



The Eastern Cape
**SOCIO-ECONOMIC
ANALYSIS & FORECAST**

20
18

A Coega Development Corporation Publication



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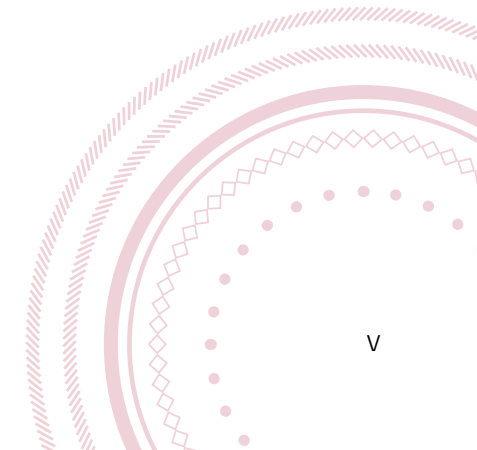


FOREWORD



The Eastern Cape Socio-Economic Analysis and Forecast (EC SEAF) 2018 is the fifth edition of the annual publication by the Coega Development Corporation's Research Unit. The central focus of the report is on the Eastern Cape and the provincial district municipalities with supplementary assessment of global and national performance and prospects all of which are inextricably linked to present and future options for the Eastern Cape in both social and economic terms. Furthermore, a comprehensive analysis of the provincial labour market is contained in this report. The last section of the report presents detailed statistics of the Eastern Cape district and local municipalities' development indicators.

The economic indicators reveal that Eastern Cape (hereinafter referred to as the EC and Province) still needs additional investment in social and economic infrastructure, critical economic mass through higher levels of global and provincial cross-border trade and investment, as well as better institutions and governance with resources proficient in public policy co-ordination and policy coherence for development. The Province needs to develop human capital and capacity, manage revenues wisely, strengthen macroeconomic management, encourage inter-sector linkages and boost industrial and agricultural output. Unfortunately, the performance of the provincial economy in 2016 was sluggish. The Province had the highest unemployment rate in the country; estimated at 35.1 percent in the 4Q2017. In 2017, the construction industry lost more than 30 thousand jobs, followed by manufacturing



industry with 27 thousand and the wholesale and retail trade industry with a loss of 19 thousand jobs. The Eastern Cape's economy is expected to grow at a moderate pace over the medium term but not enough to reduce the current unemployment rate. The Province needs to expand its agricultural production, generate robust growth in services and build momentum around provincial industrial development and Special Economic Zones (SEZs).

An effective strategy in agriculture needs to take cognisance of developing inclusive primary production, i.e. industrial scale (commercial) farming and not subsistence scale farming to improve the lives of rural inhabitants. This is vital for transforming the rural economy. Primary agriculture and agro-processing are intrinsically linked and provide the essential value-add to grow the economy. The success of the latter is dependent on a strong commercial primary sector. The value-addition activities of primary production in agriculture are reflected in agro-processing. In driving agro-processing, it is important that the linkages between primary production and agro-processing are sufficiently strengthened to ensure all economic agents benefit in the value chain. Identification of appropriate markets and products is also vital in expanding agro-processing in the Province.

The potential to cement a competitive future for the Province is real. The challenge is for implementers and decision-makers to find the balance between strengthening the governance of different departments and exploring the benefits of flexible regulation to promote investment, productivity, innovation and economic growth.

I am pleased with the outcomes of this report and commend the valuable data assimilated and presented here, which in essence draws on the Coega Development Corporation's complementary expertise and networks.

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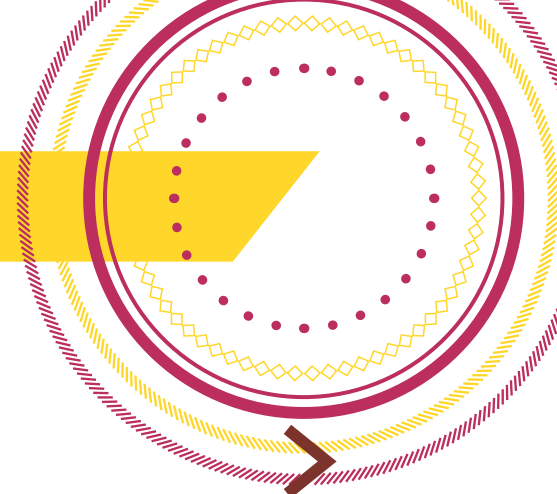
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| AFF | Agriculture, Forestry and Fishing |
| AIDS | Acquired Immune Deficiency Syndrome |
| COICOP | Classification of Individual Consumption by Purpose |
| Constr. | Construction |
| Cons. | Consumption |
| CPI | Consumer Price Index |
| CSPS | Community, Social and Other Personal Services |
| DM | District Municipality |
| D. Goods | Durable Goods |
| EAP | Economically Active Population |
| EC | Eastern Cape |
| EDD | Economic Development Department |
| EGW | Electricity, Gas and Water |
| EMEs | Emerging Market Economies |
| Equip. | Equipment |
| FCEH | Final Consumption Expenditure by Household |
| FET | Further Education and Training |
| FIBS | Finance, Insurance and Business Services |
| GDP | Gross Domestic Product |
| GDP_R | Regional Gross Domestic Product |
| GGS | General Government Services |
| GVA | Gross Value Added |
| HDI | Human Development Indicator |
| HIV | Human Immune Virus |
| ILO | International Labour Office |
| Inv. | Investment |
| ITC | International Trade Classification |
| MAN | Manufacturing |
| MDG | Millennium Development Goal |
| MPC | Monetary Policy Committee |
| MQ | Mining and Quarrying |

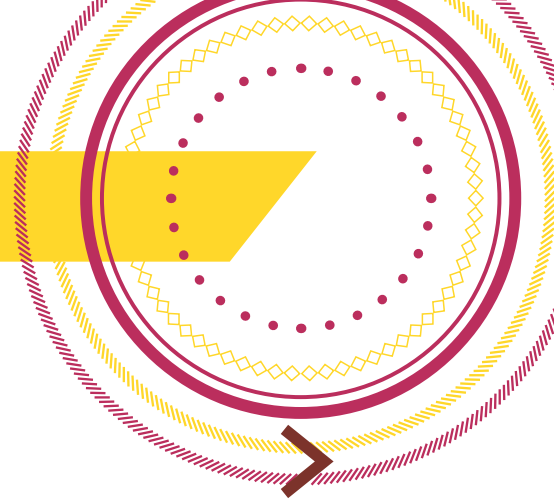
ABBREVIATIONS



| | |
|-------------|--|
| NCA | National Credit Act |
| NMBM | Nelson Mandela Bay Metro |
| ND. Goods | Non-Durable Goods |
| OGGS | Other General Government Services |
| PPI | Producer Price Index |
| Priv. | Private |
| Prop. Cons. | Propensity to Consume |
| Prop. Sav. | Propensity to Save |
| PSBR | Public Sector Borrowing (Budget) Requirement |
| Pub. | Public |
| Q-Q/Q-o-Q | Quarter to Quarter / Quarter on Quarter |
| SA | South Africa |
| SARB | South African Reserve Bank |
| SEC | Sector |
| SD. Goods | Semi-Durable Goods |
| Serv. | Services |
| SMME | Small Medium and Micro Enterprises |
| StatsSA | Statistics South Africa |
| TSC | Transport Storage and Communication |
| TVET | Technical and Vocational Education and Training |
| WRTRCA | Wholesale & Retail Trade, Catering and Accommodation |



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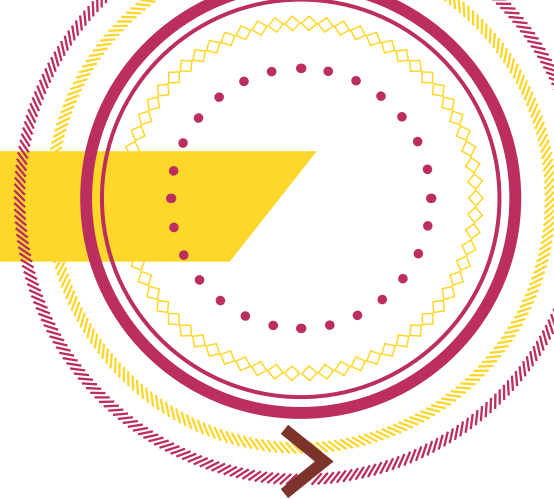


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NOTE TO THE READER:

The fifth publication of the Socio-Economic Analysis and Forecast was developed by the Coega Development Corporation's Research Unit. This report includes a review of economic prospects for developed and developing countries which impact the South African economy, and thus the Eastern Cape.

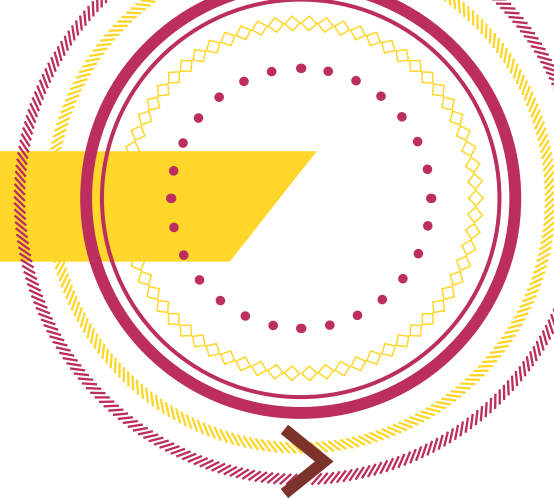
The report is produced at a time when the economic outlook for South Africa has improved, as the country has given strong signals concerning strengthening policy coordination. The global economy ended on a solid footing in 2017 and is expected to improve this year (2018). Developed economies continued to grow at a healthy pace. With developing nations, the economic recoveries have strengthened in India, Russia and Brazil. China's economy is gradually transitioning towards a more balanced economic model.

In this report, the historical data transformation and forecast estimations have been rebased to 2010 prices. Our forecast presents the most likely future, all things being equal, and therefore serves as a starting point for planning discussions. The projections are based on historical changes in South Africa and selected developed and developing countries. The projections are applicable to the Eastern Cape and could inform provincial expectations about possible actions by citizens, businesses and provincial government. Country selection for this analysis in section one was centred on the strong correlation of their economy to South Africa and by extension, the Eastern Cape. A summary of the report follows.

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EXECUTIVE SUMMARY



THE GLOBAL ECONOMY

According to the International Monetary Fund (IMF) report, global economic activity has strengthened as some 120 economies, representing three quarters of world GDP, have firmed up in 2017. Their annual GDPs growth have seen an improvement last year 2017. As a consequence, global output is projected to have grown by 3.7 percent in 2017, which is 0.5 percentage point higher than the one observed in 2016. Within developed countries, growth in the third quarter of 2017 was higher than expected, particularly in USA, Korea, Japan and Germany. Also, developing countries such as Brazil, South Africa and China, posted third quarter growth better than projected and these performances are expected to continue in the fourth quarter of 2017.

In recent months, world trade has grown strongly owing to the pick-up in investment from developed countries and the increase in the manufacturing output in Asia. The Purchasing Managers' Indices (PMI) predict steady manufacturing activity ahead. This is consistent with strong consumer confidence resulting in healthy final demand. In the USA, activities are expected to be stimulated in a short term owing to the tax policy changes. The impact of the tax policy package on the America GDP would be positive through 2020 but is forecast to lower growth for a few years from 2022 onwards. China would grow more steadily, by 6.2 percent in the medium term. However, excess capacity issues and financial market vulnerabilities are the main constraints on China's growth. Investment and private households' spending will remain the anchors of growth. China's exports are expected to contribute more significantly in the coming years as new free trade zones gain traction.

Overall risks to the global growth projection seem to balance in the near term but remain skewed over the medium term to the downside. Geopolitical tensions and political uncertainty in some countries also pose downside risks. Weak inflation also indicates that slack remains in many developed economies and, as a consequence, monetary policy should continue to remain accommodative. If global sentiment remains strong and inflation muted, then financial conditions could ease in the medium term and the global economy's growth, on average, could be around 3.9 percent in 2018 and 2019.

THE SOUTH AFRICAN ECONOMY

The economy of South Africa has stagnated over the last couple of years with high levels of unemployment and no improvement in the level of poverty. The beginning of 2017 was marked by recession owing to a number of factors such as: water shortages, high electricity tariffs, contraction in manufacturing production, decline of private consumption and private investment as well as slower exports to mention a few. The threat of down grade by rating agencies also contributed to economic stagnation in South Africa as investor confidence was and is still relatively low. However, the country's economic outlook has improved in recent months, after the ruling party's national conference and the election of a new president which was widely anticipated by the market and private sector.

In his state of the nation address on the 16th of February 2018, the new president vowed to improve the country's dysfunctional state-owned enterprises and cut the bloated public sector to contain rising public debt. With the latest unemployment rate at 26.7 percent, programs to boost employment and improve access to tertiary education is expected to be implemented. Also, during the budget speech in the following week, the Minister of Finance announced that Value Added Tax (VAT) will increase from 14 to 15 percent from 1st April 2018. Government will continue to invest in economic and social infrastructure although at a moderate pace. The budget deficit is expected to narrow from 4.3 percent of GDP in 2017/18 to 3.5 percent in 2020/21. The net debt is projected to stabilise at 53.2 percent of GDP in 2023/24 while the current account balance deficit is expected to be around 3.2 percent of the GDP. To reduce the current level of unemployment, the country needs high and sustain economic growth over the next five years. The risk to the inflation outlook will be moderately on the upside, owing to the high degree of exchange rate uncertainty, but within the target range. The rand is expected to remain relatively resilient in 2018.

In January 2018, the Standard Bank Purchasing Managers' Index (PMI) came in at 49.0, above the 48.4 points observed in December 2017. However, the indicator remains below the six-year long-run survey average of 50.7 points. A slight increase in consumer spending is expected in 2018 while private investment is likely to gain momentum.

THE EASTERN CAPE ECONOMY

The Eastern Cape (EC) economy has been affected by the national economic turmoil, owing to its exposure to external shocks and high dependency on national grants. In terms of population size, the Province lost its third position to the Western Cape Province to become the fourth largest province. This new ranking is expected to affect the Province's grant allocation. The Black/African community represented more than 85 percent of the population followed by the Coloured community with 7.7 percent and Whites with 4.2 percent in 2017. Owing to the increase in migration of its inhabitants to other provinces, the EC Province's population growth has been below the national average growth with a consequence of a gradual decline in its percentage share to the total country population over the years. The EC is the fourth largest economy in SA and increased by 0.8 percent in 2016. It is projected to increase by 1.3 percent in 2017. The unemployment rate is estimated at 35.1 percent in the 4Q2017: the highest rate in the country. Between the 4Q2016 and 4Q2017, the construction industry lost more than 30 thousand jobs, followed by the manufacturing industry with 27 thousand and the wholesale and retail trade industry with a loss of 19 thousand jobs.

The EC's economic activities are still concentrated in the urban areas and dominated by the tertiary sector with 79.2 percent of the total economy. However, an increased level of public investment as well as improved household consumption spending in the Province has mitigated the impact. The fixed capital stock per capita of the EC was the smallest in the country and below the national average in 2016. Total investment is expected to increase by 1.8 percent on average over the medium term however, this is insufficient to have a major impact on the current unemployment rate. At district level, the Alfred Nzo, O.R. Tambo and Joe Gqabi District Municipalities (DM) showed stronger annual growth than Buffalo City and Nelson Mandela Bay Metropolitan Municipality. However, the two Metros represented more than 50 percent of the provincial economy. An upward trajectory is forecast for the Province over the medium term. However, this positive outlook could be threatened by the current political instability within the Province. Rural DMs showed high dependency ratios compared to urban regions, while "extreme poverty" has improved considerably over the years. The unemployment rate remains high in the rural municipalities even though access to basic services has improved. HIV infection is still a concern even if the proportion of AIDS-related deaths to other deaths has declined.

Below are the forecast tables for South Africa and Eastern Cape economies.¹

NATIONAL:

SOUTH AFRICAN GROSS DOMESTIC PRODUCT

| | Actual | | | | | | Forecasts | | | |
|------------------------|--------|--------|--------|--------|--------|--------|-----------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| GDP (Rbn) | 2901,1 | 2973,2 | 3028,0 | 3066,8 | 3084,2 | 3124,9 | 3171,8 | 3235,2 | 3306,4 | 3389,1 |
| Annual Growth Rate (%) | 2,2 | 2,5 | 1,8 | 1,3 | 0,6 | 1,3 | 1,5 | 2,0 | 2,2 | 2,5 |

FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLD

| | Actual | | | | | | Forecasts | | | |
|------------------------|--------|--------|--------|--------|--------|--------|-----------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| FCEH (Rbn) | 1768,4 | 1803,6 | 1818,5 | 1851,4 | 1864,4 | 1906,1 | 1950,0 | 1996,8 | 2040,7 | 2087,7 |
| Annual Growth Rate (%) | 3,7 | 2,0 | 0,8 | 1,8 | 0,7 | 2,2 | 2,3 | 2,4 | 2,2 | 2,3 |

TOTAL INVESTMENT

| | Actual | | | | | | Forecasts | | | |
|------------------------|--------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| GFCF (Rbn) | 573,3 | 614,5 | 618,7 | 640,0 | 613,7 | 616,0 | 624,7 | 639,1 | 652,5 | 672,1 |
| Annual Growth Rate (%) | 2,6 | 7,2 | 0,7 | 3,4 | -4,1 | 0,4 | 1,4 | 2,3 | 2,1 | 3,0 |

PUBLIC INVESTMENT

| | Actual | | | | | | Forecasts | | | |
|------------------------|--------|------|------|-------|-------|-------|-----------|-------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Public (Rbn) | 85,1 | 90,6 | 95,3 | 109,1 | 105,3 | 104,6 | 105,8 | 107,6 | 110,6 | 113,1 |
| Annual Growth Rate (%) | 7,3 | 6,4 | 5,3 | 14,4 | -3,5 | -0,7 | 1,2 | 1,7 | 2,9 | 2,2 |

PUBLIC CORPORATION INVESTMENT

| | Actual | | | | | | Forecasts | | | |
|------------------------|--------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Pub Corp (Rbn) | 113,8 | 121,3 | 114,4 | 123,9 | 123,1 | 121,5 | 123,7 | 126,5 | 129,3 | 133,1 |
| Annual Growth Rate (%) | 3,8 | 6,6 | -5,7 | 8,3 | -0,7 | -1,3 | 1,8 | 2,3 | 2,2 | 2,9 |

PRIVATE INVESTMENT

| | Actual | | | | | | Forecasts | | | |
|------------------------|--------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Private (Rbn) | 374,5 | 402,7 | 409,1 | 407,0 | 385,3 | 390,0 | 395,3 | 405,0 | 412,5 | 425,9 |
| Annual Growth Rate (%) | 1,2 | 7,5 | 1,6 | -0,5 | -5,3 | 1,2 | 1,4 | 2,5 | 1,9 | 3,2 |

EASTERN CAPE:

REGIONAL GROSS DOMESTIC PRODUCT

| | Actual | | | | | | Forecasts | | | |
|------------------------|--------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| GDP_R (Rbn) | 223,9 | 227,0 | 230,0 | 232,1 | 234,1 | 237,5 | 241,6 | 246,8 | 252,9 | 259,6 |
| Annual Growth Rate (%) | 2,0 | 1,4 | 1,3 | 1,0 | 0,8 | 1,5 | 1,7 | 2,2 | 2,5 | 2,6 |

¹ Data are at constant 2010 prices

REGIONAL FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLDS

| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|-------|-------|-------|-------|-----------|-------|-------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| FCEH_R (Rbn) | 170,4 | 174,4 | 175,2 | 178,6 | 179,9 | 184,0 | 188,3 | 192,9 | 197,2 | 201,8 |
| Annual Growth Rate (%) | 3,1 | 2,3 | 0,5 | 1,9 | 0,7 | 2,3 | 2,3 | 2,4 | 2,2 | 2,3 |

REGIONAL FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLDS: DURABLE GOODS

| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| D Goods (Rbn) | 16,3 | 17,3 | 17,4 | 17,6 | 17,9 | 18,5 | 19,1 | 19,8 | 20,4 | 21,1 |
| Annual Growth Rate (%) | 8,5 | 5,8 | 0,7 | 1,2 | 1,5 | 3,3 | 3,3 | 4,0 | 2,9 | 3,6 |

REGIONAL FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLDS: SEMI-DURABLE GOODS

| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| SD Goods (Rbn) | 18,0 | 19,2 | 19,3 | 19,4 | 19,8 | 20,7 | 21,3 | 22,0 | 22,9 | 23,7 |
| Annual Growth Rate (%) | 6,3 | 6,6 | 0,4 | 0,8 | 2,2 | 4,2 | 3,0 | 3,5 | 3,9 | 3,6 |

REGIONAL FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLDS: NON-DURABLE GOODS

| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| ND Goods (Rbn) | 68,1 | 69,3 | 69,8 | 72,1 | 72,3 | 73,6 | 75,4 | 77,5 | 79,6 | 81,8 |
| Annual Growth Rate (%) | 2,4 | 1,9 | 0,7 | 3,3 | 0,3 | 1,8 | 2,4 | 2,9 | 2,7 | 2,8 |

REGIONAL FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLDS: SERVICES

| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Services (Rbn) | 68,0 | 68,6 | 68,8 | 69,4 | 69,9 | 71,2 | 72,6 | 73,4 | 74,2 | 75,1 |
| Annual Growth Rate (%) | 1,7 | 0,9 | 0,2 | 1,0 | 0,6 | 2,0 | 1,9 | 1,2 | 1,1 | 1,1 |

REGIONAL TOTAL INVESTMENT

| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| GDFI_R (Rbn) | 38,8 | 41,2 | 41,7 | 42,7 | 41,0 | 40,8 | 41,2 | 42,0 | 42,9 | 44,0 |
| Annual Growth Rate (%) | 2,3 | 6,2 | 1,0 | 2,6 | -4,0 | -0,5 | 1,0 | 1,9 | 2,0 | 2,7 |

REGIONAL TOTAL INVESTMENT: BUILDING AND CONSTRUCTION WORKS

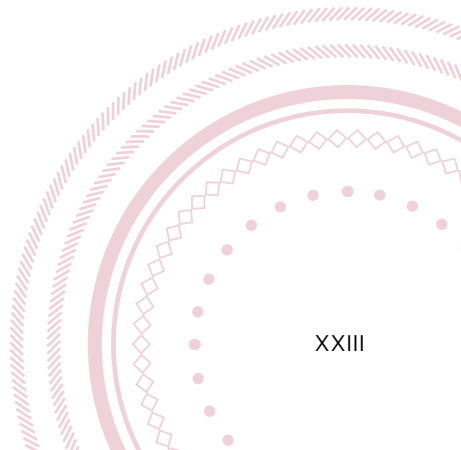
| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Build & const (Rbn) | 16,2 | 17,7 | 18,1 | 19,6 | 19,6 | 20,1 | 20,7 | 21,4 | 22,0 | 22,7 |
| Annual Growth Rate (%) | -1,3 | 9,2 | 2,3 | 8,3 | 0,3 | 2,6 | 2,5 | 3,4 | 2,8 | 3,1 |

REGIONAL TOTAL INVESTMENT : MACHINERY AND OTHER EQUIPMENT

| | Actual | | | | | Forecasts | | | | |
|--------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Mach & other equip (Rbn) | 16,9 | 17,2 | 17,5 | 16,8 | 15,3 | 15,0 | 15,1 | 15,2 | 15,4 | 15,6 |
| Annual Growth Rate (%) | 2,7 | 1,4 | 1,8 | -4,2 | -8,6 | -1,7 | 0,1 | 1,0 | 1,1 | 1,6 |

REGIONAL TOTAL INVESTMENT: TRANSPORT EQUIPMENT

| | Actual | | | | | Forecasts | | | | |
|------------------------|--------|------|------|------|------|-----------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Transp equip (Rbn) | 5,0 | 5,7 | 5,3 | 5,6 | 5,3 | 5,3 | 5,4 | 5,1 | 5,4 | 5,7 |
| Annual Growth Rate (%) | 15,0 | 13,1 | -5,7 | 5,7 | -6,2 | 0,8 | 1,4 | -5,5 | 5,1 | 5,3 |





GLOBAL ECONOMIC PERFORMANCE AND OUTLOOK

01

GLOBAL ECONOMIC PERFORMANCE AND OUTLOOK

1.1 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK

The global economy decreased to 3.2 percent in 2016 and is projected to strengthen to 3.7 percent in 2017 before reaching 3.9 percent in 2018 and 2019². Growth showed positive signs across developed and emerging economies as the recovery is supported by a notable pick-up in trade, investment and industrial production. Business and consumer confidence have strengthened in the first and second half of 2017. Although advanced economies' output grew faster in the third quarter of 2017 than projected, emerging market and developing economies were still driven by global economic performance. Global PMIs for July and August suggested that global momentum continued into the third quarter of 2017. The more recent PMI projects firm manufacturing activity ahead, consistent with stronger consumer confidence sentiment.

In the first half of 2017 and within the developed economies, business investment continued to build up. In the United States (US), this was due to a recovery in the energy sector while investment, external demand as well as robust private consumption in the euro area and Japan boosted overall growth momentum. China continues to lead the emerging market and developing economies as growth momentum in India slowed owing to the uncertainty related to the midyear introduction of the country-wide Goods and Services Tax and the remaining impact of the authorities' currency exchange initiative. Despite positive economic recovery, growth remains weak in many countries. However, expected growth in some advanced and developing economies was revised upward, offsetting downward revision of UK and US. The risks are attributable to both macro-economic and political effects as well as uncertainties regarding the ongoing Brexit negotiations.

The strengthening of financial markets saw some national currencies rebound while equity markets in both advanced and emerging market economies continued with recovery. Between February and August 2017, the IMF's Primary Commodities Price Index declined by 5 percent. Over the same period, oil prices dropped by 8.1 percent owing to the higher-than-expected US shale production and stronger-than-expected production recoveries in Libya and Nigeria. Among non-fuel commodities, prices of metals were up modestly but agricultural commodity prices declined.

According to the October 2017 IMF report, policy uncertainty is more of a concern than usual, reflecting difficulties in predicting fiscal policies. The ongoing cyclical recovery in advanced economies is expected to improve more than previously projected, but growth would soften in the medium term. Potential growth will be increasingly held back by slower growth in workforces as populations' age and an increasing share of people enter retirement. The speed at which the aging process weighs on the labour force depends crucially on the labour force participation rates of various demographic groups. IMF forecast an emerging market and developing economies growth rate of

² January 2018 World Economic Outlook Update report

around 4.7 percent in 2017 and 4.9 percent in 2018 and about 5.0 percent over the medium term. Also, growth in commodity exporters is expected to recover further and contribute significantly to the projected pick-up in global growth between 2016 and 2022.

Table 1.1 below shows economic growth and projections for various countries between 2011 and 2021.

Table 1.1: Economic Growth Trend and Projections, 2011-2021

| | 2011 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------|-----------------------|------|------|------|------|------|------|
| | Percentage Change (%) | | | | | | |
| World | 4.3 | 3.2 | 3.6 | 3.7 | 3.7 | 3.7 | 3.8 |
| Euro area | 1.6 | 1.8 | 2.1 | 1.9 | 1.7 | 1.6 | 1.5 |
| Sub-Saharan Africa | 5.1 | 1.4 | 2.6 | 3.4 | 3.4 | 3.7 | 3.8 |
| Brazil | 4.0 | -3.6 | 0.7 | 1.5 | 2.0 | 2.0 | 2.0 |
| China | 9.5 | 6.7 | 6.8 | 6.5 | 6.3 | 6.2 | 6.0 |
| India | 6.6 | 7.1 | 6.7 | 7.4 | 7.8 | 7.9 | 8.1 |
| Japan | -0.1 | 1.0 | 1.5 | 0.7 | 0.8 | 0.2 | 0.7 |
| Russia | 5.1 | -0.2 | 1.8 | 1.6 | 1.5 | 1.5 | 1.5 |
| United Kingdom | 1.5 | 1.8 | 1.7 | 1.5 | 1.6 | 1.7 | 1.7 |
| United States | 1.6 | 1.5 | 2.2 | 2.3 | 1.9 | 1.8 | 1.7 |

Source: IMF data

- Euro area economic performance declined to 1.8 percent in 2016 from 2.0 percent observed in 2015. Although prospects remained clouded by policy uncertainties including, impact of elections' outcomes, direction of Brexit negotiations and financial sector fragilities, growth is expected to gather strength and improve to 2.4 percent in 2017. The 2017 performance is driven by an increase of global trade's export, strong domestic demand supported by accommodative global financial conditions, rising oil prices and diminishing political risks. Germany and France's growth rates are expected to rise this year, although it will moderate next year in Germany. Over the medium term, growth is expected to remain subdued due to weak productivity, a public and private debt overhang and adverse demographics impact.
- Sub-Saharan Africa economic growth declined to 1.4 percent in 2016. However, growth is expected to pick-up to 2.7 percent in 2017 and 3.3 percent in 2018, reflecting improvements in commodity prices, a pick-up in global growth, and more supportive domestic conditions. Nigeria is expected to emerge from the 2016 recession owing to recovery in oil production and improving agricultural sector. In South Africa, growth is expected to remain subdued despite strong commodity export prices, and strong agricultural production, as political uncertainties affect consumer and business confidence. However, the resignation of Mr Zuma and election of Mr Ramaphosa will have a positive impact on the country's economic outlook. Angola's growth is expected to benefit from the ongoing upturn in the oil market. Also, fuel importing countries in the region are expected to continue improving, with projected growths of 3.9 and 4.4 percent in 2017 and 2018, respectively.
- Growth in Brazil is expected to reach 1.1 percent in 2017 and 1.9 percent in 2018 after the two consecutive shrinkages observed in 2015 and 2016. The 2017 performance is due to slight improvements in the country's business and consumer confidence. However, ongoing weakness in investment and an increase in political and policy uncertainty would negatively impact the country's growth performance. Over the medium term, the growth is expected to be above 2.0 percent.

- In 2016, Chinese economy grew by 6.7 percent. The growth is forecast to be around 6.9 and 6.6 percent in 2017 and 2018, respectively. The country's manufacturing PMI jumped to an over five-year high in September this year, while trade performance remained healthy. Real estate investment and credit trajectory will continue to unfold despite measures to restrict demand. The country has potential to sustain strong growth during the medium term, however speedy implementation of structural reforms to make growth less reliant on debt and investment will be necessary. Growth is expected to be moderate over the medium term.
- India's economy increased by 7.1 percent in 2016 and it is expected to drop to 6.7 percent in 2017. This expected decline in growth is associated with the introduction of the currency exchange policy in November 2016 and the transition costs owing to the launch of the national Goods and Services Tax in July this year. However, growth is projected to reach 7.9 percent on average over the medium term, based on an assumption that India's vast domestic market is expected to unify.
- Japan's economy grew by 1.0 percent in 2016 owing to a drop in demand from China and other Asian countries and subdued private consumption. The impact of the consumption tax hike planned for 2017 is expected to be partially offset by a pick-up in global exports with growth expected at 1.5 percent. The Japanese output growth is predicted to slow down to 1.2 percent in 2018 due to Japan's inability to sustain current fiscal policies, and therefore private consumption's growth is expected to moderate. Also, the impact of the 2020 Olympics' private investment would be offset by sluggish projected growth in foreign demand and higher imports value. During the medium term, a declining labour force would derail GDP growth, reaching just 0.7 percent in 2021.
- Russia's economy contracted by 0.2 percent in 2016. The economy is predicted to rebound from a deep recession on the back of stronger oil prices, improved wages and lower interest rates, which will boost household consumption and investment. However, if structural bottlenecks and economic sanctions persist, the country's output recovery could be delayed beyond medium term. Monetary policy is expected to be eased to support economic growth. The country's economy is expected to grow by 1.8 percent in 2017 before declining to 1.5 percent over the medium term.
- In 2016, UK's growth slowed to 1.9 percent and is expected to decline further to 1.7 percent in 2017 and 1.5 percent in 2018. This reflects slow growth in private consumption as the pound's depreciation negatively impacted household real income. The Brexit risk is still a concern as it outweighs the rise in exports and public investments. Over the medium term, growth is very uncertain and will depend heavily on relationships with the EU, world trading partners and the financial markets.
- The US economy experienced its lowest growth in 5 years, increasing by only 1.5 percent in 2016. This low growth reflected slow recovery in energy sector investment, the trade deficit and the weaker US dollar after presidential elections. Strong consumer and business confidence, supportive financial conditions and inventory expansion as well as dollar appreciation are expected to drive US economy growth to 2.3 percent in 2017 and 2.7 percent in 2018. US potential growth in the medium term is predicted to be 2.0 percent on average, reflecting prolonged sluggish growth in factory productivity and diminished growth of the workforce as a result of an aging population. However, the Federal Reserve is expected to tighten monetary policy while government is to implement significant additional policy changes in support of the economy.

1.2 GLOBAL INFLATION AND OUTLOOK

World inflation remained stagnant at 2.8 percent in 2016. However, it is projected to be around 3.2 percent in 2021. Headline inflation in both advanced and emerging markets and developing markets is expected to increase but at lower than expected rate. In advanced economies, inflation is expected to pick up from 0.8 percent in 2016 to 1.7 percent in 2017 and 2018, owing to cyclical recovery in demand and increases in commodity prices. Over the medium term, headline inflation is projected to be around 2.0 percent. In developing and emerging economies, headline inflation should remain stable over the next two years, at 4.2 percent in 2017 and 4.4 percent in 2018. Table 1.2 below illustrates global average annual inflation and the forecast for key developed and developing countries which have close trade relationships with SA.

Table 1.2: Global Average Annual Inflation Analysis, 2011-2021³

| | 2011 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------|---------------------------------------|------|------|------|------|------|------|
| | Percentage Change(%) - Annual Average | | | | | | |
| World | 5.0 | 2.8 | 3.1 | 3.3 | 3.3 | 3.3 | 3.2 |
| Euro area | 2.7 | 0.2 | 1.5 | 1.4 | 1.7 | 1.8 | 1.9 |
| Sub-Saharan Africa | 9.4 | 11.3 | 11.0 | 9.5 | 8.6 | 8.3 | 8.0 |
| Brazil | 6.6 | 8.7 | 3.7 | 4.0 | 4.1 | 4.1 | 4.0 |
| China | 5.4 | 2.0 | 1.8 | 2.4 | 2.5 | 2.6 | 2.6 |
| India | 9.5 | 4.5 | 3.8 | 4.9 | 4.8 | 4.9 | 5.0 |
| Japan | -0.3 | -0.1 | 0.4 | 0.5 | 1.1 | 1.6 | 1.3 |
| Russia | 8.4 | 7.0 | 4.2 | 3.9 | 4.0 | 4.0 | 4.0 |
| United Kingdom | 4.5 | 0.7 | 2.6 | 2.6 | 2.2 | 2.1 | 2.0 |
| United States | 3.1 | 1.3 | 2.1 | 2.1 | 2.6 | 2.4 | 2.2 |

Source: IMF data

- Inflation in the Euro Area is predicted to pick up from an average of 0.2 percent in 2016 to 1.5 percent in 2017, owing to higher energy prices and continuing cyclical recovery in demand. Headline inflation is expected to coincide with core inflation in the medium term as the energy price effects lessen. By 2021, the Euro Area average inflation should be around 1.9 percent, equivalent to the European Central Bank's medium-term objective.
- Sub-Saharan Africa's annual average inflation increased from 6.9 percent in 2015 to 11.3 percent in 2016. This price escalation was a result of depreciation of national currencies in member countries, especially the larger economies. Indeed, inflation would remain elevated at a two-digit level in both Nigeria and Angola. Inflation is projected to fall slightly to 11 percent in 2017 before reaching 9.5 percent in 2018.
- Brazil's annual average growth was around 8.7 percent in 2016. This is expected to fall to 3.7 percent in 2017 before picking up slightly to 4.0 percent in 2018, partly due to a fall in currency appreciation and low demand. In the medium term, it is forecast to stabilise at around 4.1 percent.
- China's inflation increased from 1.4 percent on average in 2015 to an annual average inflation rate of 2.0 percent. However, it is expected to fall to 1.8 percent in 2017 before picking up to 2.4 percent in 2018, reflecting higher prices for health care, education, recreation and clothing. Annual average inflation is forecast to be around 2.6 percent over the medium-term.

- Annual average inflation in India decreased slightly to 4.5 percent in 2016. The decline reflected a slight fall in food prices. Inflation is projected to decline further to 3.8 percent in 2017 before picking up to 4.9 percent in 2018. Over the medium-term, it is expected to be around 4.9 percent.
- Headline inflation in Japan is expected to return to positive territory after the deflation observed in 2016. The annual average inflation rate is expected to be around 0.4 percent in 2017 as a result of improved energy prices and a narrowing output gap. However, inflation is projected to remain below the Bank of Japan's targets over the medium-term at 1.6 percent.
- Russia's annual average inflation declined from 15.5 percent in 2015 to 7 percent in 2016, reflecting stabilisation of the rouble and improvements in credit conditions. Inflation is projected to decline faster to 4.2 percent in 2017 and 3.9 percent in 2018, reflecting stronger effects from negative output gaps, currency appreciations and favourable supply shocks to food prices.
- In the UK, the headline inflation rate is likely to peak at 2.6 percent in 2017, up from 0.7 percent in the previous year, before gradually declining to the Bank of England's target of 2.0 percent as the temporary effect of the pound's depreciation lessens and inflation expectations remain well anchored.
- US price inflation is projected to increase at a slower than expected rate as a result of weaker fuel prices, negative shocks linked to cell phone prices as well as prescription drugs. Inflation is expected to increase from 1.3 percent in 2016 to 2.1 percent in 2017. Over the medium-term, inflation is projected to be around 2.4 percent.

1.3 GLOBAL UNEMPLOYMENT RATE ANALYSIS

Unemployment continues a slight reduction despite remaining relatively high in many countries and remains uneven. Table 1.3 below shows the global unemployment rate of key developed and developing countries that have close trade relationships with SA.

Table 1.3: Global Unemployment Rate, 2011-2021

| | 2011 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------|-----------------------|------|------|------|------|------|------|
| | Unemployment Rate (%) | | | | | | |
| Brazil | 7.8 | 11.3 | 13.1 | 11.8 | 11.0 | 10.4 | 10.1 |
| China | 4.1 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Japan | 4.6 | 3.1 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Russia | 6.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| United Kingdom | 8.1 | 4.9 | 4.4 | 4.4 | 4.6 | 4.5 | 4.5 |
| United States | 8.9 | 4.9 | 4.4 | 4.1 | 4.2 | 4.4 | 4.5 |

Source: IMF data

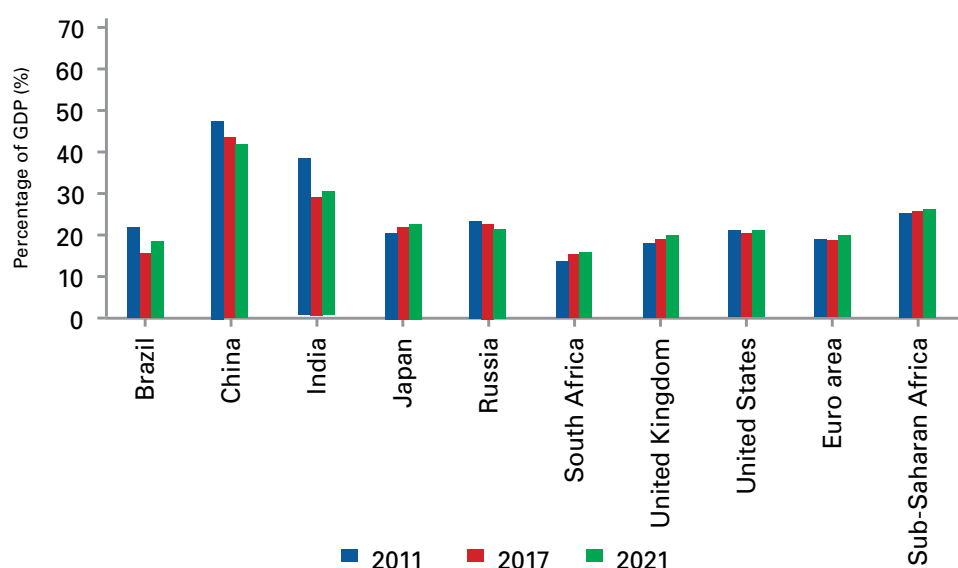
- Amongst other emerging markets and developing countries, Brazil's unemployment rate increased to 11.3 percent in 2016 after declining in the previous five years. It is expected to reach 13.1 percent in 2017 before declining to 11.8 percent in 2018.
- The unemployment rate in China has been fairly steady around 4 percent in 2016 and it is expected to continue at the same rate over the medium-term.
- Unemployment in the UK, Germany and Japan has registered a declining trend over the years; their rates are projected to be around 4.4, 3.8 and 2.9 percent respectively in 2017.
- The US unemployment rate declined to 4.9 percent in 2016, a 0.4 percentage point below 5.3 percent in 2015. It is projected to drop further to 4.4 percent and 4.1 percent in 2017 and 2018, respectively.

1.4 TOTAL INVESTMENT

The global investment climate remains somewhat subdued. In today's fast-moving and turbulent world, with heightened political risk in Europe and the US, combined with China's 'new normal' phase of slower economic growth, unsurprisingly, the investment climate has become increasingly challenging.

Figure 1.1 illustrates the global total investment performance in 2011, 2017 and 2021 of the key developed and developing countries which have a close trade relationships with South Africa.

Figure 1.1: Global Total Investment, 2011 - 2021



Source: IMF data

- Global investment is expected to increase by a 0.3 percentage point, from 25.1 in 2011 to 25.4 percent of the GDP. By 2021, it is expected to increase to 26.1 percent of the GDP.
- Total investment in China is expected to be around 44.0 percent of the GDP, followed by India with 29.9 percent of the GDP, while the UK with 17.4 percent of the GDP in 2017 is below the global average.
- Sub-Saharan Africa's total investment per GDP is expected to increase to 20.0 percent in 2021.

1.5 GLOBAL KEY PLAYERS CURRENT ACCOUNT ANALYSIS

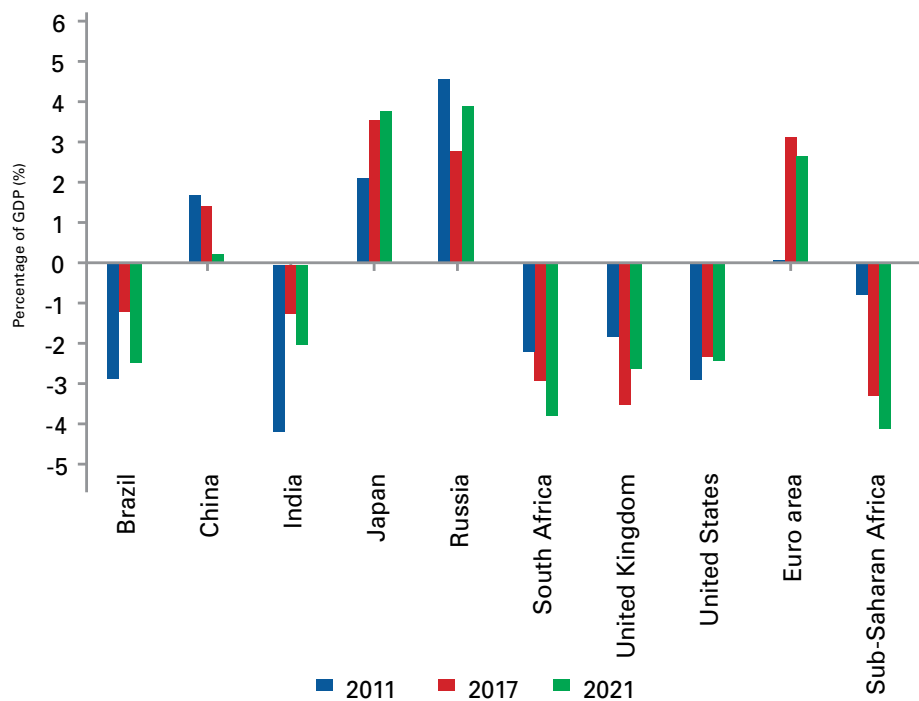
Current account consists of the trade balance⁴, the net factor income⁵ and net cash transfers. It is one of the two components of a country's balance of payments, the other being the capital account. When a country's current account balance is positive, the country is a net lender to the rest of the world. However, when it is negative, the country is a net borrower from the rest of the world. The ratio of the current account balance to the Gross Domestic Product provides an indication of the country's level of international competitiveness.

⁴ Trade balance is the difference between the total value of exports of goods and services and the total value of imports of goods and services

⁵ Net factor income is the difference between the return on investments generated by citizens abroad and payments made to foreign investors domestically

Figure 1.2 illustrates the global current account as a percentage of GDP of key developed and developing countries which have close trade ties with South Africa.

Figure 1.2: Selected Countries Current Account, 2011 - 2021



Source: IMF data

- The UK's current account deficit increased slightly from the 4.3 percent of GDP observed in 2015 to 4.4 percent of GDP in 2016. It is projected to decline to 3.6 percent of GDP in 2017, 3.3 percent of GDP in 2018 and 2.7 percent of the GDP by 2021.
- India's current account deficit improved from 1.1 percent of GDP observed in 2015 to 0.7 percent of GDP in 2016. However, it is projected to increase to 1.4 percent of GDP in 2017 and 1.5 percent of GDP in 2018.
- The current account deficit of US was around 2.4 percent of GDP in 2015 and 2016. It is projected to increase to 2.6 of GDP in 2018 from 2.4 percent of the GDP in 2017.
- Germany recorded a current account surplus of 8.5 percent of GDP in 2015 which slightly decreased to 8.3 percent of GDP in 2016. It is projected to be around 8.1 percent of GDP in 2017 and 7.7 percent in 2018.
- Russia's current account surplus was 5.0 percent of GDP in 2015 before decreasing to 2.0 percent of GDP in 2016. It is forecast to increase to 2.8 percent of GDP in 2017 and 3.2 percent of GDP in 2018.
- Japan's current account surplus was 3.1 percent of GDP in 2015 and increased to 3.8 percent of GDP in 2016. It is expected to decline to 3.6 percent of GDP in 2017 before increasing to 3.8 percent of GDP in 2018.

1.6 GLOBAL FOREIGN DIRECT INVESTMENT (FDI)

Each year more and more FDI is flowing not only from developed into developing economies but also from one developing or transition economy to another. Global FDI inflows contracted by 1.6 percent to US\$1.7 trillion in 2016 from US\$1.8 trillion observed in 2015 due to weak economic growth and significant policy uncertainty and geopolitical risks. Also, global FDI outflows have remained weak ever since reaching the highest figure of US\$2.2 trillion in 2007. This has declined by 11 percent from 2015 to reach US\$1.5 trillion in 2016.

Table 1.4 illustrates the global FDI of key developed and developing countries which have close trade relationships with South Africa.

Table 1.4: FDI Inflow and Outflow, 2011 - 2016

| | 2011 | | 2014 | | 2015 | | 2016 | |
|----------------|-------------------|----------|---------|----------|---------|----------|---------|----------|
| | Inflows | Outflows | Inflows | Outflows | Inflows | Outflows | Inflows | Outflows |
| | Percentage of GDP | | | | | | | |
| Brazil | 3.7 | 0.4 | 3.0 | 0.1 | 3.6 | 0.2 | 3.3 | -0.7 |
| China | 1.6 | 1.0 | 1.2 | 1.2 | 1.2 | 1.1 | 1.2 | 1.6 |
| Germany | 1.8 | 2.1 | 0.1 | 2.6 | 1.0 | 2.8 | 0.3 | 1.0 |
| India | 1.9 | 0.7 | 1.7 | 0.6 | 2.1 | 0.4 | 2.0 | 0.2 |
| Japan | 0.0 | 1.7 | 0.2 | 2.7 | -0.1 | 2.9 | 0.2 | 3.0 |
| Russia | 1.8 | 2.4 | 1.4 | 3.2 | 0.9 | 2.0 | 2.9 | 2.1 |
| South Africa | 1.0 | -0.1 | 1.6 | 2.2 | 0.5 | 1.8 | 0.8 | 1.2 |
| United Kingdom | 1.6 | 3.7 | 1.5 | -4.9 | 1.2 | -2.9 | 9.8 | -0.5 |
| United States | 1.5 | 2.5 | 1.0 | 1.7 | 1.9 | 1.7 | 2.1 | 1.6 |

Source: UNCTAD

- In 2016, the UK had the highest FDI inflows as the percentage of GDP in the selected countries, an improvement from the 1.2 percent of GDP observed in 2015.
- Japan experienced the lowest FDI inflows within the selected countries in 2016 with 0.2 percent of GDP.
- Europe takes a lead in FDI inflows with 52 percent of the developed FDI inflows, followed by the North America with 41 percent.
- In developing economies, weak commodity prices and sluggish economic growth weighed on foreign investment inflow, which decreased from US\$0.8 trillion in 2015 to US\$0.6 trillion in 2016.
- FDI activities remained the largest and most constant external source of finance within the developing economies as compared with portfolio investments, remittances and official development assistance. The inflows from developing economies represented 37 percent of the global investment inflows.



NATIONAL ECONOMIC PERFORMANCE AND OUTLOOK

02

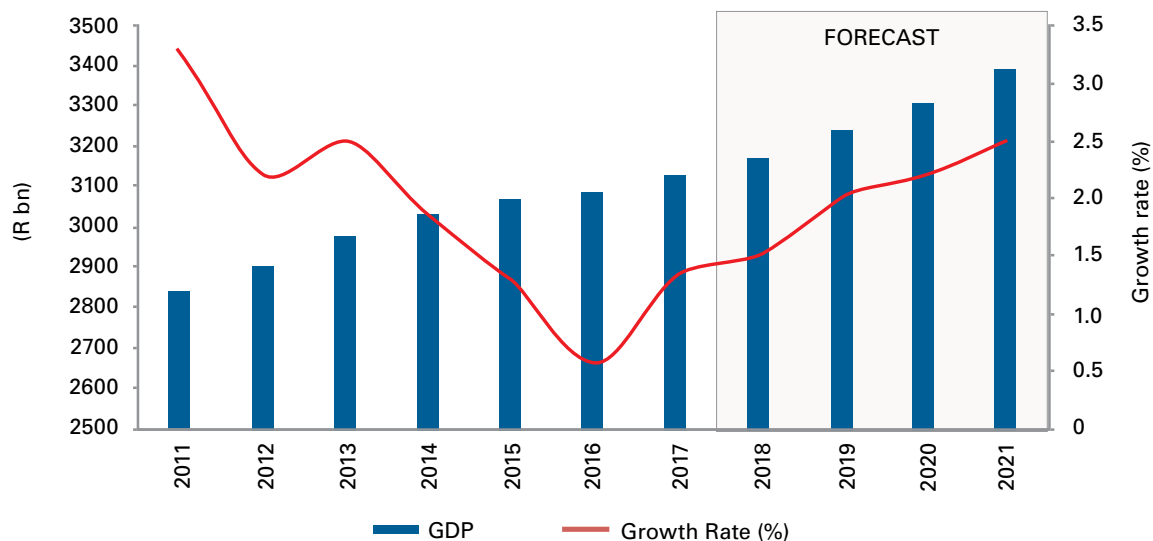
NATIONAL ECONOMIC PERFORMANCE AND OUTLOOK

2.1 RECENT DEVELOPMENT AND OUTLOOK

The South Africa economy has stagnated somewhat over the last couple of years with high levels of unemployment and poverty. Although the South African economy came out of a technical recession in the second quarter of 2017, it continues to struggle. A number of factors have combined to stifle the economic growth of the country such as water shortages, high electricity tariffs, contractions in manufacturing production, decline of private consumption and slower exports to mention a few. With a decline in investor confidence, no immediate improvement in the country's economy growth path is expected, though there are some indications that a certain level of economic recovery is anticipated. The threat of down grade from rating agencies also contributed to economic stagnation in South Africa as investor confidence was and is still relatively low.

The country's headline consumer price inflation declined to 4.6 percent (year-on-year) in November 2017 from 4.8 percent observed in the previous month. However, it has slightly increased to 4.7 percent in December 2017 owing to the impact of the festive season. The total trade surplus of all commodities increased to R15.7 billion in December 2017 from the R13.1 billion surplus observed in the previous month and R4.4 billion in October the same year. The unemployment rate remained high with 26.7 percent in the 4Q2017 although it has decreased by 1.0 percentage point from the one observed in the 3Q2017. When compared to the same quarter in the previous year, the country's unemployment rate has increased by a 0.2 percentage point. The country's fiscal deficit for the 2017/2018 financial year would reach 4.3 percent, widening from the 3.1 percent fiscal shortfall observed in the previous financial year, the largest fiscal shortfall since 2009. The budget deficit is expected to narrow to 3.5 percent by 2020/21 financial year. In recent months, the country's economic outlook has improved, after the ruling party's national conference and the election of a new president. In his speech on the 16th of February 2018, the new president promised to improve the country's dysfunctional state-owned enterprises and cut the bloated public sector to contain rising public debt. With the latest unemployment rate at 26.7 percent, programs to boost employment and improve access to tertiary education is expected to be implemented. Also, during the budget speech the following week, the Minister of Finance announced that the Value Added Tax (VAT) will increase from 14 to 15 percent from 1st April 2018. The net debt is projected to stabilise at 53.2 percent of GDP in 2023/24 while the current account balance deficit is expected to be around 3.2 percent of the GDP. The economic growth in South Africa recovered quickly than expect, reaching 1.3 percent in 2017. Private consumer spending contributed 1.4 percent to the country's economic growth, government spending by 0.1 percent and total investment by 0.1 percent. The current momentum is expected to continue over the medium term as GDP would be around 1.5 percent in 2018, and 2.5 percent by 2021. Figure 2.1 below shows the historic trends and the outlook of SA's economy between 2011 and 2021.

Figure 2.1: South African Gross Domestic Product, 2011-2021

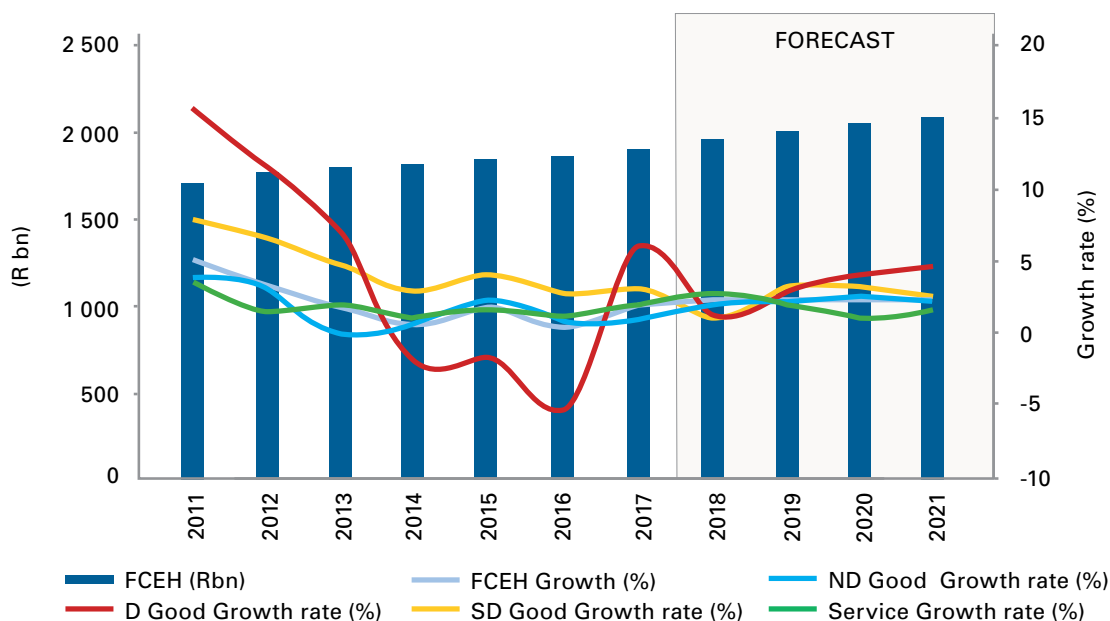


Source: Own calculations based on Quantec Research data. Data are constant 2010 prices

2.2 CONSUMER SPENDING

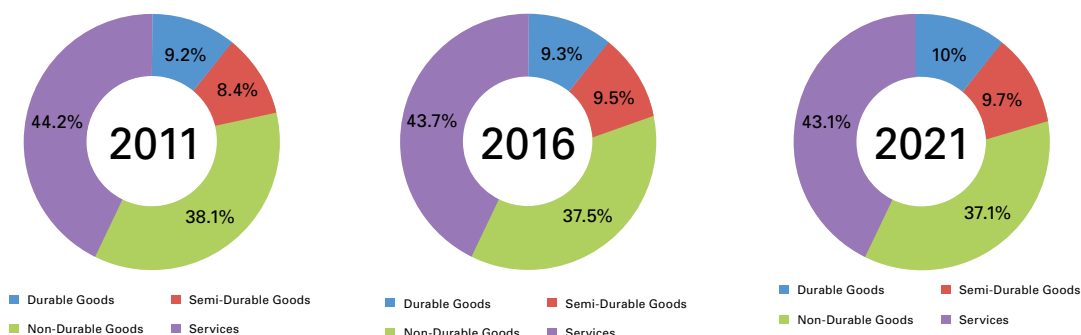
Consumer spending consists of household acquisitions of durable goods, non-durable goods and services. Consumer spending in South Africa has been increasing since 2012, although it was at a moderate pace. However, households are concerned about the weak outlook of the economy as shown by the 2Q2017 FNB/BER consumer confidence index which dropped to minus 9 from minus 5 in the previous quarter. Although the FNB/BER consumer confidence index has slightly improved to minus 8 in 4Q2017, it remains depressed. Food prices remain high, despite a recent deceleration in food inflation, and will continue to reduce the real purchasing power of consumers, especially for low income households. With a high unemployment rate as well as increases in personal income taxes for middle and high-income earners, real disposal income is expected to deteriorate further with a negative consequence on their purchasing power. Final consumption expenditure for households grew by 2.2 in 2017, 1.5 percentage points improvement from the 2016 growth performance. Over the medium-term, total consumer spending would grow by 2.3 percent (annual average growth). Figure 2.2 below shows the historic trends and the outlook for SA's total household final consumption expenditure from 2011 to 2021, as well as the proportion of its composition in Figure 2.3.

Figure 2.2: Household Final Consumption Expenditure, 2011-2021



Source: Own calculations based on Quantec data. Data are constant 2010 prices

Figure 2.3: Composition of household final consumption expenditure, 2011 - 2021



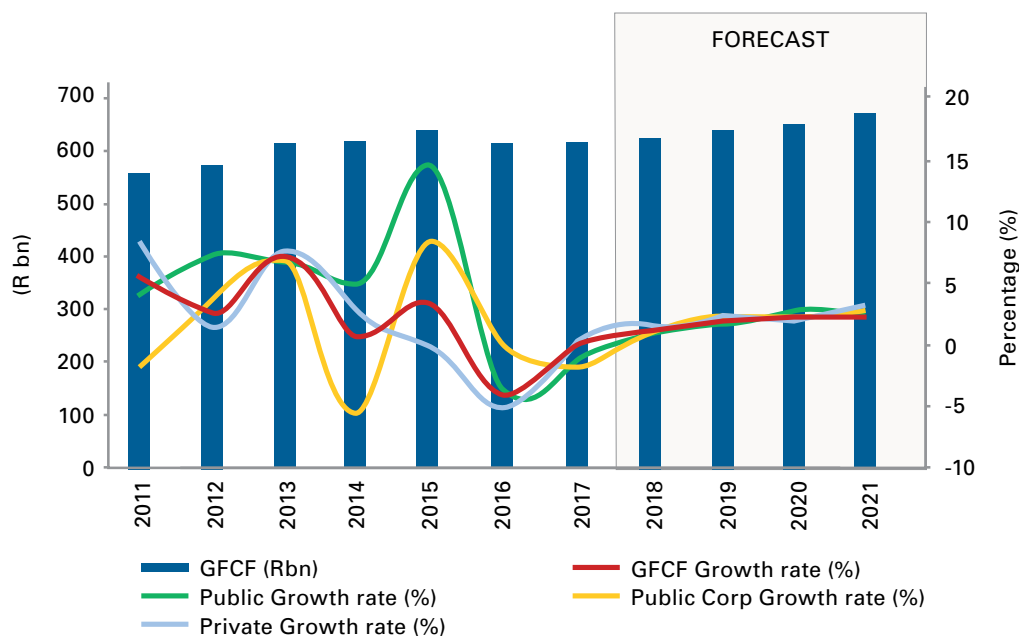
Source: Own calculations based on Quantec data. Data are constant 2010 prices

- The total final consumption by household slightly increased from R1.86 trillion in 2016 to R1.9 trillion in 2017, equivalent to a 2.2 percent annual growth. Private total spending is expected to increase by 2.3 percent in 2018.
- The consumption of durable goods surged from minus 4.9 percent growth in 2016 to 6.0 percent in 2017, a significant improvement when compared to the annual average growth of the last three years.
- Semi-durable goods' consumption increased by 3.1 percent in 2017, 0.1 percentage point more than its growth performance observed in 2016. The growth is expected to decline to 1.2 percent in 2018 before rebounding to 3.5 percent in 2019.
- Expenditure on non-durable goods increased to 1.1 percent in 2017 from the 0.9 percent observed in 2016. It is expected to increase further in 2018. While the consumption of non-durable goods is anticipated to rise over the medium-term, its share of the total household spend would slightly decrease.
- The growth within the services sector improved from 1.3 percent in 2016 to 2.3 percent in 2017. It is expected to increase by an average growth rate of 2.0 percent over the medium-term.

2.3 TOTAL INVESTMENT

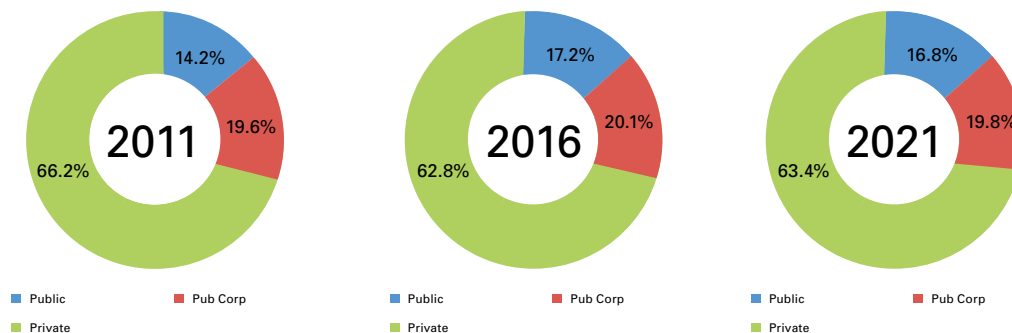
The current economic environment has not been favourable for investment in South Africa as Gross Fixed Capital Formation (GFCF) contracted in 2016 by 4.1 percent. Generally, government continues to invest in economic and social infrastructure although it is at a moderate pace. However, private investment has continued to drop since 2015. Indeed, total private investment contracted by 0.5 percent in 2015, further contracted by 5.3 percent in 2016 before increasing by 1.2 percent in 2017. Total private and public investment represented 19.7 percent of the country's GDP in 2017 and, has increased its economic growth by 0.1 percent over the same years. The Figure 2.4 below shows the historic trends and the outlook of SA's total investment from 2011 to 2021, as well as the proportion of its composition in Figure 2.5.

Figure 2.4: Gross Fixed Capital Formation, 2011 - 2021



Source: Calculations based on Quantec data. Data are constant 2010 prices

Figure 2.5: Composition of GFCF by Sector, 2011 - 2021



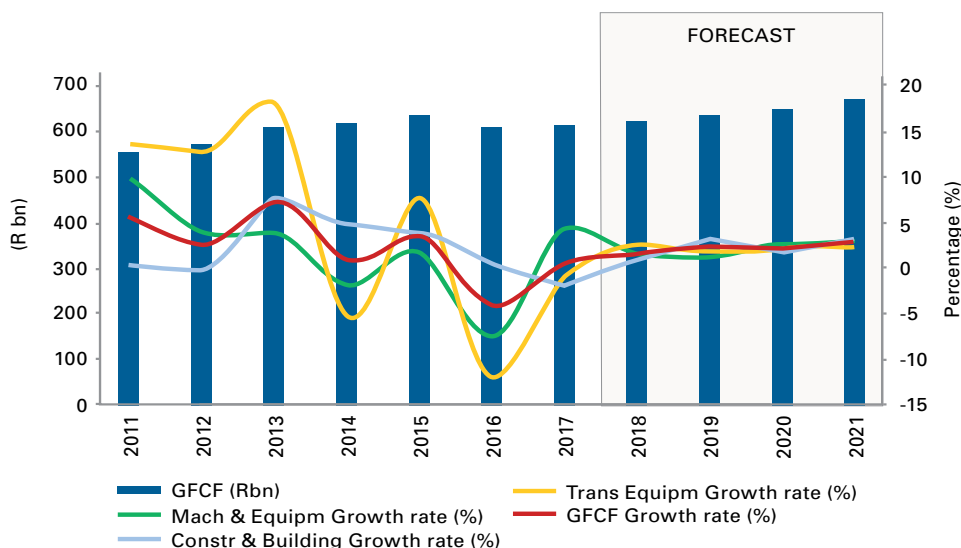
Source: Own calculations based on Quantec data. Data are constant 2010 prices

- In 2017 years, the private sector has been the driving force behind total fixed investment performance in the South African economy.
- General government investment decreased to R104.6 billion in 2017, from R105.3 billion observed in the previous year. The general government investment contracted by 0.7 percent between 2016 and 2017.
- In 2017, capital expenditure by public corporations annual growth contracted by 1.3 percent to reach R121.5 billion. However, this is expected to increase in 2018.
- Manufacturers have been scaling back on capital expenditure owing to the unstable policy environment, but the outlook would be bright.

2.4 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

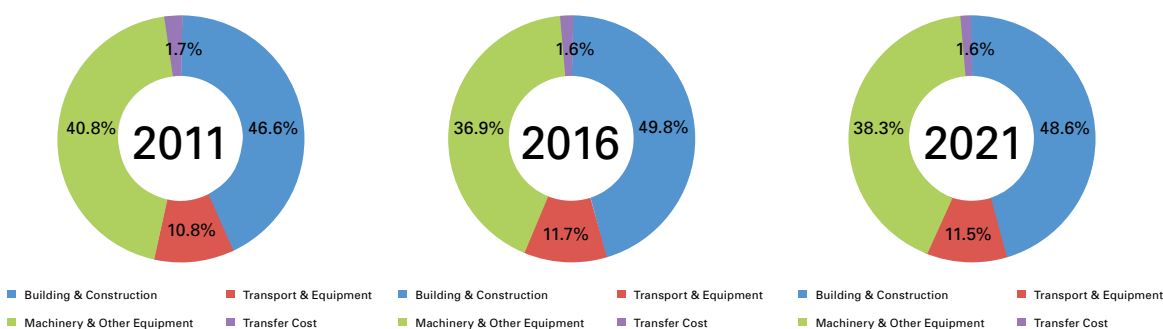
The country's total investment can be assessed using different types of asset such as machinery, construction and building as well as transport equipment. In 2016, investment in transport equipment contracted by a staggering 12.1 percent, followed by investment in machinery and other equipment with 7.5 percent while investment in construction and building increased by 0.5 percent. The same trend but with some improvement is expected in 2017. Only Machinery and other equipment showed a positive annual positive growth in 2017. However, the outlook is expected to improve further owing to the effect of the new elected leadership of the ruling party. Figure 2.6 below shows the trend and outlook of the total investment by type of asset as well as the proportion of its composition in Figure 2.7.

Figure 2.6: Gross Fixed Capital Formation by Asset Type, 2011 - 2021



Source: Own calculations based on Quantec data. Data are constant 2010 prices

Figure 2.7: Composition of GFCF by Asset Type, 2011 - 2021



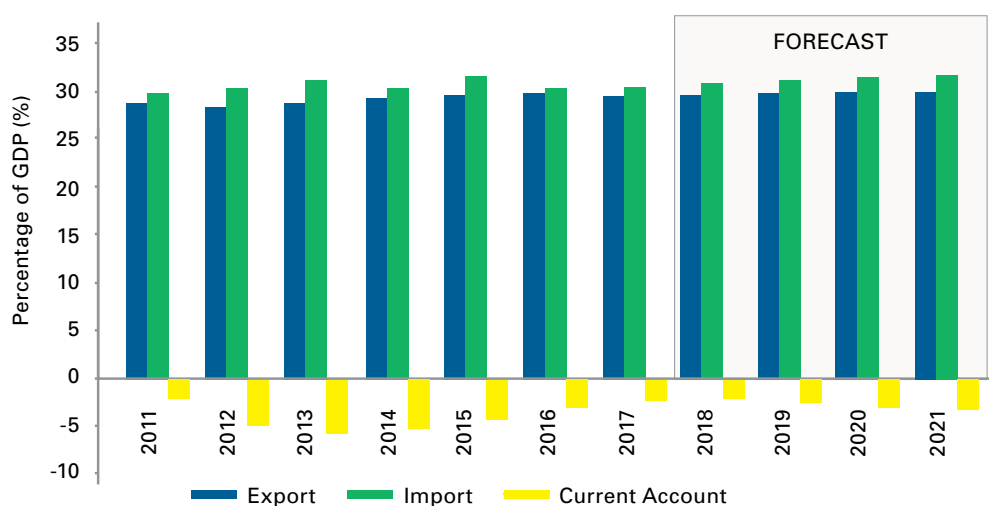
Sources: Own calculations based on Quantec data. Data are constant 2010 prices

- Machinery and other equipment rebounded in 2017 after the 2016 performance, compared to other assets like construction and building as well as transport equipment.
- In 2017, investment in construction and building annual growth contracted by 2.1 percent after a positive growth of 0.5 percent observed in 2016. However, its performance is expected to improve over the medium-term.
- The share of each component of GFCF assets remains relatively stable over the years and this is expected to continue in the medium term.

2.5 SOUTH AFRICAN TRADE ANALYSIS

South Africa has consistently imported more than it exported, as observed in the period between 2010 and 2017. During this period, the country had negative balances of trades. In 2017, the real exports' value accounted for 29.3 percent of the GDP and real imports' value for 30.3 percent of the GDP, this translated into a current account deficit of 2.4 percent of GDP. The latest trade surplus total of all commodities has increased from R13.1 billion in November 2017 to R15.7 billion in December 2017. The following figure highlights the country's exports and imports of goods and services as well as the current account between 2011 and 2021.

Figure 2.8: South African Exports/Imports and Current Account, 2011 - 2021



Source: Own calculations based on Quantec data. Data are constant 2010 prices

- The upward movement of imports as shown suggests that the trade deficit of goods and services is likely to deteriorate in the future. However, a current account deficit of 2.4 percent of GDP observed in 2017 is expected to alleviate in 2018 and average 3.1 percent of the GDP over the medium-term.
- In 2018, the country's real exports value of goods and services would be around 29.6 percent of SA's economy.
- The value of merchandise exported has improved during the first half of the year 2017.
- Over the same period, the value of imports of goods and services is expected to be around 30.7 percent of the country's GDP.

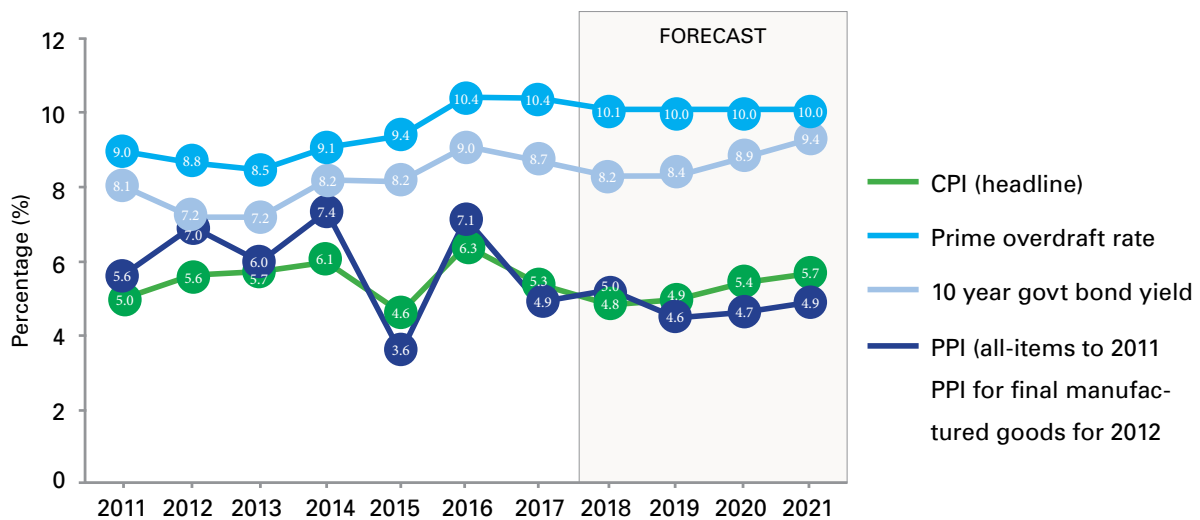
2.6 MONETARY POLICY PRICES AND EXCHANGE RATES

2.6.1 INFLATION AND INTEREST RATES

The main purpose of monetary policy in South Africa is to achieve and maintain price stability in the interest of sustainable and balanced economic development and growth. Price stability reduces uncertainty in the economy and subsequently provides a favourable environment for growth and employment creation.

At its July policy meeting, the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) decided to cut the repurchase rate by 25 basis points to 6.75 percent owing to the improved inflation outlook and volatile growth outlook. The MPC remains concerned that inflation expectations remain close to the upper end of the target range. The growth outlook is still a concern as the current political uncertainty could impact negatively on private investment as well as household spending, and further undermine employment growth. The risk to the inflation outlook is moderately on the upside, owing to the high degree of exchange rate uncertainty, but within the target range. According to the SARB, the main drivers of the improved CPI outlook were the lower starting point, revised assumptions regarding international oil prices, domestic electric tariffs and the real effective exchange rate, as well as a wider output gap. The following figure shows the CPI and PPI inflation rate as well as interest rates between 2011 and 2021.

Figure 2.9: CPI and PPI Inflation and Interest Rates, 2011-2021



Source: Own calculation based on Quantec data and BER data

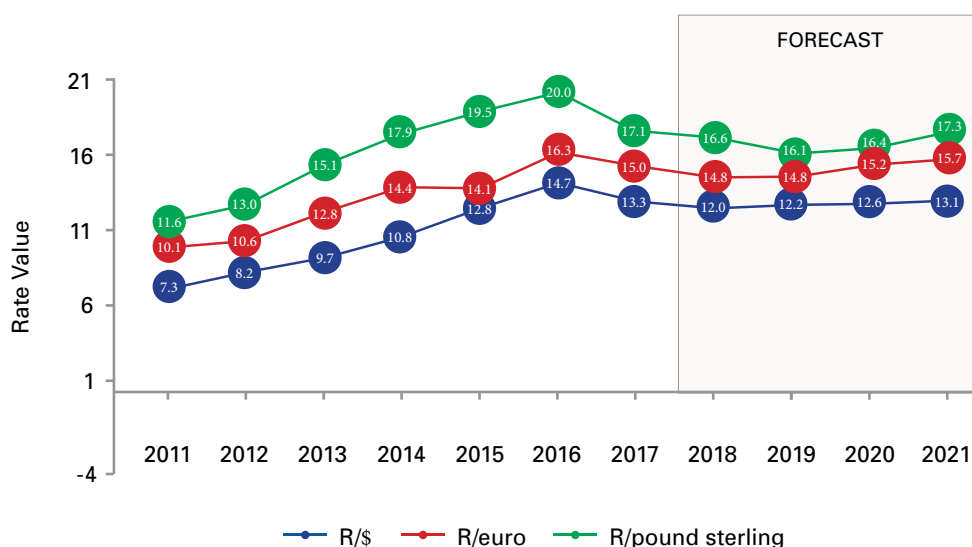
- Headline inflation increased to 6.3 percent in 2016 from 4.6 percent in 2015, driven by higher food prices (10.8 percent increase in 2016) and petrol prices (1.6 percent increase in 2016).
- Headline inflation declined to 5.3 percent in 2017 and is expected to further decline in 2018.
- The Reserve Bank has increased the repurchase (repo) rate by two percentage points since the beginning of 2014 to anchor inflation expectations within the target band of 3 to 6 percent.
- Headline inflation is projected to remain below 6 percent over the medium term. The main contributor to declining inflation over the years is lower food price inflation.
- The PPI decreased from 7.1 percent in the previous year to 4.9 in 2017 and is forecasted to remain below or equal to 5 percent for the next 4 years.
- The Prime overdraft was 9.4 percent in 2015 and increased to 10.4 percent in 2016 and is expected to be around 10.4 percent in 2017.
- Yields on domestic bonds of the South African government trended lower in 2017, reflecting movements in the exchange value of the rand.

- The 10-year government bond yield averaged 9 percent in 2016 and is projected to decrease by a 0.3 percentage point in 2017.
- The downward trend in bond yields was occasionally interrupted by political developments, along with episodes of net sales of domestic bonds by non-residents and currency weakness.

2.6.2 EXCHANGE RATES

The rand is expected to remain relatively resilient in 2018 amid tense local politics as debt downgrades, poor economic outlook and a change of guard at the Treasury has not stopped investors looking for better returns in SA. However, the rand is benefiting from the more positive sentiment after the ruling party elective conference. Also, a positive sentiment toward emerging markets will have a positive impact on the rand. The following figure shows the rate value of the rand against dollar, euro and pound sterling between 2011 and 2021.

Figure 2.10: Exchange rates, 2011-2021



Source: BER data

- On average, the rand traded at 13.3 per dollar and 15.0 per euro in 2017 from the 14.7 per dollar and 16.3 per euro in 2016.
- The rate of the rand to a pound sterling was around 17.1 on average in 2017.
- The rand exchange rate is however expected to improve owing to the positive sentiment toward the new leadership of the ANC.

2.7 FISCAL POLICY

The fiscal position of the government has been significantly eroded owing to a severe deterioration in revenue collection. The tax revenue will fall short of the 2017 budget estimate by R50.8 billion in the current financial year. The largest under-collection since the 2009 recession. The ratio debt to GDP is expected to rise over the medium term. The following table depicts the consolidated government fiscal framework between 2016/17 and 2020/21.

Table 2.1: Consolidated Government Fiscal Framework, 2016/2017- 2020/21

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-----------------------|---------|---------|------------------------|---------|---------|
| | Outcome | Revised | Medium- term estimates | | |
| Rbn | | | | | |
| Revenue | 1285,7 | 1353,6 | 1490,7 | 1609,7 | 1736,9 |
| Expenditure | 1441,8 | 1558,0 | 1671,2 | 1803,0 | 1941,9 |
| Budget Balance | -156,1 | -204,4 | -180,5 | -193,3 | -205,0 |
| Total Gross Loan Debt | 2232,9 | 2530,5 | 2829,6 | 3094,2 | 3415,6 |
| % of GDP | | | | | |
| Revenue | 29,2 | 28,8 | 29,7 | 29,9 | 29,9 |
| Expenditure | 32,7 | 33,2 | 33,3 | 33,4 | 33,4 |
| Budget Balance | -3,5 | -4,3 | -3,6 | -3,6 | -3,5 |
| Total Gross Loan Debt | 50,7 | 53,3 | 55,1 | 55,3 | 56,0 |

Source: National Treasury

- The consolidated budget deficit will widen to 4.3 percent of GDP in 2017/18 but is expected to narrow to 3.5 percent in 2020/21.
- Gross national debt is projected to stabilise at 56.2 percent of GDP by 2022/23 fiscal year, with debt service costs reaching 3.7 percent of GDP by 2020/21.
- Several years of fiscal restraint have left funding gaps in both infrastructure and social services, reflected in the build-up of unpaid accounts and financial imbalances.
- Continued financial deterioration of major state-owned companies is a clear and substantial danger to the public finances.
- Risks to the economic and fiscal outlook remain elevated. However, prudent fiscal policy decisions and increases in the contingency reserve will help government to manage these risks.
- Greater policy certainty, alongside governance and economic reforms, will support fiscal consolidation.
- Over the medium term, the total contingency reserve is expected to be around R26 billion owing to additions of R5 billion in 2018/19, R3 billion in 2019/20 and R2 billion in 2020/21 for fiscal risks and unforeseen developments.
- Amounts of R12.4 billion in 2018/19, R20.3 billion in 2019/20 and R24.3 billion in 2020/21 will be allocated to fee-free higher education and training for poor and working-class students. This is in addition to a R10 billion provisional allocation made in the 2017 budget.
- A provisional allocation of R6 billion has been set aside in 2018/19 for drought relief in several provinces, assistance to the water sector, and public investment projects supported by improved infrastructure planning.
- An additional amount of R2.6 billion will enable above-inflation increases to social grants to partially offset the impact of tax increases on the poor.
- There is a one percentage point increase in VAT to 15 percent, but no adjustments to the top four income tax brackets, and below inflation adjustments to the bottom three brackets.
- An increase of 52c/litre for fuel, consisting of a 22c/litre increase in the general fuel levy and 30c/litre increase in the Road Accident Fund levy. There are also higher ad valorem excise duties on luxury goods.
- In 2017/18 fiscal year, the overall revenue shortfall is expected to be marginally lower than projected in the MTBPS, at R48.2 billion.



*SOCIO-ECONOMIC PERFORMANCE & OUTLOOK OF THE
EASTERN CAPE*

03

SOCIO-ECONOMIC PERFORMANCE & OUTLOOK OF THE EASTERN CAPE

3.1 OVERVIEW

In 2017, the Eastern Cape's (EC) population was around 6.6 million, a 0.3 percent increase when compared to the 2016 estimate. The Province lost its third position to Western Cape (WC) to become the fourth biggest province in terms of population size. The Black/African community represented 87.7 percent of the population followed by the Coloured community with 7.7 percent, Whites with 4.2 percent and the Indian community with 0.4 percent in 2017. Close to 40 percent of the population was in the 20 – 49 age cohort. It is the second largest province in SA, with 168 966 km² of land, which accounts for 13.8 percent of the country's total land area. Over the years, the Province has seen a gradual decline in the percentage share of the national population owing to the increase in migration of its inhabitants to other provinces with better economic opportunities such as Gauteng (GP), the WC and Kwazulu-Natal (KZN). The EC, with an unemployment rate of 35.1 percent in the 4Q2017, had the highest unemployment rate in the country.

The Province is the fourth largest economy in SA and has increased by 0.8 percent in 2016. Its economy is expected to grow by 1.5 percent in 2017. The primary sector (1.9 percent of the total economy), and in particular the agriculture sector (1.6 percent), showed weak contributions despite being uniquely positioned to help remedy the current challenges of weak economic growth and a high unemployment rate. The EC's economic activities are still concentrated in the urban areas and dominated by the tertiary sector with 79.2 percent of the total economy. In 2016, The leading economic sectors were general government services (22.9 percent), wholesale and retail trade industry (18.6 percent), manufacturing industry (13.7 percent) and professional business services (11.6 percent).

The levels of unemployment and poverty in the Province and especially in rural areas remains high. The youth are the most vulnerable in the labour market as they lack skills and the work experiences needed to find employment and are most vulnerable to HIV infection. The fixed capital stock per capita of EC (R82 600) was the smallest in the country and below the national average of R140 500 in 2016. Although social infrastructure has improved, the Province needs more private investment to boost its economic performance.

3.2 SOCIAL DEVELOPMENT ANALYSIS OF THE EASTERN CAPE

3.2.1 POPULATION SIZE AND AGE DISTRIBUTION

The size of the population can be defined as the total number of people or inhabitants in a specific region. Within the EC, the population was around 6.6 million in 2017, a 0.3 percent increase when compared to its size in 2016. The Province's population has declined by an annual average rate of 0.1 percent since 2006. The EC lost its historical third largest position to become fourth in terms of population size after GP, KZN and WC. Table 3.1 below shows the proportion of the population by race and by province between 2006 and 2017.

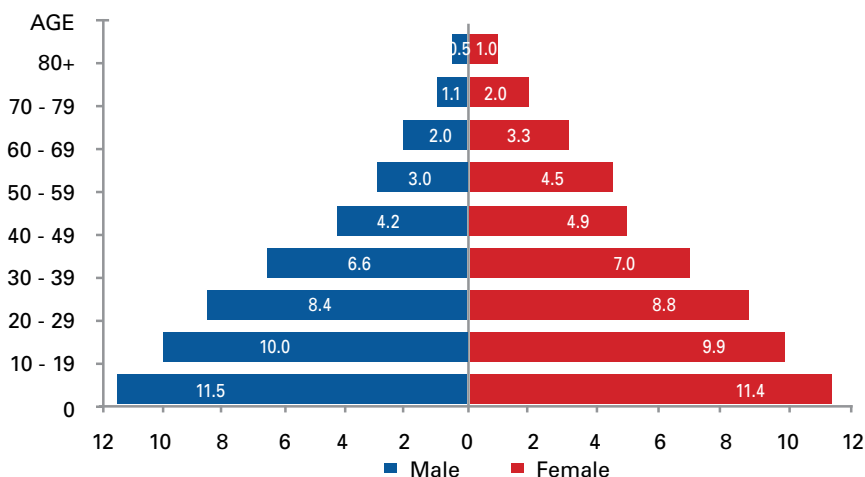
Table 3.1: Population of South Africa by Province and Race Group, 2006 and 2017

| | | | Black | Coloured | Indian | White |
|---------------|------|-----------|-----------|----------|--------|-------|
| | Year | [Million] | [% share] | | | |
| Western Cape | 2006 | 5,2 | 32,6 | 49,2 | 1 | 17,2 |
| | 2017 | 6,6 | 37,3 | 47,5 | 1,1 | 14 |
| Eastern Cape | 2006 | 6,6 | 86,8 | 7,9 | 0,4 | 4,9 |
| | 2017 | 6,6 | 87,7 | 7,7 | 0,4 | 4,2 |
| Northern Cape | 2006 | 1,1 | 40,5 | 49,1 | 0,9 | 9,6 |
| | 2017 | 1,2 | 54,2 | 39,1 | 0,6 | 6,1 |
| Free State | 2006 | 2,6 | 87,2 | 3 | 0,4 | 9,5 |
| | 2017 | 2,9 | 89,2 | 2,9 | 0,4 | 7,5 |
| KwaZulu-Natal | 2006 | 9,6 | 86,3 | 1,4 | 7,7 | 4,6 |
| | 2017 | 11,2 | 88,1 | 1,3 | 7,1 | 3,6 |
| North West | 2006 | 3,3 | 91,1 | 1,8 | 0,5 | 6,6 |
| | 2017 | 3,8 | 91,2 | 1,9 | 0,5 | 6,3 |
| Gauteng | 2006 | 10,8 | 75,8 | 3,6 | 2,8 | 17,8 |
| | 2017 | 14,2 | 80,2 | 3,4 | 3 | 13,4 |
| Mpumalanga | 2006 | 3,8 | 89,2 | 1 | 0,9 | 8,9 |
| | 2017 | 4,4 | 92 | 0,9 | 0,7 | 6,5 |
| Limpopo | 2006 | 5,2 | 96,4 | 0,3 | 0,3 | 2,9 |
| | 2017 | 5,7 | 97,4 | 0,2 | 0,3 | 2 |

Source: Own calculations based on Quantec Research data

- The EC population is dominated by the African/Black group which comprised 87.7 percent of the population in mid-year 2017.
- The Indian/Asian population groups have grown the most, by an annual average growth of 0.2 percent since 2006.
- During this period, the White population group contracted by an annual average rate of 1.5 percent to reach 4.2 percent of the total EC population in 2017.

Figure 3.1: Eastern Cape Population Pyramid, 2017



Source: Own calculation based on Quantec Research data

- The 0 – 9 years of age cohort is slightly dominant with male (11.5 percent) and female (11.4 percent).
- The male group dominates the 0 – 19 years cohort, while the 20 – 29 years of age cohort is dominated by the female group.
- The female group has the largest proportion for the remaining age groups.
- Between 2006 and 2017, the 25 – 29 and 30 – 34 years age cohorts grew by an average growth of 2.3 and 2.7 percent respectively, with the male group contributing the most.
- During this period, the 15 -19 years age cohort declined by an average rate of 2.9 percent, while 75 years old and over increased by an average annual growth rate of 1.5 percent.
- The Province is expected to gain from a demographic dividend as more than a half of its population is still under the age of 30 years in 2017.

3.2.2 DEPENDENCY RATIO

The United Nations (UN) defined the dependency ratio as the number of children (0 – 14 years old) and older persons (65 years or over) to the working age population (aged between 15 and 64 years). This ratio is used to measure the pressure on the productive population and the unit of measurement is per hundred persons aged 15 – 64. By relating the group of the population most likely to be economically dependent (net consumers) to the group most likely to be economically active (net producers), changes in the dependency ratio provide an indication of the potential social support requirements resulting from changes in population age structures. In addition, the ratio highlights the potential dependency burden on workers and indicates the shifts in dependency from a situation in which children are dominant to one in which older persons outnumber children as the demographic transition advances. A high dependency ratio indicates that the economically active population and the overall economy face a greater burden to support and provide the social services needed by children and by older persons who are often economically dependent. As the dependency ratio rises, those who are working are likely to experience increases in taxes to compensate for the larger dependent population. Table 3.2 shows Total Dependency Ratio (TDR), Child Dependency Ratio (CDR) and Adult Dependency Ratio (ADR) for the EC and SA between 1996 and 2016.

Table 3.2: Eastern Cape Total Dependency Ratio, 1996 - 2016

| | | 1996 | 2001 | 2006 | 2011 | 2016 |
|------------------------|----|-----------|------|------|------|------|
| | | [% share] | | | | |
| Total Dependency Ratio | SA | 63,1 | 58,4 | 54,5 | 52,6 | 52,1 |
| | EC | 79,2 | 75,9 | 69,4 | 65,9 | 66,8 |
| Child Dependency Ratio | SA | 56,1 | 51,2 | 46,9 | 44,5 | 43,3 |
| | EC | 69,1 | 64,8 | 57,9 | 54,7 | 55,8 |
| Aged Dependency Ratio | SA | 7,0 | 7,2 | 7,7 | 8,2 | 8,8 |
| | EC | 10,2 | 11,1 | 11,5 | 11,2 | 11,0 |

Source: Own calculations based on Quantec Research data

- Although the EC is still above the national average, the TDR for both SA and EC has gradually declined over the years.
- However, the TDR for EC increased from 66 total dependent people per hundred persons aged 15-64 in 2015 to 67 total dependent people per hundred persons aged 15-64 in 2016. The country average remained unchanged over the same period.
- This slight increase also reflects the pressure on the productive population owing to the rise in the number of unemployed people.
- The high youth dependency ratio observed over the years implies that higher investments need to be made in schooling and child-care.

3.2.3 HEALTH PROFILE OF THE EASTERN CAPE

The World Health Organisation (WHO) has defined health as: “a state of complete physical, mental and social well-being and not merely the absence of disease or illness or infirmity”. Health is an inalienable human right according to the Universal Declaration of Human Rights, as good health allows people to reach their full potential, parents to care for their children better, children to be better able to learn and workers to be more productive. Good health is a key indicator of a country’s progress, as a nation with a healthy population is more likely to experience sustained growth. It is essential to poverty eradication efforts and achieving sustainable development, contributing to economic growth and prosperous communities.

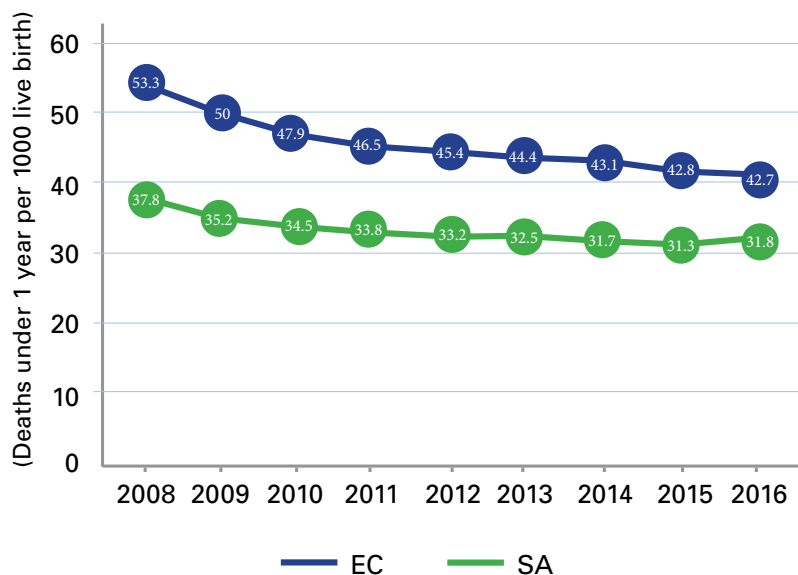
South Africa remains in the grip of the quadruple burden of disease such as HIV and AIDS and TB; High levels of Maternal and Child Mortality; Non-Communicable diseases; and Injuries and trauma. However, a lot of progress has been made over the last 8-9 years with regard to reducing the high levels of mortality from HIV and AIDS and related complications and co-morbidities. Although the quality of public health care is a concern, the roll out of Anti-retroviral Treatment has seen the country recording major improvements in health indicators: life expectancy, infant and child mortality and maternal mortality.

3.2.3.1 INFANT AND CHILD MORTALITY

Infant mortality refers to the number of babies under 1-year old who die in a year per 1000 live births during the same year. The infant deaths are mostly caused by infection, low birth weight, complications during delivery and birth injuries. The National Development Plan (NDP) 2030 set a target to reduce the infant mortality rate to less than 20 deaths per 1 000 live births and the under-five mortality rate to less than 30 deaths per 1 000 live births.

Under-five mortality rates declined from 41 child deaths per 1 000 live births in 2013 to 37 child deaths per 1 000 live births in 2015. Although SA has made significant progress to reduce infant mortality over the years to 32 infant deaths per 1000 live births in 2016, it has slightly increased to 33 infant deaths per 1000 live births in 2017. However, the infant mortality rate in the EC remained above the country’s level with 43 infant deaths per 1000 live births in 2016. Figure 3.2 below illustrates the trend for infant mortality rates in the EC and SA between 2008 and 2016.

Figure 3.2: Infant Mortality Rate, 2008 - 2016



Source: StatsSA 2017

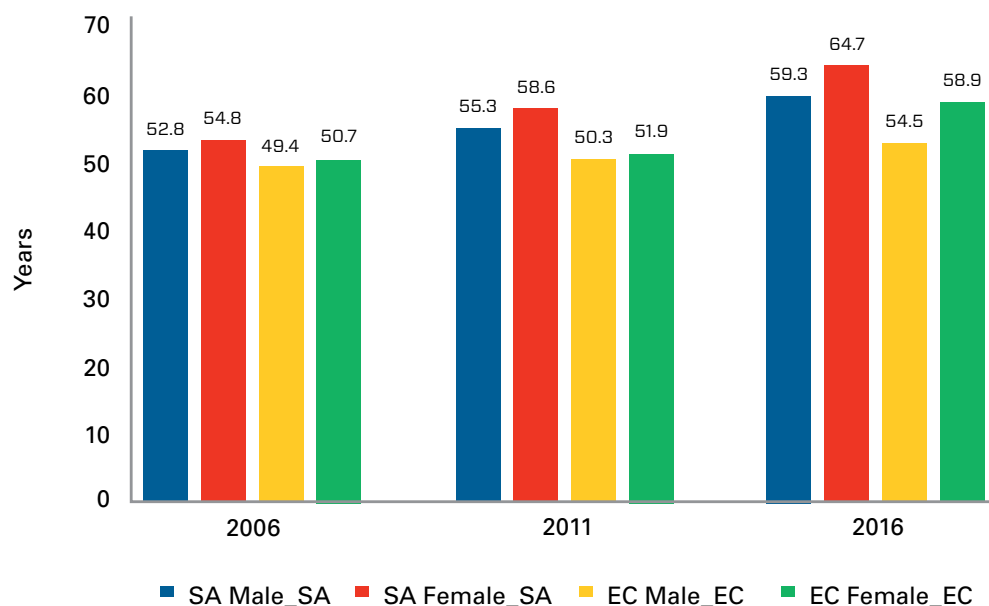
- The number of infant deaths per 1000 live births is on a downward trend for both SA and EC over the past nine years, but still above the NDP target.
- Infant mortality rate in the EC remains relatively high compared to the country's average.
- The Province recorded 43 infant deaths per 1000 live births in 2016; unchanged from the rate registered in 2015 and more than double the rate set by the NDP 2030.

3.2.3.2 LIFE EXPECTANCY

This section refers to life expectancy at birth. Indeed, life expectancy at birth reflects the overall mortality level of a population. It is defined as how long, on average, a new-born can expect to live, if current death rates do not change. Life expectancy at birth summarizes the mortality pattern that prevails across all age groups in a given year – children and adolescents, adults and the elderly. Gains in life expectancy at birth can be attributed to a number of factors, including rising living standards, improved lifestyles and better education, as well as greater access to quality health services. In 2015, global life expectancy at birth was around 71.4 years (73.8 years for females and 69.1 years for males), ranging from 60.0 years in the WHO African Region to 76.8 years in the WHO European Region, giving a ratio of 1.3 between the two regions. Women live longer than men all around the world. The gap in life expectancy between the sexes was 4.5 years in 1990 and had remained almost the same by 2015 (4.6).

Global average life expectancy grew by 5 years between 2000 and 2015, the fastest increase since the 1960s. In the Africa region, life expectancy increased by 9.4 years to 60 years over the same period, driven mainly by improvements in child survival, and expanded access to antiretroviral for treatment of HIV. The performances observed between 2000 and 2015 reverse the declines observed during the 1990s, when life expectancy fell in Africa owing to the AIDS epidemic, and in Eastern Europe following the collapse of the Soviet Union. In SA, the government set a target of life expectancy at birth for male and female at 70 years by 2030. Life expectancy at birth for 2017 in SA is estimated at 61.2 years for males and 66.7 years for females. Figure 3.3 below illustrates life expectancy at birth by gender in the EC and SA between 2006 and 2016.

Figure 3.3: Life Expectancy at Birth, 2006 - 2016



Source: StatsSA 2017

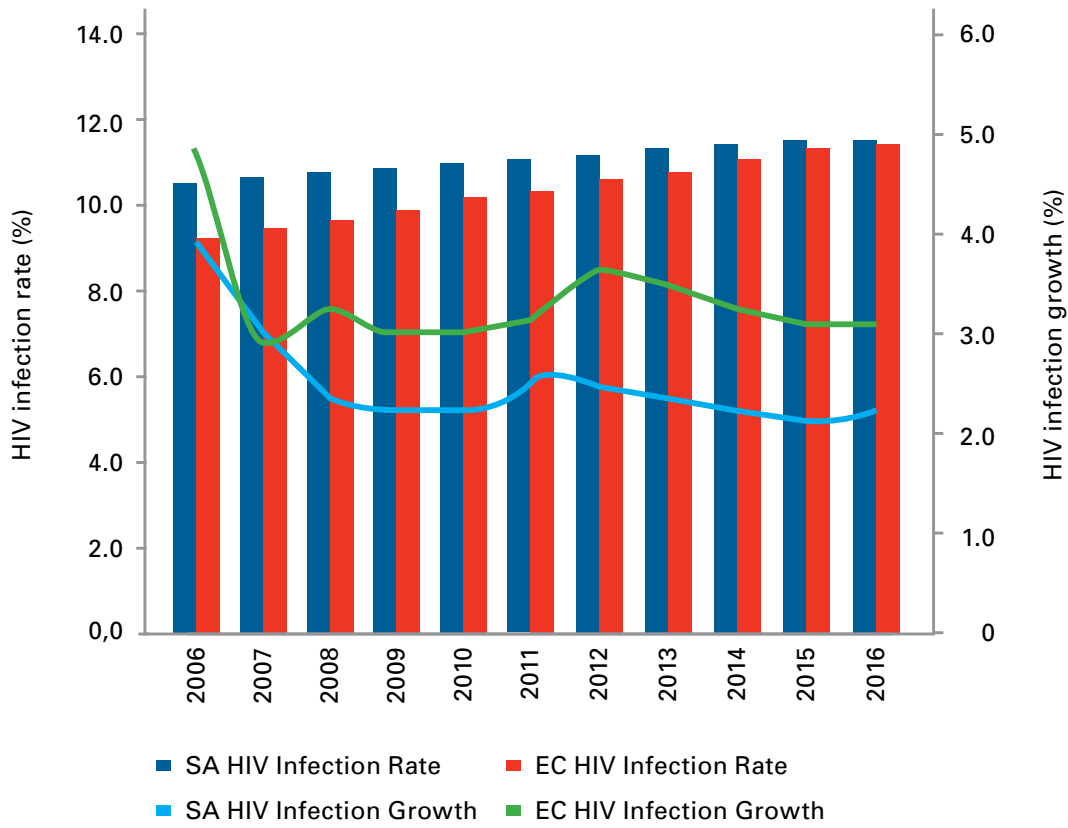
- The EC average life expectancy at birth improved from around 49.4 for male and 50.7 years for female in 2006 to 54.5 years for male and 58.9 years for female in 2016.
- But it remains below the country's average by more than 5 years in 2016.
- During this period, the gap between the female and male groups has increased as average life expectancy for the female group improved by 8.2 years compared to around 5.1 years improvement observed within the male group.

3.2.3.3 HIV/AIDS

According to the WHO, the global HIV epidemic has claimed fewer lives in 2015 than at any point in almost two decades, and fewer people became newly infected with HIV than in any year since 1991. The list of countries on the brink of eliminating new HIV infections among children keeps growing. A massive expansion of antiretroviral therapy (ART) has reduced the global number of people dying from HIV-related causes to about 1.1 million in 2015, 45 percent fewer than in 2005. UNAIDS/WHO estimates show that more than 18 million people were receiving ART in mid-2016. However, countries need to live up to their commitment to end the AIDS epidemic as a public health threat by 2030.

Over the last 9 years, a lot of progress has been made with regard to reducing the high levels of mortality from HIV and AIDS and related complications and co-morbidities in SA. The roll out of Antiretroviral Treatment has seen the country recording major improvements in health indicators such as life expectancy, infant and child mortality and maternal mortality. The estimated overall HIV prevalence rate is approximately 12.6 percent among the South African population. The total number of people living with HIV is estimated at approximately 7.1 million in 2017. For adults aged 15–49 years, an estimated 18.0 percent of the population is HIV positive. The following figure displays HIV infection rate for SA and EC between 2016 and 2016.

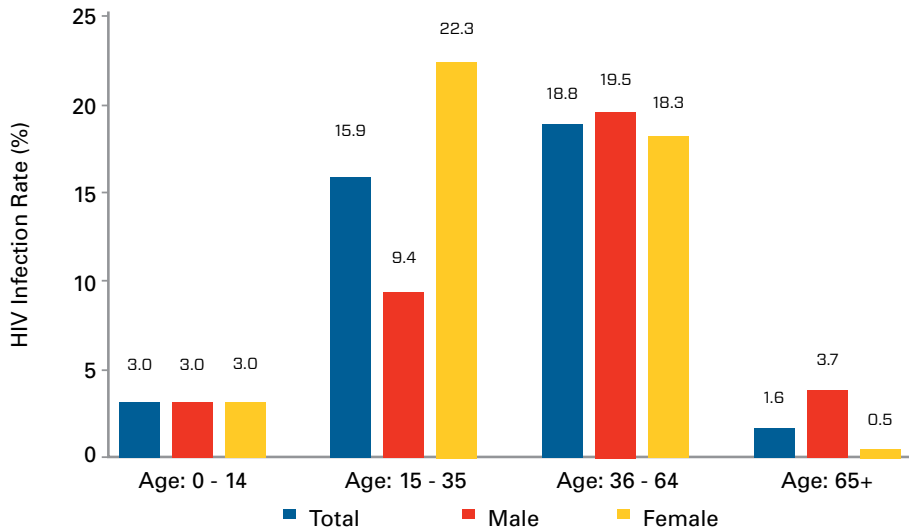
Figure 3.4: HIV Infection Rate, 2006 - 2016



Source: Own calculations based on Quantec Research data

- In 2016, approximately 11.4 percent of the EC total population were living with HIV/AIDS; 2.2 percentage points below the 2006 estimate.
- The number of EC people infected with HIV/AIDS has increased by an annual average rate of 3.2 percent since 2006, higher than the national average of 2.4 percent.
- Although the trend of HIV infection growth rate in the EC is decreasing, its proportion to the total population is on the upward trend.

Figure 3.5: HIV Infection Rate by Gender in the Eastern Cape, 2016



Source: Own calculations based on Quantec Research data

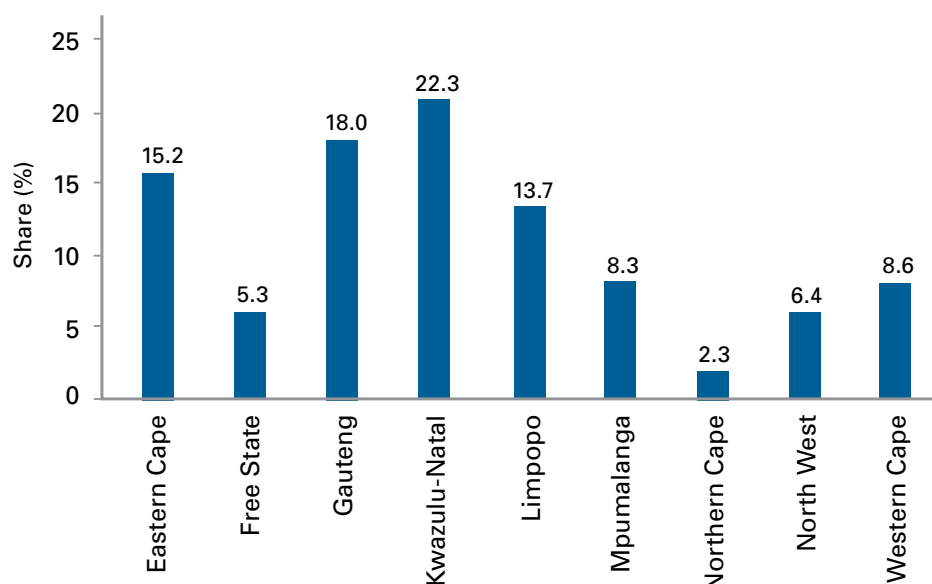
- The economically active population has been the most infected by HIV, particularly the female group.
- In 2016, approximately 17.2 percent of the EC’s total economically active population were tested HIV positive.
- During the same year, 20.4 percent of the economically active female population were HIV infected compared to 13.6 percent of the male group.
- Within the economically active population, the male group aged between 35 and 64 years were the most HIV infected (19.5 percent) compared to the female group (18.3 percent).
- The male group aged from 65+ also experienced a higher infection rate (3.7 percent) compared to the female group (0.5 percent) of the same age.

3.2.4 OVERVIEW OF BASIC EDUCATION IN THE EASTERN CAPE

Education remains one of the major priority areas for the South African government. Over the years, the South African government has increased efforts to improve the state of education as quality education is a fundamental pillar in the transformation of a society. Despite these efforts, imbalances still exist in the country’s education system owing to the legacy of apartheid era. The greatest challenges lie in the poorer and rural provinces like the EC and KZN. Schools are generally better resourced in the more affluent provinces such as GP and the WC.

In the EC, access to basic services such as water, sanitation and power to more schools in the rural areas is still a concern. The Province is still lagging behind in the provision of sound infrastructure even after the numerous attempts by the government to improve this. Substandard infrastructure and lack of basic services are seen as barriers to quality education.

Figure 3.6: Percentage of Learners in Ordinary Schools by Province, 2016



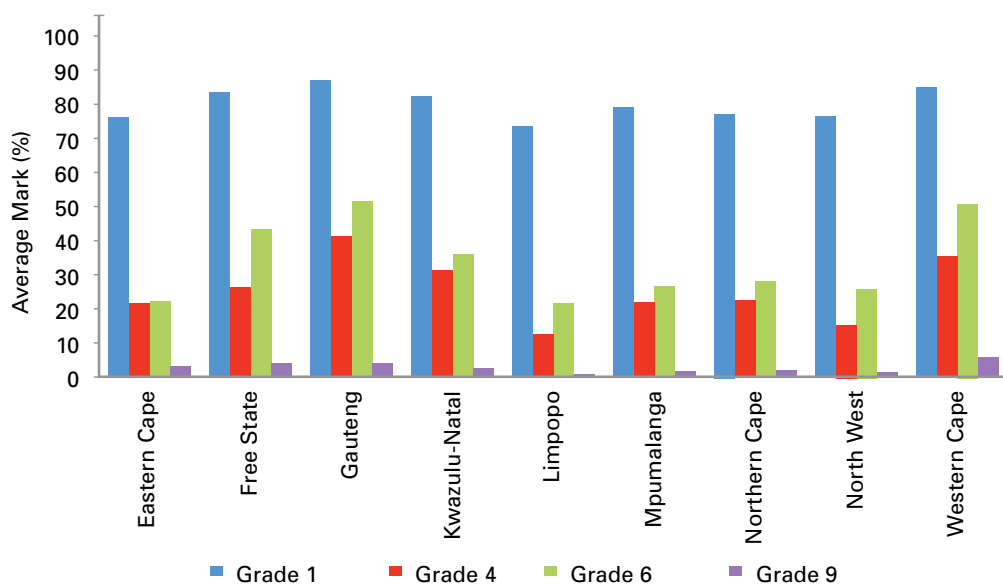
Source: School realities report 2016; DOE

- Approximately 12.9 million learners enrolled for basic education in 2016; and the EC accounted for 15.2 percent of this number.
- In 2016, the number of learners in the EC slightly increased from the number observed in 2015.
- The Province is the third largest with a highest number of learners after KZN (22.3 percent) and the GP Province (18.0 percent).

3.2.4.1 LEARNER ACHIEVEMENT

Good performance in mathematics is vital at schools for a number of reasons. However, the current education system is facing many challenges and is struggling to produce school learners with the high standard required in mathematics, particularly the majority of schools in the rural areas. According to the Third International Mathematics and Science Study (TIMSS, 2015), South African learners are rated the second lowest performers in mathematics in the world, even lower than some of the other African countries. In terms of home languages, learners are expected to achieve 40 percent and above in order to advance to the next grade. Nevertheless, a number of initiatives and programmes have been developed to assist learners in achieving good results in home languages but more specifically in mathematics and science subjects.

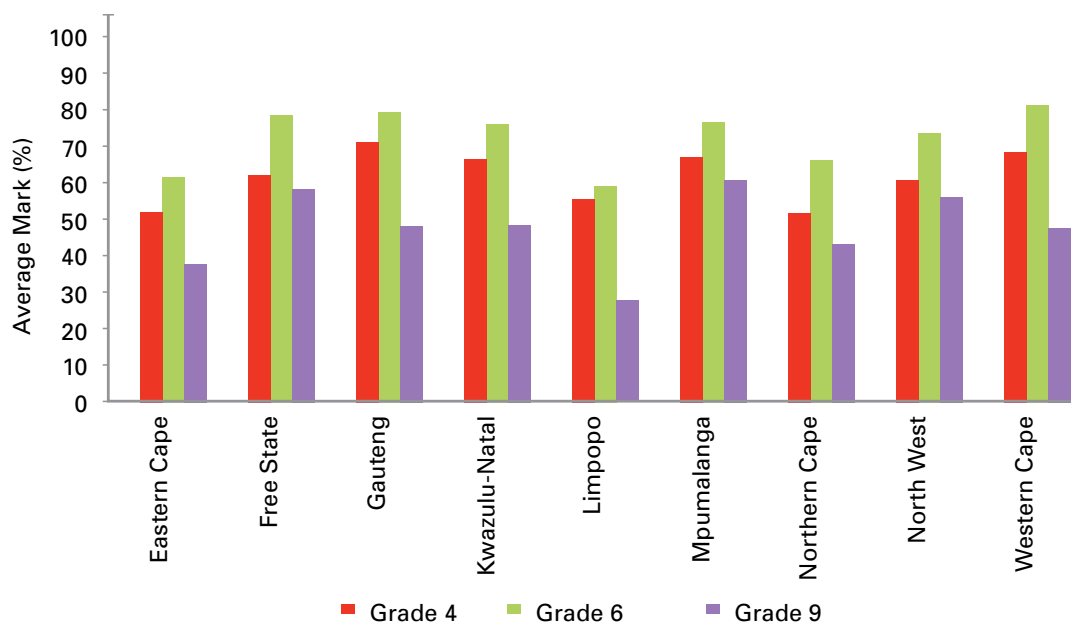
Figure 3.7: South African Learner Achievement in Mathematics, 2014



Source: D.O.E Report on the Annual National Assessment of 2014

- Figure 3.7 above shows that in 2014, the performance in mathematics dropped precipitously for higher grades and this was common across all provinces. The country's average percentage mark for mathematics dropped from 68.4 percent in Grade 1 to 10.9 percent in Grade 9. Despite the overall performance for mathematics declining for higher grades, however, the average percentage mark for Grade 6 proved to be higher than Grade 4.
- The EC learner achievement in mathematics followed the pattern of the country, with Grade 1 performing better than other grades. However, this Province was one of the poor performers compared to other Provinces across all grades except for Grade 9.
- The EC's performance was below the national average across all grades except for Grade 9.

Figure 3.8: South African Learner Achievement in Home Language, 2014



Source: D.O.E Report on the Annual National Assessment of 2014

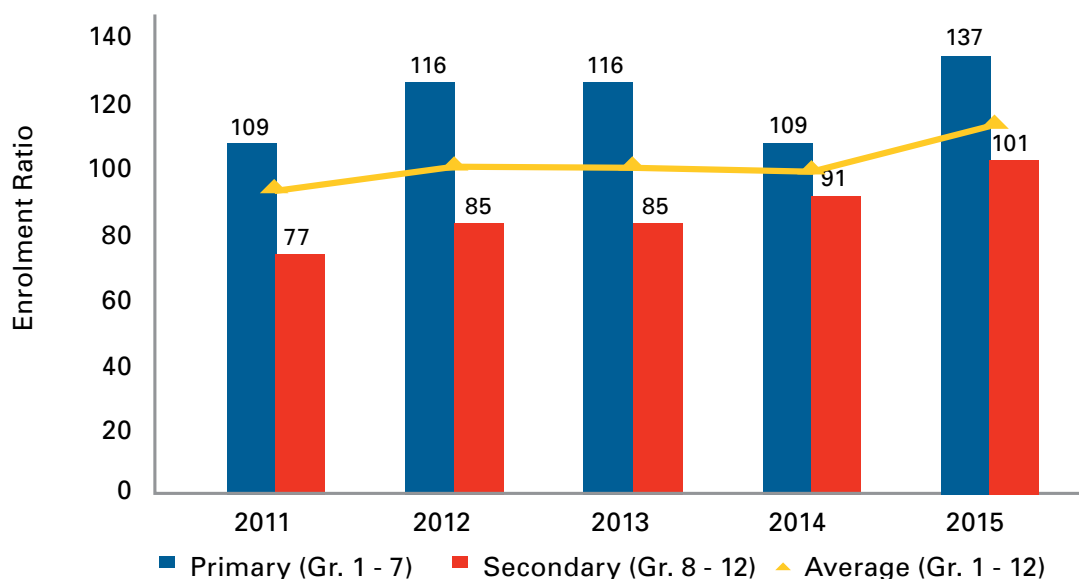
- Figure 3.8 above shows that the average performance in home language was better in Grade 1 across all Provinces. There was improvement in the performance of home language from Grade 4 to Grade 6. However, the performance dropped in Grade 9. The average percentage mark was 63.2 percent in Grade 1, 56.5 percent in Grade 4, then improved to 61.2 percent in Grade 6 but then dropped to 49.4 percent in Grade 9.
- In 2014, the EC was one of the lowest achievers in home language across all grades compared to other Provinces. The learner achievement in this Province was below the country's average performance across all grades.

3.2.4.2 EDUCATION INDICATORS AND LEARNER ACHIEVEMENT IN THE EASTERN CAPE

3.2.4.2.1 Gross Enrolment Ratio

Gross Enrollment Ratio (GER) is the total enrollment within a country, in a specific level of education, regardless of age, expressed as a percentage to the population of the age group that officially corresponds to this level of education. SA has made immense progress in improving educational opportunities and ensuring equal access for all. As a result, access to education has improved significantly over the years since 1994.

Figure 3.9: Eastern Cape Gross Enrolment Ratio, 2011-2015



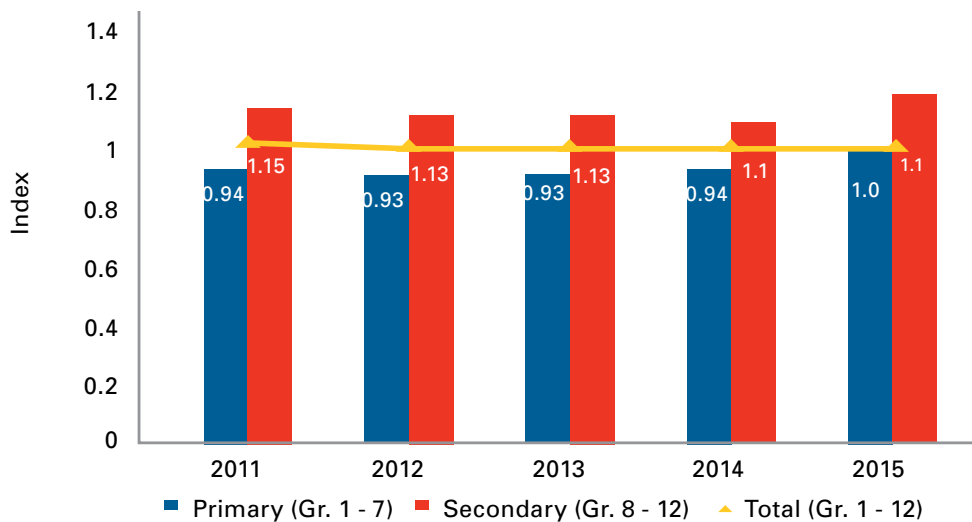
Source: School realities report 2016, DOE

- The figure above shows that the number of learners enrolled for both primary and secondary school has increased over the years.
- The EC GER for both primary and secondary schools was around 118.8 percent in 2015, 18.8 percentage points above the ratio observed in 2014.
- Within primary schools, the Province's GER was around 137 percent in 2015 and 101 percent for secondary schools. An important improvement from the previous years.
- In general, primary and secondary schools' GER have been on the upward trend since 2011.

3.2.4.2.2 Gender Parity Index

SA has made great progress towards achieving gender equality, particularly in education. Currently, both genders have an equal opportunity to attend school as estimated by the Gender Parity Index (GPI). Indeed, a GPI is used to measure the level of females' access to education in comparison with that of males. A GPI of less than one indicates that there are fewer females in the formal education system in proportion to the appropriate age of school population. A GPI of more than one means that there are more girls than boys attending school. Figure 3.10 below depicts the Province's gender parity index from 2011 to 2015.

Figure 3.10: Eastern Cape Gender Parity Index, 2011-2015



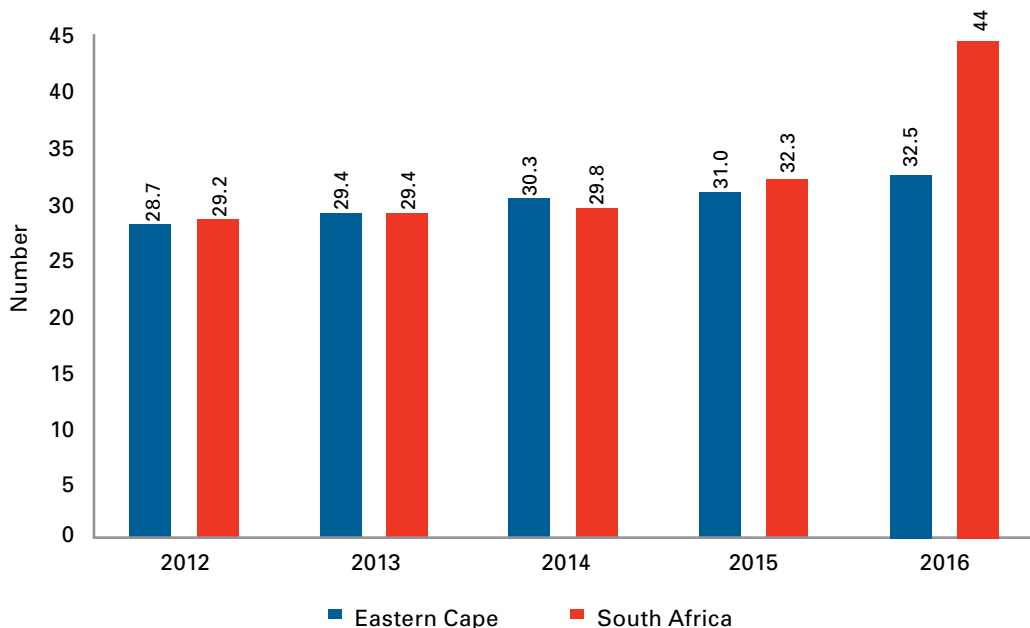
Source: School Realities Report 2016; DOE

- Through post-apartheid government initiatives, access to education in the country has been relatively equal for both genders.
- As such, the imbalance has improved over the years more specifically after 2013.

3.2.4.2.3 Learner-Educator Ratio

The imbalance within the number of learners per educator remains a challenge in SA. Schools are still faced with overcrowded classrooms and shortages of teachers to align with the number of learners per classroom. This subsequently affects the delivery of quality education and also results in poor performance by learners. Figure 3.11 depicts the learner-educator ratio from 2012 to 2016.

Figure 3.11: Learner Educator Ratio, 2012-2016



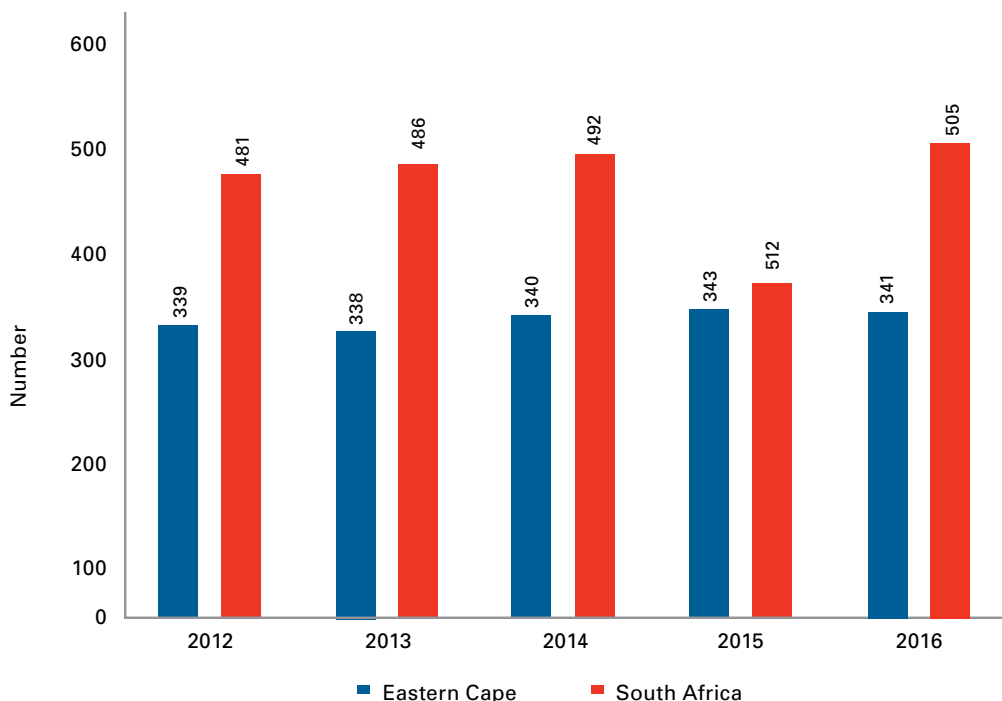
Source: Quantec Research data

- LER has slightly increased over the years for the Province and the country.
- The EC ratio increased from 31.0 percent in 2015 to 32.5 percent in 2016. Other the same period, the country's LER ratio also slightly increased from 32.3 in 2015 to 44 percent in 2016.
- The Province's ratio has been slight lower than the country's overall ratio due to the number of efforts made by the EC leadership in trying to accommodate the increasing number of learners per school.

3.2.4.2.4 Learner-School Ratio

The EC has made great efforts to build schools to alleviate the problem of overcrowded schools. The Leaner School-Ratio (LSR) measures the average number of learners per school. Figure 3.12 shows the leaner school ratio for the Province and the country, from 2012 to 2016.

Figure 3.12: Eastern Cape Learner School Ratio, 2012-2016



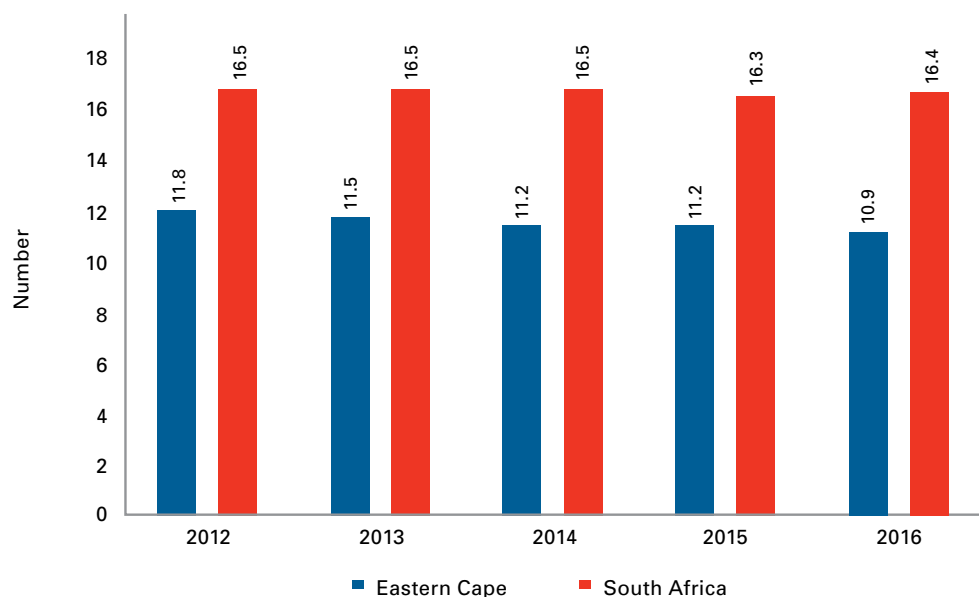
Source: Quantec Data

- Between 2012 and 2016, the LSR for the country increased by an annual average growth of 1.2 percent while the EC increased by 0.1 percent.
- The LSR for the EC province has decreased by 2 learners per school in 2016 from the previous year's ratio.

3.2.4.2.5 Educator-School Ratio

Another major challenge facing the South African education system is the production of sufficient qualified, competent teachers who can provide quality teaching for all school subjects and phases. The Educator School - Ratio (ESR) measures the average number of teachers per school. Figure 3.13 that follows presents the ESR in SA and the EC Province between 2012 and 2016.

Figure 3.13: Eastern Cape Educator - School Ratio, 2012-2016



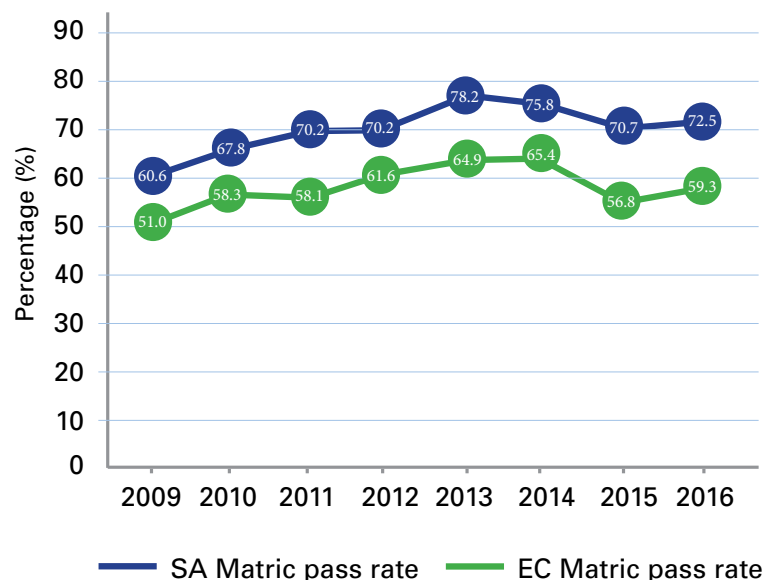
Source: Quantec Data

- The number of teachers per school has been on a downward trend since 2012, while the ratio at a national level has increased over the years.
- The ESR for the province is below the national average.

3.2.4.2.6 National Senior Certificate Results by Type of Qualification

Obtaining a NSC is a significant achievement as it enables learners to access post school opportunities. The number of learners who obtained a senior certificate in the country has increased over the years. In 2016, about 82 756 learners wrote examinations on a full-time basis and 49 042 learners passed. This translates to 59.3 percent, a 2.5 percentage points increase from 56.8 percent observed in 2015. Figure 3.14 highlights the overall performance of the Province and the country from 2008 to 2016.

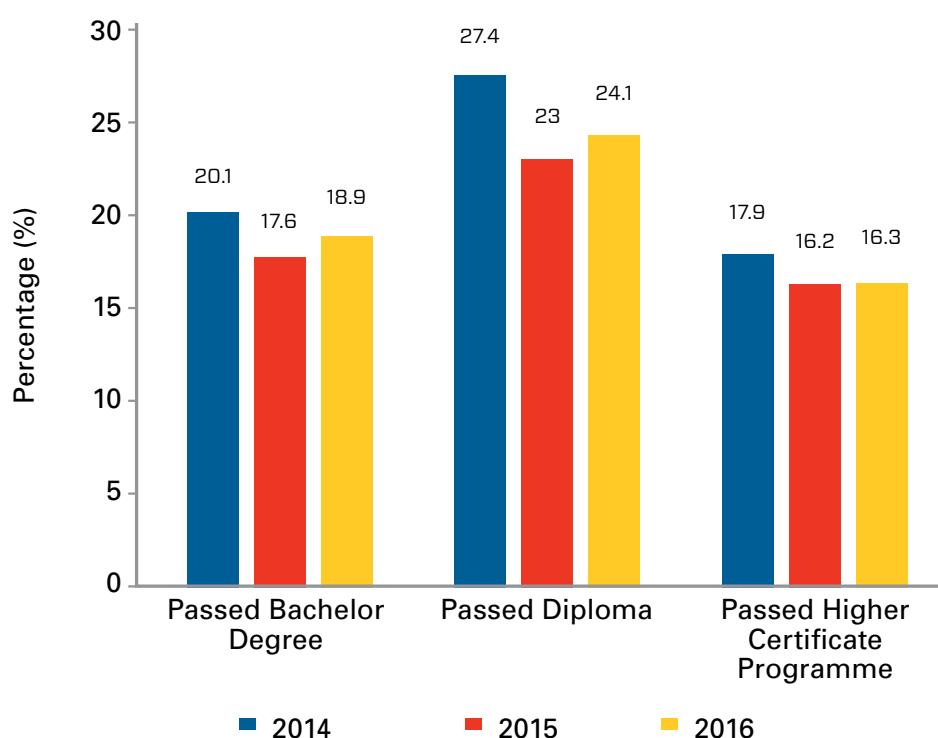
Figure 3.14: NCS Performance, 2008-2016



- The performance of Matric Class in 2016 improved in EC as NSC results increased by 2.5 percentage points to reach 59.3 percent pass rate from 56.8 percent obtained in 2015.
- The improvement in 2016 is due to a number of intervention programmes the Department of Education put in place to mitigate the impact of the high stakes NCS (CAPS) curriculum.
- Cradock at 81.2 percent was the highest performer, followed by Uitenhage at 76.3 percent; Graaff-Reinet at 76 percent and Grahamstown at 70.3 percent.
- The number of Bachelor passes increased from 15 291 in 2015 to 15 654 in 2016, representing a 1.3 percentage points increase from 17.6 percent in 2015 to 18.9 percent in 2016.

Figure 3.15 that follows illustrates the proportion of learners who passed the NSC within EC.

Figure 3.15: Eastern Cape NCS performance by type of qualification, 2014 - 2016



Source: NSC results booklet, 2016

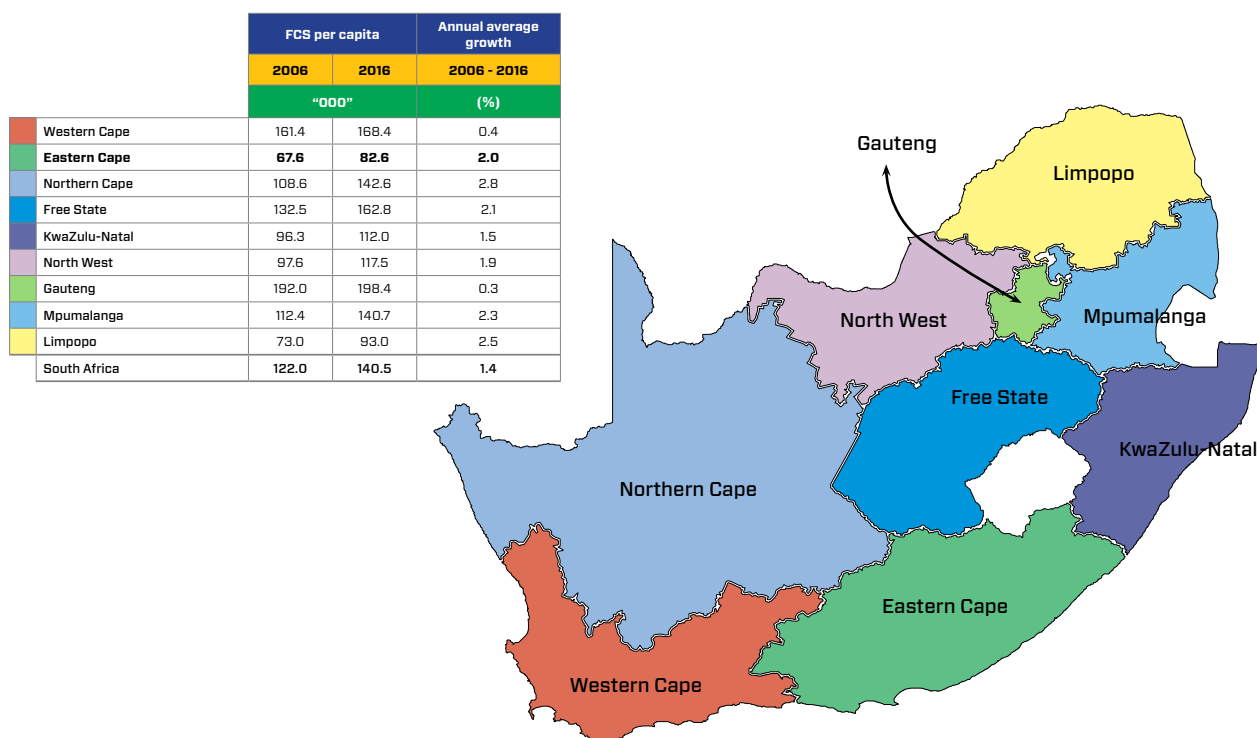
- The number of learners who passed a bachelor degree has remained stagnant and was around 18.9 percent in 2016.
- The diploma pass rate is above 20 percent but needs to be improved.

3.3 ANALYSIS OF THE EASTERN CAPE FIXED CAPITAL STOCK

Fixed Capital Stock (FCS) is defined as tangible and durable fixed assets owned by government or used by resident enterprises for more than one year. This includes plant, machinery, vehicles and equipment, installations and physical infrastructures, the value of land improvements, and buildings.

South Africa has accumulated R7.8 trillion of fixed capital stock in 2016 up from R5.9 trillion observed in 2006, equivalent to an average increase of 1.6 percent since 2006. In 2016, the FCS within EC represented only 6.9 percent of the country's total and has increase by an annual average rate of 1.9 percent which is below the national average. Most of this infrastructure spending will be on the transport network, sanitation and water services. As the government continues to increase its infrastructure spending, the FCS is expected to improve within the Province. Figure 3.16 below depicts provincial fixed capital stock per capita between 2006 and 2016.

Figure 3.16: Fixed Capital Stock per Capita by Province, 2006 - 2016



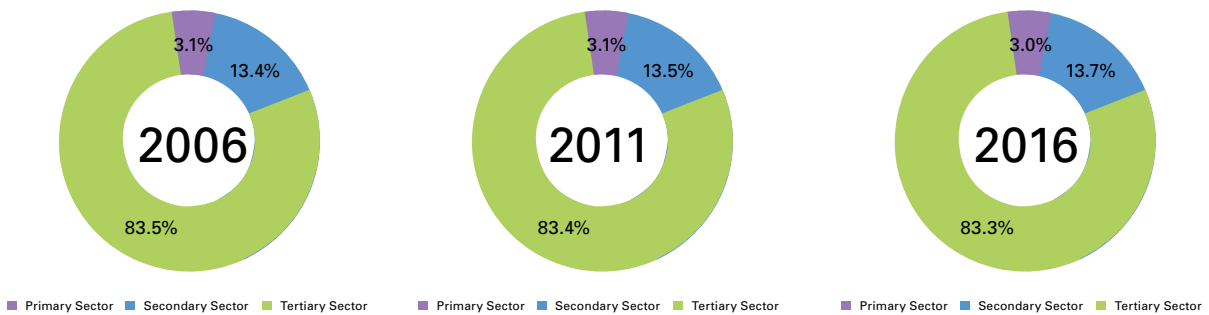
Source: Own calculation based on Quantec Research data

- EC has recorded the lowest FCS per capita in both 2006 (67.6 thousand) and 2016 (82.6 thousand).
- Over the last 10 years, EC FCS per capita increased by an annual average growth rate of 2.0 percent; less than the 2.8 percent in Northern Cape (NC), 2.5 percent in Limpopo (LP), 2.3 percent in Mpumalanga (MP) and 2.1 in Free State.
- Although the Province's FCS was around R539.7 billion in 2016, more investment, at higher rate, is needed to kick-start the much needed infrastructure development.

3.3.1 FIXED CAPITAL STOCK BY SECTOR

Fixed Capital Stock is dominated by manufacturing industry in the secondary sector, transport and storage, professional business services as well as general government stocks within the tertiary sector. The primary sector fixed stock is still lagging behind and its composition showed some further reduction over the years. Although the Province requires further investment for its development, more investments are needed within the primary sector to address rural development challenges. Figure 3.17 below shows the EC's FCS composition by sector between 2006 and 2016.

Figure 3.17: Fixed Capital Stock in the Eastern Cape by Sector, 2006 - 2016



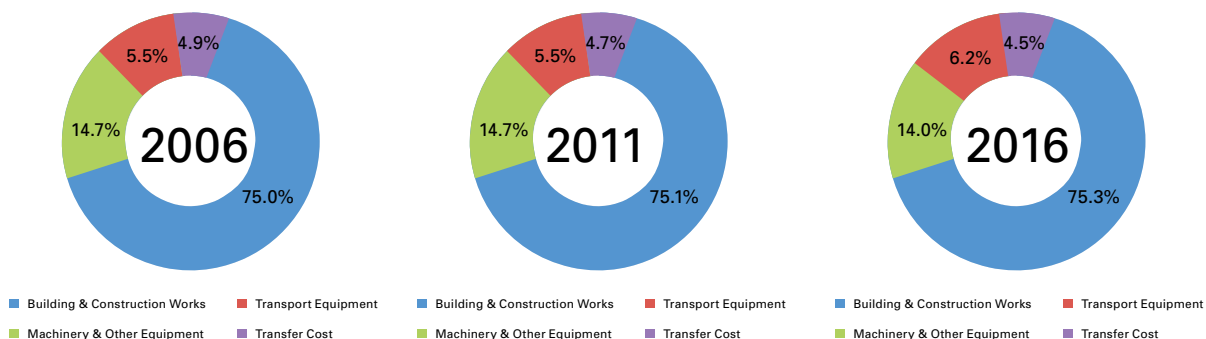
Source: Own calculation based on Quantec Research data

- The tertiary sector was the biggest contributor to the province's FCS with an annual average growth rate of 1.9 percent between 2006 and 2016. Over the same period, the secondary sector showed an annual average growth of 2.1 percent, while primary sector's annual average growth was around 1.4 percent.
- In 2016, the capital stock of finance, insurance, real estate and business services industry was the largest as it represented 31.9 percent of the Province's capital stock. It was followed by general government industry capital stock (27.2 percent of the Province's total) and transport and storage industry (12.3 percent of the provincial total).
- The proportion of the total capital stock of agriculture and forestry to the province FCS was around 2.6 percent in 2016, with an annual average growth of 1.1 percent since 2006.

3.3.2 FIXED CAPITAL STOCK BY ASSET TYPE

The FCS for each sector is divided into four asset types: building and construction, machinery and other equipment, transport equipment and transfer costs. Buildings and construction works are the largest portion of asset in both South Africa and within the Province. Figure 3.18 below illustrates FCS in the EC by asset type between 2006 and 2016.

Figure 3.18: Fixed Capital Stock in the Eastern Cape by Asset Type, 2006 - 2016



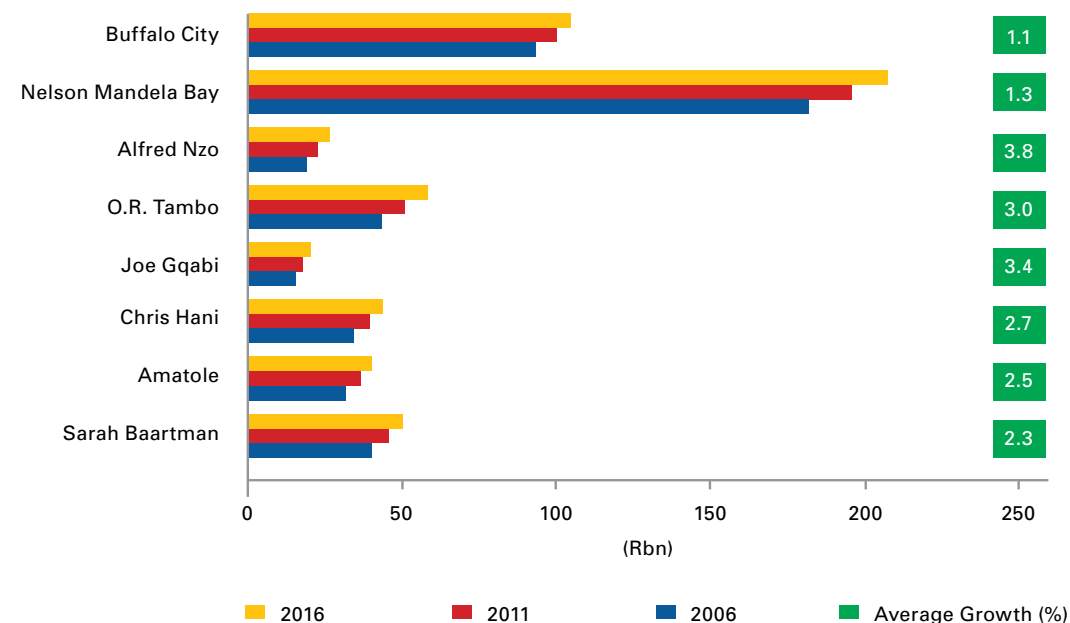
Source: Own calculation based on Quantec Research data

- The capital stock of building and construction works within the FCS in the EC remained the leading asset with a proportion of 75.3 percent in 2016 and grew at an annual growth rate of 2.0 percent between 2006 and 2016.
- Transport equipment in the Province shows high prospects with an average growth rate of 3.2 percent, recording R33.4 billion in 2016 up from R24.4 billion observed in 2006.
- The share of machinery and other equipment declined from 14.7 percent in 2006 to 14.0 percent in 2016 but had increased over the last 10 years by an annual average growth rate of 1.5 percent.

3.3.3 FIXED CAPITAL STOCK BY DISTRICT

The Province has eight District Municipalities and local municipalities within each District Municipality. Each District Municipality performs differently owing its locational advantages and economic activities within the municipality. The presence of the East London IDZ in Buffalo City Metropolitan Municipality (MM) and Coega IDZ within Nelson Mandela Bay MM contributes to the economic performance of those two metros. Figure 3.19 below shows the proportion of the FCS sector's contribution by district to its total provincial sector in 2006, 2011 and 2016.

Figure 3.19: Sectoral Proportion of FCS across the Eastern Cape Districts, 2006 - 2016



Source: Own calculation based on Quantec Research data

- In 2016, FCS in EC increased to R540 billion with an annual average growth of 1.9 percent since 2006.
- Although the annual average growth rate within the two metros is relatively low, 1.1 percent for Buffalo City and 1.3 percent for Nelson Mandela Bay (NMB). Buffalo City represented 19.1 percent and NMB represented 38.2 percent of the provincial total FCS in 2016.
- Noticeable annual average growth rates from Alfred Nzo and Joe Gqabi of 3.8 percent and 3.4 percent respectively within the reviewed period were observed.
- These two municipalities have shown slight progress since 2006, despite displaying the lowest proportion of the Province's total FCS
- Although their competitive advantage resides within the primary and secondary sectors, both municipalities are largely dominated by the tertiary sector, specifically by the general government industry.
- Tertiary sector appeared to be the major contributor in all stated district municipalities.

3.4 FISCAL FRAMEWORK

The national government made an announcement during the 2017 budget review to centralize fiscal policy objectives. In the EC Province, an emphasis was placed on partnerships and the establishment of an integrated approach in the delivery of services and the expenditure thereof. Over the 2017 medium term, the Province's fiscal policy will focus on capital infrastructure investment, enterprise development, agro-industry development and agricultural production on a commercial scale to improve its regional economic growth and expand its own revenue generation.

The EC Province is committed to shift its expenditure from consumption towards investment to improve its socio-economic development. More than 97 percent of the EC budget comes from national government in the form of transfers, while the Province's own receipts remained at less than 3 percent. Equitable shares accounted for approximately 85 percent of the national government's transfers to the EC, with the remaining 15 percent being conditional grants. The Province is expected to achieve a surplus budget over the 2017/18 MTEF, which will be used for economic and social infrastructure development. This is in line with the National Treasury 2017 medium-term budget policy statement (MTBPS). Table 3.3 below shows the EC fiscal framework between 2014/15 and 2020/21.

Table 3.3: EC Fiscal Framework, 2014/15 - 2020/21

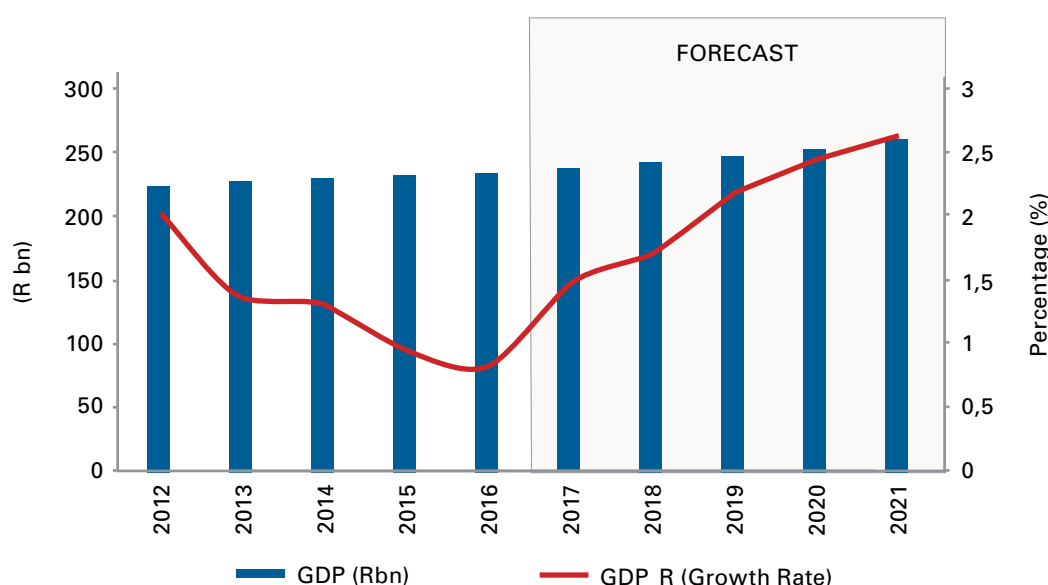
| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium Term Estimates | | |
|---|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 |
| | [% share] | | | | | | | | |
| Transfer from National | 97,48 | 97,53 | 97,26 | 97,99 | 98,20 | 97,83 | 98,20 | 98,21 | 98,23 |
| Equitable Share | 84,13 | 84,80 | 84,99 | 84,55 | 84,55 | 84,57 | 84,92 | 85,00 | 85,13 |
| Conditional Grants | 15,87 | 15,20 | 15,01 | 15,45 | 15,45 | 15,43 | 15,08 | 15,00 | 14,87 |
| Provincial Own Receipts | 2,52 | 2,47 | 2,74 | 2,01 | 1,80 | 2,17 | 1,80 | 1,79 | 1,77 |
| Total Provincial Receipts [Rbn] | 63,09 | 66,34 | 70,24 | 74,65 | 74,48 | 74,75 | 78,79 | 83,88 | 89,26 |
| Total Provincial Payments [Rbn] | 60,74 | 65,17 | 69,49 | 69,59 | 75,24 | 74,42 | 78,45 | 83,67 | 88,27 |
| Surplus/Deficit Before Financing [Rbn] | 2,34 | 1,17 | 0,75 | 5,06 | -0,76 | 0,33 | 0,34 | 0,22 | 0,99 |

Source: Eastern Cape Provincial Treasury, 2017/18

3.5 ECONOMIC PERFORMANCE AND PROJECTIONS

The EC economy depends heavily on the country's economic performance and growth. It is also affected by the increasing domestic political uncertainty which can stall reforms. Also, lack of huge capital investment especially in the rural areas would negatively impact the Province's economic outlook. Although the EC economic growth is showing an upward trend, it's still well below its real performance potential. The Province's economy is expected to recover at a slow pace despite a favourable global environment with higher commodity prices. Figure 3.20 below illustrates the EC GDP_R trend and outlook between 2012 and 2021.

Figure 3.20: Eastern Cape's GDP_R, 2012 - 2021



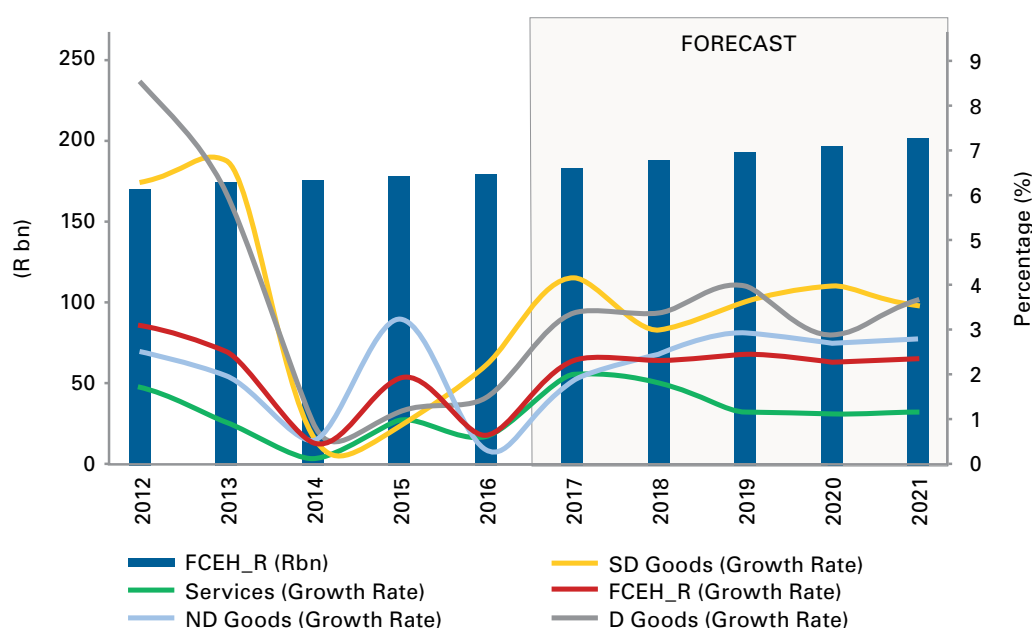
Source: Own calculation based on Quantec Research data. Data are at constant 2010 prices

- Despite some significant recovery from the 2009 contraction, the EC's economic growth has displayed a downward trend between 2011 and 2016.
- The EC growth rate was at 0.8 percent in 2016 and is expected to grow at an annual average growth rate of 2.1 percent between 2017 and 2021.
- The Province's economy is expected to grow further by 1.5 percent in 2017, with total household spending to contribute 1.8 percent while total investment contribution is expected to reduce this growth by 0.1 percent.
- A weaker-than-expected start to the year and constraints imposed on the country's economy by the rating agencies would result in a downgrade of the Province's GDP growth forecast for 2017 and 2018.
- Implementation of structural reforms need to be accelerated to prompt a strong recovery in investor and consumer confidence.
- Current political unrest is one of the major stumbling blocks to faster economic growth within the Province.

3.5.1 TOTAL CONSUMPTION EXPENDITURE

The ECs' final consumption expenditure of household (FCEH_R) consists of the total outlay on individual goods and services by resident households, including those sold at below-market prices. This element is the largest component of the GDP and therefore impacts the performance of the economy. The performance of September's Standard Bank Purchasing Managers' Index (PMI) reflected a fall in new orders amid weak demand. Indeed, new orders declined for the third time in the past four months, and at the sharpest rate since April 2016. As a consequence, firms reduced staffing levels with a negative impact on final consumption of household. The Figure 3.21a below shows the historic trends and the outlook for EC's FCEH_R from 2012 to 2021, as well as the proportion of its composition in Figure 3.21b.

Figure 3.21a: Total Household Final Consumption Expenditure, 2012-2021

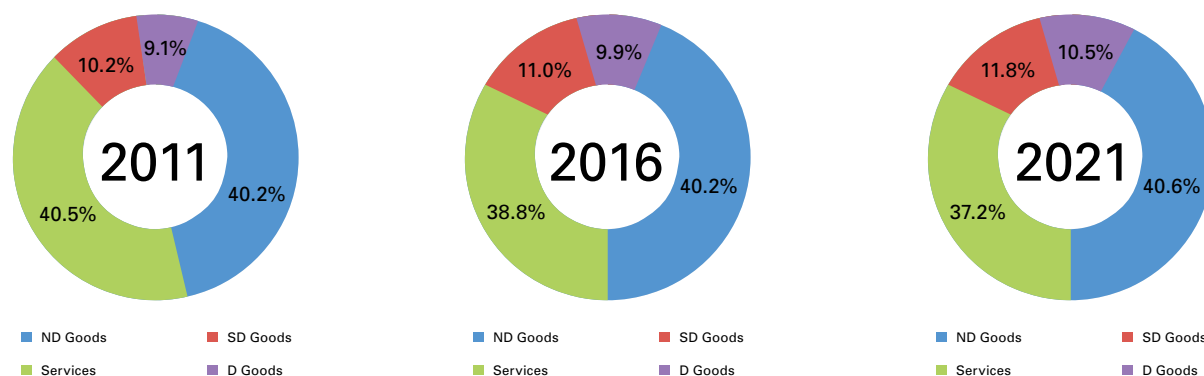


Source: Own calculation based on Quantec Research data. Data are at constant 2010 prices

- The FCEH_R value has increased from R170.4 billion in 2012 to R179.9 billion in 2016, equivalent to an average annual growth of 1.7 percent.
- The Province's total private household spending would increase by 2.3 percent in 2017 owing to 0.3 percent contribution to the growth by durable goods spending, 0.7 percent by non-durable goods spending, 0.5 percent by semi-durable goods spending and 0.8 percent services spending.
- Over the medium term, the provincial FCEH_R is expected to grow by an average annual growth of 2.3 percent.
- In 2021, EC FCEH_R is expected to be around R201.8 billion. To reach that level, durable goods need to grow by an average annual growth rate of 3.5 percent, semi-durable goods by 3.5 percent, non-durable goods by 2.7 percent and services expenditure by 1.3 percent.
- Services spending within the reviewed period have been fluctuating and are expected to slightly increase between 2016 and 2017.

Figure 3.21b: Composition of Household Final Consumption Expenditure, 2011 – 2021

Source: Own calculation based on Quantec Research data. Data are at constant 2010 prices



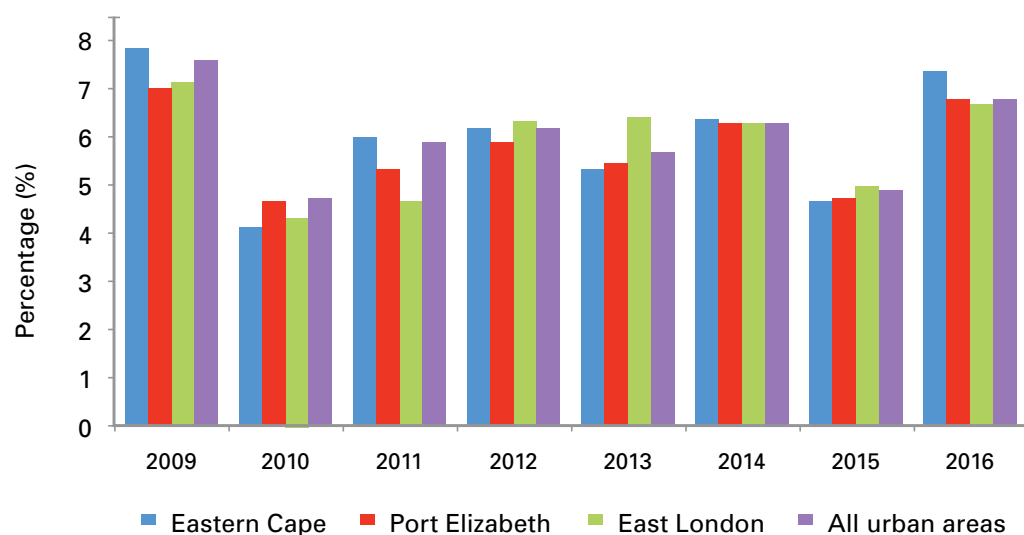
- The composition of household total spending has slightly changed over the years.
- The contribution to the total spending of services expenditure dropped slightly from 40.5 percent in 2011 to 38.8 percent in 2016 and is expected to drop further to 37.2 percent in 2021.
- However, the proportion of non-durable expenditure would increase slightly by 0.4 percentage point between 2016 and 2021.

3.5.2 INFLATION IN THE EASTERN CAPE

EC price inflation was out of the target range in 2016, but is expected to be within the target range this year. The current performance of the Province’s price inflation reflects the state of the country’s economy which has affected household spending. In 2016, the two metros were still below the provincial average. The Figure below illustrate the percentage change of consumer price index (CPI) for EC, the two metros and all urban areas within the Province between 2009 and 2016.

Figure 3.22: Inflation in the Eastern Cape, 2009 – 2016

Source: Own calculation based on Quantec Research data



- CPI inflation in the EC jumped from 4.6 percent in 2015 to 7.2 percent in 2016.

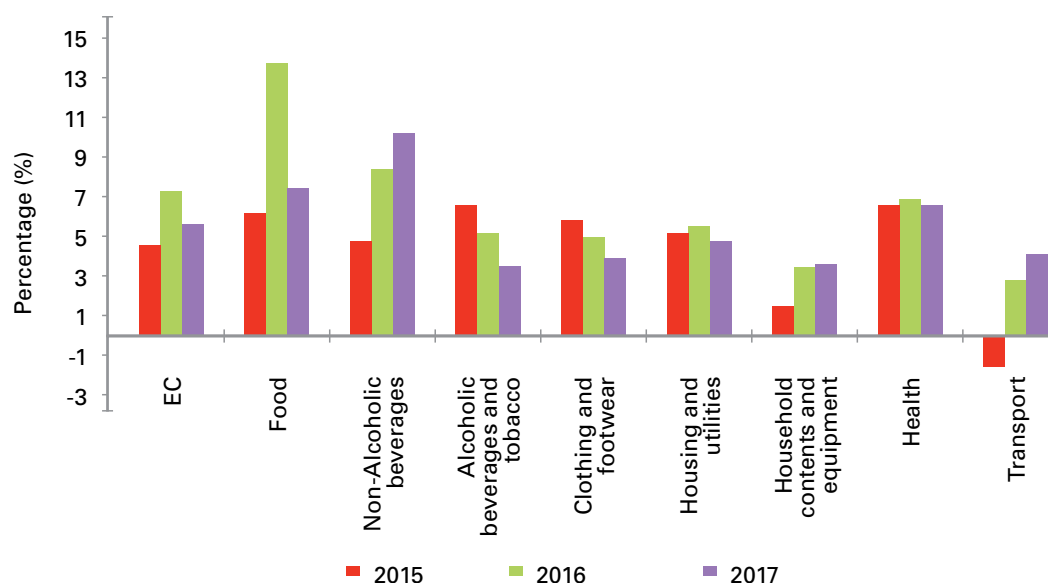
- In 2016, Port Elizabeth was more expensive than East London, but both were below the provincial average.

3.5.2.1 INFLATION BY ITEM IN THE EASTERN CAPE

The provincial inflation has been mainly driven by non-alcoholic beverages, food and health price inflation. The weakening of the rand as well as an increase in the oil price are threatening the current state of inflation in EC and its regions. Figure 3.23 below shows inflation by item in the EC between 2015 and 2017.

Figure 3.23: Inflation by item in the Eastern Cape, 2015 - 2017

Source: Dwn calculation based on Quantec Research data



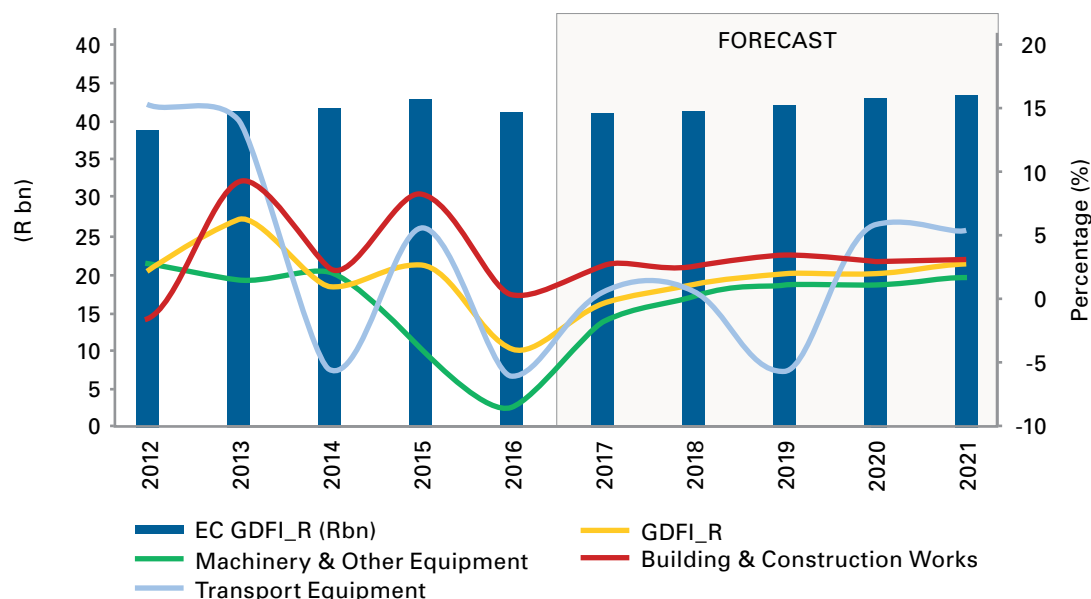
- The average prices of all items in the Province decreased to 7.2 in 2016 and are expected to drop to 5.6 in 2017, representing a decline of 1.7 percentage points.
- In 2016, food price inflation jumped to 13.7 percent, but is expected to be around 7.4 percent in 2017: a decline of 6.3 percentage points reflecting the current economic environment within the Province.
- This year, non-alcoholic beverages increased by 1.8 percentage points from the price inflation observed in 2016 to reach 10.1 percent.
- At the same time, alcoholic beverages and tobacco price inflation is expected to decline by 1.6 percentage points from the 5.1 percent seen in 2016.
- Transport price inflation is expected to further increase this year, but still within the target range.

3.5.3 TOTAL INVESTMENT EXPENDITURE

The level of investment (private and public) has improved in the Province, but is still below the national average. The EC government has made some significant progress in expanding investment on infrastructure such as roads, schools and health facilities. However, a huge gap exists between the level of infrastructure within the urban areas and rural regions. Aging infrastructure linking to rural areas remained a challenge. More capital investments are needed for the Province, particularly its rural regions, to become competitive and attract FDI. In 2016, close to 900 kilometers have been resurfaced to improve rural access roads and enhance mobility. Also, the Province is lagging behind on infrastructure development when compared to other Provinces, as the EC is heavily reliant on transfers

from the national government. Over the medium term, more investment on economic and social infrastructure, incorporating small town revitalization and township regeneration are expected to receive attention. The Figure 3.24a below shows the historic trends and the outlook of EC's total investment and its assets from 2012 to 2021, as well as the proportion of its composition in 2011, 2016 and 2021 in Figure 3.24b.

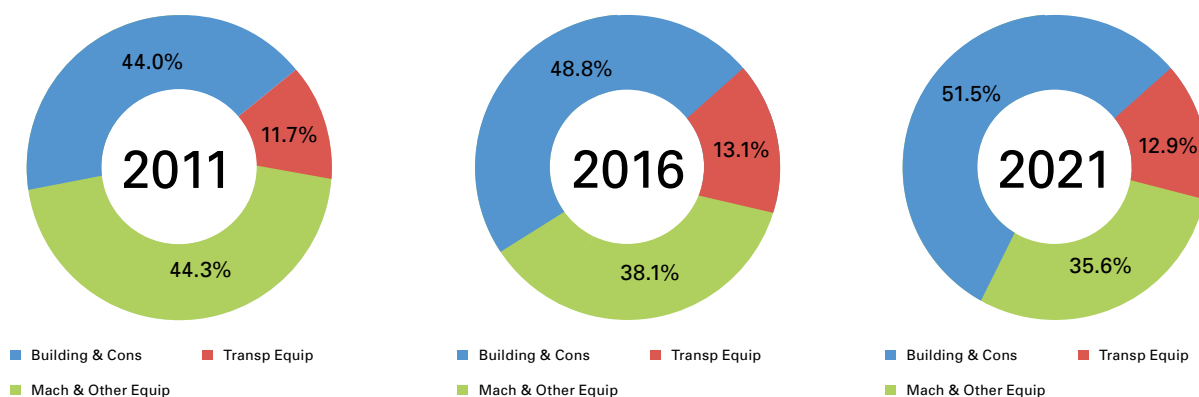
Figure 3.24a: Gross Domestic Fixed Investment, 2012 - 2021



Source: Own calculation based on Quantec Research data. Data are at constant 2010 prices

- Close to R41.0 billion was invested in the Province in 2016 and this year's investments are expected to slightly decline to R40.8 billion, equivalent to a decline of 0.5 percent.
- In 2016, machinery and other equipment assets reduced the Province's total investment growth by 3.4 percent and are expected to reduce the growth further in 2017 by 0.6 percent.
- In 2016, transport equipment asset investment reduced the provincial total investment growth by 0.8 percent but it will contribute to total investment growth by 0.1 percent in 2017.
- Owing to the consolidation of the fiscal policies by the National Treasury, public investment in the Province is expected to decrease in 2017 and 2018.

Figure 3.24b: Composition of GDFI by Service, 2011 - 2021



Source: Own calculation based on Quantec Research data. Data are at constant 2010 prices

- Investments in building and construction assets are the largest portion of investments within the Province, followed by machinery and other equipment.
- Machinery and other equipment contributed by 44.3 percent in 2011, 38.1 percent in 2016 which is expected to decline further to 35.6 percent in 2021.
- Investment in building and construction seems to be picking up. Its proportion has increased from 44.0 percent in 2011 to 48.8 percent in 2016 and expected to reach 51.5 percent in 2021.

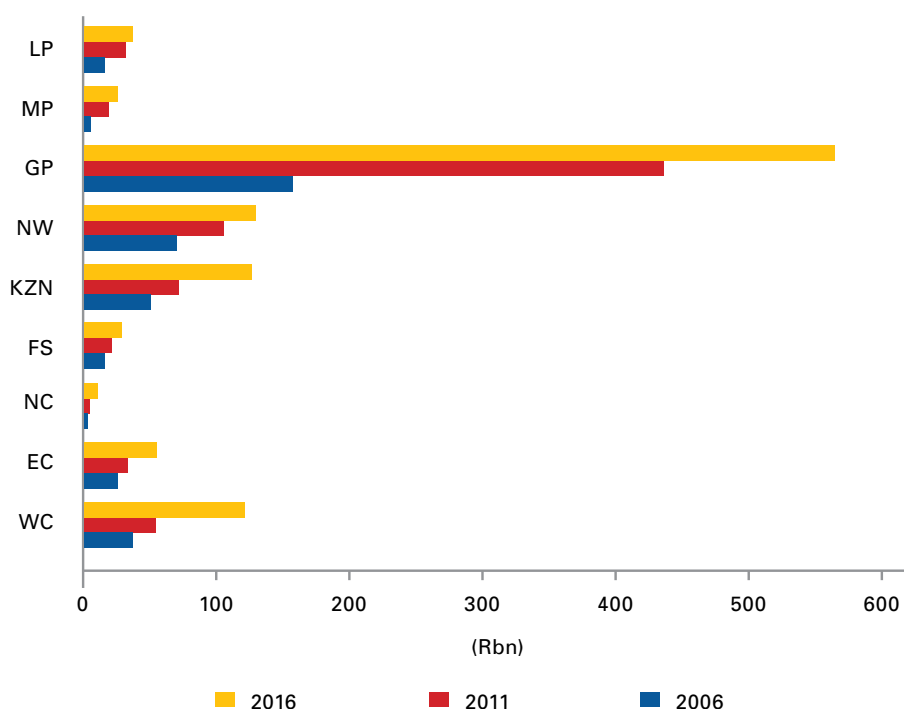
3.5.4 INTERNATIONAL TRADE

International trade refers to the exchange of goods and services across international borders or territories. The concept of international trade is mainly composed of imports and exports. Imports of goods measures the value of goods that enter the domestic territory of a country irrespective of their final destination. Exports of goods similarly measures the value of goods which leave the domestic territory of a country, irrespective of whether they have been processed in the domestic territory or not. Imports (and exports) of services reflect the value of services provided to residents of other countries (or received by residents of the domestic territory). In SA, the government through its policies⁶ has focused on development of strict measures for increasing exports and decreasing the imports to SA.

3.5.4.1 EXPORTS

SA exports have increased significantly from R382 billion in 2006 to R 1.1 trillion in 2016, equivalent to an annual average increase of 11 percent. Exports from the GP made the highest contribution, followed by North West (NW) and KZN in 2016. The automotive sector remains the Province’s leading exporter. However, there has been steady growth in sectors such as agro-processing, energy, general manufacturing and pharmaceutical products. EU is still the EC’s biggest export recipient followed by Asian countries. The Figure 3.25 below indicates the value of exports per Province in 2006, 2011 and 2016.

Figure 3.25: Exports Value by Province, 2006-2016



Source: Dwn calculation based on Quantec Research data

⁶ South African Trade Policy and Strategy Framework

- Across the Provinces, the value of exports has increased between 2006 and 2016 with the highest annual average growth from the NC with 46.2 percent. However, the EC Province is the lowest contributor in the country and represents less than 1 percent of the total exports' value of SA.
- LP, MP as well as Free State Province (FS) are improving.
- With R53.7 billion of exports value in 2016, EC is amongst the lowest contributors in the country with 4.9 percent of the country's total exports' value. On average, over the last ten years, the exports' value of EC grew by 7.6 percent.
- GP had the lion share of the country's total exports' value with R563.0 billion in 2016, equivalent to 51.8 percent of the country's total value.

Top 5 Export Commodities

The past 10 years, EC has been recognized as a manufacturer of cars which is dominating its exports' value. However, its proportion has decreased over the years owing to a diversification strategy of exported products. Natural or cultured pearls, precious or semi-precious stones/metals and related products commodity proportion is improving within the top 5 exported commodities. The following table highlights the top 5 exports commodities from EC in 2006, 2011 and 2016.

Table 3.4: Eastern Cape Top 5 Exports Commodities, 2006-2016

| | 2006 | | 2011 | | 2016 | |
|---|------|---------|------|---------|------|---------|
| | Rbn | % share | Rbn | % share | Rbn | % share |
| Vehicles other than railway or tramway rolling stock, and parts and accessories thereof | 10,9 | 41,9 | 11,3 | 34,2 | 15,8 | 29,5 |
| Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof | 8,3 | 31,9 | 10,6 | 32,2 | 11,4 | 21,3 |
| Wool, fine or coarse animal hair; horsehair yarn and woven fabric | 1,3 | 5,2 | 2,8 | 8,6 | 5,2 | 9,8 |
| Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin | 0,0 | 0,2 | 2,1 | 6,3 | 4,7 | 8,8 |
| Edible fruit and nuts; peel of citrus fruit or melons | 0,3 | 1,0 | 0,8 | 2,5 | 4,1 | 7,6 |

Source: Own calculation based on Quantec Research data

- Within the reviewed period, the products exported from the EC have been diversified. The proportion of vehicle and related products commodity as well as nuclear reactors, boilers, machinery and mechanical appliances commodity were slowly declining while other products were picking up.
- Although the exports' value of vehicles other than railway or tramway rolling stock, and parts and accessories commodity thereof increased from R10.9 billion in 2006 to R15 billion in 2016, its proportion to the provincial total exports' value dropped from 41.9 percent to 29.5 percent over the same period.
- The natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin commodity has made significant progress as it recorded less than a billion of exports' value in 2006, but represented 8.8 percent of the provincial total exports' value, equivalent to R4.7 billion in 2016.

Major EC Export Destinations

The pattern of the exports from EC is relatively different from the national. The largest recipient of EC exports is Europe specifically the European Union (98 percent of the Europe) followed by Asia. Table 3.5 below shows the major EC export destinations in 2006, 2011 and 2016.

Table 3.5: Major Eastern Cape Export Destinations, 2006-2016

| | 2006 | | 2011 | | 2016 | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | (Rbn) | (%Share) | (Rbn) | (%Share) | (Rbn) | (%Share) |
| Africa | 0,8 | 3,1 | 1,4 | 4,3 | 6,1 | 11,4 |
| Eastern Africa Rest | 0,1 | 15,9 | 0,2 | 16,2 | 0,7 | 10,7 |
| Middle Africa Rest | 0,0 | 1,4 | 0,0 | 1,5 | 0,0 | 0,3 |
| Northern Africa | 0,0 | 3,4 | 0,0 | 2,5 | 0,1 | 1,2 |
| Western Africa | 0,1 | 9,9 | 0,1 | 6,3 | 0,2 | 4,0 |
| SADC (Excluding SACU) | 0,5 | 69,4 | 1,0 | 73,5 | 1,8 | 28,8 |
| SACU (Excluding RSA) | - | - | - | - | 3,4 | 54,8 |
| Americas | 1,0 | 3,9 | 3,3 | 9,9 | 6,0 | 11,1 |
| South America | 0,1 | 9,0 | 0,2 | 5,3 | 0,3 | 4,4 |
| NAFTA | 0,9 | 90,0 | 3,1 | 94,5 | 5,7 | 95,6 |
| Asia | 6,8 | 26,2 | 8,2 | 25,0 | 15,8 | 29,4 |
| Eastern Asia | 5,9 | 87,8 | 6,1 | 73,6 | 11,6 | 73,4 |
| South-central Asia | 0,2 | 2,5 | 1,0 | 11,8 | 2,0 | 12,8 |
| South-eastern Asia | 0,3 | 4,2 | 0,6 | 7,1 | 0,5 | 3,4 |
| Western Asia | 0,4 | 5,5 | 0,6 | 7,5 | 1,7 | 10,5 |
| Europe | 14,0 | 54,0 | 19,6 | 59,2 | 24,2 | 45,0 |
| Eastern Europe | 0,0 | 0,2 | 0,1 | 0,3 | 0,2 | 0,9 |
| European Union | 13,8 | 99,1 | 19,4 | 99,4 | 23,9 | 98,9 |
| Oceania | 3,3 | 12,9 | 0,5 | 1,6 | 1,7 | 3,1 |
| Australia and New Zealand | 3,3 | 99,7 | 0,5 | 95,9 | 1,6 | 99,3 |

Source: Own calculation based on Quantec Research data

- Europe, particularly EU, is still EC's major exports destination. However, its proportion is decreasing. Indeed, the proportion of exports' value from EC to Europe was around 45.0 percent of the provincial total value in 2016, equivalent to a decrease of a 0.5 percentage point from the previous year's share.
- Asia still takes the second highest proportion of EC exports as compared to other regions. The exports' value continues to increase and was around 29.4 percent of the EC total exports' value in 2016. The lion's share of the EC's exports goes to the Eastern Asia market which received the biggest share of EC exports to Asia as it represented more than 70 percent of Asia's total exports from EC.
- EC's exports in Africa (excluding SA) are still low and decreased from the 13.3 percent of the total exports' value observed in 2015 to 11.4 percent in 2016.
- South African Customs Unions (SACU) represented 54.8 percent of the total value of EC exports to Africa in 2016, equivalent to 2.1 percentage points' increase when compared to the previous year.

3.5.4.2 IMPORTS

The country's imports value increased from 0.5 trillion in 2006 to 1.1 trillion in 2016, equivalent to an average annual growth of 9.0 percent. GP is the leading importer with R714.9 billion followed by WC and KZN (see Table 3.6 below).

Table 3.6: Eastern Cape Contribution to National Imports, 2006-2016

| | 2006 | | 2011 | | 2016 | |
|---------------------|-------------|------------|-------------|------------|-------------|------------|
| | (Rbn) | (% share) | (Rbn) | (% share) | (Rbn) | (% share) |
| Western Cape | 102,1 | 22,0 | 141,3 | 18,9 | 192,1 | 17,5 |
| Eastern Cape | 28,0 | 6,0 | 34,3 | 4,6 | 53,8 | 4,9 |
| Northern Cape | 0,0 | 0,0 | 0,3 | 0,0 | 1,5 | 0,1 |
| Free State | 2,1 | 0,5 | 3,8 | 0,5 | 4,3 | 0,4 |
| KwaZulu-Natal | 58,6 | 12,6 | 79,2 | 10,6 | 117,3 | 10,7 |
| North West | 2,0 | 0,4 | 3,3 | 0,4 | 6,1 | 0,6 |
| Gauteng | 268,6 | 57,9 | 478,1 | 64,1 | 714,9 | 65,0 |
| Mpumalanga | 1,2 | 0,3 | 3,1 | 0,4 | 6,6 | 0,6 |
| Limpopo | 1,4 | 0,3 | 3,0 | 0,4 | 2,9 | 0,3 |

Source: Own calculation based on Quantec Research data

- The imports' value of EC from 2006 to 2011 has increased with an average growth rate of 6.8 percent.
- In EC, the imports' value of all commodities decreased from R56.6 billion in 2015 to R53.8 billion in 2016. Nevertheless, its imports' value has increased by an annual average growth rate of 6.8 percent between 2006 and 2016.
- GP represented close to 65.0 percent of the country's total imports' value in 2016, followed by WC with 17.5 percent and KZN with 10.7 percent.

Top 5 Import Commodities

Vehicles other than railway or tramway rolling stock, and parts and accessories commodity was leading in terms of proportion of goods imported into the EC in 2016. The following table highlights the top 5 commodities imported into the EC in 2016 and their ranking in 2006 and 2011.

Table 3.7: Major Imported Commodities to Eastern Cape, 2006-2016

| | 2006 | | 2011 | | 2016 | |
|--|-------|-----------|-------|-----------|-------|-----------|
| | (Rbn) | (% share) | (Rbn) | (% share) | (Rbn) | (% share) |
| Vehicles other than railway or tramway rolling stock, and parts and accessories thereof | 18,0 | 64,3 | 19,4 | 56,5 | 22,9 | 42,6 |
| Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof | 2,0 | 7,1 | 2,1 | 6,2 | 4,9 | 9,1 |
| Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles | 1,1 | 3,9 | 1,3 | 3,8 | 3,9 | 7,2 |
| Rubber and articles thereof | 0,9 | 3,1 | 1,8 | 5,2 | 2,7 | 5,0 |
| Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings | 0,5 | 1,8 | 0,7 | 2,1 | 1,9 | 3,5 |

Source: Own calculation based on Quantec Research data

- The proportion of vehicles other than railway or tramway rolling stock, and parts and accessories commodity imported slowly declining due to an increase of commodities like nuclear reactors, boilers, machinery and mechanical appliances.
- However, the proportion of vehicles other than railway or tramway rolling stock, and parts and accessories commodity was around 42.6 percent of the EC total imports' value in 2016.
- Rubber and articles thereof was the fourth largest commodity imported into the Province in 2016.

EC Import Regions

SA and the Province have some commonalities relating to the import regions within the reviewed years. The following table presents the major imports' sources to EC between 2006 and 2016.

Table 3.8: Major Eastern Cape Import Sources, 2006 - 2016

| | 2006 | | 2011 | | 2016 | |
|---------------------------|------------|-------------|------------|-------------|------------|-------------|
| | (Rbn) | (%Share) | (Rbn) | (%Share) | (Rbn) | (%Share) |
| Africa | 0,3 | 0,9 | 0,4 | 1,2 | 3,8 | 7,1 |
| Eastern Africa Rest | 0,0 | 4,4 | 0,0 | 3,4 | 0,0 | 0,1 |
| Northern Africa | 0,0 | 4,8 | 0,0 | 2,0 | 0,0 | 1,2 |
| Western Africa | 0,1 | 26,4 | 0,1 | 19,9 | 0,0 | 0,8 |
| SADC (excluding SACU) | 0,2 | 64,4 | 0,3 | 74,4 | 0,3 | 8,2 |
| SACU (Excluding RSA) | 0,0 | 0,0 | - | - | 3,4 | 89,7 |
| SACU (Excluding RSA) | 4,2 | 14,9 | 4,0 | 11,7 | 5,4 | 10,1 |
| Americas | 0,0 | 0,2 | 0,0 | 0,2 | 0,5 | 8,9 |
| Caribbean | 2,3 | 56,0 | 1,9 | 47,8 | 1,7 | 30,6 |
| South America | 1,8 | 43,8 | 2,1 | 52,0 | 3,3 | 60,1 |
| NAFTA | 4,1 | 14,8 | 8,9 | 25,8 | 11,3 | 21,0 |
| Asia | 2,8 | 67,9 | 5,4 | 60,4 | 6,5 | 57,6 |
| Eastern Asia | 0,4 | 9,2 | 1,4 | 16,1 | 1,7 | 15,1 |
| South-central Asia | 0,8 | 19,4 | 1,7 | 19,3 | 2,2 | 19,3 |
| South-eastern Asia | 0,1 | 3,5 | 0,4 | 4,2 | 0,9 | 8,1 |
| Western Asia | 19,2 | 68,6 | 20,6 | 60,0 | 32,7 | 60,8 |
| Europe | 0,0 | 0,1 | 0,2 | 1,0 | 0,2 | 0,7 |
| Eastern Europe | 0,1 | 0,5 | 0,1 | 0,4 | 0,2 | 0,7 |
| Western Europe Rest | 19,1 | 99,3 | 20,3 | 98,6 | 32,2 | 98,5 |
| European Union | 0,2 | 0,7 | 0,4 | 1,2 | 0,3 | 0,5 |
| Oceania | 0,2 | 99,8 | 0,4 | 99,9 | 0,3 | 99,8 |
| Australia and New Zealand | 3,3 | 99,7 | 0,5 | 95,9 | 1,6 | 99,3 |

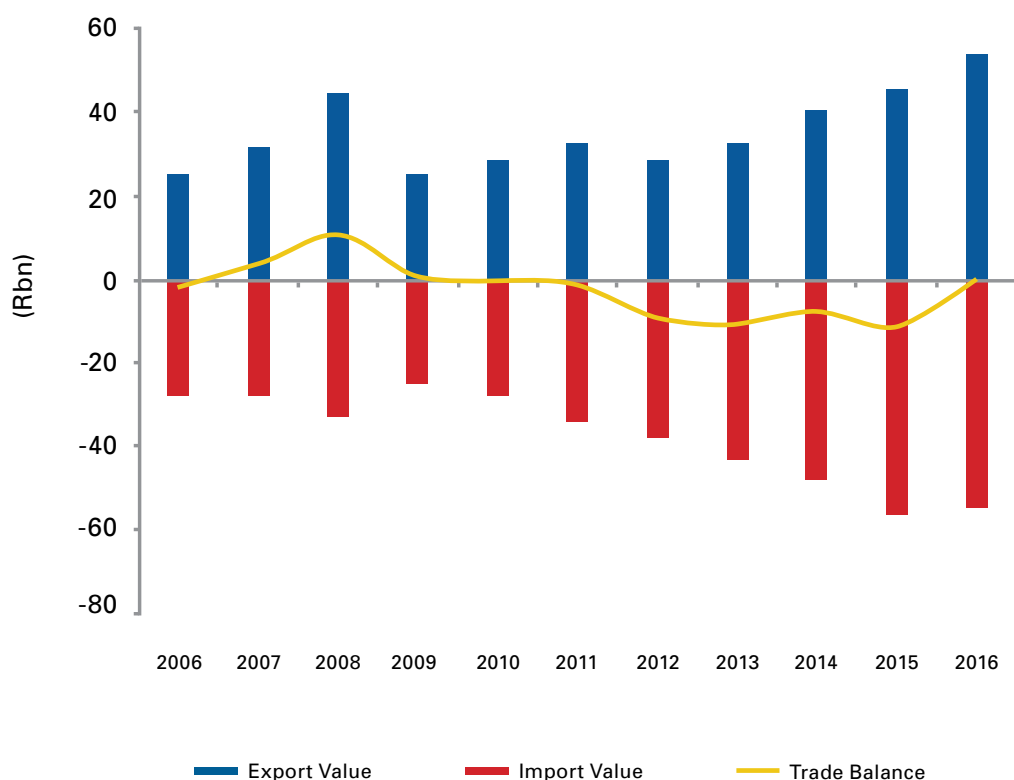
Source: Own calculation based on Quantec Research data

- The European Union within Europe has claimed an amount of R32.2 billion of the EC's imports in 2016.
- This region is followed by Eastern Asia with R6.5 billion of imports' value, representing 57.6 percent of the total Asia imports' value into EC in 2016.
- NAFTA in America is making a mark and contributing to an increase in imports into EC.

3.5.4.3 TRADE OF BALANCE

Trade balance in the Province has been slowly declining from 2011 to 2015. The high international prices of certain commodities produced in SA and a more depreciated exchange rate of the rand gave some boost in the value of merchandise exports. However, over the same period, the value of merchandise imports also increased but at a slower pace. The following Figure displays the trend of EC imports, exports' value as well as the balance of trade between 2006 and 2016.

Figure 3.26: Eastern Cape Balance of Trade, 2006-2016

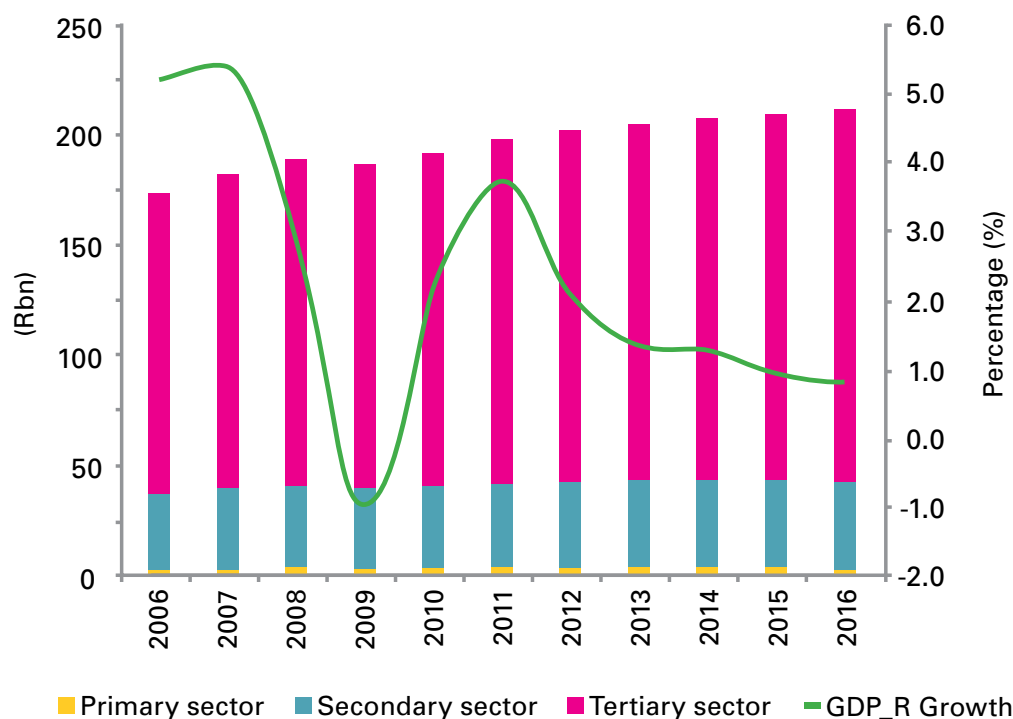


Source: Dwn calculation based on Quantec Research data

3.5.5 SECTORAL ANALYSIS OF THE EASTERN CAPE

The EC economy has been showing moderate growth since 2006 with an annual average growth rate of 2.3 percent between 2006 and 2016. The EC economy is largely dominated by the tertiary sector with an average contribution of 71.2 percent over the last past decade. Despite the tertiary sector dominating, the growth rate of this sector is amongst the lowest. Figure 3.27 below illustrates the EC's GDP_R by sector and growth between 2006 and 2016.

Figure 3.27: Eastern Cape Output by Sector, 2006-2016



Source: Own calculation based on Quantec Research data

- GDP_R in the EC has recorded an average growth rate of 2.3 percent in the past decade. However, the Province has recorded the highest growth rate in 2007.
- Since 2011, the EC economic growth has been on the downward trend.
- The primary sector is the least contributor to the Province's economic performance although it is key for kick-starting the provincial economy.
- Within the secondary sector in EC, construction industry represented 21.0 percent of the provincial secondary sector, followed by motor vehicles, parts and accessories manufacturing industry with 15.1 percent, and foods manufacturing industry with 12.3 percent.
- Although the EC manufacturing industry represented 72.8 percent of the secondary sector, it only represented 13.7 percent of the EC economy. To overcome the high unemployment rate within the Province, more industries need to be established.
- The expansion of the Special Economic Development Zones (SEZ) and the revitalization of the old Industrial Parks in the Province would contribute positively to the economic performance of the EC.
- In 2016, the tertiary sector represented 72.1 percent of the total economy, followed by the secondary sector with 17.0 percent and the primary sector with only 1.6 percent.
- Within the tertiary sector, national and provincial government represented 29.0 percent of the EC tertiary sector (20.9 percent of the EC economy) followed by finance, real estate and business services industry with 25.7 percent (18.6 percent of the EC economy); wholesale and retail trade industry with 24.8 percent (17.9 percent of the EC economy) and transport and storage industry with 11.0 percent (7.9 percent of the EC economy) in 2016.

3.5.5.1 SECTORAL CONTRIBUTION ANALYSIS BY PROVINCE

3.5.5.1.1 Primary Sector

The primary sector is the least contributor in the EC with an annual average growth rate of 2.0 percent between 2006 and 2016. However, at a national level, the primary sector declined at an annual average of rate of 0.3 percent over the same period. Table 3.9 below shows the primary sector's contribution and ranking by Province between 2006 and 2016.

Table 3.9: Primary Sector GDP_R Contribution by Province, 2006 - 2016

| | 2006 | | 2011 | | 2016 | |
|-----------|------------|----------|------------|----------|------------|----------|
| | [% share] | Rank | [% share] | Rank | [% share] | Rank |
| WC | 4.4 | 8 | 5.3 | 8 | 5.6 | 8 |
| EC | 1.1 | 9 | 1.4 | 9 | 1.4 | 9 |
| NC | 6.7 | 7 | 6.4 | 7 | 7.3 | 7 |
| FS | 8.7 | 5 | 8.4 | 6 | 7.8 | 6 |
| KZN | 7.6 | 6 | 9.3 | 5 | 9.5 | 4 |
| NW | 21.8 | 1 | 21.4 | 1 | 19.1 | 3 |
| GP | 11.4 | 4 | 10.3 | 4 | 9.1 | 5 |
| MP | 18.3 | 3 | 17.9 | 3 | 19.3 | 2 |
| LP | 20.0 | 2 | 19.7 | 2 | 20.9 | 1 |

Source: Own calculation based on Quantec Research data. Data are at constant 2010 prices

- The contribution of the EC primary sector to the country's primary sector was around 1.4 percent in 2016 and was ranked 9. The same position it occupied a decade ago.
- LP is leading in this sector in 2016 with 20.9 percent of the total primary sector of SA.
- Metals within Mining and Quarrying (MQ) is the majority contributor of this sector.

The primary sector in the EC declined by 14.4 percent between 2015 and 2016, higher than the national counter-performance.

Table 3.10: Primary Sector in the Eastern Cape, 2006-2016

| | | 2006 | 2011 | 2016 |
|----------------|----|-------------------|------|-------|
| | | Annual Growth [%] | | |
| Primary Sector | SA | -1.5 | -0.1 | -5.6 |
| | EC | 11.1 | 9.7 | -14.4 |
| AFF | SA | -5.5 | 2.0 | -10.2 |
| | EC | 14.0 | 11.0 | -16.5 |
| MQ | SA | -0.6 | -0.7 | -4.2 |
| | EC | 1.4 | 2.5 | -2.6 |

Source: Own calculation based on Quantec Research data

- The Mining and Quarrying (MQ) industry was one industry that felt the effects of the technical recession in 2016, declining by 4.2 percent from 2015 at a national level, while EC showed a decline of 2.6 percent over the same period.
- The agriculture, forestry and fishing (AFF) industry shrank by 16.5 percent between 2015 and 2016, owing to the effects of drought.

3.5.5.1.2 Secondary Sector

The secondary sector is the second major sector in SA and EC in 2016 and has shown signs of relative growth over the years. Table 3.11 below shows the secondary sector's contribution and ranking by Province between 2006 and 2016.

Table 3.11: Secondary Sector GDP_R Contribution by Province, 2006-2016

| | 2006 | | 2011 | | 2016 | |
|-----------|------------|----------|------------|----------|------------|----------|
| | [% share] | Rank | [% share] | Rank | [% share] | Rank |
| WC | 14.9 | 3 | 14.8 | 3 | 14.9 | 3 |
| EC | 7.1 | 5 | 7.2 | 5 | 7.2 | 5 |
| NC | 0.9 | 9 | 1.0 | 9 | 1.0 | 9 |
| FS | 4.4 | 6 | 4.3 | 6 | 4.3 | 6 |
| KZN | 19.9 | 2 | 19.9 | 2 | 20.1 | 2 |
| NW | 3.4 | 7 | 3.5 | 7 | 3.4 | 7 |
| GP | 38.4 | 1 | 38.0 | 1 | 38.0 | 1 |
| MP | 7.7 | 4 | 7.9 | 4 | 7.9 | 4 |
| LP | 3.3 | 8 | 3.4 | 8 | 3.3 | 8 |

Source: Own calculation based on Quantec Research data

- GP represented 38.0 percent of the country's total secondary sector, followed by KZN with 20.1 percent and WC with 14.9 in 2016.
- With only 7.2 percent of the country's total secondary sector, EC lost its fourth position to MP in 2016.

The secondary sector within the EC grew by 0.6 percent in between 2015 and 2016, higher than the national average performance of 0.2 percent.

Table 3.12: Secondary Sector Growth in the Eastern Cape, 2006-2016

| | | 2006 | 2011 | 2016 |
|------------------|----|-------------------|------|------|
| | | Annual Growth [%] | | |
| Secondary Sector | SA | 6.5 | 2.4 | 0.6 |
| | EC | 6.6 | 2.7 | 0.4 |
| MAN | SA | 6.4 | 3.0 | 0.9 |
| | EC | 6.1 | 3.5 | 0.6 |
| EGW | SA | 3.4 | 1.5 | -2.3 |
| | EC | 3.7 | 1.4 | -1.5 |
| CON | SA | 10.4 | 0.4 | 1.1 |
| | EC | 10.6 | 0.2 | 0.3 |

Source: Own calculation based on Quantec Research data

- The manufacturing industry grew by 0.6 percent between 2015 and 2016, 0.3 percentage point below the national performance.
- The effects of the technical recession in 2015 and 2016 have caused the EGW to drop by an annual rate of 2.3 percent for SA and 1.5 percent for EC.
- Over the same period, construction industry increased by 0.3 percent in EC and 1.1 percent in SA.

3.5.5.1.3 Tertiary Sector

South African Economy is driven by the tertiary sector as it represented an average proportion of 56 percent over the last 10 years. This trend is observed across all Provinces. Finance, insurance, real estate and business services within the tertiary sector dominate with an average proportion of 33 percent within the reviewed period. Table 3.13 below shows the tertiary sector's contribution and ranking by Province between 2006 and 2016.

Table 3.13: Tertiary Sector GDP_R Contribution by Province, 2006-2016

| | 2006 | | 2011 | | 2016 | |
|-----------|------------|----------|------------|----------|------------|----------|
| | [% share] | Rank | [% share] | Rank | [% share] | Rank |
| WC | 14.7 | 3 | 14.7 | 3 | 14.8 | 3 |
| EC | 9.3 | 4 | 8.9 | 4 | 8.6 | 4 |
| NC | 1.9 | 9 | 1.8 | 9 | 1.7 | 9 |
| FS | 5.3 | 7 | 5.0 | 7 | 5.0 | 7 |
| KZN | 15.6 | 2 | 15.8 | 2 | 15.8 | 2 |
| NW | 5.1 | 8 | 4.9 | 8 | 4.8 | 8 |
| GP | 36.2 | 1 | 37.2 | 1 | 37.9 | 1 |
| MP | 5.5 | 6 | 5.3 | 6 | 5.2 | 6 |
| LP | 6.5 | 5 | 6.3 | 5 | 6.2 | 5 |

Source: Own calculation based on Quantec Research data

- The GP is the leading contributor with 37.9 percent of the total of the country's tertiary sector in 2016, a 1.7 percentage increase when compared to the 2006 contribution.
- It is followed by KZN with 15.8 percent and WC with 14.8 percent. EC has taken the fourth position with 8.6 percent in 2016.

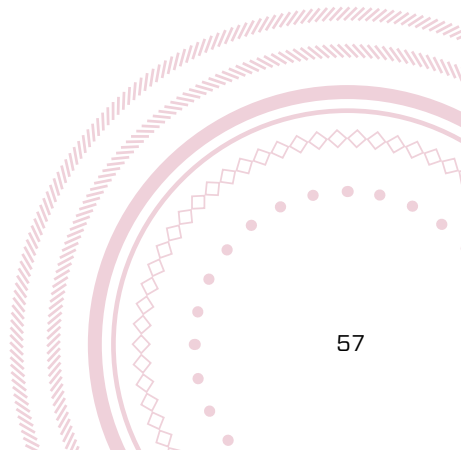
The pace of the economic growth for these sectors, shown in Table 3.14 below, has dropped, particularly in 2015 and 2016.

Table 3.14: Tertiary Sector Growth in the Eastern Cape, 2006-2016

| | | 2006 | 2011 | 2016 |
|-----------------|----|-------------------|------|------|
| | | Annual Growth [%] | | |
| Tertiary Sector | SA | 6.2 | 4.1 | 1.7 |
| | EC | 4.5 | 3.3 | 1.3 |
| WRTCA | SA | 5.9 | 4.1 | 1.7 |
| | EC | 4.4 | 3.6 | 0.9 |
| TSC | SA | 5.1 | 3.5 | 0.8 |
| | EC | 4.3 | 2.9 | 0.9 |
| FIBS | SA | 9.6 | 4.3 | 2.3 |
| | EC | 5.7 | 3.5 | 2.0 |
| GG | SA | 3.0 | 4.7 | 1.4 |
| | EC | 3.1 | 3.1 | 1.5 |
| CSPS | SA | 5.6 | 2.5 | 1.5 |
| | EC | 5.8 | 2.6 | 0.9 |

Source: Own calculation based on Quantec Research data

- The Province recorded 1.3 percent growth between 2015 and 2016, lower than the annual growth rate of 4.5 percent achieved a decade ago.
- General government as well as finance, insurance, real estate and business services (FIBS) industry were the leading performers in 2016.





04

LABOUR MARKET ANALYSIS FOR THE EASTERN CAPE

4.1 OVERVIEW OF LABOUR MARKET FOR THE EASTERN CAPE

SA has been faced with the challenge of creating jobs over the years, with youth affected the most in the labour market. The major problem is the employment created is not enough to absorb the large number of people entering the labour market. Amongst other obstacles, SA is still faced with an uncondusive political environment which affects business confidence, leading to further unemployment. In addition to national government's youth wage subsidy, policies and programmes need to be reformed and implemented to reduce the number of unemployed youth. The EC Province faces the same challenges. Owing to its historical disadvantage, special programmes are needed within the Province to curb the current path of unemployment, source of huge migration of young labour force, needed for its development.

Low skilled employment remains vulnerable as the economy is dominated by the tertiary sector which requires highly skilled labour. As a consequence, there has been a shift of labour from low skilled to highly skilled over the years. Quarterly labour force survey (QLFS) outcomes between 1Q2017 and 3Q2017 shows that the formal and informal non-agricultural sector lost around 34 000 jobs, agricultural sector 1000 jobs while private households' gain was around 14 000 jobs. During the same period, non-market labour recorded employment gains, with construction or repair of households and farming contributing significantly to total non-market labour.

Manufacturing industry recorded the highest job loss during 3Q2017. Construction industry was the second major affected industry followed by wholesale and retail industries, as a result the unemployment rate increased by 3.3 percentage points from 1Q2017 to reach 35.3 percent in 3Q2017 before slightly decreased to 35.1 percent in 4Q2017. The expanded unemployment⁷ rate in 4Q2017 was around 44.8 percent. The following Table illustrates the EC's provincial labour market between 4Q2016 and 4Q2017.

Table 4.1: Eastern Cape Labour Market, 4Q2016 - 4Q2017

| | Number | | | | Change | | Growth | |
|--|-----------|--------|--------|--------|------------------|------------------|------------------|------------------|
| | 4Q2016 | 1Q2017 | 3Q2017 | 4Q2017 | 4Q2016 4Q2017 | 3Q2017 4Q2017 | 4Q2016 4Q2017 | 3Q2017 4Q2017 |
| | Thousand | | | | Percent (%) | | | |
| Population 15-64 yrs | 4 166 | 4 178 | 4 203 | 4 215 | 50 | 12 | 1,2 | 0,3 |
| Labour Force | 2 021 | 2 126 | 2 202 | 2 144 | 123 | -58 | 6,1 | -2,6 |
| Employed | 1 447 | 1 442 | 1 421 | 1 391 | -57 | -30 | -3,9 | -2,1 |
| Unemployed | 574 | 684 | 781 | 754 | 180 | -28 | 31,3 | -3,5 |
| Not economically active | 2 144 | 2 052 | 2 001 | 2 071 | -73 | 70 | -3,4 | 3,5 |
| Discouraged work-seekers | 403 | 370 | 360 | 326 | -77 | -34 | -19,1 | -9,4 |
| Other | 1 741 | 1 682 | 1 641 | 1 745 | 4 | 104 | 0,2 | 6,3 |
| | Rates (%) | | | | | | | |
| Unemployment rate | 28,4 | 32,2 | 35,5 | 35,1 | 6,7 | -0,4 | | |
| Employed / population ratio (Absorption) | 34,7 | 34,5 | 33,8 | 33,0 | -1,7 | -0,8 | | |
| Labour force participation rate | 48,5 | 50,9 | 52,4 | 50,9 | 2,4 | -1,5 | | |

Source: StatSA

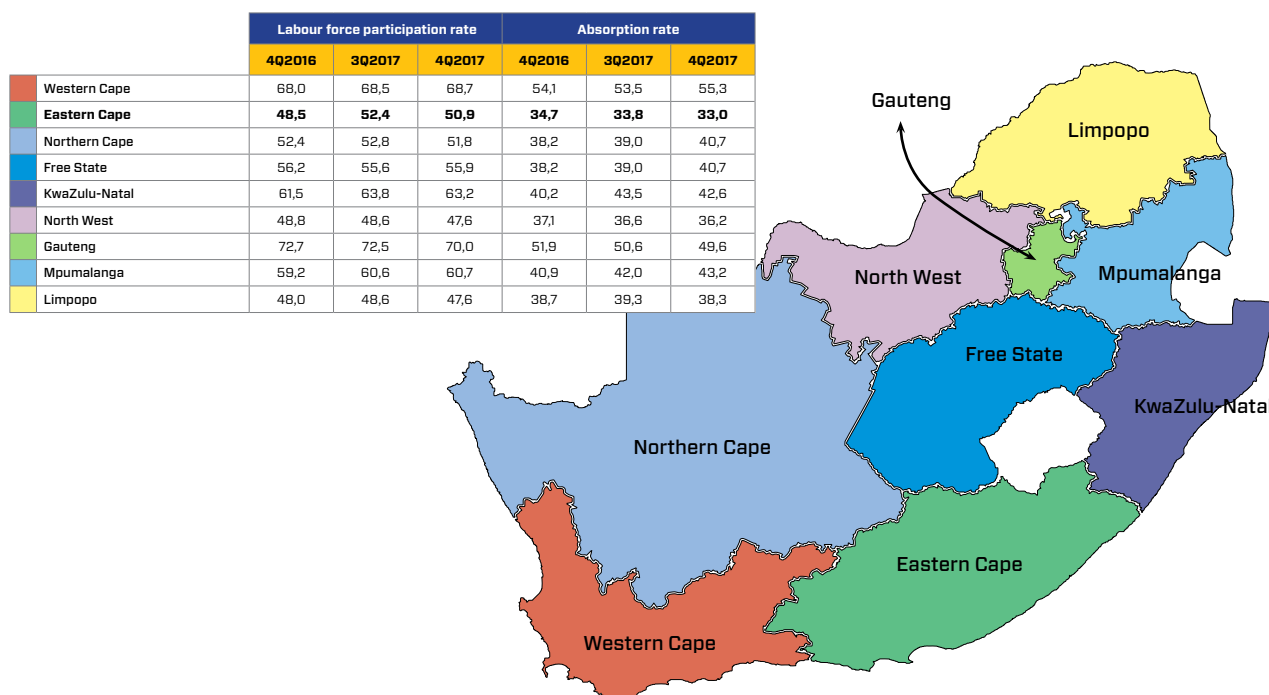
⁷ It takes into account the number of discouraged job seekers

- The EC working age population increased by approximately 50 000 to reach 4.2 million between 4Q2016 and 4Q2017.
- Over the same period, the number of unemployed people increased by 180 000 as the labour force increased by 123 000 and employed people declined by 57 000.
- At the same time, number of discouraged job seekers also decreased by around 77 000 as more people have become active in the labour market.
- The performance of the Province's economy was not adequate to absorb its labour force between 4Q2016 and 4Q2017.
- While the absorption rate has been increasing, it was not enough to curb the upward trend of the Province's unemployment rate (See Table 4.1 above).
- However, slight improvement was observed between the 3Q and 4Q2017 owing to the festive season.

4.2 EMPLOYMENT IN THE EASTERN CAPE

Employment in most parts of the Province has improved in 3Q2017 and 4Q2017 after dipping in 2Q2017. However, the improved employment rate was not sufficient to offset the amount of unemployed people over the period. This section looks at labour participation and absorption rate in SA Provinces. Between 4Q2016 and 4Q2017, the labour force participation rate expanded in most Provinces. During the same period, the absorption rate moved downward but expanded during the 4Q2017. Figure 4.1 shows both labour participation rate and absorption rate between 4Q2016 and 4Q2017.

Figure 4.1: Labour Force Participation Rate and Absorption Rate, 4Q2016-4Q2017



Source: StatSA

- GP has the largest labour force participation rate (70.0 percent), followed by WC (68.7 percent) and Free State (FS) (63.2 percent) in the 4Q2017.
- EC has the least absorption rate (33.0 percent) compared to other Provinces.
- Although the Province is investing in social infrastructure such as hospitals, houses and schools with numbers of jobs created, it needs additional private investment particularly in its rural regions to improve its absorption rate.

4.2.1 ANALYSIS OF EMPLOYMENT IN THE EASTERN CAPE METROS AND NON METROS

This section analyses the EC's metros and non-metro regions employment performance by sector between 4Q2015 and 4Q2017. Formal sectors have been a major source of employment in the EC Province. However, there has been a downward trend in the last three quarters of the year 2017. Employment in the agriculture sector improved between the 4Q2016 and 4Q2017. Table 4.2 highlights employment performance at both provincial and regional level by sector between 4Q2015 and 4Q2017.

Table 4.2: Eastern Cape Employment by Sector, 4Q2015 - 4Q2017

| | | Number | | | | Change | | Growth | |
|--------------------|------------------------------------|----------|--------|--------|--------|------------------|------------------|------------------|------------------|
| | | 4Q2015 | 4Q2016 | 3Q2017 | 4Q2017 | 4Q2015 4Q2016 | 4Q2016 4Q2017 | 4Q2015 4Q2016 | 4Q2016 4Q2017 |
| | | Thousand | | | | | | % | |
| Eastern Cape | Formal sector (Non-agricultural) | 892 | 905 | 904 | 859 | 13 | -46 | 1,5 | -5,1 |
| | Informal sector (Non-agricultural) | 292 | 346 | 312 | 317 | 54 | -29 | 18,4 | -8,3 |
| | Agriculture | 89 | 88 | 86 | 94 | -1 | 6 | -1,1 | 6,7 |
| | Private households | 138 | 107 | 119 | 120 | -30 | 13 | -22,0 | 11,8 |
| Buffalo City | Formal sector (Non-agricultural) | 185 | 170 | 172 | 165 | -15 | -4 | -8,3 | -2,6 |
| | Informal sector (Non-agricultural) | 29 | 47 | 50 | 61 | 19 | 13 | 65,5 | 28,0 |
| | Agriculture | 3 | 2 | 7 | 7 | 0 | 5 | -12,7 | 193,9 |
| | Private households | 29 | 19 | 16 | 14 | -10 | -5 | -33,7 | -24,3 |
| Nelson Mandela Bay | Formal sector (Non-agricultural) | 265 | 281 | 264 | 249 | 16 | -32 | 6,1 | -11,5 |
| | Informal sector (Non-agricultural) | 42 | 54 | 49 | 46 | 12 | -8 | 29,2 | -15,0 |
| | Agriculture | 2 | 7 | 5 | 1 | 5 | -6 | 210,8 | -88,4 |
| | Private households | 35 | 25 | 41 | 36 | -11 | 11 | -30,1 | 43,8 |
| Non Metro | Formal sector (Non-agricultural) | 442 | 454 | 468 | 445 | 13 | -10 | 2,8 | -2,1 |
| | Informal sector (Non-agricultural) | 222 | 245 | 213 | 211 | 23 | -34 | 10,3 | -13,8 |
| | Agriculture | 84 | 79 | 74 | 87 | -6 | 8 | -6,6 | 9,8 |
| | Private households | 73 | 64 | 62 | 70 | -10 | 6 | -13,5 | 10,2 |

Source: StatSA

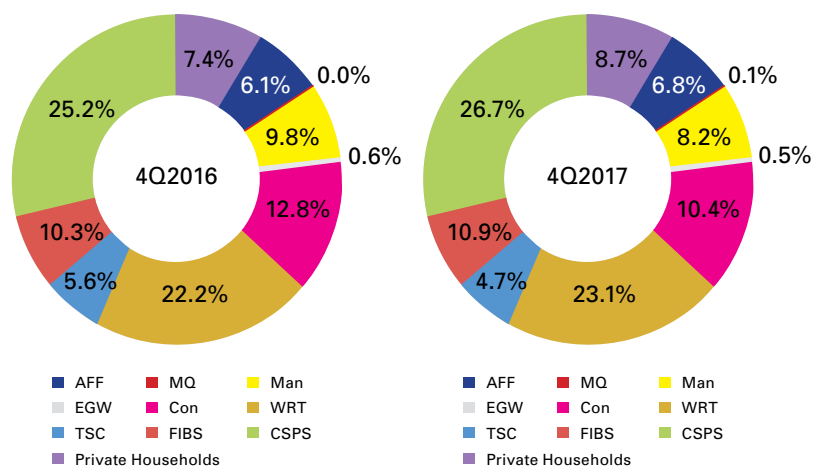
- Between the 4Q2016 and 4Q2017, NMB lost close to 32 000 jobs in the formal sector non-agricultural while only 4 000 were lost within Buffalo city.

- Over the same period, non-metro regions lost 10 000 jobs in the formal non-agricultural sector and 34 000 in informal non-agricultural sector.
- NMB informal sector employment declined by 15.0 percent equivalent to 8 000 jobs lost.
- Non-metro regions dominated the number of jobs in the agricultural sector.
- In the NMB, an additional 13 000 private households' jobs were created between the 4Q2016 and 4Q2017.
- The agriculture sector gained an additional 6 000 jobs in the Province over the same period.

4.2.2 ANALYSIS OF EMPLOYMENT IN THE EASTERN CAPE BY INDUSTRY CONTRIBUTION

This section assesses employment composition by industry in the EC Province. In general, a slight shift of employment composition in various sectors has been observed between the 4Q2016 and 4Q2017. Figure 4.2 shows employment proportion by industry in the EC during the 4Q2016 and 4Q2017.

Figure 4.2: Employment composition by Industry in the Eastern Cape, 4Q2016 - 4Q2017



Source: Own Calculation based Quantec Research data

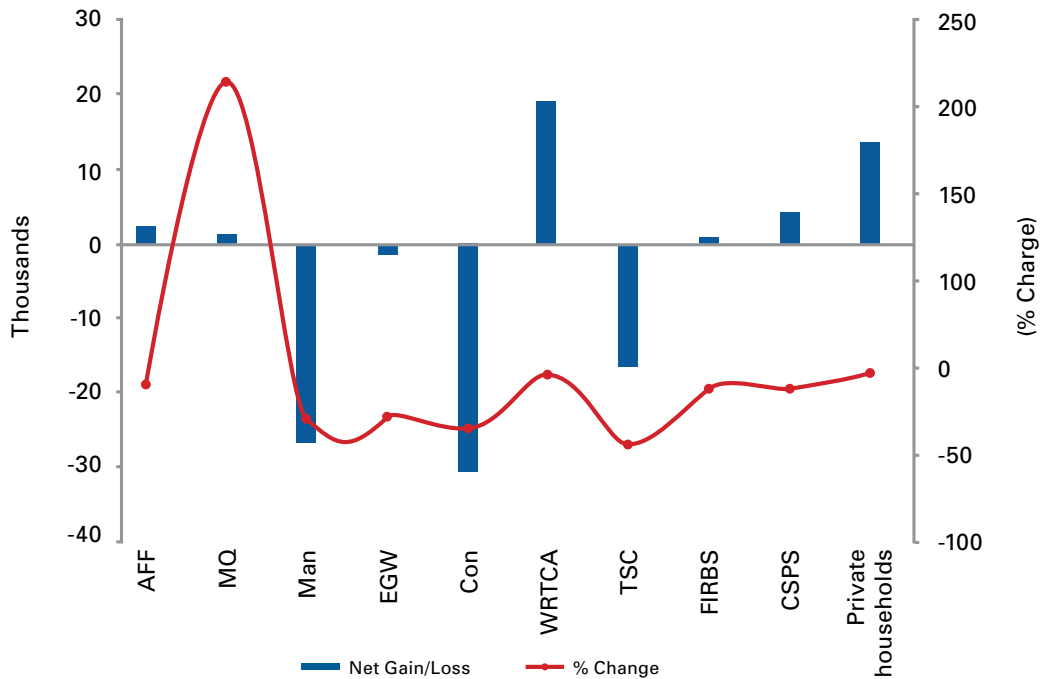
- The EC employment is dominated by the Community, Social and other Personal Services (CSPS) industry, absorbing 25.2 percent of total employment in 4Q2016 before increasing to 26.7 percent in 4Q2017.
- Wholesale, Retail Trade, Catering and Accommodation (WRTCA) is the second major source of employment in the Province with 23.1 percent in 4Q2017, followed by Finance, Insurance and Business Services (FIBS) industry with 10.9 percent of the total employment.
- The proportion of employment in private household industry increased by 1.3 percentage points from 4Q2016 to record 8.7 percent of total employment in 4Q2017.

4.2.3 FORMAL EMPLOYMENT BY INDUSTRY IN THE EASTERN CAPE

This section analyses formal employment across industries. It provides the performance of each industry within the EC Province between 4Q2016 and 4Q2017. During that period, the Province lost more than 48 000 formal jobs.

Employment in the EC Province is driven by tertiary industries despite strong potential in primary and secondary industries. The following Figure highlights the formal employment performance by industries between 4Q2016 and 4Q2017.

Figure 4.3: Formal Employment by Industry in the Eastern Cape, 4Q2016 - 4Q2017



Source: Dwn Calculation based Quantec Research data

- Four industries failed to create additional formal jobs between the 4Q2016 and 4Q2017, with construction (Con) industry’s workers suffering the most, followed by manufacturing (Man) industry’s workers.
- During the same period, wholesale and retail trade (WRTCA) industry gained the most formal employment (27 914), followed by private households with 13 811 formal jobs and community, social and personal services (CSPS) with 4 330 formal jobs.
- Construction industry lost 30 979 formal jobs, followed by manufacturing industry with 27 023 formal jobs and Transport Storage and Communication (TSC) industry with 16 798 formal jobs between the 4Q2016 and 4Q2017.

4.2.4 EMPLOYMENT BY OCCUPATION AND GENDER IN THE EASTERN CAPE

This section evaluates employment by occupation and gender in the EC between 4Q2016 and 4Q2017. The number of women working in the EC Province is slightly more than the number of men employed in the 4Q2017. A remarkable shift when compared to the 4Q2016. More women were employed in the highly skilled category as well as low skilled category, while men were dominating the semi-skilled category in the 4Q2017. Table 4.3 below shows the proportion and growth of the EC employment by occupation and gender between 4Q2016 and 4Q2017.

Table 4.3: Employment by Occupation and Gender in the Eastern Cape, 4Q2016 - 4Q2017

| | Contribution (%) | | | | Growth (%) | |
|---|------------------|--------|--------|--------|---------------|--------|
| | 4Q2016 | | 4Q2017 | | 4Q2016-4Q2017 | |
| | Male | Female | Male | Female | Male | Female |
| Eastern Cape | 53,4 | 46,6 | 50,0 | 50,0 | -10,0 | 3,0 |
| HighlySkilled | 52,9 | 47,1 | 46,1 | 53,9 | -14,9 | 11,8 |
| Legislators, senior officials and managers | 70,6 | 29,4 | 65,6 | 34,4 | -5,8 | 18,7 |
| Professionals | 47,8 | 52,2 | 38,4 | 61,6 | -22,9 | 12,9 |
| Technical and associate professionals | 41,1 | 58,9 | 33,1 | 66,9 | -23,0 | 8,7 |
| Semi-skilled | 57,8 | 42,2 | 58,4 | 41,6 | -10,6 | -12,8 |
| Clerks | 21,6 | 78,4 | 24,2 | 75,8 | -4,4 | -17,5 |
| Service workers and shop and market sales workers | 45,7 | 54,3 | 47,7 | 52,3 | 1,7 | -6,3 |
| Skilled agricultural and fishery workers | 80,9 | 19,1 | 65,9 | 34,1 | 215,8 | 588,9 |
| Craft and related trades workers | 86,8 | 13,2 | 86,5 | 13,5 | -22,5 | -20,5 |
| Plant and machine operators and assemblers | 86,0 | 14,0 | 91,9 | 8,1 | -15,6 | -54,0 |
| Low skilled | 47,5 | 52,5 | 42,6 | 57,4 | -5,3 | 15,5 |
| Elementary Occupation | 57,1 | 42,9 | 50,2 | 49,8 | -8,6 | 20,7 |
| Domestic workers | 4,4 | 95,6 | 11,0 | 89,0 | 182,9 | 5,1 |

Source: Own Calculation based Quantec Research data

- Employment in the EC Province is dominated by semi-skilled labour followed by low skilled labour in both quarters under review.
- Within highly skilled labour, dominance slightly shifted from men to women in 4Q2017, as the number of women employed in this category increased by 3.0 percent while the number of men declined by 10.0 percent.
- Males continued to dominate legislators, senior officials and managerial positions but its proportion has decreased by 5.0 percentage points to reach 65.6 percent in 4Q2017.
- Females dominated the category of professionals as well as technical and associate professional's category with a contribution of 61.6 and 66.9 percent, respectively in 4Q2017.
- In semi-skilled labour, males represented a larger share (58.4 percent) of total employment in the 4Q2017.
- Labour within skilled agricultural and fishing industry, craft and related trade industry as well as plant and machine operators and assembling industry are dominated by males in 4Q2016 and 4Q2017.
- Employment as clerks and as service worker and shop market sellers were dominated by females in 4Q2017.
- Employment in low skilled category is dominated by females. However, males' share has decreased in 4Q2017.

4.2.5 EMPLOYMENT BY OCCUPATION, GENDER AND RACE IN THE EASTERN CAPE

This section compares the EC employment by occupation, gender and race during 4Q2017. The Black/African community has a larger share of employed people followed by the Coloured group: it reflects the composition of the Province's population group. Table 4.4 shows the proportion of employed people by occupation, gender and race in 4Q2017.

Table 4.4: Proportion of Employment by Occupation, Gender and Race in the Eastern Cape, 4Q2017

| | Share of the Total Employment per Occupation (%) | | | | | | | |
|---|--|------------|---------------|-------------|---------------|------------|---------------|-------------|
| | Male | | | | Female | | | |
| | African/Black | Coloured | Indian/Assian | White | African/Black | Coloured | Indian/Assian | White |
| Eastern Cape | 38,0 | 6,1 | 0,4 | 5,4 | 39,1 | 6,0 | 0,3 | 4,6 |
| HighlySkilled | 24,9 | 4,6 | 0,6 | 16,0 | 33,4 | 7,3 | 0,2 | 13,0 |
| Legislators, senior officials and managers | 34,0 | 4,3 | 0,5 | 26,9 | 15,6 | 4,6 | 0,5 | 13,7 |
| Professionals | 23,4 | 4,8 | 1,3 | 8,9 | 35,8 | 7,0 | 0,0 | 18,8 |
| Technical and associate professionals | 18,1 | 4,7 | 0,4 | 10,0 | 47,4 | 9,8 | 0,0 | 9,7 |
| Semi-skilled | 45,7 | 8,1 | 0,6 | 4,0 | 31,4 | 5,4 | 0,7 | 4,2 |
| Clerks | 18,0 | 2,8 | 0,9 | 2,5 | 48,8 | 11,4 | 0,9 | 14,7 |
| Service workers and shop and market sales workers | 38,6 | 3,3 | 0,5 | 5,3 | 41,8 | 6,3 | 1,2 | 2,9 |
| Skilled agricultural and fishery workers | 48,0 | 17,9 | 0,0 | 0,0 | 34,1 | 0,0 | 0,0 | 0,0 |
| Craft and related trades workers | 63,6 | 18,0 | 1,0 | 3,9 | 12,1 | 1,2 | 0,0 | 0,2 |
| Plant and machine operators and assemblers | 76,7 | 12,1 | 0,0 | 3,1 | 6,6 | 1,6 | 0,0 | 0,0 |
| Low skilled | 37,0 | 4,8 | 0,0 | 0,8 | 51,4 | 6,0 | 0,0 | 0,0 |
| Elementary Occupation | 43,3 | 5,9 | 0,0 | 1,0 | 43,3 | 6,5 | 0,0 | 0,0 |
| Domestic workers | 11,0 | 0,0 | 0,0 | 0,0 | 85,2 | 3,8 | 0,0 | 0,0 |

Source: Own Calculation based Quantec Research data

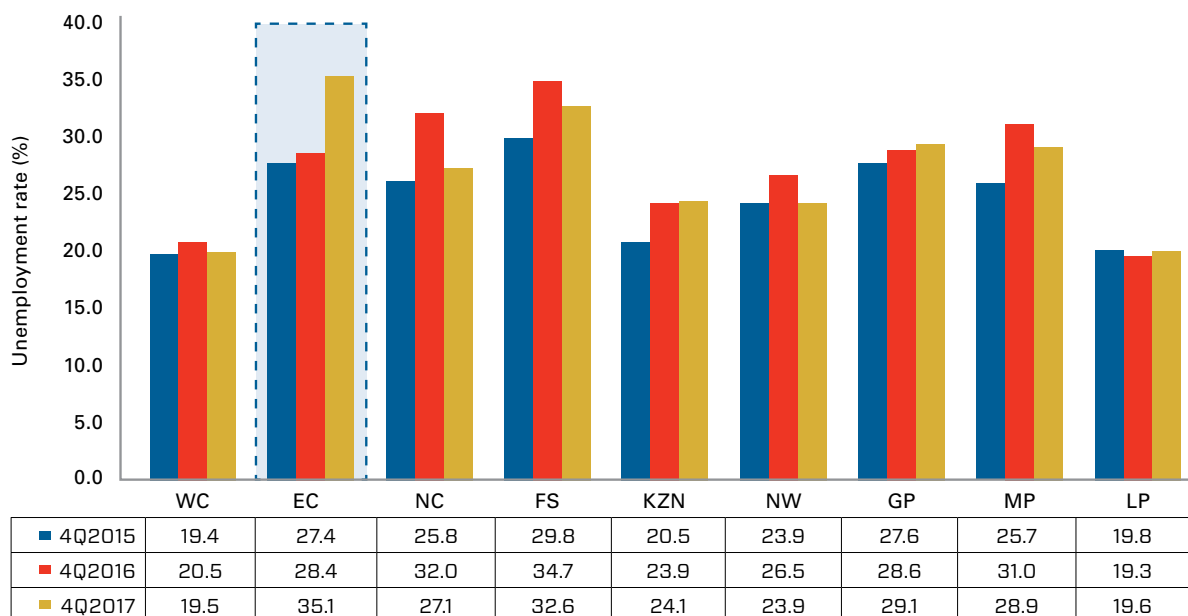
- On average, Africa/Black females had the highest proportion of highly and low skilled jobs within the Province in the 4Q2017.
- Over the same period, African/Black males dominated employment in the Legislators, Senior Officials and Managers classification with 34.0 percent followed by White males with 26.9 percent of the total employment of this category.
- The professionals' occupation is dominated by African/Black females with 35.8 percent followed by African/Black males with 23.4 percent in 4Q2017.
- Close to 47.4 percent of women were working as technical and associate professionals in the 4Q2017 within the Province.
- People employed as craft and related trade workers were mostly males across all races in 4Q2017 with African/Black males representing 63.6 percent of this category's employment.
- Around 85.2 percent of domestic workers were African/Black females followed by African/Black males with 11.0 percent in the 4Q2017.

4.3 UNEMPLOYMENT BY INDUSTRY IN THE EASTERN CAPE

4.3.1 UNEMPLOYMENT RATE BY PROVINCE

Unemployment is considered as one of the major challenges facing SA and the EC Province. The Province displayed the highest rate of unemployment of the country as its rate worsened in the 4Q2017 when compared to the 4Q2016. Jobs lost in the construction industry, manufacturing as well as wholesales and trade industry contributed to the rise of the unemployment rate within the EC. Additional private investment and the development of strategic sectors such as commercial agriculture and livestock farming, agro-processing as well as tourism are needed in the Province to reduce the current rate. Figure 4.4 below highlights the unemployment rate by province for 4Q2015, 4Q2016 and 4Q2017.

Figure 4.4: Unemployment Rate by Province, 4Q2015 – 4Q2017



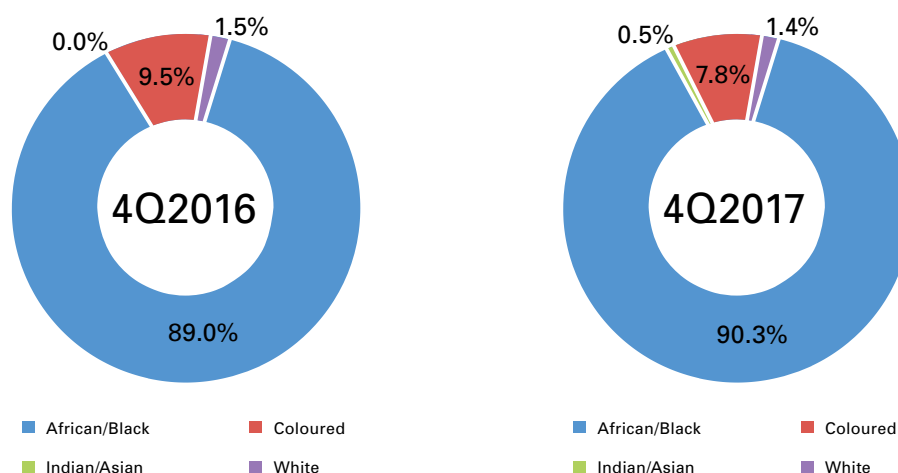
Source: StatSA

- The number of unemployed people has increased in five Provinces, including EC Province in 4Q2017.
- The EC Province recorded the highest unemployment rate of 35.1 percent, followed by FS with 32.6 percent, GP with 29.1 percent and MP with 28.9 percent during 4Q2017.
- WC registered the lowest unemployment rate of 19.5 percent, followed by LP with 19.6 percent in the 4Q2017.

4.3.2 UNEMPLOYMENT BY RACIAL GROUP

Unemployment composition by racial group in the EC has experienced a slight shift from the Coloured population to African/Black and White population between 4Q2016 and 4Q2017. The Figure below indicates the proportion of unemployed people by racial groups in the EC between 4Q2016 and 4Q2017.

Figure 4.5: Unemployment by Racial Group in the Eastern Cape, 4Q2016 – 4Q2017



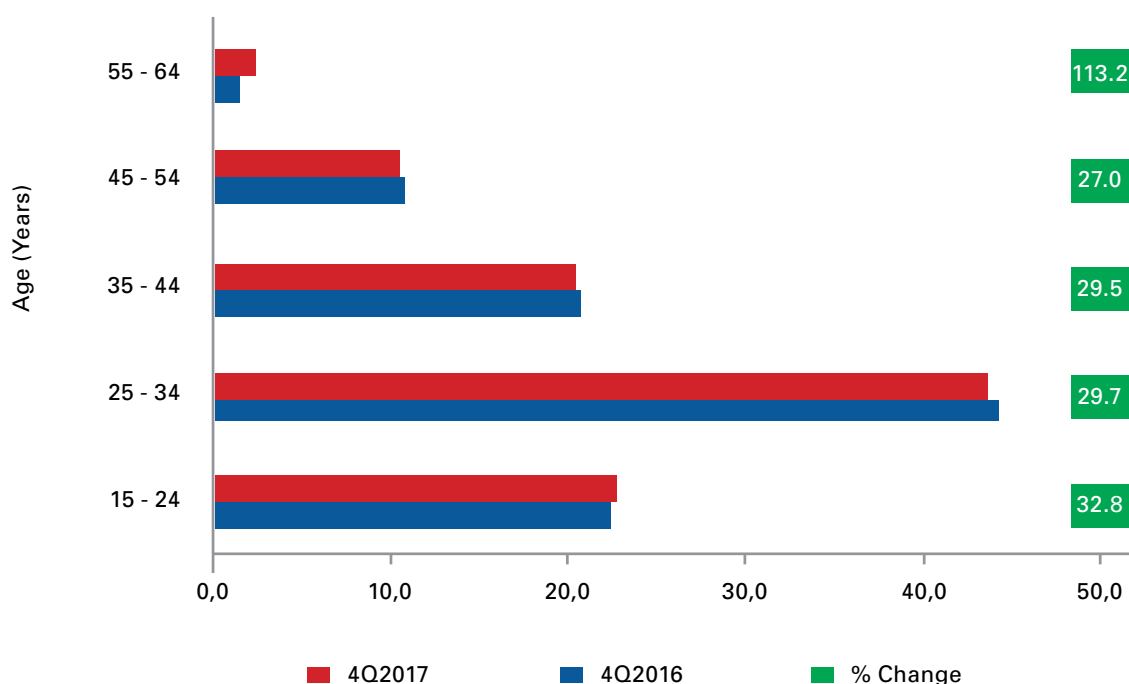
Source: Own Calculation based Quantec Research data

- The proportion of African/Black population unemployed has slightly increased from 89.0 percent of the total to 90.3 percent in the 4Q2017.
- The proportion of unemployed Coloured population has decreased further from 9.5 percent in 4Q2016 to 7.8 percent in 4Q2017.
- Although it is insignificant, the number of people unemployed within the Indian/Asian and White communities increased between 4Q2016 and 4Q2017.

4.3.3 UNEMPLOYMENT BY AGE GROUP

Youth people (15-34 years) are the most vulnerable group and this has reached critical proportions in the labour market due to lack of skills, work experience, job search abilities and financial resources. The EC is amongst the most affected Provinces in the country. This higher rate of unemployment among the youth is one of the causes of huge migrations of the EC youths to other Provinces like GP, WC and KZN. The following Figure illustrates the level of unemployment by age group between 4Q2016 and 4Q2017.

Figure 4.6: Unemployment by Age Group in the Eastern Cape, 4Q2016- 4Q2017



Source: Own Calculation based Quantec Research data

- The number of unemployed people of the EC has increased between 4Q2016 and 4Q2017 within all age cohorts.
- Youth population between 25-34 years had the highest proportion of unemployed people in 4Q2016 and 4Q2017.
- During the same period, this age group displayed the second highest unemployment growth rate with 29.7 percent after the 15-24 age cohort with 32.8 percent.

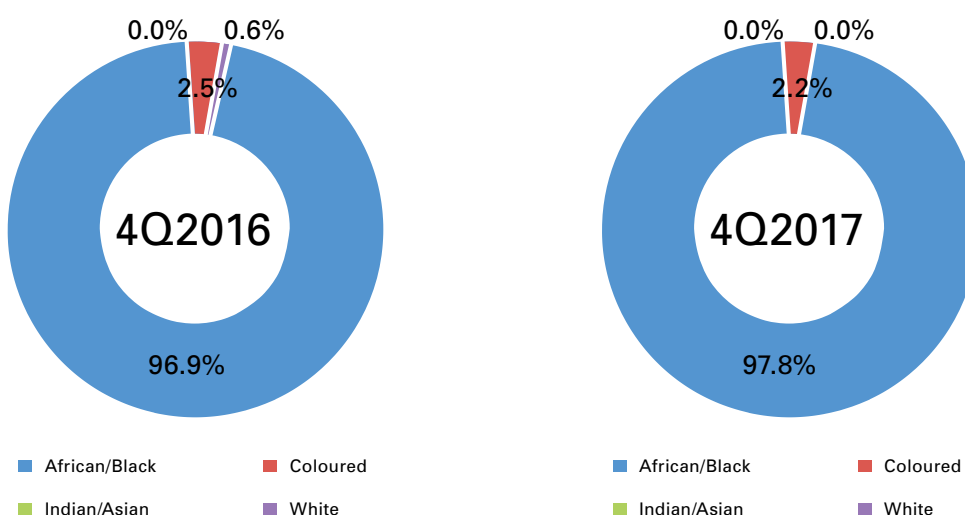
4.4 DISCOURAGED JOB SEEKERS

Discouraged job seekers refers to people who are eligible for employment and are able to work but are currently unemployed and have not attempted to find a job in the past four weeks. Discouraged workers do not include those who have dropped out of the labour force for other reasons. This section will look at the discouraged job seekers by racial and age groups.

4.4.1 DISCOURAGED JOB SEEKERS BY RACIAL GROUP

Between 4Q2016 and 4Q2017, the number of discouraged job seekers has decreased by 76 938 people to reach 326 194 people. The following Figure illustrates the proportion of discouraged job seekers by race in the EC Province between 4Q2016 and 4Q2017.

Figure 4.7: Discouraged Job Seekers by Race, 4Q2016 - 4Q2017



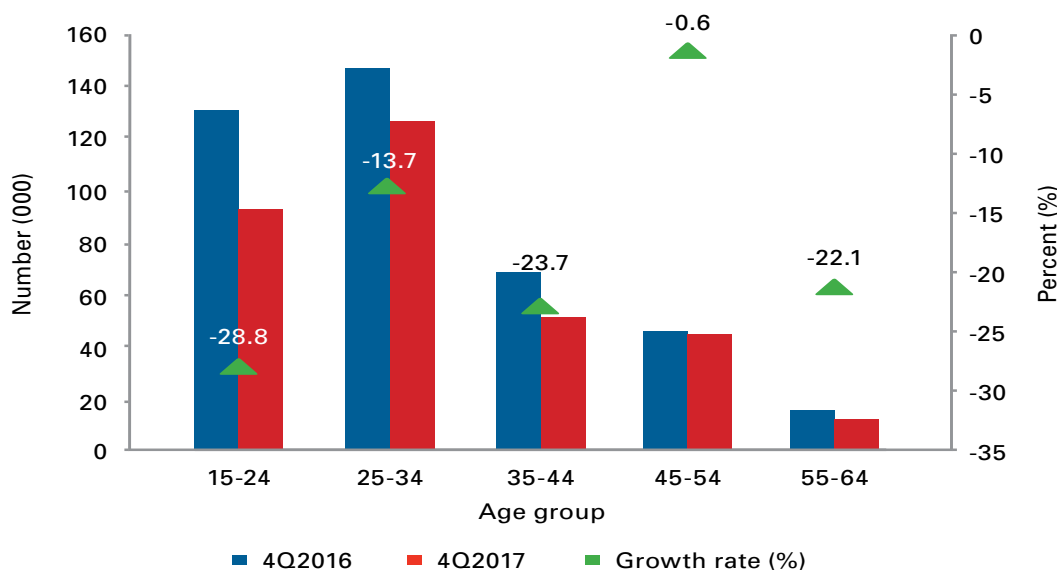
Source: Own Calculation based Quantec Research data

- The number of discouraged job seekers in the EC is dominated by African/Black population.
- The proportion of discouraged African/Black community increased by 0.9 percentage point from 96.9 percent observed in 4Q2016 to register 97.8 percent in the 4Q2017.
- Between 4Q2016 and 4Q2017, the proportion of Coloured population decreased by 0.3 percentage point.

4.4.2 DISCOURAGED JOB SEEKERS BY AGE GROUP

This section compares discouraged job seekers by age group between the 4Q2016 and the 4Q2017. Figure 4.8 below displays the EC discouraged job seekers by age group between the 4Q2016 and 4Q2017.

Figure 4.8: Discouraged Job Seekers by Age Group, 4Q2016 – 4Q2017



Source: Own Calculation based Quantec Research data

- In the EC, the majority of discouraged job seekers are the young between the age of 15 and 34 years old. During the 4Q2017, this age group of discouraged job seekers was estimated to be around 219 000 people.
- Across all age cohorts, the number of discouraged job seekers decreased between the 4Q2016 and 4Q2017.

4.5 ANALYSIS OF UNEMPLOYED PEOPLE NOT IN EDUCATION

This section assesses the number of unemployed people not in education by Province. The EC Province had the third highest number of unemployed people not in education after GP and KZN in 4Q2017. The following Table shows the growth rate of unemployed people not in education between 4Q2016 and 4Q2017.

Table 4.5: Unemployment Performance of People Not in Education, 4Q2016-4Q2017

| | 4Q2015 | 4Q2016 | 1Q2017 | 2Q2017 | 3Q2017 | 4Q2017 |
|---------------------|-----------------------|-------------|-------------|------------|------------|-------------|
| | Annual average growth | | | | | |
| Western Cape | -8,6 | 6,6 | 0,2 | -2,1 | 3,2 | 0,4 |
| Eastern Cape | -0,1 | -2,9 | -2,1 | 2,5 | 7,4 | 11,8 |
| Northern Cape | -0,3 | 10,3 | 10,8 | 7,7 | 4,3 | -2,5 |
| Free State | -1,1 | 7,6 | 3,3 | 2,1 | -6,5 | -5,4 |
| KwaZulu Natal | 0,0 | 8,9 | 3,5 | 4,3 | 1,8 | -0,1 |
| North West | 2,1 | 5,0 | -1,2 | -3,8 | -2,9 | -0,9 |
| Gauteng | 0,0 | 6,2 | -2,8 | 1,1 | 2,5 | 7,1 |
| Mpumalanga | -0,8 | 7,8 | 2,3 | 2,8 | 2,7 | -4,9 |
| Limpopo | -0,1 | -3,1 | 2,4 | -2,7 | 0,1 | 5,8 |

Source: StatSA

- EC unemployed people with no education recorded the fastest annual growth rate of 11.8 percent in 4Q2017, followed by GP with 7.1 percent and LP with 5.8 percent.



SOCIO ECONOMIC PERFORMANCE OF DISTRICT MUNICIPALITIES

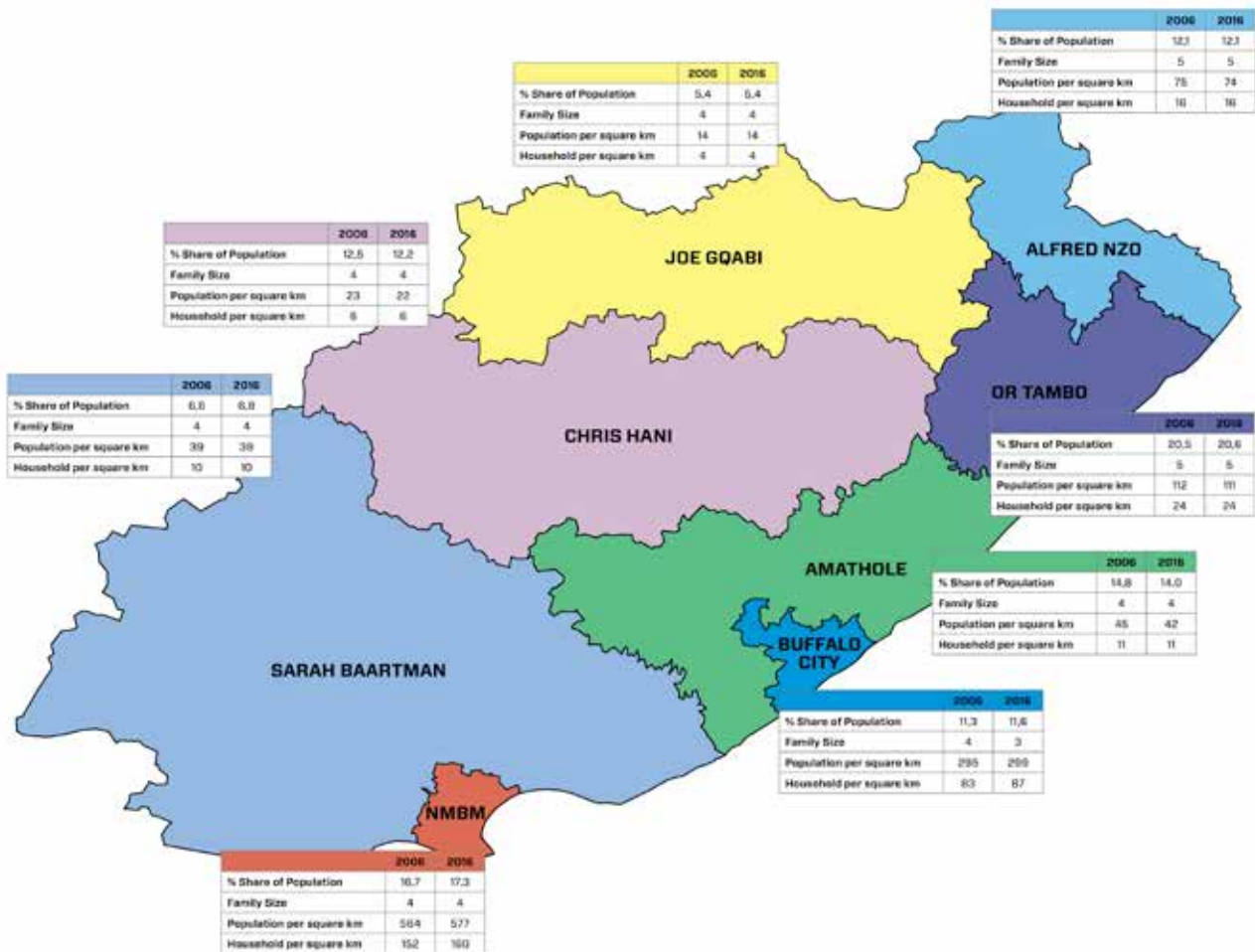
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SOCIO ECONOMIC PERFORMANCE OF DISTRICT MUNICIPALITIES

5.1 THE DISTRIBUTION OF POPULATION IN THE EASTERN CAPE BY DISTRICT MUNICIPALITY

Population refers to the total number of inhabitants within a specific geographical area and has the capability to increase. The inevitable outcome of a growth in population is the need for housing, the greater the population the higher the demand for housing and social infrastructure.

Figure 5.1: EC's Population Distribution by District Municipality, 2006 - 2016



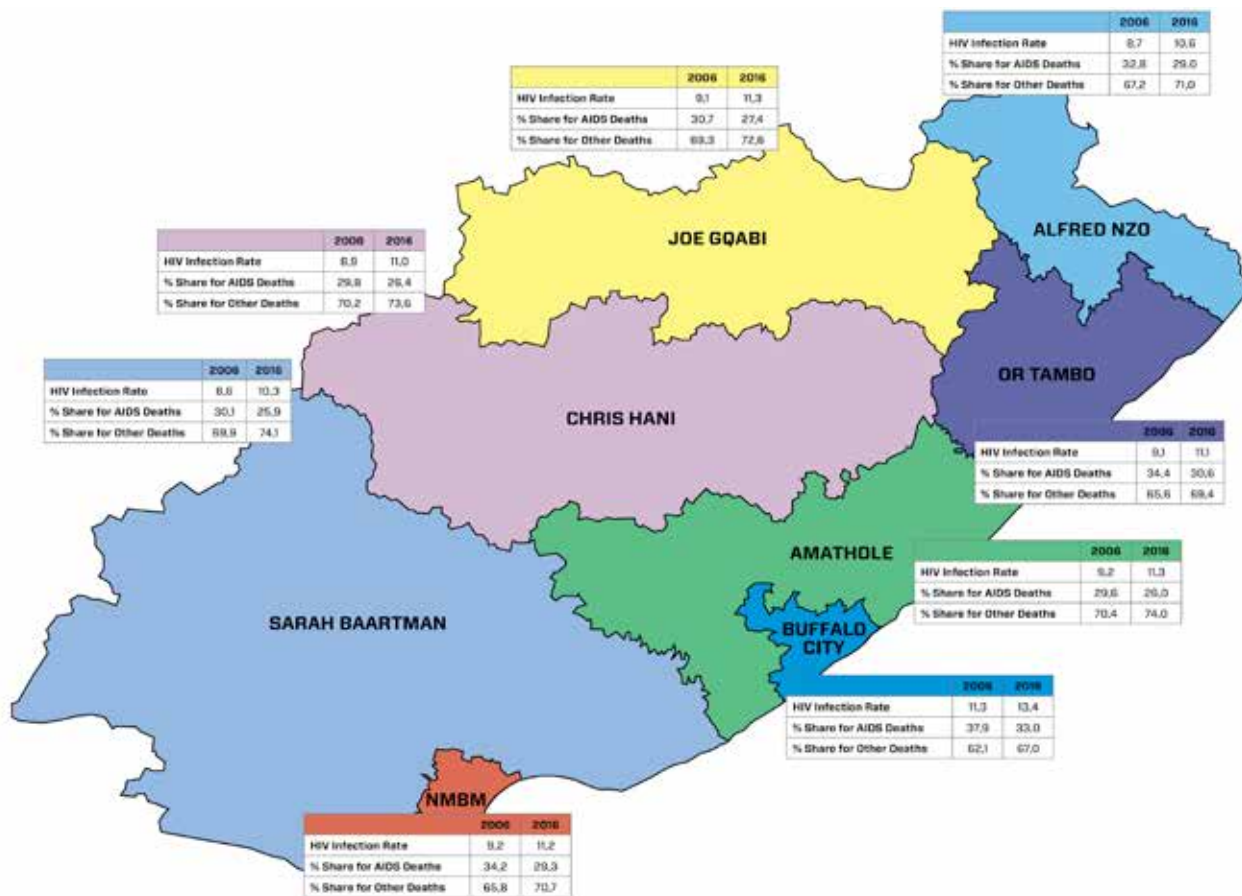
Source: Own calculation based on Quantec Research data

- Sarah Baartman District Municipality (DM) (6.8 percent) and Joe Gqabi DM (5.4 percent) had the smallest share of the population in the Province in 2016, with a family size of 4 persons each respectively per household.
- In 2016, the largest share of the population was recorded at OR Tambo District (20.6 percent), followed by Nelson Mandela Bay MM (17.3 percent) and Amathole DM (14.0 percent).
- Amathole DM has seen the highest percentage point decrease in population share between 2006 and 2016, from 14.8 to 14.0 percent. Other the same period, Nelson Mandela Bay MM registered the highest percentage point increase with 0.6 percent.
- Nelson Mandela Bay MM observed the highest increase in households per square meter from 152 in 2006 to 160 in 2016. DMs with the smallest increases were Amathole, Sarah Baartman, Chis Hani and Joe Gqabi DM.
- There has been no significant change in family size within the Province from 2006 to 2016 except Buffalo City MM which has seen a reduction in family size from 4 persons to 3 persons on average. Alfred Nzo DM exhibit the largest family size in the Province with 5 persons per household.
- Nelson Mandela Bay MM has shown the greatest increase in terms of population per square meter from 564 to 677 between 2006 and 2016, followed by Buffalo City MM from 295 to 299 over the same period.

5.2 HIV INFECTION AND RELATED DEATHS IN THE EASTERN CAPE BY DISTRICT MUNICIPALITY

The HIV infection rate in the EC has shown an increasing trend between 2006 and 2016. There was a general increase in HIV infections in all the district municipalities and metros in the EC. However, the proportion of AIDS related deaths has seen a decline compared to other deaths over the past 10 years within the DMs and Metros. The most AIDS related deaths were experienced in Buffalo City MM at 33.0 percent in 2016 which is a decline from 37.9 in 2006 but is still above the provincial average of 29 percent. Figure 5.2 below shows HIV infection rate and the proportion of AIDS related and other deaths in the EC by DM between 2006 and 2016.

Figure 5.2: HIV Infection Rate, AIDS-Related and Other Deaths by District Municipality, 2006 - 2016



Source: Own calculation based on Quantec Research data

- The Buffalo City MM had the highest proportion of people infected with HIV at a rate of 13.4 percent in 2016, from 11.3 percent observed in 2006 in the Province.
- Although Buffalo City MM is still the highest in the Province, its proportion of AIDS related deaths has declined over the last ten years.
- However, Sarah Baartman DM showed the highest number of other deaths in the EC at 74.1 percent followed by Amathole DM with 74.0 and Chris Hani DM with 73.6 percent in 2016.
- Sarah Baartman DM had the lowest HIV infection rate over the years at 10.3 percent in 2016.

5.3 ACCESS TO SERVICES IN THE EASTERN CAPE BY DISTRICT MUNICIPALITY

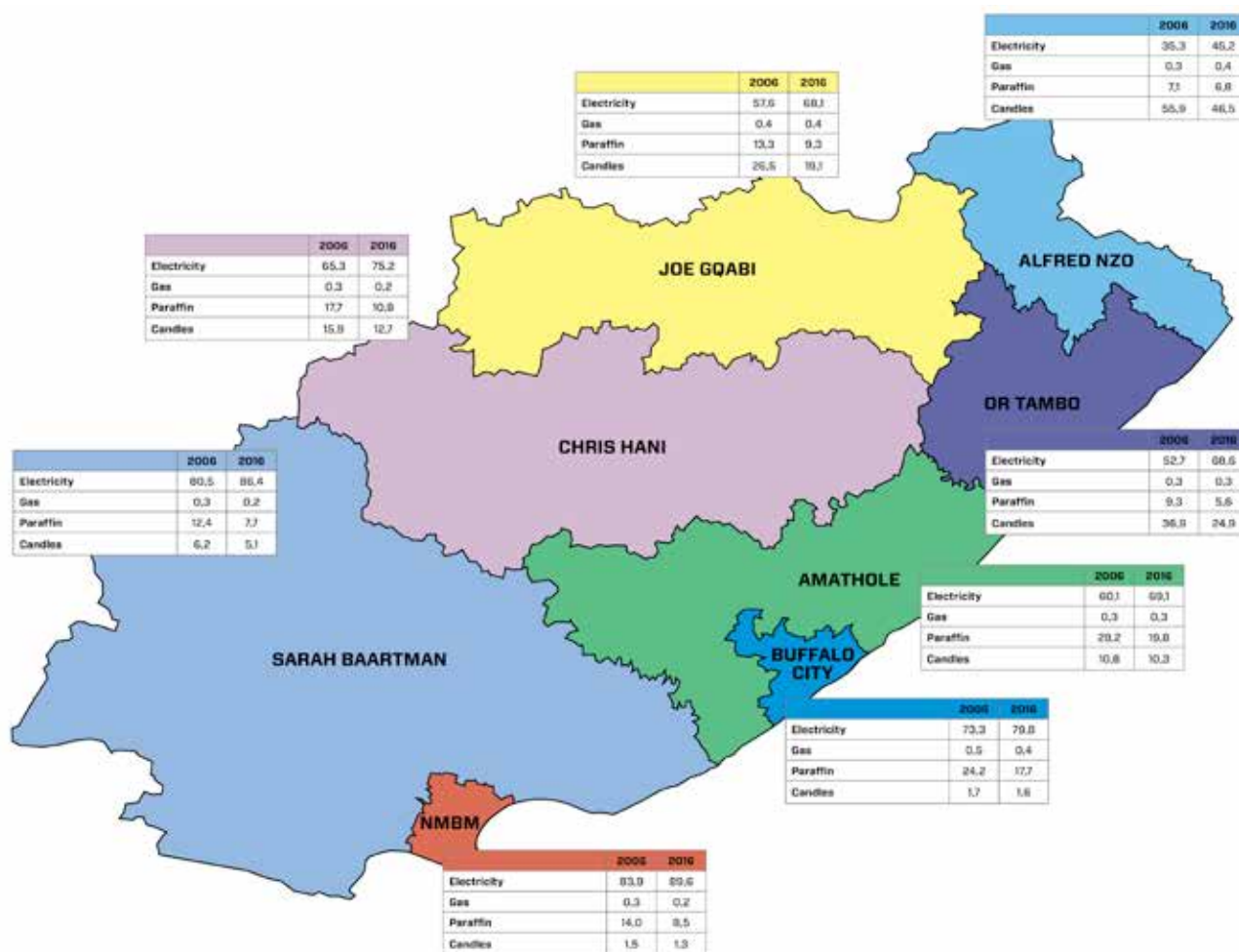
Since the dawn of democracy in SA, there has been a significant improvement in access to basic services for citizens, particularly for those deemed previously disadvantaged. The Local Municipalities are charged with the responsibility to provide these basic services to communities and this requires massive resources and investment. In 2016, more households had access to electricity, piped water and flush toilets in the country compared to 1994.

The EC has managed to keep up with the national standard, however there are areas lagging behind while others have improved immensely. Access to electricity in 2016 was at 73.9 percent for the Province, piped water inside dwelling and yard at 48.7 percent, flush toilet at 42.4 and access to brick structure at 51.7 percent. All the basic services indicated an upward trend over the past 10 years' period: 2006 to 2016. This section seeks to reflect on the progress made by the DMs which are entrusted with providing these services.

5.3.1 ACCESS TO ELECTRICITY

The Eastern Cape Province provides electricity access to 73.8 percent of its households but is still below the national average. However, there has been a steady rise in access to electricity in the Province from 64.3 percent in 2006 to 73.9 percent in 2016. Candles are used by 14.1 percent of the EC households, only 0.3 percent of households require Gas and 11.0 percent of households used paraffin. Figure 5.3 below shows household access to energy for lighting in the EC by DM between 2006 and 2016.

Figure 5.3: Household Access to Energy for Lighting by District Municipality, 2006 - 2016



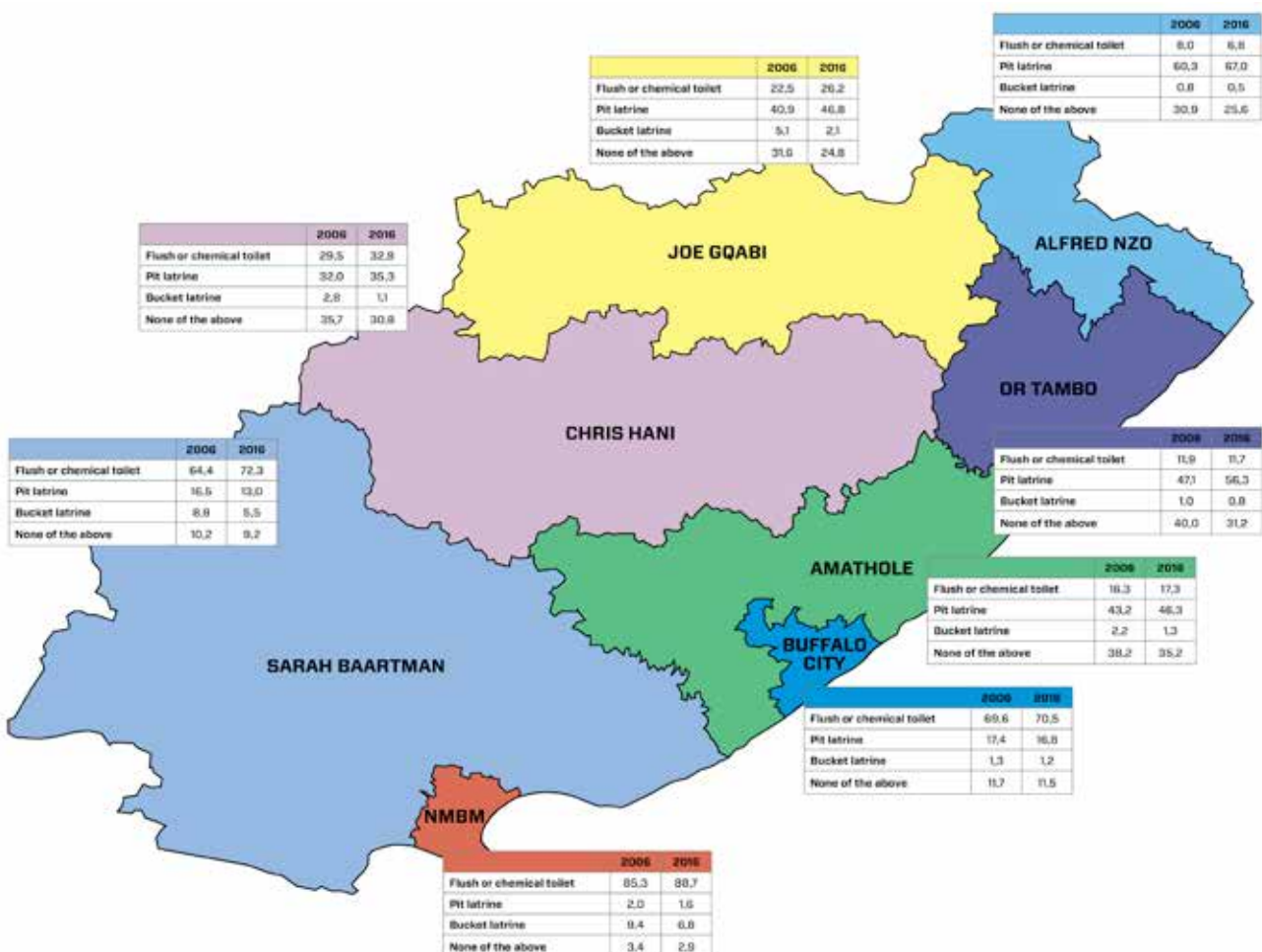
Source: Own calculation based on Quantec Research data

- Alfred Nzo DM had the lowest proportion of households (45.2 percent) with access to electricity in 2016. The Nelson Mandela Bay MM had the highest proportion of households with electricity access at 89.6 percent over the same period.
- Other municipalities with high access to electricity were Sarah Baartman DM (86.4 percent) and Buffalo City (79.8 percent).
- Although Alfred Nzo DM had the highest proportion of household using candles (46.5 percent) in 2016, it had decreased from 55.9 percent observed in 2006.
- Amathole had the highest proportion of paraffin users at 19.8 percent in 2016.
- There is a general reduction in paraffin consumption in all municipalities which may be explained by the increase in electricity usage.

5.3.2 ACCESS TO SANITATION SERVICES

The Eastern Cape Government seeks to provide access to sanitation and thus improve the quality of life for people in the Province. The number of households using flush toilets has increased in the Province but still below the national average. Although, the number of households using flush toilets has increased, there is also an upward trend in the number of households using pit latrines. This could be attributed to the rise in population number in the region over the period under review. Figure 5.4 below shows household access to Sanitation by toilet type in the EC by DM between 2006 and 2016.

Figure 5.4: Household Access to Sanitation by Toilet Type by District Municipality, 2006 - 2016



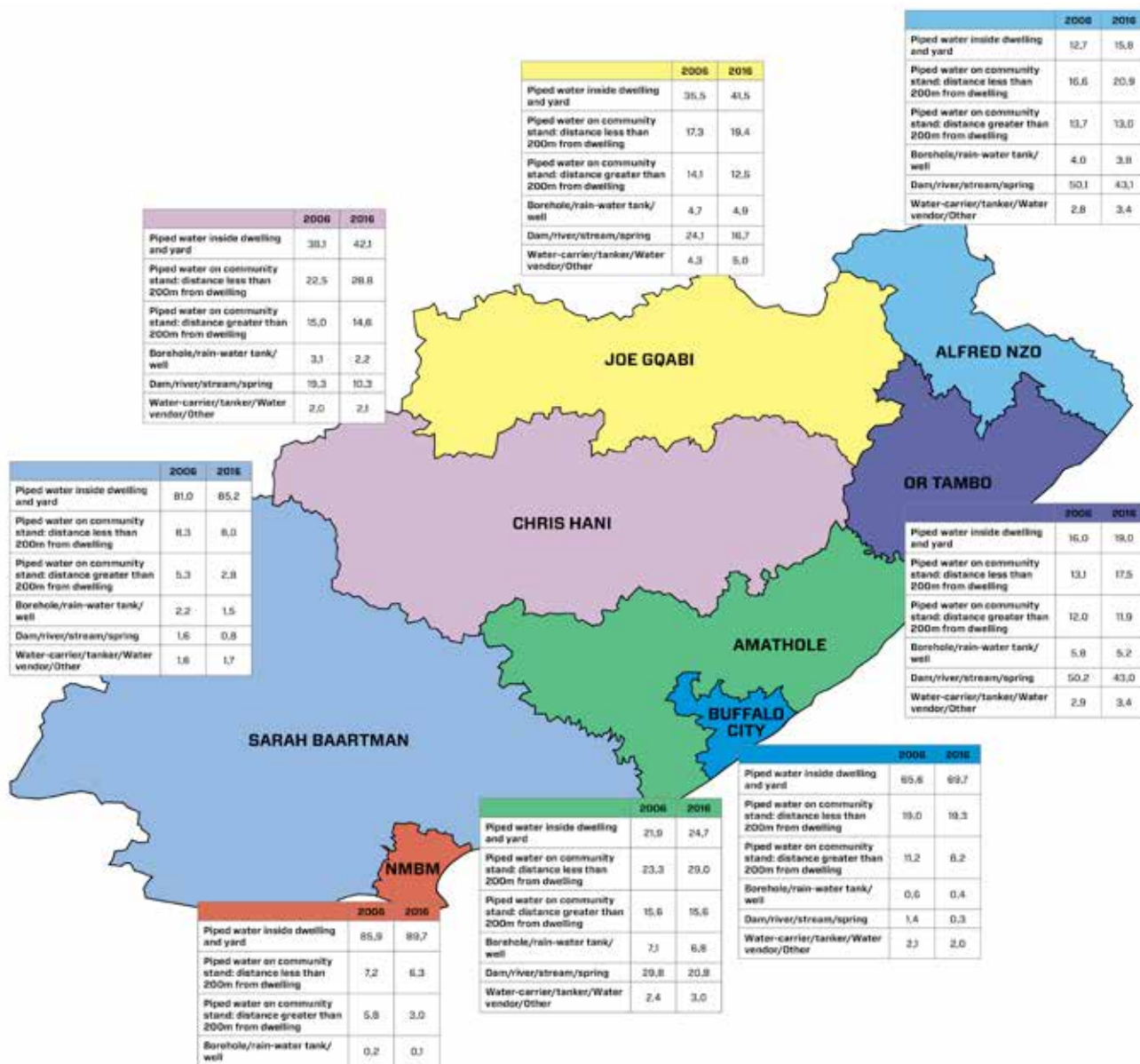
Source: Dwn calculation based on Quantec Research data

- In 2016, the majority of households in Nelson Mandela Bay MM used flush toilets (88.7 percent), an improvement from the 85.3 percent observed in 2006. However, the proportion of household using the bucket system (6.8 percent) was the highest in the Province.
- Alfred Nzo DM had the highest proportion of households using pit latrine (67.0 percent) in the Province, followed by OR Tambo DM (56.3 percent) and Joe Gqabi DM (46.8 percent) in 2016.
- OR Tambo DM recorded the highest proportion of other forms of sanitation with 31.2 percent in 2016, but lower than 40.0 percent observed in 2006.
- While the number of households with flush toilets is increasing, the use of pit latrine is also showing an upward trend across the Province. All Municipalities have made efforts to reduce the use of bucket latrines.

5.3.3 ACCESS TO WATER SERVICES

SA continues to be plagued by the effects of a severe drought and shortage of water which can harshly stifle economic growth, threaten food security and shrink agricultural activities. In 2016, Alfred Nzo and OR Tambo DM had the highest proportion of residents collecting water from dams at 43.1 and 43.0 percent respectively. Water carriers are the least utilised means of accessing water in the Province in 2016. The Province had manage to increase the number of households with piped water inside dwelling and yard from 44.4 percent in 2006 to 48.7 percent in 2016. Figure 5.5 below illustrates the proportion of household access to water services in the EC by DM in 2006 and 2016.

Figure 5.5: Household Access to Water Services by District Municipality, 2006 - 2016



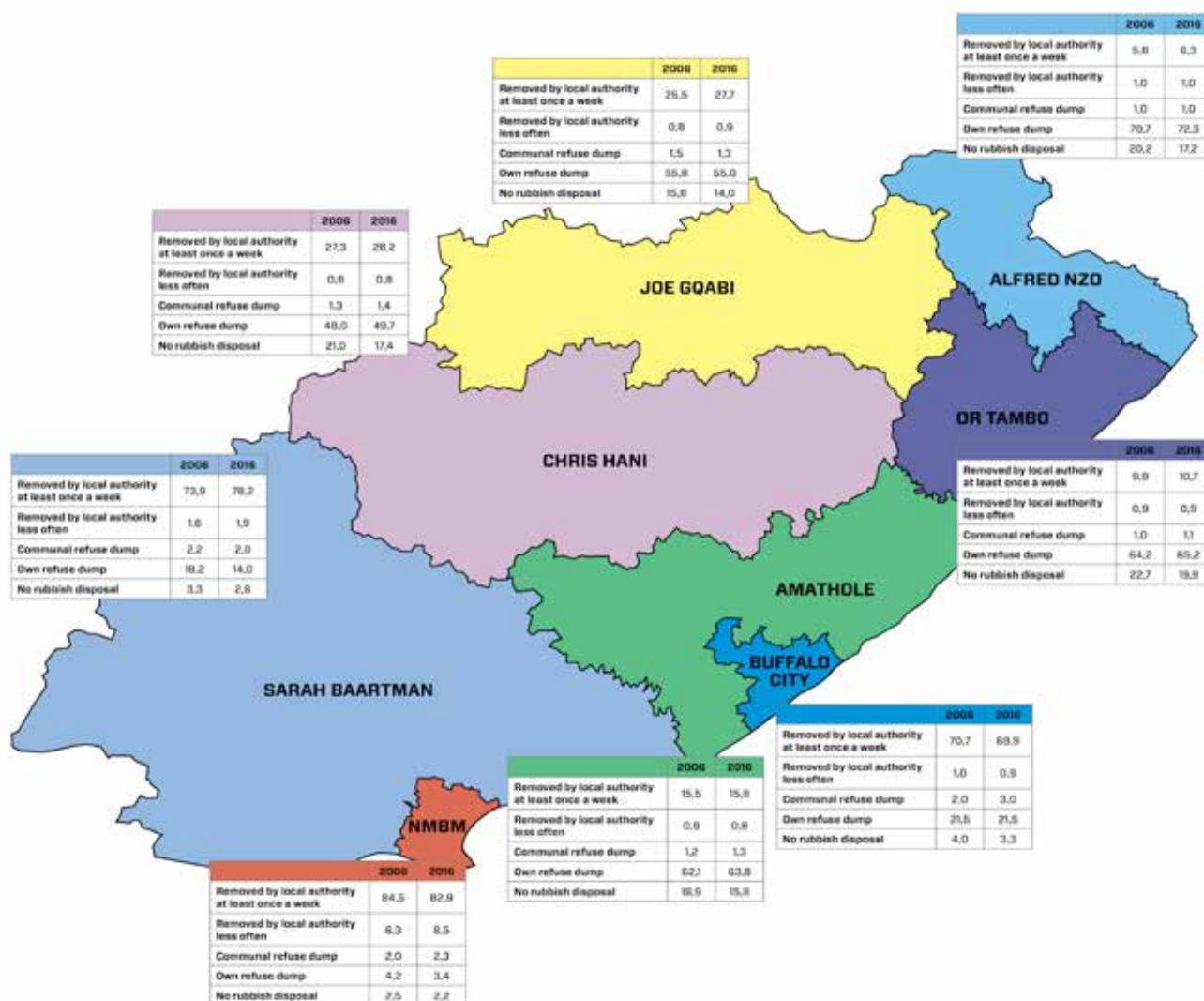
Source: Own calculation based on Quantec Research data

- Nelson Mandela Bay MM had the highest proportion of households with access to piped water inside a dwelling or yard (89.7 percent) followed by Sarah Baartman DM (85.2 percent) and Buffalo City MM (69.7 percent) in 2016.
- Alfred Nzo DM had the smallest proportion of households with piped water within a dwelling and yard (15.8 percent) in 2016.
- In 2016, Alfred Nzo DM has reduced the number of households collecting water from dams to 43.1 percent in 2016 from 50.1 percent in 2006, followed by Or Tambo DM with 40.3 percent 2016, from 50.2 percent observed in 2006.
- In 2016, water collected from dams by households were insignificant in Nelson Mandela Bay and Buffalo City MM with 0.1 and 0.3 percent respectively.

5.3.4 ACCESS TO REFUSE REMOVAL

The removal of waste refuse remains a challenge at local municipality level in EC. This service still needs careful monitoring and considerable improvement. Close to 42.0 percent of households in the Province rely on their own methods of refuse removal in 2016. Nelson Mandela Bay MM, Buffalo City MM and Sarah Baartman DM had the highest proportion of households using refuse removal services from the local authority. However, the proportion of refuse removed by local authority declined in Nelson Mandela Bay while Buffalo City and Sarah Baartman improved between 2006 and 2016. Figure 5.6 below illustrates the proportion of household access to refuse removal in the EC by DM in 2006 and 2016.

Figure 5.6: Household Access to Refuse Removal by District Municipality, 2006 - 2016



Source: Own calculation based on Quantec Research data

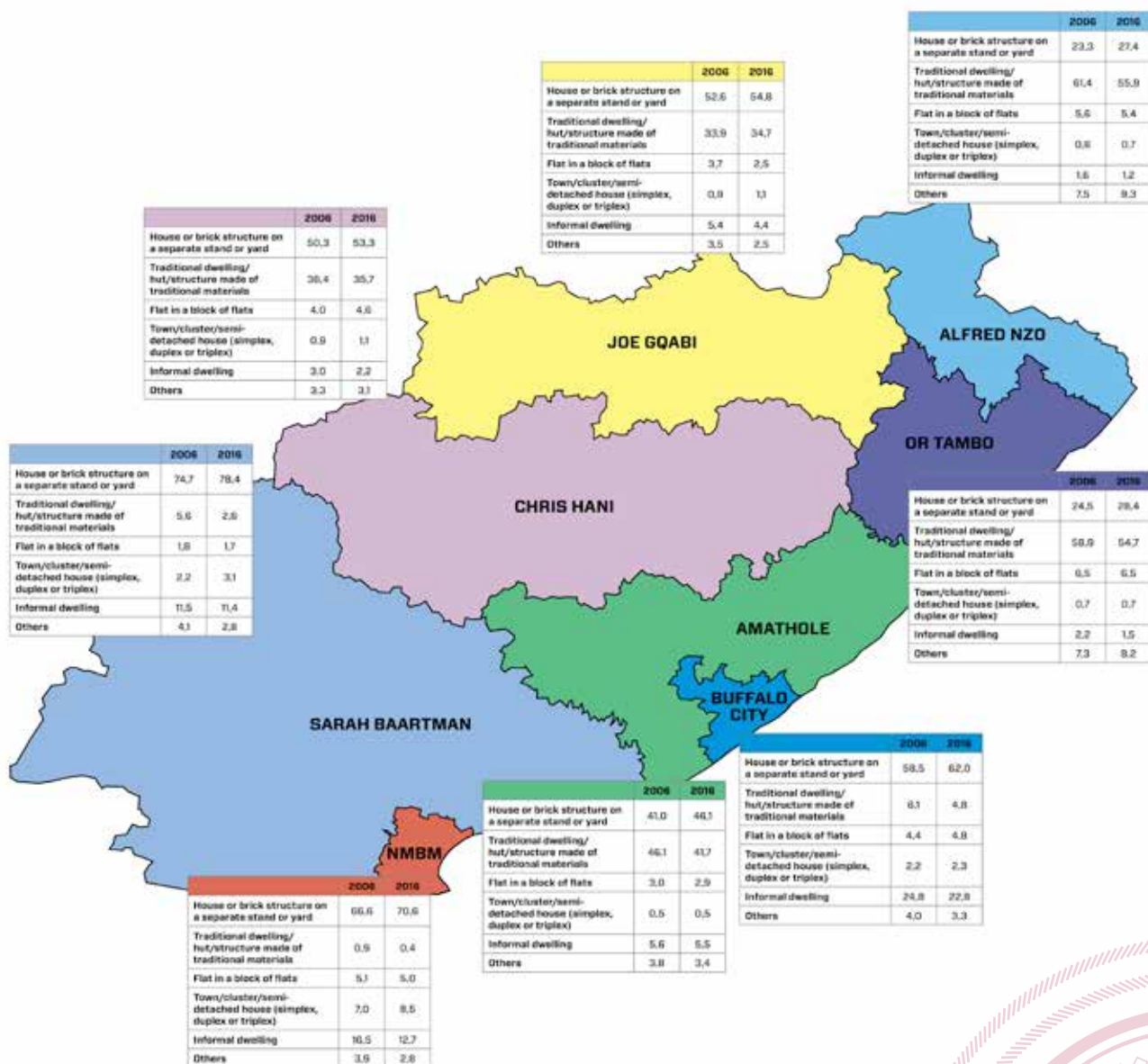
- Alfred Nzo had the highest proportion of households removing their own refuse with 72.3 percent in 2016, followed by OR Tambo (65.2 percent) and Amathole DM (63.8 percent).
- In 2016, approximately 82.9 percent of households in Nelson Mandela Bay Metro had access to refuse removal by the local authority followed by Sarah Baartman DM (78.2 percent) and Buffalo City (69.9 percent).

- In 2016, the proportion of households using communal refuse dumps were fewer than any other form of refuse removal in the EC.

5.3.5 ACCESS TO TYPE OF DWELLING

The proportion of dwellings with brick structure has been increasing in the Province between 2006 and 2016: from 47.5 to 51.7 percent. The proportion of households living in traditional dwellings in the EC has decreased to 28.6 percent in 2016 from 31.9 observed in 2006. More households living in informal dwellings were found in the two metros than the rural areas. This can be linked to the movement of people seeking greater economic opportunities. Figure 5.7 below shows households' proportion by type of dwelling in the EC by DM between 2006 and 2016.

Figure 5.7: Household Access to Dwelling by Type by District Municipality, 2006 - 2016



Source: Own calculation based on Quantec Research data

- Sarah Baartman DM had the highest proportion of households with brick structure (78.4 percent), followed by Nelson Mandela Bay MM (70.6 percent) and Buffalo City MM (62.0 percent).

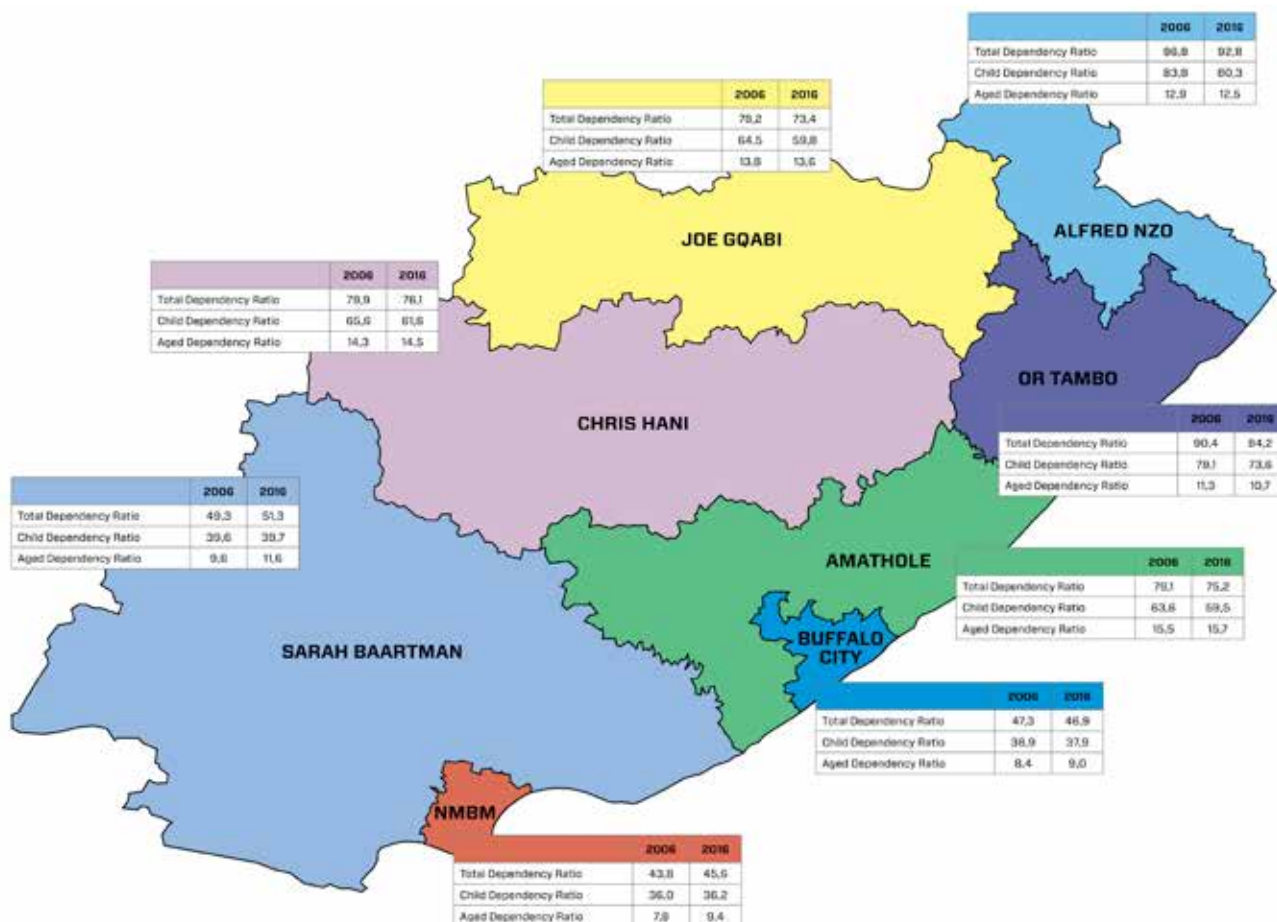
- Alfred Nzo DM had the highest proportion of households living in traditional dwellings in the Province, followed by OR Tambo DM.
- In 2016, important proportions of informal dwellings were found in Buffalo City (22.8 percent), Nelson Mandela Bay (12.7 percent) and Sarah Baartman (11.4 percent).
- Alfred Nzo and O.R Tambo had the lowest rate of households living in informal dwellings with 1.2 percent and 1.5 percent, respectively.

5.4 DEPENDENCY RATIO IN THE EC BY DISTRICT MUNICIPALITY

The dependency ratio measures the number of non-working age population to the number of working age population. The dependents are typically those in between the age of 0 to 14 years and those above 65 years. These two population groups are known as child population as well as aged population respectively. The country's total dependency ratio (TDR) was around 52.8 percent in 2015 but increased to 53.0 percent in 2016 and is expected to be around 53.1 percent in 2017.

In 2016, the EC had the second highest TDR in the country with 67.3 percent, a 0.4 percentage point increase from last year. It is expected to be the highest in 2017 with 67.6 percent. Figure 5.8 below shows the dependency ratio in the EC by district municipality between 2006 and 2016.

Figure 5.8: Dependency Ratio by District Municipality, 2006 – 2016



Source: Own calculation based on Quantec Research data

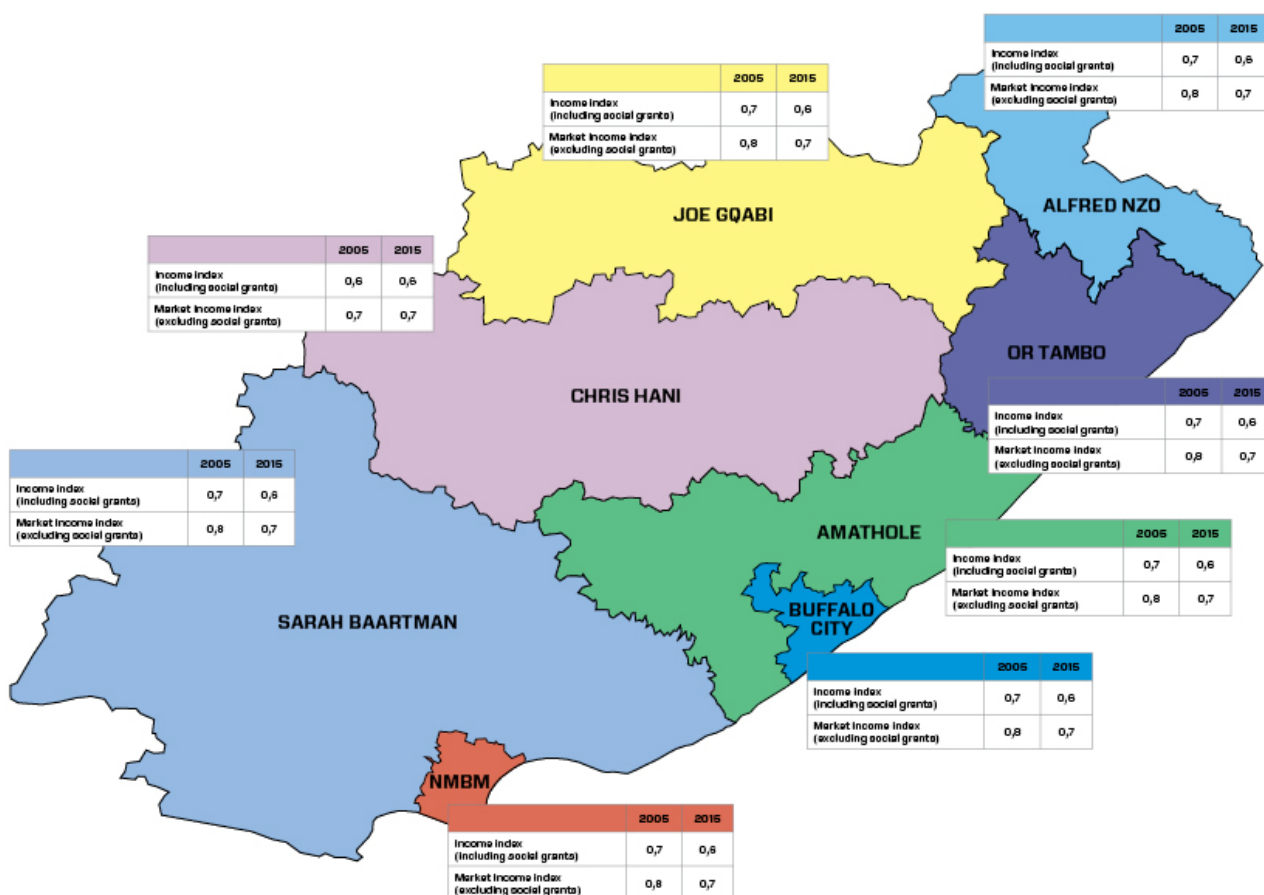
- In 2016, Alfred Nzo DM had the highest TDR with 92.8 percent, followed by OR Tambo DM with 84.2 percent, Chris Hani DM with 76.1 percent, Amathole DM with 75.2 percent and Joe Gqabi DM with 73.4 percent.
- Over the same period, Nelson Mandela Bay and Buffalo City’s TDRs were around 45.6 percent and 46.9 percent respectively. A slight improvement when compared to the previous year’s ratios.
- Across all DMs, the child dependency ratio (CDR) represented more than 75 percent of the TDR.

5.5 GINI COEFFICIENT IN THE EC BY DISTRICT MUNICIPALITY

The Gini index is a measure of income distribution of a country’s residents. This number, which ranges between 0 (perfect equality) and 1 (perfect inequality), is based on residents’ net income and is used to define the gap between the rich and the poor.

In 2014, the EC’s Gini index was among the third lowest (0.62) in the country after LP (0.58) and MP (0.60). The income distribution gap in the EC showed some improvement as the Gini index declined over the years from 0.66 in 2005. Social grants have played a significant role in reducing the income distribution gap in the Province over the years. The two metros in the Province had shown the highest inequality as compared to the rural district municipalities. Despite heavy reliance on social grants as a source of income for many households, the rural district municipalities have shown much improvement in the income gap compared to urban areas. Figure 5.9 below shows the Gini index in the EC by district municipality between 2005 and 2014.

Figure 5.9: Gini Coefficient by District Municipality, 2005 – 2014



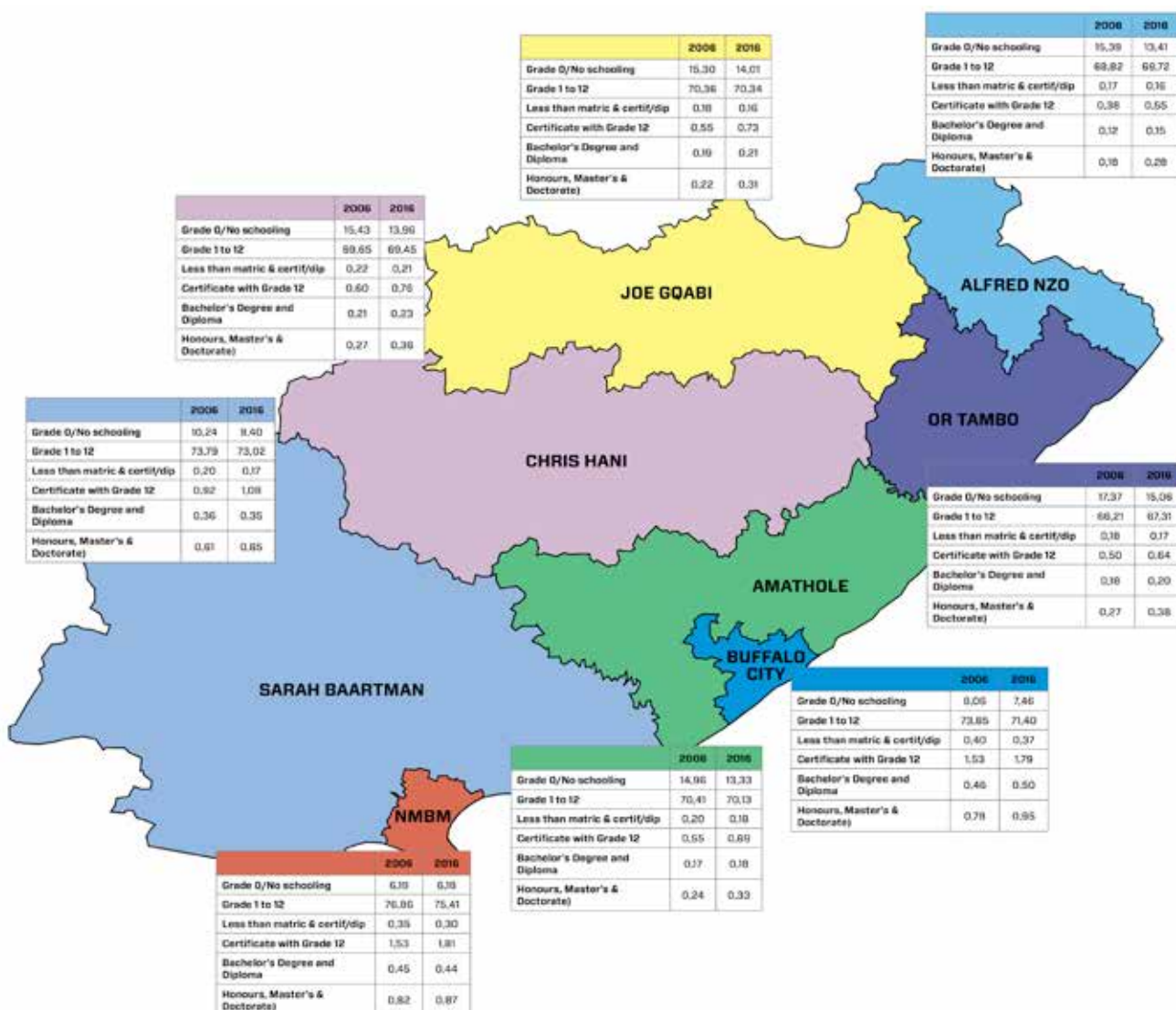
Source: Own calculation based on Quantec Research data

- In 2014, both Alfred Nzo district municipality and Amathole district municipality had the lowest income distribution gap in the Province with a Gini index of 0.61 each.
- Between 2005 and 2014, these two district municipalities showed much improvement in their respective Gini indices compared to other districts.
- Nelson Mandela Bay had the highest income distribution gap (0.65) followed by the Buffalo City and Sarah Baartman with a Gini index of 0.64 each.

5.6 LEVEL OF SCHOOLING IN THE EC BY DISTRICT MUNICIPALITY

The proportion of the population without schooling is improving in the EC. However, there has been little progress with the percentage of the population with tertiary education, as the majority of the people remained with only basic education. In 2016, only 0.8 percent of the population had a degree and more, this is 0.1 percentage point less to the ratio observed 10 years ago. Figure 5.10 below shows the level of education in the EC by district municipality between 2006 and 2016.

Figure 5.10: Level of Schooling in the EC by District Municipality, 2006 - 2016

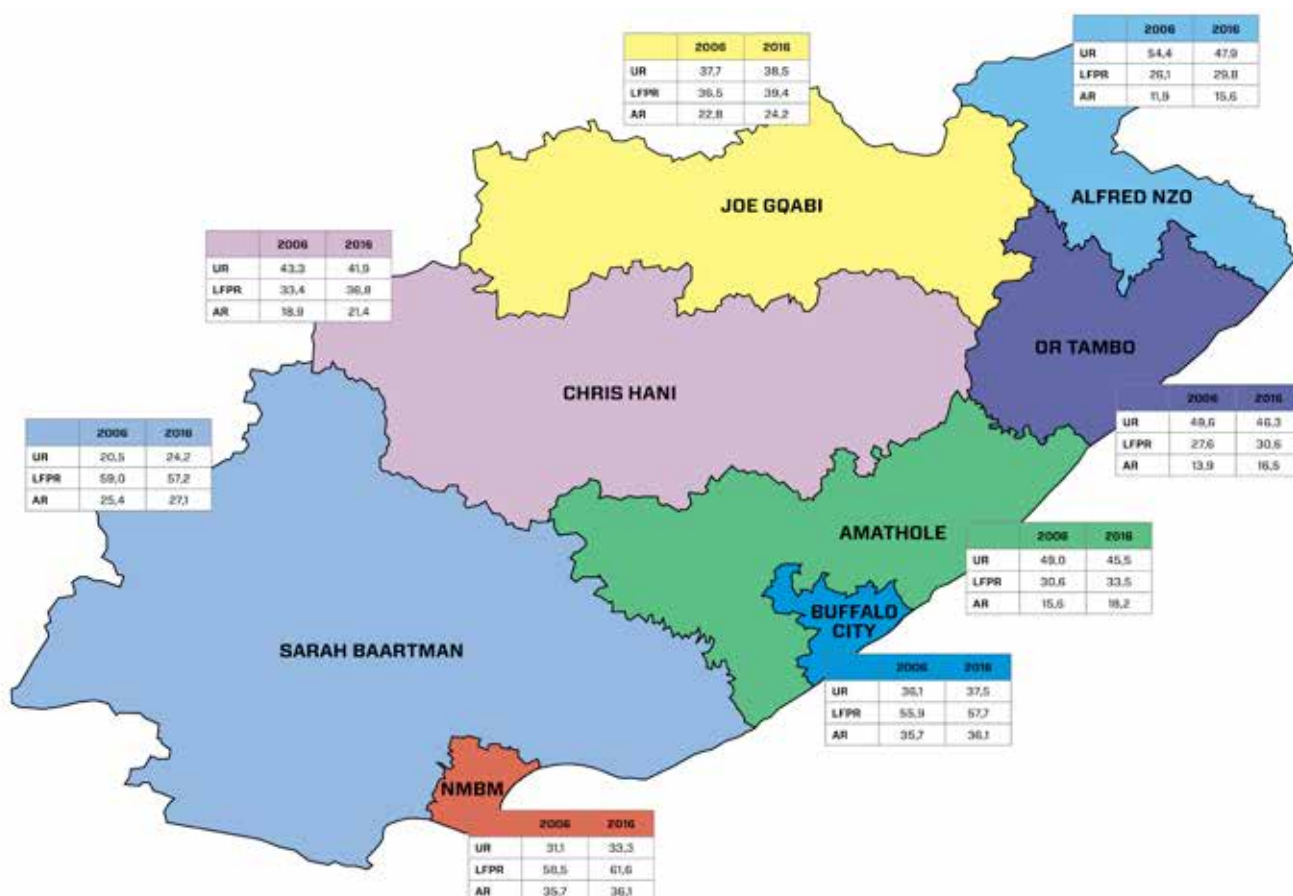


- The majority of the population in all district municipalities and metros has a basic education.
- The population with tertiary education remains below 10 percent across all district municipalities.
- Only the two metros had the highest proportion of people with tertiary education in 2016.
- More than 10 percent of people living in rural DMs had no schooling.

5.7 LABOUR MARKET MEASURES IN THE EC BY DISTRICT MUNICIPALITY

The unemployment rate is still high in the EC despite its high level of migration. However, more than half of the Province's total economically active population came from non-metro areas. These areas had a low labour participation rate and a low absorption rate compared to the two metros of Nelson Mandela Bay and Buffalo City. Figure 5.11 below highlights labour market measures in the EC by district municipalities in 2006 and 2016.

Figure 5.11: Labour Market Measures by District Municipality, 2006 - 2016



Source: Own calculation based on Quantec Research data

- In 2016, Alfred Nzo DM had the highest unemployment rate (47.9 percent) in the Province, followed by O.R Tambo DM (46.3 percent) and Amathole DM (45.5 percent).
- Sarah Baartman DM has the lowest unemployment rate with 24.2 percent within the EC in 2016 and has decreased by 2.6 percentage points from the rate observed in 2015.
- These district municipalities had seen a low absorption rate compared to other areas within the EC.
- This might be associated with low economic activity as well as its structure in these areas, inadequate development of artisanship and controlled informal economy.
- The Labour Absorption rate deteriorated slightly across the DM when compared to last year's indicators. This is in line with the current economic environment of the country and the Province's exposure to external shocks.
- The labour force participation rate (LFPR) showed the same characteristics as the absorption rate for rural district municipalities, particularly in O.R Tambo DM.

- The LFPRs of the two metros were above 50 percent, while unemployment rates within the two metros were above 30 percent in 2016.

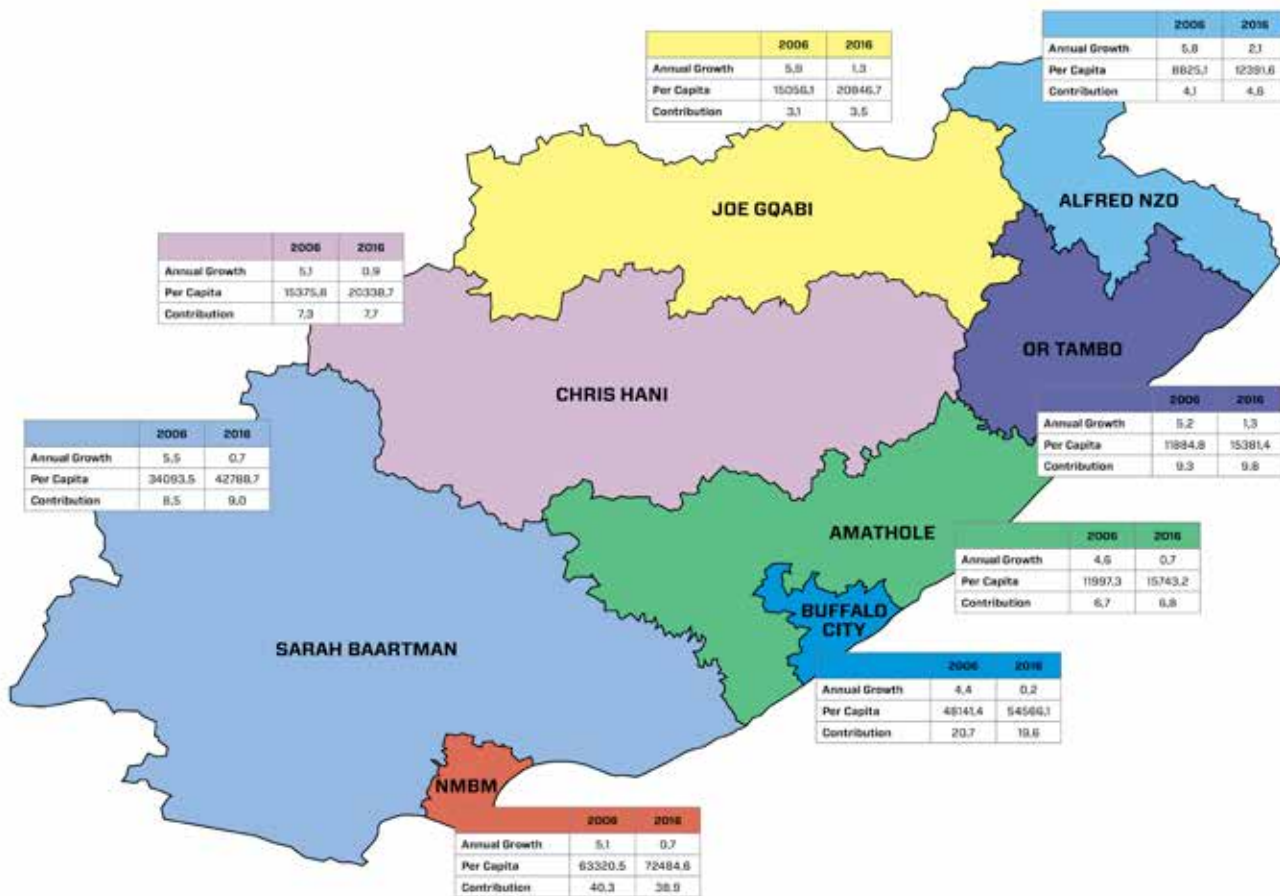
5.8 ECONOMIC PERFORMANCE IN THE EC BY DISTRICT MUNICIPALITY

NMB is the biggest economy (38.9 percent of EC GVA) with a highest standard of living (GVA per Capita: R72.5 thousand in 2016) in EC, followed by Buffalo City (19.6 percent of EC GVA with a GVA per capita of R54.6 thousand) and Sarah Baartman DM (with 9.0 percent of EC economy and R42.8 thousand for GVA per capita). Alfred Nzo DM, with the smallest GVA per capita of R12.4 thousand was the DM with a lowest standard of living. Its economy represented only 4.6 percent of the Province's GVA and showed an annual growth of 2.1 percent.

All districts municipalities' economies are dominated by the tertiary sector, although some of them have strong potentials within the primary sector. Although the two metros represented 58.5 percent, in 2016, of the provincial total GVA, rural DM areas posted the fastest annual average growth rate since 2006. National and government spending sector was one of the major drivers in the EC economy, especially in the rural areas. This spending has been channelled towards public infrastructure development with an increase in construction of schools, health services and roads. Wholesale and retail trade industry annual growth rate slowed down in 2016 but contributed by 18.1 and 20.7 percent to NMB and Buffalo City economies respectively. Since 2006, business services industry has proven to be the fastest growing industry in rural DMs with professional business services growing at more than 5 percent annual average growth rate, while agriculture and fishing industry was below an annual average growth of 3 percent: this trend must change.

Manufacturing industry performed poorly within rural DMs as it represented less than 4 percent of the total economy with an annual average growth rate of less than 2 percent. However, manufacturing industry represented 21.6 percent of the total NMBs' GVA and 13.6 percent of Buffalo City's GVA in 2016. Motor vehicles, parts and accessories industry represented only 1.9 percent of Buffalo City's total economy but 5.9 percent of NMBs' total GVA, with an annual average growth of 2.2 percent since 2006. In Sarah Baartman DM, food manufacturing industry represented 4.7 percent of the DMs' economy (one third of the manufacturing GVA) in 2016, with an annual average growth of 4.8 percent since 2006. Motor vehicles industry represented 1.7 percent of Sarah Baartman DMs' GVA, with an average growth rate of 7.4 percent. Wood and wood products manufacturing is not negligible (1 percent of DMs' GVA) with an annual average growth of 4.1 percent observed since 2006. Figure 5.12 below shows economic performance in EC by district municipality between 2006 and 2016.

Figure 5.12: Economic Performance by District Municipality, 2006 - 2016



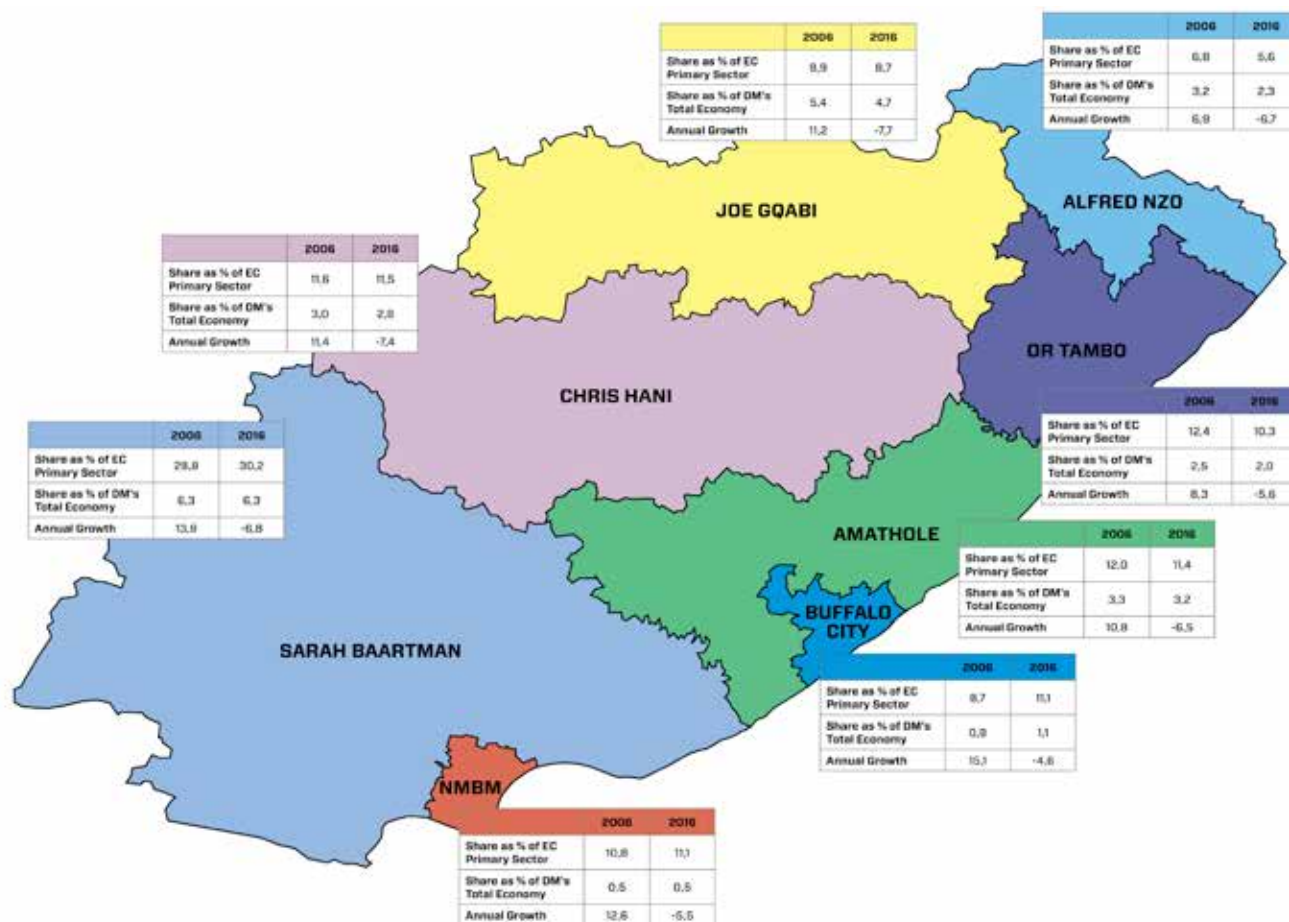
Source: Own calculation based on Quantec Research data

- Alfred Nzo DM’s economy posted an annual growth of 2.1 percent, followed by Joe Gqabi and OR Tambo DM with 1.3 percent in 2016.
- Between 2006 and 2016, NMBs’ GVA per capita increased by R9.2 thousand, followed by Sarah Baartman DM with R8.7 thousand and Buffalo City with R6.4 thousand.
- Other the same period, Joe Gqabi’s standard of living increased by R5.8 thousand while’s the other rural DMs living standards’ increases were around R3.5 thousand.

5.8.1 PRIMARY SECTOR PERFORMANCE IN THE EC BY DISTRICT MUNICIPALITY

The primary sector’s contribution to the Province’s economy has been the least across all district municipalities despite the abundance of natural resources from grazing land to forest and marine life to rich farming soils. This sector’s contribution to the local economy has been less than 7 percent across all district municipalities and recorded a negative annual growth rate in 2016 owing to drought which affected all regions across the country. Agriculture industry’s contribution to the Province’s total output has been insignificant over the years. This has led to a further marginalisation of rural communities in a Province that is largely rural. The effects of this are high levels of unemployment in the rural areas and increased government social grants as sources of income. Figure 5.13 below shows primary sector performance in EC by district municipality between 2006 and 2016.

Figure 5.13: Primary Sector Performance by District Municipality, 2006 - 2016



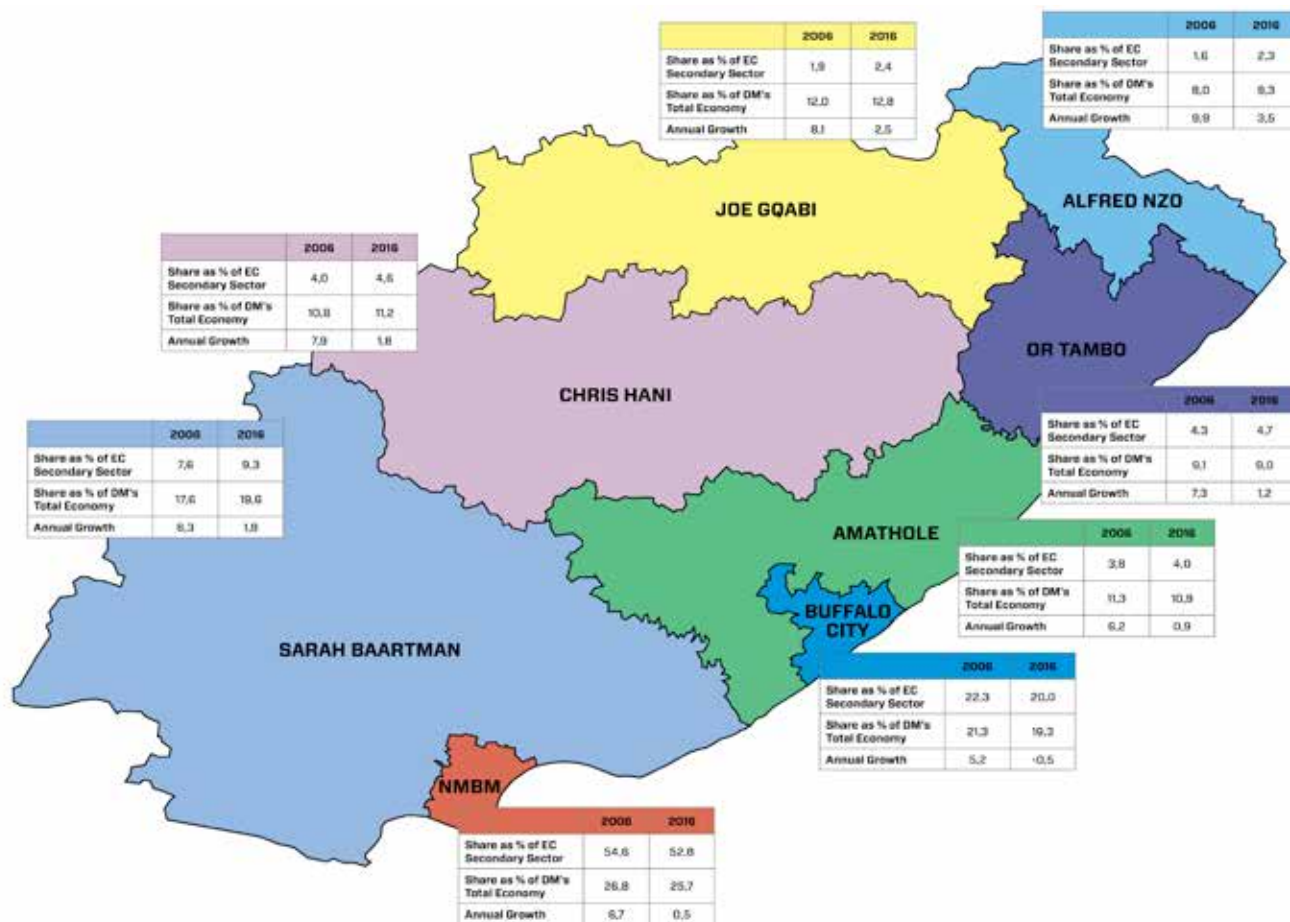
Source: Own calculation based on Quantec Research data

- In 2016, the primary sector in Sarah Baartman DM had the lion's share of the Province's primary sector with 30.2 percent, but represented only 6.3 percent of the DMs' total economy.
- Other major municipalities in this industry were Chris Hani and Amathole DM as well as the two metros.
- All districts and the two metros recorded a negative annual growth rate in 2016.
- Although the primary sector has not performed to its potential, the drought has negatively impacted its 2016 performance.

5.8.2 SECONDARY SECTOR PERFORMANCE IN THE EC BY DISTRICT MUNICIPALITY

The secondary sector posted an annual growth rate of 0.8 percent in 2016 and represented 18.9 percent of the Province's economy. Although more than 80.0 percent of the EC's secondary sector came from the two metros and Sarah Baartman DM in 2016, the two metros annual growths were below the provincial average. Figure 5.14 below shows the secondary sector's performance in EC by district municipality between 2006 and 2016.

Figure 5.14: Secondary Sector Performance by District Municipality, 2006 - 2016



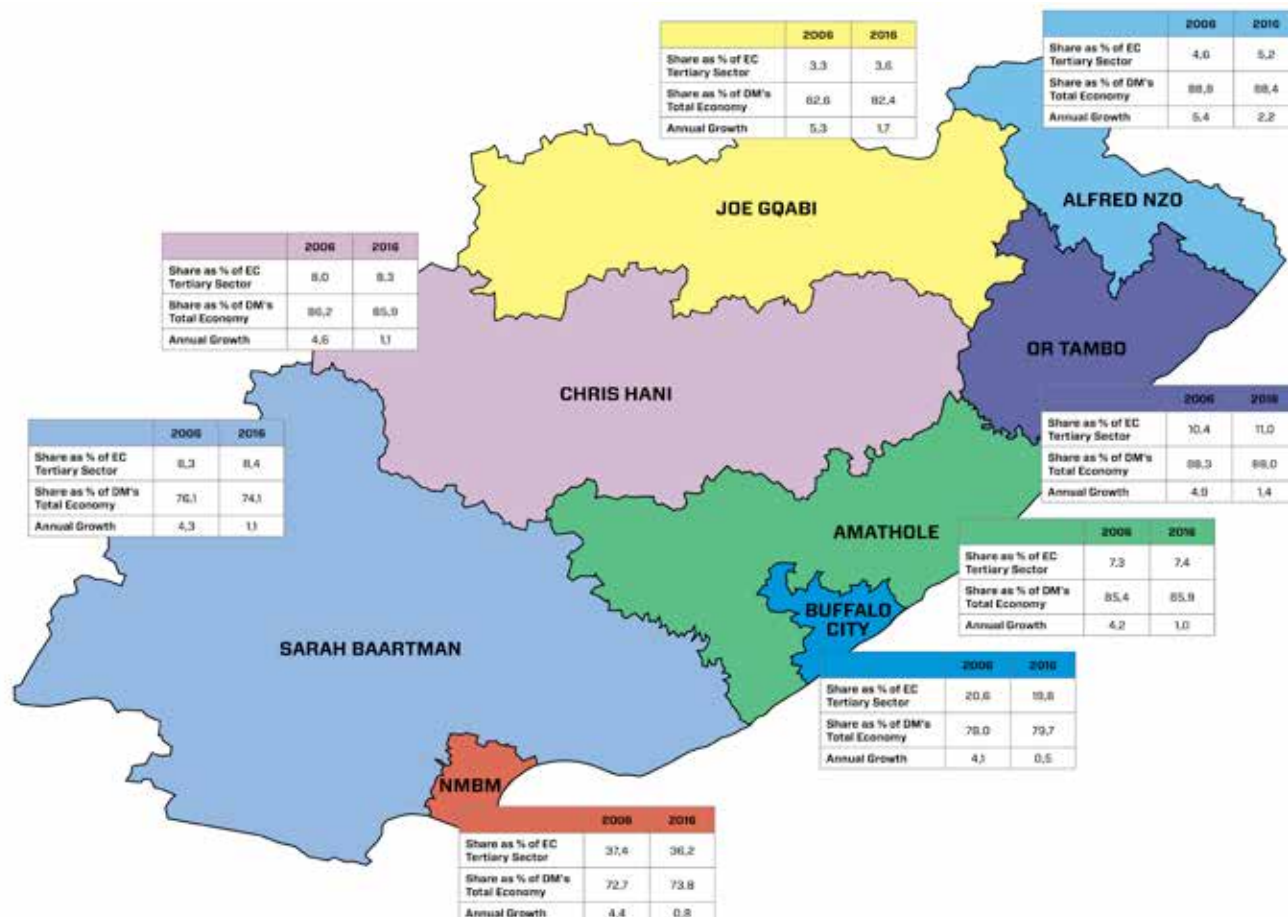
Source: Own calculation based on Quantec Research data

- NMB represented more than 50 percent of the Province’s secondary sector followed by Buffalo City with 20 percent in 2016. Buffalo City’s secondary sector contracted by 0.5 percent between 2015 and 2016, while NMB showed a modest growth of 0.5 percent.
- Alfred Nzo secondary sector registered the highest annual growth rate of 3.5 percent but represented only 2.3 percent of the Province’ secondary sector in 2016.

5.8.3 TERTIARY SECTOR PERFORMANCE IN THE EC BY DISTRICT MUNICIPALITY

The tertiary sector is the dominant sector across all municipalities in the Province. In 2016, this sector contributed by 79.2 percent to the total economy of the Province with a slow annual growth rate of 1.0 percent. In five district municipalities including the most rural regions such as Joe Gqabi, O.R Tambo and Alfred Nzo DM, the tertiary sector represented more than 80 percent of the total economy in 2016 and is dominated by general government spending. To alleviate the high level of poverty, reduce rural DM’s youth unemployment and high volume of migration to the metros, more productive industries are needed in these parts of the Province. Figure 5.15 below shows tertiary sector performance by district municipality between 2006 and 2016.

Figure 5.15: Tertiary Sector Performance by District Municipality, 2006 - 2016



Source: Own calculation based on Quantec Research data

- Approximately 56.7 percent of the EC's tertiary sector came from the two metros, but registered the lowest annual growth rate since 2006.
- During the same period, Alfred Nzo DM posted the highest annual growth rate, followed by Joe Gqabi DM.

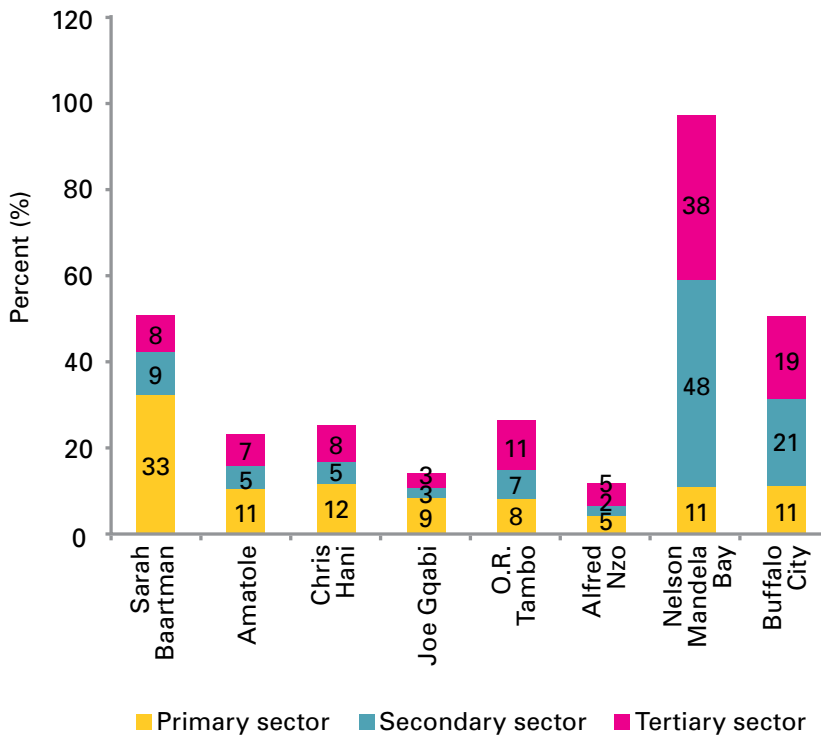
5.9 FIXED CAPITAL STOCK IN THE EC BY DISTRICT MUNICIPALITY

Fixed Capital Stock (FCS) is the total value of the fixed production assets of the economy that is not used in producing a product. FCS includes land improvement, industrial building, equipment purchases, the construction of roads and railways as well as human capital and nature endowments that encompass the productive base of the economy.

5.9.1 FIXED CAPITAL STOCK BY SECTOR

The FCS of the EC is concentrated in tertiary and secondary sectors despite the Province’s competitive potential in the primary sector. The Province’s two metros represented 68.8 percent of the secondary total FCS and 56.7 percent of the tertiary total FCS in 2016. Figure 5.16 below shows the proportion of each sector FCS across the metros and DM in 2016.

Figure 5.16: Proportion of FCS Sector Across Region in 2016



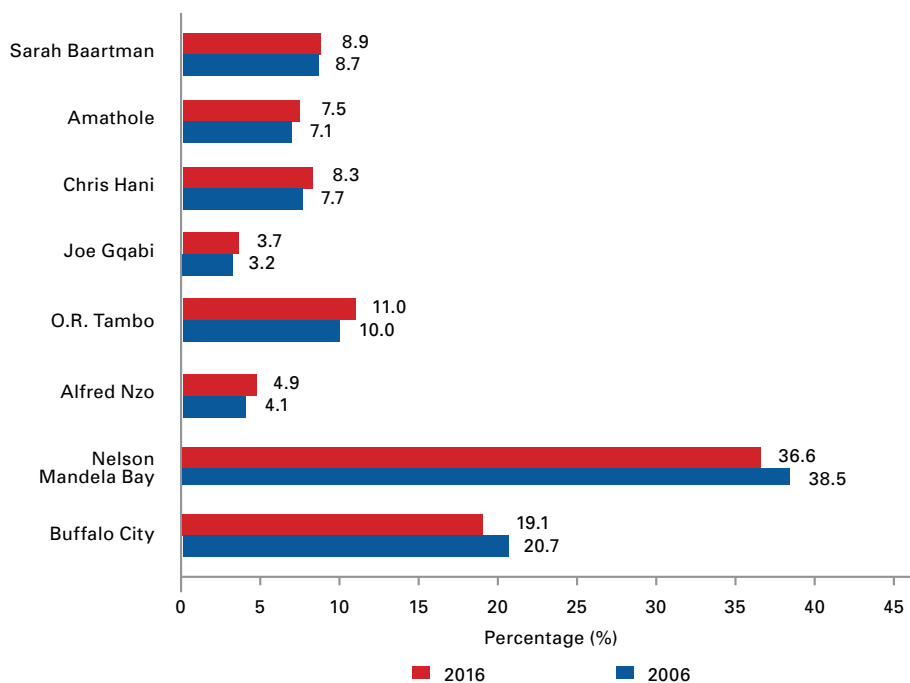
Source: Own calculation based on Quantec Research data

- In 2016, FCS of the EC reached R539.7 billion with 83 percent in tertiary sector, 14 percent in secondary sector and only 3 percent in primary sector.
- Despite contributing the least in the Province’s secondary and tertiary sector assets, rural districts outperformed the two metros with a stronger annual average growth rate over the past 10 years.
- NMB Metro hosted 48.2 percent of the Province’s total secondary FCS and 37.5 percent of EC total tertiary sector.
- Sarah Baartman DM had 32.9 percent of the EC total primary sector in 2016.

5.9.2 FIXED CAPITAL STOCK BY ASSET TYPE

The Province’s stock has increased at an annual average growth rate of 1.9 percent over the last decade. Buildings and construction capital stock in rural areas has grown faster than urban areas over the years despite their least contribution in the EC buildings and construction FCS. Figure 5.17 below shows the proportion of building and construction works’ FCS across the metros and DMs between 2006 and 2016.

Figure 5.17: Proportion of Building and Construction Works' FCS across the Region, 2006 - 2016

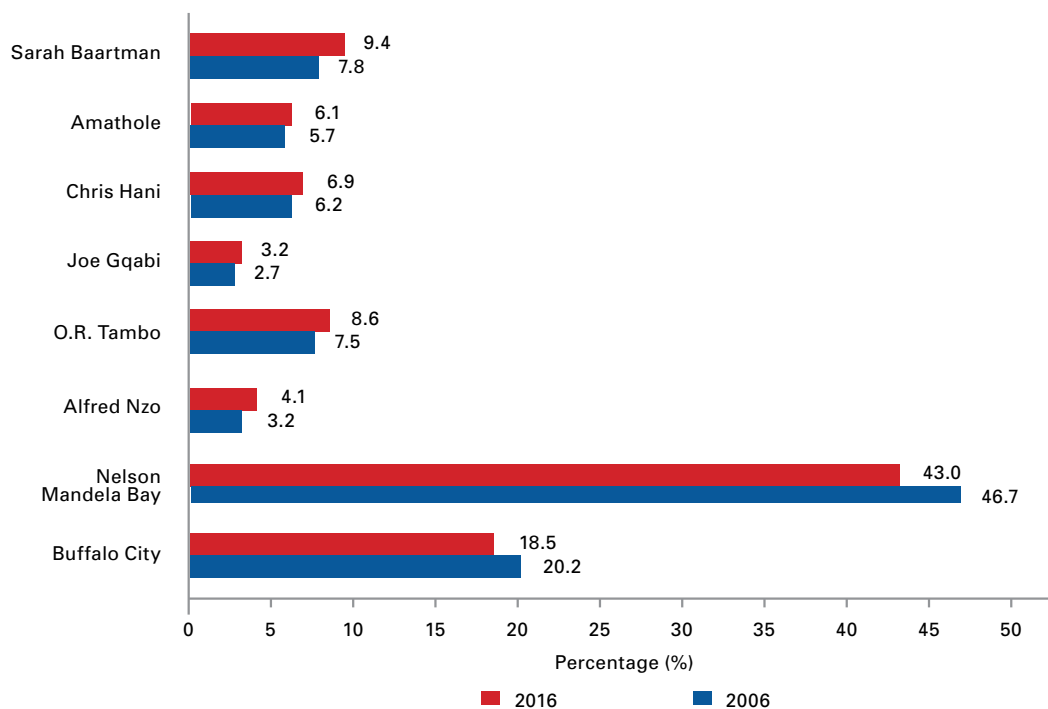


Source: Own calculation based on Quantec Research data

- Building and construction has been a major stock for the Province's metros and rural areas as it represented close to 75 percent of the Province's total FCS in 2016.
- NMB Metro and Buffalo City contributions decreased from 38.5 and 20.7 percent of the total FCS of building and construction asset in 2006 to 36.6 and 19.1 percent, respectively in 2016, while other DMs registered marginal increases.
- Approximately 30 percent of the Province's construction capital stock was in Port Elizabeth in 2016.

Machinery and equipment was the second major stock within NMB Metro and Buffalo City and both metros represented 61.6 percent of the Province's machinery and equipment stock in 2016. Figure 5.18 below shows the proportion of machinery and other equipment's FCS across the metros and DM between 2006 and 2016.

Figure 5.18: Proportion of Machinery and Other Equipment’s FCS across the Region, 2006 - 2016

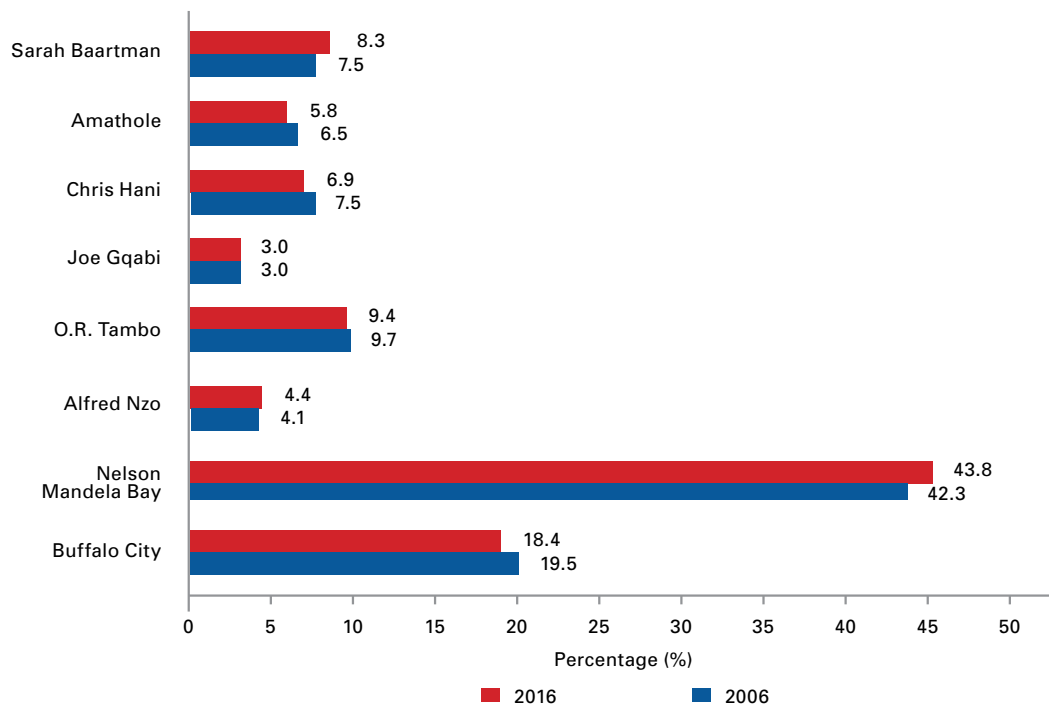


Source: Own calculation based on Quantec Research data

- O.R Tambo outperformed other rural districts with 8.6 percent of the Province’s machinery and other equipment’s FCS in 2016.
- Despite contributing least towards EC machinery and other equipment stock, the rural area machinery stock recorded the fastest annual average growth rate since 2006.
- NMB and Buffalo City had the largest share of EC machinery and other equipment’s FCS assets with 33.6 and 14.1 percent, respectively in 2016.

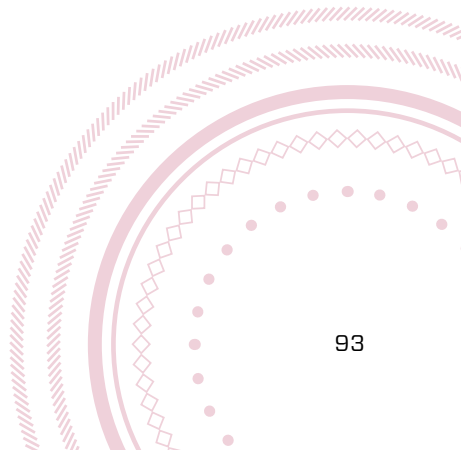
The share of stock coming from transportation of goods has outgrown the growth rate of construction and machinery assets in the past 10 years at both provincial and district level despite its marginal contribution to the Province’s total assets. Figure 5.19 below shows the proportion of transportation equipment’s FCS across the metros and DM between 2006 and 2016.

Figure 5.19: Proportion of Transportation Equipment’s FCS across the Region, 2006 - 2016



Source: Own calculation based on Quantec Research data

- NMB is still leading in terms of a proportion of the Province’s total transport equipment’s FCS in 2016. The two metros accounted for 62.8 percent of the Province’s total transport equipment’s FCS.
- During the same period, O.R Tambo hosted close to 9.4 percent of the Province’s total transport equipment’s FCS and leading all DM.
- NMB and Buffalo City accounted for 34.4 and 19.9 percent, respectively of the Province’s total transport equipment’s FCS in 2016.





EASTERN CAPE MUNICIPALITIES SOCIO-ECONOMIC INDICATORS

06

EASTERN CAPE MUNICIPALITIES SOCIO-ECONOMIC INDICATORS

| | POPULATION SIZE | | | | | |
|---------------------------|-----------------|-----------|----------------|-----------|----------------|-----------|
| | 2006 | | 2011 | | 2016 | |
| | Number | [% share] | Number | [% share] | Number | [% share] |
| Sarah Baartman | 435884 | | 436197 | | 444735 | |
| Camdeboo | 49777 | 11,4 | 51046 | 11,7 | 49735 | 11,2 |
| Blue Crane Route | 38013 | 8,7 | 37597 | 8,6 | 38114 | 8,6 |
| Ikwezi | 10869 | 2,5 | 10906 | 2,5 | 10807 | 2,4 |
| Makana | 80983 | 18,6 | 80934 | 18,6 | 81615 | 18,4 |
| Ndlambe | 58640 | 13,5 | 59238 | 13,6 | 61338 | 13,8 |
| Sundays River Valley | 50893 | 11,7 | 49033 | 11,2 | 51676 | 11,6 |
| Baviaans | 17560 | 4,0 | 17279 | 4,0 | 16596 | 3,7 |
| Kouga | 87463 | 20,1 | 91238 | 20,9 | 95270 | 21,4 |
| Kou-Kamma | 41686 | 9,6 | 38926 | 8,9 | 39584 | 8,9 |
| Amathole | 974156 | | 932830 | | 914143 | |
| Mbhashe | 267062 | 27,4 | 258446 | 27,7 | 254919 | 27,9 |
| Mnquma | 281565 | 28,9 | 268107 | 28,7 | 260374 | 28,5 |
| Great Kei | 43546 | 4,5 | 41159 | 4,4 | 40456 | 4,4 |
| Amahlathi | 139532 | 14,3 | 132270 | 14,2 | 130054 | 14,2 |
| Ngqushwa | 82698 | 8,5 | 77790 | 8,3 | 74914 | 8,2 |
| Nkonkobe | 134117 | 13,8 | 130331 | 14,0 | 128809 | 14,1 |
| Nxuba | 25636 | 2,6 | 24727 | 2,7 | 24618 | 2,7 |
| Chris Hani | 825968 | | 802825 | | 797627 | |
| Inxuba Yethemba | 64161 | 7,8 | 63471 | 7,9 | 63623 | 8,0 |
| Tsolwana | 34268 | 4,1 | 32961 | 4,1 | 32970 | 4,1 |
| Inkwanca | 21705 | 2,6 | 21134 | 2,6 | 21576 | 2,7 |
| Lukanji | 191973 | 23,2 | 191546 | 23,9 | 193135 | 24,2 |
| Intsika Yethu | 157052 | 19,0 | 150069 | 18,7 | 147168 | 18,5 |
| Emalahleni | 125284 | 15,2 | 120636 | 15,0 | 118909 | 14,9 |
| Engcobo | 164158 | 19,9 | 158016 | 19,7 | 155654 | 19,5 |
| Sakhisizwe | 67367 | 8,2 | 64991 | 8,1 | 64592 | 8,1 |
| Joe Gqabi | 356096 | | 347601 | | 350569 | |
| Elundini | 142736 | 40,1 | 138581 | 39,9 | 138863 | 39,6 |
| Senqu | 138836 | 39,0 | 134584 | 38,7 | 134719 | 38,4 |
| Maletswai | 41228 | 11,6 | 41680 | 12,0 | 43559 | 12,4 |
| Gariep | 33296 | 9,4 | 32757 | 9,4 | 33429 | 9,5 |
| O.R.Tambo | 1354110 | | 1341295 | | 1346881 | |
| Ngquza Hill | 270211 | 20,0 | 268906 | 20,0 | 271764 | 20,2 |
| Port St Johns | 153671 | 11,3 | 151379 | 11,3 | 151232 | 11,2 |
| Nyandeni | 285236 | 21,1 | 282387 | 21,1 | 283058 | 21,0 |
| Mhlontlo | 203638 | 15,0 | 194687 | 14,5 | 190765 | 14,2 |
| King Sabata Dalindyebo | 441354 | 32,6 | 443936 | 33,1 | 450061 | 33,4 |
| Alfred Nzo | 801962 | | 789224 | | 791028 | |
| Umzimvubu | 202386 | 25,2 | 195733 | 24,8 | 193506 | 24,5 |
| Matatiele | 205234 | 25,6 | 202056 | 25,6 | 203489 | 25,7 |
| Mbizana | 265049 | 33,1 | 266329 | 33,7 | 271129 | 34,3 |
| Ntabankulu | 129293 | 16,1 | 125105 | 15,9 | 122904 | 15,5 |
| Nelson Mandela Bay | 1105363 | | 1135384 | | 1130591 | |
| Port Elizabeth | 851085 | 77,0 | 870603 | 76,7 | 863155 | 76,3 |
| Uitenhage | 209828 | 19,0 | 216748 | 19,1 | 218944 | 19,4 |
| Despatch | 44450 | 4,0 | 48034 | 4,2 | 48492 | 4,3 |
| Buffalo City | 748913 | | 751841 | | 759179 | |
| East London/Mdantsane | 547353 | 73,1 | 552643 | 73,5 | 559894 | 73,7 |
| Berlin | 55294 | 7,4 | 53543 | 7,1 | 52802 | 7,0 |
| King William's Town/Bisho | 146266 | 19,5 | 145655 | 19,4 | 146484 | 19,3 |

| | NUMBER OF PEOPLE PER SQR KM | | | | | |
|---------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | 2006 | | 2011 | | 2016 | |
| | Average Households Size (Number) | Number of People per Sqr Km | Average Households Size (Number) | Number of People per Sqr Km | Average Households Size (Number) | Number of People per Sqr Km |
| Sarah Baartman | 4 | 7 | 4 | 7 | 4 | 8 |
| Camdeboo | 4 | 4 | 4 | 4 | 4 | 4 |
| Blue Crane Route | 4 | 3 | 4 | 3 | 4 | 3 |
| Ikwezi | 4 | 2 | 4 | 2 | 4 | 2 |
| Makana | 4 | 19 | 4 | 18 | 4 | 19 |
| Ndlambe | 3 | 32 | 3 | 32 | 3 | 33 |
| Sundays River Valley | 4 | 8 | 4 | 8 | 4 | 9 |
| Baviaans | 4 | 2 | 4 | 1 | 4 | 1 |
| Kouga | 4 | 33 | 3 | 34 | 3 | 36 |
| Kou-Kamma | 4 | 11 | 4 | 11 | 4 | 11 |
| Amathole | 4 | 45 | 4 | 43 | 4 | 42 |
| Mbhashe | 5 | 84 | 4 | 82 | 4 | 80 |
| Mnquma | 4 | 86 | 4 | 82 | 4 | 80 |
| Great Kei | 4 | 25 | 4 | 24 | 4 | 23 |
| Amahlathi | 4 | 29 | 4 | 27 | 4 | 27 |
| Ngqushwa | 4 | 37 | 4 | 35 | 3 | 33 |
| Nkonkobe | 4 | 37 | 4 | 36 | 4 | 36 |
| Nxuba | 4 | 9 | 4 | 9 | 4 | 9 |
| Chris Hani | 4 | 23 | 4 | 22 | 4 | 22 |
| Inxuba Yethemba | 4 | 6 | 4 | 5 | 4 | 5 |
| Tsolwana | 4 | 6 | 4 | 5 | 4 | 5 |
| Inkwanca | 4 | 6 | 4 | 6 | 4 | 6 |
| Lukanji | 4 | 50 | 4 | 50 | 4 | 51 |
| Intsika Yethu | 4 | 58 | 4 | 55 | 4 | 54 |
| Emalahleni | 4 | 36 | 4 | 35 | 4 | 34 |
| Engcobo | 5 | 66 | 4 | 64 | 4 | 63 |
| Sakhisizwe | 4 | 29 | 4 | 28 | 4 | 27 |
| Joe Gqabi | 4 | 14 | 4 | 14 | 4 | 14 |
| Elundini | 4 | 28 | 4 | 27 | 4 | 27 |
| Senqu | 4 | 19 | 4 | 18 | 4 | 18 |
| Maletswai | 4 | 9 | 4 | 10 | 4 | 10 |
| Gariep | 4 | 4 | 4 | 4 | 3 | 4 |
| O.R.Tambo | 5 | 112 | 5 | 111 | 5 | 111 |
| Ngquza Hill | 5 | 109 | 5 | 109 | 5 | 110 |
| Port St Johns | 5 | 119 | 5 | 117 | 5 | 117 |
| Nyandeni | 5 | 115 | 5 | 114 | 5 | 114 |
| Mhlontlo | 5 | 72 | 4 | 69 | 4 | 68 |
| King Sabata Dalindyebo | 4 | 146 | 4 | 147 | 4 | 149 |
| Alfred Nzo | 5 | 75 | 5 | 74 | 5 | 74 |
| Umzimvubu | 4 | 79 | 4 | 76 | 4 | 75 |
| Matatiele | 4 | 47 | 4 | 46 | 4 | 47 |
| Mbizana | 6 | 110 | 6 | 110 | 6 | 112 |
| Ntabankulu | 5 | 93 | 5 | 90 | 5 | 89 |
| Nelson Mandela Bay | 4 | 564 | 4 | 580 | 4 | 577 |
| Port Elizabeth | 4 | 1315 | 4 | 1345 | 4 | 1334 |
| Uitenhage | 4 | 357 | 4 | 368 | 4 | 372 |
| Despatch | 4 | 61 | 4 | 66 | 4 | 67 |
| Buffalo City | 4 | 295 | 3 | 296 | 3 | 299 |
| East London/Mdantsane | 3 | 321 | 3 | 324 | 3 | 329 |
| Berlin | 4 | 173 | 4 | 168 | 4 | 166 |
| King William's Town/Bisho | 4 | 285 | 4 | 283 | 4 | 285 |

| POPULATION HIV INFECTION AND AIDS & OTHER DEATHS | | | | | | | | | |
|--|--------------|-------------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
| | 2006 | | | 2011 | | | 2016 | | |
| | HIV positive | AIDS deaths | Other deaths | HIV positive | AIDS deaths | Other deaths | HIV positive | AIDS deaths | Other deaths |
| Proportion of Population (%) | | | | | | | | | |
| Sarah Baartman | 8,6 | 0,4 | 1 | 9,3 | 0,3 | 1 | 10,3 | 0,4 | 1,1 |
| Camdeboo | 5,4 | 0,3 | 0,9 | 6,3 | 0,2 | 1 | 7 | 0,2 | 1 |
| Blue Crane Route | 8,8 | 0,5 | 1 | 9,6 | 0,3 | 1 | 10,7 | 0,4 | 1,1 |
| Ikwezi | 6,4 | 0,3 | 1 | 7,3 | 0,2 | 1 | 8,3 | 0,3 | 1,1 |
| Makana | 10,6 | 0,5 | 1 | 11,6 | 0,4 | 1 | 12,8 | 0,5 | 1 |
| Ndlambe | 10,3 | 0,5 | 1,2 | 11,1 | 0,4 | 1,3 | 12,2 | 0,4 | 1,3 |
| Sundays River Valley | 10,8 | 0,6 | 1 | 11,2 | 0,4 | 1 | 12,4 | 0,4 | 1 |
| Baviaans | 4,4 | 0,2 | 0,9 | 5,3 | 0,2 | 0,9 | 5,9 | 0,2 | 1 |
| Kouga | 7,6 | 0,4 | 1 | 8,3 | 0,3 | 1 | 9,3 | 0,3 | 1,1 |
| Kou-Kamma | 7,2 | 0,3 | 0,8 | 7,7 | 0,3 | 0,8 | 8,6 | 0,3 | 0,9 |
| Amathole | 9,2 | 0,5 | 1,2 | 10,3 | 0,4 | 1,2 | 11,3 | 0,4 | 1,2 |
| Mbhashe | 8,3 | 0,4 | 1,1 | 9,5 | 0,3 | 1,1 | 10,5 | 0,4 | 1,1 |
| Mnquma | 9 | 0,5 | 1,1 | 10,1 | 0,4 | 1,2 | 11,1 | 0,4 | 1,2 |
| Great Kei | 9,8 | 0,5 | 1,1 | 10,8 | 0,4 | 1,2 | 12,1 | 0,4 | 1,2 |
| Amahlathi | 10 | 0,5 | 1,2 | 11 | 0,4 | 1,2 | 12,1 | 0,5 | 1,2 |
| Ngqushwa | 9,4 | 0,5 | 1,4 | 10,5 | 0,4 | 1,4 | 11,6 | 0,4 | 1,5 |
| Nkonkobe | 10,2 | 0,5 | 1,3 | 11,2 | 0,4 | 1,3 | 12,2 | 0,4 | 1,3 |
| Nxuba | 9,2 | 0,5 | 1,2 | 9,9 | 0,3 | 1,2 | 11 | 0,4 | 1,2 |
| Chris Hani | 8,9 | 0,5 | 1,1 | 10 | 0,3 | 1,1 | 11 | 0,4 | 1,1 |
| Inxuba Yethemba | 8,1 | 0,4 | 1 | 8,9 | 0,3 | 1 | 10 | 0,4 | 1 |
| Tsolwana | 9 | 0,5 | 1,1 | 10,1 | 0,3 | 1,1 | 11,1 | 0,4 | 1,1 |
| Inkwanca | 10 | 0,5 | 1,1 | 11 | 0,4 | 1,1 | 12,1 | 0,4 | 1 |
| Lukanji | 10,3 | 0,5 | 1,1 | 11,5 | 0,4 | 1,1 | 12,5 | 0,5 | 1,1 |
| Intsika Yethu | 8,1 | 0,4 | 1,2 | 9,3 | 0,3 | 1,3 | 10,3 | 0,4 | 1,3 |
| Emalahleni | 8,2 | 0,4 | 1,2 | 9,4 | 0,3 | 1,3 | 10,4 | 0,4 | 1,3 |
| Engcobo | 8,4 | 0,5 | 1 | 9,6 | 0,3 | 1,1 | 10,6 | 0,4 | 1 |
| Sakhisizwe | 9 | 0,5 | 1,1 | 10,2 | 0,4 | 1,1 | 11,2 | 0,4 | 1,1 |
| Joe Gqabi | 9,1 | 0,5 | 1,1 | 10,2 | 0,3 | 1,1 | 11,3 | 0,4 | 1,1 |
| Elundini | 8,6 | 0,5 | 1,1 | 9,8 | 0,3 | 1,1 | 10,9 | 0,4 | 1,1 |
| Senqu | 9,3 | 0,5 | 1,1 | 10,4 | 0,3 | 1,1 | 11,5 | 0,4 | 1,1 |
| Maletswai | 10,1 | 0,5 | 1 | 11,2 | 0,4 | 1 | 12,3 | 0,4 | 0,9 |
| Gariep | 8,9 | 0,5 | 1 | 9,8 | 0,3 | 1 | 10,9 | 0,4 | 1 |
| O.R.Tambo | 9,1 | 0,5 | 0,9 | 10,2 | 0,3 | 0,9 | 11,1 | 0,4 | 0,9 |
| Ngquza Hill | 8,9 | 0,5 | 0,9 | 9,8 | 0,3 | 0,9 | 10,6 | 0,4 | 0,9 |
| Port St Johns | 8,3 | 0,4 | 0,9 | 9,4 | 0,3 | 0,9 | 10,1 | 0,4 | 0,9 |
| Nyandeni | 8,8 | 0,5 | 0,9 | 9,9 | 0,3 | 0,9 | 10,7 | 0,4 | 0,9 |
| Mhlontlo | 8,6 | 0,5 | 1 | 9,7 | 0,3 | 1 | 10,6 | 0,4 | 1 |
| King Sabata Dalindyebo | 10 | 0,5 | 0,9 | 11,2 | 0,4 | 0,9 | 12,1 | 0,4 | 0,9 |
| Alfred Nzo | 8,7 | 0,5 | 0,9 | 9,8 | 0,3 | 0,9 | 10,6 | 0,4 | 0,9 |
| Umzimvubu | 8,9 | 0,5 | 1 | 10,1 | 0,3 | 1 | 11 | 0,4 | 1 |
| Matatiele | 8,8 | 0,5 | 1 | 9,9 | 0,3 | 1 | 10,9 | 0,4 | 1 |
| Mbizana | 8,6 | 0,4 | 0,9 | 9,6 | 0,3 | 0,8 | 10,3 | 0,4 | 0,8 |
| Ntabankulu | 8,5 | 0,4 | 0,9 | 9,5 | 0,3 | 1 | 10,2 | 0,4 | 0,9 |
| Nelson Mandela Bay | 9,2 | 0,5 | 0,9 | 10,2 | 0,3 | 0,9 | 11,2 | 0,4 | 1 |
| Port Elizabeth | 9,4 | 0,5 | 0,9 | 10,4 | 0,3 | 0,9 | 11,4 | 0,4 | 1 |
| Uitenhage | 9,3 | 0,5 | 0,9 | 10,2 | 0,3 | 0,9 | 11,2 | 0,4 | 0,9 |
| Despatch | 5,5 | 0,3 | 0,8 | 6,6 | 0,2 | 0,9 | 7,7 | 0,3 | 1 |
| Buffalo City | 11,3 | 0,6 | 1 | 12,3 | 0,4 | 1 | 13,4 | 0,5 | 1 |
| East London/Mdantsane | 11,3 | 0,6 | 0,9 | 12,3 | 0,4 | 1 | 13,3 | 0,5 | 0,9 |
| Berlin | 11,4 | 0,6 | 1,1 | 12,4 | 0,4 | 1,1 | 13,4 | 0,5 | 1,1 |
| King William's Town/Bisho | 11,4 | 0,6 | 1 | 12,5 | 0,4 | 1 | 13,5 | 0,5 | 1 |

| | POPULATION LEVEL OF EDUCATION | | | | | | | | |
|---|-------------------------------|-----------------------|---------------------------|-------------------------------|-----------------------|---------------------------|-------------------------------|-----------------------|---------------------------|
| | 2006 | | | 2011 | | | 2016 | | |
| | Less than matric & certif/dip | Diploma with Grade 12 | Bachelor & Higher Degrees | Less than matric & certif/dip | Diploma with Grade 12 | Bachelor & Higher Degrees | Less than matric & certif/dip | Diploma with Grade 12 | Bachelor & Higher Degrees |
| Proportion of Persons' level of Education (%) | | | | | | | | | |
| Sarah Baartman (Number) | 864 | 9068 | 6181 | 781 | 9638 | 6462 | 756 | 10036 | 6549 |
| Camdeboo | 16,5 | 12,7 | 9,5 | 16,8 | 13,8 | 10,3 | 16,1 | 14 | 10,7 |
| Blue Crane Route | 5 | 7,5 | 5 | 5,5 | 6,9 | 5,2 | 5,9 | 6,7 | 5,5 |
| Ikwezi | 1,4 | 2,3 | 1 | 2,1 | 2,1 | 1 | 2,5 | 2 | 1 |
| Makana | 20,4 | 21,3 | 39,2 | 22,5 | 20,8 | 38 | 23,5 | 20,6 | 36,7 |
| Ndlambe | 21,8 | 16 | 16,2 | 21 | 16 | 16,2 | 20,5 | 15,8 | 16,2 |
| Sundays River Valley | 6,6 | 6,6 | 4,7 | 5,9 | 5,9 | 4,3 | 6,3 | 6,1 | 4,3 |
| Baviaans | 3,8 | 2,8 | 1,7 | 3,1 | 2,3 | 1,5 | 2,7 | 2,2 | 1,5 |
| Kouga | 17,5 | 24,6 | 18,9 | 18,4 | 27,1 | 20,1 | 18,4 | 27,8 | 20,7 |
| Kou-Kamma | 7 | 6,1 | 3,7 | 4,7 | 5,1 | 3,3 | 4,1 | 4,9 | 3,3 |
| Amathole (Number) | 1903 | 15164 | 5933 | 1709 | 15894 | 6711 | 1634 | 16815 | 7331 |
| Mbhashe | 21,5 | 21,4 | 15,1 | 22,4 | 21,7 | 16,2 | 22,7 | 22,2 | 16,9 |
| Mnquma | 27,9 | 38,1 | 34,7 | 26,4 | 39,5 | 35,5 | 25,6 | 40,1 | 36 |
| Great Kei | 4,6 | 3,6 | 4,3 | 3,1 | 3,6 | 4,3 | 2,1 | 3,5 | 4 |
| Amahlathi | 13,8 | 12,4 | 11 | 14,1 | 11,7 | 10,3 | 13,8 | 11,5 | 10 |
| Nggushwa | 8,7 | 6,1 | 4,2 | 9,1 | 5,8 | 4 | 9,3 | 5,5 | 3,9 |
| Nkonkobe | 20,8 | 15,3 | 25,9 | 22,4 | 14,6 | 25,6 | 23,9 | 14,2 | 25,4 |
| Nxuba | 2,6 | 3,1 | 4,7 | 2,5 | 3,1 | 4,2 | 2,6 | 3 | 3,7 |
| Chris Hani (Number) | 1811 | 14447 | 5554 | 1732 | 15261 | 6481 | 1706 | 16296 | 7216 |
| Inxuba Yethemba | 8,9 | 10,6 | 13,4 | 8 | 11 | 12,7 | 7,9 | 11,1 | 12,2 |
| Tsolwana | 2,7 | 3,2 | 2,8 | 2,1 | 2,9 | 2,4 | 1,6 | 2,8 | 2,3 |
| Inkwanca | 2,6 | 2,5 | 2,6 | 3,2 | 2,4 | 2,7 | 3,8 | 2,4 | 2,7 |
| Lukanji | 36,1 | 39,4 | 46,2 | 38,6 | 40,8 | 46,8 | 39,4 | 41,4 | 46,8 |
| Intsika Yethu | 16,7 | 14,4 | 9,5 | 14,8 | 14,5 | 9,9 | 13,7 | 14,5 | 10,2 |
| Emalahleni | 9,4 | 9,4 | 7,1 | 8,1 | 8,2 | 6,5 | 7,5 | 7,7 | 6,3 |
| Engcobo | 16,7 | 12,4 | 11,2 | 18,9 | 12,5 | 12 | 20 | 12,5 | 12,3 |
| Sakhisizwe | 6,9 | 8,1 | 7,1 | 6,3 | 7,7 | 7,1 | 6,1 | 7,6 | 7,1 |
| Joe Gqabi (Number) | 632 | 5427 | 2042 | 559 | 5746 | 2310 | 549 | 6283 | 2588 |
| Elundini | 35,4 | 34,8 | 30,2 | 33,6 | 34,5 | 32,3 | 32,4 | 34,6 | 33,4 |
| Senqu | 38,3 | 34,7 | 35,5 | 36,3 | 33,1 | 33,9 | 34,5 | 32,4 | 32,5 |
| Maletswai | 14,2 | 19,4 | 22,4 | 15,7 | 20,7 | 22,7 | 16,3 | 21,2 | 23,3 |
| Gariep | 12,1 | 11,1 | 11,9 | 14,5 | 11,7 | 11,2 | 16,8 | 11,9 | 10,8 |
| O.R.Tambo (Number) | 2386 | 17937 | 9436 | 2323 | 20191 | 11207 | 2349 | 22633 | 12791 |
| Ngquza Hill | 13,8 | 16,3 | 11,1 | 13,9 | 16,2 | 11,8 | 14,3 | 16,2 | 12 |
| Port St Johns | 6,8 | 6,3 | 4,6 | 6,2 | 6,1 | 4,4 | 5,9 | 6 | 4,3 |
| Nyandeni | 14,3 | 13,2 | 9,6 | 13,3 | 13,3 | 9,7 | 12,7 | 13,2 | 9,7 |
| Mhlontlo | 16,8 | 13,8 | 8,3 | 15,7 | 12,7 | 8,2 | 15,4 | 12,1 | 8,1 |
| King Sabata Dalindyebo | 48,3 | 50,4 | 66,4 | 50,9 | 51,8 | 66 | 51,6 | 52,6 | 65,9 |
| Alfred Nzo | 1358 | 9402 | 3368 | 1266 | 10245 | 4210 | 1271 | 11200 | 4897 |
| Umzimvubu | 32,7 | 33 | 28,1 | 31,8 | 32,6 | 27,1 | 31,9 | 32,4 | 26,9 |
| Matatiele | 28,9 | 28,1 | 32,5 | 27,9 | 27,6 | 31,7 | 27,1 | 27,4 | 31,3 |
| Mbizana | 28,2 | 27,2 | 28,6 | 30,5 | 28,2 | 31 | 31,5 | 28,8 | 32 |
| Ntabankulu | 10,1 | 11,7 | 10,8 | 9,9 | 11,6 | 10,2 | 9,4 | 11,4 | 9,8 |
| Nelson Mandela Bay | 2994 | 27290 | 14771 | 2840 | 30419 | 16778 | 2814 | 32939 | 18069 |
| Port Elizabeth | 78,4 | 74,8 | 75,3 | 81,8 | 74,9 | 74,9 | 83,2 | 74,6 | 74,1 |
| Uitenhage | 3,2 | 4,5 | 3,3 | 2 | 4,4 | 3,3 | 1,4 | 4,4 | 3,3 |
| Despatch | 18,4 | 20,7 | 21,4 | 16,3 | 20,7 | 21,9 | 15,4 | 21 | 22,6 |
| Buffalo City | 2940 | 25846 | 14000 | 2656 | 31921 | 18082 | 2965 | 35742 | 19603 |
| East London/Mdantsane | 77,7 | 74,5 | 75 | 84,1 | 74,8 | 74,9 | 83,9 | 74,6 | 74,5 |
| Berlin | 3,4 | 4,5 | 3,3 | 1,2 | 4,4 | 3,2 | 1,2 | 4,4 | 3,3 |
| King William's Town/Bisho | 18,8 | 21 | 21,7 | 14,7 | 20,7 | 21,9 | 14,9 | 20,9 | 22,2 |

| | HOUSEHOLDS ACCESS TO ENERGY FOR LIGHTING | | | | | | | | |
|---------------------------|--|-----|-----------------------------|-------------|-----|-----------------------------|-------------|-----|-----------------------------|
| | 2006 | | | 2011 | | | 2016 | | |
| | Electricity | Gas | Paraffin & Candles & Others | Electricity | Gas | Paraffin & Candles & Others | Electricity | Gas | Paraffin & Candles & Others |
| | Proportion of Households (%) | | | | | | | | |
| Sarah Baartman | 80,5 | 0,3 | 19,2 | 84,7 | 0,2 | 15,1 | 86,4 | 0,2 | 13,4 |
| Camdeboo | 89,7 | 0,1 | 10,2 | 92,1 | 0,1 | 7,8 | 93,4 | 0,1 | 6,6 |
| Blue Crane Route | 77,3 | 0,2 | 22,4 | 83,2 | 0,2 | 16,7 | 85,9 | 0,2 | 13,9 |
| Ikwezi | 80,7 | 0,2 | 19,1 | 85,2 | 0,2 | 14,6 | 87,7 | 0,2 | 12,1 |
| Makana | 82,2 | 0,5 | 17,3 | 86,7 | 0,5 | 12,9 | 88,6 | 0,4 | 10,9 |
| Ndlambe | 77,7 | 0,3 | 22 | 83 | 0,2 | 16,8 | 85,3 | 0,1 | 14,6 |
| Sundays River Valley | 72,6 | 0,3 | 27,1 | 77 | 0,3 | 22,8 | 79 | 0,3 | 20,7 |
| Baviaans | 78 | 0,3 | 21,7 | 84,4 | 0,2 | 15,4 | 87,7 | 0,1 | 12,2 |
| Kouga | 81,6 | 0,3 | 18,1 | 84,8 | 0,2 | 15 | 85,7 | 0,2 | 14,1 |
| Kou-Kamma | 82,7 | 0,2 | 17,1 | 85,6 | 0,1 | 14,2 | 86,8 | 0,1 | 13,1 |
| Amathole | 60,1 | 0,3 | 39,6 | 66,2 | 0,3 | 33,5 | 69,1 | 0,3 | 30,5 |
| Mbhashe | 34,8 | 0,4 | 64,8 | 44 | 0,5 | 55,6 | 48,4 | 0,5 | 51,1 |
| Mnquma | 49,4 | 0,4 | 50,2 | 56,7 | 0,4 | 42,9 | 60,2 | 0,4 | 39,3 |
| Great Kei | 76,5 | 0,2 | 23,3 | 78,8 | 0,3 | 21 | 79,7 | 0,3 | 20 |
| Amahlathi | 75,8 | 0,3 | 23,9 | 80 | 0,2 | 19,8 | 82 | 0,2 | 17,8 |
| Ngqushwa | 81,6 | 0,2 | 18,2 | 87,5 | 0,2 | 12,3 | 90,4 | 0,2 | 9,4 |
| Nkonkobe | 83,1 | 0,2 | 16,7 | 86,3 | 0,2 | 13,5 | 87,9 | 0,2 | 12 |
| Nxuba | 86,7 | 0,1 | 13,2 | 90 | 0 | 9,9 | 91,6 | 0 | 8,4 |
| Chris Hani | 65,3 | 0,3 | 34,4 | 72 | 0,2 | 27,8 | 75,2 | 0,2 | 24,5 |
| Inxuba Yethemba | 89,9 | 0,1 | 10 | 93,3 | 0,1 | 6,6 | 95 | 0,1 | 5 |
| Tsolwana | 87,2 | 0,2 | 12,7 | 87,7 | 0,2 | 12,1 | 87,9 | 0,2 | 11,9 |
| Inkwanca | 83,2 | 0,1 | 16,7 | 87,9 | 0,2 | 11,9 | 90,2 | 0,2 | 9,6 |
| Lukanji | 83,1 | 0,2 | 16,7 | 87,8 | 0,2 | 12 | 90,1 | 0,2 | 9,7 |
| Intsika Yethu | 52,2 | 0,3 | 47,5 | 59,8 | 0,3 | 40 | 63,4 | 0,3 | 36,3 |
| Emalahleni | 63,8 | 0,3 | 35,9 | 72,7 | 0,3 | 27 | 77 | 0,3 | 22,7 |
| Engcobo | 36,6 | 0,3 | 63 | 45,2 | 0,3 | 54,5 | 49,3 | 0,3 | 50,4 |
| Sakhisizwe | 66,8 | 0,2 | 33 | 74,3 | 0,2 | 25,4 | 78 | 0,2 | 21,8 |
| Joe Gqabi | 57,6 | 0,4 | 42 | 64,7 | 0,4 | 34,9 | 68,1 | 0,4 | 31,5 |
| Elundini | 31,1 | 0,3 | 68,5 | 40,4 | 0,4 | 59,2 | 44,8 | 0,4 | 54,7 |
| Senqu | 73,2 | 0,4 | 26,5 | 78,4 | 0,4 | 21,2 | 81 | 0,4 | 18,6 |
| Maletswai | 72,2 | 0,3 | 27,5 | 79,5 | 0,3 | 20,1 | 83 | 0,3 | 16,7 |
| Gariep | 83,9 | 0,6 | 15,5 | 87,8 | 0,8 | 11,4 | 89,7 | 0,9 | 9,4 |
| O.R.Tambo | 52,7 | 0,3 | 47 | 63,4 | 0,3 | 36,3 | 68,6 | 0,3 | 31,1 |
| Ngquza Hill | 41,3 | 0,2 | 58,4 | 54,5 | 0,2 | 45,3 | 60,8 | 0,2 | 39 |
| Port St Johns | 45,8 | 0,3 | 53,9 | 59,4 | 0,3 | 40,3 | 66 | 0,3 | 33,7 |
| Nyandeni | 54,6 | 0,2 | 45,2 | 64,8 | 0,2 | 35 | 69,7 | 0,2 | 30,1 |
| Mhlontlo | 53,6 | 0,2 | 46,1 | 65,2 | 0,3 | 34,5 | 70,8 | 0,3 | 28,9 |
| King Sabata Dalindyebo | 59,6 | 0,3 | 40,1 | 68 | 0,3 | 31,7 | 72 | 0,3 | 27,7 |
| Alfred Nzo | 35,3 | 0,3 | 64,3 | 41,9 | 0,4 | 57,7 | 45,2 | 0,4 | 54,4 |
| Umzimvubu | 36,3 | 0,3 | 63,5 | 42 | 0,3 | 57,7 | 44,8 | 0,3 | 54,9 |
| Matatiele | 33,6 | 0,4 | 66 | 40,5 | 0,5 | 59 | 43,8 | 0,5 | 55,7 |
| Mbizana | 44,6 | 0,4 | 55 | 53,9 | 0,4 | 45,7 | 58,4 | 0,4 | 41,2 |
| Ntabankulu | 19,5 | 0,3 | 80,2 | 21,7 | 0,3 | 77,9 | 22,8 | 0,4 | 76,8 |
| Nelson Mandela Bay | 83,9 | 0,3 | 15,8 | 87,9 | 0,2 | 11,9 | 89,6 | 0,2 | 10,2 |
| Port Elizabeth | 82,8 | 0,3 | 16,9 | 87,4 | 0,2 | 12,3 | 89,4 | 0,2 | 10,4 |
| Uitenhage | 88,3 | 0,2 | 11,5 | 90,9 | 0,2 | 9 | 92,1 | 0,2 | 7,8 |
| Despatch | 85,3 | 0,3 | 14,4 | 83,7 | 0,4 | 15,9 | 81,6 | 0,4 | 18 |
| Buffalo City | 73,3 | 0,5 | 26,3 | 77,9 | 0,4 | 21,7 | 79,8 | 0,4 | 19,7 |
| East London/Mdantsane | 68,8 | 0,5 | 30,6 | 74,2 | 0,5 | 25,3 | 76,4 | 0,5 | 23,1 |
| Berlin | 83,8 | 0,3 | 15,9 | 85,8 | 0,4 | 13,8 | 86,8 | 0,4 | 12,8 |
| King William's Town/Bisho | 87,6 | 0,2 | 12,2 | 90,3 | 0,2 | 9,5 | 91,6 | 0,2 | 8,2 |

| | HOUSEHOLDS ACCESS TO REFUSE REMOVAL | | | | | | | | |
|------------------------------|-------------------------------------|----------------------------|------------------------------|----------------------------|----------------------------|------------------------------|----------------------------|----------------------------|------------------------------|
| | 2006 | | | 2011 | | | 2016 | | |
| | Removed by local authority | Own & Communal refuse dump | No rubbish disposal & Others | Removed by local authority | Own & Communal refuse dump | No rubbish disposal & Others | Removed by local authority | Own & Communal refuse dump | No rubbish disposal & Others |
| Proportion of Households (%) | | | | | | | | | |
| Sarah Baartman | 75,5 | 20,4 | 4 | 78,7 | 17,4 | 3,9 | 80,1 | 16 | 3,9 |
| Camdeboo | 82,2 | 15,8 | 1,9 | 83,5 | 14,3 | 2,2 | 84,4 | 13,3 | 2,3 |
| Blue Crane Route | 73,9 | 21,4 | 4,7 | 78 | 18,1 | 4 | 80,1 | 16,4 | 3,5 |
| Ikwezi | 73,1 | 24,6 | 2,2 | 76,6 | 20,5 | 2,9 | 78,7 | 18,2 | 3,1 |
| Makana | 88 | 9,7 | 2,4 | 89 | 8,4 | 2,6 | 89,5 | 7,8 | 2,6 |
| Ndlambe | 77,9 | 17,9 | 4,2 | 79,7 | 15,7 | 4,6 | 80,3 | 14,7 | 5 |
| Sundays River Valley | 51 | 37,8 | 11,3 | 58,9 | 31,8 | 9,3 | 62,8 | 28,9 | 8,3 |
| Baviaans | 68,2 | 29,4 | 2,4 | 72,9 | 23,9 | 3,2 | 75,3 | 21,1 | 3,6 |
| Kouga | 81,7 | 15,8 | 2,5 | 83,5 | 14,1 | 2,4 | 84,3 | 13,3 | 2,4 |
| Kou-Kamma | 63 | 32,6 | 4,4 | 67,3 | 27,7 | 5 | 69,6 | 25,2 | 5,3 |
| Amathole | 16,5 | 63,2 | 20,3 | 16,7 | 64,5 | 18,9 | 16,7 | 65,1 | 18,2 |
| Mbhashe | 3,8 | 56,7 | 39,4 | 3,7 | 56,9 | 39,4 | 3,7 | 57 | 39,3 |
| Mnquma | 17,6 | 61,3 | 21,1 | 16,8 | 64,1 | 19,2 | 16,3 | 65,4 | 18,2 |
| Great Kei | 29,2 | 55,4 | 15,3 | 32,5 | 55,9 | 11,6 | 33,8 | 56,3 | 9,8 |
| Amahlathi | 19,3 | 71 | 9,7 | 20,2 | 72,2 | 7,5 | 20,5 | 73 | 6,5 |
| Ngqushwa | 5,2 | 86,3 | 8,4 | 6,4 | 86,6 | 7 | 7 | 86,7 | 6,3 |
| Nkonkobe | 25 | 66,1 | 8,9 | 25 | 67,8 | 7,2 | 24,7 | 68,8 | 6,5 |
| Nxuba | 69,8 | 20,8 | 9,3 | 73,3 | 18,4 | 8,3 | 74,7 | 17,4 | 7,9 |
| Chris Hani | 28,2 | 49,3 | 22,5 | 28,7 | 50,5 | 20,8 | 29 | 51,1 | 20 |
| Inxuba Yethemba | 81,6 | 14,1 | 4,4 | 83,6 | 12,5 | 3,9 | 84,6 | 11,7 | 3,7 |
| Tsolwana | 27,3 | 63 | 9,7 | 27,5 | 65,6 | 6,9 | 27,5 | 67 | 5,5 |
| Inkwanca | 80,9 | 16,6 | 2,5 | 83,1 | 14,7 | 2,2 | 84,4 | 13,6 | 2 |
| Lukanji | 56,1 | 35,2 | 8,7 | 57,6 | 34,8 | 7,6 | 58,1 | 34,8 | 7,1 |
| Intsika Yethu | 3,2 | 63,1 | 33,7 | 3,2 | 64 | 32,8 | 3,2 | 64,5 | 32,3 |
| Emalahleni | 9,8 | 57,8 | 32,4 | 9,2 | 62,4 | 28,5 | 8,8 | 64,6 | 26,6 |
| Engcobo | 3,3 | 60 | 36,7 | 3,2 | 62,4 | 34,4 | 3,2 | 63,6 | 33,3 |
| Sakhisizwe | 19,9 | 60,7 | 19,4 | 17,2 | 62,9 | 19,9 | 15,7 | 64,1 | 20,2 |
| Joe Gqabi | 26,3 | 57,2 | 16,5 | 27,8 | 56,7 | 15,6 | 28,6 | 56,3 | 15,1 |
| Elundini | 12,6 | 65,3 | 22,1 | 13,2 | 65,9 | 20,9 | 13,4 | 66,2 | 20,4 |
| Senqu | 12,3 | 71,1 | 16,6 | 12,7 | 70,9 | 16,4 | 12,8 | 70,9 | 16,3 |
| Maletswai | 77,1 | 14,8 | 8,1 | 81,4 | 12,5 | 6,1 | 83,6 | 11,3 | 5,1 |
| Gariep | 76,2 | 20,3 | 3,6 | 79,1 | 18,1 | 2,8 | 80,6 | 17 | 2,4 |
| O.R.Tambo | 10,9 | 65,2 | 24 | 11,4 | 65,9 | 22,7 | 11,6 | 66,4 | 22,1 |
| Ngquza Hill | 3,4 | 74,3 | 22,4 | 3,6 | 75,2 | 21,1 | 3,8 | 75,7 | 20,5 |
| Port St Johns | 3,4 | 64,8 | 31,8 | 3,5 | 65,5 | 31 | 3,4 | 65,9 | 30,7 |
| Nyandeni | 1,9 | 71,6 | 26,4 | 2 | 70 | 27,9 | 2,1 | 69,2 | 28,7 |
| Mhlontlo | 5,1 | 65,1 | 29,8 | 5,5 | 64,2 | 30,2 | 5,8 | 63,8 | 30,4 |
| King Sabata Dalindyebo | 25,3 | 56,5 | 18,2 | 25,8 | 59,5 | 14,7 | 26 | 61 | 13 |
| Alfred Nzo | 6,7 | 71,7 | 21,6 | 7,1 | 72,7 | 20,2 | 7,2 | 73,3 | 19,5 |
| Umkhumbi | 7,4 | 73,5 | 19,1 | 7,6 | 74,8 | 17,6 | 7,7 | 75,4 | 16,8 |
| Matatiele | 11,7 | 69,1 | 19,2 | 12,4 | 70,5 | 17,1 | 12,6 | 71,3 | 16,1 |
| Mbizana | 2,5 | 78,2 | 19,3 | 2,6 | 78,9 | 18,5 | 2,6 | 79,2 | 18,2 |
| Ntabankulu | 3,9 | 61,1 | 35 | 4,2 | 61,4 | 34,4 | 4,3 | 61,6 | 34,1 |
| Nelson Mandela Bay | 90,8 | 6,2 | 3 | 91,3 | 5,8 | 2,9 | 91,4 | 5,7 | 3 |
| Port Elizabeth | 91,4 | 5,6 | 3 | 91,8 | 5,3 | 2,9 | 91,8 | 5,3 | 2,9 |
| Uitenhage | 89,8 | 7,6 | 2,6 | 91,2 | 6,4 | 2,4 | 91,9 | 5,8 | 2,3 |
| Despatch | 83,3 | 12,1 | 4,6 | 82,3 | 11,7 | 6 | 80,7 | 12,4 | 6,9 |
| Buffalo City | 71,7 | 23,5 | 4,8 | 71,3 | 24 | 4,7 | 70,8 | 24,5 | 4,7 |
| East London/Mdantsane | 77,5 | 18,1 | 4,4 | 76,6 | 19,1 | 4,3 | 75,8 | 19,9 | 4,4 |
| Berlin | 39 | 52,1 | 9 | 40,1 | 50,8 | 9,1 | 40,7 | 50,2 | 9,2 |
| King William's Town/Bisho | 59,4 | 35,6 | 5 | 60,3 | 34,9 | 4,8 | 60,4 | 34,8 | 4,8 |

| | HOUSEHOLDS ACCESS TO DWELLING TYPE | | | | | | | | | | | |
|------------------------------|--|----------------------|---------------------------------------|-------------------|--|----------------------|---------------------------------------|-------------------|--|----------------------|---------------------------------------|-------------------|
| | 2006 | | | | 2011 | | | | 2016 | | | |
| | House or brick structure on a separate stand or yard | Traditional dwelling | Flat & Town Houses in Block of Houses | Informal dwelling | House or brick structure on a separate stand or yard | Traditional dwelling | Flat & Town Houses in Block of Houses | Informal dwelling | House or brick structure on a separate stand or yard | Traditional dwelling | Flat & Town Houses in Block of Houses | Informal dwelling |
| Proportion of Households (%) | | | | | | | | | | | | |
| Sarah Baartman | 74,7 | 5,6 | 6,4 | 11,5 | 77,4 | 3,5 | 6,6 | 11,2 | 78,4 | 2,6 | 6,6 | 11,4 |
| Camdeboo | 80,9 | 0,6 | 11,6 | 5,9 | 79,9 | 0,4 | 13,6 | 5,4 | 79,5 | 0,3 | 14,4 | 5,2 |
| Blue Crane Route | 86,8 | 1,4 | 6,1 | 4,9 | 87,2 | 1 | 7,6 | 3,6 | 87,4 | 0,7 | 8,3 | 3,1 |
| Ikwezi | 91,8 | 0,7 | 4,5 | 2,4 | 92,3 | 0,4 | 4,6 | 2,3 | 92,6 | 0,2 | 4,6 | 2,2 |
| Makana | 66,3 | 9,7 | 11,2 | 11,4 | 70,9 | 6,1 | 11,3 | 10,7 | 73,1 | 4,4 | 11,2 | 10,5 |
| Ndlambe | 69,6 | 10,6 | 4,7 | 12,9 | 75,3 | 6,4 | 4,8 | 11,8 | 77,7 | 4,5 | 4,7 | 11,6 |
| Sundays River Valley | 70,8 | 12,2 | 4,5 | 10 | 77,5 | 7,8 | 3,4 | 9,7 | 80,5 | 5,7 | 2,9 | 9,8 |
| Baviaans | 92,4 | 2,3 | 3,1 | 1,1 | 92,9 | 1,5 | 3,6 | 1 | 93,2 | 1,1 | 3,9 | 0,9 |
| Kouga | 68,6 | 2,8 | 5,2 | 21,9 | 70,3 | 1,8 | 4,9 | 21,7 | 70,2 | 1,3 | 4,6 | 22,6 |
| Kou-Kamma | 85,9 | 1,1 | 2 | 6,8 | 87,9 | 0,7 | 1,8 | 7,1 | 88,7 | 0,4 | 1,7 | 7,4 |
| Amathole | 41 | 46,1 | 6 | 5,6 | 44,5 | 43,1 | 6 | 5,5 | 46,1 | 41,7 | 6 | 5,5 |
| Mbhashe | 17,5 | 71,3 | 7,9 | 2,4 | 19,9 | 68,1 | 8,8 | 2,5 | 21,1 | 66,6 | 9,3 | 2,5 |
| Mnquma | 34,8 | 48,2 | 7,3 | 8,7 | 38,5 | 45 | 7,3 | 8,2 | 40,3 | 43,5 | 7,3 | 8 |
| Great Kei | 50,5 | 29,6 | 4,9 | 13,9 | 55,1 | 23 | 4,4 | 16,5 | 57,1 | 20 | 4,1 | 17,9 |
| Amahlathi | 47,2 | 44,2 | 3 | 4,5 | 52,7 | 39,3 | 2,5 | 4,5 | 55,3 | 37,1 | 2,3 | 4,4 |
| Ngqushwa | 63,1 | 26,8 | 4,2 | 5 | 66,9 | 23,6 | 3,3 | 5,7 | 68,7 | 22 | 2,9 | 6 |
| Nkonkobe | 61,9 | 27,8 | 4,6 | 2,6 | 65,3 | 27,3 | 3,8 | 2,2 | 66,8 | 27,1 | 3,4 | 1,9 |
| Nxuba | 76 | 3,8 | 8,4 | 10,6 | 77,9 | 3,3 | 9,3 | 8,4 | 78,6 | 3,2 | 9,5 | 7,6 |
| Chris Hani | 50,3 | 38,4 | 7,3 | 3 | 52,3 | 36,6 | 7,9 | 2,5 | 53,3 | 35,7 | 8,1 | 2,2 |
| Inxuba Yethemba | 90,8 | 0,8 | 6 | 1,8 | 89,2 | 0,5 | 7,7 | 2 | 88,4 | 0,4 | 8,5 | 2 |
| Tsolwana | 79,6 | 13,7 | 3,3 | 2,7 | 83,6 | 12,1 | 2,2 | 1,7 | 85,5 | 11,3 | 1,7 | 1,2 |
| Inkwanca | 90,6 | 2,4 | 2,4 | 3,3 | 92,6 | 1,4 | 3 | 2,1 | 93,6 | 0,9 | 3,3 | 1,6 |
| Lukanji | 75,9 | 10,1 | 7 | 6 | 79,4 | 8,5 | 6,9 | 4,5 | 81 | 7,8 | 6,9 | 3,8 |
| Intsika Yethu | 23,4 | 67,5 | 7,1 | 1,2 | 24,1 | 66,2 | 7,9 | 1,1 | 24,4 | 65,6 | 8,3 | 1,1 |
| Emalahleni | 47,4 | 43,4 | 7,6 | 1 | 47,8 | 43,3 | 7,8 | 0,7 | 48 | 43,2 | 7,9 | 0,5 |
| Engcobo | 16,9 | 71 | 8,5 | 2 | 19,2 | 68,2 | 9,4 | 1,8 | 20,4 | 66,8 | 9,9 | 1,7 |
| Sakhisizwe | 45,1 | 36,3 | 11,4 | 6,2 | 48,6 | 32,5 | 12,6 | 5,4 | 50,2 | 30,8 | 13,1 | 5 |
| Joe Gqabi | 52,6 | 33,9 | 7 | 5,4 | 54 | 34,5 | 5,9 | 4,7 | 54,8 | 34,7 | 5,4 | 4,4 |
| Elundini | 29,4 | 61,7 | 6,6 | 1,3 | 28 | 64 | 6,2 | 1,1 | 27,3 | 65,2 | 6 | 1 |
| Senqu | 62,8 | 24,1 | 7,4 | 4,7 | 65,1 | 23,9 | 5,1 | 4,9 | 66,2 | 23,9 | 4 | 5 |
| Maletswai | 67,6 | 1,2 | 8,5 | 20,9 | 74,2 | 0,9 | 7,6 | 16,3 | 77,3 | 0,7 | 7,2 | 14,2 |
| Gariep | 86,5 | 1,6 | 4,8 | 6,3 | 88,5 | 0,9 | 5,7 | 4,1 | 89,4 | 0,6 | 6,1 | 3,1 |
| O.R.Tambo | 24,5 | 58,9 | 13,3 | 2,2 | 27,1 | 56,1 | 14,1 | 1,7 | 28,4 | 54,7 | 14,6 | 1,5 |
| Ngquza Hill | 22,1 | 61 | 14,2 | 1,5 | 24 | 59,2 | 14,8 | 1,2 | 24,9 | 58,3 | 15,1 | 1 |
| Port St Johns | 12 | 76,8 | 9 | 1,1 | 14,3 | 75,1 | 9 | 1 | 15,3 | 74,3 | 9 | 1 |
| Nyandeni | 18,8 | 70,2 | 8,8 | 1 | 21,5 | 66,8 | 9,8 | 0,8 | 22,8 | 65,2 | 10,3 | 0,7 |
| Mhlontlo | 19,8 | 67,2 | 8,8 | 3,1 | 21,6 | 64,6 | 10,3 | 2,7 | 22,4 | 63,4 | 11 | 2,4 |
| King Sabata Dalindyebo | 35,2 | 41,8 | 18,7 | 3,1 | 38,3 | 38,6 | 19,5 | 2,4 | 39,8 | 37,2 | 19,9 | 2,1 |
| Alfred Nzo | 23,3 | 61,4 | 11,6 | 1,6 | 26,1 | 57,7 | 12,6 | 1,3 | 27,4 | 55,9 | 13 | 1,2 |
| Umtzimvubu | 20,8 | 64 | 11,8 | 2 | 23,2 | 61,3 | 12,5 | 1,7 | 24,4 | 60 | 12,8 | 1,5 |
| Matatiele | 29,3 | 50 | 14,8 | 1,9 | 31,9 | 45,8 | 15,7 | 1,6 | 33 | 43,9 | 16,1 | 1,4 |
| Mbizana | 24,7 | 61,4 | 11,3 | 1,2 | 28 | 57 | 12,7 | 1 | 29,5 | 54,9 | 13,4 | 1 |
| Ntabankulu | 13,5 | 78,9 | 5,8 | 0,9 | 16,3 | 76 | 6,3 | 0,6 | 17,6 | 74,6 | 6,5 | 0,5 |
| Nelson Mandela Bay | 66,6 | 0,9 | 14,9 | 16,5 | 69,3 | 0,6 | 15,6 | 13,8 | 70,6 | 0,4 | 15,7 | 12,7 |
| Port Elizabeth | 64,5 | 0,6 | 17,6 | 16,1 | 67 | 0,5 | 18,6 | 13,3 | 68,2 | 0,4 | 18,7 | 12,1 |
| Uitenhage | 73,3 | 1,8 | 5 | 18,9 | 77,8 | 0,9 | 5 | 15,5 | 80,1 | 0,4 | 4,8 | 14 |
| Despatch | 78,1 | 1,5 | 7,1 | 12,7 | 75,3 | 1 | 7,8 | 15,4 | 72,7 | 0,8 | 8,1 | 17,9 |
| Buffalo City | 58,5 | 6,1 | 9,4 | 24,8 | 61 | 5,2 | 9,7 | 23,2 | 62 | 4,8 | 9,6 | 22,8 |
| East London/ Mdantsane | 54,5 | 4,9 | 10,3 | 29,1 | 56,8 | 4,2 | 10,6 | 27,4 | 57,5 | 4 | 10,6 | 27,1 |
| Berlin | 62,4 | 10,5 | 5,2 | 20,9 | 65,6 | 8,4 | 5,4 | 19,6 | 67,2 | 7,4 | 5,6 | 19 |
| King William's Town/ Bisho | 73,7 | 9,3 | 7,4 | 8,7 | 76,9 | 7,8 | 7,3 | 7,3 | 78,3 | 7,1 | 7,2 | 6,6 |

| | HOUSEHOLDS ACCESS TO WATER | | | | | | | | |
|------------------------------|----------------------------------|--------------------------------|-------|----------------------------------|--------------------------------|-------|----------------------------------|--------------------------------|-------|
| | 2006 | | | 2011 | | | 2016 | | |
| | Piped water inside yard/dwelling | Piped water on community stand | Other | Piped water inside yard/dwelling | Piped water on community stand | Other | Piped water inside yard/dwelling | Piped water on community stand | Other |
| Proportion of Households (%) | | | | | | | | | |
| Sarah Baartman | 81 | 13,6 | 5,4 | 84,2 | 11,4 | 4,4 | 85,2 | 10,8 | 4 |
| Camdeboo | 94,7 | 4,4 | 0,8 | 96,7 | 2,5 | 0,9 | 97,6 | 1,5 | 0,9 |
| Blue Crane Route | 85 | 8,5 | 6,6 | 88,9 | 6,3 | 4,7 | 90,7 | 5,4 | 3,9 |
| Ikwezi | 92,8 | 5,3 | 1,9 | 93,8 | 4 | 2,2 | 94,4 | 3,3 | 2,3 |
| Makana | 81,1 | 14,3 | 4,6 | 83,6 | 12,1 | 4,3 | 84,6 | 11,2 | 4,2 |
| Ndlambe | 75,5 | 17,7 | 6,8 | 81,9 | 12,8 | 5,3 | 84,8 | 10,7 | 4,5 |
| Sundays River Valley | 68,1 | 17,3 | 14,6 | 71 | 16,6 | 12,4 | 72,1 | 16,7 | 11,2 |
| Baviaans | 90,4 | 6,2 | 3,4 | 93,2 | 3,8 | 3 | 94,7 | 2,6 | 2,7 |
| Kouga | 78,9 | 19,3 | 1,8 | 81 | 17,6 | 1,4 | 81,2 | 17,6 | 1,2 |
| Kou-Kamma | 84,2 | 8,5 | 7,3 | 87,5 | 6,6 | 5,8 | 89 | 5,9 | 5,1 |
| Amathole | 21,9 | 38,9 | 39,2 | 23,9 | 42,7 | 33,5 | 24,7 | 44,6 | 30,6 |
| Mbhashe | 6,5 | 22,3 | 71,2 | 7,2 | 29,6 | 63,1 | 7,6 | 33,2 | 59,3 |
| Mnquma | 16,6 | 34,2 | 49,2 | 17,2 | 39,6 | 43,1 | 17,5 | 42,3 | 40,2 |
| Great Kei | 36,2 | 51,7 | 12,1 | 38,7 | 51,1 | 10,2 | 39,5 | 51,2 | 9,3 |
| Amahlathi | 30,8 | 46,3 | 22,9 | 34,6 | 47,4 | 18 | 36,2 | 48,1 | 15,7 |
| Ngqushwa | 16,7 | 70,4 | 12,9 | 20,2 | 72,8 | 7 | 21,8 | 74 | 4,2 |
| Nkonkobe | 36,7 | 48,2 | 15,1 | 40,1 | 50,4 | 9,6 | 41,5 | 51,6 | 6,9 |
| Nxuba | 77,9 | 17,7 | 4,5 | 83,8 | 12,6 | 3,7 | 86,3 | 10,4 | 3,3 |
| Chris Hani | 38,1 | 37,5 | 24,4 | 40,8 | 41,4 | 17,8 | 42,1 | 43,3 | 14,6 |
| Inxuba Yethemba | 91,1 | 7,1 | 1,8 | 93,9 | 4,9 | 1,2 | 95,2 | 3,9 | 0,9 |
| Tsolwana | 50,2 | 40,8 | 9 | 54,8 | 38,8 | 6,5 | 56,8 | 37,9 | 5,2 |
| Inkwanca | 91 | 7,2 | 1,9 | 94,1 | 4,2 | 1,8 | 95,5 | 2,7 | 1,7 |
| Lukanji | 67 | 28,6 | 4,5 | 70,7 | 26 | 3,4 | 72,2 | 24,9 | 2,8 |
| Intsika Yethu | 8,6 | 49,9 | 41,5 | 9,2 | 59,2 | 31,5 | 9,5 | 63,8 | 26,7 |
| Emalahleni | 23,7 | 51,4 | 24,9 | 27,1 | 58,6 | 14,3 | 28,7 | 62,2 | 9,1 |
| Engcobo | 6 | 41,9 | 52,1 | 6,9 | 52,4 | 40,7 | 7,3 | 57,5 | 35,2 |
| Sakhisizwe | 39,3 | 40,4 | 20,2 | 43 | 43,3 | 13,7 | 44,7 | 44,8 | 10,5 |
| Joe Gqabi | 35,5 | 31,4 | 33,1 | 39,5 | 31,7 | 28,8 | 41,5 | 31,8 | 26,7 |
| Elundini | 14,1 | 30,4 | 55,6 | 16,2 | 33,5 | 50,3 | 17,1 | 35,1 | 47,8 |
| Senqu | 32,9 | 40,1 | 26,9 | 38 | 40 | 22 | 40,3 | 40 | 19,7 |
| Maletswai | 72,9 | 22,5 | 4,7 | 77,4 | 19,6 | 3 | 79,4 | 18,4 | 2,2 |
| Gariep | 86,4 | 11,1 | 2,5 | 91,8 | 6,1 | 2,1 | 94,3 | 3,8 | 1,9 |
| O.R.Tambo | 16 | 25,1 | 58,9 | 18 | 28,1 | 54 | 19 | 29,5 | 51,6 |
| Ngquza Hill | 8,2 | 18,7 | 73,1 | 8,3 | 21 | 70,6 | 8,4 | 22,2 | 69,5 |
| Port St Johns | 6,6 | 21,3 | 72,1 | 7,2 | 24,9 | 67,9 | 7,5 | 26,6 | 65,9 |
| Nyandeni | 5,4 | 29,7 | 64,9 | 6 | 34,8 | 59,2 | 6,4 | 37,2 | 56,4 |
| Mhlonlo | 10,1 | 38,9 | 51 | 12 | 44,6 | 43,4 | 12,9 | 47,4 | 39,7 |
| King Sabata Dalindyebo | 32,1 | 20,8 | 47,1 | 35,9 | 21,7 | 42,4 | 37,7 | 22,2 | 40,1 |
| Alfred Nzo | 12,7 | 30,3 | 57 | 14,8 | 32,7 | 52,5 | 15,8 | 34 | 50,3 |
| Umtzimvubu | 14,2 | 38,2 | 47,6 | 16 | 41,9 | 42,1 | 16,9 | 43,6 | 39,4 |
| Matatiele | 22,1 | 41,1 | 36,8 | 25,6 | 44,3 | 30,1 | 27,1 | 45,9 | 27 |
| Mbizana | 5,2 | 11,1 | 83,7 | 6,3 | 9,3 | 84,4 | 6,9 | 8,4 | 84,7 |
| Ntabankulu | 5,9 | 30,7 | 63,4 | 7,1 | 37,5 | 55,3 | 7,7 | 40,8 | 51,5 |
| Nelson Mandela Bay | 85,9 | 13 | 1,1 | 88,6 | 10,4 | 1 | 89,7 | 9,3 | 1 |
| Port Elizabeth | 85,4 | 13,8 | 0,8 | 88,4 | 10,9 | 0,6 | 89,7 | 9,8 | 0,6 |
| Uitenhage | 88,1 | 9,7 | 2,2 | 90,4 | 7,5 | 2,1 | 91,5 | 6,5 | 2 |
| Despatch | 85,8 | 11,2 | 3 | 84,1 | 12,5 | 3,4 | 82 | 14 | 4 |
| Buffalo City | 65,6 | 30,2 | 4,2 | 68,7 | 28,1 | 3,2 | 69,7 | 27,6 | 2,8 |
| East London/Mdantsane | 65,5 | 30,5 | 4 | 68,1 | 28,8 | 3,1 | 68,8 | 28,6 | 2,6 |
| Berlin | 54,1 | 41,4 | 4,6 | 59,8 | 35,1 | 5 | 62,6 | 32,1 | 5,3 |
| King William's Town/Bisho | 70,3 | 24,9 | 4,8 | 73,9 | 22,9 | 3,2 | 75,4 | 22,1 | 2,5 |

| | HOUSEHOLDS ACCESS TO TOILET FACILITY | | | | | | | | |
|------------------------------|--------------------------------------|-------------|----------------------|--------------------------|-------------|----------------------|--------------------------|-------------|----------------------|
| | 2006 | | | 2011 | | | 2016 | | |
| | Flush or chemical toilet | Pit latrine | None of the Previous | Flush or chemical toilet | Pit latrine | None of the Previous | Flush or chemical toilet | Pit latrine | None of the Previous |
| Proportion of Households (%) | | | | | | | | | |
| Sarah Baartman | 64,4 | 16,5 | 8,9 | 70,3 | 13,8 | 6,5 | 72,3 | 13 | 5,5 |
| Camdeboo | 82,4 | 5,7 | 5,2 | 86,4 | 4,6 | 2,7 | 88,5 | 4,1 | 1,5 |
| Blue Crane Route | 70,7 | 7,2 | 10,1 | 79,1 | 5,6 | 5,6 | 83,1 | 4,9 | 3,4 |
| Ikwezi | 58,9 | 6 | 23,3 | 73,4 | 4,8 | 11,5 | 80,8 | 4,2 | 5,7 |
| Makana | 57,7 | 18,7 | 15,1 | 67,7 | 17,1 | 8,2 | 72,1 | 16,7 | 4,9 |
| Ndlambe | 57 | 29,3 | 0,7 | 59,5 | 27,1 | 0,7 | 59,7 | 26,7 | 0,8 |
| Sundays River Valley | 46,3 | 33,8 | 7 | 54,1 | 26,1 | 7,1 | 57,2 | 22,7 | 7,3 |
| Baviaans | 69,1 | 11,6 | 10,6 | 77,4 | 8,5 | 6,9 | 81,8 | 6,8 | 5 |
| Kouga | 70,2 | 8,3 | 12,2 | 73,6 | 6,4 | 11,6 | 74,4 | 5,6 | 11,8 |
| Kou-Kamma | 70,8 | 14,6 | 4,2 | 73,8 | 11,8 | 3,5 | 74,8 | 10,7 | 3,2 |
| Amathole | 16,3 | 43,2 | 2,2 | 17 | 45,2 | 1,6 | 17,3 | 46,3 | 1,3 |
| Mbhashe | 5,5 | 27,2 | 0,8 | 4,9 | 31,2 | 0,6 | 4,6 | 33,2 | 0,6 |
| Mnquma | 15,4 | 33,8 | 0,7 | 15 | 35,8 | 0,7 | 14,7 | 36,8 | 0,7 |
| Great Kei | 29,4 | 24,9 | 4,3 | 32,8 | 31,4 | 2,2 | 33,8 | 34,9 | 1,2 |
| Amahlathi | 21,3 | 62,9 | 0,4 | 21,8 | 63,8 | 0,3 | 21,8 | 64,5 | 0,3 |
| Ngqushwa | 6,3 | 82,1 | 0,4 | 6,1 | 83,6 | 0,2 | 6 | 84,3 | 0,1 |
| Nkonkobe | 26,4 | 56,7 | 4,8 | 30,2 | 56,3 | 2,4 | 31,9 | 56,3 | 1,2 |
| Nxuba | 50,6 | 7,4 | 29,6 | 59,8 | 6,4 | 24,5 | 63,3 | 6 | 22,6 |
| Chris Hani | 29,5 | 32 | 2,8 | 31,7 | 34,2 | 1,7 | 32,8 | 35,3 | 1,1 |
| Inxuba Yethemba | 80,7 | 3,7 | 7,4 | 86,4 | 3,1 | 3,4 | 89,1 | 2,8 | 1,4 |
| Tsolwana | 18,4 | 45,9 | 13,4 | 21,1 | 51,1 | 10,4 | 22,1 | 53,9 | 8,9 |
| Inkwanca | 69,9 | 3,5 | 13,1 | 81,1 | 2,7 | 5,4 | 86,5 | 2,3 | 1,6 |
| Lukanji | 61,1 | 22,7 | 1,4 | 65,1 | 21,5 | 0,7 | 66,7 | 21 | 0,4 |
| Intsika Yethu | 3,9 | 45,7 | 0,5 | 3,5 | 50,3 | 0,4 | 3,3 | 52,5 | 0,3 |
| Emalahleni | 10,2 | 36,1 | 3,6 | 12 | 40,6 | 2 | 12,8 | 42,8 | 1,2 |
| Engcobo | 5,4 | 34,5 | 0,5 | 5 | 38,9 | 0,5 | 4,7 | 41,1 | 0,5 |
| Sakhisizwe | 24 | 45,7 | 2,1 | 23,7 | 47,1 | 2,2 | 23,4 | 47,8 | 2,2 |
| Joe Gqabi | 22,5 | 40,9 | 5,1 | 25 | 44,9 | 3,1 | 26,2 | 46,8 | 2,1 |
| Elundini | 10 | 47,7 | 3,2 | 10,7 | 53,7 | 1,7 | 10,9 | 56,7 | 1 |
| Senqu | 12,7 | 54,5 | 3,8 | 13,3 | 58,9 | 2,6 | 13,4 | 61,1 | 1,9 |
| Maletswai | 65,4 | 4,1 | 3,2 | 72,1 | 5,2 | 1,6 | 75,1 | 5,8 | 0,8 |
| Gariep | 59,8 | 3,5 | 19,5 | 70,2 | 3,2 | 12,3 | 74,9 | 3 | 9,1 |
| O.R.Tambo | 11,9 | 47,1 | 1 | 11,8 | 53,3 | 0,9 | 11,7 | 56,3 | 0,8 |
| Ngquza Hill | 4,8 | 57,6 | 1,5 | 3,8 | 63,1 | 1,3 | 3,4 | 65,8 | 1,2 |
| Port St Johns | 4,4 | 38,5 | 1 | 3,6 | 47,9 | 1 | 3,2 | 52,5 | 1 |
| Nyandeni | 3,2 | 47,8 | 0,8 | 2,6 | 54,8 | 0,8 | 2,3 | 58,2 | 0,9 |
| Mhlontlo | 5,2 | 54,3 | 1 | 4,7 | 60,8 | 0,7 | 4,4 | 64 | 0,6 |
| King Sabata Dalindyebo | 26,3 | 40,3 | 1 | 26,9 | 45,6 | 0,7 | 27,2 | 48,1 | 0,5 |
| Alfred Nzo | 8 | 60,3 | 0,8 | 7,2 | 64,8 | 0,6 | 6,8 | 67 | 0,5 |
| Umzimvubu | 7,1 | 64,2 | 1 | 6,9 | 67,6 | 0,6 | 6,8 | 69,3 | 0,4 |
| Matatiele | 13,6 | 60,3 | 0,5 | 12,7 | 62,7 | 0,4 | 12,1 | 64 | 0,4 |
| Mbizana | 4,8 | 64,6 | 0,7 | 3,3 | 70,5 | 0,7 | 2,5 | 73,3 | 0,7 |
| Ntabankulu | 4,6 | 45 | 1,3 | 4,5 | 52,8 | 1 | 4,5 | 56,5 | 0,8 |
| Nelson Mandela Bay | 85,3 | 2 | 9,4 | 87,8 | 1,7 | 7,5 | 88,7 | 1,6 | 6,8 |
| Port Elizabeth | 85,2 | 1,5 | 10,9 | 87,9 | 1,4 | 8,6 | 88,9 | 1,4 | 7,7 |
| Uitenhage | 86,1 | 3,6 | 3,2 | 88,7 | 2,4 | 2,4 | 89,9 | 1,9 | 2,1 |
| Despatch | 84,3 | 3,9 | 6,9 | 81,8 | 3,8 | 9,2 | 79,1 | 4 | 11,4 |
| Buffalo City | 69,6 | 17,4 | 1,3 | 70,5 | 16,8 | 1,2 | 70,5 | 16,8 | 1,2 |
| East London/Mdantsane | 74,4 | 11,5 | 1,5 | 75,1 | 11,5 | 1,4 | 75 | 11,7 | 1,4 |
| Berlin | 38 | 43,7 | 0,9 | 39,3 | 40,5 | 1,1 | 39,9 | 39 | 1,2 |
| King William's Town/Bisho | 61,1 | 32,3 | 0,5 | 62,3 | 30,8 | 0,4 | 62,6 | 30,3 | 0,3 |

| | LABOUR | | | | | | | | |
|---------------------------|--------|------|------|------|------|------|------|------|------|
| | 2006 | | | 2011 | | | 2016 | | |
| | AR | UR | LFPR | AR | UR | LFPR | AR | UR | LFPR |
| | (%) | | | | | | | | |
| Sarah Baartman | 46,4 | 21,2 | 58,9 | 43,6 | 21,1 | 55,2 | 51,1 | 19,0 | 63,0 |
| Camdeboo | 45,7 | 22,8 | 59,1 | 43,8 | 21,9 | 56,1 | 52,3 | 19,1 | 64,7 |
| Blue Crane Route | 41,8 | 25,2 | 55,8 | 39,0 | 24,4 | 51,6 | 46,1 | 21,3 | 58,6 |
| Ikwezi | 39,3 | 22,4 | 50,7 | 39,1 | 19,7 | 48,7 | 50,1 | 14,7 | 58,8 |
| Makana | 36,0 | 32,3 | 53,2 | 36,8 | 29,1 | 51,9 | 42,1 | 28,0 | 58,5 |
| Ndlambe | 40,3 | 27,8 | 55,9 | 39,6 | 26,6 | 53,9 | 44,8 | 26,0 | 60,5 |
| Sundays River Valley | 45,7 | 18,2 | 55,9 | 39,4 | 19,0 | 48,6 | 46,4 | 15,8 | 55,1 |
| Baviaans | 41,1 | 19,3 | 50,9 | 35,3 | 23,2 | 45,9 | 45,6 | 20,1 | 57,1 |
| Kouga | 54,6 | 15,1 | 64,3 | 51,6 | 15,5 | 61,1 | 60,3 | 13,7 | 69,9 |
| Kou-Kamma | 67,2 | 9,0 | 73,9 | 59,4 | 11,1 | 66,9 | 69,5 | 8,9 | 76,2 |
| Amathole | 16,6 | 48,0 | 31,8 | 17,9 | 42,4 | 31,0 | 21,4 | 40,4 | 35,9 |
| Mbhashe | 10,3 | 52,9 | 21,9 | 12,4 | 43,9 | 22,2 | 15,6 | 40,5 | 26,2 |
| Mnquma | 15,7 | 47,9 | 30,2 | 17,7 | 41,5 | 30,2 | 20,7 | 40,8 | 34,9 |
| Great Kei | 27,1 | 33,2 | 40,5 | 26,8 | 30,7 | 38,7 | 31,9 | 28,5 | 44,7 |
| Amahlathi | 24,4 | 40,1 | 40,7 | 24,9 | 35,8 | 38,8 | 29,4 | 33,2 | 44,0 |
| Ngqushwa | 11,2 | 63,3 | 30,6 | 13,0 | 56,5 | 29,8 | 15,9 | 54,3 | 34,8 |
| Nkonkobe | 17,1 | 52,9 | 36,4 | 18,0 | 48,0 | 34,6 | 21,1 | 46,4 | 39,3 |
| Nxuba | 32,0 | 38,5 | 52,0 | 30,8 | 38,4 | 50,0 | 37,3 | 36,8 | 59,0 |
| Chris Hani | 19,8 | 42,8 | 34,6 | 21,0 | 38,3 | 34,0 | 25,0 | 36,8 | 39,6 |
| Inxuba Yethemba | 41,0 | 27,1 | 56,2 | 39,3 | 25,4 | 52,7 | 46,9 | 22,2 | 60,3 |
| Tsolwana | 22,3 | 39,4 | 36,8 | 20,7 | 39,0 | 33,9 | 25,1 | 36,9 | 39,7 |
| Inkwanca | 29,7 | 38,5 | 48,3 | 27,2 | 39,2 | 44,7 | 32,1 | 38,1 | 51,9 |
| Lukanji | 27,1 | 39,1 | 44,5 | 29,0 | 34,2 | 44,2 | 33,2 | 33,7 | 50,0 |
| Intsika Yethu | 11,3 | 52,3 | 23,7 | 13,1 | 45,6 | 24,0 | 16,0 | 44,1 | 28,6 |
| Emalahleni | 11,2 | 53,8 | 24,2 | 12,5 | 48,0 | 24,0 | 15,5 | 46,2 | 28,7 |
| Engcobo | 10,9 | 55,7 | 24,6 | 12,7 | 47,9 | 24,5 | 15,7 | 45,3 | 28,7 |
| Sakhisizwe | 21,0 | 42,9 | 36,8 | 22,7 | 38,4 | 36,8 | 27,5 | 36,8 | 43,6 |
| Joe Gqabi | 23,4 | 37,5 | 37,5 | 24,0 | 34,5 | 36,6 | 29,0 | 32,7 | 43,0 |
| Elundini | 17,0 | 47,3 | 32,4 | 18,0 | 42,8 | 31,5 | 22,1 | 40,7 | 37,3 |
| Senqu | 19,8 | 39,6 | 32,8 | 20,9 | 36,0 | 32,6 | 25,6 | 34,3 | 39,0 |
| Maletswai | 41,5 | 24,3 | 54,8 | 40,4 | 23,4 | 52,7 | 45,4 | 22,9 | 59,0 |
| Gariep | 38,2 | 27,3 | 52,6 | 37,4 | 25,8 | 50,3 | 45,3 | 22,8 | 58,7 |
| O.R.Tambo | 14,9 | 48,4 | 28,9 | 16,5 | 42,3 | 28,6 | 19,5 | 41,0 | 33,0 |
| Ngquza Hill | 13,1 | 53,4 | 28,0 | 13,7 | 48,5 | 26,7 | 16,0 | 47,7 | 30,6 |
| Port St Johns | 8,6 | 59,2 | 21,2 | 9,4 | 52,7 | 19,9 | 11,3 | 50,3 | 22,7 |
| Nyandeni | 10,5 | 55,7 | 23,7 | 12,2 | 47,7 | 23,3 | 15,0 | 44,9 | 27,2 |
| Mhlontlo | 13,8 | 49,9 | 27,5 | 14,7 | 45,6 | 27,0 | 17,8 | 44,4 | 32,0 |
| King Sabata Dalindyebo | 20,9 | 40,9 | 35,4 | 23,1 | 35,1 | 35,7 | 26,8 | 34,5 | 40,9 |
| Alfred Nzo | 13,1 | 52,3 | 27,6 | 15,2 | 44,8 | 27,5 | 18,7 | 42,1 | 32,4 |
| Umtzimvubu | 14,6 | 51,4 | 30,0 | 16,6 | 45,1 | 30,2 | 20,1 | 43,6 | 35,7 |
| Matatiele | 17,7 | 45,2 | 32,4 | 20,5 | 38,3 | 33,2 | 25,2 | 36,1 | 39,5 |
| Mbizana | 11,0 | 56,2 | 25,0 | 12,7 | 47,5 | 24,3 | 15,8 | 43,8 | 28,1 |
| Ntabankulu | 7,5 | 63,9 | 20,8 | 8,9 | 55,7 | 20,1 | 11,3 | 52,1 | 23,6 |
| Nelson Mandela Bay | 40,6 | 31,3 | 59,2 | 41,4 | 28,7 | 58,1 | 46,4 | 28,7 | 65,1 |
| Port Elizabeth | 41,4 | 31,2 | 60,3 | 42,3 | 28,7 | 59,4 | 47,3 | 28,8 | 66,4 |
| Uitenhage | 35,8 | 34,0 | 54,3 | 36,1 | 31,3 | 52,5 | 40,9 | 30,6 | 59,0 |
| Despatch | 47,8 | 21,3 | 60,7 | 47,9 | 20,2 | 60,1 | 55,5 | 19,1 | 68,6 |
| Buffalo City | 36,1 | 36,3 | 56,6 | 37,1 | 32,7 | 55,1 | 41,2 | 32,5 | 61,0 |
| East London/Mdantsane | 38,0 | 34,4 | 57,9 | 38,9 | 31,1 | 56,4 | 43,1 | 30,9 | 62,4 |
| Berlin | 23,6 | 51,2 | 48,5 | 25,0 | 46,6 | 46,9 | 28,0 | 46,8 | 52,7 |
| King William's Town/Bisho | 33,1 | 39,3 | 54,4 | 34,5 | 35,0 | 53,0 | 38,0 | 35,1 | 58,5 |

AR: Absorption Rate
UR: Unemployment Rate
LFPR: Labour force participation rate

| | ECONOMY | | | | | |
|---------------------------|---------------------|------|------|--------------------|--------|--------|
| | Total GVA Share (%) | | | GVA per Capita "R" | | |
| | 2006 | 2011 | 2016 | 2006 | 2011 | 2016 |
| Sarah Baartman | 8,5 | 8,9 | 9 | 34 094 | 40 261 | 42 789 |
| Camdeboo | 11,7 | 11,7 | 11,8 | 35 017 | 40 340 | 45 125 |
| Blue Crane Route | 6,5 | 6,7 | 6,8 | 25 470 | 31 318 | 34 161 |
| Ikwezi | 1,5 | 1,6 | 1,6 | 20 450 | 25 468 | 28 700 |
| Makana | 19,7 | 19,4 | 19,1 | 36 133 | 42 101 | 44 539 |
| Ndlambe | 14,7 | 13,9 | 13,4 | 37 187 | 41 213 | 41 638 |
| Sundays River Valley | 7,5 | 8,3 | 8,7 | 21 899 | 29 603 | 31 993 |
| Baviaans | 2,3 | 2,4 | 2,3 | 19 637 | 23 930 | 26 345 |
| Kouga | 26,5 | 26,6 | 26,9 | 45 092 | 51 131 | 53 798 |
| Kou-Kamma | 9,5 | 9,5 | 9,3 | 34 000 | 42 862 | 44 672 |
| Amathole | 6,7 | 6,8 | 6,8 | 11 997 | 14 498 | 15 743 |
| Mbhashe | 16,4 | 17,3 | 18 | 7 188 | 9 052 | 10 175 |
| Mnquma | 32,5 | 31,4 | 30,4 | 13 494 | 15 842 | 16 801 |
| Great Kei | 6,5 | 6,4 | 6,3 | 17 479 | 21 168 | 22 502 |
| Amahlathi | 17,8 | 18 | 18,2 | 14 915 | 18 366 | 20 107 |
| Ngqushwa | 5,9 | 6 | 6,2 | 8 333 | 10 469 | 11 898 |
| Nkonkobe | 16,6 | 16,6 | 16,6 | 14 474 | 17 212 | 18 541 |
| Nxuba | 4,2 | 4,3 | 4,3 | 19 337 | 23 439 | 25 114 |
| Chris Hani | 7,3 | 7,6 | 7,7 | 15 376 | 18 690 | 20 339 |
| Inxuba Yethemba | 17 | 17,4 | 17,8 | 33 719 | 41 124 | 45 287 |
| Tsolwana | 3,2 | 3,2 | 3,1 | 11 873 | 14 572 | 15 287 |
| Inkwanca | 2,9 | 3 | 3 | 17 144 | 21 540 | 22 899 |
| Lukanji | 43,2 | 42,4 | 41,9 | 28 591 | 33 217 | 35 212 |
| Intsika Yethu | 9,3 | 9,5 | 9,5 | 7 558 | 9 514 | 10 484 |
| Emalahleni | 7,4 | 7,3 | 7,3 | 7 451 | 9 091 | 9 911 |
| Engcobo | 9,8 | 9,9 | 10,1 | 7 547 | 9 364 | 10 513 |
| Sakhisizwe | 7,2 | 7,3 | 7,3 | 13 499 | 16 804 | 18 344 |
| Joe Gqabi | 3,1 | 3,3 | 3,5 | 15 056 | 18 951 | 20 847 |
| Elundini | 26,9 | 26,6 | 26,3 | 10 100 | 12 655 | 13 839 |
| Senqu | 31,5 | 31,7 | 32,1 | 12 158 | 15 537 | 17 415 |
| Maletswai | 27,2 | 26,8 | 26,4 | 35 308 | 42 365 | 44 257 |
| Gariep | 14,5 | 14,8 | 15,2 | 23 308 | 29 824 | 33 284 |
| O.R.Tambo | 9,3 | 9,6 | 9,8 | 11 885 | 14 208 | 15 381 |
| Ngquza Hill | 14,3 | 14,2 | 14 | 8 518 | 10 038 | 10 663 |
| Port St Johns | 5,5 | 5,5 | 5,4 | 5 718 | 6 872 | 7 412 |
| Nyandeni | 13,6 | 14 | 14,5 | 7 648 | 9 459 | 10 600 |
| Mhlontlo | 10,7 | 10,7 | 10,7 | 8 490 | 10 485 | 11 611 |
| King Sabata Dalindyebo | 55,9 | 55,6 | 55,4 | 20 397 | 23 888 | 25 514 |
| Alfred Nzo | 4,1 | 4,4 | 4,6 | 8 825 | 11 034 | 12 392 |
| Umtzimbubu | 28,9 | 28,3 | 27,7 | 10 089 | 12 591 | 14 032 |
| Matatiele | 35,3 | 35,7 | 36,1 | 12 162 | 15 391 | 17 384 |
| Mbizana | 26,7 | 26,9 | 27,2 | 7 131 | 8 790 | 9 833 |
| Ntabankulu | 9,2 | 9,1 | 9 | 5 023 | 6 337 | 7 188 |
| Nelson Mandela Bay | 40,3 | 39,3 | 38,9 | 63 320 | 68 707 | 72 485 |
| Port Elizabeth | 81,6 | 80,9 | 80,3 | 67 101 | 72 474 | 76 230 |
| Uitenhage | 13,6 | 14,2 | 14,6 | 45 493 | 51 051 | 54 797 |
| Despatch | 4,8 | 4,9 | 5,1 | 75 091 | 80 116 | 85 674 |
| Buffalo City | 20,7 | 20,1 | 19,6 | 48 141 | 53 160 | 54 566 |
| East London/Mdantsane | 78,7 | 77,6 | 76,6 | 51 869 | 56 146 | 56 698 |
| Berlin | 3,6 | 3,7 | 3,7 | 23 485 | 27 364 | 29 074 |
| King William's Town/Bisho | 17,7 | 18,7 | 19,7 | 43 512 | 51 313 | 55 606 |





DID YOU KNOW?



Projects Commissioned/ Operationalised in Coega SEZ from 2017 to 2018:

| No. | Project Name | Description | Investment Value | Status |
|--------------|-------------------------|--|--------------------|---------------|
| 1 | National Ship Chandlers | Ship Chandelling Service | R - mil | Operational |
| 2 | Ambasaam | Pharmaceutical products and distribution | R 0.5 mil | Operational |
| 3 | Enel Green Power | Manufacture of Solar Panels | R 1.5 mil | Operational |
| 4 | Lension | Biodegradable packaging | R 16.5 mil | Operational |
| 5 | Sanitech | Water Treatment Plant | R 10 mil | Operational |
| 6 | Corromaster | Manufacturer of corrugated packaging | R 90 mil | Operational |
| 7 | Kenako Concrete | Ready Mix Concrete Plant | R 78 mil | Operational |
| 8 | Redisa | Tyre Testing Facility | R 41 mil | Commissioning |
| 9 | Finecorp | Transport and Logistics | R1.4 mil | Operational |
| 10 | MM Engineering | Gas Cylinder Manufacturing | R 350 mil | Commissioning |
| 11 | Cerebos Expansion | Storage of Salt | R 2.7 mil | Operational |
| Total | | | R 591.6 mil | |

* Unaudited numbers



▪ right **PLACE** ▪ right **TIME** ▪ right **CHOICE**

ISO 9001 14001 20001 27001 31000 OHSAS 18001

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