



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM

(For immediate release)

Press Release

“MEC Chabane delivers a Budget Speech for the people’s economy”

Limpopo Province registered an economic growth rate of 4.6% for 2006, following a growth rate of 4.1% in 2005 at market prices, which might change to a higher rate after revision later this year. This demonstrates the resilience of our economy at the height of a stressed global and national economy. However, our economy is threatened by the persistent rate of unemployment which stands at 32.4% by March 2007, increasing prices of basic commodities such as food, fuel, electricity and interest rates hikes. We are also concern about the labour absorption rate of 26.7% which is below the unemployment rate.

Nevertheless, with our combined collective efforts from the national government, provincial administration, and the business community, we remain confident that with time we will triumph over these challenges that are basically seasonal, says MEC Chabane. At the heart of the Budget Speech delivered by MEC Chabane is a commitment to serve the people which is highlighted by the theme ***“People Centered Wealth and People Drive Economy”***. This theme was inspired by the department’s commitment to serve the people of Limpopo and live up to the provincial government’s commitment that says “development is about people”.

Among the key highlight of the Budget Speech and achievements of the department is the investment of over R61 million in supporting the SMMEs. Our partnership with CIPRO to deal with business registration is beginning to bear fruits as a long overdue

intervention for supporting local business. Our Parastatals remains at the cutting edge enterprise development and supporting local SMME sector.

In terms of tourism, in 2006, Limpopo Province recorded 22.5% growth rate in the number of national tourists (i.e. from 3.1 to 4 million trips). On international arrivals, Limpopo Province recorded arrivals of 509 577 between January to September 2007. This is almost 9.2% growth as compared to the same period last year. A total of 2.2 million bed nights were spent in the province during the same period last year. During the period under review, we have succeeded in developing three new tourism routes (Seraka, Land of Legends and the Bush to Beach) through a partnership with Open Africa and funding from the European Union.

On the trade side, Limpopo's trade with other countries in 2007 showed a huge improvement as compared to 2006. Limpopo achieved R15.5billion worth of exports as compared to R6.8billion in 2006. Imports for 2007 totalled R13.8billion, giving Limpopo a favourable trade balance of R1.67billion. The most frequently exported products were: edible and processed fruits, nuts and peel of citrus fruit, works of art and antique, copper and vermiculite, compound of precious metals, coal, platinum, other commodities and agriculture products during this period (2007).

We are certain that with the work that we have done since 2004, we are now on a path toward the realization of the ideals contained in the Provincial Growth and Development Strategy. It is our view that our department has succeeded in stimulating and maintaining an enabling environment conducive for sustainable economic growth, environmental justice and an improved quality of life for all.

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