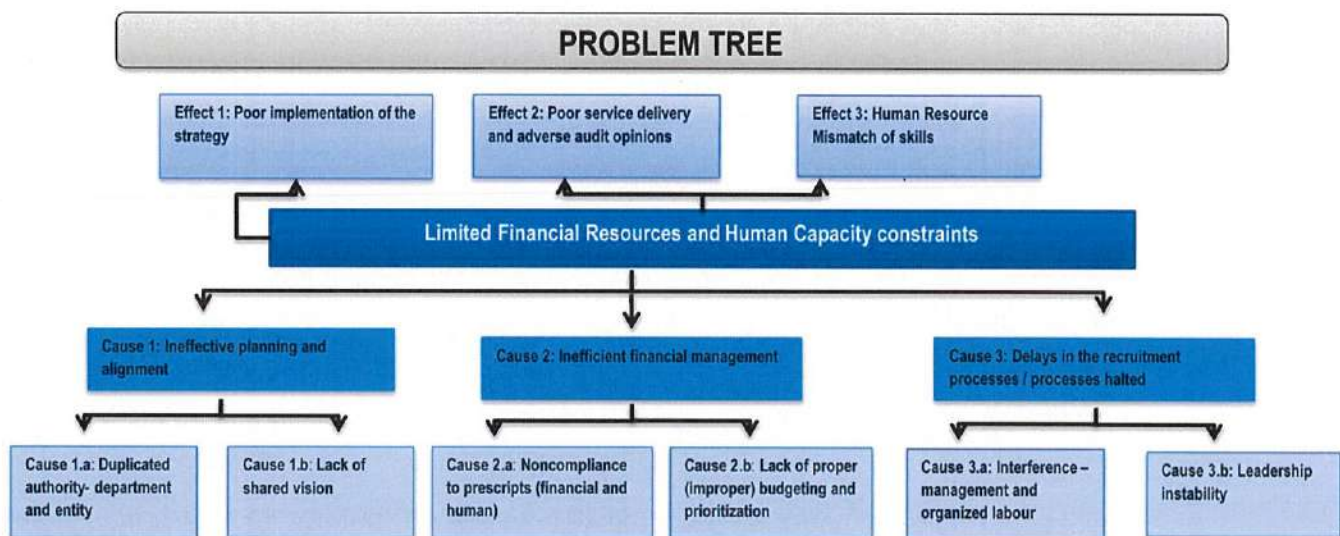
Mpumalanga's unique economic landscape presents a significant opportunity for inclusive growth. This can be achieved by addressing SMMEs and black industrialists' specific challenges, particularly in rural and township areas. By improving access to financial resources, infrastructure, market opportunities, and non-financial support, we can pave the way for their success.

- **Increase Access to Financial Resources:** Expand funding programs and provide affordable financial solutions tailored to the needs of SMMEs and black industrialists, particularly those in rural and township areas.
- **Enhance Non-Financial Support Services:** Provide targeted training, quality assurance programs, and mentorship to improve the business capabilities and production capacities of SMMEs and black industrialists.
- **Develop and Upgrade Infrastructure:** Invest in infrastructure, such as facilities, industrial parks, and technology-driven support systems, that support the production needs of SMMEs and black industrialists.
- **Provide Access to Land:** Streamline land acquisition processes and ensure that black industrialists and SMMEs can access affordable land for expansion and industrial activities.
- **Increase Market Access:** Facilitate better market access by addressing barriers, such as certification, logistics, and trade opportunities, to enable SMMEs and black industrialists to compete in local and international markets.
- **Strengthen Collaboration Between Public and Private Sectors:** Enhance public-private partnerships to create more opportunities for SMMEs and black industrialists to participate in major industrial and economic projects.
- **Recapitalisation of Agencies:** Ensure that agencies supporting SMMEs and Black Industrialists receive the necessary funding to fulfil their objectives.
- **One-Stop Shop for SMMEs:** Establish a one-stop shop, including mobile services, to reach all areas and streamline the support provided to SMMEs.
- **Match Funding for SMMEs:** Provide match funding opportunities to help SMMEs and black industrialists access more extensive national-level programs like the Black Industrialists Scheme

- Capacity Building: Focus on training staff and filling critical roles to improve resource management and project execution.
- Functional Alignment: Clearly define and align the functions of different entities to prevent duplication and ensure efficient service delivery.

Core Problem No.4: Limited Financial Resources and Human Capacity Constraints:

Inefficient financial management and resource constraints in provincial development agencies delay the execution of critical economic projects, limiting the Province's ability to achieve its economic goals and stalling initiatives like Special Economic Zones.



Proposals on Future Interventions:

Inefficient financial management and resource constraints in provincial development agencies delay the execution of critical economic projects, limiting the Province's ability to achieve its economic goals and stalling initiatives like Special Economic Zones.

Mpumalanga can achieve effective financial and resource management by strengthening governance structures, improving planning and budgeting processes, and building a shared vision across departments and entities.

- Strengthen Compliance with Financial and Human Resource Prescripts: Adhere strictly to financial and human resource regulations to enhance service delivery and avoid adverse audit opinions.
- Improve Strategy Implementation and Monitoring: Establish robust monitoring and evaluation mechanisms to ensure better alignment with strategic objectives and improve the effectiveness of project delivery.
- Decentralisation and Accountability: Improve accountability by decentralising management, ensuring decision-making is closer to operations.
- Focus on Clean Audits: Strengthen financial oversight and resource management to achieve clean audit outcomes across the board.
- PMU Establishment: Create a Project Management Unit (PMU) to oversee and coordinate key infrastructure and economic development project implementation.
- Strong Project Management: Establish a robust project management framework, including a PMU, to ensure timely execution and delivery of economic projects.
- Standardised Governance Protocols: Implement standardised governance protocols to ensure accountability and effective project execution.
- Ethical Leadership: Focus on training and promoting ethical leadership to enhance governance and compliance with regulations.
- Board Appointment Stability: Implement staggered board appointments to maintain leadership and institutional memory continuity.
- Improved Collaboration: Foster shared goals and accountability frameworks to strengthen collaboration between entities and departments.

8.2 Review of past performance to inform the strategy of the Department

Support to SMMEs and Co-operatives

The Department successfully provided the much-needed support to small, medium and micro enterprises (SMMEs) as well as co-operatives. A total of 4320 SMMEs and 310 co-operatives were assisted to register their businesses with the Companies and Intellectual Property Commission (CIPC). The Department handed over equipment and tools of trade to 220 SMMEs and Cooperatives in operating on Waste management, Agro Processing, Manufacturing, Spaza shops, Hair salons and car washes for the value of R6 million in the three Districts.

The Department also assisted 45 start-up SMMEs to grow their business in partnership with stakeholders (SAB). Our partnerships with key stakeholders (SEDA, SEFA, NYDA, MEGA, MER, MTPA together with the 3 District Municipalities) enabled the Department to reach out to over 500 SMMEs and Co-operatives in the Province through SMMEs roadshows. These initiatives aimed to empower SMMEs and Co-operatives on Financial and Business Management.

Through MEGA, an important milestone was the successful conclusion of a Memorandum of Agreement with the Office of the Premier for the management of the Mpumalanga Youth Development Fund. This much lauded programme has disbursed R258 million to fund 182 youth owned enterprises since 2019.

Local Economic Development:

The Department has successfully provided training to all municipal Local Economic Development Forums in the Province on how to conduct meetings and how LED forums are constituted. The Department has been successful in capacitating municipalities on the Implementation of the Red Tape Reduction Programme, and thereby assisting municipalities to review their bi-laws and to ensure that these are assisting in attracting investment into their localities.

Our participation in the municipalities IDP programmes assisted municipalities to identify opportunities that can grow their local economies with the focus on the various sectors of the Province. Municipalities were assisted to focus on sectors such as Green Economy, Mining, Tourism and Manufacturing in order to create opportunities for economic growth and taking advantage of the dominant sectors in the municipalities.

Broad Based Black Economic Empowerment (BBBEE):

A total of 255 local businesses were assisted to access opportunities in the Kusile Power Station initiatives, whereas our partnership with Sumitomo Rubber SA Pty LTD enabled 20 tyre businesses to get assistance through equipment and business training. Moreover, black empowered companies got assistance in applying for the Black Industrialist Programme, as administered by the DTIC. In partnership with the private sector, the Department established the BBBEE Council as an instrument for both the government and the private sector to share opportunities for black companies towards economic transformation.

Business Regulations and Governance:

The Department, in collaboration with key stakeholders, has been working towards the promotion of a well regulated business environment, including the safeguarding of the consumer rights. Notable achievements in this area include:

- Assisting local municipalities in the review and adoption of their Street Trading By-laws
- Coordinating an Informal Sector Indaba in collaboration with the Department of Small Business and the International Labour Organisation (ILO), resulting from a petition received by the Department from the Informal Traders Forum. The key aim of the Indaba was to establish, strengthen and introduce an integrated approach for supporting the Informal sector, ensure elimination of barriers to growth for the informal sector and engage on proposals for supporting the informal sector.
- A Draft Informal Sector Policy has since been developed, and there are ongoing engagements with municipalities and other stakeholders towards addressing the challenges raised by the Informal Traders.
- The review of Gambling and Liquor Licensing Act in collaboration with MER is in progress, including effecting the recommendations of the State Law Advisors.
- Providing governance oversight by monitor the performance of MER on strategic objectives and targets through quarterly and annual reports.
- Conducting awareness programs to educate consumers about their rights and responsibilities, in collaboration with stakeholders such as NCR, NCC, NERSA and DTIC. This is aimed at implementing the Mpumalanga Consumer Affairs Act to create a fair trading environment and offer redress to affected consumers by receiving and resolving consumer complaints. This has resulted in the recovery of R15 997,956.80 on behalf of consumers.

- Processes have advanced towards the functionality of the Provincial Consumer Court since we are now finalising the appointment of new members for the Consumer Court.

Trade and Investment Promotion:

In terms of Trade and Investment Promotion, the following key achievements were made:

- A functional Provincial Trade and Investment Forum was established to support trade and export promotion initiatives;
- Eleven (11) Market intelligence reports were produced to inform business of new market opportunities in Angola, Dubai (UAE), Brazil, Congo, Uganda, Kenya, Tanzania, Mozambique, Thailand, South Korea and Austria;
- The Department also managed to enhance access to markets for Furntech and MSI SMMEs. Six (6) SMMEs participated in the Manufacturing Indaba 2023 and twenty (20) SMMEs participated in the Global Exporter Passport Programme GEPP) training;
- In addition, two (2) Export awareness seminar programmes were conducted for Govan Mbeki and Thembisile Hani Local Municipalities with 85 and 142 SMMEs in attendance respectively.

Further progress on trade and investment promotion through MEGA include the announcement of several investments for Mpumalanga over the period 2019-2024, as outlined below:

- PG Bison will spend R1.98 billion to expand their board manufacturing plant in Piet Retief in Mpumalanga
- Sasol will invest R5.4 billion towards clean fuels in their Secunda plant.
- Akani Properties - R1.2 billion for several property developments in the North West, Gauteng and Mpumalanga.
- Mapochs Resources committed R100 million towards re-establishing a vanadium mine in Mpumalanga.
- Sail pledged R562 million for the beneficiation of ferrochrome in Mpumalanga.
- Sonae Arauco pledged R200 million for the expansion of their paper manufacturing line in White River, Mpumalanga.

Strategic Initiatives:

The primary focus in this area was on taking forward the process of implementing the Nkomazi SEZ Interim Phase and the Petro-Chemical Industrial Technology Park Initiation Phase. The following progress was achieved:

- SEZ interim Board is in place to drive the implementation of the SEZ Interim Phase;
- SEZ Entity has been registered as: *Mpumalanga Nkomazi SEZ SOC LTD*, however, it is proposed that this Entity becomes a wholly owned subsidiary of MEGA for efficiency and competitiveness;
- SEZ Layout plan and General Plan already approved to accommodate the needs of confirmed investors. Currently in the process of addressing the issue of the detailed engineering designs.

With regard to the Petro-chemical Industrial Technology Park in Govan Mbeki, the General Plan was approved by the Surveyor General. The department is now busy with the process of the opening of the township register, which requires Section 53 approval from the Department of Mineral Resources, where after the project would be completed.

Sector Development

In terms of the four sectors (Forestry, Mining, Manufacturing/Agro-processing and Green Economy) pursued are aimed at growing the provincial economy that creates more job opportunities for the people of the province. Guided by the Industrial Development Plan, Mpumalanga Green Economy Development Plan and Mpumalanga Economic Recovery and Reconstruction Plan (MERRP), the programme in partnership with stakeholders from the four sectors have embarked on initiatives geared towards stimulating economic growth and job creation which are contributing meaningfully towards Outcome 2: Economic Transformation and Job Creation.

In addition to this we are also pursuing the new economies focusing on Green Economy to promote sustainable clean energy, including a healthy living environment. The Department worked with the Mpumalanga Green Economy Cluster Agency to promote and coordinate the rollout of the Green Economy Development Plan. The Green Economy Cluster Agency is critical for the implementation of projects that would support initiatives in the “Just Transition Programme” enabling moving to a cleaner energy producing environment within Mpumalanga. The Green Economy Cluster Agency would thus ensure that deserving projects in the green economy space are to be executed in partnership with industry in order to promote the participation of local SMMEs in the green economy.

Through the Incubation Programme which forms part of the Industrialization Programme we are developing small enterprises as a mechanism to drive inclusive growth and development. This

initiative seeks to promote and support youth development through the Mpumalanga Stainless Initiative (MSI) and the Furniture Technology Incubator (Furntech).

The Furniture Technology Incubator (Furntech): Furntech White River, as the implementing partner for the furniture manufacturing programme in Mpumalanga, executed the following skills development projects for the past five (5) years:

- In 2020, 15 furniture trainees were trained that involve youth and women (Manufacturing of built-in kitchen/bedroom cupboards (BIC) and Manufacturing of wooden doors and/ windows),
- In 2021, 12 furniture trainees were trained that involved youth and women including 2 additional beneficiaries. (Furniture Manufacturing and Business skills programmes).
- In 2022, 16 furniture trainees were trained that involved youth and women plus 2 additional beneficiaries from the coffers of Furntech Technology Centre Trust (Furntech). Furniture Manufacturing short course (product based) and Business skills programmes),
- In 2023, 12 furniture trainees were trained that involved youth and women on wood making cabinet making NQF level 2 programme. There was additional two (2) beneficiaries that were funded by York Timbers.
- The following furniture related projects were implemented in Mpumalanga funded by other stakeholders:
 - Fibre Processing and Manufacturing (FP&M) SETA funded 10 unemployed trainees in 2022 for the learnership in Wood Machining Cabinet Making NQF Level 2

The total number of furniture manufacturing trainees trained in the last 5 years is 71. Please note that there was no furniture training that took place on 2019. At least 30 trainees have now opened their furniture businesses while others are absorbed by industries and the Department in collaboration with FURNTECH are in the process of establishing Furniture Manufacturing Hub.

Mpumalanga Stainless Incubation (MSI):

Over the last five years, our collaborative efforts with government entities have yield remarkable outcomes. Through targeted support and mentorship, we have successfully fostered development of 2027 SMME's resulting in the creation of 152 jobs and maintaining employment of 184 individuals.

These enterprises serve as a vital contribution to the local economy, driving job creation, economic growth and community development.

Furthermore, our joint initiatives have extended beyond business incubation to encompass skill development programs aimed at equipping individuals with the necessary competencies to thrive in today's dynamic job market. By providing training opportunities in specialized fields such as welding, boiler making, CNC manufacturing procedures, basic hand tools, and boiler making machines, we have empowered 59 students to pursue meaningful careers and contribute to the skilled workforce of tomorrow.

Moreover, the remarkable turnover produced by assisted SMMEs, totalling R14,827,750.00, is a testament to the tangible impact of government support on the growth and sustainability of small businesses. This revenue not only signifies the financial success of supported enterprises but also underscores the ripple effects of government investment in fostering entrepreneurship and economic development.

Partnership between Mpumalanga Province and ESKOM

An MOA was signed between DEDT and ESKOM on 22 May 2022 which was a milestone. There is a Technical Committee which comprises of key Departments, affected local municipalities, ESKOM, Mpumalanga Green Cluster Agency to mention the few, the committee do meet on a quarterly basis. It has managed to identify 5 key project Komati Component, skill development, micro grind, Alien vegetation clearing, ash beneficiation, cooper recycling, Energy SEZ to mention the few and there is a huge progress made in developing these projects.

The Komati Agri Voltics project construction has been finalized and handed over to Eskom and the required trails with the agricultural crops has commenced. The refurbishment of the Komati training facility has been completed and will operate as a welding training Centre at Komati. The SARETEC training on PV installation and Wind turbine maintenance has also commenced and is currently underway.

Mining:

The Department succeeded to establish and maintain two Mining forums namely: Mining Sector Forum and Mining and Energy Skills Forum. The Mining Sector Forum is comprising of relevant Departments, local municipalities, DMRE, Mineral Councils, MINTEK, ESKOM, to mention the few. The Mining Sector Forum has managed to develop terms of reference and identified key projects. Moreover, the Mining and Energy Skills Forum comprises of relevant Departments, Council of

Geoscience, DMRE, SASOL, ESKOM, TVET Colleges and other skill development enterprises with the aim of addressing skills shortage in the mining sector. The forum managed to approve the terms of reference, elected the leadership and do meets on the quarterly basis.

Mpumalanga Green Cluster Agency (MGCA)

Mpumalanga province is also faced with the threat of climate change, primarily caused by the burning of fossil fuels like coal, oil and gas. The consequences of climate change include, among others, intense droughts, water scarcity, severe fires, rising sea levels, flooding, melting polar ice, catastrophic storms and declining biodiversity.

Mpumalanga is the hub of coal fired electricity generation in South Africa and it is confronted with socio-economic and environmental challenges arising from resource-intensive economic activities. Mining, power generation and petro-chemicals production are the leading contributors of carbon emissions in the country.

Globally, and in South Africa, there are urgent imperatives for low carbon development. South Africa's commitment to a low-carbon future is manifest in the National Development Plan and myriad policy and strategy documents. Therefore, addressing the threat of climate change requires the restructuring of energy- and resource-intensive sectors, sharp increases in energy efficiency, shifts of production and consumption, adaptation of all sectors.

In 2016, the Mpumalanga Government, guided by National Development Plan (NDP) and the Mpumalanga Economic Development Growth Path (MEGDP), adopted the Mpumalanga Green Economy Development Plan (MGEDP) as a direct response to the to the negative effects of climate change. For the purpose of translating MGEDP (2016) into reality, a Special Purpose Vehicle (SPV) called the *Mpumalanga Green Cluster Agency* was established in 2022.

The Mpumalanga Green Cluster Agency is a *not-for-profit company (NPC)* registered with CIPC in South Africa. The MGCA is a *triple-helix cluster entity*, that is, it is an organisation chiefly constituted by Government, Industry and Academia. The primary objective of the MGCA is to roll out the implementation of the Mpumalanga Green Economy Development Plan through the triple-helix cluster approach. In essence, the MGCA will promote the interface of business, government, and academia in order to grow the green economy sector in the province, subsequently stimulate inclusive growth and creating green job opportunities. The Department will collaborate with MGCA in the transition from the business-as-usual approach to a low-carbon, resource efficient, socially inclusive economic growth and the creation of green job opportunities.

Nkomazi Special Economic Zone (SEZ)

Background to Nkomazi SEZ:

The Nkomazi SEZ is a multi-year project and it is delivered through three distinct phases, namely, the Designation Phase which has already been completed; the Interim Phase, of which, is currently being finalised; and finally, the Development Phase.

The Interim Phase consists of the following elements:

1. Setting up of the SEZ Entity
2. Capacitation of SEZ Entity
3. Satisfy all statutory requirements (land development processes)
4. Ensure a healthy Investment Pipeline of prospective investors

Summary of key achievements for the following Key focus areas of the SEZ Interim Phase :

Establishment of the Nkomazi SEZ Entity:

- *In 2018*, the Nkomazi SEZ was approved by national Cabinet as a wholly-owned subsidiary of MEGA;
- *In 2021*, the Nkomazi SEZ Entity was registered with CIPC as a stand-alone state-owned company;
- *On March 2022*, MEC Mkhathshwa, as the licensee, in consultation with 'the DTIC', agreed that the '*Mpumalanga Nkomazi SEZ SOC, Ltd*' should be established as a wholly-owned subsidiary of MEGA;
- *On 13 September 2023*, MEGA Board at its special sitting resolved that the resolution of the previous Board dated 30 January 2019 which supported the establishment of the Nkomazi SEZ Entity as a wholly-owned subsidiary of MEGA, be ratified by the Board;
- *In 2023*, Legal opinion was also sought on, *firstly*, the establishment of the Nkomazi SEZ Entity as a wholly-owned subsidiary of MEGA given that the Entities are governed by the two separate legislation; *secondly*, appropriate reporting lines and *thirdly*, how the Nkomazi SEZ entity assumes the schedule 3-D status which MEGA currently enjoys.
- *The conclusion of the legal opinion simply states that:*
 - (a) *MEGA can register the Nkomazi SEZ Entity as its wholly-owned subsidiary;*
 - (b) *Entities will utilize the legislations which established them for accountability and reporting; and*
 - (c) *The Nkomazi SEZ Entity have to follow the prescripts to acquire the schedule 3-D status*

Governance:

Appointment of a permanent Nkomazi SEZ Board

- a) An Interim Board of six members was appointed in 2021 to implement the Nkomazi SEZ Interim Phase;
- b) Advertisement calling for nomination of candidates to serve on the Nkomazi SEZ Entity Board was issued in October 2023; and a
- c) List of potential candidates already compiled for consideration by the MEC

Filling of critical posts

- a) Nkomazi SEZ Entity has appointed two (2) officials under the Project Management Unit (PMU) to assist in the implementation of the Interim Phase;
- b) The Organisational Structure for the SEZ Entity is completed and ready for implementation;
- c) Job profiles and Job grading for 21 posts completed;
- d) The Interim SEZ Entity Board has prioritized ten (10) critical posts that need to be filled in 2024/25 financial year;
- e) The Nkomazi SEZ Entity has identified a building belonging to municipality at Komatipoort to accommodate the new personnel, however, it will require minor renovation.

Land development:

Availability of land

- *Fifty-year (50) Land Lease Agreement* between Nkomazi SEZ Entity & Nkomazi municipality is in place, and registered with the Deeds Office, that is, the land is now under the control of the Nkomazi SEZ Entity

Statutory compliance requirements

- a) The designated site of the Zone has an Environmental Authorisation (EA) in place;
- b) Water Use License Application (WULA) has been completed, and the License was obtained in December 2023.

Conditions of Establishment

- a) Parameter clearvu fence, which also serve as a barrier fence along the N4 road, has already been installed;
- b) As far as the condition to construct the N4 interchange before the SEZ site could be accessed, SANRAL has waived this condition to allow Town Planning Conditions of Township Establishment and site establishment activities to proceed. However, Nkomazi

SEZ Entity is expected to complete the necessary preliminary geometric designs of the interchange as part of the current Traffic Impact Assessment process and that, in doing so, ensure that SANRAL, TRAC, the SASOL Fuel Station, ROMPCO and other parties which may be affected are involved in the process and are aware of the final interchange configuration.

- c) Site Layout Plan approved by municipality and Township Establishment at final stage;
- d) Preliminary engineering designs of internal infrastructure already in place;

Investment Promotion:

- 1) The SEZ Entity has enlisted fourteen (14) companies with interest to invest into the zone
- 2) The following companies are ready to locate in the zone:
 - DP World – A leading provider of worldwide smart end-to-end supply chain logistics, enabling the flow of trade across the globe;
 - Vutomi Energy- To build a 1000MW gas to energy power plant feeding to the Eskom Grid via the Komatipoort Power Station;
 - Lebombo Cotton Gin – To build a cotton ginnery for local and export of cotton lint; and
 - Quatro-Canna – Processing of Hemp and manufacturing of various final products (textile, building panels)
 - *Over 1000 Jobs estimated to be Created*

Nkomazi Precinct Plan: Nkomazi Precinct Plan to accommodate the SEZ development already in place.

Challenges confronting the Nkomazi SEZ Entity

The implementation of the Nkomazi SEZ Interim Phase has gone beyond its lead time. Undoubtedly, there is a need to fast-track the completion of this Phase so that the Development Phase could commence without any further delays. However, if we are to accelerate the rounding off of the Interim Phase, the following challenges will have to be addressed urgently:

Shortage of personnel in critical positions of the Entity

It must be emphasized that the absence of appropriate corporate governance over the past three years has placed the SEZ Entity in a difficult position. The Entity struggled to deliver on its annual priorities timeously because of its dependency on external support. Utilizing the systems of DEDT to implement the activities of the Entity, particularly procurement of service providers, has proven not to be workable.

Procurement processes took longer than expected and, as a consequence, the Entity experienced negative impact on the project lead time. Considering that activities of the SEZ

Interim Phase are currently on a critical path, the filling of critical positions is no longer an option but an extremely critical step that needs to be taken as a matter of urgency.

Inadequate budget to accomplish the outstanding key activities

In order to bring the SEZ Interim Phase into a close as soon as possible, there is a need to fast-track the development of the detailed engineering designs and the Bill of Quantities (BOQ). Unfortunately, the current budget allocation is inadequate to deliver on this crucial task. According to the information reflected in the table above, only R36 million is made available for detailed engineering designs instead of R117 million. Obviously, the issue of inadequate budget is going to cause more delays not only in the finalisation of the SEZ Interim Phase but also the commencement of Development Phase.

Tourism

Monitoring and evaluation of the Provincial Economy's performance (current economic climate and employment):

Current Economic Climate:

- The Mpumalanga economy contracted significantly in 2020 due to the Covid-19 pandemic. Prior to the COVID-19 outbreak, the economy of Mpumalanga was already underperforming with low quarterly growth interspersed with quarterly contractions on occasion. The impact of the COVID-19 lockdown was the most devastating shock for the South African economy since the 1929 depression. The real GDP at market prices for the twelve months of 2020 in Mpumalanga contracted by 5.3%, when compared with 2019.
- In 2022, Mpumalanga's economy expanded by an estimated 0.6%, which was much weaker than the 5.2% recovery registered in 2021. It is estimated that Mpumalanga's economy expanded by only 0.4% in 2023. The contraction in Q2 2020 was so severe that the provincial economy, despite the nine quarters of expansion, was still 1.0% smaller in Q4 2023 than what it was in Q1 2020. In Q1 2020, real GDP was R85.6 billion, which shrunk to R69.8 billion in Q2 2020 as the economy was severely impeded by the strict lockdown regulations. In Q4 2023 the Mpumalanga economy was approximately the same size than it was in Q3 2018.
- Mpumalanga's economy is forecasted to experience the same slow growth in 2024 as is forecasted for the national economy. The annual average growth rates for South Africa, from 2024 to 2027, is forecasted at 2.3%. The NDP set a target for average annual national GDP growth up to 2030 of more than 5%.

Employment Performance

- Huge job losses recorded in 2020 of 96 382 and 95 617 in 2021 mainly due to COVID-19 related factors.
- Good recovery of the labour market in 2022 and 2023 with respective net job gains of 133 812 in 2022 and 63 869 in 2023.
- Q4 2023 employment level of 1.25 million was 4 425 jobs more than the number employed in Q1 2020 (before COVID-19).
- Q4 2023 employment level was the highest recorded employment level in Mpumalanga ever.
- The job losses in 2023 in manufacturing, transport and agriculture a concern.
- Big job gains in 2022 and 2023 (2 year period), but more in the services sector and industries (except transport).

The Department was instrumental in the development of the **Mpumalanga Economic Reconstruction & Recovery Plan (MERRP)**. The objective of the Plan was to address the negative impact of COVID-19 on the provincial economy and livelihoods of the Mpumalanga citizens. The seven priority interventions of the MERRP towards re-igniting the provincial economy focused on:

- Planned 'massive' rollout of infrastructure;
- Growth through industrialization, localization and export promotion
- Sufficient, secure and reliable energy supply and Green Economy initiatives.
- Employment stimulus - i.e. increased access to funding for SMMEs and Cooperatives.
- Growth and recovery of tourism.
- Agriculture and Food Security - increase in agricultural production, and
- Gender and economic inclusion.

Economic Policy and Strategy Development

In the ambit of thought leadership, the Department provided economic policy direction and research on the provincial economy in order to inform economic planning and execution in

government and private institutions. Notable achievements in the areas of policy and strategy formulation by the Department are highlighted to include:

- Provision of credible, accurate and quality research reports for evidence-based economic planning and decision making in the Province. Among the reports is the PERO (Provincial Economic Review and Outlook) document, the SERO (Socio-Economic Review and Outlook), and relevant economic research reports on key economic sectors/industries (mining and tourism), the e-based business survey report and Socio-Economic Profiles (SEPs) of all 20 municipalities.
- Generated market intelligence reports that identify and quantify green job and investment opportunities in the renewable energy, water, and sustainable agriculture value chains (through the Mpumalanga Green Cluster Agency).
- Produced monitoring and evaluation reports of projects and the EPWP in terms of job creation which included designated groups like women and young people.
- Reviewed and updated geo-database of the MEGDP (Mpumalanga Economic Growth and Development Path), as well as collecting new data.
- Active participation in the Provincial Committees, led by the Office of the Premier, responsible for the development of the Provincial Job Creation Strategy, and the Provincial Economic Diversification Strategy. These processes involved close collaboration with important institutions such as the World Bank and the PCC.

The Department is also involved in the Provincial Committee working closely with the OTP on the establishment of the Mpumalanga Research Institute (MRI). This seeks to address the research gaps in Provincial Government due to capacity, skills and budget constraints.

8.3 INTERNAL ENVIRONMENT ANALYSIS

GOVERNANCE AND INSTITUTIONAL ISSUES

The following present an internal environmental analysis conducted to identify the root causes for challenges experienced as well as what the solution will be once the problems has been resolved within the Department:

Structure and Governance

- The current department structure is seen as outdated and misaligned with its entities' operational needs, calling for a reconfiguration of entities and an overhaul of the Department's structure.
- A Project Management Unit (PMU) and public oversight unit were proposed to improve project implementation and governance oversight. Additionally, a dedicated IT Unit is needed to support digital infrastructure.
- The SMME unit needs capacity building, with suggestions for partnerships with institutions of higher learning to foster skills development.
- Establishing a proper Monitoring and evaluation (M&E) unit is essential to ensuring compliance and tracking progress.
- **Challenges:** Poor integration between entities, outdated governance structures, absence of a unified IT framework, and lack of proper coordination between oversight bodies and entities.

Skills and Capabilities

- There is a strong need for leadership stability, as frequent changes have led to disruptions and slowed progress on key projects.
- Departments and entities lack technical skills in crucial areas such as financial modelling, project management, and human resource management, which hampers effective delivery.
- Collaboration with external educational institutions was suggested to enhance recruitment of skilled personnel and ongoing skills development.
- Proper succession planning ensures leadership and critical positions are filled efficiently without compromising operational stability.
- **Challenges:** Lack of leadership continuity, poor technical skills, ineffective HR management, and insufficient collaboration for skills development.



Information and Operational Systems

- The absence of a Government Information Technology Officer (GITO) has created significant capacity challenges, leaving the Department and its entities without a unified ICT structure.
- There is a pressing need for an integrated ICT system to connect different departments and entities with improved tools for knowledge management, case management, and project tracking.
- Current systems are siloed and lack coordination, preventing seamless data flow and operational efficiency.
- Externally, systems should be developed to enable SMMEs to engage in online transactions and integrate databases for SMMEs, while interfacing with government SME systems (CIPC, CSD, CIDB).
- **Challenges:** Fragmented ICT systems, outdated hardware, lack of integration, and inadequate platforms for SME support.

Finances and Related Issues

- Under-budgeting and under-expenditure are common, with many plans not being accurately costed. Proactive budgeting and ensuring that projects are adequately funded are needed to avoid delays.
- The Department needs to improve market access and establish investment structures to attract private capital and ensure funding for critical initiatives.
- There was also a call to ring-fence infrastructure funding to guarantee that critical projects receive financial support without being delayed or deprioritised.
- Further suggestions include decentralising Municipal Accounting to improve local-level financial management and leveraging strategic partnerships to share financial burdens.
- **Challenges:** Inadequate budget allocation, poor financial planning, delays in accessing funds, and lack of private-sector partnerships.

Risks and Implementation Strategy

- Key risks identified include leadership instability, loss of critical skills, misalignment between plans and budgets, and unresolved stakeholder issues, such as land claims that affect project implementation.
- Political interference and red tape were flagged as significant barriers to project implementation, requiring more streamlined statutory compliance processes.



- An integrated project management unit and establishing a project steering committee were recommended to align all stakeholders and track project progress.
- Addressing the high crime rates impacting tourism and nature reserves is critical, as it directly affects the region's economic growth potential.
- **Challenges:** Political interference, leadership turnover, unresolved land claims, and bureaucratic red tape threaten project implementation and economic development.

8.4 The capacity of the Department to deliver on the mandate

The mandate of the department is to stimulate economic growth and development towards creating sustainable and decent employment, economic transformation and alleviation of poverty.

In our quest to improve organisational effectiveness and efficiency, the Department has embarked on a turn-around strategy to ensure its fitness for purpose.

The Department had subsequently adopted a value proposition that refocused and repositioned itself in a manner that enhanced its strategic and operational capability, with a view to enhance its impact within the Provincial economic development landscape, and to successfully deliver the desired impact of Outcome 1 in the Province. In response, the following initiatives were undertaken:

- 1) The mandate was reviewed to refocus and reposition the Department as a Thought Leader in Economic Planning, Policy and Strategy, Governance and Executive Oversight. In this regard, the three (3) Public Entities under the Department would henceforth be implementing agencies of the Department, in order to build accountability for outcomes and impact.
- 2) The process of reviewing the organisational design were instituted and the revised proposals are yet to be approved.
- 3) Identification and engagement of the required capacity to deliver on its mandate.
- 4) Refocus and Reposition Regional Delivery Model; and establish the Regional Economic Development Centres.

In addition, the Department responded positively to all requests for information from Law Enforcement Agencies and Chapter Nine (9) institutions. In relation to litigation, the Department strives to ensure adequate consultation with relevant stakeholders/interested parties to avert disputes of a similar nature.



On the contrary, the world of work is profoundly impacted by the Coronavirus. We are expected to reflect on the impact of the pandemic on the employees, culture, ability to thrive and deliver services. Leaders must adapt to the 'new norm' which has transformed the way we do business.

It is conceivable that businesses may be forced to close their operations, either due to widespread contagion or at the insistence of public health authorities, or even at the insistence of premises owners or letting agents.

However, this landscape presents the unforeseen opportunity for the organization to go back to basics, redefine their value propositions and focus on the fundamentals of their businesses and/or mandate to ensure that they are able to ride out the storm.

It is important for leaders to communicate with their employees. Such conversations must be open, honest and sincere about the state of the landscape to ensure a buy-in by all stakeholders during this difficult time. The pandemic will certainly disrupt socio-economic patterns and interactions. It is now up to the leaders, organisations, and employees to take a cue from this pandemic as a signal to transform the current business models and adopt new, efficient and innovative ones if necessary to maintain critical operations. There will be a need to cross-train employees to perform essential functions so that the workplace is able to operate in the event that key employees are absent from work. Digitalisation is the way to go as employees will be working from home.

8.4.1 Human Resource Planning

8.4.1.1 Organisational Structure

The Department is currently operating on an organisational structure that was approved in 2007, with an addendum of added positions over the years. The structure consists of six Programmes; namely, Administration; Integrated Economic Development Service; Trade and Sector Development; Business Regulation and Governance; Economic Planning; and Tourism. The total number of posts on the approved structure is 356. The Department is operating on 244 posts as per PERSAL clean-up, out of the 244 posts only, 224 posts are filled and 20 posts are vacant and funded. However, the Department will align its organisational structure with this revised 5 Year Strategic Plan, once approved, as per the new mandate and priorities of the Department under the 7th administration.



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Figure 10: Organisational Structure

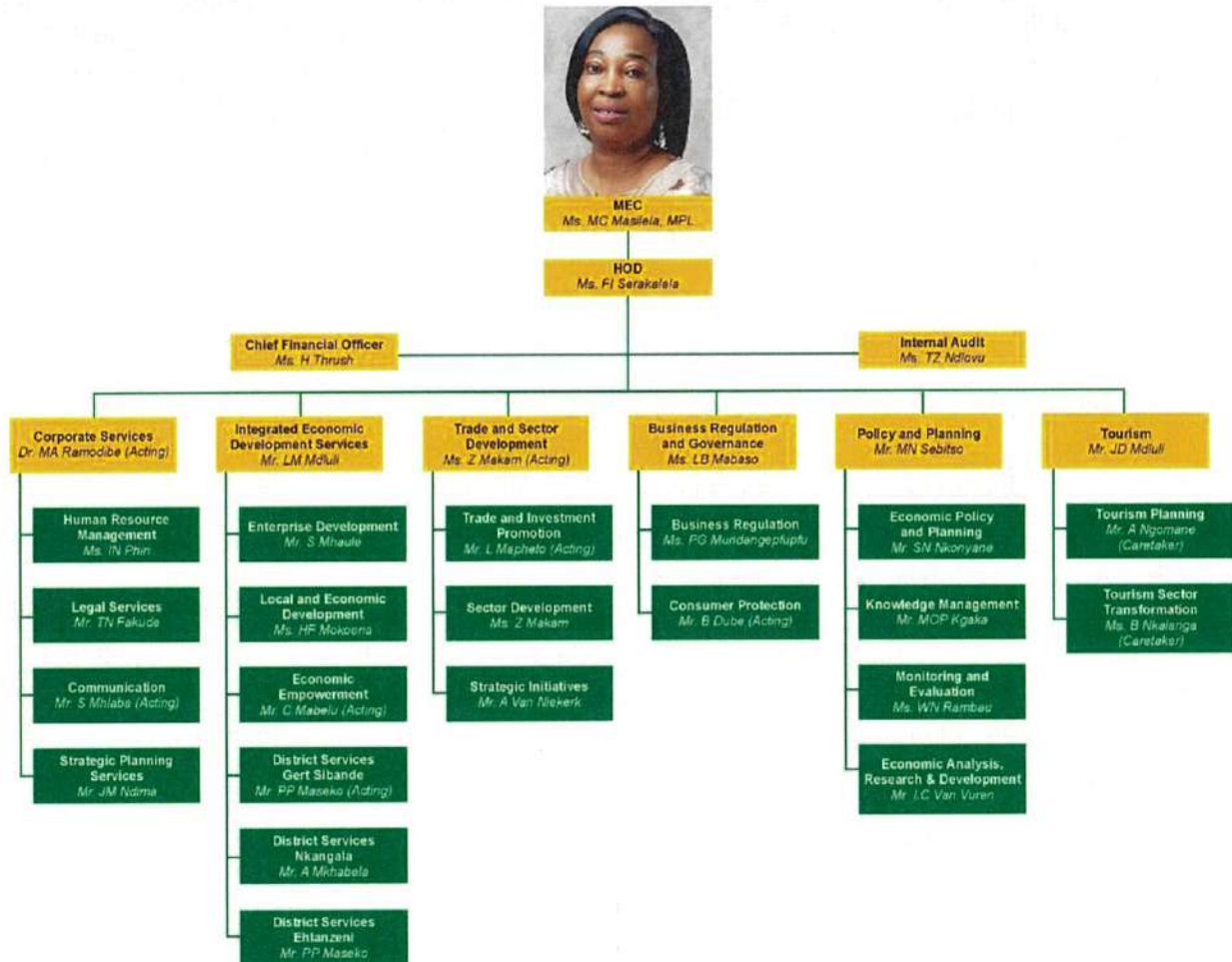


Table 6: Employment equity plan vs occupancy in terms of occupational levels

OCCUPATIONAL LEVELS	PLANNED TARGET		CURRENT OCCUPANCY		% Variance	
	Male	Female	Male	Female	Male	Female
Top Management	4	4	3	4	75%	100%
Senior management	12	8	14	5	117%	63%
Professionally qualified and experienced specialists and mid-management	26	24	25	17	96%	68%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	21	21	20	23	95%	109%
Semi-skilled and discretionary decision making	39	67	25	66	64%	99%
Unskilled and defined decision making	12	10	3	19	25%	190%
TOTAL	114	134	90	134	79%	100%
GENDER %	46%	55%	37%	55%		
GRAND TOTAL	244		224 (92%)			

8.4.1.2 Gender representation

- The overall representation of women in the Department is 60%, which is above the target of 40% in terms of the Employment Equity Plan. When considering women at senior management level, they are under-represented at 35%, which is below the target of 50%, in terms of the gender equality strategic framework.
- The Department will strive to fill the vacant positions at senior management level with women in order to close the gap and meet the target.



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Table 7: Numeric targets for employees with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	1	0	0	0	0	0	1
Senior management	1	0	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	1	0	0	0	0	0	1
TOTAL PERMANENT	4	0	0	0	3	0	0	0	0	0	07
Temporary employees	1	0	0	0	1	0	0	0	0	0	2
GRAND TOTAL	5	0	0	0	4	0	0	0	0	0	09



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Table 8: Current profile for employees with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	0	0	0	0	0	0	0	0	0	0	0
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	3	0	0	0	1	0	0	0	0	0	4

The total of employees with disabilities in the Department is currently at 1.4%, which is below the minimum of 3% target as expected, in terms of the Gender Equality Strategic Framework, 2008. The Department will consider the Employment Equity Plan when recruiting new personnel, in order to meet the set target regarding people with disabilities.

8.4.1.3 Staff Turnover Rate for the Previous Three Financial Years

Table 9: Staff turnover rate 2024/25

Termination Type	Number	% of Total Resignations	Total Employment
Death	0	0	227
Resignation	0	0	
Expiry of contract	20	9	



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Dismissal – operational changes	0	0	
Dismissal – misconduct	1	0	
Dismissal – inefficiency	0	0	
Discharged due to ill-health	0	0	
Retirement	2	9	
Transfer to other Public Service Departments	0	0	
Total	23	100%	
Total number of employees who left as a % of total employment	23	10%	

Table 10: Staff turnover rate 2023/24

Termination Type	Number	% of Total Resignations	Total Employment
Death	0	0	216
Resignation	2	1	
Expiry of contract (Interns)	0	0	
Dismissal – operational changes	0	0	
Dismissal – misconduct	1	0	
Dismissal – inefficiency	0	0	
Discharged due to ill-health	0	0	
Retirement	4	2	
Transfer to other Public Service Departments	2	1	
Total	9	100	
Total number of employees who left as a % of total employment	9	4%	

Table 11: Staff turnover rate 2022/23

Termination Type	Number	% of Total Resignations	Total Employment
Death	0	0	206
Resignation	3	11	
Expiry of contract (Interns)	10	5	
Dismissal – operational changes	0	0	
Dismissal – misconduct	0	0	



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Dismissal – inefficiency	0	0	
Discharged due to ill-health	0	0	
Retirement	4	2	
Transfer to other Public Service Departments	1	0	
Total	18	100%	
Total number of employees who left as a % of total employment	18	9%	

8.4.2 Financial Resources

The following tables provide an overview of the budget allocation of the Department over the MTEF period.

Table 12: Summary of Payments and Estimates

Table 6.3: Summary of payments and estimates: Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
1. Administration	90,273	105,788	116,210	125,430	127,531	126,307	131,325	139,761	137,834
2. Integrated Economic Development	825,113	822,510	740,428	517,626	607,021	607,466	385,764	353,548	366,999
3. Trade and Sector Development	19,583	29,582	26,515	81,746	43,254	43,629	97,639	92,433	96,684
4. Business Regulation and Governance	118,765	130,915	127,006	147,516	148,872	149,828	167,461	145,815	157,954
5. Economic Planning	16,837	18,188	18,365	20,605	19,955	19,876	23,720	23,911	24,957
6. Tourism	413,341	464,758	537,585	520,605	520,885	520,412	518,352	557,535	587,659
Total payments and estimates:	1,483,912	1,571,741	1,596,109	1,413,528	1,467,518	1,467,518	1,324,261	1,313,003	1,372,087

Table 6.4: Summary of provincial payments and estimates by economic classification: Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	199,802	223,680	236,082	262,717	258,017	258,017	299,041	311,037	318,250
Compensation of employees	144,468	148,434	156,766	184,722	170,772	170,772	195,060	207,069	216,457
Goods and services	55,334	75,246	79,315	77,995	87,245	87,245	103,981	103,968	101,793
Interest and rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	743,739	816,876	904,130	979,534	945,834	945,834	982,385	996,546	1,052,309
Provinces and municipalities	17	8	10	30	30	30	31	32	33
Departmental agencies and accounts	511,470	577,881	642,807	636,725	656,860	656,860	638,765	657,999	698,529
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	230,303	237,843	260,604	342,200	286,365	283,365	342,984	337,882	353,086
Non-profit institutions	—	—	—	—	2,000	5,000	—	—	—
Households	1,949	1,144	709	579	579	579	605	633	661
Payments for capital assets	540,371	531,185	425,895	171,277	263,667	263,667	42,835	5,420	1,528
Buildings and other fixed structures	537,668	528,736	420,055	167,700	259,890	259,890	38,053	—	—
Machinery and equipment	2,703	2,449	5,840	3,577	3,777	3,777	4,782	5,420	1,528
Heritage assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	—	2	—	—	—	—	—	—
Total economic classification	1,483,912	1,571,741	1,596,109	1,413,528	1,467,518	1,467,518	1,324,261	1,313,003	1,372,087



8.5 The status of the institution regarding compliance with the BBBEE Act.

All procurement that is initiated from within the Department starts with requests for quotes and proposals that are directed primarily towards black-owned enterprises. Youth and Women owned enterprises are supported throughout the year. These are identified from the CSD (Central Supplier Database). In all cases of procurement over R30, 000, points are calculated and applied in the assessment of quotes to ensure that designated groups are supported correctly in terms of legislation. In order to effectively implement preferential procurement, the values procured from target groups will be tracked closely throughout the year making use of ownership information available from CSD.

8.6 Stakeholder Analysis

In order for the Department to deliver and attain the outcomes of the strategy, it will be critical to liaise and engage with a number of stakeholders, as they are all key to the successful implementation of the Departments' strategy. The table below provides a summary of stakeholders with their specific role and responsibility with regards to the attainment of the Department's strategic outcomes:



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Table 13: Economic Cluster – Stakeholder Analysis

Economic Cluster	Stakeholder	Role and Responsibility
Green economy	Department of Environment, Forestry and Fisheries (DEAFF)	Enforcement, regulation, education and awareness
	MEGA	Implementation of high impact green economy projects
	Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA)	Monitoring and enforcement, regulation, education, development and awareness
	Department of Public Works, Roads and Transport	Retrofitting of provincial facilities (green buildings)
	Local Government	Retrofitting of municipal buildings, street and community lighting. Recycling and waste management
	Tertiary academic institutions	Research and development, relevant training and skilling
	ESKOM	Implementation of renewable energy projects
	Private Sector	Investment in green initiatives and supporting PPP's
	Department of Water & Sanitation	Monitoring and quality control of water and sanitation infrastructure
	MEGA	To attract FDI and provide financial support to all businesses within the province
Manufacturing and Agro-processing	Private sector	Innovation, investment and expansion within the manufacturing sector
	Research and tertiary institutions	Research and development of new innovative concepts within the manufacturing sector
	Department of Trade, Industry and Competition (dtic)	Policy direction, implementation of programmes and attraction of foreign investments
	Business Chambers	Promote the industry and assist in attracting of investment
	Local Government	Provide local policy direction and enforcement of by-laws and functional LED forums
	The Presidency	Driving and attracting foreign direct investment as well as support of special projects and programmes
	SOE's	Support and provide an enabling economic environment
	Department of Minerals and Resources (DMR)	Policy development and enforcement. Facilitate platforms for stakeholder engagements
Mining	Department of Energy (DoE)	Providing market opportunities for coal supply.
	Department of Environment, Fisheries and Forestry (DEFF)	Regulating and enforcement of environmental management and protection
	Department of Trade, Industry and Competition (dtic)	Promotion of coal exports and foreign investment
	Local Government	Enforcement of SPLUMA and coordinate LED related activities and interventions
	Minerals Council SA	Coordination and promotion of the mining industry
	Department of Public Enterprises	Provide policy direction to State Owned Enterprises



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Economic Cluster	Stakeholder	Role and Responsibility
	Private Sector	Investment in mining activities
	Department of Water & Sanitation	Monitoring and quality control of water and sanitation infrastructure
	Tribal Authorities	Access and allocation of available land
	Geosciences Council	Research and advice on mining related matters
	Mintek and training institutions	Training and skills development
	Communities	Participate and liaise with mines with regards to social economic development
Tourism	National Department of Tourism (NDT)	Policy direction
	DEFF	Provide regulation on protection and conservation of the environment and natural assets
	DPWR and Transport	Provision and maintenance of roads infrastructure
	Department of Safety, Security & Liaison	Safety of tourists
	MTPA	Marketing of the province and management of tourism products. Conduct research and evaluation on provincial tourism
	Department Culture, Sports and Recreation	Develop and management of the heritage tourism products
	Local Government	Provide enabling service delivery environment and infrastructure to promote tourism. Liaising with local tourism associations and service providers
	Private sector (LTO's & RTO)	Promoting the tourism industry
	Department of Home Affairs	Controlling ports of entries into the country. Regulating international access of visitors to SA (visas and visa free travel)
	SARS	Customs and excise duties
	SA Tourism	Marketing of SA as Tourism destination
	Tourism Grading Council	Evaluation and standards within the tourism sector
	Department of Trade, Industry and Competition (dtic)	Outbound missions, trade and investment promotion
	Traditional leaders	Buy-in from them in order to coordinate and promote rural tourism. Land allocation and management in the rural areas
	Department of Communication	Internal communication with regards to service delivery performance of departments
	Department of International relations and Cooperation	Liaison with foreign nations. Outbound missions, trade and investment promotion
	Brand SA	Promoting SA as a tourism and business destination
	STATS SA	Provision of tourism related statistics
	Mpumalanga Regional Training trust (MRTT)	Provide hospitality specific training within the province
	Universities	Provide relevant training and skills development
	MEGA	Investment attraction, development of funding and business models on the commercialisation of tourism products



PART C: MEASURING OUR PERFORMANCE

9. Institutional Performance Information

The Department used the Problem tree diagnostic assessment, the Theory of Change, SWOT and PASTEL analysis as an approach in the development of the departmental strategy.

The above tools were chosen because they provides a structured framework to clearly articulate how a program or initiative intends to achieve its desired outcomes, by explicitly outlining the steps, assumptions, and causal relationships involved, which helps in better planning, implementation, monitoring, and evaluation of projects, ensuring a more focused and impactful approach to driving change.

The following four thematic areas were utilised upon which the three-days strategic planning session discussions (and subsequent interactive sessions) were hinged:

Table 14: Strategic themes

Thematic Areas	Problem Statement and Identified Outcomes
High Youth Unemployment	Mpumalanga faces a critical challenge with 46.4% youth unemployment, and the current 2% economic growth rate is insufficient to create meaningful employment opportunities or reduce poverty, exacerbating socio-economic instability and inequality.
Insufficient Economic Growth	The current 2% economic growth rate is insufficient to create meaningful employment opportunities or reduce poverty, exacerbating socio-economic instability and inequality.
Delayed Infrastructure Development	Delays in vital infrastructure projects, including transport, energy, and water services, hinder economic expansion, limit industrialisation, and deter investment in high-potential sectors like agriculture and manufacturing.
Limited Support for SMMEs and Black Industrialists	SMMEs and black industrialists, particularly in rural and township areas, struggle with limited access to financial resources, infrastructure, and markets, restricting their ability to contribute to economic growth, job creation, and transformation.



Thematic Areas	Problem Statement and Identified Outcomes
Weak Financial and Resource Management	Inefficient financial management and resource constraints in provincial development agencies delay the execution of critical economic projects, limiting the Province's ability to achieve its economic goals and stalling initiatives like Special Economic Zones.

9.1 Measuring the Impact

The following Impact, with the supportive and describing Impact Statement, provides an indication as to how the Department will be in a position to attain the *Vision of An Inclusive, Globally Competitive Economy*. As this impact statement provide a detailed description of what change would have been affected by the Department, it would almost provide a clear picture of what the economic environment of the Mpumalanga Province will look like in the future.

Table 15: Impact statement

Impact	Impact statement
Thriving, inclusive economy and reduced poverty and inequality	The National Development Plan (NDP) seeks to eliminate poverty and reduce inequality by 2030. The realization of a thriving inclusive economy that is globally competitive and where the provincial citizenry is living above the poverty datum line and inequality is drastically reduced at all levels of the society would require the mobilisation and stimulation of key economic sectors with huge potential for rapid economic growth, creation of more jobs and sustainable livelihoods. The empowerment of youth, women and people with disabilities, particularly those living in townships and rural areas will be central in driving the economic transformation agenda.

Table 16: Impact Measurement

MTDP Priority 1: Drive Inclusive Growth and Job Creation			
Impact	Impact Indicator	Baseline	2030 target
Thriving, inclusive economy and reduced poverty and inequality	Inclusive growth index ³	0,6%	3.5%



9.2 Measuring Outcomes

In order for *the dedt* to attain the above-mentioned Impact, it would require the attainment of three departmental outcomes that would contribute to the impact, from the various sectors of the Provincial economy. The following outcomes are pre-conditions to the attainment of the impact and supports the intent contained within the impact statement:

Table 17: Outcomes and Outcome statements

Outcome	Outcome statements
Inclusive, diversified and growing economy	A growing economy that promotes sustainable development, job creation, global competitiveness and effective transformation. These broad objectives will be achieved through investing in economic sectors with potential for growth and promotion of diversified and transformed enterprises offering the previously disadvantaged groups to actively participate in the mainstream economy.
Inclusive, competitive and sustainable tourism industry	A transformed tourism sector facilitating inclusive, meaningful participation. Tourism industry development geared to self-sustaining enterprises contributing to economic growth. Coordinated and integrated planning driven development where all stakeholders influencing tourism effectively play their role
An ethical, well-coordinated, enabling and capable center of business excellence	A capable, ethical department that is well-coordinated and creates an enabling environment for provincial economic growth and business excellence, through integrated planning and implementation

The above outcomes and outcome statements must be measured to determine the effectiveness of the Department, in being able to measure the performance of the Department in achieving the high-level strategic intent. The following tables will provide an indication as to how the outcomes will be measured, and which strategies the Department must implement over the 2025–2030 period to achieve these targets (as contained within the different tables):



Table 18: Outcome measures – Inclusive, diversified and growing economy

MTDP Priority 1		Drive Inclusive Growth and Job Creation	
Outcome	Outcome Indicator	Baseline	Five-year target
Inclusive, diversified and growing economy	GDP Growth rate	0.6% provincial GDP growth (2023)	3,5% provincial GDP growth per annum Mpumalanga Industrial Development Plan (MIDP) ((e.g. SEZ, Industrial Technology Parks).
	Increase in sector employment	8.2% employment share	10% employment share
	Increased private sector investment in the Mpumalanga economy	New indicator	Increase investment by 5%
	Ease of Doing Business	New indicator	Improve investment to R10 billion
	A number of jobs in the renewable energy subsector as a percentage of total jobs in the energy sector	2 709 jobs (2020)	200 000 jobs
	Increase Reliable energy generation	New indicator	Facilities supported with renewable energy

In order for the Department to focus on the attainment of the identified outcomes, the following departmental priorities will be prioritised as key to establish an inclusive, diversified and growing economy:

- Finalise the statutory requirements to operationalise the Nkomazi Special Economic Zone (SEZ)
- Finalise Petro-Chemical Industrial Technology Park
- Mining supplier industrial park
- Township small/ light Industrial parks revitalized
- Development of shopping complexes through development partners
- Mpumalanga Economic Growth and Development Plan reviewed and implemented
- Trade & investment strategy is finalised and implement



- Investment packaging and feasibility studies
- Investment Indaba with social partner
- Implementation of the Mpumalanga Industrial Development Plan
- Implement the Red Tape Reduction Strategy
- Development of SMMEs, entrepreneurs in priority sectors of the economy
- Implement the Comprehensive integrated SMME strategy
- Collaborate with development partners for the repurposing of the 4 power stations in Mpumalanga by 2030 (Komati, Camden, Grootvlei, and Hendrina)
- Finalise and implement the Regional Inclusive Economic and Diversification Road map
- Implement the Community Development projects of the Acceleration of Coal Transition Investment Plan
- Adopt and implement the short term Regional Employment Strategy;
- Develop a Long Term Regional Employment Strategy
- Implementation of the Mpumalanga Green Economy Development Plan
- Implement energy efficiency programme/projects
- Comprehensive integrated SMME strategy
- Trade & Investment strategy
- Establishment of the Invest SA One-Stop-Shop
- Implement the fourth (4th) Casino development / licence



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Table 19: Outcome measures – Inclusive, competitive and sustainable tourism industry

MTDP Priority 1 Inclusive Economic Growth and Job Creation			
Outcome	Outcome Indicator	Baseline	Five-year target
Inclusive, competitive and sustainable tourism industry	Increased contribution by the tourism sector/industry and tourism spend	Tourism sector - tourism spend 5.7% of the provincial GDP (2023) and employment share of 6%	8% tourism spend as % of the provincial GDP and 8% employment share
	Increase in sector employment	Tourism employment share of total employment around 6%	8% employment share
	Provincial market share of international arrivals	21.6% share of international arrivals (2023)	25% share of international arrivals
	Number of international tourist arrivals	1 800 000	2 300 000
	Number of domestic, domestic trips	3 100 000	3 700 000

To create an inclusive, competitive and sustainable tourism industry within the Province, the Department will focus on the following priorities during the next five years:

- Development of cable car at Blyde River Canyon
- Development of the Barberton Makhonjwa Mountain-WHS
- Development Mariepskop (Moholoholo) mountain
- Loskop development cluster
- Development of Sky-walk PPP projects at God's Window
- Effective and sustainable management of the biodiversity conservation
- Mpumalanga Tourism Development Strategy
- Panorama route Cable car at Blyde River Canyon
- Bourke's Lurke
- International Expos & initiatives:
- WTM London
- ITB Germany
- Triland Initiative
- SATTE India Road shows
- Domestic Expos & Initiatives



- Africa's Travel Indaba
- WTM Africa
- Meetings Africa

Table 20: Measuring Institutional Performance

MTDP Priority		A Capable, Ethical and Developmental State	
Outcome	Outcome Indicator	Baseline	Five-year target
An ethical, well-coordinated, enabling and capable center of business excellence	Governance compliance Index	New Indicator	100%
	% implementation of the Fraud Risk implementation plan	New Indicator	100%
	Percentage Customer Satisfaction Index rating	New Indicator	90%

To ensure that the Department is recognised as an ethical, well-coordinated, enabling and capable centre of excellence, the following proposed intervention will be implemented during the next five-year period:

- Review the Departmental Service Delivery Model and the delegation of Entity Oversight function;
- Review and implementation of effective Performance Management System;
- Capacitate our research through structured partnerships with research institutions and NGOs;
- Establish platforms to facilitate periodic updates on the provincial economic climate or recent trends; and
- Continuous monitoring and subsequent evaluation of implemented economic plans.

9.3 Explanation of planned performance over the five year planning period

The mandate of the Department is contributing towards the MTDP priority areas of Inclusive Economic Growth and Job Creation (priority 1) and Build a Capable, Ethical and Developmental State (priority 3). Therefore, the impact of the Department aims to contribute to that by creating a thriving inclusive economy and reduced poverty and inequality within the Province. The outcomes developed are supporting the attainment thereof by:

- Inclusive, diversified and growing Provincial economy;
- Inclusive, competitive and sustainable tourism industry;



- An ethical, well-coordinated, enabling and capable centre of business excellence

The table that follows reflects the contribution of the Department's outcomes to intended impact and details the enablers that will be required to achieve the five year targets:

Table 21: Outcome enablers and contribution on impact

OUTCOME	CONTRIBUTION ON IMPACT	OUTCOME ENABLERS
Inclusive, diversified and growing provincial economy	The Department should ensure that a conducive environment is established for all sectors of the economy to contribute towards job creation and economic growth, The provincial economy should contribute towards the reduction in inequality and ensure that a diversified growing economy is facilitated.	Reviewed legislation that contributes to economic inclusivity, growth with ease of access and participation
		Well functional IGR platforms and structures
		Provincial common understanding of economic priorities
		MOU's and engagements with private sector to stimulate and grow the provincial economy
		Availability of funding, expertise and capacity of SMME's to capitalise on available economic opportunities
		Domestic and international demand exists for products and services
		Investments in new technologies and business opportunities
Inclusive, competitive and sustainable tourism industry	The Department must ensure that through activities of Department and the MTPA the tourism sector grows and develops as a key contributor to sustainable growing provincial economy. Through creation of inclusive job opportunities, the tourism industry will play a very important role in elimination of poverty and a reduction of inequality.	Partnerships between private sector, government and future participants within the tourism sector.
		Reviewed legislation that contributes to economic inclusivity, growth with ease of access and participation
		Availability of funding, expertise and capacity of SMME's to participate in tourism activities and opportunities
		Collaboration between all spheres of government to ensure accessibility and services contribute towards enhanced experience of tourists



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OUTCOME	CONTRIBUTION ON IMPACT	OUTCOME ENABLERS
		Effective international and national marketing and promotion of provincial tourism activities and attractions
An ethical, well-coordinated, enabling and capable centre of business excellence	Competent and ethical employees will influence economic decision making in the province.	Competent employees in the appropriate positions focusing on the roll-out of the Departments' strategies and priorities
		Adequate and effective allocation and utilisation of resources
		The Department must take up their mandate, role and responsibility to drive and coordinate economic growth and development in the province through collaboration and influencing all governmental stakeholders in the province to ensure all decisions are made to stimulate the provincial economy.



10. Key Risks

The following strategic risks have been identified in relation to the specific outcomes developed for the next five-year period. The mitigation strategies are also reflected in the table below:

Table 22: Key Strategic Risks

Outcome	Key Risks	Risk Mitigation
Inclusive, diversified and growing economy	Low level value add in manufacturing/ agriculture and forestry	• Coordinate the implementation of the roadmap of the Industrial Development Plan • Write a memo to EXCO on the impact of budget cuts on SMMEs in the province • Upscaling of the MSI and Furntech incubation programmes through funding and conclude other agreements with other incubators and training institutions
Inclusive, competitive and sustainable tourism industry	Uncoordinated tourism development in the Province	• Use existing platforms to promote integrated tourism sector planning to better coordinate tourism developments in the Province
An ethical, well-coordinated, enabling and capable center of business excellence	Non-compliance with transformation legislation	• Circulate the empowerment plans template to all programmes for completion • Report on the implementation of the empowerment plans.

11. Public Entities

The Department has four Entities which were established to perform the activities and implementation of economic and tourism related activities and projects within the Province. The table below provides an indication of the mandate of each of these Entities; their outcomes and budget allocation from the Department:



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Table 23: Provincial entities information

Name of Public Entity	Mandate	Outcomes	MTEF Budget Allocation R 000's
Mpumalanga Economic Growth Agency 	- To promote trade and investment in Mpumalanga - To provide funding in respect of approved enterprise development focusing primarily on the disadvantaged individuals in Mpumalanga - To develop property including the granting of housing loans in Mpumalanga to deliver massive infrastructure in Mpumalanga	- Inclusive, diversified and growing provincial economy - An ethical, well-coordinated, enabling and capable center of business excellence	2025/26 R270,600 2026/27 R270,255 2027/28 R282,416
Mpumalanga Tourism and Parks Agency 	To provide for the sustainable development and improvement of the tourism industry in Mpumalanga	- Inclusive, diversified and growing provincial economy - Inclusive, competitive and sustainable tourism industry - An ethical, well-coordinated, enabling and capable center of business excellence	2025/26 R499,461 2026/27 R539,271 2027/28 R568,998
Mpumalanga Economic Regulator 	- Continue to regulate the Gambling Industry as per its founding Act - Promote responsible gambling in the Province - Attempt to license the 4th Casino within the next 5 years - Provide for the regulation of the micro-manufacturing and retail sale of liquor - Regulate own revenue generation - Reduce the socio-economic and other related cost of alcohol abuse - Provide for public participation in the consideration of applicant for registration - Promote the development of a responsible and sustainable retails and micro-	- Inclusive, diversified and growing provincial economy - An ethical, well-coordinated, enabling and capable center of business excellence	2025/26 R139,304 2026/27 R118,728 2027/28 R129,531



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	manufacturing liquor industry in a manner that facilitates the entry of new participants into the industry; diversity ownership in the industry and an ethos of social responsibility in the industry		
Special Economic Zone 	Transforming the Lowveld Region into a Sustainable and Productive Food and Agro-Processing Hub"	• Developing an environmentally sustainable and highly productive agro-based industrial hub; • Enhancing the diversity and value of the region's value-added agricultural exports; • Broadening the economic participation of the region's populace by integrating SMMEs and emerging farmers into targeted value-chains; • Attracting both Foreign and Domestic Direct Investment into the region's agro-processing related businesses; • Improving the region's innovation and technological capability; • Enhancing the region's human and industrial capabilities in relation to agro-processing.	55,451



Part D: Technical Indicator Description (TID)

The core elements of the institution's TIDs are provided in the Guidelines for the Implementation of the Framework for Strategic and Annual Performance Planning.

Table 24: TID - Increase in provincial inclusive growth index score

Impact	Thriving inclusive economy and reduced poverty and inequality
Indicator Title	Increase in provincial inclusive growth index score
Definition	The Inclusive Growth Index was adapted from the Inclusive Growth (IG) Monitor developed by Manchester University in 2014. The Inclusive Growth Index uses existing statistics to construct an index of the extent to which people living within a given locality (like Mpumalanga) may be considered as economically included and benefiting from broader national prosperity. The index is divided into two themes (economic inclusion and prosperity) each having three underlying dimensions constituted by a set of two indicators. Each indicator is normalised giving a minimum score of zero for the lowest scoring area and a maximum of one for the highest scoring. This means that each dimension has a minimum score of zero and a maximum score of two, therefore each theme can have a minimum score of zero and maximum of six. The maximum score of the overall index is therefore 12.
Source of data	Statistics South Africa and S&P Global (Regional Explorer – ReX database)
Method of Calculation / Assessment	Quantitative – development of a comprehensive index
Assumptions	Reduced poverty and inequality
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Provincially
Desired performance	To be a thriving and inclusive provincial economy and ranked at least no 4 of the provinces in terms of the inclusive growth index, the intention of using the index will be to ensure that the province improve /increase on the result of calculating the index. Also quality,



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	accurate, credible and timeously research reports compiled in the process
Indicator Responsibility	Director: Economic Analysis and Research

Table 25: TID – Increase in the provincial economic growth rate

Outcome	Inclusive, diversified and growing economy
Indicator Title	GDP growth rate
Definition	The GDP (gross domestic product) growth rate measures how quickly a region/area like Mpumalanga's economy is growing (or shrinking) over a specific period of time (1 year for example). It is typically expressed as a percentage and reflects the change in the provincial GDP, which is the total monetary value of all final goods and services produced within the borders of the province. Normally it is measured in real GDP growth terms – adjust for inflation and giving a clearer picture of actual output increases
Source of data	Statistics South Africa and S&P Global (Regional Explorer – ReX database)
Method of Calculation / Assessment	Quantitative – in percentage terms
Assumptions	Growing economy
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired performance	To be a thriving and inclusive provincial economy. Also quality, accurate, credible and timeously research reports compiled in the process
Indicator Responsibility	Director: Economic Analysis and Research

Table 26: TID: Increase in provincial investment

Outcome	Inclusive, diversified and growing economy
Indicator Title	Gross Domestic Fixed Investment (GDFI)
Definition	The GDFI refers to the total value of investments in fixed assets within a region/area such as Mpumalanga over a specific period of time (1 year for example) before accounting for depreciation. It is a key component of the provincial GDP. It reflects the amount spent on acquiring or upgrading physical assets like buildings, machinery, equipment and infrastructure that are used in production processes



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Source of data	Statistics South Africa and Quantec database
Method of Calculation / Assessment	Quantitative – R-value and percentage contribution to SA's GDFI
Assumptions	Increase in provincial investment
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Provincially
Desired performance	To be a thriving and inclusive provincial economy. Also quality, accurate, credible and timeously research reports compiled in the process
Indicator Responsibility	Director: Economic Analysis and Research

Table 27: TID: Increase in growth and employment of priority sectors

Outcome	Inclusive, diversified and growing economy
Indicator Title	Percentage increase in growth and employment contribution per relevant sector
Definition	Increase in the economic performance of priority sectors/industries such as agriculture, manufacturing and tourism, as measured by indicators such as the percentage growth of the sector/industry per annum or percentage contribution to the provincial GDP and percentage employment share of total employment in Mpumalanga
Source of data	Statistics South Africa, S&P Global (Regional Explorer – ReX database) and Tourism SA
Assumptions	Increase in growth and employment of priority sectors
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Provincially
Desired performance	To be a thriving and inclusive provincial economy. Also quality, accurate, credible and timeously research reports compiled in the process
Indicator Responsibility	Director: Economic Analysis and Research



1. Table 28: TID – Percentage reduction in the current carbon (GHG) footprint in the Province

Outcome	Inclusive, diversified and growing economy
Indicator Title	Percentage reduction in the current carbon (GHG) footprint in the Province
Definition	To decrease the percentage of carbon/ Greenhouse Gas (GHG) in the atmosphere emanating from industries, especially during electricity generation and producing synthetic fuels from coal by adopting new technologies like clean coal technology and introducing alternative renewable energy sources. The emission levels will be measured at five monitoring stations. Greenhouse Gas: A greenhouse gas is a gas that absorbs and emits radiant energy within the thermal infrared range. Greenhouse gases cause the greenhouse effect. The primary greenhouse gases in the earth's atmosphere are water vapor, carbon dioxide, methane, nitrous oxide and ozone. Clean coal technology: A collection of technologies being developed in attempts to lessen the negative environmental impact of coal energy generation and to mitigate worldwide climate change.
Source of data	Air monitoring stations situated in the Highveld Region of Mpumalanga which monitors the quality of air. Reports by Eskom and Sasol on their respective emissions.
Assumptions	The information received from the monitoring station is assumed to be a true reflection of the air quality.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Provincially
Desired performance	To decrease the percentage of GHG in the air
Indicator Responsibility	The directorate responsible for Green Economy

Table 29: TID – Tourism spending as a percentage of the provincial GDP

Outcome	Inclusive, competitive and sustainable tourism industry
Indicator Title	Tourism spending as a percentage of the provincial GDP



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Definition	The combined R-value of international and domestic tourism spending (current prices) in Mpumalanga in a specific year, expressed as a percentage of the R-value of the provincial GDP (Gross Domestic Product – current prices) in the same year
Source of data	Statistics South Africa, IHS Markit (Regional Explorer - ReX), administrative data, Tourism SA, MTPA as well as DEDT records
Assumptions	Credible and timeously available data/information
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Provincially
Desired performance	Quality, accurate, credible and timeously tourism data/information
Indicator Responsibility	Director: Economic Analysis and Research as well as Director: Tourism



Table 30: TID – Governance compliance index

Outcome	An ethical, well-coordinated, enabling and capable center of business excellence
Indicator Title	Governance compliance index
Definition	Based on the King IV principles as described below the Department should conduct a compliance evaluation against the <u>principles</u>, practices and outcomes as set out within the King IV Report. P1 - The Executive and senior leadership team should lead ethically and effectively P2 - The Executive and senior leadership team should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. P3 - The Executive and senior leadership team should ensure that the organisation is and is seen to be a responsible corporate citizen. P4 - The Executive and senior leadership team should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. P5 - The Executive and senior leadership team should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects. P6 - The Executive and senior leadership team should serve as the focal point and custodian of corporate governance in the organisation. P7 - The Executive and senior leadership team should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively P8 - The Executive and senior leadership team should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. P9 - The Executive and senior leadership team should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness P10 - The Executive and senior leadership team should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.



	P11 - The Executive and senior leadership team should govern risk in a way that supports the organisation in setting and achieving its strategic objectives. P12 - The Executive and senior leadership team should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives. P13 -The Executive and senior leadership team should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen P14 - The Executive and senior leadership team should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. P15 - The Executive and senior leadership team should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. P16 - In the execution of its governance role and responsibilities, the Executive and senior leadership team should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.
Source of data	King IV Governance compliance checklist
Assumptions	That it will be easy to compare the actions, decisions and application of departmental policies against the King IV stipulated principles
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not Applicable
Desired performance	100% compliance
Indicator Responsibility	Head of Department

Table 31: TID – Percentage reduction in fraud related cases

Outcome	An ethical, well-coordinated, enabling and capable center of business excellence
Indicator Title	Percentage reduction in fraud related cases
Definition	The purpose of this indicator is to provide insight into the effectiveness of the Department's Fraud Prevention Strategy and Whistleblowing mechanisms. The indicator will also measure the extent and impact of awareness interventions pertaining to Anti-corruption and Ethics Management.



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Source of data	Public Service Commission (National Anti-Corruption Hotline) Reports
Assumptions	The number of corruption cases will be reduced.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not Applicable
Desired performance	Zero corruption cases reported (100% reduction)
Indicator Responsibility	Administration

Table 32: TID – Percentage Customer Satisfaction Index rating

Outcome	An ethical, well-coordinated, enabling and capable center of business excellence
Indicator Title	Percentage Customer Satisfaction Index rating
Definition	The purpose of this indicator is to provide insight on the extent to which the Department is responsive to the needs and expectations of customers. In this regard, customers are both internal and external recipients of the services rendered by the Department.
Source of data	Customers' ratings to the satisfaction surveys and other departmental engagements including education and awareness sessions.
Assumptions	There will be 80% customer satisfaction levels.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired performance	Improved client perception levels
Indicator Responsibility	Administration



ANNEXURE A: NSDF AND THE DISTRICT DELIVERY MODEL

Areas of intervention in the NSDF and DDM	Five Year Planning							Latitude (North/South/-Y)
	Project Name	Project Description	Budget Allocation	District Municipality	Specific Location	Project Leader	Social Partners	Longitude (East/West/+X)
Economic Growth	Nkomazi SEZ	Development of Nkomazi SEZ	2025/6 R46 451 000 2026/7 R50 439 000 2027/8 R52 709 000	Ehlanzeni District Municipality	Nkomazi Local Municipality: Komatipoort Town	Acting CEO: Mr. JM Mnisi	National, Provincial, District and Local Government, private sector investors, SMMEs, communities, traditional leaders	31°55'59E
								25°26'57.30S

The 2025 - 2030 Strategic Plan for the Mpumalanga Department of Economic Development and Tourism is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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