

**ECONOMIC DATA  
REVIEW 2011**

**MANGAUNG  
METROPOLITAN  
MUNICIPALITY**

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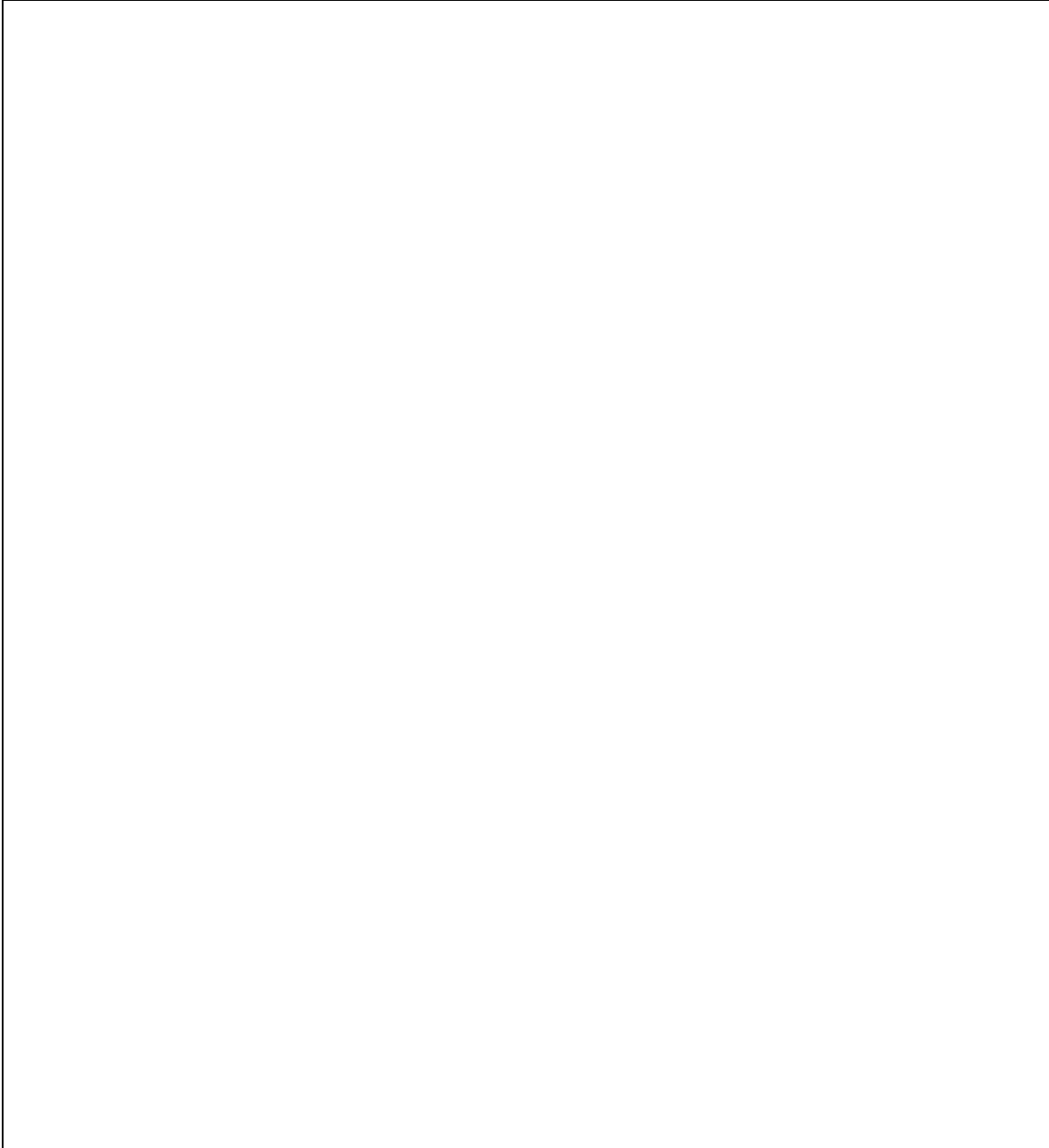
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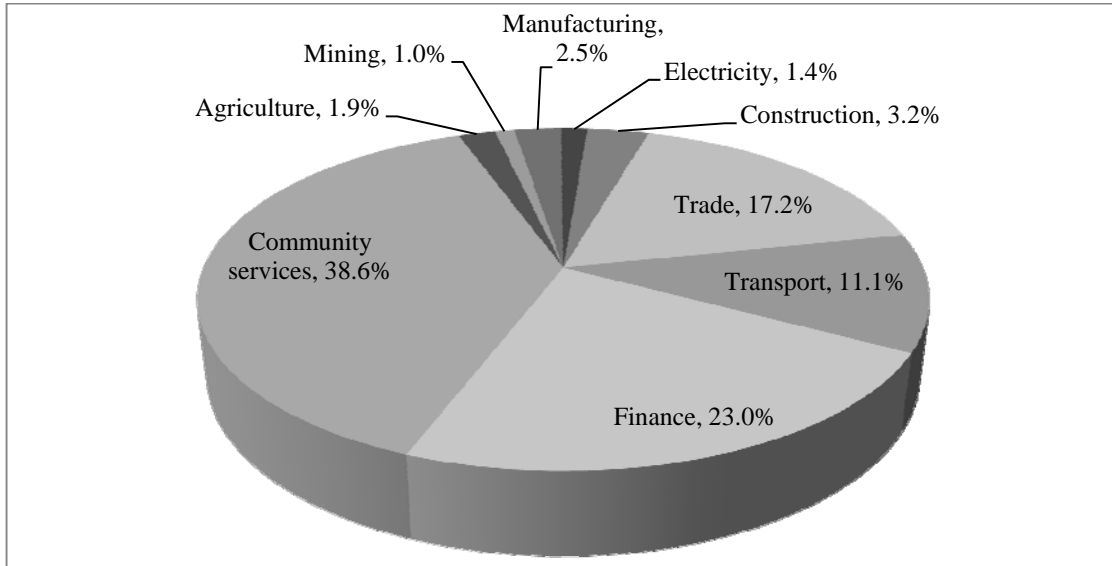
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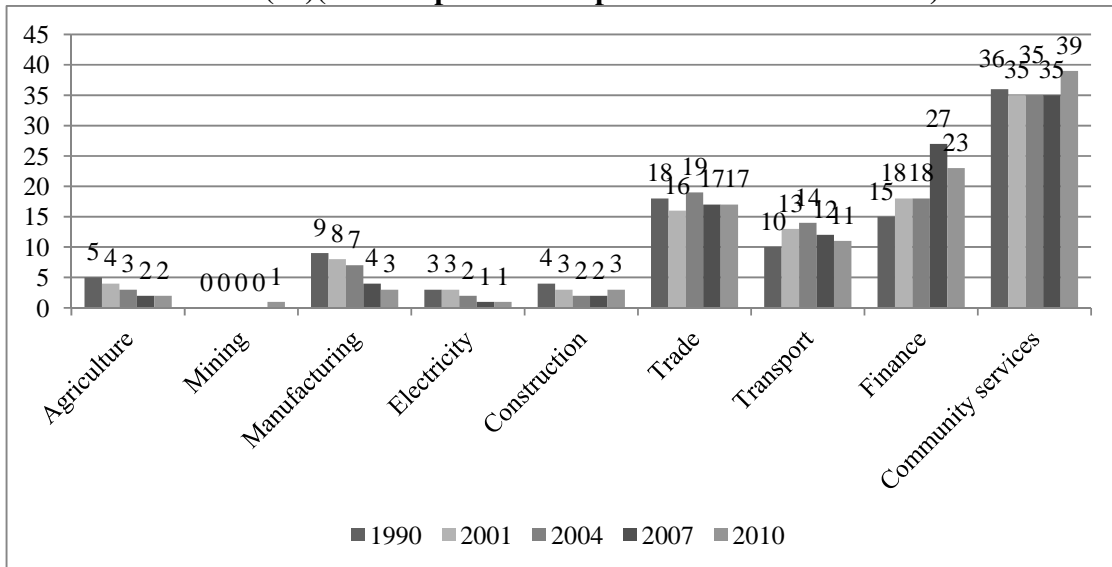
# **BROAD ECONOMIC OVERVIEW**



**FIGURE 1: Economic profile per broad sector in MLM, 2010 (current prices in respect of GDP-R were used)**



**FIGURE 2: Economic profile per broad sector in MLM, 1990, 2001, 2004, 2007, 2010 (%) (current prices in respect of GDP-R were used)**



Considering the two tables above a number of comments need to be made:

- The projected figures show that the relative contribution of Agriculture, Manufacturing and Electricity have declined from 1990 to 2010.
- Construction and Mining has remained at the same relative contribution. However, Mining is virtually non-existent considering the economy of MLM.

- Trade and Transport have increased their share of the economy between 2001 and 2004 but have stagnated between 2004 and 2010
- The largest increase was seen in Finance, which increased its relative contribution to the MLM economy from 15% in 1990 to 27% in 2007 before settling back to 23% in 2010. Community Services saw significant increase towards 2010 (climbing to 39%) after keeping level from 1990 to 2007 (at roughly 35%).

When the current economy is grouped into primary, secondary and tertiary sectors, it seems as if the disproportionate size of the tertiary sector has been largely maintained. The current level for the tertiary sector is 90%. Though 2 percentage points lower than 2007, it is 4 percentage points more than in 2004, 8 percentage points more than in 2001 and 11 percentage points more than in 1990. Both the secondary and primary sectors have declined proportionally. In the primary sector the decline has been from 5% in 1990 to 3% while the secondary sector has declined from 16% in 1990 to 7% in 2007 and 2010.

## **B2.2 The relative importance of the MLM economy**

The emphasis now shifts to the relative importance of the MLM economy measured in relation to the rest of South Africa, the Free State and Motheo (see Table 1). This is measured in terms of Gross Value Added (GVA).

**TABLE 1: Relative importance of the MLM economy in terms of South Africa and the Free State, 2001, 2004 and 2007 (GVA at current prices were used)**

Sector	% of RSA				% of Free State			
	2001	2004	2007	2010	2001	2004	2007	2010
Agriculture	1.5	1.4	1.1	1.3	12.1	12.1	12.0	12.0
Mining	0.1	0.1	0.1	0.2	0.5	0.8	0.9	2.1
Manufacturing	0.7	0.5	0.3	0.3	12.8	12.2	7.8	6.9
Electricity	1.6	1.4	0.9	0.8	19.0	18.0	13.5	12.2
Construction	1.7	1.2	1.1	1.4	38.3	42.3	38.4	37.4
Trade	1.9	1.9	2.1	2.0	41.3	46.2	44.1	43.5
Transport	2.0	1.9	2.2	2.0	44.4	50.7	48.4	45.2
Finance	1.5	1.3	2.1	1.8	44.5	49.8	45.0	44.7
Community services	2.7	2.6	3.0	2.8	41.4	43.0	43.2	43.4
<b>Total</b>	1.5	1.5	1.7	1.6	25.5	32.6	31.5	30.7

The following comments need to be made in respect of the table above:

- The share of the total economic contribution for South Africa has fluctuated between 1.5% and 1.7% over the period 2001 and 2010. In the case of the Free State MLM increased its share of the Free State's economy from 25.5% in 2001 to 32.6% in 2004 but have fallen since to 30.7% in 2010. Concerning the population share that MLM nationally has of 1.5%, it should be mentioned that the 1.6% economic contribution is equal to the population share. The economic contribution of 30.7% in the Free State in 2004 is however considerably larger than its share of provincial population of approximately 25.2%.
- Agriculture decreased its share of the national agricultural economic output from 1.5% in 2001 to 1.1% in 2007 before increasing to 1.3% in 2010. However, provincially the percentage remained stable (around 12%).
- Virtually no changes are visible nationally in respect of Mining. There has however been variable growth in the provincial share, increasing from 0.5% in 2001 to 2.1% in 2010.
- In terms of Manufacturing, there was a decrease in the national contribution (from 0.7% to 0.5% to 0.3%), and while the share of the Free State remained steady between 2001 and 2004 it fell sharply from 12.2% in 2004 to 6.9% in 2010
- Concerning Electricity while there were only minor decrease between 2001 and 2004 there have been strong decreases of both the national (from 1.4% to 0.9%)

- and provincial share (from 18% to 13.5%) towards 2007. This was followed by further minor decreases towards 2010 (0.8% nationally and 12.2% provincially)
- After an initial decrease between 2001 and 2007 (dropping from 1.7% to 1.1%), Construction appears to have regained some of its national share, rising to 1.4%. Compared to the rest of the province Construction have however shown fluctuation in its share between 2001 and 2010. At the provincial level some of the initially strong growth between 2001 and 2004 were lost.
  - Nationally, Transport's contribution showed mild fluctuations. Provincially the strong growth between 2001 and 2004 (from 44% - 50.7%) was reversed by a drop of 5.5 percentage points between 2004 and 2010. Transport marginally remained the sector in which MLM had the highest percentage share in the Free State.
  - In Finance, the national contribution showed significant fluctuations ranging from 1.3% in 2004 to 2.1 in 2007. Provincially an increase of 5.3 percentage points was recorded between 2001 and 2004, however much of this has since been eroded. Community services more or less retained its proportional share nationally between 2001 and 2010. However, at district level there has been slow but steady growth between 2001 and 2010.

Overall, the above picture portrays a situation in which MLM's contribution to the national economy has remained about the same as in 2001, but in terms of the Free State itself, the contribution increased considerably between 2001 and 2004 before showing steady decline towards 2010. This also reflects the principles of the NSDP, namely that economic growth is likely to take place in the areas currently contributing to economic growth.

### **B2.3 Economic output**

The 2007 GDP by region (current price) for MLM is estimated at R43 327 786 000. In constant 2000 figures (to be used in Table 2) the amount is R18 971 079 000. The GDP per region Table 2 sketches the overview of GVA per sub-area and indicates the growth

rate. Figure 3 provides an overview of the relative contribution of the three sub-areas to the MLM economy.

**TABLE 2: GDP by magisterial district, 1996, 2001, 2002, 2003, 2004, 2007 and 2010 (in constant 2000 prices x 1000)**

Year	MLM	Botshabelo	Bloemfontein	Thaba Nchu
1996	12,906,250	761,765	11,276,012	868,473
2001	14,077,902	824,207	12,348,750	904,945
2004	15,647,230	867,956	13,774,936	1,004,338
2007	18,971,079	981,044	16,914,022	1,076,014
2010	23,280,944	1,238,852	20,810,556	1,231,535
Growth p.a. (2001-2004)	3.59	1.74	3.71	3.53
Growth p.a. (2004-2007)	6.63	4.17	7.08	2.32
Growth p.a. (2007-2010)	7.06	8.09	7.15	4.60
Growth p.a. (2001-2010)	5.75	4.63	5.97	3.48

**FIGURE 3: Relative economic size per centre 2001, 2004, 2007 and 2010 (constant 2000 prices were used)**

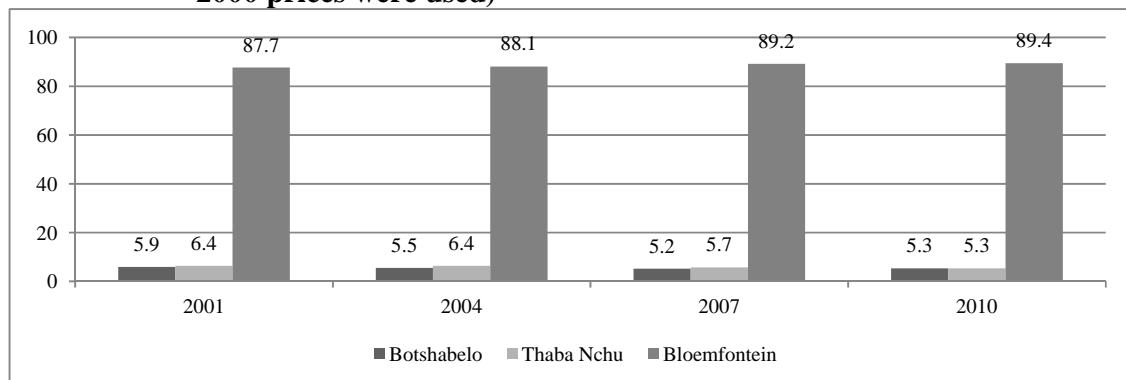


Table 2 shows that the overall annual economic growth rate for MLM was 3.59% between 2001 and 2004, 6.63% between 2004 and 2007 and 7.06% between 2007 and 2010. In Bloemfontein, an economic growth rate of 7.15% was recorded between 2007 and 2010 compared with 8.09% in Botshabelo, while that of Thaba Nchu was considerably less at 4.60% per annum. The data in Figure 3 confirms the fact that Bloemfontein has the largest economy and will be increasing its proportional share. GDP per capita is considered in Table 3 below. A distinction is made between constant prices and current prices, as the constant prices are employed in the projections.

**TABLE 3: GDP per capita for MLM area per sub-areas (Rand), 1996, 2001, 2004, 2007 and 2010 (constant 2000 prices and current prices x R1000)**

Date	Botshabelo		Bloemfontein		Thaba Nchu	
	Current prices	Constant 2000 prices	Current prices	Constant 2000 prices	Current prices	Constant 2000 prices
1996	3,530	4,735	22,618	30,370	7,098	9,507
2001	4,874	4,592	33,168	31,182	10,124	9,565
2004	6,389	4,884	43,616	33,676	12,537	9,712
2007	10,206	6,177	70,200	42,682	22,604	14,052
2010	14,656	7,550	81,999	45,065	30,197	15,650
Growth p.a. (2001-2004)	n.a.	2.08	n.a.	2.60	n.a.	0.51
Growth p.a. (2004-2007)	n.a.	8.14	n.a.	8.22	n.a.	13.10
Growth p.a. (2007-2010)	n.a.	6.92	n.a.	1.83	n.a.	3.66
Growth p.a. (2001-2010)	n.a.	5.68	n.a.	4.18	n.a.	5.62

The current GDP per capita (2010) in Bloemfontein was R81 999 compared with R30 197 in Thaba Nchu and R14 656 in Botshabelo. With regard to constant prices and growth in constant prices, it is noteworthy that the GDP per capita increased in all of the three the areas between 2001 and 2010. Bloemfontein showed the fastest growth between 2001 and 2004 (2.60%), Thaba Nchu between 2004 and 2007 (13.10%) and Botshabelo between 2007 and 2010. The overall effect has been a decrease in inequality when comparing Botshabelo and Thaba Nchu with and Bloemfontein due to larger growth rates in the former two.

#### **B2.4 The proportional share of the broad economic sectors per sub-area**

Table 4 provides an overview of the proportional share of the economic sectors per sub-area in MLM from 2001 to 2010. The importance of this table is the fact that it provides the proportional share in relation to the three main areas of MLM.

**TABLE 4: Percentage economic contribution per broad economic sector and sub-area, 2001, 2004, 2007 and 2010 (GVA constant 2000 prices were used)**

	Area	Botshabelo	Bloemfontein	Thaba Nchu
2001	Agriculture	0.4	3.5	1.4
	Mining	0.7	0.3	0.0
	Manufacturing	12.3	7.1	8.4
	Electricity	0.4	2.5	6.5
	Construction	1.3	2.1	2.2
	Trade	18.7	15.9	32.8

	Transport	13.2	13.5	5.3
	Finance	10.5	18.0	8.8
	Community services	42.5	37.0	34.6
	<b>Totaal</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2004	Agriculture	0.4	3.1	1.3
	Mining	0.5	0.2	0.0
	Manufacturing	11.6	6.6	7.3
	Electricity	0.4	2.1	5.8
	Construction	1.1	2.0	1.9
	Trade	20.1	17.1	33.8
	Transport	12.5	13.0	4.8
	Finance	10.8	18.8	8.6
	Community services	42.5	37.0	36.5
		<b>Total</b>	<b>100.0</b>	<b>100.0</b>
2007	Agriculture	0.2	1.4	0.6
	Mining	0.3	0.4	0.0
	Manufacturing	6.4	2.6	3.4
	Electricity	0.5	1.2	2.6
	Construction	2.2	2.9	3.0
	Trade	25.3	16.5	36.2
	Transport	14.8	14.4	6.0
	Finance	6.0	28.0	15.6
	Community services	44.3	32.5	32.5
		<b>Total</b>	<b>100.0</b>	<b>100.0</b>
2010	Agriculture	0.2	1.5	0.7
	Mining	0.3	0.4	0.0
	Manufacturing	6.5	2.7	3.3
	Electricity	0.4	1.0	2.6
	Construction	1.9	2.3	2.7
	Trade	20.5	13.2	29.6
	Transport	13.7	13.9	6.2
	Finance	5.9	28.7	15.7
	Community services	50.7	36.3	39.2
		<b>Total</b>	<b>100.0</b>	<b>100.0</b>

A number of notes need to be made in respect of Table 4:

- The current and growing dominance of Trade and Community services in Botshabelo and Thaba Nchu should be noted. In Thaba Nchu, these two sectors contributed 68.8% of the economy in 2010. The relative figure for Botshabelo is 71.2%.
- The growing contribution of Finance to the economies of Bloemfontein and Thaba Nchu should also be noted, though the growth has slowed somewhat towards 2010 compared with the 2004 to 2007 growth spurt.

## B2.5 Economic growth per broad sector

Although basic trends of economic growth have already emerged from the discussion above, no direct assessment of economic growth has been conducted thus far. Table 5 provides more clarity in this respect by assessing economic growth both per sector and as a whole by using GVA in 2000 constant prices.

**TABLE 5: Broad economic profile of MLM, 2001, 2004, 2007 and 2010 (GVA constant 2000 prices were used x R1000)**

Area	2001	2004	2007	2010	Growth p.a. (2001-2004)	Growth p.a. (2004-2007)	Growth p.a. (2007-2010)	Growth p.a. (2001-2010)
Agriculture	354,276.86	370,815.22	250,557.77	299,997.21	1.53	-12.25	6.19	-1.83
Mining	34,724.76	32,789.75	73,361.29	79,024.33	-1.89	30.79	2.51	9.57
Manufacturing	961,520.52	943,739.76	545,617.85	616,745.02	-0.62	-16.69	4.17	-4.81
Electricity	342,159.19	332,098.46	238,695.34	223,263.44	-0.99	-10.42	-2.20	-4.63
Construction	284,173.48	335,522.40	536,721.20	499,260.08	5.69	16.95	-2.38	6.46
Trade	2,258,797.81	2,761,045.06	3,436,279.05	3,088,288.09	6.92	7.57	-3.50	3.54
Transport	1,719,147.82	1,964,145.40	2,638,057.60	2,889,483.59	4.54	10.33	3.08	5.94
Finance	2,267,909.30	2,635,508.07	4,969,149.90	5,772,281.15	5.13	23.54	5.12	10.94
Community services	4,763,151.51	5,035,822.13	6,282,639.42	7,966,533.25	1.87	7.65	8.24	5.88
<b>Total</b>	<b>12,985,861.25</b>	<b>14,411,486.26</b>	<b>18,971,079.41</b>	<b>21,434,876.16</b>	<b>3.53</b>	<b>9.60</b>	<b>4.15</b>	<b>5.73</b>

The evidence from Table 5 supports earlier findings. The following need to be highlighted again:

- Between 2004 and 2007 the largest growth took place, oddly enough, in Mining with a growth of 30.79%. However, this growth was from a very small base, with the lowest GVA contribution of all sectors, follows years of contraction of the industry in MLM, and have slowed considerably towards 2010.
- The sector with the second highest growth rate between 2001 and 2004 was Finance as this sector grew by 23.54% per annum. In fact 51.2% of all growth in the economy of MLM between 2004 and 2007 has come from this sector. The subsequent implementation of the National Credit Regulation Act however seriously curtailed growth in this area with growth between 2007 and 2010 falling to 5.12% per annum. Due to sustained growth, the Finance sector showed the highest growth rate per annum between 2001 and 2010 and contributed 41.5% of all growth in the economy of MLM.

- Construction, which had grown by 16.95% per annum, was the third fastest growing industry between 2001 and 2004. However, between 2007 and 2010 the Construction sector shrunk by 2.38% per annum.
- The growth in Transport was also significant between 2004 and 2007 when it grew 10.33% p.a. However, between 2007 and 2010 it settled back to average growth (3.08% per annum).
- Trade ended several years of strong growth rates by shrinking 3.50% per annum between 2007 and 2010. The negative growth rates of construction, Transport and Trade and likely be linked to the international financial crisis and its effects locally.
- The contraction of the Electricity sector is continuing, though the decline has slowed somewhat from -10.42% to -2.20%.
- Community service has experienced strong growth rates of 7.65% between 2004 and 2007 and 8.24% between 2007 and 2010.
- Agriculture and Manufacturing ended historic slow to negative growth rates, growing by 6.19% and 4.17% per annum between 2007 and 2010. The decline in the growth rate for Manufacturing between 2001 and 2007 should be viewed against the fact that the Rand has strengthened considerably since its low in 2001.

In summary, Table 6 provides a framework against which growth in the various sectors in MLM should be assessed.

**TABLE 6: A framework for analysis of economic growth per sector, 2001-2010.**

Sectors that had consistent or net growth	Sectors that had shown net decline	Sectors that had consistent decline
Mining (net growth)	Agriculture	Electricity
Construction (net growth)	Manufacturing	
Transport	Trade	
Finance		
Community services		

## **B2.6 Degree of economic diversity**

The degree to which the economy is diversified or concentrated in a specific economic activity is an indicator of functional specialisation. The degree to which an economy is

diversified can be illustrated in terms of the Tress Index. The Tress Index is measured on a scale of 1 to 100. The higher the value of the tress index in an area, the more concentrated is the economy, and the lower the value the more diversified the economy. Table 7 provides an overview of the Tress Index in MLM.

**TABLE 7: Tress Index by magisterial district, 1990, 1996, 2001, 2004, 2007, and 2010**

Date	Botshabelo	Bloemfontein	Thaba Nchu
1990	62.4	50.0	59.0
1996	64.2	54.4	60.9
2001	64.7	57.8	62.3
2004	65.5	59.4	64.9
2007	72.2	63.9	67.2
2010	73.0	63.6	68.6

Table 7 shows that the economy of MLM is becoming more concentrated. It is probably concentrated in terms of the Community services sector. The challenge remains to decrease economic concentration and increase economic diversification. It is also significant is that the economies in Botshabelo and Thaba Nchu are also more concentrated than in Bloemfontein. Though it is too early to say, the apparent reversal of the growth in the Tress Index in Bloemfontein could prove significant.

### **B3. An analysis of detailed economic sectors**

Chapter Two provided an overview of the economy of MLM in terms of the broad economic sector. This Chapter aims at providing a perspective on the detailed economic sectors. Table 8 provides an overview of the detailed economic sectors. Each of the broad sectors will be analysed in more detail in the remainder of the document.

**TABLE 8: Detailed economic profile by sub-sector for MLM 2001, 2004, 2007 and 2010 (GVA by constant 2000 figures x R1000)**

Sub sector	2001		2004		2007		2010	
	(R1000)	%	(R 1000)	%	(R 1000)	%	(R 1000)	%
11 Agriculture and hunting	353,491	2.72	370,104	2.84	250,110	1.32	299,427	1.40
12 Forestry and logging	786	0.01	711	0.01	448	0.00	570	0.00
13 Fishing, operation of fish farms	0	0.00	0	0.00	0	0.00	0	0.00
21 Mining of coal and lignite	0	0.00	0	0.00	0	0.00	0	0.00

Sub sector	2001		2004		2007		2010	
	(R1000)	%	(R 1000)	%	(R 1000)	%	(R 1000)	%
23 Mining of gold and uranium ore	0	0.00	0	0.00	0	0.00	0	0.00
24 Mining of metal ores	6,696	0.05	5,076	0.03	14,281	0.08	14,225	0.07
25-29 Other Mining and quarrying (incl 22)	28,029	0.22	27,714	0.20	59,080	0.31	64,799	0.30
30 Food, beverages and tobacco products	249,603	1.92	238,047	1.98	140,598	0.74	179,883	0.84
31 Textiles, clothing and leather goods	75,189	0.58	80,884	0.54	37,705	0.20	41,834	0.20
32 Wood and wood products	71,898	0.55	71,278	0.48	43,205	0.23	38,881	0.18
33 Fuel, petroleum, chemical and rubber products	127,070	0.98	121,345	0.90	71,404	0.38	85,336	0.40
34 Other non-metallic mineral products	16,564	0.13	17,256	0.15	9,577	0.05	10,252	0.05
35 Metal products, machinery and household appliances	66,536	0.51	72,420	0.53	42,180	0.22	44,966	0.21
36 Electrical machinery and apparatus	75,289	0.58	70,139	0.47	43,244	0.23	48,679	0.23
37 Electronic, sound/vision, medical & other appliances	8,530	0.07	9,573	0.08	5,173	0.03	6,273	0.03
38 Transport equipment	89,171	0.69	84,559	0.63	43,807	0.23	59,190	0.28
39 Furniture and other items NEC and recycling	181,670	1.40	178,240	1.22	108,724	0.57	101,451	0.47
41 Electricity, gas, steam and hot water supply	318,194	2.45	309,916	1.98	227,826	1.20	205,297	0.96
42 Collection, purification and distribution of water	23,965	0.18	22,182	0.21	10,870	0.06	17,967	0.08
50 Construction	284,173	2.19	335,522	1.92	536,721	2.83	499,260	2.33
61 Wholesale and commission Trade	723,461	5.57	732,448	5.23	900,085	4.74	826,770	3.86
62 Retail Trade and repairs of goods	1,103,972	8.50	1,534,666	9.75	1,936,222	10.21	1,649,939	7.70
63 Sale and repairs of motor vehicles, sale of fuel	298,744	2.30	347,065	2.25	431,097	2.27	477,544	2.23
64 Hotels and restaurants	132,621	1.02	146,866	0.98	168,875	0.89	134,036	0.63
71-72 Land and water Transport	891,763	6.87	1,009,814	6.39	1,252,850	6.60	1,226,317	5.72
73-74 Air Transport and Transport supporting activities	80,552	0.62	87,400	0.59	121,640	0.64	147,227	0.69
75 Post and telecommunication	746,833	5.75	866,932	5.57	1,263,568	6.66	1,515,939	7.07
81-83 Finance and Insurance	1,410,436	10.86	1,704,277	10.50	3,380,943	17.82	3,586,210	16.73
84 Real estate activities	382,070	2.94	394,562	3.39	587,073	3.09	1,186,865	5.54
85-88 Other business activities	475,402	3.66	536,669	3.87	1,001,133	5.28	999,207	4.66
91 Public administration and defence activities	1,518,069	11.69	1,711,475	12.68	2,391,228	12.60	2,989,674	13.95
92 Education	1,270,197	9.78	1,311,346	9.72	1,495,624	7.88	1,783,865	8.32

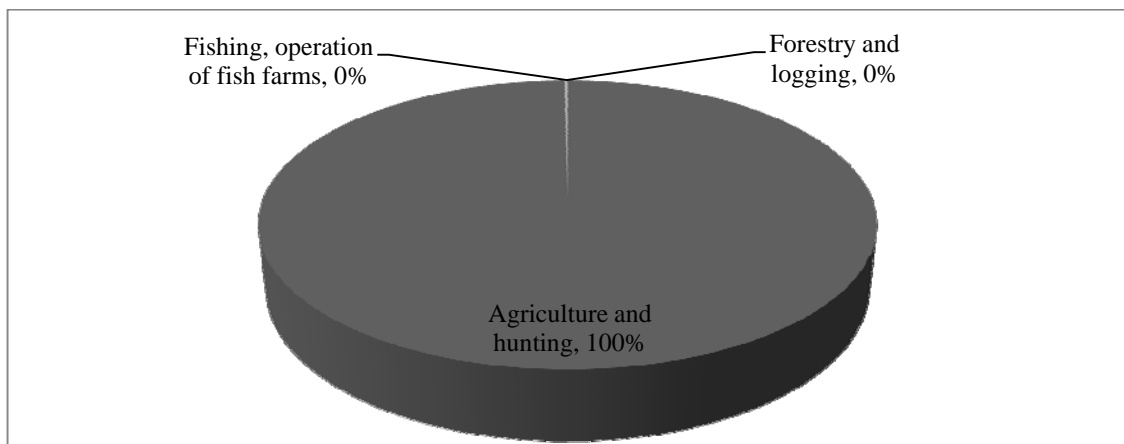
Sub sector	2001		2004		2007		2010	
	(R1000)	%	(R 1000)	%	(R 1000)	%	(R 1000)	%
93 Health and social work	1,070,674	8.24	1,105,246	8.19	1,478,186	7.79	1,879,523	8.77
94-99 Other service activities	904,211	6.96	907,755	6.73	917,602	4.84	1,313,472	6.13
<b>Total Industries</b>	<b>12,985,861</b>	<b>100</b>	<b>14,411,486</b>	<b>100</b>	<b>18,971,079</b>	<b>100</b>	<b>21,434,876</b>	<b>100</b>

The above table provided an overview of growth in the various sub-sectors of the economy. This overview is done in greater depth in the remainder of this document.

### B3.1 Agriculture

Agriculture contributed 1.3% of the MLM economy (see also Section B2.2) in 2007. In respect of the sub-sectors, Agriculture and hunting are the main sub-sector contributing nearly 100% of the GVA contributions in Agriculture (see Figure 4). Less than 0.01% comes from Forestry and logging. The dominance of Agriculture and hunting is expected to continue and has been utilised to reflect on the projections in Table 9.

**FIGURE 4: GVA of Agriculture per sub-sector proportion in MLM, 2010 (using constant 2000 figures)**



**TABLE 9: GVA of Agriculture sector per sub-sector for MLM, 1996, 2001, 2004, 2007 and 2010 (using constant 2000 figure x R1000)**

Area	Agriculture and hunting	Forestry and logging	Fishing, operation of fish farms
Botshabelo 1996	2,767	0	0
Bloemfontein 1996	336,711	0	0
Thaba Nchu 1996	8,133	715	0
MLM 1996	347,611	715	0

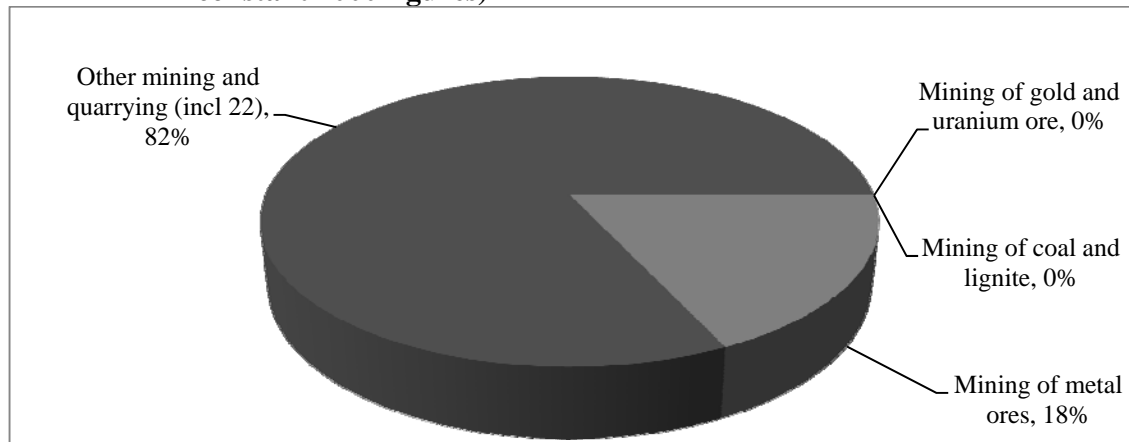
Botshabelo 2001	2,814	0	0
Bloemfontein 2001	342,406	0	0
Thaba Nchu 2001	8,271	786	0
MLM 2001	353,491	786	0
Botshabelo 2004	2,946	0	0
Bloemfontein 2004	358,499	0	0
Thaba Nchu 2004	8,660	711	0
MLM 2004	370,104	711	0
Botshabelo 2007	1,914	0	0
Bloemfontein 2007	242,516	0	0
Thaba Nchu 2007	5,680	448	0
MLM 2007	250,110	448	0
Botshabelo 2010	2,291	0	0
Bloemfontein 2010	290,336	0	0
Thaba Nchu 2010	6,800	570	0
MLM 2010	299,427	570	0
MLM growth p.a. (2001-2004)	1.53	-3.26	0.00
MLM growth p.a. (2004-2007)	-12.25	-14.27	0.00
MLM growth p.a. (2007-2010)	6.18	8.36	0.00
MLM growth p.a. (2001-2010)	-1.83	-3.51	0.00

From Table 9 it should be noted that the contribution of both Agriculture and Forestry and logging seemed to be in decline between 2001 and 2007. However, since then there appears to have been steady growth. Agriculture initially showed growth between 2001 and 2004 of 1.5% per annum before it fell to an annual decline of 12.25% between 2004 and 2007. Though Agriculture has been growing at 6.18% per annum since 2007 the net effect between 2001 and 2010 was still an annual decline of 1.83%. The small scale of Forestry and logging means that the initial decline and subsequent growth, though proportionally larger, are of lesser importance. It should also be noted that, in respect of the proportional share of each of the sub-sectors, no change has occurred since 2001.

### **B3.2 Mining**

Historically, Mining has played a small role in the economy of MLM. Currently, Mining contributes only 0.4% of the GVA in MLM. The biggest proportional contribution in Mining comes from other mining and quarrying (82%) and Mining of metal ores (18%) (Figure 5). The downward trend in respect of metal ores and other mining between 2001 and 2004 have reversed since 2004 with strong growth in both sub-sectors (see Table 10).

**FIGURE 5: GVA of Mining per sub-sector proportion in MLM, 2010 (using constant 2000 figures)**



**TABLE 10: GVA of Mining sector per sub-sector for MLM, 1996, 2001, 2004, 2007 and 2010 (using constant 2000 prices x R1000)**

Area	Mining of coal and lignite	Mining of gold and uranium ore	Mining of metal ores	Other mining and quarrying (incl 22)
Botshabelo 1996	0	0	0	4,780
Bloemfontein 1996	0	0	6,501	23,043
Thaba Nchu 1996	0	0	0	0
MLM 1996	0	0	6,501	27,823
Botshabelo 2001	0	0	0	4,815
Bloemfontein 2001	0	0	6,696	23,213
Thaba Nchu 2001	0	0	0	0
MLM 2001	0	0	6,696	28,029
Botshabelo 2004	0	0	0	4,761
Bloemfontein 2004	0	0	5,076	22,953
Thaba Nchu 2004	0	0	0	0
MLM 2004	0	0	5,076	27,714
Botshabelo 2007	0	0	0	3,255
Bloemfontein 2007	0	0	14,281	55,826
Thaba Nchu 2007	0	0	0	0
MLM 2007	0	0	14,281	59,080
Botshabelo 2010	0	0	0	4,527
Bloemfontein 2010	0	0	18,038	77,641
Thaba Nchu 2010	0	0	0	0
MLM 2010	0	0	18,038	82,168
MLM growth p.a. (2001-2004)	0.00	0.00	-8.74	-0.37
MLM growth p.a. (2004-2007)	0.00	0.00	41.17	28.70
MLM growth p.a. (2007-2010)	0.00	0.00	8.10	11.62
MLM growth p.a. (2001-2010)	0.00	0.00	11.64	12.69

The biggest annual decline has occurred in the Mining of metal ores between 2001 and 2004 as this sub-sector declined by -8.74% per annum. This has however turned into strong growth of 41.17% for 2004 to 2007 and 8.10% for 2007 to 2010. The small decline that also occurred in other mining and quarrying reversed with growth of 28.70% from 2004 to 2007 and 11.62% from 2007 to 2010.

### B3.3 Manufacturing

Manufacturing is currently contributing about 2.9% of GVA in MLM a significant reduction from 3.5% of 2007 and a massive reduction from 6.5% in 2004. As already noted, the contribution of Manufacturing has declined since 2001. Concerning the detailed sectors in respect of Manufacturing, a more in-depth discussion of Figure 6 is required.

**FIGURE 6: GVA of the manufacture sector per proportion of each sub-sector for MLM, 2010 (using constant 2000 prices)**

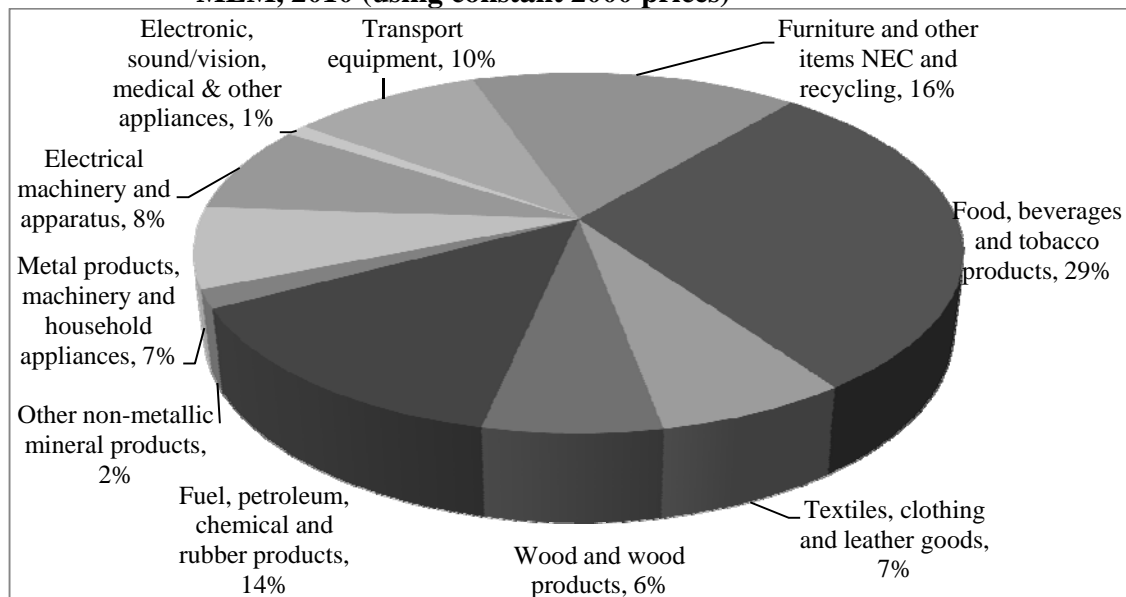


Figure 6 reveals the following main aspects:

- The sub-sector with the largest GVA contribution is in Food, beverages and tobacco products, contributing over a quarter (29%) to the Manufacturing output

in MLM. This is larger than the 26% of 2007, however, is still less than the 31% in 2001.

- Furniture and other items make up 16% of GVA, followed by Fuel, chemicals and rubber products (14%). After initially increasing its proportional share between 2001 and 2007 (from 13% to 20%) Furniture and other items have decreased by four percentage points. Fuel, chemicals and rubber remained largely the same since 2001.
- The following sub-sectors contribute between 5%-10%: Transport equipment, Textiles, Wood, Metal products and Electrical machinery. Interestingly enough their proportional share has also remained more or less constant since 2001.
- The two sub-sectors with the lowest proportional contribution are Electronics and Non-metallic minerals (with 1% and 2% respectively of Manufacturing GVA).
- The continued and growing dominance of Food, beverages and tobacco products largely confirms a Manufacturing industry geared to local need. However, and more importantly, some of the changes in the sub-sectors should be considered (see Table 11).

**TABLE 11: GVA of the Manufacturing sector per sub-sector for MLM, 1996, 2001, 2004, 2007 and 2010 (constant 2000 prices used x R1000)**

Area	Food, beverages and tobacco products	Textiles, clothing and leather goods	Wood and wood products	Fuel, petroleum, chemical and rubber	Other non-metallic mineral products	Metal products, machinery and appliances	Electrical machinery and apparatus	Electronic, sound/vision, medical & other appliances	Transport equipment	Furniture and other items NEC and recycling
Botshabelo 1996	12,653	50,249	5,968	6,458	957	9,369	2,522	101	181	12,633
Bloemfontein 1996	234,442	25,157	63,610	85,292	17,322	56,861	58,034	9,881	70,093	124,193
Thaba Nchu 1996	7,488	7,756	939	1,584	1,970	4,848	2,028	818	482	30,938
MLM 1996	254,583	83,162	70,517	93,333	20,249	71,077	62,583	10,801	70,756	167,765
Botshabelo 2001	12,380	45,236	6,076	8,779	779	8,738	3,027	80	228	13,563
Bloemfontein 2001	229,575	22,666	64,824	116,045	14,111	53,079	69,722	7,779	88,309	133,441
Thaba Nchu 2001	7,647	7,288	998	2,247	1,674	4,719	2,540	672	634	34,667
MLM 2001	249,603	75,189	71,898	127,070	16,564	66,536	75,289	8,530	89,171	181,670
Botshabelo 2004	11,842	49,168	6,031	8,396	820	9,581	2,830	90	216	13,582
Bloemfontein 2004	219,675	24,645	64,362	111,030	14,863	58,220	65,190	8,804	83,806	133,670
Thaba Nchu 2004	6,530	7,071	884	1,919	1,573	4,619	2,119	678	537	30,988
MLM 2004	238,047	80,884	71,278	121,345	17,256	72,420	70,139	9,573	84,559	178,240
Botshabelo 2007	9,382	22,182	4,364	6,624	582	6,601	2,110	56	144	10,749
Bloemfontein 2007	126,862	11,678	38,232	63,506	8,028	32,615	39,634	4,699	43,338	77,330
Thaba Nchu 2007	4,355	3,846	609	1,274	968	2,964	1,499	418	325	20,644
MLM 2007	140,598	37,705	43,205	71,404	9,577	42,180	43,244	5,173	43,807	108,724
Botshabelo 2010	12,035	24,669	3,936	7,935	625	7,058	2,382	68	195	10,078
Bloemfontein 2010	162,352	12,957	34,404	75,899	8,604	34,791	44,632	5,704	58,562	72,330
Thaba Nchu 2010	5,496	4,208	541	1,502	1,023	3,118	1,665	501	433	19,043
MLM 2010	179,883	41,834	38,881	85,336	10,252	44,966	48,679	6,273	59,190	101,451
MLM growth p.a. (2001-2004)	-1.55	2.44	-0.29	-1.51	1.36	2.84	-2.31	3.88	-1.74	-0.63
MLM growth p.a. (2004-2007)	-16.1	-22.46	-15.37	-16.2	-17.82	-16.49	-14.89	-18.55	-19.69	-15.19
MLM growth p.a. (2007-2010)	8.56	3.52	-3.45	6.12	2.30	2.16	4.03	6.64	10.55	-2.28
MLM growth p.a. (2001-2010)	-3.57	-6.31	-6.60	-4.33	-5.19	-4.26	-4.73	-3.36	-4.45	-6.27

Table 11 has indicated the growth in each of the sub-sectors of the Manufacturing economy in MLM. A number of key notes should be made:

- The Manufacturing industry declined over the 2001-2007 period before recovering some ground between 2007 and 2010. It should be mentioned that one of the key aspects influencing the Manufacturing industry is the Rand / US Dollar exchange rate. The Rand has strengthened from a low against the US Dollar in 2002 and maintained this strength for much of 2004-2007, placing the Manufacturing industry in South Africa and more specifically in MLM under pressure, before weakening marginally between 2007 and 2010.
- All sub-sectors have shown a decline in economic output between 2004 and 2007 with Wood and wood products and Furniture and other items continuing this decline up to 2010.
- Between 2004 and 2007, Transport equipment showed the second greatest decline (-19.69% p.a.). This changed to the greatest growth of all subsectors between 2007 and 2010 (10.55% p.a.). The second largest growth was recorded for Food, beverages and tobacco products (8.56% p.a.)
- Concerning GVA in each of the three areas in MLM, Botshabelo remains the dominant area for Textile production where nearly 50% of all GVA is created. For all the other sub-sectors, Bloemfontein is by far the main contributor to GVA.

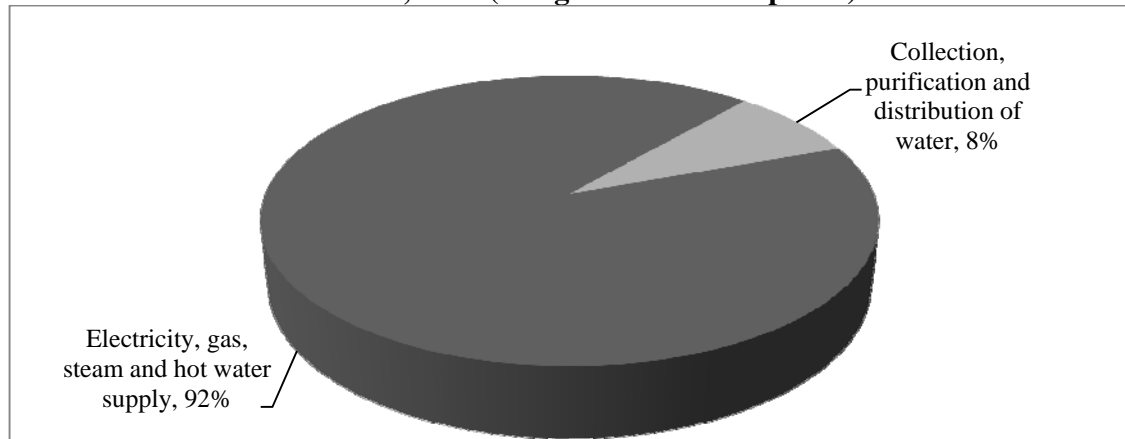
All this points to two important aspects: In the first place, that it is not negotiable that more emphasis should be placed on ensuring that a conducive environment be created for the Manufacturing industry. Secondly, that the relatively peripheral location of MLM in relation to the economic core in Gauteng requires an extraordinary effort to maintain and increase the current Manufacturing output of MLM.

#### **B3.4 Electricity, water and gas**

This sector is subdivided into two sub-sectors, namely Collection, purification and distribution of water, as well as Electricity, gas, steam and hot water supply. The former sub-sector contributes 5% of the total GVA in this sector. The remainder of the output is made up of Electricity, gas, steam and hot water supply (see Figure 7). It should also be

noted that the sub-sector contribution of Collection, purification and distribution of water declined from 8% in 2001 to 7% in 2004. Electricity, gas, steam and hot water supply increased by 3 percentage points between 2001 and 2007.

**FIGURE 7: GVA of Electricity/gas/water sector per sub-sector proportion in MLM, 2010 (using constant 2000 prices)**



In respect of growth and decline in each of the sub-sectors, Table 3.4 reveals the following:

**TABLE 12: GVA of Electricity/gas/water sector per sub-sector for MLM, 1996, 2001, 2004, 2007 and 2010 (constant 2000 prices were used – X R1000)**

Area	Electricity, gas, steam and hot water supply	Collection, purification and distribution of water
Botshabelo 1996	4,070	0
Bloemfontein 1996	299,619	10,733
Thaba Nchu 1996	37,010	15,335
MLM 1996	340,699	26,067
Botshabelo 2001	3,707	0
Bloemfontein 2001	280,007	9,867
Thaba Nchu 2001	34,480	14,098
MLM 2001	318,194	23,965
Botshabelo 2004	3,846	0
Bloemfontein 2004	274,884	9,133
Thaba Nchu 2004	31,186	13,049
MLM 2004	309,916	22,182
Botshabelo 2007	4,467	0
Bloemfontein 2007	201,271	4,449
Thaba Nchu 2007	22,087	6,421
MLM 2007	227,826	10,870
Botshabelo 2010	4,142	0
Bloemfontein 2010	182,577	7,354
Thaba Nchu 2010	18,578	10,613

MLM 2010	205,297	17,967
MLM growth p.a. (2001-2004)	-0.87	-2.52
MLM growth p.a. (2004-2007)	-9.75	-21.16
MLM growth p.a. (2007-2010)	-3.41	18.24
MLM growth p.a. (2001-2010)	-4.75	-3.15

The following comments should be made with regard to the overview provided in Table 12:

- Electricity, gas steam and hot water supply have exhibited steady declines that average 4.75% p.a. between 2001 and 2010.
- In the case of Collection, purification and distribution of water the decline has been more considerable (-21.16% per annum) between 2004 and 2007, though this has been ameliorated to some extent by growth of 18.24% per annum between 2007 and 2010. However, the overall effect is still that the subsector is smaller in 2010 than it was in 2001.

### **B3.5 Trade**

In respect of the sub-sectors of the Trade sector, the relative contribution of each of the sub-sectors is reflected in Figure 8. The largest percentage is captured in Retail Trade and repairs of goods (56%) followed by Wholesale and commission trade (26%), Sale and repairs of motor vehicles and sale of fuels (13%) while Hotels and restaurants contribute 5%. These proportional contributions have stabilized after it changed considerably between 2001 and 2004, with Retail trade and repairs of goods contributing 30%, Wholesale and commission trade 46%, Sale and repairs of motor vehicles and sale of fuels 16%, and Hotels and restaurants contributed 8% in 2001.

**FIGURE 8: GVA of Trade sector per sub-sector proportion in MLM, 2010 (using constant 2000 prices)**

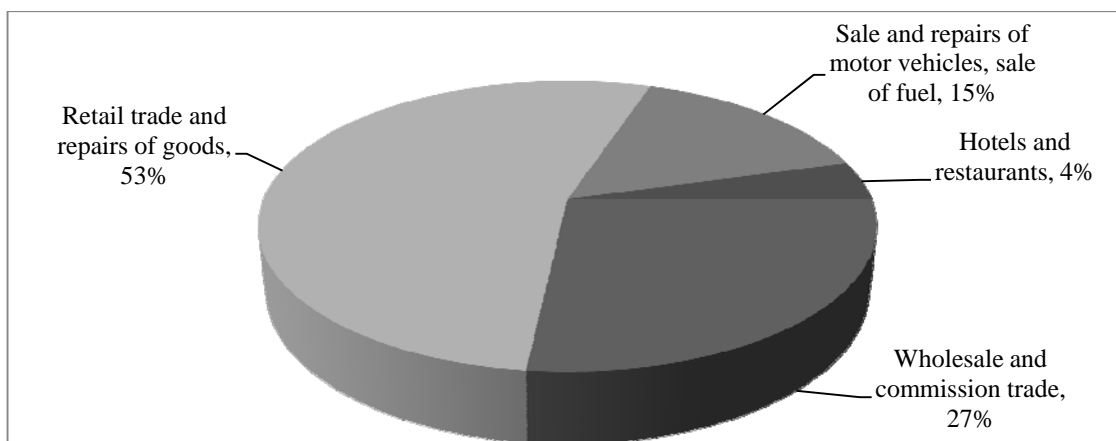


Table 13 should be considered in respect of the growth of each of these sub-sectors.

**TABLE 13: GVA of Trade sector per sub-sector for MLM, 1996, 2001, 2004, 2007 and 2010 (constant 2000 figures were used – xR1000)**

Area	Wholesale and commission Trade	Retail Trade and repairs of goods	Sale and repairs of motor vehicles, sale of fuel	Hotels and restaurants
Botshabelo 1996	58,824	70,779	1,750	4,355
Bloemfontein 1996	529,918	767,542	241,215	97,695
Thaba Nchu 1996	65,075	116,333	1,917	36,693
MLM 1996	653,817	954,654	244,882	138,743
Botshabelo 2001	64,764	81,362	2,132	4,113
Bloemfontein 2001	583,918	883,038	294,173	92,340
Thaba Nchu 2001	74,779	139,573	2,438	36,168
MLM 2001	723,461	1,103,972	298,744	132,621
Botshabelo 2004	66,286	114,628	2,479	4,691
Bloemfontein 2004	597,842	1,244,507	342,057	105,353
Thaba Nchu 2004	68,320	175,531	2,530	36,822
MLM 2004	732,448	1,534,666	347,065	146,866
Botshabelo 2007	86,558	152,791	3,353	5,637
Bloemfontein 2007	721,619	1,535,789	424,116	117,402
Thaba Nchu 2007	91,908	247,642	3,628	45,836
MLM 2007	900,085	1,936,222	431,097	168,875
Botshabelo 2010	79,790	130,714	3,724	4,501
Bloemfontein 2010	663,625	1,310,782	469,856	93,524
Thaba Nchu 2010	83,355	208,442	3,964	36,010
MLM 2010	826,770	1,649,939	477,544	134,036
MLM growth p.a. (2001-2004)	0.41	11.48	5.07	3.42
MLM growth p.a. (2004-2007)	7.11	8.06	7.49	4.76
MLM growth p.a. (2007-2010)	-2.79	-5.19	3.47	-7.41
MLM growth p.a. (2001-2010)	1.49	4.57	5.35	0.12

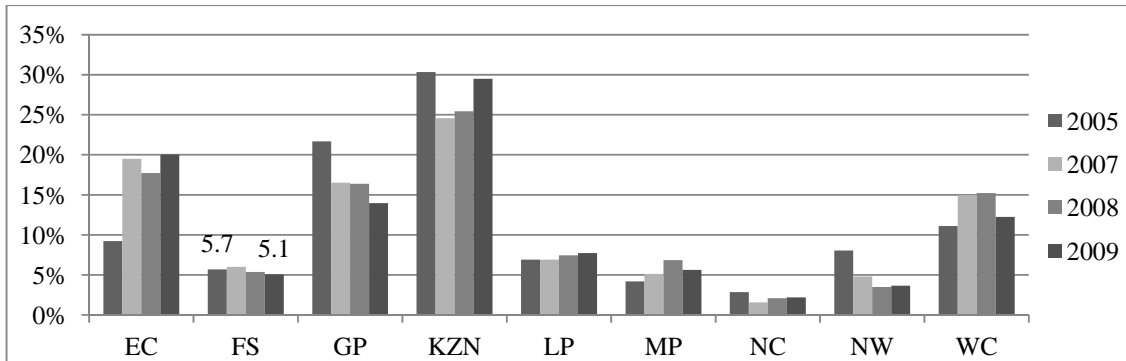
The following trends are applicable to Table 13:

- After significant growth in all sub sectors between 2001 and 2007, three of the four sub sectors saw declines. Only Sale and repairs of motor vehicles, sale of fuel continued to grow (though at a reduced rate of 3.47%) between 2007 and 2010.
- Between 2004 and 2007 the growth in Wholesale and commission trade (7.11%) outstripped that of Hotels and restaurants (4.76%). Between 2007 and 2010 decline in Wholesale and commission trade (-2.79%) was significantly less than the case for Hotels and restaurants (-7.41%). This is especially significant given the relative sizes of the two industries, with Wholesale posting stronger growth/less decline of a significantly larger base.
- It is also noteworthy that the increases/decreases in the above sub-sectors have mostly taken place in all of the three urban areas in MLM. However, the significant dominance of Bloemfontein continues.

This increase in Trade between 2004 and 2007 should be seen against the background of relatively low interest rates and the strong rand in relation to the US dollar. The latter has made cheap imports possible. The marginal weakening of the Rand/US dollar exchange rate combined with the international recession had a significant influence on growth in these sub-sectors.

As tourism is a sub-sector of the Trade sector, an overview of the proportional share of tourism visits per province is provided (Figure B9).

**FIGURE B9: Percentage of bed nights per province, 2005, 2007-2009**

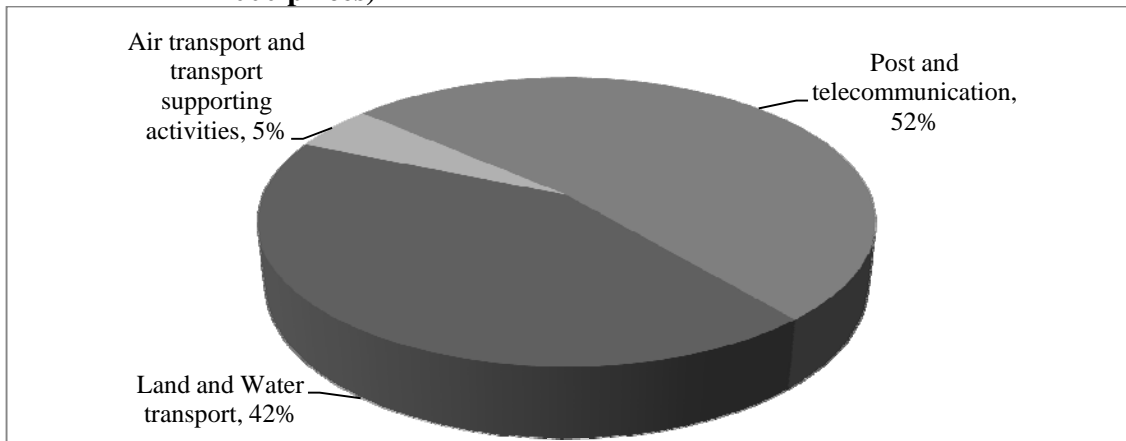


Source: South African Tourism Strategic Research Unit, 2006, 2010<sup>1</sup>

### B3.6 Transport

Figure 10 portrays the sub-sectors of the Transport sector. Post and telecommunication contributes half (52%) of the GVA in this sector ahead of Land and water transport (42%). Air transport and transport supporting services contribute 5%. It should also be mentioned that the proportional share of Land and water transport has increased from 50% to 52% between 2001 and 2004 before falling to 47% in 2007. The proportional contribution of Post and telecommunication decreased from 47% to 44% in 2004 before increasing again to 48% in 2007.

**FIGURE 10: GVA of Transport per sub-sector for MLM, 2010 (using constant 2000 prices)**



The growth of the sub-sectors for the Transport sector is reflected in Table 14 below.

<sup>1</sup>South African Tourism Strategic Research Unit, 2006.2005 Annual Domestic Tourism Report.South African Tourism Strategic Research Unit, 2010.Domestic Tourism Report Provincial Scorecard: 2007 – 2009.

**TABLE 14: GVA of Transport per sub-sector in MLM, 1996, 2001, 2004, 2007 and 2010 (using constant 2000 prices – x R1000)**

Area	Land and Water Transport	Air Transport and Transport supporting activities	Post and telecommunication
Botshabelo 1996	85,588	0	6,408
Bloemfontein 1996	672,253	74,043	446,072
Thaba Nchu 1996	18,729	0	10,802
MLM 1996	776,571	74,043	463,282
Botshabelo 2001	98,110	0	10,311
Bloemfontein 2001	771,246	80,552	718,381
Thaba Nchu 2001	22,408	0	18,141
MLM 2001	891,763	80,552	746,833
Botshabelo 2004	111,365	0	11,997
Bloemfontein 2004	875,744	87,400	836,095
Thaba Nchu 2004	22,705	0	18,840
MLM 2004	1,009,814	87,400	866,932
Botshabelo 2007	127,711	0	16,339
Bloemfontein 2007	1,091,461	121,640	1,215,273
Thaba Nchu 2007	32,678	0	31,955
MLM 2007	1,252,850	121,640	1,263,568
Botshabelo 2010	126,298	0	19,655
Bloemfontein 2010	1,068,472	147,227	1,458,463
Thaba Nchu 2010	31,548	0	37,821
MLM 2010	1,226,317	147,227	1,515,939
MLM growth p.a. (2001-2004)	4.19	2.73	5.04
MLM growth p.a. (2004-2007)	7.45	11.65	13.38
MLM growth p.a. (2007-2010)	-0.71	6.57	6.26
MLM growth p.a. (2001-2010)	3.60	6.93	8.18

According to Table 14 growth occurred in two of the three sub-sectors of the Transport sector between 2001 and 2010, while Land and water transport only showed a minor decline (-0.71%) between 2007 and 2010:

- Land and water transport still increased by 3.60% since 2001.
- The annual increase in Air transport has been 6.93%
- In the case of Post and telecommunication, the annual growth rate has been the highest at 8.18%.
- The absolute dominance of Bloemfontein in all of the three sub-sectors should once again be noted.

### B3.7 Finance

The Finance sector in MLM is still dominated by Finance and insurance (62%), though the proportional share have decreased by six percentage points since 2007 and is three percentage points smaller than it was in 2004. Real estate activities (21%) have surpassed Other business activities (17%) in proportional share(see Figure 11).

**FIGURE 11: GVA of Finance and real estate per sub-sector for MLM, 2010 (using constant 2000 prices)**

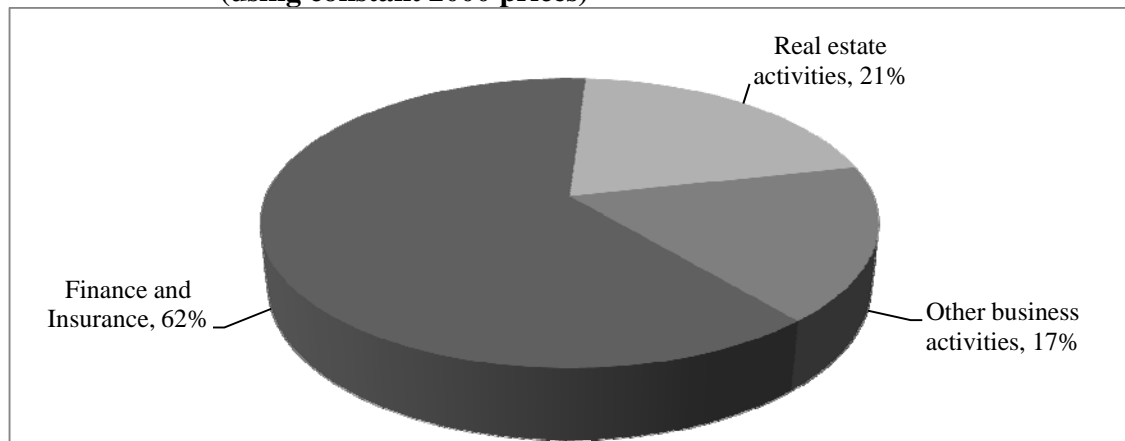


Table 15 provides a more in-depth assessment of the sub-sectors in terms of the growth of these sub-sectors per area in MLM for the period 1996 – 2010.

**TABLE 15: GVA of the Finance sub-sectors for MLM, 1996, 2001, 2004, 2007 and 2010 (constant 2000 prices were used – x R1000)**

Area	Finance and Insurance	Real estate activities	Other business activities
Botshabelo 1996	26,886	7,347	32,135
Bloemfontein 1996	994,540	451,435	307,685
Thaba Nchu 1996	37,460	2,089	11,084
MLM 1996	1,058,885	460,871	350,905
Botshabelo 2001	35,728	6,561	43,445
Bloemfontein 2001	1,322,751	373,743	416,317
Thaba Nchu 2001	51,957	1,767	15,641
MLM 2001	1,410,436	382,070	475,402
Botshabelo 2004	43,330	6,243	49,203
Bloemfontein 2004	1,604,701	386,658	471,654
Thaba Nchu 2004	56,246	1,661	15,812
MLM 2004	1,704,277	394,562	536,669
Botshabelo 2007	26,650	3,022	26,594

Bloemfontein 2007	3,225,691	581,314	934,866
Thaba Nchu 2007	128,603	2,737	36,673
MLM 2007	3,380,943	587,073	1,001,133
Botshabelo 2010	28,349	5,211	29,620
Bloemfontein 2010	3,423,265	1,176,033	933,474
Thaba Nchu 2010	134,596	5,621	36,113
MLM 2010	3,586,210	1,186,865	999,207
MLM growth p.a. (2001-2004)	6.44	1.08	4.12
MLM growth p.a. (2004-2007)	25.65	14.16	23.10
MLM growth p.a. (2007-2010)	1.98	26.45	-0.06
MLM growth p.a. (2001-2010)	10.93	13.42	8.60

Table 15 reveals that Finance and insurance as a sub-sector experience the largest growth per annum during the 2001 - 2004 period and, to an greater extent, the 2004 - 2007 period. The growth for Other business activities was 4.1% per annum for the 2001 – 2004 period and 23.1% per annum for the 2004-2007 period. While the Real estate sub-sector had only grown at 1.1% per annum between 2001 and 2004 increasing to 14.2% between 2004 and 2007, it has shown significant growth since 2007 (26.5%). This brings Real estate activities to the highest average per annum growth rate between 2001 and 2010. Botshabelo seemed to be experiencing contraction in all three sub-sectors of Finance between 2004 and 2007 after initial contraction in Real estate activities were already evident since 2001. However, this trend has recently reversed with Botshabelo again showing growth in all three sub-sectors.

### **B3.8 Community services**

The largest contribution within Community services originated from Public administration and defence activities (34% in 2004 and 38% in 2007/2010) (see Figure 12). Health and social work, in second with a 24% contribution, has surpassed Education (22%). Other service activities contribute 16% of the total GVA for Community services in MLM.

**FIGURE 12: GVA of Community services sub-sectors for MLM, 2010 (using constant 2000 prices)**

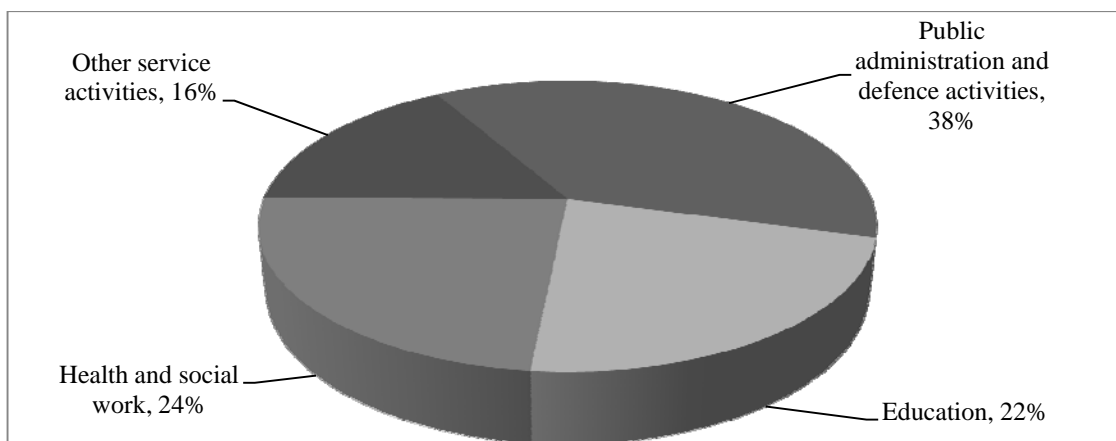


Table 16 provides an overview of growth rates in each of the sub-sectors in relation to Community services.

**TABLE 16: GVA of Community services sub-sectors for MLM, 1996, 2001, 2004, 2007 and 2010 (constant 2000 prices were used – x R1000)**

Area	Public administration and defence activities	Education	Health and social work	Other service activities
Botshabelo 1996	138,973	140,026	27,120	34,069
Bloemfontein 1996	1,439,537	1,033,164	833,222	771,028
Thaba Nchu 1996	78,126	103,624	35,005	38,555
MLM 1996	1,656,636	1,276,814	895,346	843,652
Botshabelo 2001	127,349	139,300	32,430	36,515
Bloemfontein 2001	1,319,129	1,027,810	996,384	826,373
Thaba Nchu 2001	71,591	103,087	41,859	41,323
MLM 2001	1,518,069	1,270,197	1,070,674	904,211
Botshabelo 2004	143,574	143,813	33,478	36,658
Bloemfontein 2004	1,487,189	1,061,107	1,028,557	829,612
Thaba Nchu 2004	80,712	106,426	43,211	41,485
MLM 2004	1,711,475	1,311,346	1,105,246	907,755
Botshabelo 2007	206,847	151,595	41,064	35,218
Bloemfontein 2007	2,067,787	1,215,869	1,376,066	838,026
Thaba Nchu 2007	116,594	128,160	61,056	44,357
MLM 2007	2,391,228	1,495,624	1,478,186	917,602
Botshabelo 2010	327,934	229,276	66,209	63,925
Bloemfontein 2010	3,278,255	1,838,909	2,218,665	1,521,101
Thaba Nchu 2010	184,847	193,832	98,442	80,513
MLM 2010	3,791,035	2,262,017	2,383,317	1,665,539
MLM growth p.a. (2001-2004)	4.04	1.06	1.05	0.13
MLM growth p.a. (2001-2004)	11.79	4.48	10.18	0.36
MLM growth p.a. (2004-2007)	16.60	14.79	17.26	21.98

MLM growth p.a. (2001-2010)	10.70	6.62	9.30	7.02
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Between 2001 and 2004 all sub-sectors showed relatively slow growth. Between 2004 and 2007, Public administration and defence activities and Health and social work recorded a significant increase in growth. By the 2007 to 2010 review period, all four subsectors recorded phenomenal growth. Especially noteworthy is that other service activities, though constituting the smallest proportional share of the sub-sectors, have recorded in excess of 20% growth per annum between 2007 and 2010. The gains reported above occurred in all of the three main urban areas.

#### **B4. Social indicators**

##### **B4.1 Introduction**

The emphasis in the chapter now shifts to an assessment of social and demographic trends in MLM. Although the Regional Explorer Database will be used to compare figures in the Economic Development Strategy of the MLM, the CDS is of the opinion that demographic data from Statistics South Africa is more reliable. The main reason for this judgment is that there are longer timelines available for census data that verify census data better. Census and Community Survey data from Statistics South Africa will thus also be used. Unfortunately, Community Survey 2007 does not measure to areas below local municipal level and because of this individual measures for Botshabelo, Bloemfontein and Thaba Nchu are not available.

##### **B4.2 Population by race and population growth per area in MLM**

The population by race for MLM is reflected in Table 17 below for each of the magisterial districts (Regional Explorer Database). In order to make the comparison with the census data from Statistics South Africa, the data from this institution are reflected in Table 18.

**TABLE 17: Population by race for MLM, 2001, 2004, 2007 and 2010 (Regional Explorer Database)**

			<b>Botshabelo</b>	<b>Bloemfontein</b>	<b>ThabaNchu</b>	<b>MLM</b>	<b>% MLM</b>
<b>2001</b>	Black	N	196,382	248,671	85,318	530,372	78.1
		%	37	46.9	16.1	100	

			Botshabelo	Bloemfontein	ThabaNchu	MLM	% MLM
	White	N	34	112,776	447	113,257	16.7
		%	0	99.6	0.4	100	
	Coloured	N	465	33,491	312	34,268	5
		%	1.4	97.7	0.9	100	
	Asian	N	201	1,082	95	1,377	0.2
		%	14.6	78.5	6.9	100	
<b>Total</b>	<b>N</b>	<b>197,082</b>	<b>396,020</b>	<b>86,172</b>	<b>679,274</b>	<b>100</b>	
	<b>%</b>	<b>29</b>	<b>58.3</b>	<b>12.7</b>	<b>100</b>		
2004	Black	N	204,926	260,754	88,514	554,193	78.7
		%	37	47.1	16	100	
	White	N	33	112,160	436	112,629	16
		%	0	99.6	0.4	100	
	Coloured	N	479	34,887	323	35,689	5.1
		%	1.3	97.8	0.9	100	
	Asian	N	207	1,244	99	1,550	0.2
		%	13.4	80.2	6.4	100	
	<b>Total</b>	<b>N</b>	<b>205,645</b>	<b>409,044</b>	<b>89,372</b>	<b>704,061</b>	<b>100</b>
		<b>%</b>	<b>29.2</b>	<b>58.1</b>	<b>12.7</b>	<b>100</b>	
2007	Black	N	216,566	296,490	93,579	606,636	80.5
		%	35.7	48.9	15.4	100	
	White	N	26.3	106211.7	32.5	106270.5	14.1
		%	0.0	99.9	0.0	100	
	Coloured	N	494	37953	334	38781	5.1
		%	1.3	97.9	0.9	100	
	Asian	N	214	1428	107	1748	0.2
		%	12.2	81.7	6.1	100	
	<b>Total</b>	<b>N</b>	<b>217,300</b>	<b>442,083</b>	<b>94,052</b>	<b>753,435</b>	<b>100.0</b>
		<b>%</b>	<b>28.8</b>	<b>58.7</b>	<b>12.5</b>	<b>100</b>	
2010	Black	N	165,959	348,181	78,794	592,934	82.8
		%	28.0	58.7	13.3	100.0	
	White	N	160	88,341	512	89,013	12.4
		%	0.2	99.2	0.6	100.0	
	Coloured	N	482	31,461	475	32,417	4.5
		%	1.5	97.0	1.5	100.0	
	Asian	N	104	1,173	168	1,445	0.2
		%	7.2	81.2	11.6	100.0	
	<b>Total</b>	<b>N</b>	<b>166705</b>	<b>469156</b>	<b>79949</b>	<b>715809</b>	<b>100.0</b>
		<b>%</b>	<b>23.3</b>	<b>65.5</b>	<b>11.2</b>	<b>100.0</b>	
Growth (2001-2004)	Black	% p.a.	1.43	1.59	1.23	1.48	
	White	% p.a.	-0.99	-0.18	-0.83	-0.19	
	Coloured	% p.a.	0.99	1.37	1.16	1.36	
	Asian	% p.a.	0.99	4.76	1.38	4.02	
	<b>Total</b>	<b>% p.a.</b>	<b>1.43</b>	<b>1.08</b>	<b>1.22</b>	<b>1.20</b>	
Growth (2004-2007)	Black	% p.a.	1.42	1.58	1.22	1.46	
	White	% p.a.	-0.73	-0.18	-0.79	-0.18	
	Coloured	% p.a.	1.00	1.36	1.09	1.35	
	Asian	% p.a.	1.06	4.70	1.46	3.97	
	<b>Total</b>	<b>% p.a.</b>	<b>1.41</b>	<b>1.07</b>	<b>1.21</b>	<b>1.19</b>	
Growth (2007-2010)	Black	% p.a.	-8.49	5.50	-5.57	-0.76	
	White	% p.a.	82.61	-5.96	150.61	-5.74	
	Coloured	% p.a.	-0.84	-6.06	12.44	-5.80	
	Asian	% p.a.	-21.40	-6.36	16.23	-6.16	

			<b>Botshabelo</b>	<b>Bloemfontein</b>	<b>ThabaNchu</b>	<b>MLM</b>	<b>% MLM</b>
	<b>Total</b>	<b>% p.a.</b>	<b>-8.46</b>	<b>2.00</b>	<b>-5.27</b>	<b>-1.69</b>	

**TABLE 18: Population by location in MLM, 1991, 1996, 2001 and 2007(StatsAdata)**

	Bloemfontein			Botshabelo	Thaba Nchu			MLM
	Urban	Rural	Total	Urban	Urban	Rural	Total	Total
1991	277904	25436	303340	177924	10004	52470	62474	543738
1996	334749	15755	350504	177969	37105	40351	77456	605929
2001	375823	15255	391078	175672	67071	12607	79678	646428
2007	-	-	-	-	-	-	-	752922
p.a. growth 91-96	3.8	-9.1	2.9	0.0	30.0	-5.1	4.4	2.2
p.a. growth 96-01	2.3	-0.6	1.7	-0.3	12.6	-20.8	0.6	1.3
p.a. growth 01-07	-	-	-	-	-	-	-	2.6

\* The rapid change in the urban rural ratio in Thaba Nchu is related to the fact that township establishment has taken place in some of the peri-urban areas.

Concerning the information provided in Table 17 and Table 18, a number of comments need to be made:

- Between 1991 and 2001 the proportion of people in the Bloemfontein magisterial district has increased, while the proportion of people in Botshabelo and Thaba Nchu has decreased as a percentage of the overall population of MLM.
- This also suggests that the scale of population growth rate in Bloemfontein is higher than in Thaba Nchu and Botshabelo.
- The figures also reveal that the black population in MLM has proportionally increased.

#### **B4.3 Average household size in MLM**

The average household size is reflected in Table 20 below. As Census data was used in this respect no updated information could be provided.

**TABLE 19: Average household size for MLM area, 1996, 2001, 2007**

	1996	2001	2007
Botshabelo	4.5	3.9	-
Bloemfontein	3.6	3.3	-
Thaba Nchu	4.1	3.7	-
MLM	3.9	3.5	3.7

From Table 20 it is evident that the smallest household size in 2001 was found in Bloemfontein (3.27 people per household) followed by Thaba Nchu (3.7) and Botshabelo (3.9). More importantly, the decline in household size should be noted. In MLM it dropped from 3.9 to 3.48 in 2001. Overall, this is related to government grant systems which indirectly supported household formation. For example, the housing subsidy requires that end-beneficiaries should be married or have dependants. It should however be noted that towards 2007 there appears to have been an increase in average household size.

#### **B4.4 Population density**

The changing trends in population density in MLM are reflected in Table 21 below.

**TABLE 20: Population density by area (persons per km<sup>2</sup>) in MLM, 1996, 2001, 2004, 2007 and 2010**

	<b>National Total</b>	<b>Free State</b>	<b>MLM</b>	<b>Botshabelo</b>	<b>Bloemfontein</b>	<b>Thaba Nchu</b>
1996	34.56	21.20	509.97	1,400.77	66.87	62.28
2001	37.24	22.41	547.78	1,505.03	71.32	66.98
2004	38.71	23.01	571.19	1,570.43	73.67	69.47
2007	38.82	23.04	573.31	1,581.24	74.54	70.14
2010	39.94	21.85	473.23	1,273.06	84.49	62.15

It seems evident from Table 21 that the population density in Botshabelo is by far the highest. This can be ascribed to the historical role that Botshabelo played as a catchment area for black urbanisation. However, since 2007 there have been significant reductions in population density in Botshabelo with density being reduced from 1 581 persons per km<sup>2</sup> to 1 273 persons per km<sup>2</sup>. Density reductions were also experienced in Thaba Nchu, where density was reduced from 70 persons per km<sup>2</sup> to 62 persons per km<sup>2</sup> in 2010. The changes in Botshabelo and Thaba Nchu have led to an overall reduction in population density for MLM. Contrary to the above, Bloemfontein has seen a significant increase in density from 75 persons per km<sup>2</sup> to 84 persons per km<sup>2</sup> in 2010.

#### **B4.5 Human Development Index**

The Human Development Index (HDI) measures development by looking at literacy, per capita income and life expectancy. Table 22 provides a detailed overview of the HDI per area in MLM, as well as per race group. The HDI measures development internationally on a scale from zero to one. The closer a country gets to one, the higher human development is reported in that country.

**TABLE 21: HDI by area, 1996, 2001, 2004, 2007 and 2010**

	<b>National Total</b>	<b>Free State</b>	<b>MLM</b>	<b>Botshabelo</b>	<b>Bloemfontein</b>	<b>Thaba Nchu</b>
1996	0.56	0.53	0.53	0.45	0.66	0.50
2001	0.60	0.56	0.57	0.49	0.68	0.53
2004	0.60	0.56	0.57	0.49	0.68	0.53
2007	0.60	0.58	0.63	0.53	0.67	0.57
2010	0.56	0.54	0.59	0.50	0.63	0.54

The overview of HDI provided in the table above should be supported by a number of comments:

- The HDI of MLM and of the three magisterial districts increased between 1996 and 2001 and stabilised between 2001 and 2004. Since then, the HDI has come under pressure in Bloemfontein by 2007 and in Botshabelo and Thaba Nchu by 2010. These changes were also evident at national and provincial levels.
- The second significant comment that should be made is that the HDI for MLM was higher than that at a national level in for the first time 2007 and this have been maintained towards 2010.
- The lowest levels of HDI were recorded in Botshabelo (0.50) and Thaba Nchu (0.54), with Bloemfontein recording an HDI of 0.63. The relative poverty in Botshabelo and Thaba Nchu, coupled with a historical role within a migrant labour system have probably contributed to the low levels of HDI in Botshabelo and Thaba Nchu.

#### **B4.6 Urbanisation**

Table 23 provides an overview of the urbanisation levels and trends in MLM since 1996. However, at the same stage the urbanisation rates as portrayed in Table 23 should

simultaneously be noted as they show major differences in Thaba Nchu. Unfortunately, Global Insight no longer collects data on the urban rural divide. The following data then only reflect the situation up to 2007.

**TABLE 22: Urbanisation rate by area (% Persons Urbanised), 1996, 2001, 2004, 2007 and 2009**

	National Total	Free State	Botshabelo	Bloemfontein	Thaba Nchu
1996	54.1	68.9	100.0	95.6	48.4
2001	55.3	71.3	100.0	96.6	51.6
2004	56.0	72.8	100.0	98.3	53.2
2007	56.6	74.2	100.0	99.5	55.7
Growth (2004-2007)	0.40	0.69	0.00	0.59	0.97

From Table 23 it is evident that the three areas in MLM are considerably more urbanised than either the Free State or the national percentage. In 2004 Botshabelo was 100% urbanised and Bloemfontein 98.3%. The urbanisation rate of Thaba Nchu is reflected at 53%. However, should the recent township establishment of the peri-urban areas of Thaba Nchu be taken into account, this figure will probably rise to over 80%. In economic terms, this high level of urbanisation is problematic in that the three pockets of urbanisation are spread out over the 65 km between Thaba Nchu and Bloemfontein.

#### **B4.7 HIV/AIDS prevalence rate**

The only data available at the district level in the Free State is the HIV prevalence rate among pregnant women.

**TABLE 23: HIV prevalence rate for pregnant women in the Free State, 1999-2003, 2006-2009**

District	1999	2000	2001	2002	2003	2006	2007	2008	2009
Xhariep	-	-	-	-	25.7	19.7	26.9	23.9	25.7
Motheo	26.6	29.6	28.5	31.0	36.3	30.5	31.6	27.4	27.8
Lejweleputswa	31.9	30.1	41.1	29.8	33.3	34.1	34.5	37.0	33.4
Thabo Mafutsanyana	27.9	27.2	27.8	26.0	28.0	32.2	33.1	30.6	31.3
Fezile Dabi	27.6	21.1	29.4	28.1	23.8	29.5	34.5	33.2	27.9

Source: Redelinghuys and Pelser, 2005<sup>2</sup>; Department of Health, 2010<sup>3</sup>

<sup>2</sup>Redelinghuys, N., and Pelser, A., 2005: Estimated and projected impacts of HIV/AIDS on the Free State and South African population” (work in progress), Department of Sociology, University of the Free State

<sup>3</sup>Department of Health, 2010. National Antenatal Sentinel HIV and Syphilis Prevalence Survey in South Africa, 2009.

From Table 23 we see that after a spike in 2003 the HIV prevalence rate among pregnant women in Motheo declined. In 2009 Motheo had the second lowest rate of HIV prevalence at 27.8%, slightly below the national average of 29.4

## B5. Employment overview of broad sectors

### B5.1 Introduction

This section provides an overview of employment trends in respect of the broad sectors of the economy. The employment trends in the detailed sectors will be assessed in Chapter Six. Specific aspects considered here are the economically active population, unemployment, and employment per sector. Furthermore, the section also compares economic output in terms of GVA to employment creation in these sectors. Employment per area in MLM, as well as informal employment is also assessed. However, before these detailed analyses are conducted the following overview of employment trends in the broad sectors is provided (see Table 25).

**TABLE 24: Employment creation in the broad sectors of the MLM economy, 2001, 2004, 2007 and 2010**

		Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Services	Households	Total
2001	MLM	7,346	307	12,831	1,526	5,052	23,253	9,690	13,368	52,146	25,004	150,524
	Botshabelo	132	41	3,948	104	278	1,703	746	572	4,982	1,240	13,746
	Bloemfontein	6,672	266	7,963	1,299	4,499	19,745	8,517	12,299	43,148	22,398	126,806
	Thaba Nchu	543	0	919	124	275	1,806	427	497	4,015	1,365	9,972
2004	MLM	7,956	265	11,496	1,592	5,258	22,817	8,873	13,551	59,110	25,079	155,998
	Botshabelo	142	36	3,608	108	302	1,748	695	619	5,744	1,244	14,247
	Bloemfontein	7,225	229	7,194	1,356	4,710	19,546	7,844	12,500	48,885	22,465	131,955
	Thaba Nchu	589	0	694	128	246	1,523	334	432	4,481	1,369	9,796
2007	MLM	6,352	261	11,337	1,600	6,761	21,306	8,302	13,342	53,316	24,253	146,830
	Botshabelo	112	36	4,124	113	503	1,530	820	398	5,402	1,187	14,225
	Bloemfontein	5,826	225	6,261	1,347	5,823	17,910	7,084	12,475	43,429	21,630	122,012
	Thaba Nchu	414	0	952	139	435	1,865	398	469	4,486	1,436	10,593
2010	MLM	5,284	202	11,292	1,246	7,234	21,492	9,884	15,784	63,201	27,079	162,698
	Botshabelo	63	19	3,276	61	379	1,088	680	333	4,459	915	11,275
	Bloemfontein	4,925	183	7,113	1,088	6,452	18,758	8,792	14,978	54,075	24,773	141,140
	Thaba Nchu	296	0	903	96	403	1,645	411	472	4,667	1,390	10,283
se	2001-2004	610	-42	-1,335	65	206	-436	-817	183	6,965	75	5,475
	2004-2007	-1,604	-4	-159	8	1,503	-1,511	-571	-209	-5,794	-826	-9,168

2007-2010	-1,068	-59	-45	-354	473	186	1,582	2,442	9,885	2,826	15,868
2001-2010	-2,062	-105	-1,539	-280	2,182	-1,761	194	2,416	11,055	2,075	12,174

Despite continued increase in economic output between 2001 and 2010 (see Section B2 and Section B3), employment creation had been only moderate between 2001 and 2004 and was followed by large-scale losses between 2004 and 2007 that put total employment for MLM below 2001 levels. However, between 2007 and 2010 MLM saw considerable increases in employment in a few sectors that raised total employment to a new high. Considering Table 25 above a number of crucial comments need to be made:

- A total of 15 868 new employment opportunities were created between 2007 and 2010. However, 62% of these were created in Community services, which probably reflect an increase in public sector employment.
- Community services created a net gain of 11 055 job opportunities between 2001 and 2010. The period was marked by radical shifts in the number employed and gives an indication of the danger of depending too heavily on a single employer (the state).
- The largest proportional loss of employment was in Mining, which shed 34.1% of its jobs between 2001 and 2010, followed by Agriculture, which shed 28.1% of its jobs during the same period.
- The largest proportional gain in employment was in Construction, which increased its employment by 43.2% between 2001 and 2010 followed by Community services at 21.2%. The labour absorption rates of Construction - especially in respect of low-skilled people - should be noted. While Finance has been slow in job creation (especially given the strong growth in the sector, contributing 41.5% of all growth in MLM between 2001 and 2010), it has seen significant increases in employment between 2007 and 2010 (adding 2442 jobs, the third highest in absolute numbers for the period). The net effect was that Finance increased its employment by 18.1% between 2001 and 2010 (though this growth was entirely concentrated between 2007 and 2010).

## B5.2 Economically active people

This section provides an overview of the economically active persons by sex and by magisterial district in MLM (see Table 26).

**TABLE 25: Number of economically active persons by sex and area, 1996, 2001, 2004, 2007 and 2010**

	National Total	Free State	MLM	Botshabelo	Bloemfontein	Thaba Nchu
Male 1996	7,425,863	553,791	115,628	27,706	75,295	12,626
Female 1996	6,168,882	434,168	119,222	31,037	75,136	13,049
Total 1996	13,594,746	987,958	234,849	58,743	150,431	25,675
Male 2001	9,312,801	685,395	144,830	35,139	93,682	16,009
Female 2001	7,760,714	540,170	149,510	39,363	93,600	16,547
Total 2001	17,073,515	1,225,564	294,340	74,502	187,282	32,556
Male 2004	9,790,777	712,320	152,185	37,270	98,039	16,876
Female 2004	8,180,567	563,373	157,199	41,752	98,003	17,444
Total 2004	17,971,343	1,275,694	309,385	79,022	196,042	34,320
Male 2007	10,101,865	570,276	128,199	29,526	84,708	13,965
Female 2007	9,501,918	533,959	150,546	38,145	96,172	16,230
Total 2007	19,603,783	1,104,235	278,745	67,671	180,880	30,194
Male 2010	8,866,600	524,138	132,966	27,772	91,583	13,611
Female 2010	7,763,767	462,164	140,274	32,136	93,737	14,400
Total 2010	16,630,367	986,303	273,240	59,908	185,320	28,011
P.a. growth Male (2001-2004)	1.68	1.29	1.66	1.98	1.53	1.77
P.a. growth Female (2001-2004)	1.77	1.41	1.69	1.98	1.54	1.78
P.a. growth Total (2001-2004)	1.72	1.35	1.68	1.98	1.54	1.77
P.a. growth Male (2004-2007)	1.05	-7.15	-5.56	-7.47	-4.76	-6.12
P.a. growth Female (2004-2007)	5.12	-1.77	-1.43	-2.97	-0.63	-2.38
P.a. growth Total (2004-2007)	2.94	-4.70	-3.42	-5.04	-2.65	-4.18
P.a. growth Male (2007-2010)	-4.25	-2.77	1.22	-2.02	2.64	-0.85
P.a. growth Female (2007-2010)	-6.51	-4.70	-2.33	-5.55	-0.85	-3.91
P.a. growth Total (2007-2010)	-5.34	-3.69	-0.66	-3.98	0.81	-2.47
P.a. growth Male (2001-2010)	-0.54	-2.94	-0.95	-2.58	-0.25	-1.79
P.a. growth Female (2001-2010)	0.00	-1.72	-0.71	-2.23	0.02	-1.53
P.a. growth Total (2001-2010)	-0.29	-2.38	-0.82	-2.39	-0.12	-1.66

Between 2001 and 2004 there was initially a slow increase in the number of economically active individuals mirrored nationally, provincially and locally (annual growth rates between 1.3% and 2.0%). Towards 2007, the national economy continued to add to the economically active population while, provincially and nationally, declines were already evident and in some locations quite severe (with Botshabelo shedding 5.0% of its economically active population per annum). Towards 2010 the effects of the recession started to affect the national economy as well (shedding 5.3% of the EAP per annum between 2007 and 2010), with further losses provincially and locally. The net effect is that the EAP is smaller in 2010 than it was in 2001 in all locations, though especially so for the Free State as a whole and Botshabelo and Thaba Nchu in particular.

While the 2001 to 2004 period was marked by roughly equal growth rates between men and women, 2004 to 2007 period was characterised by larger decreases (or slower gains nationally) of economically active men and the subsequent period (2007 to 2010) saw larger decreases among women. The net effect was slightly biased to women, with Mangaung and its constituent areas still employing more men than women and South Africa and the Free State as wholes employed more men than women. The question that begs to be asked is whether the reduction in economically active individuals could outpace job losses and reduce unemployment – an aspect to which the report now turns.

### **B5.3 Unemployment**

The focus now shifts to an overview of unemployment figures. Table 27 provides an overview of unemployment in MLM by sex and magisterial district. Unfortunately, Global insight discontinued the data series on employment in expanded definition. The last data available in this series was 2007.

**TABLE 26: Number of unemployed persons by sex and area, 1996, 2001, 2004 and 2007**

	<b>National Total</b>	<b>Free State</b>	<b>MLM</b>	<b>Botshabelo</b>	<b>Bloemfontein</b>	<b>Thaba Nchu</b>
Male 1996	2,024,623	117,606	31,123	10,689	15,575	4,859
Female 1996	2,583,995	177,591	40,969	14,182	20,131	6,656
Total 1996	4,608,619	295,197	72,092	24,871	35,706	11,515
Male 2001	2,879,938	174,728	44,115	14,577	22,831	6,706

Female 2001	3,708,663	267,646	57,732	19,341	29,152	9,239
Total 2001	6,588,601	442,374	101,847	33,918	51,984	15,946
Male 2004	3,095,032	190,040	48,400	16,370	24,493	7,537
Female 2004	4,169,911	305,118	66,200	22,863	32,345	10,992
Total 2004	7,264,943	495,158	114,600	39,233	56,838	18,530
Male 2007	3,033,010	173,919	42,703	15,408	20,680	6,615
Female 2007	4,195,163	277,572	61,796	22,157	30,422	9,217
Total 2007	7,228,174	451,490	104,499	37,565	51,102	15,832
P.a. growth Male (2001-2004)	2.43	2.84	3.14	3.94	2.37	3.97
P.a. growth Female (2001-2004)	3.98	4.46	4.67	5.73	3.53	5.96
P.a. growth Total (2001-2004)	3.31	3.83	4.01	4.97	3.02	5.13
P.a. growth Male (2004-2007)	-0.67	-2.91	-4.09	-2.00	-5.48	-4.26
P.a. growth Female (2004-2007)	0.20	-3.10	-2.27	-1.04	-2.02	-5.70
P.a. growth Total (2004-2007)	-0.17	-3.03	-3.03	-1.44	-3.48	-5.11
P.a. growth Male (2001-2007)	0.87	-0.08	-0.54	0.93	-1.64	-0.23
P.a. growth Female (2001-2007)	2.08	0.61	1.14	2.29	0.71	-0.04
P.a. growth Total (2001-2007)	1.56	0.34	0.43	1.72	-0.28	-0.12

Considering the table above the following comments should be made in respect of the above table:

- Unemployment figures rose between 1996 and 2001. In 1996 just over 72 000 people were unemployed in MLM. This growth in unemployed rose to more than 101 000 in 2001 and continued to 2003 with more than 115 000 unemployed. However, starting in 2004 and continuing to 2007 there was a decline in unemployment figures. This could probably be associated with the increase in economic growth outlined in Chapter Two, but is also quite likely due to the decrease in economically active individuals.
- It can thus be expected that, should economic growth increase or at least stay at its current levels, and the number of economically active individuals continue to decline, there could be a decline in the actual number of people who are unemployed.
- In respect of gender differences it should also be noted that the unemployment rates among females (41%) are considerably higher than among males

(33%) though this gap has closed by 2 percentage points since 2004. Overall, the unemployment rate is estimated at 38%, slightly higher than the estimation of 37% for 2004.

- Furthermore, the unemployment rates in Bloemfontein are the lowest (28%) while being extremely high in Botshabelo (56%) and Thaba Nchu (52%).

#### B5.4 Employment share per economic sector

Table 25 provided an overview of the number of people employed per sector. The emphasis now shifts to the share of employment by broad economic sector (see Table 28).

**TABLE 27: Formal employment by economic sector and area (percentage distribution), 1996, 2001, 2004, 2007 and 2010**

		National	Free State	MLM	Botshabelo	Bloemfontein	Thaba Nchu
1996	Agriculture	10.9	18.9	5.3	1.0	5.7	6.0
	Mining	7.0	19.2	0.2	0.3	0.2	0.0
	Manufacturing	17.8	7.6	11.0	35.9	8.0	12.2
	Electricity	0.9	0.8	1.1	0.8	1.1	1.4
	Construction	4.2	2.5	3.8	2.2	4.1	3.1
	Trade	13.3	8.6	14.1	10.6	14.4	16.4
	Transport	5.9	4.1	7.6	6.4	8.0	5.0
	Finance	8.3	3.9	7.6	3.1	8.4	4.2
	Community services	19.3	17.6	30.6	30.2	30.2	35.9
	Households	12.4	16.7	18.6	9.5	19.9	15.8
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2001	Agriculture	10.2	20.3	4.9	1.0	5.3	5.4
	Mining	4.8	10.5	0.2	0.3	0.2	0.0
	Manufacturing	14.9	6.6	8.5	28.7	6.3	9.2
	Electricity	0.9	0.9	1.0	0.8	1.0	1.2
	Construction	4.0	2.4	3.4	2.0	3.5	2.8
	Trade	15.5	10.1	15.4	12.4	15.6	18.1
	Transport	5.2	3.7	6.4	5.4	6.7	4.3
	Finance	10.9	5.0	8.9	4.2	9.7	5.0
	Community services	22.4	23.3	34.6	36.2	34.0	40.3
	Households	11.2	17.3	16.6	9.0	17.7	13.7
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2004	Agriculture	10.5	21.3	5.1	1.0	5.5	6.0
	Mining	5.0	9.9	0.2	0.3	0.2	0.0
	Manufacturing	13.6	5.7	7.4	25.3	5.5	7.1
	Electricity	0.9	0.9	1.0	0.8	1.0	1.3
	Construction	4.2	2.3	3.4	2.1	3.6	2.5
	Trade	15.4	9.4	14.6	12.3	14.8	15.5

		National	Free State	MLM	Botshabelo	Bloemfontein	Thaba Nchu
	Transport	4.8	3.2	5.7	4.9	5.9	3.4
	Finance	11.4	4.8	8.7	4.3	9.5	4.4
	Community services	23.5	25.6	37.9	40.3	37.0	45.7
	Households	10.6	16.8	16.1	8.7	17.0	14.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2007	Agriculture	7.8	17.7	4.3	0.8	4.8	3.9
	Mining	4.8	8.8	0.2	0.3	0.2	0.0
	Manufacturing	13.9	6.6	7.7	29.0	5.1	9.0
	Electricity	0.9	1.0	1.1	0.8	1.1	1.3
	Construction	5.3	3.8	4.6	3.5	4.8	4.1
	Trade	17.8	9.8	14.5	10.8	14.7	17.6
	Transport	4.3	3.9	5.7	5.8	5.8	3.8
	Finance	13.7	5.3	9.1	2.8	10.2	4.4
	Community services	21.0	25.6	36.3	38.0	35.6	42.3
	Households	10.5	17.6	16.5	8.3	17.7	13.6
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2010	Agriculture	6.7	15.6	3.2	0.6	3.5	2.9
	Mining	4.8	5.9	0.1	0.2	0.1	0.0
	Manufacturing	13.4	6.6	6.9	29.1	5.0	8.8
	Electricity	0.6	0.7	0.8	0.5	0.8	0.9
	Construction	5.3	3.8	4.4	3.4	4.6	3.9
	Trade	16.7	9.3	13.2	9.7	13.3	16.0
	Transport	4.7	4.4	6.1	6.0	6.2	4.0
	Finance	14.8	5.8	9.7	3.0	10.6	4.6
	Community services	22.3	28.7	38.8	39.5	38.3	45.4
	Households	10.8	19.1	16.6	8.1	17.6	13.5
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The following comments are pertinent:

- The Agriculture sector had seen only a slight decrease in respect of share of employment between 2004 and 2007 (5.1% - 4.3%), despite the fact that in terms of economic output this sector's share has shown significant decline (by 12.3% per annum between 2004 and 2007). However, between 2007 and 2010 the employment share of Agriculture has continued to decline despite economic growth in the sector.
- Mining maintained a constant employment percentage of 0.2% of the total percentage of people in MLM between 2001 and 2007 before showing a slight decline to 0.1% towards 2010.

- Employment in Manufacturing have shown variable patterns, decreasing in the 2001 to 2004 and 2007 to 2010 (despite GVA growth) periods and increasing in the 2004 to 2007 (despite GVA decline).
- Employment in Electricity, as a percentage of total employment in MLM remained more or less constant for the period 2001to2007. Thereafter, it fell to 0.8% of total employment in MLM in 2010.
- The proportional percentage of people employed in Construction remained constant at 3.4% in 2001 and 2004, grew to 4.6% in 2007 and shrunk to 4.4% in 2010.
- In respect of Trade, the proportion of people employed in Trade consistently declined between 2001 and 2010(14.9%-14.6%-14.5%-13.2%),this despite the fact that Trade continued to grow between 2001 and 2007.
- The proportional share of people employed in Transport declined from 6.4% in 2001 to 5.7% in both 2004 and 2007 before recovering somewhat to 6.1% in 2010,this also despite the fact that Transport had been growing consistently and significantly between 2001 and 2010.
- Finance proportionally declined slightly from 8.9% - 8.7% between 2001 and 2004 before increasing to 9.1% in 2007 and 9.7% in 2010. This despite the fact that Finance showed the largest per annum growth between 2001and 2010(11.0%) contributing 41.5% of the growth in GVA for MLM in that period.
- In the case of Community service there was a considerable increase from 34.6% in 2001 to 37.9% in 2004 before declining to 36.3% in 2007 and recovering to 38.8% in 2010.

The above trends to a large degree reflect the more or less stable importance of Community services as an employment sector. Some also relate the increasing importance of the Community service sector to an increase in the Tress Index.

### **B5.5 Employment versus production**

Chapter Two of this section of the report dealt with the relative GVA contribution of the various sectors of the economy. Earlier in this section an overview was provided of the

proportional contribution of these sectors in respect of employment. In this section the aspects are compared (see Table 29).

**TABLE 28: Comparison of formal employment and production for MLM (1996, 2001, 2004, 2007 and 2010)**

		Employment (%)	Production (%)
1996	Agriculture	5.3	3.7
	Mining	0.2	0.3
	Manufacturing	11.0	8.1
	Electricity	1.1	3.4
	Construction	3.8	3.4
	Trade	14.1	17.1
	Transport	7.6	12.2
	Finance	7.6	14.9
	Community services	30.6	36.9
	Households	18.6	
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
2001	Agriculture	4.9	3.2
	Mining	0.2	0.3
	Manufacturing	8.5	7.5
	Electricity	1.0	2.6
	Construction	3.4	2.1
	Trade	15.4	17.1
	Transport	6.4	13.0
	Finance	8.9	17.0
	Community services	34.6	37.2
	Households	16.6	
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
2004	Agriculture	5.1	2.8
	Mining	0.2	0.2
	Manufacturing	7.4	7.0
	Electricity	1.0	2.2
	Construction	3.4	1.9
	Trade	14.6	18.2
	Transport	5.7	12.6
	Finance	8.7	17.8
	Community services	37.9	37.3
	Households	16.1	
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
2007	Agriculture	4.3	1.3
	Mining	0.2	0.4
	Manufacturing	7.7	2.9
	Electricity	1.1	1.3
	Construction	4.6	2.8
	Trade	14.5	18.1
	Transport	5.7	13.9

		<b>Employment (%)</b>	<b>Production (%)</b>
	Finance	9.1	26.2
	Community services	36.3	33.1
	Households	16.5	
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>2010</b>	Agriculture	3.2	1.9
	Mining	0.1	1.0
	Manufacturing	6.9	2.5
	Electricity	0.8	1.4
	Construction	4.4	3.2
	Trade	13.2	17.2
	Transport	6.1	11.1
	Finance	9.7	23.0
	Community services	38.8	38.6
	Households	16.6	
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

A number of important comments need to be made in respect of the above table and the relationship between GVA output and employment in sectors:

- The following sectors are absorbing labour effectively as their employment creation is considerably higher than their economic production: Agriculture, Manufacturing and Construction.
- It should be noted that Mining historically also had this attribute, but its labour absorption rate has declined over the last ten years or so, while the scale of Mining is too small in MLM to make any meaningful contribution.
- In the following sectors the economic production percentage outscores their contribution to employment by some considerable margin: Trade, Finance and Transport.
- In Community services the economic contribution and the employment contribution are more or less equal.

The challenge remains not only to invest in those sectors of the economy that produce economic outputs, but also in those sectors which assist in absorbing low-skilled labour, the skills levels of people remaining fairly limited.

## B5.6 Informal sector employment

The above sections reflected on the formal economy. Yet, some form of understanding of the informal economy is also required on order to provide a balanced overview of the economy in MLM (see Table 30).

**TABLE 29: Informal sector employment by sector for MLM (percentage distribution), 1996, 2001, 2004, 2007 and 2010**

	Sector	Botshabelo	Bloemfontein	Thaba Nchu	MLM	MLM%
1996	3 Manufacturing	1,538	891	409	2,838	16.8
	5 Construction	245	1,834	233	2,313	13.7
	6 Trade	1,857	5,894	678	8,430	49.8
	7 Transport	67	197	23	287	1.7
	8 Finance	283	1,185	211	1,679	9.9
	9 Community services	276	1,025	84	1,385	8.2
	Total Informal	4,267	11,025	1,639	16,931	100.0
2001	3 Manufacturing	2,899	2,004	865	5,768	14.1
	5 Construction	324	2,424	322	3,069	7.5
	6 Trade	5,615	18,017	2,096	25,728	63.1
	7 Transport	99	333	41	473	1.2
	8 Finance	513	2,063	402	2,978	7.3
	9 Community services	538	2,068	167	2,772	6.8
	Total Informal	9,989	26,908	3,892	40,789	100.0
2004	3 Manufacturing	2,171	1,500	648	4,319	12.6
	5 Construction	309	2,314	307	2,930	8.6
	6 Trade	4,510	14,471	1,683	20,664	60.5
	7 Transport	96	321	39	456	1.3
	8 Finance	565	2,273	442	3,280	9.6
	9 Community services	487	1,871	151	2,508	7.3
	Total Informal	8,137	22,749	3,271	34,158	100.0
2007	3 Manufacturing	2,215	1,577	598	4,390	11.4
	5 Construction	390	3,193	379	3,962	10.2
	6 Trade	5,311	16,262	2,184	23,757	61.4
	7 Transport	71	311	33	414	1.1
	8 Finance	333	1,916	298	2,546	6.6
	9 Community services	647	2,665	283	3,596	9.3
	Total Informal	8,967	25,923	3,775	38,665	100.0
2010	3 Manufacturing	1,121	1,225	380	2,726	6.6
	5 Construction	286	3,383	341	4,010	9.7
	6 Trade	3,993	17,994	2,032	24,019	58.3
	7 Transport	92	446	40	578	1.4
	8 Finance	475	4,136	532	5,143	12.5
	9 Community services	614	3,756	335	4,706	11.4

Total Informal	6,581	30,940	3,661	41,182	100.0
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A number of notes should be made in respect of Table 30 above:

- Significant increases in employment in the informal sector were seen between 1996 and 2001 before 2004 saw a minor decline in employment. 2007 and 2010 again saw some gains in informal employment, though the 2001 figures, in absolute terms, were only surpassed in 2010.
- The largest percentage of the population in the informal economy was in Trade (58.3%) in 2010.
- The second largest sector in the informal economy in 2007 was Manufacturing where 11.4% of the people in the informal economy. However Manufacturing has been seeing a consistent (and between 2007 and 2010 a steep) decline in the share of informal sector employment and has been surpassed by Construction (9.7%), Community Services (11.4%) and Finance (12.5%).
- The drastic shift in informal employment is likely indicating a shift towards an informal service economy.

### B5.7 Employment per area

This section considered the employment percentage by sector in relation to the Free State and the national average (see Table 31).

**TABLE 30: Total employment by economic sector in MLM compared with the Free State and South Africa, (percentage distribution), 1996, 2001, 2004, 2007 and 2010**

		National Total	Free State	MLM	Botshabelo	Bloemfontein	Thaba Nchu
1996	Agriculture	9.9	17.4	4.7	0.8	5.3	5.1
	Mining	6.3	17.7	0.2	0.2	0.2	0.0
	Manufacturing	17.5	8.0	11.6	35.9	8.0	14.1
	Electricity	0.9	0.7	1.0	0.6	1.0	1.2
	Construction	5.5	3.6	4.9	3.0	5.2	4.8
	Trade	15.9	12.1	17.9	18.3	17.7	20.1
	Transport	6.2	4.0	7.0	5.3	7.5	4.5
	Finance	8.0	4.4	7.8	3.9	8.6	5.5
	Community services	18.6	16.9	28.2	24.6	28.4	31.2
	Households	11.3	15.3	16.7	7.2	18.2	13.4
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

		<b>National Total</b>	<b>Free State</b>	<b>MLM</b>	<b>Botshabelo</b>	<b>Bloemfontein</b>	<b>Thaba Nchu</b>
<b>2001</b>	Agriculture	8.3	16.6	3.8	0.6	4.3	3.9
	Mining	3.9	8.6	0.2	0.2	0.2	0.0
	Manufacturing	14.5	7.4	9.7	28.9	6.5	12.9
	Electricity	0.7	0.7	0.8	0.4	0.8	0.9
	Construction	5.7	3.4	4.2	2.5	4.5	4.3
	Trade	23.0	19.8	25.6	30.8	24.6	28.1
	Transport	5.4	3.3	5.3	3.6	5.8	3.4
	Finance	9.5	5.3	8.5	4.6	9.3	6.5
	Community services	20.0	20.5	28.7	23.3	29.4	30.2
	Households	9.1	14.2	13.1	5.2	14.6	9.8
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>2004</b>	Agriculture	9.0	18.2	4.2	0.6	4.7	4.5
	Mining	4.3	8.5	0.1	0.2	0.1	0.0
	Manufacturing	13.4	6.3	8.3	25.9	5.6	10.3
	Electricity	0.7	0.7	0.8	0.5	0.9	1.0
	Construction	5.9	3.4	4.3	2.7	4.6	4.2
	Trade	21.4	17.3	22.9	28.1	22.0	24.6
	Transport	4.1	2.7	4.7	3.1	5.1	2.5
	Finance	10.5	5.4	8.9	5.3	9.6	6.7
	Community services	21.7	23.1	32.5	28.0	32.9	35.6
	Households	9.0	14.3	13.2	5.6	14.6	10.5
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>2007</b>	Agriculture	6.6	14.4	3.4	0.5	3.9	2.9
	Mining	4.0	7.2	0.1	0.2	0.2	0.0
	Manufacturing	13.6	7.0	8.5	27.3	5.3	10.8
	Electricity	0.7	0.8	0.9	0.5	0.9	1.0
	Construction	7.2	5.1	5.8	3.8	6.1	5.7
	Trade	22.9	19.5	24.3	29.5	23.1	28.2
	Transport	4.6	3.5	4.7	3.8	5.0	3.0
	Finance	12.0	5.4	8.6	3.2	9.7	5.3
	Community services	19.5	22.7	30.7	26.1	31.2	33.2
	Households	8.8	14.4	13.1	5.1	14.6	10.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>2010</b>	Agriculture	5.6	12.7	2.6	0.4	2.9	2.1
	Mining	4.0	4.8	0.1	0.1	0.1	0.0
	Manufacturing	12.7	6.4	6.9	24.6	4.8	9.2
	Electricity	0.5	0.6	0.6	0.3	0.6	0.7
	Construction	6.6	5.1	5.5	3.7	5.7	5.3
	Trade	21.7	18.7	22.3	28.5	21.4	26.4
	Transport	5.5	4.0	5.1	4.3	5.4	3.2
	Finance	13.4	6.8	10.3	4.5	11.1	7.2
	Community services	21.0	25.6	33.3	28.4	33.6	35.9
	Households	9.0	15.5	13.3	5.1	14.4	10.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	100.0	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The following comments should be made in respect of Table 31 when the figures for 2007 are under investigation:

- In the following sectors MLM underperforms in comparison with the Free State: Agriculture, Mining and Households.
- In all the other sectors MLM has a higher percentage of people employed in the sectors than the Free State average.

## **B6: Employment per detailed sector**

### **B6.1 Introduction**

Chapter Five provided an overview of employment for each of the broad sectors. The focus in this chapter is on the detailed sectors within each broad sector. The section will start off with an overview of the proportional contribution of each of the sub-sectors to the total employment compared with their GVA contribution. Thereafter each of the main sectors are assessed in detail in respect of employment.

### **B6.2 Formal employment by detailed sector compared with the GVA contribution**

Table 32 provides an overview of the proportional share of employment and GVA of each of the sub-sectors.

**TABLE 31: Formal employment percentage and GVA percentage by sub-sector for MLM, 2001, 2004, 2007 and 2010**

<b>SIC sub-sector</b>	<b>2001</b>		<b>2004</b>		<b>2007</b>		<b>2010</b>	
	<b>Employment</b>	<b>GVA</b>	<b>Employment</b>	<b>GVA</b>	<b>Employment</b>	<b>GVA</b>	<b>Employment</b>	<b>GVA</b>
11 Agriculture and hunting	4.9	3.2	5.1	2.8	4.3	1.3	3.2	1.4
12 Forestry and logging	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13 Fishing, operation of fish farms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21 Mining of coal and lignite	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23 Mining of gold and uranium ore	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0
24 Mining of metal ores	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1
25-29 Other mining and	0.1	0.3	0.1	0.2	0.1	0.3	0.0	0.3

SIC sub-sector	2001		2004		2007		2010	
	Employment	GVA	Employment	GVA	Employment	GVA	Employment	GVA
quarrying (incl 22)								
30 Food, beverages and tobacco products	1.6	1.9	1.3	2.0	1.2	0.7	1.4	0.8
31 Textiles, clothing and leather goods	2.6	0.6	2.2	0.5	2.6	0.2	2.1	0.2
32 Wood and wood products	0.8	0.6	0.7	0.5	0.7	0.2	0.6	0.2
33 Fuel, petroleum, chemical and rubber products	0.8	1.0	0.7	0.9	0.6	0.4	0.6	0.4
34 Other non-metallic mineral products	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.0
35 Metal products, machinery and household appliances	0.8	0.5	0.7	0.5	1.0	0.2	0.8	0.2
36 Electrical machinery and apparatus	0.9	0.6	0.7	0.5	0.4	0.2	0.4	0.2
37 Electronic, sound/vision, medical & other appliances	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0
38 Transport equipment	0.3	0.7	0.2	0.6	0.3	0.2	0.3	0.3
39 Furniture and other items NEC and recycling	0.5	1.4	0.6	1.2	0.6	0.6	0.6	0.5
41 Electricity, gas, steam and hot water supply	1.0	2.4	1.0	2.0	1.1	1.2	0.8	1.0
42 Collection, purification and distribution of water	0.0	0.2	0.0	0.2	0.0	0.1	0.0	0.1
50 Construction	3.4	2.1	3.4	1.9	4.6	2.8	4.4	2.3
61 Wholesale and commission Trade	2.1	5.5	1.9	5.2	3.3	4.7	2.9	3.9
62 Retail Trade and repairs of goods	8.0	8.3	7.6	9.8	6.1	10.2	5.6	7.7
63 Sale and repairs of motor vehicles, sale of fuel	3.3	2.3	3.1	2.2	3.0	2.3	2.8	2.2
64 Hotels and restaurants	2.2	1.0	2.0	1.0	2.1	0.9	1.9	0.6
71-72 Land and water Transport	4.4	6.7	3.8	6.4	3.9	6.6	4.1	5.7
73-74 Air Transport and Transport supporting activities	0.2	0.6	0.1	0.6	0.1	0.6	0.2	0.7
75 Post and telecommunication	1.9	5.7	1.8	5.6	1.6	6.7	1.8	7.1
81-83 Finance and insurance	4.1	10.3	3.8	10.5	3.7	17.8	3.7	16.7

SIC sub-sector	2001		2004		2007		2010	
	Employment	GVA	Employment	GVA	Employment	GVA	Employment	GVA
84 Real estate activities	0.2	3.1	0.2	3.4	0.2	3.1	0.3	5.5
85-88 Other business activities	4.5	3.7	4.7	3.9	5.2	5.3	5.7	4.7
91 Public administration and defence activities	11.5	11.9	14.1	12.7	13.1	12.6	14.4	13.9
92 Education	9.4	9.9	9.6	9.7	9.5	7.9	9.5	8.3
93 Health and social work	10.6	8.4	10.9	8.2	10.2	7.79	11.9	8.8
94-99 Other service activities	3.2	7.1	3.3	6.7	3.5	4.8	3.1	6.1
Households	16.6		16.1		16.5		16.6	
<b>Total Industries</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

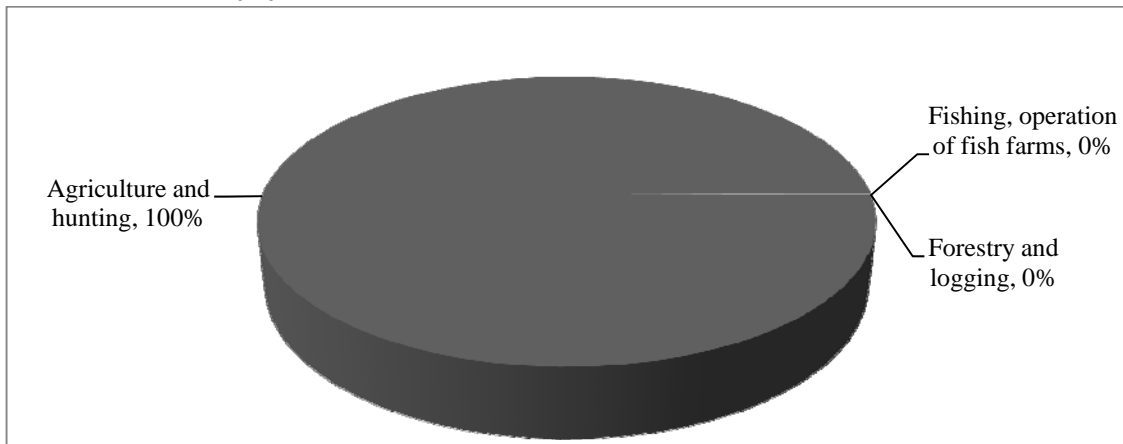
The following aspects should be mentioned:

- The larger percentage of employment than GVA confirms the high labour absorption rate of Agriculture and hunting.
- In terms of Manufacturing, the high levels of labour absorption in the Textile sector should be noted.
- The higher share of employment creation in comparison with economic output in respect of Construction once again suggests the higher levels of labour absorption for this sector.
- Other sub-sectors where significant labour absorption exists are: Sale and repairs of motor vehicles, sale of fuel; Hotels and restaurants; Health and social work.
- The ability of the following sub-sectors to increase economic growth should be noted: Retail trade and repair of goods, Land and water Transport, Post and telecommunications, Finance and insurance; Real estate activities.

### **B6.3 Agriculture**

The dominance of Agriculture and hunting in terms of economic output reflected in Section B3 is further supported by the dominance of this sub-sector in terms of employment (see Figure 16).

**FIGURE 14: Formal employment per sub-sector in the Agriculture for MLM, 2010**

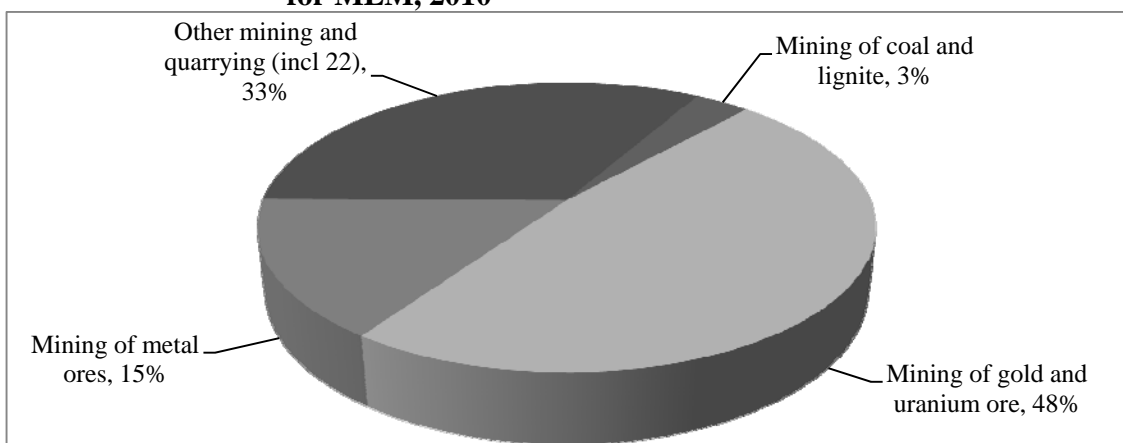


As was the case in respect of GVA, 100% of employment is found in the Agriculture and hunting sub-sector. There has also been no change in the sub-sectors since 2001.

#### **B6.4 Mining**

The proportional contribution of employment in the sub-sectors of Mining should be seen against the background that only about 202 people were employed in this sector (2010) (see Figure 17). Overall, employment in this sector and this sector's contribution to the MLM economy are thus irrelevant.

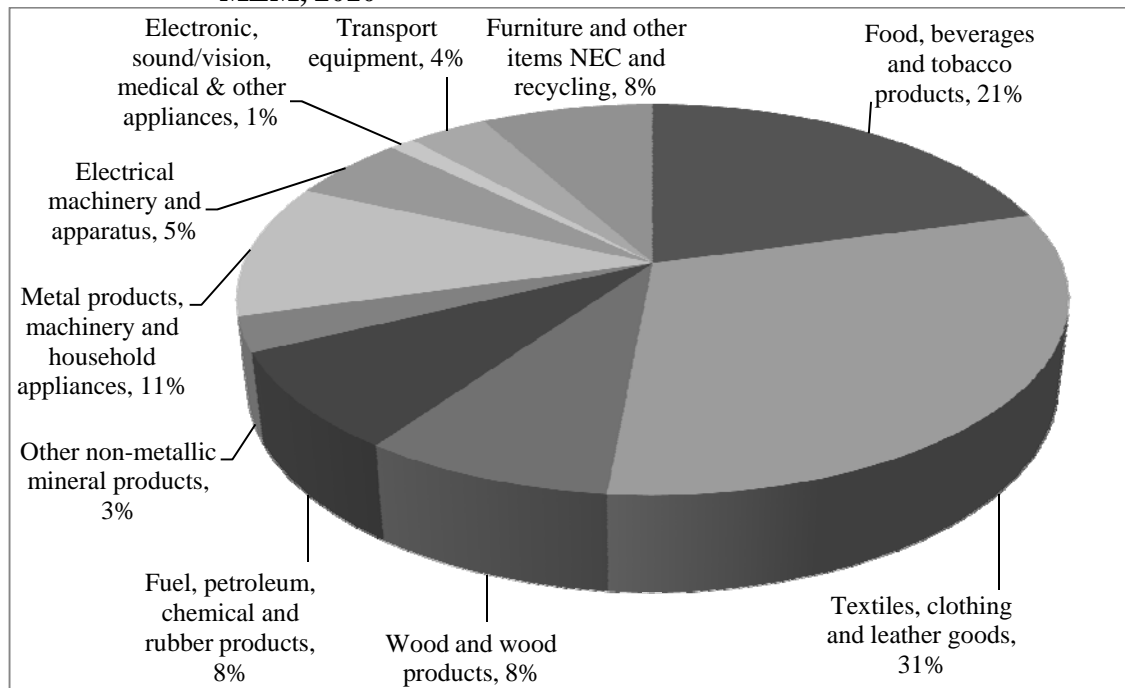
**FIGURE 15: Formal employment share by sub-sector in the Mining sector for MLM, 2010**



#### **B6.5 Manufacturing**

The employment by sub-sector is reflected in Figure 18 below. The differences with the GVA contribution are discussed below.

**FIGURE 16: Formal employment share sub-sector in manufacture sector for MLM, 2010**



The following can be noted with regard to Figure 16:

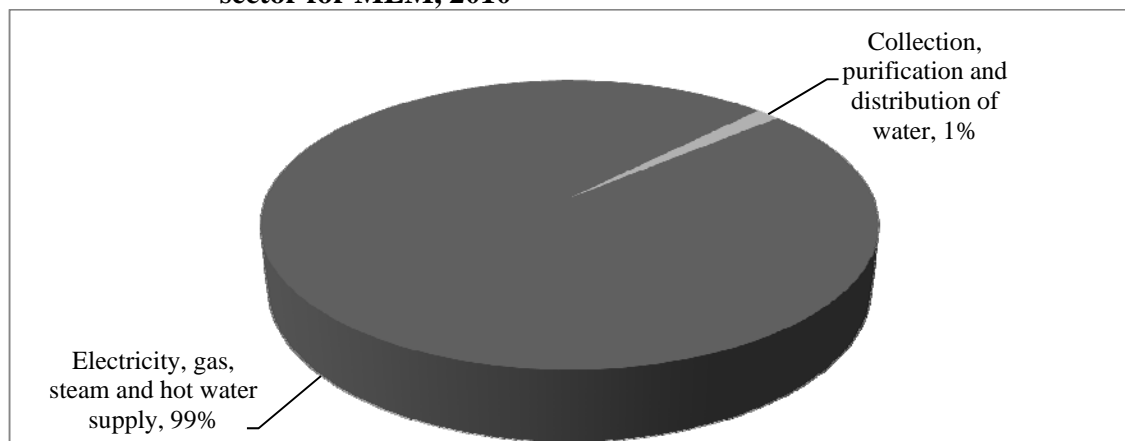
- Textiles and clothing have been oscillating in proportional contribution between 30% and 33% since 2001.
- Other non-metallic mineral products increased from 2% in 2004 to 3% in 2007, where it remained until 2010.
- Metal products, machinery and household appliances increased from 9% to 13% between 2004 and 2007, before sinking back to 11% towards 2010.
- Electronic, sound/vision, medical and other appliances increased from 1% to 2% and again to 5% in 2010
- Transport equipment increased from 3% to 4% between 2004 and 2007, where it remained until 2010.

- The employment contribution of Furniture and other items NEC and recycling increased from 6% of the total to 8% of the total employment in Manufacturing between 2001 and 2004 and remained stable since then.
- Food and beverages dropped from 19% in 2001 to 18% in 2004 to 15% in 2007 before recovering to 21% of employment share in the sector.
- Wood and wood products initially increased its share of employment in Manufacturing from 8% in 2001 to 10% in 2004 before decreasing to 9% in 2007 and 8% in 2010.
- Fuel, petroleum, chemical and rubber products decreased from 9% to 8% where it has remained since 2007.
- Electrical machinery and apparatus declined from 10% to 5% where it has remained since 2007.

#### **B6.6 Electricity, gas and water**

The employment shares of the sub-sectors in Electricity, gas and water are reflected in Figure B17 below.

**FIGURE 17: Formal employment share by sub-sector in Electricity/gas/water sector for MLM, 2010**



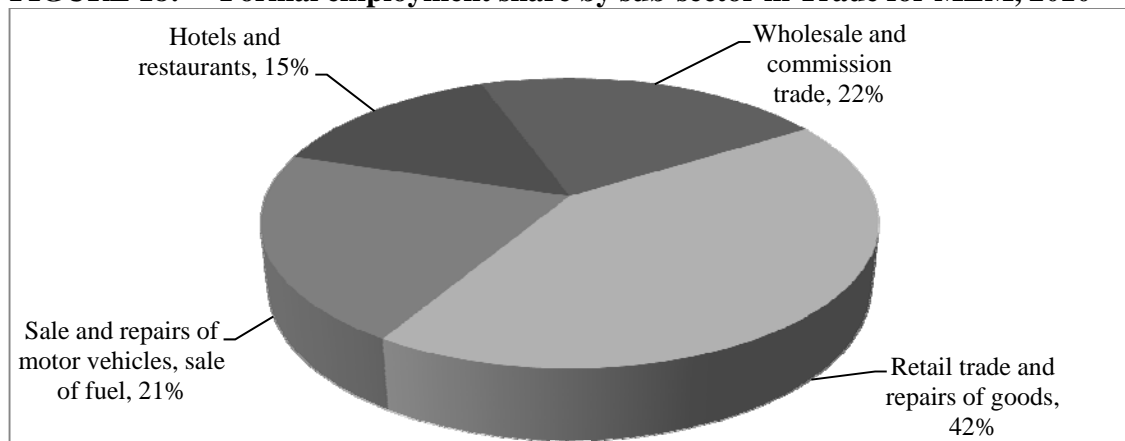
The sub-sector remains dominated by the sub-sector of Electricity, gas, steam and hot water supply in that 99% of the employment in this sector is generated by the sub-sector.

Employment in this sub-sector is also somewhat more than the 95% contribution to GVA that this sub-sector provides.

### B6.7 Trade

Employment share in each of the sub-sectors of Trade is reflected in Figure B18 below.

**FIGURE 18: Formal employment share by sub-sector in Trade for MLM, 2010**

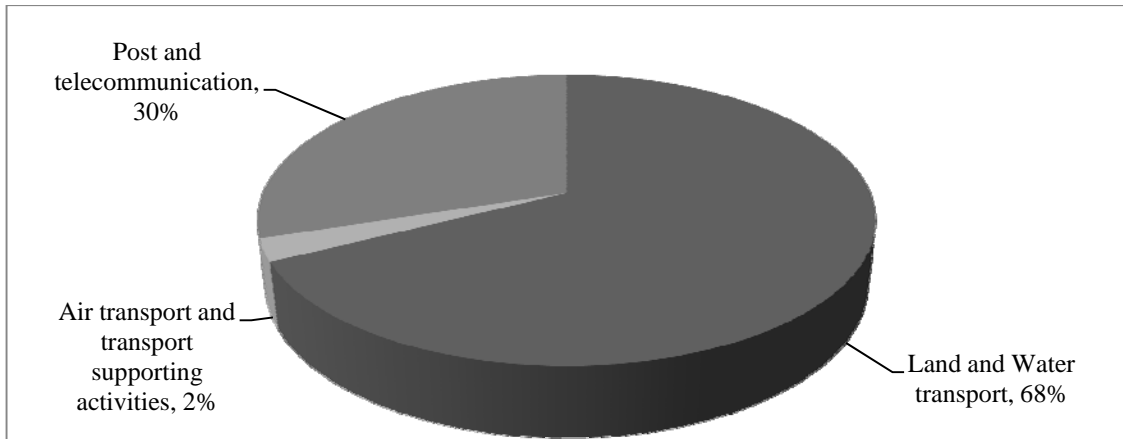


Hotels and restaurants as a sector increased its share of employment in MLM between 2001 and 2004, stabilized towards 2007 and increased again towards 2010. The percentage employment increased from 12%-14%-15%. Sale and repairs of motor vehicles and sale of fuel have remained steady at 21% of employment share between 2004 and 2010 after losing one percentage point between 2001 and 2004. Retail trade and repairs of goods declined by 10 percentage points between 2004 and 2007 (52% to 42%) before stabilising, while wholesale and commission trade increased by 10 percentage points between 2004 and 2007 (13% to 23%) losing one percentage point towards 2010.

### B6.8 Transport

The figures for Transport and its proportional share of employment per sub-sector are reflected below in Figure B19.

**FIGURE 19: Formal employment share by sub-sector in Transport for MLM, 2010**

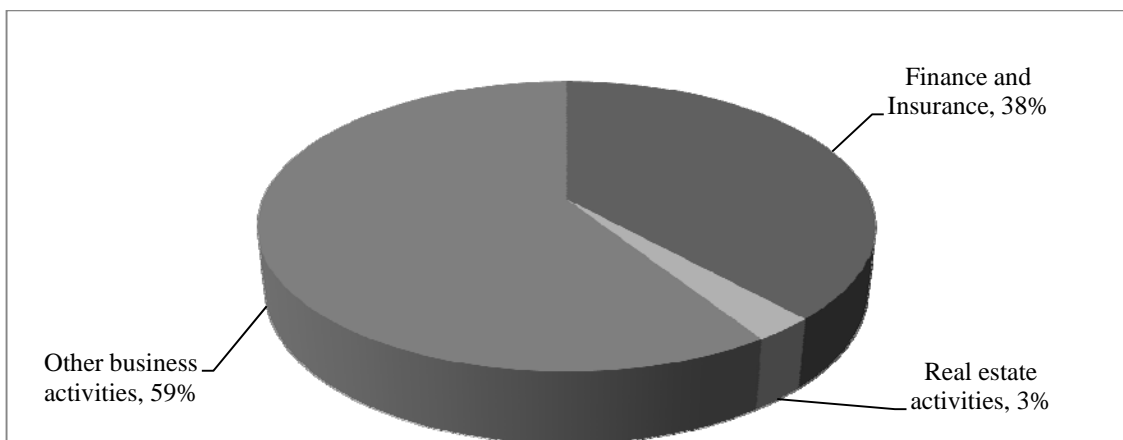


A number of comments are due in respect of above the figure. In the first place, there was a proportional increase in the percentage of people employed in Land and water transport between 2001 and 2007 (63% in 2001 to 67% in 2004 to 70% in 2007) before settling back to 68% in 2010. In the case of Post and telecommunication, the proportional share of employment in the sector decreased from 34% in 2001 to 31% in 2004 to 28% in 2007 before increasing again to 30% in 2010. In the case of Air transport and supporting transport activities, the drop was from 3% in 2001 to 2% in 2004 where it has remained stable up to 2010.

### **B6.9 Finance and real estate**

The proportional share of employment is reflected in Figure B20 below.

**FIGURE 20: Formal employment share by sub-sector in Finance for MLM, 2010**

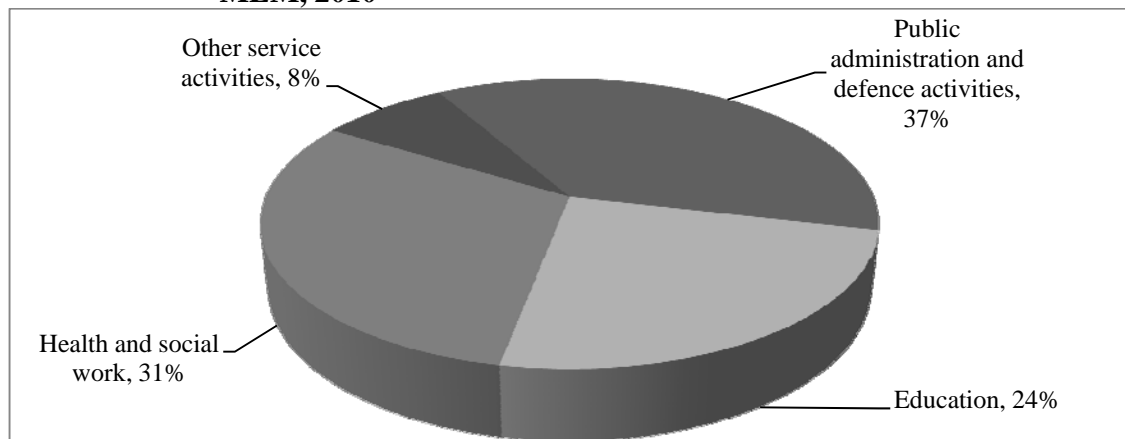


Finance and insurance increased its relative contribution to the Finance sector by one percentage point while Real estate activities lost one percentage point between 2001 and 2004. Between 2004 and 2007, however, Finance and insurance decreased its proportional share to 40% while real estate activities decreased a further percentage point to 3%. Other business activities remained the same between 2001 and 2004 (54%) before increasing to 57% in 2007. Between 2007 and 2010 Finance and insurance reduced its proportional employment by two percentage points while Other business activities increased by two percentage points.

### B6.10 Community services

The data for each of the sub-sectors are reflected in Figure B21.

**FIGURE 21: Formal employment share by sub-sector in Community services for MLM, 2010**



The following changes occurred in terms of the Community services sector:

- Public administration and defence activities dropped by one percentage point in both the 2001- 2004 and the 2004- 2007 periods, before regaining one percentage point in 2010 (37%).
- Education and Health and social work remained stable at 25% and 29% respectively of the employment share between 2001 and 2004 before each added

one percentage point in 2007. In 2010 Education loosed two percentage points while Health and social work gained another.

- Other service activities increased their proportional share of Services by one percentage point between 2001 and 2004 and again between 2004 and 2007, settling at 10%. Towards 2010, it settled back to 8%.

### **B6.11 Labour remuneration sector share**

Table 33 reflects the labour remuneration share of each of the broad sectors for 2001, 2004, 2007 and 2010.

**TABLE 32: Labour remuneration sector share for MLM, 2001, 2004, 2007 and 2010**

<b>Sector</b>	<b>2001</b>	<b>2004</b>	<b>2007</b>	<b>2010</b>
Agriculture	1.2	1.1	0.6	0.7
Mining	0.1	0.1	0.2	0.3
Manufacturing	7.5	6.8	3.2	2.8
Electricity	2.0	1.8	1.1	1.0
Construction	2.1	1.9	1.9	3.1
Trade	14.1	14.8	14.7	12.8
Transport	8.9	8.5	8.1	6.5
Finance	11.5	12.1	19.1	16.7
Community services	52.5	52.9	51.3	56.0
<b>Total Industries</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	100.0

The following trends can be seen from the labour remuneration share reflected in the Table 35 above:

- The labour remuneration share of Manufacturing, Electricity, Transport have consistently decreased since 2001.
- Agriculture decreased between 2001 and 2007 before regaining 0.1 percentage point.
- Finance showed consistent increases between 2001 and 2007.
- Trade initially grew between 2001 and 2004 before declining up to 2010.
- Mining remained constant between 2001 and 2004 before increasing through 2007 and 2010.

- Construction initially showed a decrease between 2001 and 2004 before stabilising towards 2007 and increasing to 2010.
- Community services both grew between 2001 and 2004 before decreasing towards 2007.

It should also be noted that Agriculture, Construction and Trade are poor remunerators. However, at the same time, previous assessments have shown that the labour absorption rates in these sectors are high.

### B6.12 Occupation profile

Occupation profiles are only available from the national census data. The Economic Development Strategy in 2003 reflected in the 1996 information in this regard. As this data was census data no update was possible. Table 34 and B35 provides an overview for 1996, 2001 and 2007. The 2007 data is based on the 2007 Community Survey, which unfortunately does not cover areas below the municipal level.

**TABLE 33: Labour force occupation profile for MLM, 1996, 2001 and 2007**

	Occupation	Bloemfontein	Botshabelo	Thaba Nchu	MLM
1996	Legislators, senior officials and managers	4.6	2.3	2.3	3.9
	Professionals	12.1	4.4	10.6	10.3
	Technicians and associate professionals	7.8	2.7	4.4	6.4
	Clerks	11.7	3.6	6.3	9.5
	Service workers, shop and market sales workers	11.6	9.7	13.8	11.4
	Skilled agriculture and fishery workers	3.2	2.2	2.9	3.0
	Craft and related Trade workers	10.9	26.7	16.8	14.8
	Plant and machine operators and assemblers	4.8	9.5	7	6.0
	Elementary occupations	24.8	30.6	27.3	26.2
	Occupation NEC or unspecified	8.5	8.4	8.5	8.5
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
2001	Legislators, senior officials and managers	4.6	1.7	2.8	3.9
	Professionals	11.9	5.0	12.5	10.7
	Technicians and associate professionals	4.5	2.6	3.0	4.0
	Clerks	10.9	7.1	8.3	10.0
	Service workers, shop and market sales workers	26.5	23.8	26.2	26.0
	Skilled agriculture and fishery workers	1.6	1.0	1.4	1.5
	Craft and related Trade workers	7.5	19.7	12.7	10.2

	<b>Occupation</b>	<b>Bloemfontein</b>	<b>Botshabelo</b>	<b>Thaba Nchu</b>	<b>MLM</b>
	Plant and machine operators and assemblers	4.3	11.8	7.9	6.0
	Elementary occupations	22.5	23.9	21.5	22.6
	Occupation NEC or unspecified	5.7	3.4	3.7	5.1
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>2007</b>	Legislators, senior officials and managers	-	-	-	7.8
	Professionals	-	-	-	10.3
	Technicians and associate professionals	-	-	-	6.7
	Clerks	-	-	-	9.4
	Service workers, shop and market sales workers	-	-	-	11.5
	Skilled agriculture and fishery workers	-	-	-	4.5
	Craft and related Trade workers	-	-	-	11.5
	Plant and machine operators and assemblers	-	-	-	6.6
	Elementary occupations	-	-	-	18.2
	Occupation NEC or unspecified	-	-	-	13.5
	<b>Total</b>	-	-	-	<b>100</b>

The following occupations remained stable and/or increased its share over the time under observation:

- Legislators, senior officials and managers remained stable between 1996 and 2001 (at 3.9%), before increasing significantly towards 2007 (to 7.8%).
- Plant and machine operators and assemblers also remained stable between 1996 and 2001 (at 6.0%), before increasing towards 2007 (to 6.6%).

Elementary occupation was the only category to show consistent decline over the time under observation, declining from 26.2% in 1996 to 22.6% in 2001 and again in 2007 to 13.5%.

The other seven occupational categories generally experienced some flux. Some of this flux can likely be ascribed to the methodologies employed during the data gathering.

## **B7. Income overview**

This section on income overview considers the following aspects: Household income, average annual household income, per capita income, the number of people living in

poverty, as well as the Gini-coefficient. These aspects should be seen in conjunction with the aspects already dealt with.

### **B7.1 Household income**

An overview of household income is provided in Table B35 below.

**TABLE 35: Household income profile for MLM, 1996, 2001, 2004 and 2007  
(current values for each year)**

<b>Income category</b>	<b>1996</b>	<b>2001</b>	<b>2004</b>	<b>2007</b>	<b>2010</b>
0-2400	1.4	2.8	3.7	0.5	0.1
2400-6000	4.6	6.8	7.1	2.0	0.0
6000-12000	19.0	13	9.9	9.4	5.2
12000-18000	16.4	15.5	13.5	11.1	7.3
<b>Category 1</b>	<b>41.4</b>	<b>38.1</b>	<b>34.2</b>	<b>23.1</b>	<b>12.7</b>
18000-30000	17.6	14.5	13	13.4	11.5
30000-42000	8.5	9.7	9.6	10.7	11.4
42000-54000	6.3	6.8	7.1	8.6	9.6
<b>Category 2</b>	<b>32.4</b>	<b>31</b>	<b>29.7</b>	<b>32.6</b>	<b>32.5</b>
54000-72000	7.1	6.7	7.0	8.2	9.3
72000-96000	5.9	6.4	6.7	6.9	8.3
96000-132000	5.6	6.2	6.8	6.4	8.0
132000-192000	4.5	5.4	6.2	6.0	7.7
<b>Category 3</b>	<b>23.1</b>	<b>24.7</b>	<b>26.7</b>	<b>27.5</b>	<b>33.4</b>
192000-360000	2.3	4.0	5.2	9.1	10.7
360000+	0.8	2.2	4.1	7.7	10.8
<b>Category 4</b>	<b>3.1</b>	<b>6.2</b>	<b>9.3</b>	<b>16.8</b>	<b>21.5</b>
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Overall, a number of comments should be made:

- The table made provision for categories of household income. Category 1 represents the real poor. Category 2 represents those households with some income, but not desperately poor. Category 3 represents an emerging and current middle class and category 4 reflects on the affluent part of society.
- It seems evident that households in Category 1 have declined significantly with Category 2 also initially decreasing before showing a slight increase towards 2007. Category 3 and Category 4 increased their proportional shares between

1996 and 2010. Overall, the picture seems to suggest that household income has increased over the period under consideration.

### **B7.2 Average annual household income**

The average annual household income for MLM and the three sub-areas is provided in Table 37.

**TABLE 36: Average annual household income for the MLM area, 1996, 2001, 2004, 2007 and 2010 (Current prices)**

	MLM	Botshabelo	Bloemfontein	Thaba Nchu
1996	63,403	30,214	83,725	36,827
2001	84,860	34,957	115,322	45,368
2004	105,371	41,360	144,983	52,084
2007	133,883	79,084	169,472	93,207
2010	140,135	81,424	168,900	93,756
MLM p.a. growth (2001-2004)	7.48	5.77	7.93	4.71
MLM p.a. growth (2004-2007)	8.31	24.12	5.34	21.41
MLM p.a. growth (2007-2010)	1.53	0.98	-0.11	0.20
MLM p.a. growth (2001-2010)	5.73	9.85	4.33	8.40

Once again, the dominance of Bloemfontein is evident from the annual household income portrayed in the above table. In the case of MLM, the average annual household income for 2010 was estimated at R140 135. In Bloemfontein this was R168 900 and in Botshabelo and Thaba Nchu it was estimated at R81 424 and R93 756 per household in 2010. While Bloemfontein showed the strongest growth between 2001 and 2004 (7.93%), this growth slowed (to 5.34% between 2004 and 2007 and -0.11% between 2007 and 2010). Botshabelo and Thaba Nchu initially showed growth slightly slower than for Bloemfontein (5.8% and 4.7% respectively) between 2001 and 2004 but this increased substantially between 2004 and 2007 (24.12% and 21.41%) and was still slightly ahead of Bloemfontein between 2007 and 2010 (0.98% and 0.20%).

### **B7.3 Average annual per capita income by area**

The emphasis now shifts to the average annual per capita income for each of the areas in MLM. This assessment is conducted in comparison with the Free State and national figure available in this regard.

**TABLE 37: Average annual per capita income by area in MLM and in comparison with South Africa and the Free State, 1996, 2001, 2004, 2007 and 2010 (Current prices)**

	National	Free State	MLM	Botshabelo	Bloemfontein	Thaba Nchu
1996	15,567	12,757	17,361	6,815	23,825	8,888
2001	23,524	17,287	25,257	8,939	35,209	12,393
2004	30,268	21,385	32,817	11,223	46,129	15,092
2007	36,932	31,755	42,144	21,618	55,329	27,595
2010	36,923	33,954	40,861	23,698	49,057	28,553
P.a. growth (2001-2004)	8.77	7.35	9.12	7.88	9.42	6.79
P.a. growth (2004-2007)	6.86	14.09	8.70	24.42	6.25	22.28
P.a. growth (2007-2010)	-0.01	2.26	-1.03	3.11	-3.93	1.14
P.a. growth (2001-2010)	5.14	7.79	5.49	11.44	3.75	9.72

As with annual household income, there has also been a substantial increase in the per capita income of persons in MLM between 2001 and 2007. This growth has outstripped national growth, though MLM exhibited slower growth than was the case for the Free State as a whole. Since 2007, there has been some contraction in annual per capita income MLM largely due to a strong contraction in Bloemfontein. This contraction was more severe than was the case nationally while the Free State province continued to grow. The per capita annual income (2010) in MLM (R49 057) was more than the per capita income in the Free State (R40 861) and also higher than the national average (R36 923). As was the case with household income, Bloemfontein had significantly higher per capita income than Botshabelo and Thaba Nchu (R49 057 versus R23 698 and R28 553) though the latter two had significantly better growth rates after 2004.

#### **B7.4 Number of persons living in poverty**

Table B38 provides an overview of the number of persons living in poverty in MLM by race groups. A distinction is also made for a number of years and the trend over these years. Annexure B1 contains the definition and methodology to determine the number of people living in poverty.

**TABLE 38: Number of persons living in poverty nationally, in the Free State and in MLM, 1996, 2001, 2004, 2007 and 2010**

	National Total	Free State	MLM
1996	17,100,720	1,064,098	186,945
2001	23,155,924	1,643,984	270,960
2004	23,500,962	1,663,225	281,419
2007	20,551,334	1,427,301	228,091
2010	19,475,583	1,127,697	235,431

Overall, it seems as if the number of people living in poverty has declined since 2004. This should probably be ascribed to the significant economic growth rate in 2004 as well as the extended social security programme. However, a turn has been experienced in Mangaung recently with a slight increase in persons living in poverty between 2007 and 2010.

### **B7.5 Gini coefficient**

The Gini coefficient reflects the level of inequality in a specific area. Table 39 provides an overview of this situation in MLM (including the sub-areas) compared with the Free State and the estimates at the national level. The nearer to one the Gini coefficient is, the more unequal the population of an area.

**TABLE 39: Gini coefficient by area (1996, 2001, 2004, 2007 and 2010)**

	National Total	Free State	MLM	Botshabelo	Bloemfontein	Thaba Nchu
1996	0.60	0.59	0.51	0.45	0.55	0.48
2001	0.64	0.62	0.55	0.50	0.58	0.54
2004	0.65	0.64	0.57	0.54	0.58	0.57
2007	0.67	0.67	0.63	0.58	0.66	0.61
2010	0.65	0.64	0.61	0.55	0.63	0.58
P.a. Change (2001-2004)	0.52	1.06	1.20	2.60	0.00	1.82
P.a. Change (2004-2007)	1.02	1.54	3.39	2.41	4.40	2.29
P.a. Change (2007-2010)	-1.21	-1.45	-1.21	-1.63	-1.46	-1.56
P.a. Change (2001-2010)	0.10	0.37	1.11	1.11	0.95	0.83

From the above table the following comments should be made:

- The Gini-coefficient grew nationally (from 0.65 to 0.67), in the Free State (0.64 to 0.67) and in MLM (0.57 to 0.63) between 2001 and 2004. In Botshabelo from 0.54 to 0.58 between 2004 and 2007. In Thaba Nchu an increase from 0.57 to 0.61 was

recorded for the same period. Interestingly, the Gini coefficient in Bloemfontein has remained stable at 0.58 between 2001 and 2004 before rising sharply to 0.66 between 2004 and 2007.

- Since 2007 there has been a decline in the Gini coefficient. This decline was 0.2 nationally and 0.3 for the Free State and MLM and its constituent areas.

### **B7.6 Household expenditure**

Table 41 provides an overview of expenditure per item for 2001, 2004, 2007 and 2010. A number of key comments need to be made:

- The largest single item of expenditure is Food. After 2004, a significant increase in the share of household expenses dedicated to food has taken place. This gives some credence to the inflation of food prices for South Africa reported on in the media. It is also noteworthy that households in Botshabelo and Thaba Nchu spend a considerably larger percentage of their household income on food than households in Bloemfontein spend on food.
- Concurrently with the increase in food prices, have also been an increase in the cost of transportation.
- Also significant is the decrease in some luxury items like Restaurants, Beverages, Household goods and Recreation.
- Other luxury items like Holiday and accommodation and Clothing have increased.
- Healthcare and education, services that are provided at reduced cost by the state, have also seen significant increases spending.

**TABLE 40: Expenditure patterns in Mangaung (current prices xR1000), 2001, 2004, 2007 and 2010**

Items	2001			2004			2007			2010		
	Botshabelo	Bloemfontein	Thaba Nchu	Botshabelo	Bloemfontein	Thaba Nchu	Botshabelo	Bloemfontein	Thaba Nchu	Botshabelo	Bloemfontein	Thaba Nchu
Holiday and accommodation	122,388	1,526,093	81,063	172,589	2,123,744	108,433	396,536	2,950,472	247,056	478,465	3,355,377	292,730
Domestic workers	16,945	517,989	13,390	28,601	749,197	20,439	30,997	460,163	20,340	30,055	429,152	19,083
Food	209,748	1,034,680	110,598	286,256	1,486,252	149,174	932,644	3,619,593	505,597	839,220	3,524,118	462,688
Restaurants	326,158	1,259,054	171,146	435,032	1,771,272	224,180	55,284	354,199	31,058	44,525	311,017	25,126
Beverages	148,332	738,651	81,426	196,276	1,011,574	104,771	234,501	1,117,899	129,729	207,387	1,081,615	116,107
Smoking	42,441	198,536	22,433	55,046	272,238	28,614	71,715	359,069	37,205	63,112	344,777	33,501
Personal care	75,586	361,443	40,483	100,959	495,330	52,792	130,990	566,056	72,007	122,690	571,576	68,007
Other household goods	117,415	534,160	62,068	159,218	751,039	82,563	62,760	240,535	33,981	55,192	229,992	30,366
Household services	93,422	417,168	49,391	126,597	592,335	65,748	3,602	18,885	2,050	3,200	17,834	1,822
Household fuel	58,794	233,996	30,566	77,179	323,426	39,510	30,265	95,329	16,264	31,996	114,709	17,858
Clothing	38,622	142,554	19,564	49,286	188,279	24,656	290,538	1,052,795	160,128	242,801	936,957	134,733
Furniture	25,035	134,224	13,392	32,051	173,836	16,738	109,513	509,957	61,840	93,803	491,018	53,124
Household textiles	26,056	108,134	13,645	33,244	140,789	17,021	36,371	143,811	20,594	32,391	136,501	18,422
Appliances and household equipment	32,724	153,121	17,891	44,568	214,249	23,666	48,169	245,807	26,541	42,261	233,926	23,440
Medical	47,625	304,025	27,586	64,955	414,648	36,013	245,783	1,779,482	147,081	224,627	1,748,354	132,308
Transport	28,071	208,437	16,954	37,371	275,915	21,390	610,481	3,428,364	361,065	557,970	3,023,199	326,107
Computer	26,475	132,745	14,676	36,355	185,411	19,463	15,053	131,526	9,307	14,400	119,881	8,685
Communication	34,764	162,540	19,050	47,880	230,907	25,513	50,961	352,855	30,291	49,165	336,624	28,966
Education and reading	34,019	179,959	18,868	45,339	250,524	24,480	139,958	717,937	81,602	126,688	679,043	73,360
Recreation	46,144	266,003	24,741	63,256	364,452	32,834	20,618	163,410	11,921	25,634	325,646	15,534
Other fees	93,133	495,151	51,248	136,239	731,098	72,739	94,091	584,947	53,673	70,771	375,791	40,347
Taxes	110,707	526,742	60,893	160,328	791,754	85,939	361,053	2,802,196	229,223	401,126	3,180,486	248,634
Finance	46,655	199,370	24,892	64,974	290,590	33,971	160,578	1,373,894	99,430	151,871	1,344,528	92,386
Other	47,358	129,313	22,862	66,705	204,588	32,147	33,357	233,291	18,647	27,541	238,222	15,664
Total	1,848,616	9,964,088	1,008,827	2,520,302	14,033,449	1,342,795	4,165,819	23,302,473	2,406,628	3,936,893	23,150,343	2,278,999

**TABLE 41: Expenditure patterns in Mangaung (%), 2001, 2004, 2007 and 2010**

Items	2001			2004			2007			2010		
	Botshabelo	Bloemfontein	Thaba Nchu	Botshabelo	Bloemfontein	Thaba Nchu	Botshabelo	Bloemfontein	Thaba Nchu	Botshabelo	Bloemfontein	Thaba Nchu
Holiday and accommodation	6.6	15.3	8.0	6.8	15.1	8.1	9.5	12.7	10.3	12.2	14.5	12.8
Domestic workers	0.9	5.2	1.3	1.1	5.3	1.5	0.7	2.0	0.8	0.8	1.9	0.8
Food	11.3	10.4	11.0	11.4	10.6	11.1	22.4	15.5	21.0	21.3	15.2	20.3
Restaurants	17.6	12.6	17.0	17.3	12.6	16.7	1.3	1.5	1.3	1.1	1.3	1.1
Beverages	8.0	7.4	8.1	7.8	7.2	7.8	5.6	4.8	5.4	5.3	4.7	5.1
Smoking	2.3	2.0	2.2	2.2	1.9	2.1	1.7	1.5	1.5	1.6	1.5	1.5
Personal care	4.1	3.6	4.0	4.0	3.5	3.9	3.1	2.4	3.0	3.1	2.5	3.0
Other household goods	6.4	5.4	6.2	6.3	5.4	6.1	1.5	1.0	1.4	1.4	1.0	1.3
Household services	5.1	4.2	4.9	5.0	4.2	4.9	0.1	0.1	0.1	0.1	0.1	0.1
Household fuel	3.2	2.3	3.0	3.1	2.3	2.9	0.7	0.4	0.7	0.8	0.5	0.8
Clothing	2.1	1.4	1.9	2.0	1.3	1.8	7.0	4.5	6.7	6.2	4.0	5.9
Furniture	1.4	1.3	1.3	1.3	1.2	1.2	2.6	2.2	2.6	2.4	2.1	2.3
Household textiles	1.4	1.1	1.4	1.3	1.0	1.3	0.9	0.6	0.9	0.8	0.6	0.8
Appliances and household equipment	1.8	1.5	1.8	1.8	1.5	1.8	1.2	1.1	1.1	1.1	1.0	1.0
Medical	2.6	3.1	2.7	2.6	3.0	2.7	5.9	7.6	6.1	5.7	7.6	5.8
Transport	1.5	2.1	1.7	1.5	2.0	1.6	14.7	14.7	15.0	14.2	13.1	14.3
Computer	1.4	1.3	1.5	1.4	1.3	1.4	0.4	0.6	0.4	0.4	0.5	0.4
Communication	1.9	1.6	1.9	1.9	1.6	1.9	1.2	1.5	1.3	1.2	1.5	1.3
Education and reading	1.8	1.8	1.9	1.8	1.8	1.8	3.4	3.1	3.4	3.2	2.9	3.2
Recreation	2.5	2.7	2.5	2.5	2.6	2.4	0.5	0.7	0.5	0.7	1.4	0.7
Other fees	5.0	5.0	5.1	5.4	5.2	5.4	2.3	2.5	2.2	1.8	1.6	1.8
Taxes	6.0	5.3	6.0	6.4	5.6	6.4	8.7	12.0	9.5	10.2	13.7	10.9
Finance	2.5	2.0	2.5	2.6	2.1	2.5	3.9	5.9	4.1	3.9	5.8	4.1
Other	2.6	1.3	2.3	2.6	1.5	2.4	0.8	1.0	0.8	0.7	1.0	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0