



WHEN THE SUN RISES  
WE WORK HARD TO DELIVER

# Mpumalanga Economic Strategy and it's commitment to mitigating the impact of climate change

*25 October 2022*



**economic development  
& tourism**

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



# Mpumalanga: *the place of the rising sun*

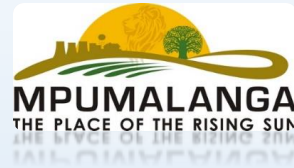


## OUTLINE

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1. MPUMALANGA *in brief*
2. POLICY CONTEXT
3. GREEN ECONOMY
4. SPECIFIC INTERVENTIONS

# MPUMALANGA



- ❖ Mpumalanga is a [province](#) of [South Africa](#);
- ❖ It constitutes 6.5% of South Africa's land area; (SA = 1,2 million km<sup>2</sup>)
- ❖ It is divided into three districts, namely, Ehlanzeni, Nkangala and Gert Sibande and seventeen municipalities



In 2011, Mpumalanga population was approximately 4,04 million and plus minus 4,7 million in 2021, basically recording a population growth of  $\pm 1.6\%$  per annum



Of the 4,7 million: 50,8% are females and 49,2 % males, and those falling between 15 – 34 years of age constitute 35,9% of the population

ECONOMIC  
GROWTH



&



Key Economic Sectors with high potential to place the provincial economy on a growth trajectory and creation of more job opportunities



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# MPUMALANGA *in brief*

## Mining & Energy

- Mpumalanga is rich in coal reserves and produces about **80%** of the coal's country.
- It contributes approximately **25%** to the provincial GGP and also the largest single sector providing employment to **25%** of the province's workforce.
- A significant percentage of the province's coal is exported to countries such as **China, India, South Korea, and Japan.**
- Mpumalanga is also a home to South Africa's major coal-fired power stations
- Of **13 coal-fired power** stations that Eskom operates, **11** are in Mpumalanga. This means that **70%** of Eskom's supply chain is in Mpumalanga



# MPUMALANGA *in brief*

## Agriculture and Agro-processing

- Mpumalanga is one of South Africa's most productive and important agricultural regions and plays a key role in the export profile of South Africa, primarily in **fruit and nuts**;
- The Lowveld is South Africa's **second-biggest** producer of citrus fruit, while more than half of South Africa's soya bean crop is produced in Mpumalanga's Highveld areas;
- **About 14%** of the province's land area is natural grazing land which is used in the production of beef, mutton, poultry, dairy and wool.
- **Agro-processing** is centred primarily in the Lowveld region of Mpumalanga and it makes a valuable contribution to the provincial economy's manufacturing sector





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# MPUMALANGA *in brief*

## Forestry

- Forestry is a key driver for the development of South Africa's local economies, particularly in rural areas where the lack of employment opportunities compounds poverty;
- The bulk of South Africa's forestry plantations are in Mpumalanga, basically making Mpumalanga the biggest producer of forest and wood products;
- The forestry sector comprises logging, saw-milling, wood products, pulp, and paper as well as specialised cellulose for global markets;
- Pulp, paper, and specialised cellulose are the main exports, along with sawn lumber, wood chips and wattle extract





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# MPUMALANGA *in brief*

## Manufacturing & Beneficiation

- Mpumalanga has a diverse manufacturing sector that accounts for **15%** of the provincial GGP;
- The two primary pillars of the manufacturing sector in Mpumalanga are the following and these account for more than 75% of the output for this sectors:
  - a) **Fuel, petroleum, and chemical products**
  - b) **Metal, machinery, and appliances**
- The ***fuel, petroleum and chemical products*** manufactured in Mpumalanga are essentially synthetic fuel and its by-products, which are produced from coal in the Highveld region of the Province. The other major components of the manufacturing sector are ***the Ferro-Alloy, Steel and Stainless Steel industries;***





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# MPUMALANGA *in brief*

## TOURISM



Mpumalanga: Department of Economic Development and Tourism

- Mpumalanga boasts of world-class parks and reserves, astonishing botanical gardens, rivers, and lakes;
- Mpumalanga, together with Limpopo province, host the renowned Kruger National Park – one of the largest game reserves in Africa;
- Safaris are a major draw card, and the Kruger National Park is the jewel in South Africa's tourism crown, while subsectors such as business travel (including conference facilities), adventure, heritage, and cultural tourism all hold huge growth potential;





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# MPUMALANGA *in brief*

## Green Economy

- Economic activities such as mining, power generation and petro-chemicals production are the leading contributors of carbon emissions in the province and the country as a whole;
- However, Mpumalanga is committed to a lower carbon economy and has vast natural resources to drive a transition to a green economy, focusing on renewable energy, efficient and sustainable agriculture production, circular economy and efficient water management;
- Mpumalanga is in line with the principles of a Just Transition and has the potential of becoming the clean energy hub of the future, thus leading the way for low-carbon development and the establishment of future-oriented industries in South Africa.



# POLICY CONTEXT

The provincial economic activities are guided by the following broad policy frameworks:

- ❑ **The National Development Plan 2030 (NDP);**
- ❑ **Mpumalanga Vision 2030 (MP V2030); and**
- ❑ **Mpumalanga Economic Growth and Development Path (MEGDP);**
- ❑ **Mpumalanga Economic Reconstruction and Recovery Plan (MERRP)**



## IDENTIFIED PRINCIPLES THAT MUST UNDERPIN ECONOMIC ACTIVITIES AND INITIATIVES

- Robust policy and regulation
- Strategic Procurement
- Improved Spatial Development
- BBBEE
- Skills Development linked to the 5 Key Job Drivers
- Economic Participation and inclusive growth
- Cooperatives and SMMEs
- Sustainable financing models
- Favourable investment environment
- Improved infrastructure and logistics



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## MERRP Priorities



### Infrastructure Investment and Delivery

To unlock more economic and employment opportunities; enhance connectivity and promote sustainable & integrated human settlements.



### Growth through industrialization, localization and export promotion

To expand manufacturing industries from resource-based to knowledge-based manufacturing industries and enable broader economic growth and labour absorption.



### Sufficient, secure and reliable energy supply and Green Economy Initiatives

To promote low carbon economy; protection of ecosystem degradation and increase efficiency in the utilisation of natural resources, including the creation of green jobs.



### Agriculture and Food Security

Increase crop and livestock production to ensure food security and, in the process, create more employment and small scale business opportunities, including opening new markets (domestic and foreign) for local commodities.



### Growth and recovery of tourism

To drive the implementation of the national Tourism Sector Recovery Plan, focus on the three phases, namely, Protect and Rejuvenate Supply, Re-ignite Demand and Strengthening the enabling capacity in the sector.



### Employment stimulus and economic inclusion of women and youth

To intensify public employment programmes to create a large number of jobs in the shorter term and increased procurement spend to support women and youth.



# Strategies to grow the green economy (5yr)

## Mpumalanga Green Economy Development Plan



# Objectives of the Plan

- ❖ To provide an integrated approach to developing the green economy in Mpumalanga by 2030;
- ❖ Reduce adverse effects of the brown economy by embracing economic activities that result in improved human well-being over the long term while reducing environmental risks and ecological scarcities;
- ❖ Expansion of current economic, green and environmental initiatives to also address social, economic, and environmental challenges.

# Pillars of the Plan

1



## ENERGY

3

## Circular Economy



2



4







# Strategies to grow the green economy (5yr)

Strategies	Key Activities	Progress to date
<b>Coordinating the implementation of the MGEDP</b>	Establish Delivery Model of the Plan	<ul style="list-style-type: none"> <li>• Mpumalanga Green Cluster Agency established based on the helix model</li> <li>• Establishment of Green sub-clusters initiated (i.e. circular economy, water)</li> </ul>
<b>Implement projects and measures to minimise the effect of climate change</b>	Drive the implementation of the ' <i>Just Transition</i> ' Programme	<ul style="list-style-type: none"> <li>• Through partnerships, Programme of Action on Just Energy Transition initiatives developed (gas, biomass, hydrogen, solar, and wind)</li> <li>• Investment portfolio on opportunities in the green sub-clusters' space developed</li> </ul>
<b>Enforce legislation pertaining to air pollution control</b>	Strengthen compliance to requirements of environment legislation and regulations	DARDLEA currently reviewing existing legislation for improvement



**THANK YOU**  
FOR YOUR ATTENTION

**COMING** together is a **BEGINNING**  
**KEEPING** together is **PROGRESS**  
**WORKING** together is **SUCCESS**

*Henry Ford*