



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
ECONOMIC DEVELOPMENT, ENVIRONMENT &
LAND AFFAIRS

Indicator 1

2.1.1 Number of Economic Development Reports compiled on Economic Indicators

Quarter 1: 2024

Branch	Economic Development Branch
Directorate	Economic Research, Planning and Coordination
Report Compiled by	Moloko Mapatha

TABLE OF CONTENTS	PAGE NUMBER
EXECUTIVE SUMMARY	2
1. INTRODUCTION	3
2. UNEMPLOYMENT RATE.....	4
3. EMPLOYMENT BY PROVINCE.....	5
4. DISCOURAGED WORK SEEKERS	6
5. EMPLOYMENT PER INDUSTRY	7
6. CONCLUSION.....	8
7. ANNEXURE.....	10

Executive Summary

Stats SA has announced that the Limpopo Province official unemployment rate grew from 30,3%% to 32.7% in the first quarter of 2024, with the unemployment rate according to the expanded definition increasing by 1,1 of a percentage point to 47.8% in the first quarter of 2024.

The results of the Quarterly Labour Force Survey (QLFS) indicate that the number of employed persons in the province decreased by 3,000 to 1 495 000 in the first quarter of 2024 compared to 1 498 000 in the fourth quarter of 2023.

The QLFS indicate that the number of unemployed persons in the province increased by 77,000 to 728 000 in the first quarter of 2024 compared to 651 000 in the fourth quarter of 2023.

Discouraged jobseekers decreased by 40,000 in the first quarter of 2024 compared to the fourth quarter of 2023. This resulted in a net decrease of 61,000 in the not economically active population.

1. INTRODUCTION

This report presents key findings of the QLFS conducted from January to March 2024 (Q1: 2024).

The Quarterly Labour Force Survey (QLFS) is a household-based sample survey conducted by Statistics South Africa (Stats SA). It collects data on the labour market activities of individuals aged 15 years and above who live in South Africa. However, this report only covers labour market activities of persons aged 15–64 years. The quarter-to-quarter and year-on-year changes are influenced by the changes in the updated sample.

Unemployment rate is one of the key economic indicators that measure the performance of the economy. The NDP and LDP, as National and Provincial development blueprints, are primarily aimed at eliminating poverty and reducing unemployment rate. As such, QLFS and its findings requires considerable attention in order to reflect on the labour market performance and realization of economic targets in the province.

The labour market and its characteristics are comprehensively analyzed in this report to provide valuable insights to policy makers, investors, academics, and the general society.

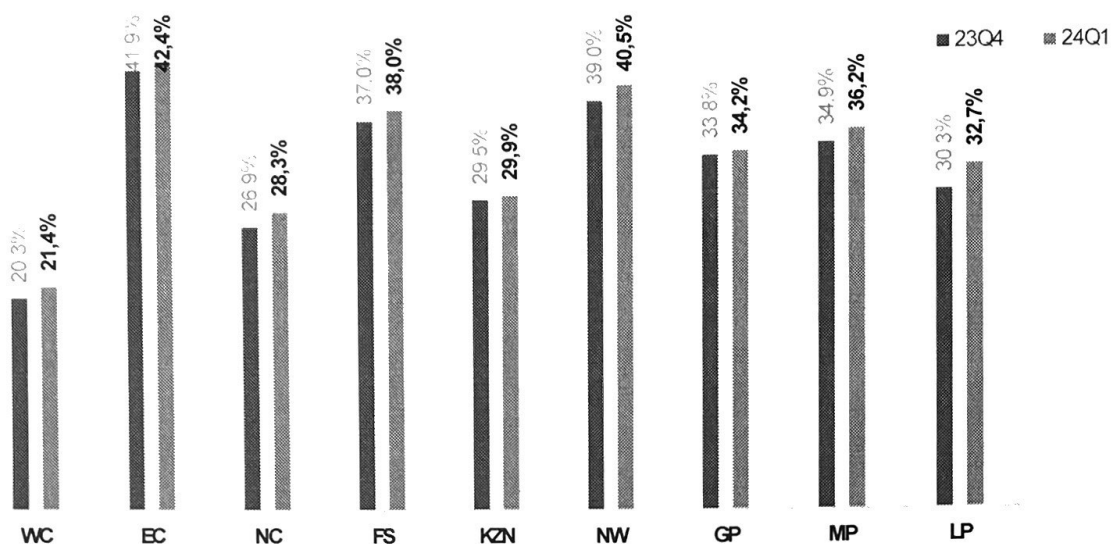
In Q1:2024

- UR (Official Unemployment Rate) = 32.7%
- EUR (Expanded Unemployment Rate) = 47.8%
- AR (Absorption Rate) =37.2%
- LFPR (Labour Force Participation Rate) =55.3%

***Please see full definitions on Annexure A on page 8 of this report**

2. Unemployment Rate

Figure 1: Unemployment per province



The National official unemployment rate increased by 0,8 of a percentage point to 32,9% in Q1: 2024 compared to Q4: 2023.

The official unemployment rate increased in all provinces. The largest increases were recorded in Limpopo (2,4 percentage points), followed by North West (1,5 percentage points), Northern Cape (1,4 percentage points), Mpumalanga (1,3 percentage points) and Western Cape (1,1 percentage points).

Year-on-year, the official unemployment rate decreased in five provinces. The largest decrease in the unemployment rate was recorded in Mpumalanga (2,3 percentage points), followed by KwaZulu-Natal (1,0 percentage point).

The largest increases in the unemployment rate were recorded in Quarter 1: 2024 Free State (3,6 percentage points), followed by North West (2,5 percentage points) and Eastern Cape (2,4 percentage points).

3. Employment by Province

The results of the QLFS indicate that the Country's total number of employed persons in the fourth quarter of 2023 is at 16,7 million while those who are unemployed are at 7,8 million in the same period.

Figure 2: Employment by Province

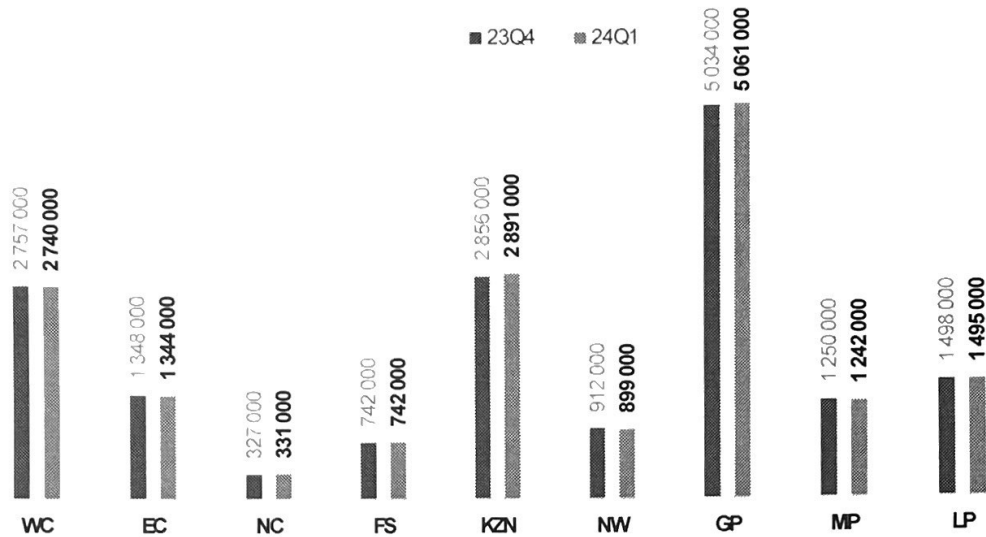


Figure 2 shows that the number of employed persons increased in three provinces between Q4: 2023 and Q1: 2024. Employment gains were recorded in KwaZulu-Natal (35 000), Gauteng (26 000) and Northern Cape (4 000).

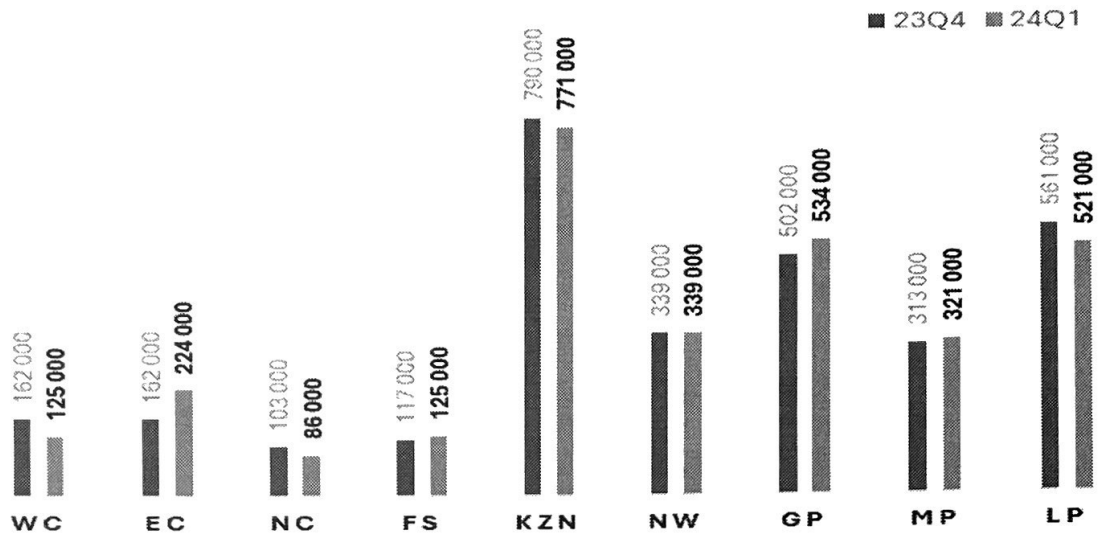
Employment decreases were recorded in Western Cape (17 000), followed by North West (13 000), Mpumalanga (8 000), Eastern Cape (4 000) and Limpopo (3 000) during the same period, while Free State remained unchanged.

Compared to Q1: 2023, the largest increases in employment were recorded in KwaZulu-Natal (297 000), Limpopo (107 000) and Mpumalanga (101 000). Eastern Cape, Free State and Northern Cape were the only provinces that recorded losses in employment with a decrease of 77 000, 48 000 and 8 000 respectively, during the same period.

KwaZulu-Natal had the largest year-on-year percentage change increase in employment of 11,4%.

6 4. Discouraged Work Seekers

Figure 3: Discouraged Work Seekers

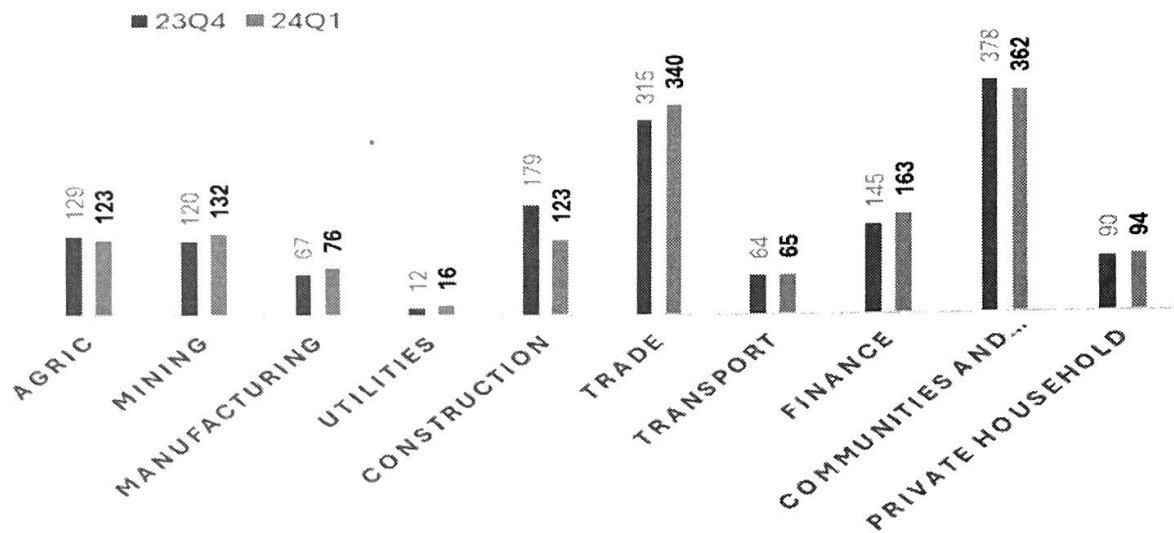


Quarterly comparison between Q3:2023 and Q4:2023 indicates that the largest increase in discouraged workers was recorded in Limpopo (73 000), North West (29 000), and Western Cape (22 000) and Northern Cape (9 000). Three provinces recorded a decline in the number of discouraged workers with the highest been KwaZulu-Natal (125 000), Gauteng (109 000), and Mpumalanga (18 000).

An increase, in some provinces, in the number of discouraged work seekers required a considerable attention from policy makers. History provides many cases of successful and failed economic transformation from which crucial lessons can be drawn. Limpopo province has adopted an industrialisation path, through the LDP, in its attempt to create jobs and reduce the high level of unemployment and poverty rates.

5. Employment per Industry

Figure 4: Employment per Industry

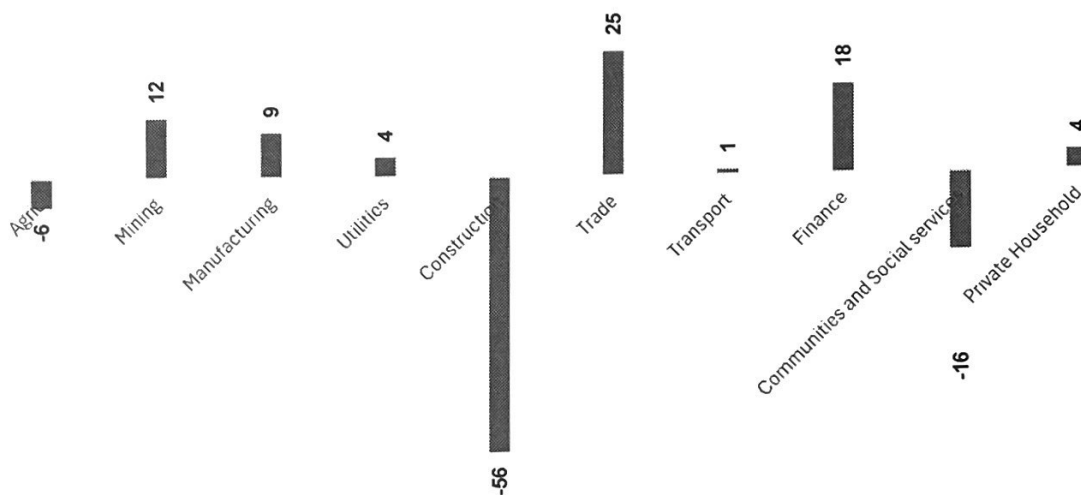


Communities and social services has employed the highest number of people in the province at 362 000, during the first quarter of 2024, followed by Trade with 340 000, Finance 163 000, Construction with 123 000, Mining with 132 000 and Agriculture at 123 000.

The sectors which employed less people in the province were utilities 16 000, transport 65 000, manufacturing 76 000 in the first quarter of 2024.

The focus of government (medium to long-term) to shift from reliance on a consumption driven to a production driven economy will assist in creating more employment in the labour absorbing industries such as Manufacturing, Tourism and Agricultural sectors.

Figure 5: Job gains/ losses between 23Q4 and 24Q1



The first quarter of 2024 recorded formal sector employment increases in Trade (25 000), Finance (18 000), Mining (12 000), Manufacturing (9 000), Utilities and Private Household (4000) respectively. industries compared to the fourth quarter of 2024.

During the same period, decreases in the formal sector employment were recorded in Construction (56 000), Community and social services (16 000), and Agriculture (6 000).

To turn the tide and raise economic growth sustainably, government is prioritising structural reforms, where value addition and beneficiation could serve as strategic approaches to improving the economic performance as well as job creation endeavours.

6. Conclusion

Limpopo Province's economy made considerable strides over the past three decades. Driven primarily by the boom in global commodity prices and favorable macroeconomic conditions. The relatively strong economic performance since the dawn of democracy, however, has been overshadowed by the lack of enough jobs in the labour market. Many economists associate these outcomes in terms of the quantity and quality of jobs created with the slow pace of structural transformation. External pressures e.g. Covid19 pandemic, geopolitical tensions, financial crisis, etc. weigh down on the province's efforts to address

challenges of unemployment. The provincial government is prioritising industrialisation programmes through the Musina Makhado SEZ and Fetakgomo Tubatse Industrial Park in order to tackle its socio-economic challenges.

7. Annexure A

Definitions

Discouraged work-seeker is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work.

Economic activities are those that contribute to the production of goods and services in the country. There are two types of economic activities, and they are: (1) Market production activities (work done for others and usually associated with pay or profit); and (2) Non-market production activities (work done for the benefit of the household, e.g. subsistence farming).

Employed persons are those aged 15–64 years who, during the reference week: did any work for at least one hour; or had a job or business but were not at work (temporarily absent).

The **labour force** comprises all persons who are employed plus all persons who are unemployed.

Labour force participation rate is the proportion of the working-age population that is either employed or unemployed.

Not economically active: Persons aged 15–64 years who are neither employed nor unemployed in the reference week.

Persons in **underemployment (time-related)** are employed persons who were willing and available to work additional hours, whose total number of hours actually worked during the reference period was below 35 hours per week.

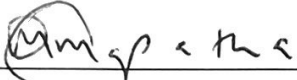
Underutilised labour comprises three groups as follows: persons who are underemployed, persons who are unemployed, and persons who are discouraged.

Unemployed persons are those (aged 15–64 years) who:

- a) Were not employed in the reference week **and**;
- b) Actively looked for work or tried to start a business in the four weeks preceding the survey interview **and**;
- c) Were available for work, i.e. would have been able to start work or a business in the reference week **or**;

d) Had not actively looked for work in the past four weeks but had a job or business to start at a definite date in the future and were available.

Compiled by:



Mr. Mapatha M
Acting Director: Economic Research, Planning and Coordination

16/05/2024

Date

Supported by:



Mrs. Talane M
Acting Chief Director: Trade and Sector

16/05/2024

Date