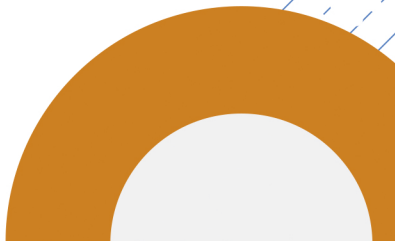




# Geography

SELF STUDY GUIDE

## ECONOMIC GEOGRAPHY OF SOUTH AFRICA



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## 1. INTRODUCTION

The declaration of COVID-19 as a global pandemic by the World Health Organisation led to the disruption of effective teaching and learning in many schools in South Africa. The majority of learners in various grades spent less time in class due to the phased-in approach and rotational/ alternate attendance system that was implemented by various provinces. Consequently, the majority of schools were not able to complete all the relevant content designed for specific grades in accordance with the Curriculum and Assessment Policy Statements in most subjects.

As part of mitigating against the impact of COVID-19 on the current Grade 12, the Department of Basic Education (DBE) worked in collaboration with subject specialists from various Provincial Education Departments (PEDs) developed this Self-Study Guide. The Study Guide covers those topics, skills and concepts that are located in Grade 12, that are critical to lay the foundation for Grade 12. The main aim is to close the pre-existing content gaps in order to strengthen the mastery of subject knowledge in Grade 12. More importantly, the Study Guide will engender the attitudes in the learners to learning independently while mastering the core cross-cutting concepts.

## 2. HOW TO USE THIS SELF STUDY GUIDE?

This Self-Study Guide only covers the section on **Economic Geography of South Africa**. The booklet is designed to explain concepts that seem to be challenging to learners in the Grade 12 Examinations. The first part focuses on the **examination structure** for **Paper 1 and Paper 2**, followed by explanation of the most common **action verbs** used in the question paper and how learners should manage their time. The second part focuses on the selected **key concepts** with their **explanatory notes**, followed by assessment activities designed from previous **examination question papers**. The guide also provides relevant answers and guide learners on how to use a mark allocation (on a question) in order to determine the extent of your response. Mapwork has been integrated in all the relevant sections to follow the new Examination structure.

The guide should be used in conjunction with other resources such as DBE approved textbooks, 2021 Examination Guidelines and Geography CAPS document.

### 3. EXAMINATION STRUCTURE

#### 2.1 PAPER 1

- 2.1.1 This is a 3-hour question paper which is written on a SEPARATE DAY from Paper 2.
- 2.1.2 The mark allocation for this paper is 150.
- 2.1.3 The question paper consists of two sections, namely SECTION A and SECTION B:  
SECTION A: Climate and Weather and Geomorphology (Theory)  
SECTION B: Geographical Skills, Techniques, Application and Interpretation and GIS (Map work)
- 2.1.4 SECTION A consists of **TWO** questions of 60 marks each.  
SECTION B consists of **ONE** question of 30 marks.
- 2.1.5 All the **THREE** questions are compulsory.

#### 2.2 PAPER 2

- 2.2.1 This is a 3-hour question paper which is written on a SEPARATE DAY from Paper 1.
- 2.2.2 The mark allocation for this paper is 150.
- 2.2.3 The question paper consists of two sections, namely SECTION A and SECTION B:  
SECTION A: Settlement and Economic Geography of South Africa (Theory)  
SECTION B: Mapwork- Geographical Skills and Techniques (Map work)
- 2.2.4 SECTION A consists of **TWO** questions of 60 marks each.  
SECTION B consists of **ONE** question of 30 marks.
- 2.2.5 All the **THREE** questions are compulsory.

## 4. EXAMINATION TIPS

### TYPES OF QUESTIONS

The types of questions in both Paper 1 and Paper 2 are as follows:

#### 3.1. Short objective questions:

✓ Multiple-choice:

- Know what each multiple-choice question is asking.
- Evaluate each answer to the multiple-choice question.
- Eliminate each answer that is clearly wrong.
- Do not leave any question unanswered.

✓ Matching:

- Know the definitions/explanations of concepts for each section as you will be required to pair each item with the correct terminology provided.
- These questions assess recognition and recall of knowledge acquired.

#### 3.2. Data response questions

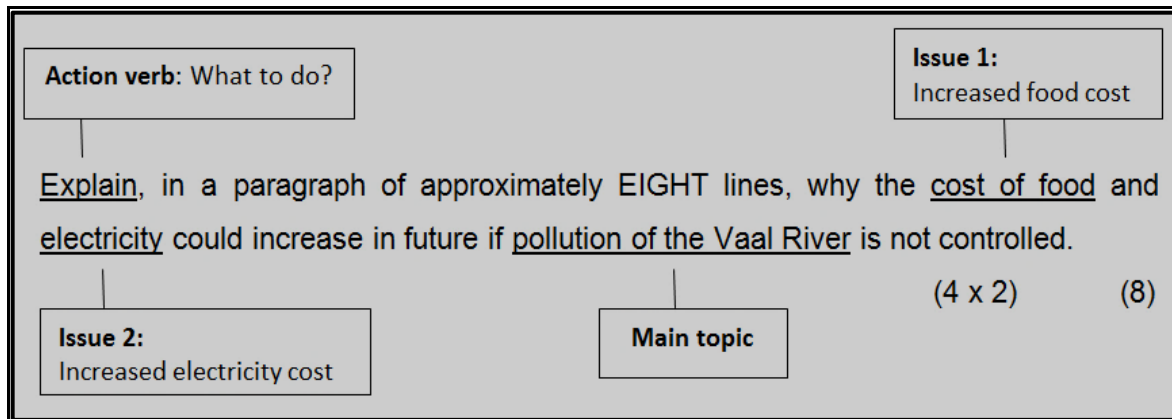
- With a data response question, you are required to interpret diagrams, maps, photos, tables, statistics, cartoons, etc.
- Data response questions require knowledge, application, analysis and evaluation.
- Marks for data response questions range from 2-8 marks.

#### 3.3. Paragraph-type questions

Paragraph assess communication skills, knowledge and insight. These questions require critical and analytical thinking. In order to master these questions, learners should:

- underline the **main topic** of the question,
- underline the **action words** or **question verbs**,
- underline the **focus areas** of the question (note that most paragraph questions might require two aspects or issues that must be discussed/ explained in two equal parts),
- write in **full sentences** to explain answers, and
- avoid repetition of facts.

## An illustration of how to analyse a paragraph question statement



The cost of food will increase because the polluted water will be expensive to purify so that it could be used in agriculture. Farmers will have to buy more chemicals to purify the water. If not, they will have to buy purified water from other service providers at a costly price. This will have a negative impact on production costs in agriculture, leading to increased food prices. Furthermore, polluted water reduces soil fertility which could lead to crop failure. This could lead to food being imported from other countries at very expensive prices in order to prevent food insecurity in the country. Polluted water will be expensive to purify so as to generate hydro-electricity, thereby causing Eskom to inflate electricity prices. Increased production costs will increase electricity costs. Less production of electricity due to river pollution will increase demand and supply, making electricity costs expensive. (4 x 2) (8)

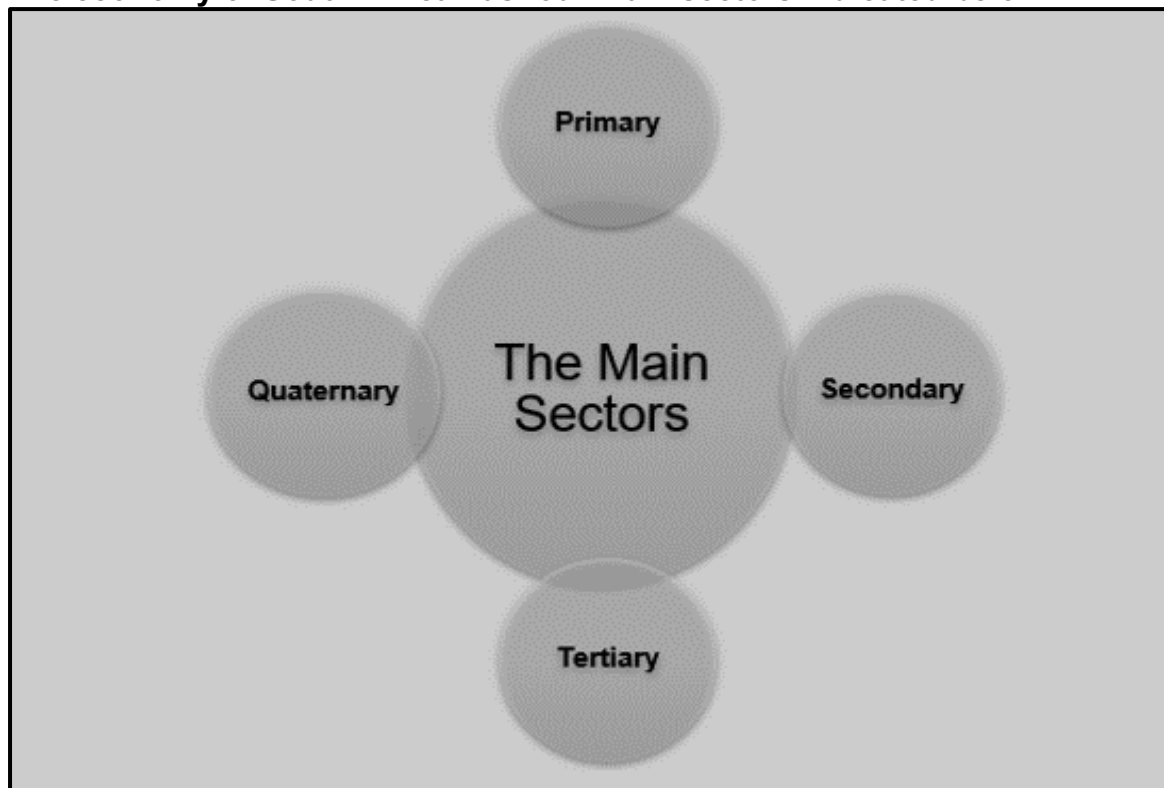


## 5. THE STRUCTURE OF THE ECONOMY

### KEY CONCEPTS

CONCEPT	EXPLANATION
Small-scale farming	The production of crops and livestock that is intended for home consumption and a small portion for the home/local market using small plots of land and often using very little to no expensive technologies.
Large-scale farming	The production of crops and livestock that is intended for commercial purposes, i.e. selling in retail stores/shops.
Home market	Products sold within the country South Africa.
Export Market	Goods that are produced for export markets.
Food security	When all the people in a country have access to adequate safe and nutritious food for sustainable living.
Food insecurity	When most people have lack of access to quality, nutritious food in a country for sustainable living.
Subsistence farming	Production to meet the demands of the farmer and his/her family on a small piece of land
Value-added products	Raw materials that have been processed to add to their value.

The economy of South Africa has four main sectors indicated below



### Primary Economic Sector

Activities that deal with the extraction of raw material from the natural environment, e.g. farming, fishing, mining, forestry and logging, oil extraction and stone quarrying.

**Fishing**



**Opencast Mining**



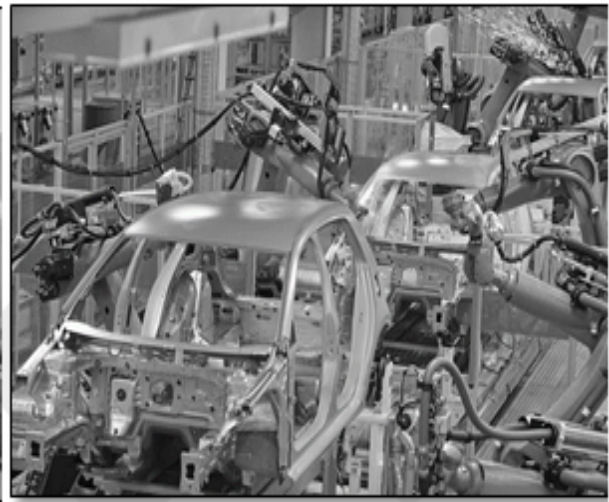
### Secondary Economic Sector

Activities that process and change raw material into useful goods. Processed goods are sometimes referred to as value added goods. Some examples of secondary sector activities include metal working and smelting, automobile production, textile production, chemical and engineering industries, aerospace manufacturing, energy utilities, engineering, breweries and bottlers, construction, and shipbuilding.

**Chemical and Engineering Industries**



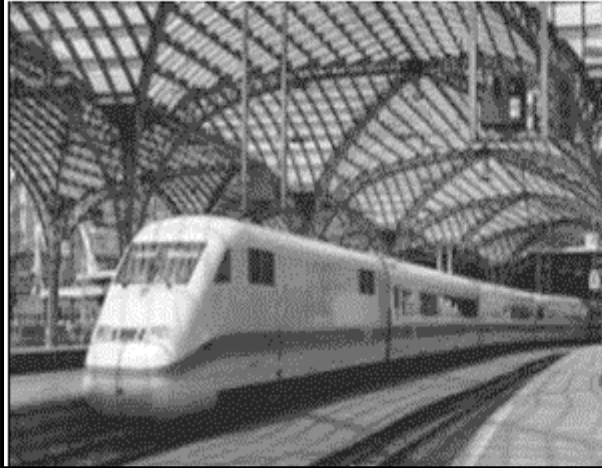
**Automobile productions**



### **Tertiary Economic Activities**

Tertiary activities involve the provision/distribution of services to the businesses and the consumers, e.g. transport, telecommunication, hospitality, public health services, tourism services, mass media (radio and television), healthcare services, waste disposal.

**Transport**



**Public Health Care**



### **Quaternary Economic Activities**

Quaternary economic activities are activities that provides a higher level of service through information and expert knowledge. Examples of Quaternary economic activities include ICT, consultancy and research.

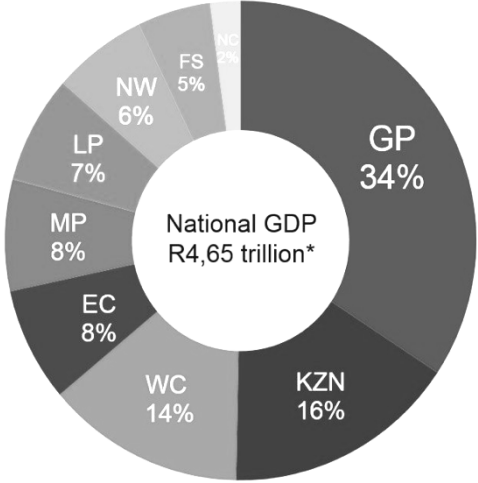
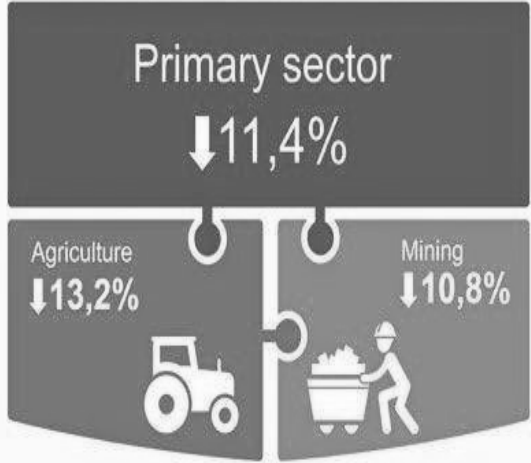
**Research**

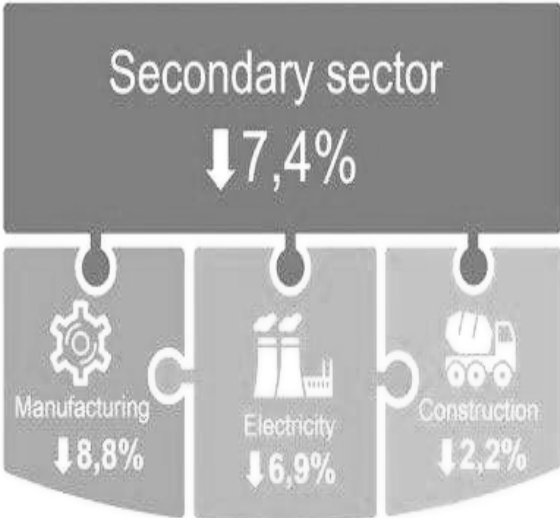
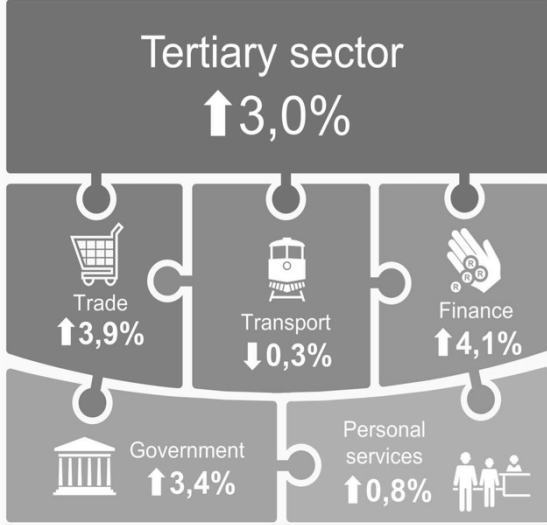


**ICT**



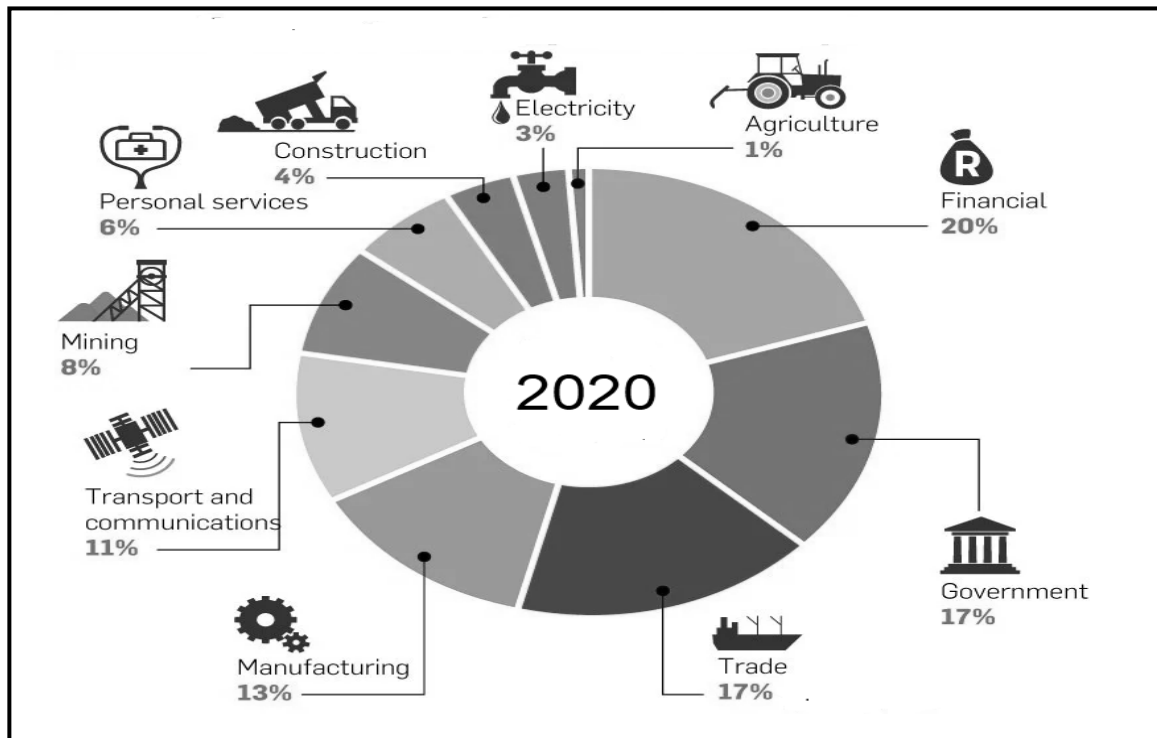
### Contribution of Primary, Secondary and Tertiary Sectors to the GDP

<p>Contribution to South African GDP per province (GP=34%, FS=5%, NW=6%, LP=7%, MP=8/ EC=8%/ WC=14%, KZN=16%)</p>	<p>The decline in the Sectors (2019)</p>																				
 <p>National GDP R4,65 trillion*</p> <table border="1"> <thead> <tr> <th>Province</th> <th>Contribution (%)</th> </tr> </thead> <tbody> <tr><td>GP</td><td>34%</td></tr> <tr><td>KZN</td><td>16%</td></tr> <tr><td>WC</td><td>14%</td></tr> <tr><td>EC</td><td>8%</td></tr> <tr><td>MP</td><td>8%</td></tr> <tr><td>LP</td><td>7%</td></tr> <tr><td>NW</td><td>6%</td></tr> <tr><td>FS</td><td>5%</td></tr> <tr><td>NC</td><td>2%</td></tr> </tbody> </table>	Province	Contribution (%)	GP	34%	KZN	16%	WC	14%	EC	8%	MP	8%	LP	7%	NW	6%	FS	5%	NC	2%	 <p>Primary sector ↓11,4%</p> <p>Agriculture ↓13,2%</p> <p>Mining ↓10,8%</p>
Province	Contribution (%)																				
GP	34%																				
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NW	6%																				
FS	5%																				
NC	2%																				
<p>GP contribute the highest to the GDP of South Africa and FS the lowest.</p>	<p>There was a general decline in the primary sector in the GDP of SA</p>																				

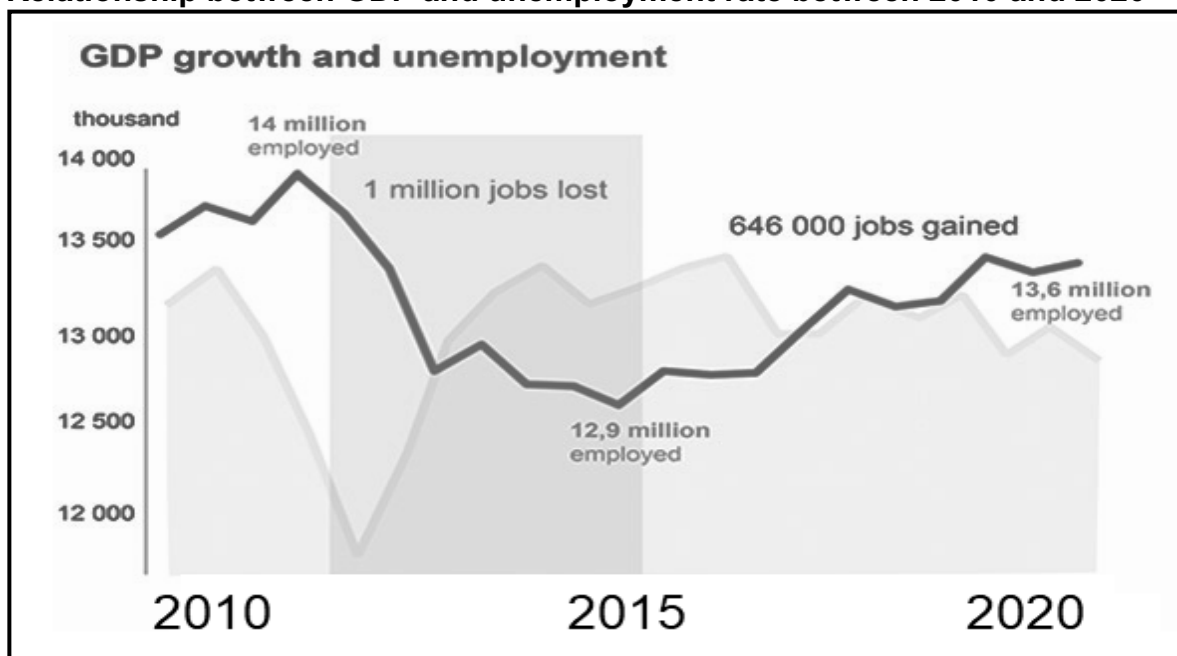
<p>Contribution of the Secondary Sector (2019)</p>	<p>Contribution of the Tertiary Sector (2019)</p>
 <p>Secondary sector ↓7,4%</p> <p>Manufacturing ↓8,8%</p> <p>Electricity ↓6,9%</p> <p>Construction ↓2,2%</p>	 <p>Tertiary sector ↑3,0%</p> <p>Trade ↑3,9%</p> <p>Transport ↓0,3%</p> <p>Finance ↑4,1%</p> <p>Government ↑3,4%</p> <p>Personal services ↑0,8%</p>
<p>There was a general decline in the secondary sector in the GDP of SA</p>	<p>There was a general increase in the tertiary sector in the GDP of SA with the exception of transport</p>

### Contribution to the South African Economy by Value (2019-2020)

The contribution of each sector of the economy is measured in percentage. The graph below contains graphical and statistical information about the contribution of different sectors to the GDP of South Africa



### Relationship between GDP and unemployment rate between 2010 and 2020



## ACTIVITY 5.1 STRUCTURE OF THE ECONOMY

5.1. Read the statements below and match each statement with the relevant economic sector (primary, secondary or tertiary). Write only the sector next to the question numbers (5.1.1 to 5.1.7) in your script.

5.1.1 Mining is an example of this economic sector.

5.1.2 This sector is concerned with the provision of services.

5.1.3 The extraction of raw materials from the Earth's surface.

5.1.4 Concerned with the processing of raw materials.

5.1.5 The provision of electricity is an example of this sector.

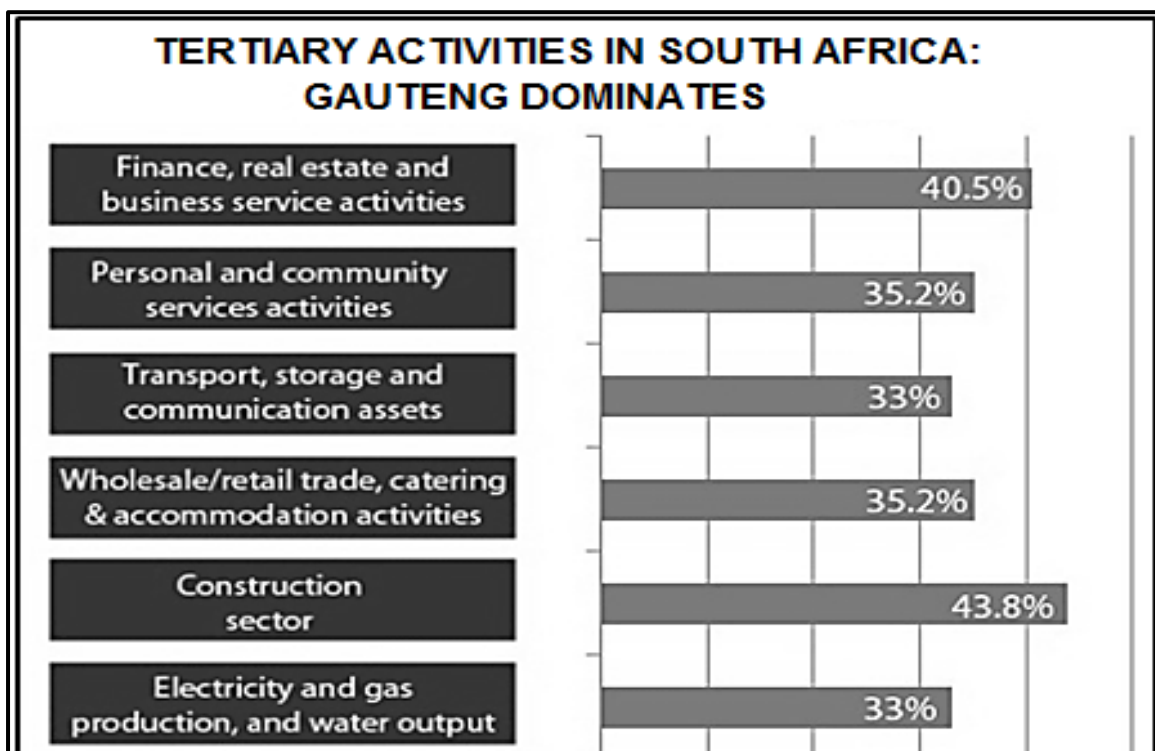
5.1.6 The manufacture of textiles, footwear and clothing.

5.1.7 Contributes the least to the GDP of South Africa. (7 x 1) (7)

## ACTIVITY 5.2 TERTIARY ACTIVITY

5.2. Study FIGURE 1.2 showing the percentage of Gauteng's activities in the tertiary sector in South Africa.

FIGURE 1.2: TERTIARY ACTIVITIES



5.2.1 Define the term tertiary economic activities. (1 x 2) (2)

5.2.2 Which tertiary activity in Gauteng contributes the most to South Africa's economy? (1 x 1) (1)

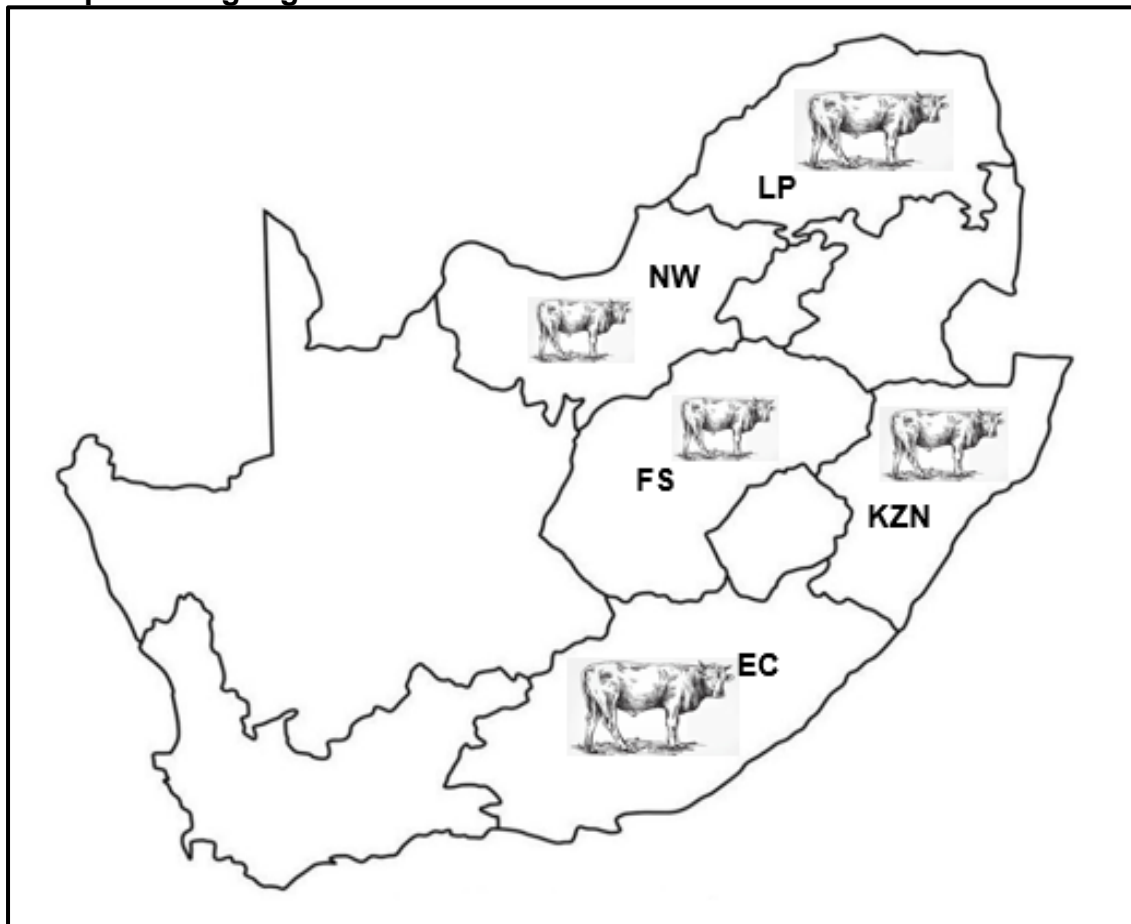
- 5.2.3 Give a reason for the economic activity that contributes the highest percentage to the tertiary sector. (1 x 2) (2)
- 5.2.4 Comment on the contribution of the tertiary sector of Gauteng to the economy of South Africa, based on the information in FIGURE 1.2. (1 x 2) (2)
- 5.2.5 Why is it preferable for a country to have a stronger tertiary sector than a primary sector? (2 x 2) (4)
- 5.2.6 Explain the role that transport plays in strengthening the tertiary sector in Gauteng. (2 x 2) (4)

## 6. PRIMARY ECONOMIC SECTOR

Agriculture in South Africa contributes around 5% of formal employment (relatively low compared to other parts of Africa) and the number is still decreasing. It provides work for casual labourers and contributes around 2.6% of GDP for the nation. Due to the aridity of the land, only 13.5% can be used for crop production, and only 3% is considered high potential land.

### 6.1 BEEF

#### Beef producing regions of South Africa



South Africa needs to ensure a healthy agricultural industry that contributes to the country's gross domestic product (GDP), food security, social welfare, job creation and ecotourism, while adding value to raw materials. But the health of the agricultural sector depends on the sustainability of farming methods. Farming practices must therefore not only protect the long-term productivity of the land, but must also ensure profitable yields and the well-being of farmers and farm workers.



**TABLE SHOWING GRAZING CAPACITY IN SOUTH AFRICA (2013/14)**

Province	Long term grazing capacity (ha/LSU)			Available (ha)	
	Highest	Lowest	Mean	*Natural veld	% of Province
<i>Eastern Cape</i>	1.5	130	10.8	10 818 640	82.03
<i>Free State</i>	2.5	24	7.5	6 530 962	66.78
<i>Gauteng</i>	4	20	6.8	698 179	52.14
<i>KwaZulu-Natal</i>	2	23	6.4	4 493 616	63.16
<i>Limpopo</i>	3	17	9.3	7 657 939	84.20
<i>Mpumalanga</i>	2.5	11	6	3 684 679	65.51
<i>Northern Cape</i>	7	140	33.3	27 894 251	98.49
<i>North-West</i>	5	25	9.6	5 845 092	75.54
<i>Western Cape</i>	12	140	49.7	8 322 170	81.59

\* Extracted from National Land Cover data set 2013/14

The above table shows areas of grazing capacity in South Africa from high grazing capacity to low grazing capacity. Western Cape and Northern Cape (High grazing capacity) and Mpumalanga and Limpopo (Low grazing capacity).

#### **Factors that favour beef production in South Africa**

- Vast and extensive grazing land, especially in the Highveld.
- Favourable climate for the breeding of cattle.
- Reserves such as hay and silage so they can conserve surplus forage in times of dry seasons.
- Introduction of communal farming for the utilization of the same land for both crop and livestock.
- Provision of subsidies for purchase of breeding stock and dosing products.
- Availability of veterinary services for farmers through government initiatives.

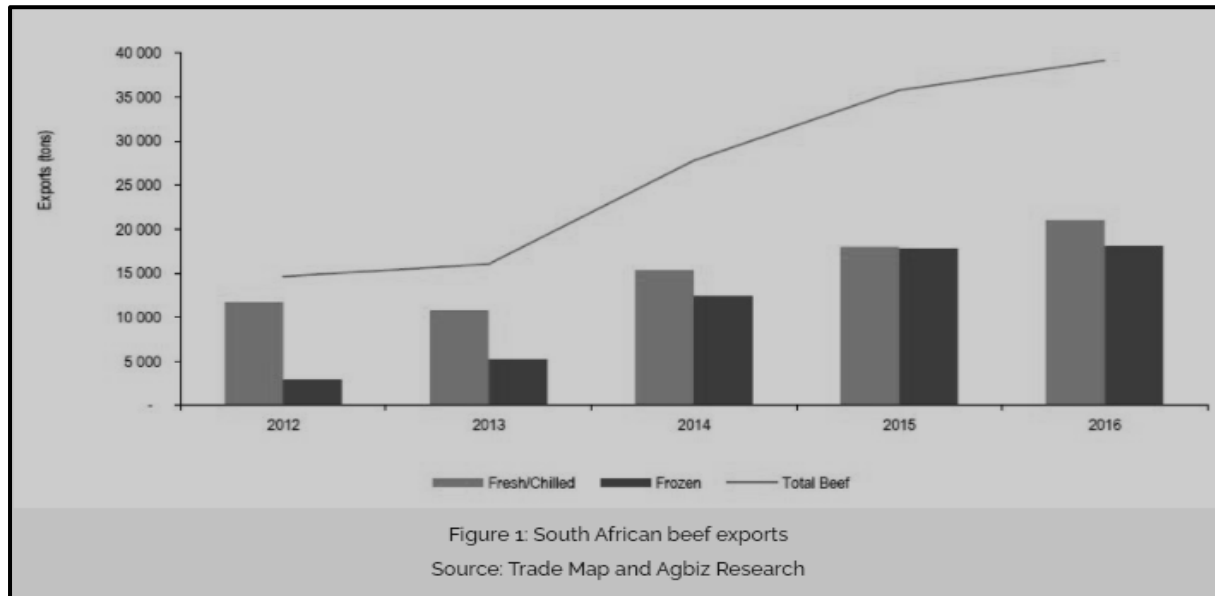
#### **Factors that hinder beef production in South Africa**

- Lack of camp systems to protect livestock.
- Drought prevalence due to limited rainfall.
- Increased feed costs in times of droughts.
- Poor veterinary interventions i.e. cattle not being vaccinated.
- Insufficient breeding stock for beef cattle.
- High cost of fuel and transportation.
- Lack of equipment especially amongst the small scale farmers.
- Diseases that leads to death of cattle across the country.
- Increase in stock theft and pilfering (stealing in small numbers on a continuous basis).
- Insufficient or declining grazing land due to human settlement expansion
- Poor or no access to credit for expansion.

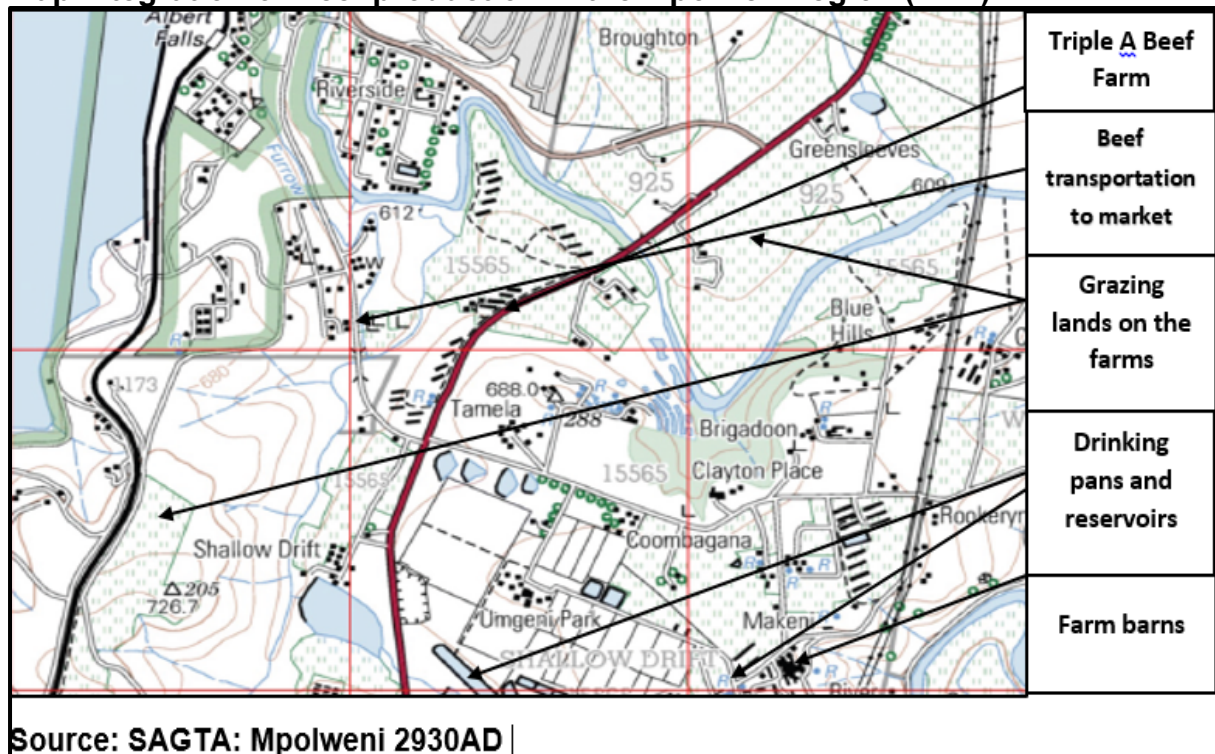
## Contribution of beef products to the South African economy

- Increase in the market prices of beef especially for export purposes.
- High beef consumption within the country across major market segments.
- Sustained increase in rand value of beef products on a year-to-year basis
- A higher return value on investment i.e., more profit from less cost of production.

## South African Beef Export Volumes over a five year period (2012 – 2016)



## Map Integration of Beef production in the Mpolweni region (KZN)



## ACTIVITY 6.1 BEEF

Refer to the extract below on South Africa's beef industry

### 2020 AND BEYOND: A VISION FOR THE SOUTH AFRICAN BEEF INDUSTRY

By Lloyd Phillips, 7 December 2017

In 2016 South Africa became a net red meat exporter for the first time, supplying mainly the cheap beef market.

In 2016 global red meat exports amounted to 9,44 million tons. Brazil led the way, exporting 1,85 million tons or 19,6% of the total. South Africa ranked 15<sup>th</sup> at 60 000 tons, or 0,64%, of the world total.

The recent drought showed how crucial it was for the country's beef industry to stop focusing on exporting only cheap beef. By exporting higher quality beef, our industry can protect itself from shocks that result in reduced profits.

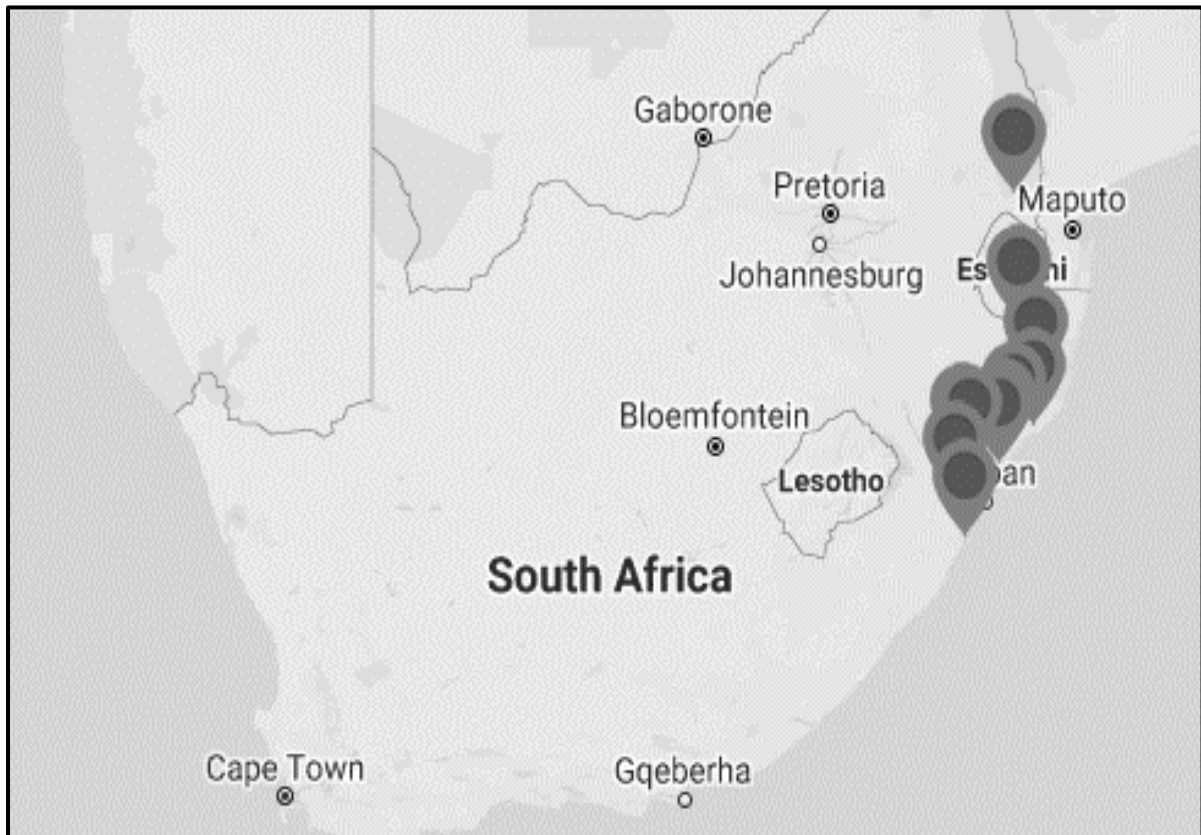
It must be noted, however, that with the current high beef price in South Africa, the country will be unable to compete against the likes of Brazil and other top beef exporters.

[Adapted from <https://www.farmersweekly.co.za/agri-business/agribusinesses/2020-beyond-vision-sa-beef-industry/>]

- 6.1.1 Which country had the highest exportation of beef in 2016? (1 x 1) (1)
- 6.1.2 Quote evidence from the extract that suggests that the beef industry is growing in South Africa. (1 x 1) (1)
- 6.1.3 Explain the factors preventing South Africa from being competitive with other top beef exporters. (3 x 2)(6)

## 6.2 SUGAR-CANE

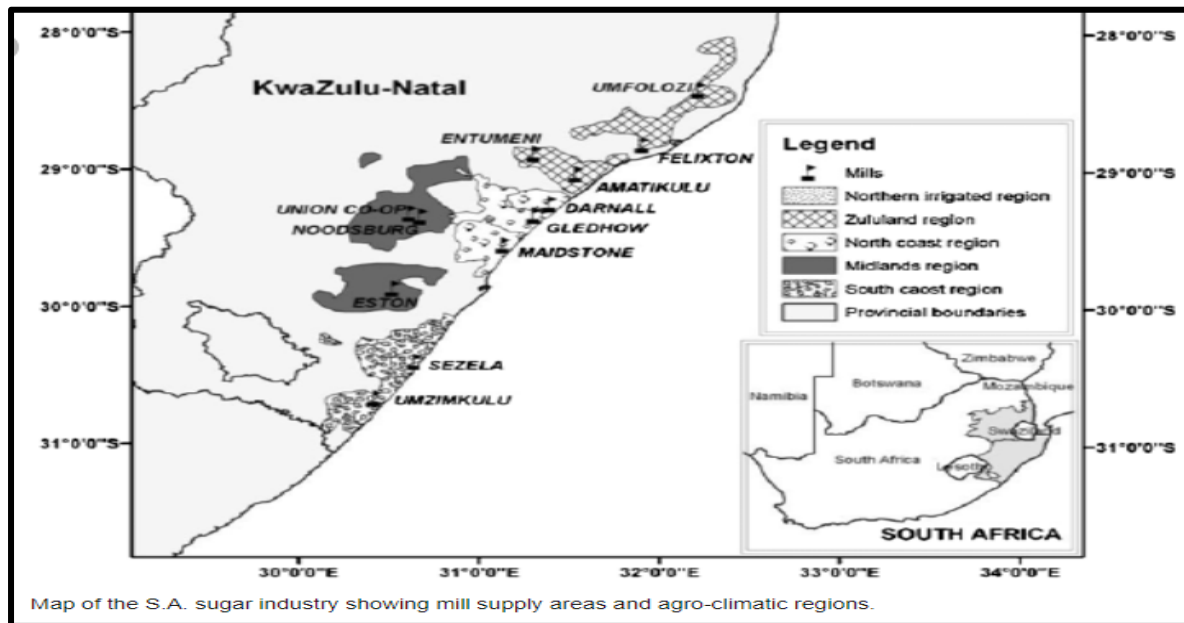
### Sugar-cane farming belt: Mpumalanga and KZN (Including Swaziland)



#### Factors that favour sugar-cane production in South Africa

- Generally high summer rainfall along the Eastern coastal areas of South Africa (Eastern Cape, Kwazulu-Natal and Mpumalanga).
- The low strength of the rand against the dollar.
- Coastal low lying areas, especially in the Lowveld.
- A tropical or subtropical climate along the Eastern coast with a plentiful supply a water supply throughout the year.
- Lack of severe frost along the eastern coastal region.
- Sugarcane is harvested by hand and mechanically and there is abundance of cheap labor in the areas it is grown.
- Fertile soil

## Map of the sugar-cane industry showing mill supply areas and Agro-Climate



## Factors that hinder sugar-cane production in South Africa

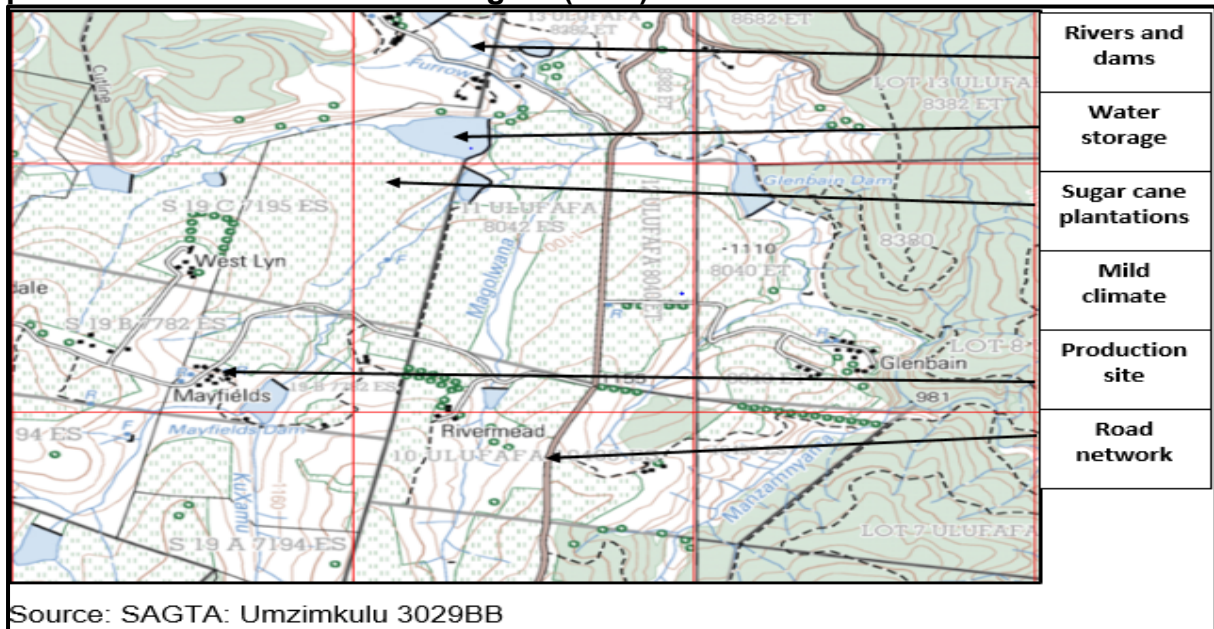
- Poor re-planting rates and weeds contributes to reduced yields.
- Low levels of education add to poor crop husbandry practices amongst small scale farmers.
- High costs of inputs such as fertilizers and chemicals.
- Adjustment of the minimum wage which forces some farmers to leave the industry.
- The rising input costs for sugarcane growing in KwaZulu-Natal.
- The price of sugar that tends to increase below the consumer price index.
- Lack of capital injection from financial institutions (loans).
- Extreme climate events such as drought.
- Sugar mills produce waste water, emissions and solid waste.

## Contribution of sugar-cane products to the South African economy

- The South African sugar industry is one of the world's leading cost competitive producers of high-quality sugar.
- Makes an important contribution to employment, particularly in rural areas, to sustainable development and to the national economy.
- 40% of sugar cane produced is exported to markets in Africa, Asia and the Middle East (according to SASA – SA Sugar Association)
- The price of sugarcane is quoted in US dollars and this positively influence profits / High revenue base / Sugar cane prices are competitive.

Sugar-cane is of great agricultural and economic importance to the South African economy and a major contributor to GDP and grows in high rainfall areas (Annual rainfall 650–600 mm) of Eastern Cape, high altitudes rainfed areas of growth in the Midlands region of Northern KwaZulu-Natal and Mpumalanga. [SASA: Government Gazette 43466]

**Map integration: Topographical map that shows factors that favour sugar-cane production in the Umzimkulu region (KZN)**

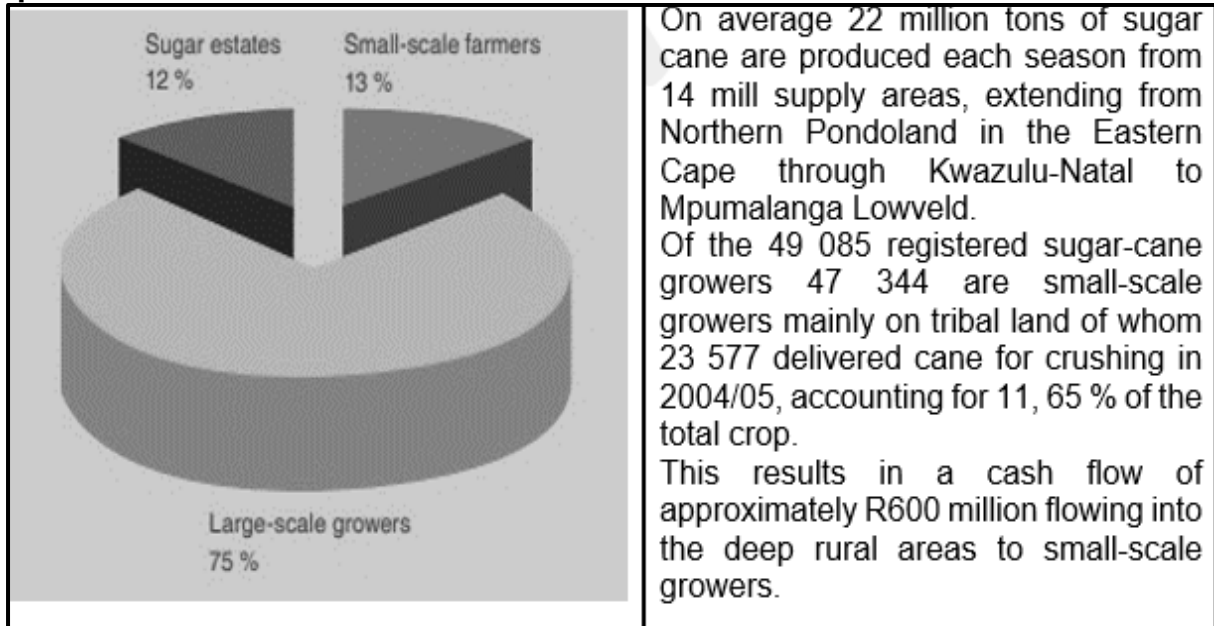


**Sugar-cane contribution to the economy, revenue and employment**

<p><b>Sugar And The Economy</b></p> <p>The South African sugar industry makes an important contribution to the national economy, given its agricultural and industrial investments, foreign exchange earnings, its high employment, and its linkages with major suppliers, support industries and customers. Direct employment within the sugar industry is approximately 85 000 jobs.</p>	<p><b>Revenue</b></p> <p>Based on revenue generated through sugar sales in the SACU region as well as world market exports, the South African sugar industry generates an annual estimated average direct income of R14 billion. This constitutes R 5.1 billion in value of sugarcane production in South Africa. A large contribution to the country's economy.</p>	<p><b>Employment</b></p> <p>The sugar industry provides direct employment in cane production and processing, and indirect employment in numerous support industries in the two provinces where sugarcane is grown and processed, namely KwaZulu-Natal and Mpumalanga. Indirect employment is estimated at 350 000.</p>

## ACTIVITY 6.2 SUGAR-CANE

Study the FIGURE below on sugar cane production and answer the following questions.

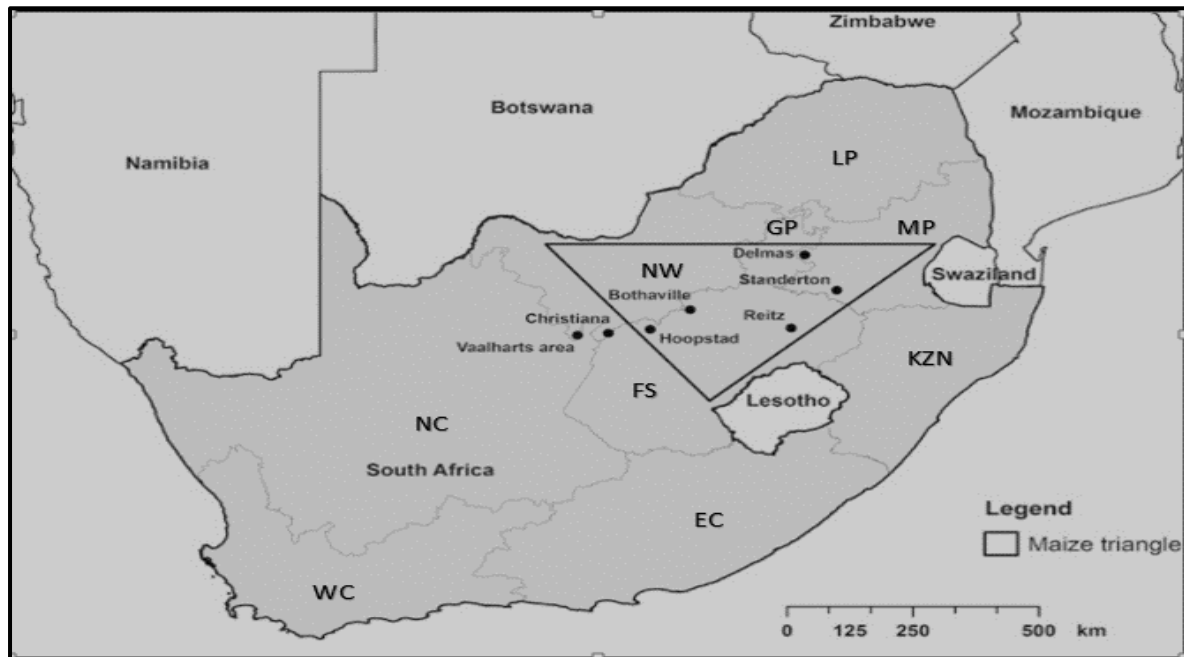


6.2.1 Name the THREE dominant provinces responsible for the majority of sugar cane production in South Africa. (3 x 1) (3)

6.2.2 In a paragraph of approximately EIGHT lines suggest four reasons why small-scale sugar cane farmers contribute less to sugar cane production as compared to large scale farmers. (4 x 2) (8)

## 6.3 MAIZE

### Maize Triangle: Part of the North West, Free State and Mpumalanga



#### Factors that favour maize production in South Africa

- Temperatures are not too hot or too cold i.e. moderate temperature throughout the year that allows for the grow variety of crops.
- Warm Mozambique current along east coast, therefore areas receive no frost and rainfall of up to 1000 mm per year or more.
- Most permanent rivers flow in the eastern part of the country.
- Many storage dams are built on along these river channels.
- Relief - Availability of flat land in areas within the Maize Triangle.
- Availability of cheap labour.
- Use of high technology and research in agricultural production.

#### Factors that hinder maize production in South Africa

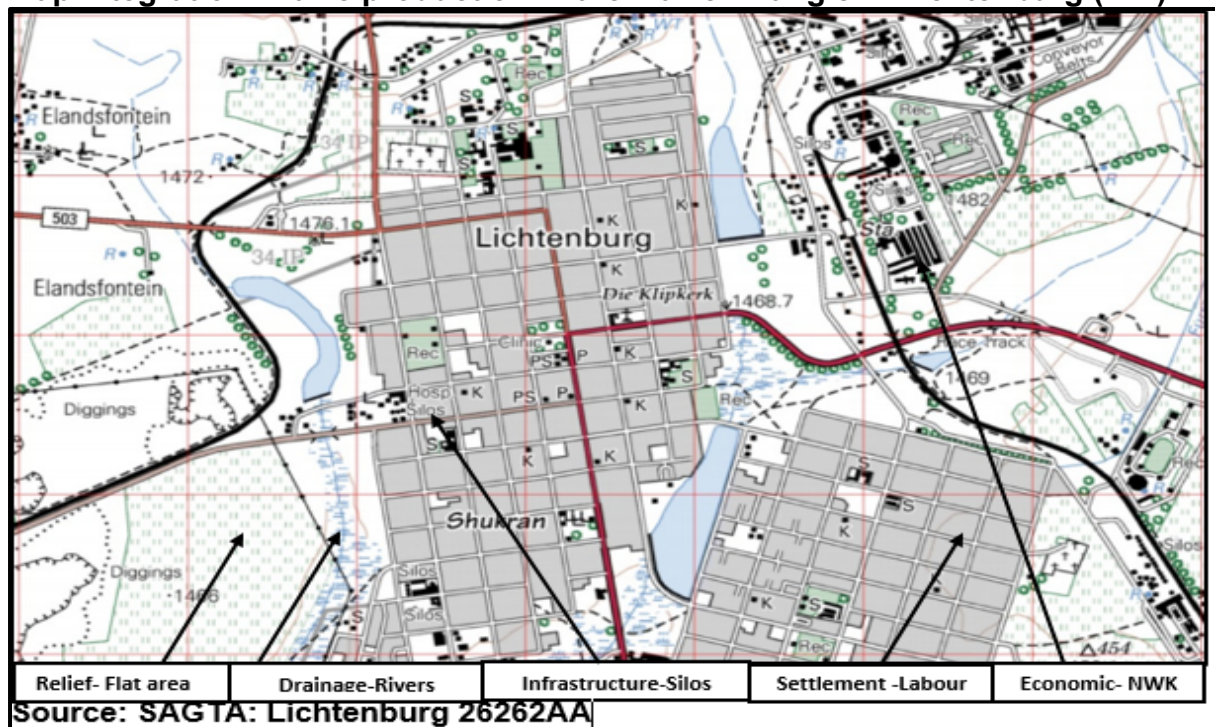
- South Africa is a relatively dry country with three quarters of the country receiving annual rainfall of below 500mm.
- Infertile soil due to soil erosion in large parts of the country which is dominated by steep slopes i.e., along the escarpment.
- Lack of subsidy for most farmers leading to cheaper imports from other countries with subsidies for their farmers.
- Prevalence of pest and insects, for example, army worms and locust.



## Contribution of maize products to the South African economy

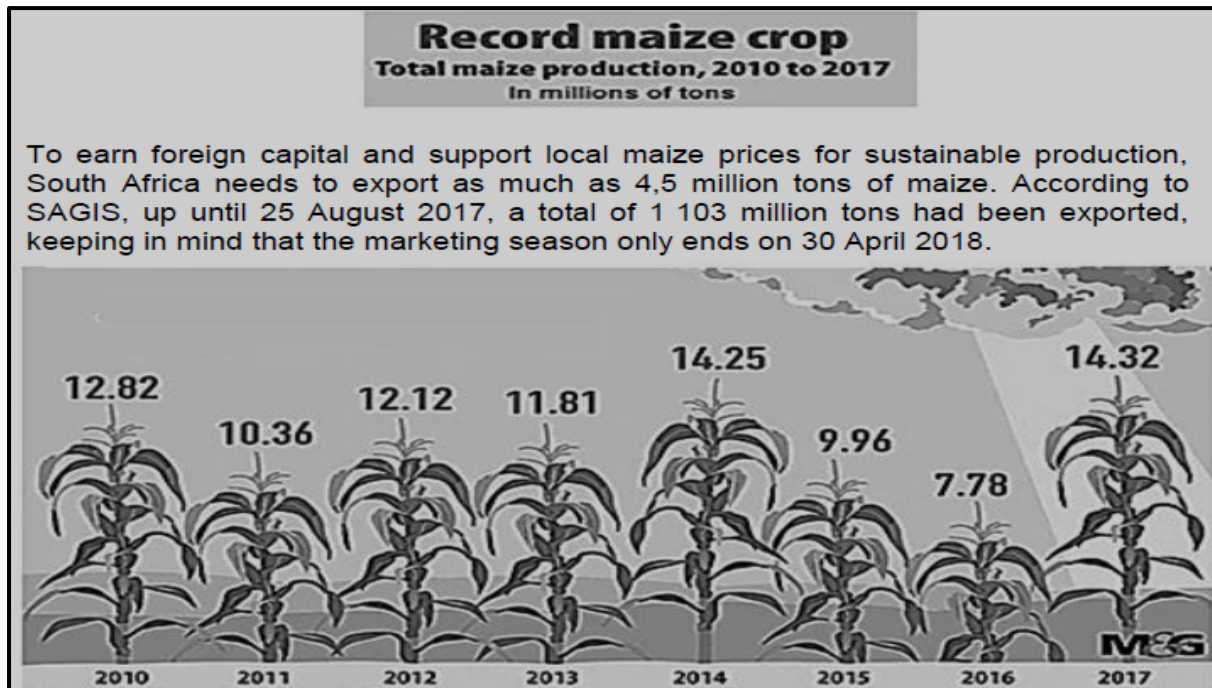
- It has a large market because it is a staple food for many South Africans.
- Used in production of food products such as beer, cheese spreads, instant coffee and many other products.
- Provides employment for rural communities/seasonal workers.
- Consumes products from other industries, such as fertilizers, irrigation equipment, herbicides and fuel and farm implements.
- Earns valuable foreign exchange through export to outside markets.

### Map integration: Maize production in the Maize Triangle in Lichtenburg (NW)



Learners are encouraged to use the **(RDISE principle = Relief, drainage, infrastructure, settlement and economy)** to analyse the map.

## ACTIVITY 6.3 MAIZE



- 6.3.1 Why does South Africa have to export maize? (1 x 1) (1)
- 6.3.2 In which years did South Africa experience its lowest and highest maize production? (2 x 1) (2)
- 6.3.3 Suggest TWO possible reason for the demand for South African maize by foreign countries. (2 x 2) (4)

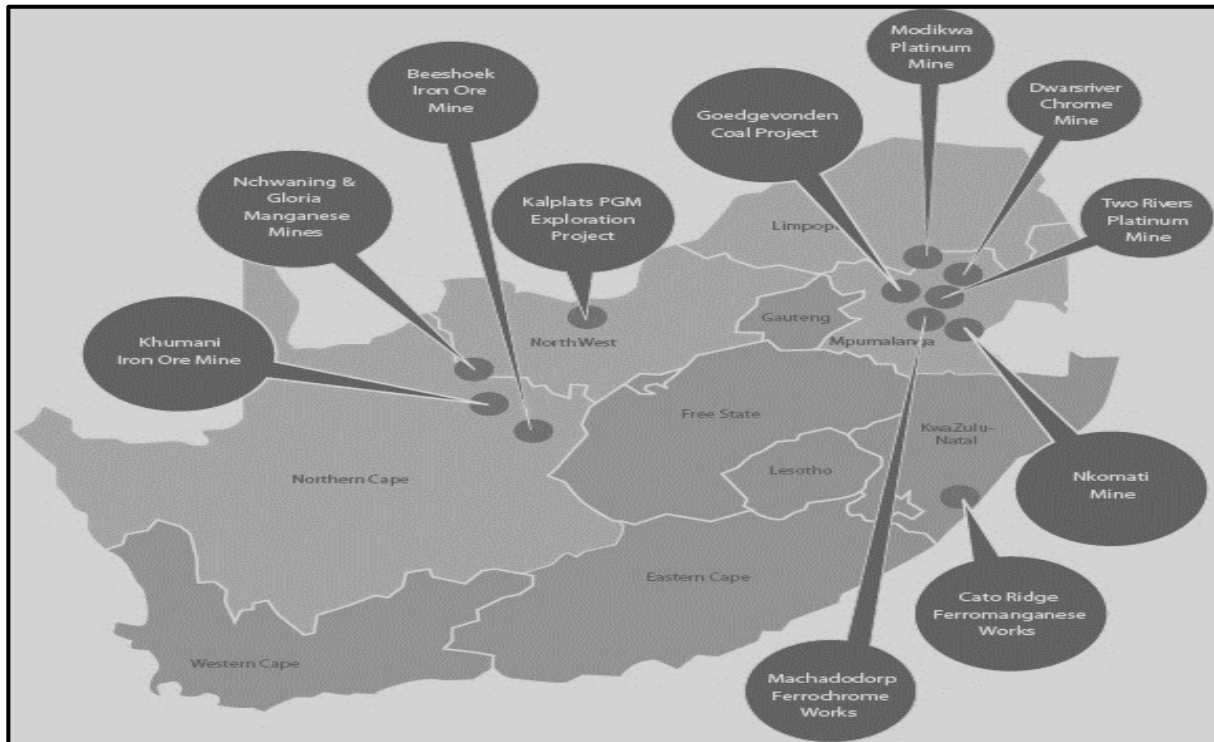
## 6.4 MINING

### KEY CONCEPTS



Concept	Explanation
Balance of Trade	The difference in value between the visible imports and exports
Exports	Goods and services that are sold to foreign countries.
Favourable trade balance	Occurs when the value of exports is greater than the value of imports.
Foreign exchange	The money paid to South-Africa by other countries in exchange for goods and services.(Money earner by SA)
Imports	Goods and services that are bought from foreign countries.
Opencast mining	It is a surface mining technique that extracts minerals from an open pit in the ground.
Semi-Skilled Worker	A worker who does routine tasks (simple tasks that are done on a regular basis); someone who is not skilled or trained to do specialised work (difficult tasks that need special training).
Skilled-Worker	A worker who has a specific set of skills or specialised knowledge that has usually been obtained through formal training.
Shaft Mining	Accessing of underground minerals through a vertical opening called a shaft.
Trade	The exchange of goods and services for money

It is impossible to talk about the economy of South Africa without mentioning the location of the mining industries. South Africa is known for its mining sector and several minerals contributes to this sector. In 2017 mining contributed 8% to the Gross Domestic Product (GDP).

The following map indicates some mining locations in South Africa.



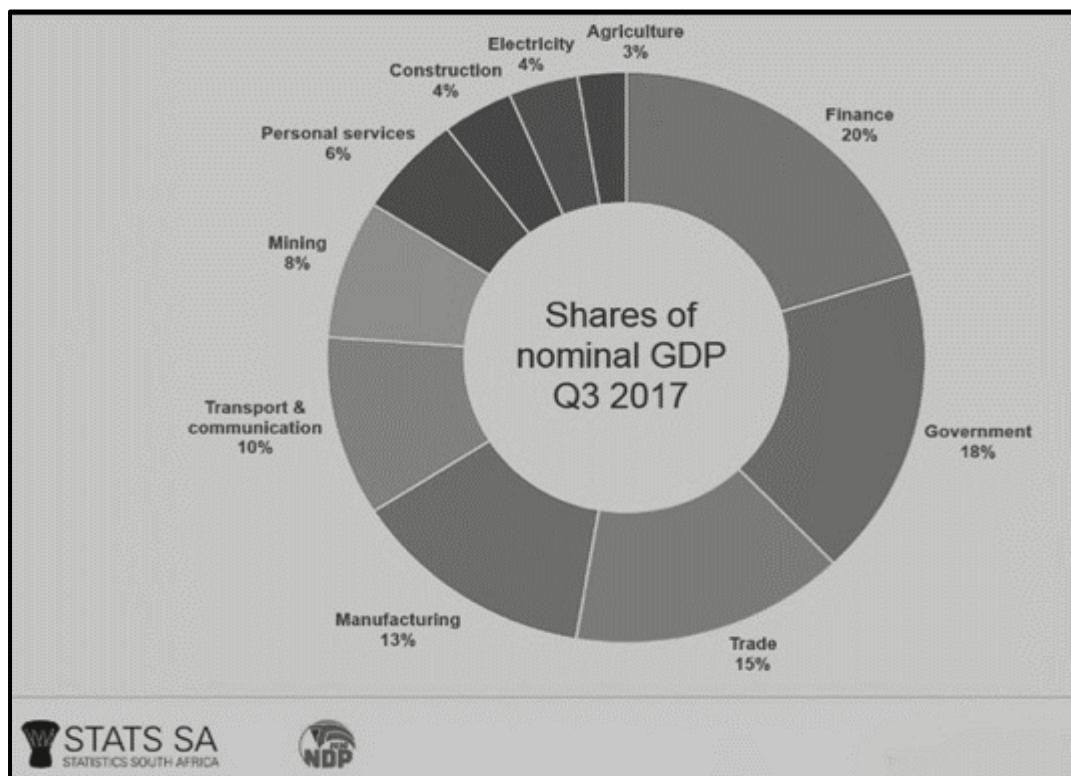
## TYPES OF MINING

Opencast mining	Shaft Mining
<p>Is a surface mining technique that extracts minerals from an open pit in the ground</p>	<p>Accessing of underground minerals through a vertical opening called a shaft</p>
 <p>shutterstock.com · 1710145120</p>	

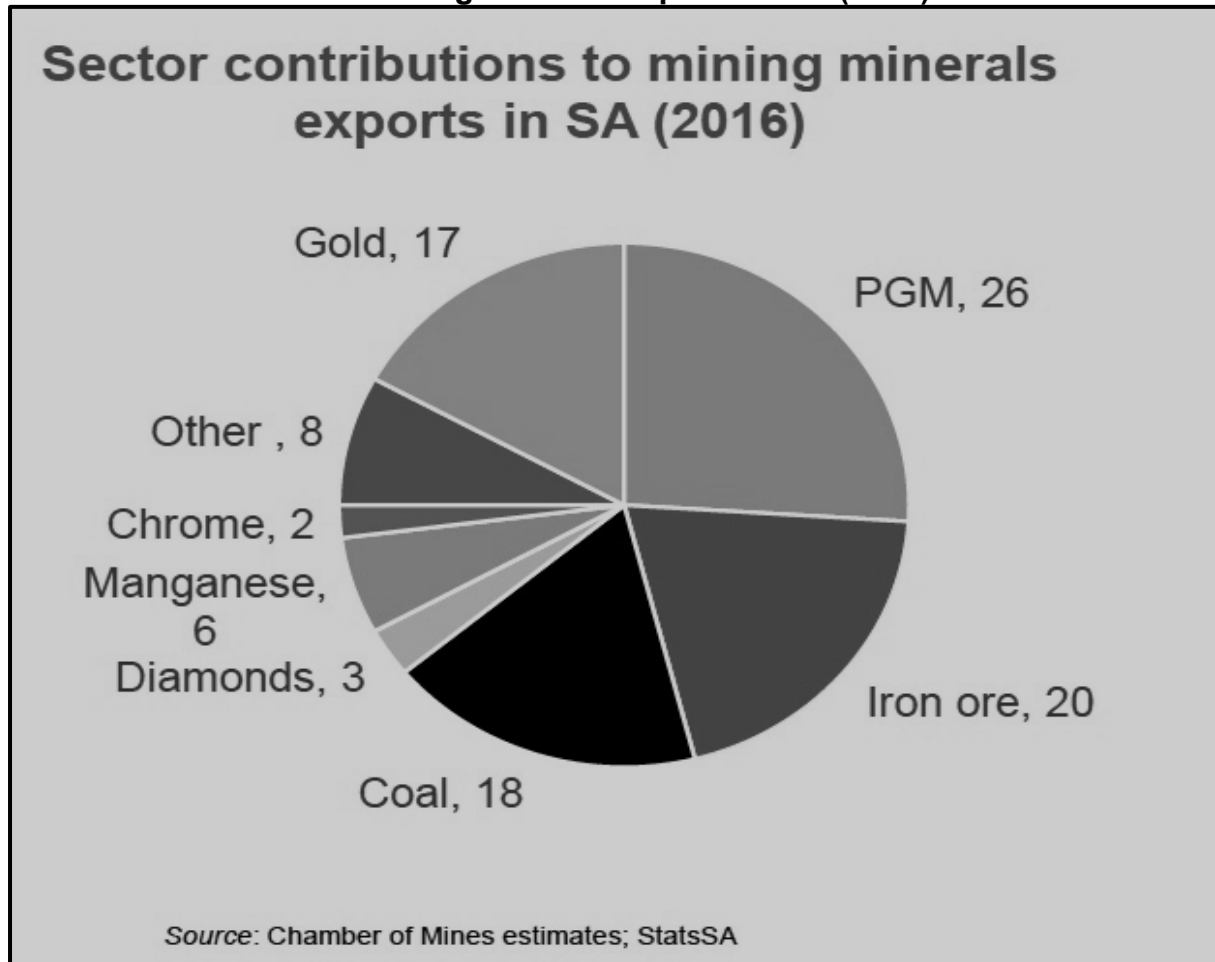
## Contribution of mining to the South African economy

- Discovery of diamonds started the mining industry.
- Mining is contributing to the GDP because mining companies pay taxes to South Africa.
- Taxes from mines stimulate the economic growth and development of South Africa.
- Contributing to the Johannesburg Stock Exchange (JSE).
- Mining funded the development of infrastructure in South Africa.
- Mining contributes to job creation in South Africa.
- Multiplier effect – leads to development of other industries.
- Cities have developed in South Africa because of mining.
- More investors will invest in South Africa as a result of exports of raw materials /minerals.
- Earns foreign income from export of minerals.
- Contributes to the socio-economic development of the country.

## Share of nominal GDP quarter three for 2017



## Sector contributions to mining minerals exports in SA (2016)



### Significance of mining to the development of South Africa

- Discovery of minerals contributed to the mining industry in South Africa.
- Minerals established the Johannesburg Stock Exchange (JSE) in South Africa.
- Minerals contributed to rapid urbanization in South Africa.
- Led to development of secondary and tertiary sectors as well as the infrastructure in South Africa

### Impact of mining on the environment

- Removal of vegetation increase soil erosion.
- Natural habitats and ecosystems are disrupted.
- The environment is degraded/polluted.
- Chemicals in water pollute water resources and underground water.
- Cause air pollution that can cause acid rain.
- Cause sinkholes in some areas.

## ACTIVITY 6.4 MINING

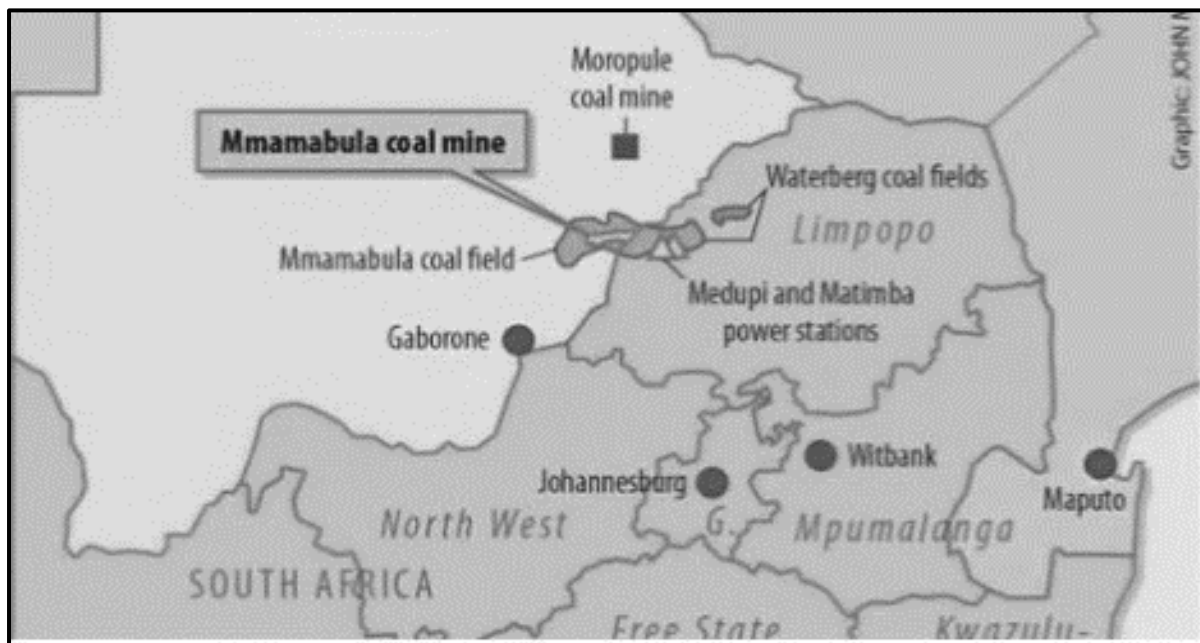
In terms of the contribution of mining to a country's GDP, South Africa is ranked fifth in the world.

- 1.6.1 Why is mining considered to be a primary activity? (1 x 1) (1)
- 1.6.2 Discuss TWO physical factors that promote mining in South Africa. (2 x 2) (4)
- 1.6.3 Suggest ONE way in which South Africa can address labour issues, in order to improve its world ranking. (1 x 2) (2)
- 1.6.4 In a paragraph of approximately EIGHT lines, explain the economic importance of mining for infrastructure and industrial development in South Africa.(4 x 2) (8)

## 6.5 COAL

- South Africa is one of the seven largest coal-producing and one of the top five coal-exporting countries in the world.
- Most of the coal that is exported out of the country, leaves the country via Richard Bay.
- Coal is South Africa's third largest source of foreign exchange; platinum being the largest and gold second.
- Coal mining industry generates a gross income of R39 billion and directly employs approximately 50 000 people.
- The Witbank coalfields accounts for 40% of South Africa's coal production.
- The five largest coal mining companies account for around 85% of all production:
  - Anglo American
  - South African Energy Coal
  - Sasol Mining
  - Glencore
  - Xstrata
- Open pit mining account for roughly half of South African coal mining operations, the other half being sub-surface.

### Location of coal on a map in some parts of South Africa



### Contribution of coal to the South African economy

- The coal mining industry contributed approximately R37 billion to the economy in 1993 and in 2013 coal contributed R51 billion to South Africa's economy. The mineral's contribution to overall mining value added rose to 22,5% in 2013 from 17,4% in 1993.
- Coal is contributing to the GDP because mining companies pay taxes to South Africa.



- Taxes from coal mines stimulate the economic growth and development of South Africa.
- Contributed to the Johannesburg Stock Exchange (JSE)
- There is a decline in the contribution of coal due to growth in the secondary and tertiary sectors.
- Coal mines funded the development of infrastructure in South Africa
- Coal mines contributes to job creation in South Africa.
- Industrial development as the demand for tools and machinery stimulates industries in South Africa.
- Cities have developed in the coal regions e.g., in Witbank.
- Coal is an earner of foreign exchange.
- More investors will invest in South Africa as a result of exports.
- Coal is the raw material that provides to the manufacturing industry
- Coal generates over 90% of South Africa's electricity (ESKOM)
- Coal produces 30% of South Africa's fuels such as petrol (SASOL)
- It is a major contributor to energy generation in South Africa.

### Examples of South African State Owned Enterprises (SOEs) that uses coal as a primary product



### Significance of coal to the development of South Africa

- Most of South Africa's electricity is coal generated.
- Discovery of coal contributed to the mining industry in South Africa.
- Coal established the Johannesburg Stock Exchange (JSE) in South Africa.
- Coal contributed to rapid urbanization in South Africa.
- Led to development of secondary and tertiary sectors as well as the infrastructure in South Africa.

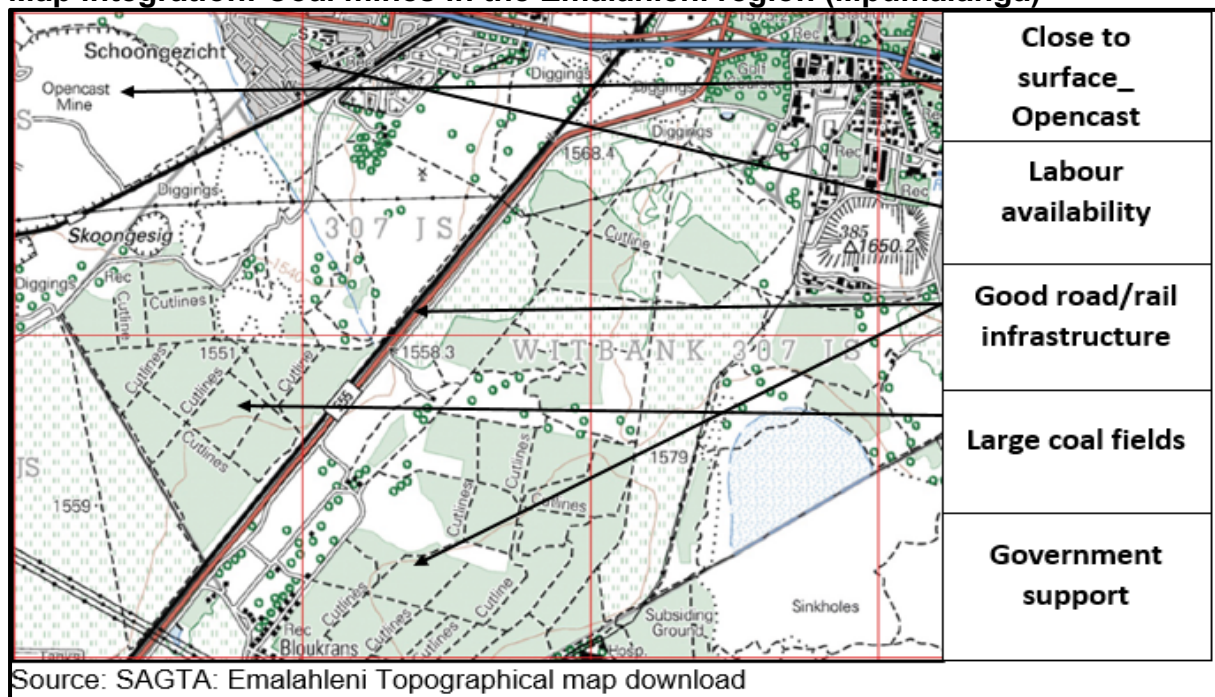
### Factors that favour coal in South Africa

- Coal is close to the surface and thus easier to mine.
- Rock layers have lower temperatures and makes it easier to work underground.
- High number of labor available in areas where coal is mined.
- Good infrastructure to transport coal to power stations and to Richard's bay for exports.
- Large coal fields, and availability electricity.
- Government is positively involved in the mining of coal.

### Factors that hinder coal in South Africa

- Results in a lot of air pollution.
- Pollute water resources as well as underground water.
- Fires and fumes can be very dangerous for workers/Accidents onsite.
- Rainfall in summer put restrictions on electricity generation due to wet coal.
- Fluctuations in the coal prices.
- Strikes and labor problems.
- Foreign investors' concern about labor unrest.
- Power struggle between labor unions.
- Talks of nationalizing the mines brings uncertainty.
- Impact of illness on productivity.
- Hard lock-down during pandemics has an impact on productivity.
- Impact of load shedding affects production.
- Long transport route to ports increases the transport costs.
- Exported coal are dependent on the exchange rate.
- Environments have been destroyed by the mining activities.
- Coal mining is in competition with the green economy.

### Map integration: Coal mines in the Emalahleni region (Mpumalanga)



## ACTIVITY 6.5 COAL

6.5 Read the extract below on coal mining in South Africa.

### **COAL MINING IN SOUTH AFRICA**

Coal mining in South Africa plays a significant role in the country's economy, as it is responsible for nearly three quarters of Eskom's fuel supply. It also supplies coal to SASOL, who produces around 35% of the country's liquid fuel.

Coal mining in South Africa is centred on the Highveld, with roughly 60% of the country's deposits located in eMalahleni (Witbank) and surrounding areas.

- 6.5.1 Name the province in which most of South Africa's coalfields are found. (1 x 1) (1)
- 6.5.2 Name TWO major industries in South Africa that are dependent on coal as a raw material. (2 x 1) (2)
- 6.5.3 State TWO environmental problems resulting from coal mining in South Africa. (2 x 2) (4)
- 6.5.4 Mining and coal-dependent companies should work together to rectify environmental injustices associated with coal mining. In a paragraph of about EIGHT lines, explain how this can be achieved. (4 x 2) (8)

## 6.6 GOLD

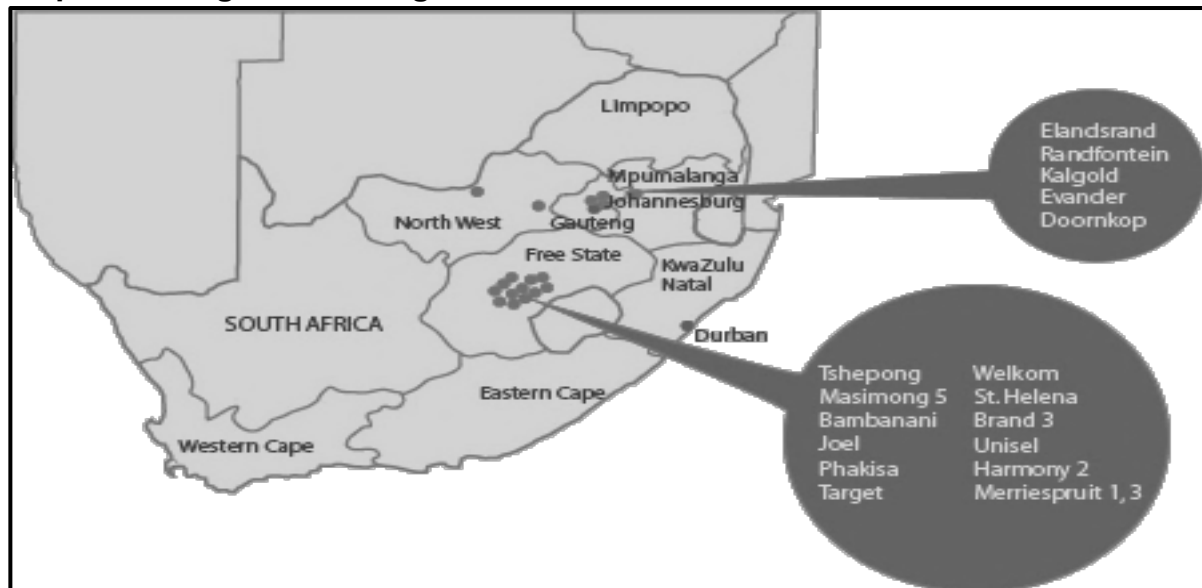
### Contribution of gold to the South African economy

- Gold is contributing to the GDP because mining companies pay taxes to South Africa.
- Taxes from gold mines stimulate the economic growth and development of South Africa.
- Contribute to the Johannesburg Stock Exchange (JSE)
- Gold mines contributes to job creation in South Africa.
- Cities have developed in the gold regions e.g., Johannesburg
- Gold is an earner of foreign exchange.
- More investors will invest in South Africa as a result of export.

### Significance of gold to the development of South Africa

- Discovery of gold contributed to the mining industry in South Africa.
- Gold contributed to the Johannesburg Stock Exchange (JSE) in South Africa
- Gold contributed to rapid urbanization in South Africa.
- Led to development of secondary and tertiary sectors as well as the infrastructure in South Africa.

### Map indicating Gold mining areas in South Africa



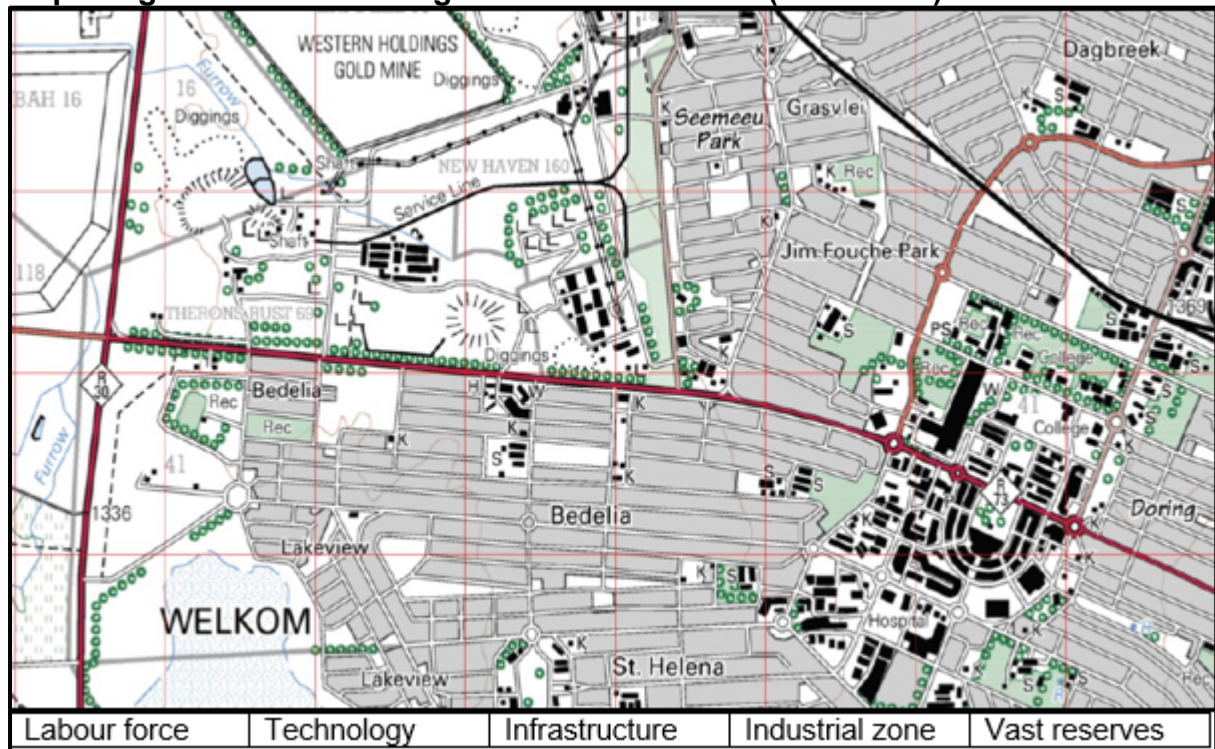
### Factors that favour gold production in South Africa

- Large labor force available.
- Modern technology well developed to enter the deep shafts.
- High amount of gold available.
- Infrastructure available to transport gold.
- Industries available to assist with the safety and machinery needed for blasting (explosives).

## Factors that hinder gold production in South Africa

- Fluctuations in the gold prices /gold is dependent on the exchange rate.
- Strikes and labor problems.
- Safety problems/Accidents onsite.
- Foreign investors' concern about labor unrest.
- Power struggle between labor unions.
- Talks of nationalizing the mines brings uncertainty.
- Impact of illness on productivity, e.g., Asbestosis, Covid-19 and TB.
- Hard lock-down during Covid-19 pandemic has an impact on productivity.
- Impact of load shedding affects production.
- Long transport route to ports increases the transport costs.
- Minerals pollute the environment (dams and underground water).

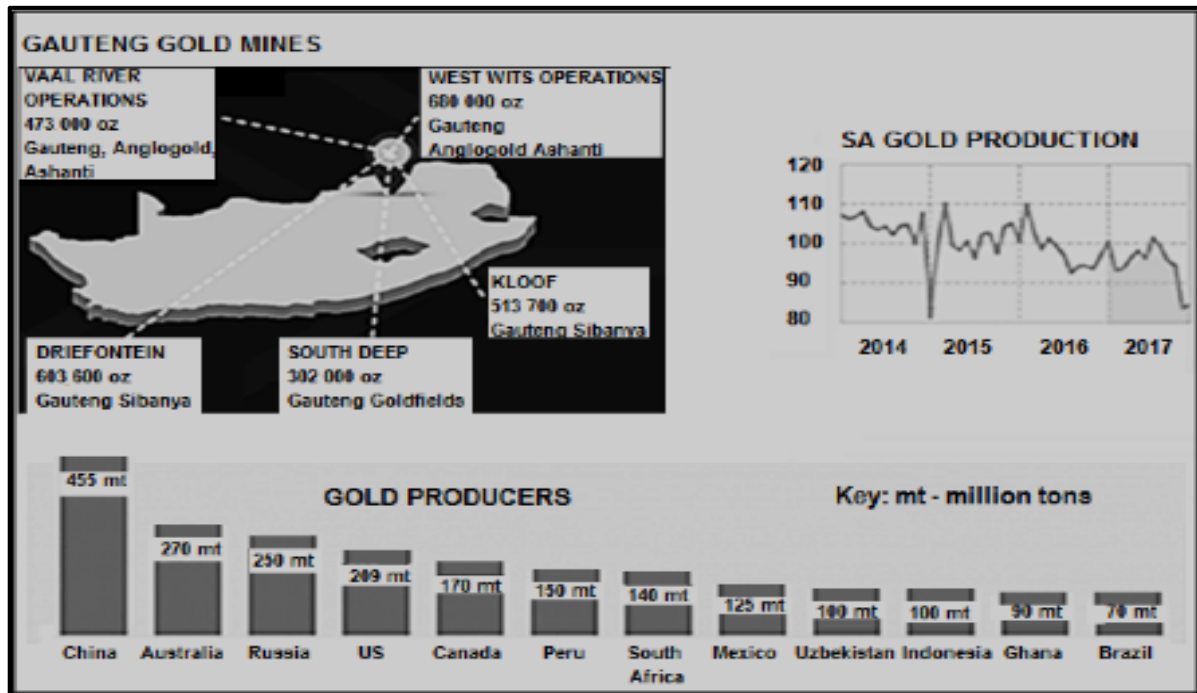
## Map integration: Gold mining in the Welkom Area (Free State)



## ACTIVITY 6.6 GOLD

6.6 Refer to the Figure below showing major World Gold Producers, Gold Mining Production statistics for 2014 to 2017 and Gauteng Gold Mines.

### Gold Mining Statistics For 2017



- 6.6.1 Name the province where the most gold is mined in South Africa.
- 6.6.2 Which gold mine in Gauteng produces the most gold per ounce (oz) in South Africa?
- 6.6.3 Name the mining company that produced the most gold.
- 6.6.4 Name the country with the highest production of gold in the world.
- 6.6.5 What is the ranking of South Africa in terms of gold production in the world?
- 6.6.6 Calculate the contribution that Africa made to the world's gold production in January 2017.
- 6.6.7 At the end of which year did South Africa's gold production drop to its lowest point?
- 6.6.8 Is the most recent production of gold in South Africa showing an increasing or decreasing trend? (8 x 1) (8)

## 6.7 PLATINUM

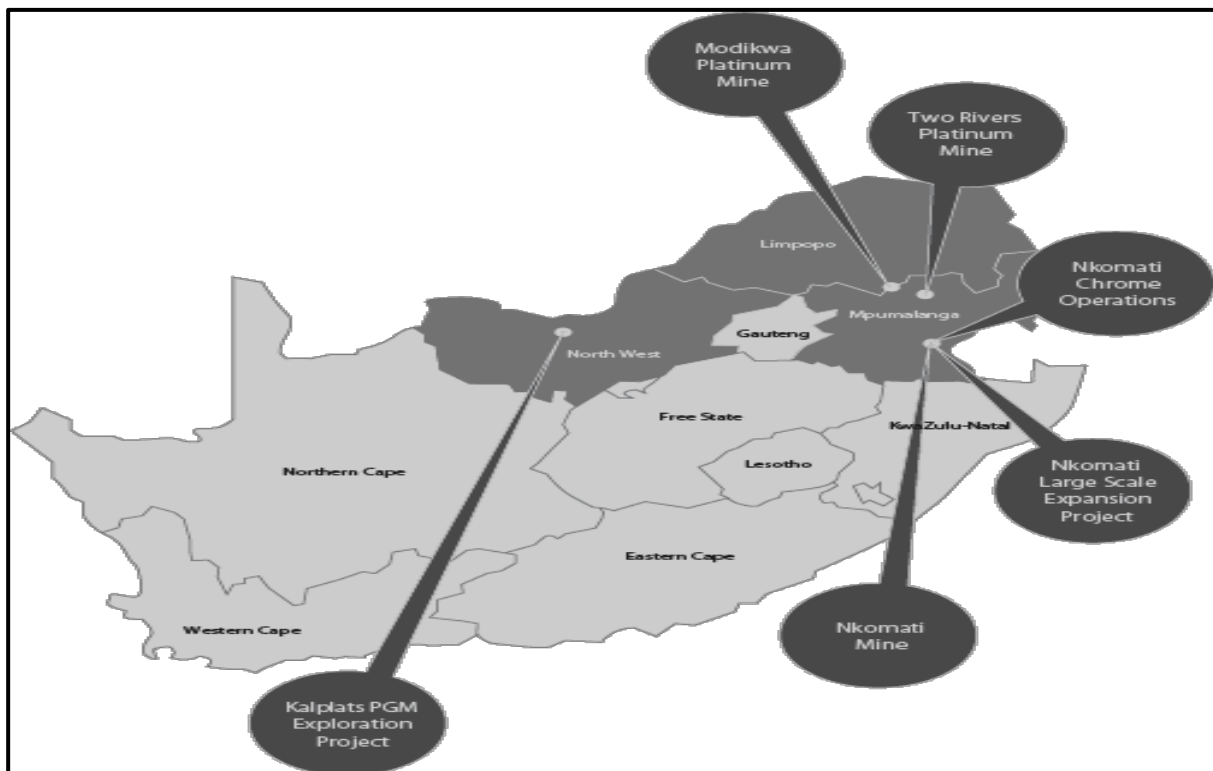
### Contribution of platinum production to the South African economy

- Platinum is contributing to the GDP because mining companies pay taxes to South Africa.
- Taxes from platinum mines stimulate the economic growth and development of South Africa.
- Contribute to the Johannesburg Stock Exchange (JSE).
- Platinum mines funded the development of infrastructure in South Africa.
- Platinum mines contributes to job creation in South Africa.
- Cities have developed in the gold regions e.g., Johannesburg.
- Platinum is an earner of foreign exchange.
- More investors will invest in South Africa as a result of exports.
- Platinum is important to the economy of South Africa.

### Significance of platinum production to the development of South Africa

- Platinum contributes to the mining industry in South Africa.
- Platinum contributes to the Johannesburg Stock Exchange (JSE) in South Africa.
- Platinum contributed to rapid urbanization in South Africa.
- Led to development of secondary and tertiary sectors as well as the infrastructure in South Africa.

### Map indicating the location of Platinum on the map of South Africa



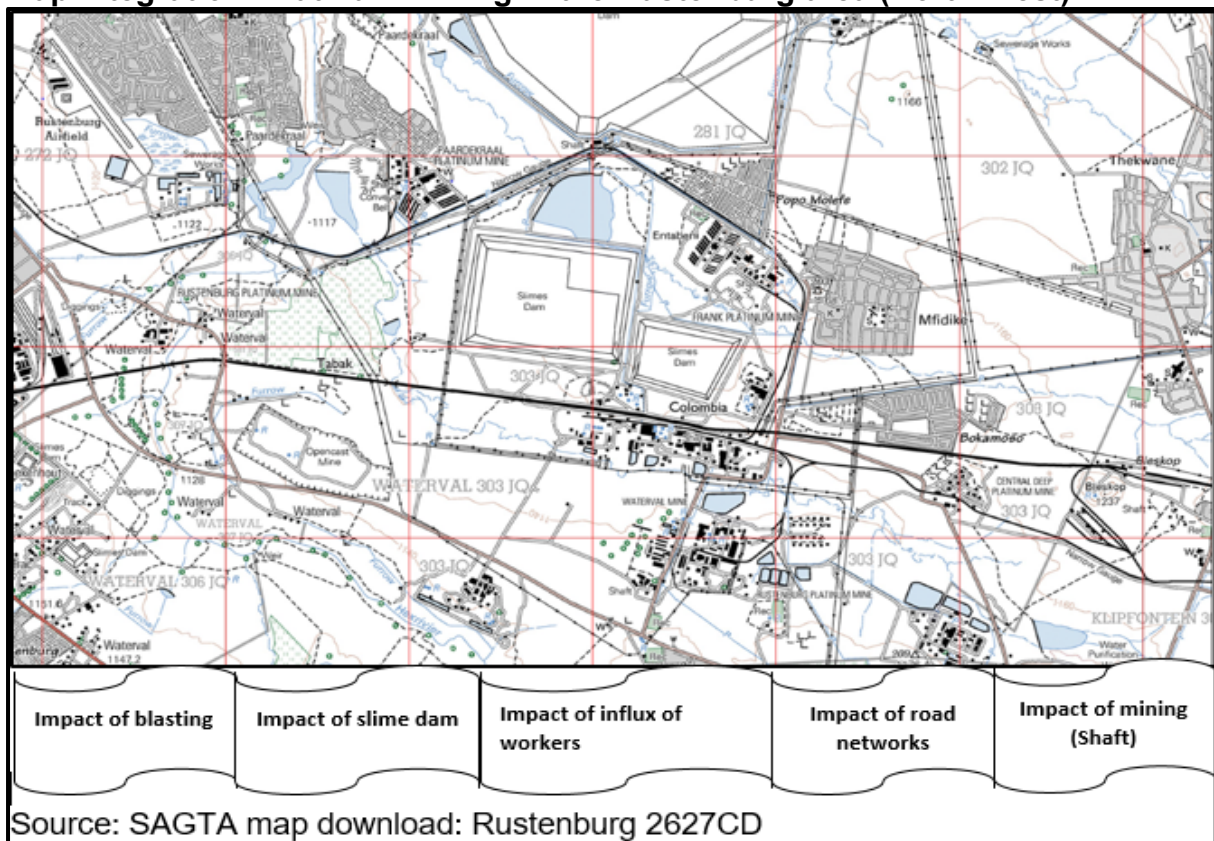
### Factors that favour platinum in South Africa

- Large mineral deposits.
- Modern technology to assist with mining.
- Infrastructure available to transport minerals to market.
- Large market and high demand.
- Large labor force available (skilled and unskilled).
- Good transport infrastructure.

### Factors that hinder platinum in South Africa

- Labor unrests and protests/strikes.
- High taxes are paid on profits.
- Fluctuations in the platinum prices.
- Safety problems/accidents onsite.
- Foreign investors' concern about labor unrest.
- Power struggle between labor unions.
- Talks of nationalizing the mines brings uncertainty.
- Impact of illness on productivity.
- Hard lock-down during pandemics has an impact on productivity.
- Impact of load shedding on productivity.
- Long transport route to ports increases the transport costs.
- Exported platinum are dependent on the exchange rate.
- Environments have been destroyed by the mining activities.

### Map integration: Platinum mining in the Rustenburg area (North West)



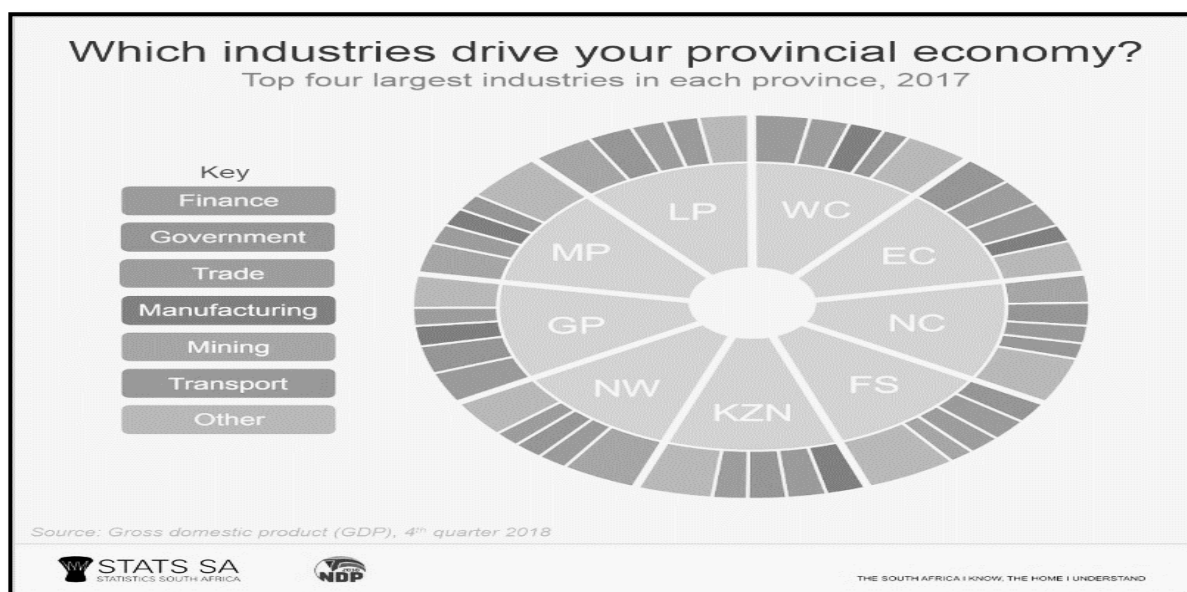


## 7. SECONDARY SECTOR

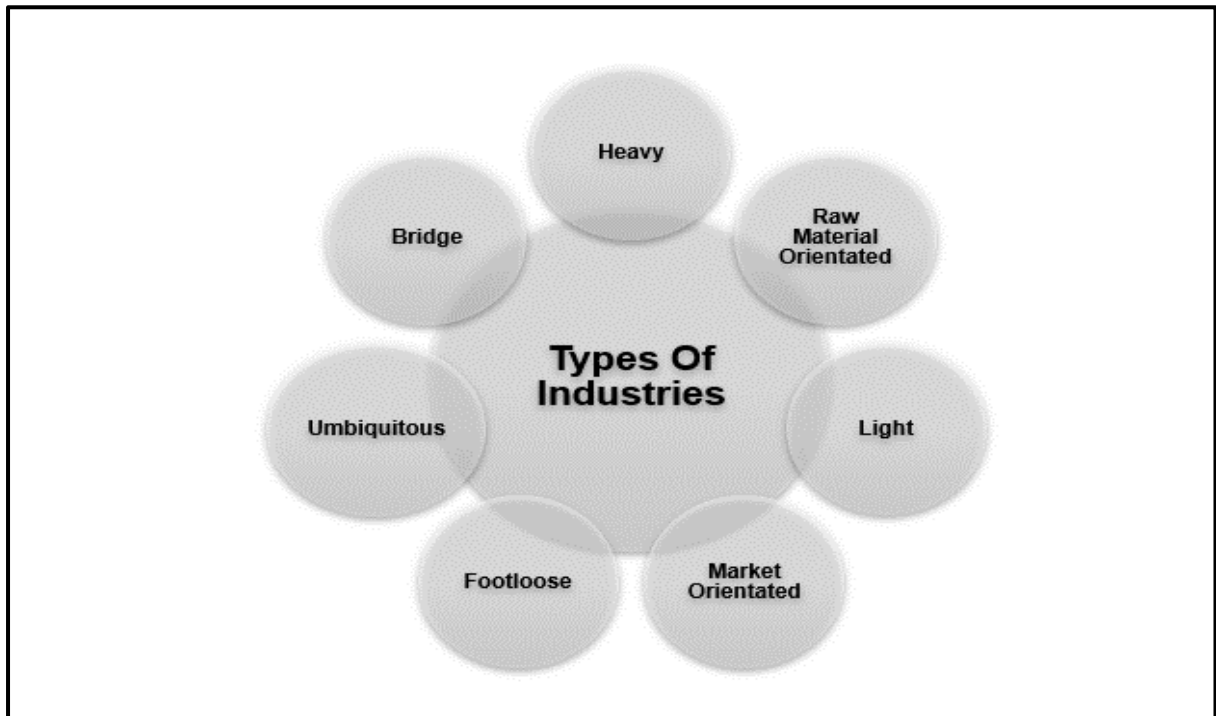
### KEY CONCEPTS

Concepts	Description
Heavy industry	Industries that process a large volume of raw material and usually produce large products, e.g., processing of steel.
Light industry	Industries that produce use less raw material and produce small products.
Raw material orientated industries	Industries that locate close to the source of raw material because they use large volumes of raw material to produce goods.
Market-orientated industry	Industries that must be located close to the market in order to reduce transportation costs.
Footloose industry	The location of the industry does not depend on the raw material or the market.
Ubiquitous industries	The industry can be located anywhere because raw material is evenly distributed
Break of bulk industry	Process raw material before they are passed to other industries.
Gross Domestic Product (GDP)	The total value of goods and services produced within the borders of the country in a year.
Infrastructure	A system of communication links and services.
Semi-skilled worker	A worker who does routine tasks; someone who is not skilled or trained to do specialized work.
Skilled worker	A worker who has a specific set of skills or specialized knowledge that has usually been obtained through formal training.



### Industries that drives provincial economies in the nine provinces



## 7.1 TYPES OF INDUSTRIES





### Differences between heavy and light industries

Heavy Industry	Light Industry
	
<ul style="list-style-type: none"> <li>• Heavy industries produce bulk goods</li> <li>• They located on the outskirts</li> <li>• Heavy industries produce a lot of air and noise pollution.</li> <li>• Examples of heavy industries include, Iron and Steel production (ISCOR), car production (VW SA).</li> </ul>	<ul style="list-style-type: none"> <li>• Light industries produce small products.</li> <li>• Light industries are located close to the CBD.</li> <li>• Light industries produce very</li> <li>• Light industries produce less or no pollution.</li> <li>• Examples of light industries include panel beating, clothes manufacturing, clothes, shoes, furniture, consumer electronics and home appliances.</li> </ul>

## Differences between raw-material and market-orientated industries

Raw-Material Orientated Industries	Market-Orientated Industry
	
<p>It is located close to the source of raw material because it is expensive to transport the raw material. Examples of raw material orientated industries are wood milling, fruit canning sugar mills.</p>	<p>It is located close the market as it is expensive to transport the products to the market. The products may also be perishable. Examples of market orientated industries are dairy products processing, home industries.</p>

## Footloose and Ubiquitous industries

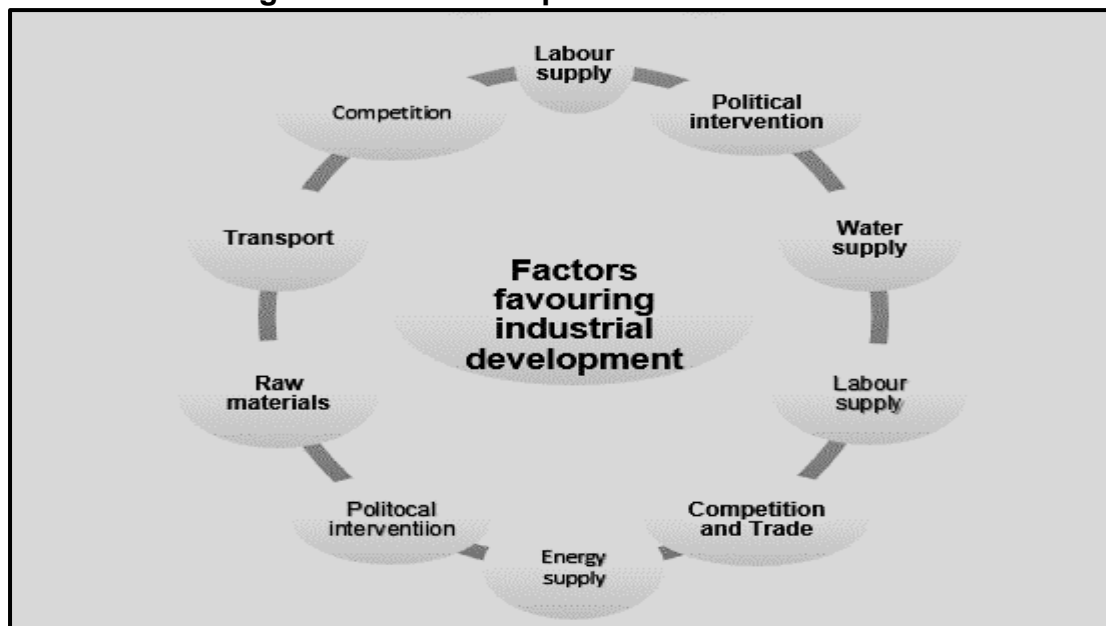
Footloose Industry	Ubiquitous Industries
	
<p>Highly skilled people work in this industry. Examples of footloose industry are software, design and research institutions.</p>	<p>These industries can be found anywhere. A good example of a cell phone company.</p>

## Break of bulk industry



- Bridge (break - of - bulk industry) is a heavy industry. An example is a sugar mill. It is located between the source of raw material and the market.

## Factors favouring industrial development in South Africa



## Raw materials

- Availability of a large variety of raw material.
- There is a good fish industry in the west coast of South Africa.
- There is a variety of raw material that can be used for food processing.
- Fruit that can be used to make wine dried fruits and juice are available.
- Different climatic conditions allow for a variety of agricultural products.
- A variety of agricultural products favors the development of a variety of industries and a large industrial sector.

**Labour supply**

- Availability of large skilled and unskilled labor force in South Africa.

**Water supply**

- Water is used for processing raw material and cooling of machines in industries.
- There are water transfer schemes that add to the available water in areas which have shortages.

**Energy supply**

- Many industries are located close to the sources of power to reduce the cost of energy.
- Many coal power stations are located in Mpumalanga and Gauteng because of abundant supply of coal.

**Transport**

- The country has a well-developed road and rail network for transportation of goods to markets.
- There are four international airports to transport goods to local and international markets.
- There is a good railway network that connects the markets to the harbor for export of goods.

**Political intervention**

- Government has laws and policies which support local industries to grow.
- Government has laws and policies to develop previously disadvantaged by establishment of Spatial Development Initiative (SDIs) and Industrial Development Zones (IDZ)

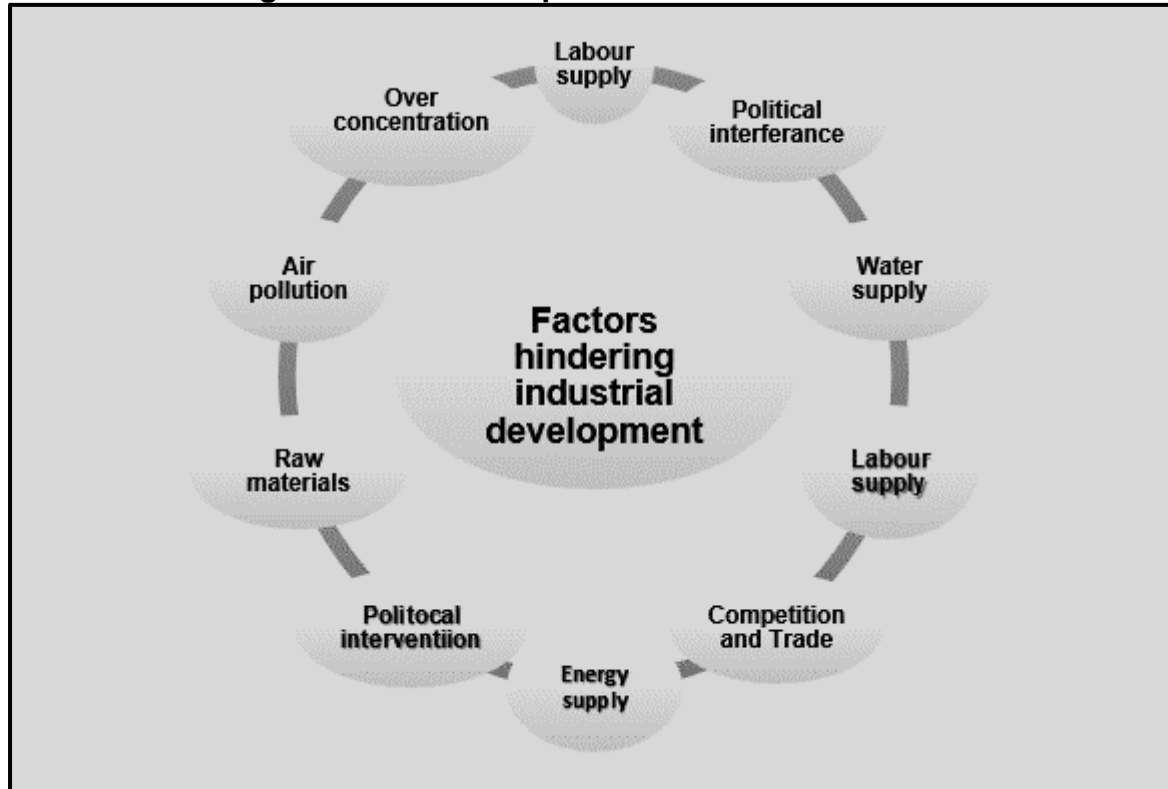
**Competition**

- There is local competition which promotes the improvement of the quality of goods that are produced.

**Trade**

- Harbors promote trade by creating a route for export of goods.
- There is free trade which allows all companies to trade.

## Factors hindering industrial development in South Africa



### Over-concentration

- There are many industries are in the urban areas.
- When many industries a concentrated in urban areas it creates a challenge of lack of space.

### Transport

- Road construction is very expensive.
- It is costly for companies to export goods.
- The railway lines are not sufficient.
- Cable theft of power lines cause delay of transported goods.
- There is huge distance to markets which adds to the retail price of goods.
- There is large distance from industries located away from the harbors.

### Air pollution

- The industries cause a lot of noise and air pollution.

### Labour supply

- There is a shortage of skilled labor force.
- Labor disputes such as strikes decrease production in companies.
- Lack of funding for skills development has not improved the shortage of skilled labor force.

**Water supply**

- South Africa is a water scarce country and water is used in manufacturing processes.
- Companies need a permit from government to use a certain amount of water which limits the capacity to produce goods.
- Industries dump water in rivers and make the water unusable.

**Energy supply**

- Unreliable electricity supply from Eskom disrupts production in industries.
- The price of electricity is increasing at a high rate.

**Raw materials**

- Some components used in manufacturing such as motor vehicle parts, telephone parts.
- When companies use imported goods the products produced are expensive.
- The price of imported goods depends on exchange rate makes industries to be unstable.

**Political interference**

- It leads to heavy taxation and restrictions which prevent foreign investment and further development.

**Competition**

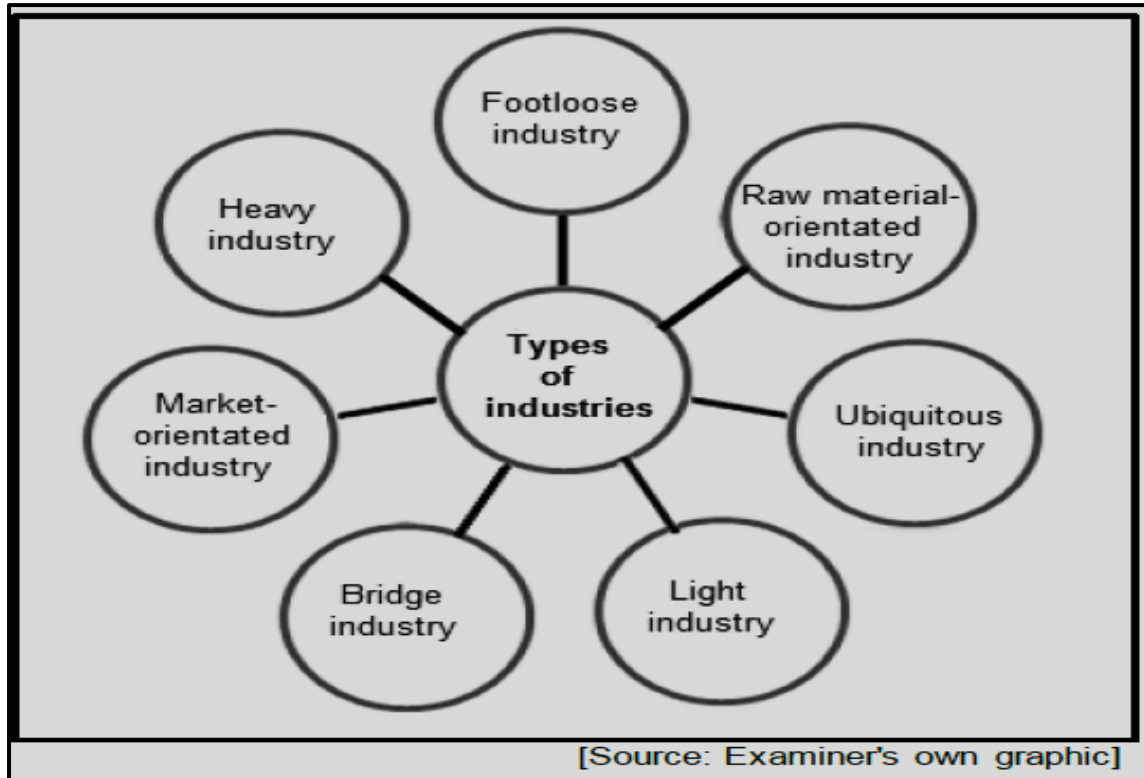
- Competition from cheaper imported products can destroy local industries e.g. the cheap Clothes and fabrics brought the SA textile industries to their knees.

**Trade**

- Trade restrictions and taxes on imports to SA and exports to other countries lead to lower profits. Trade is often limited due to embargos and cooperation agreements between countries.

## ACTIVITY 7.1 (TYPES OF INDUSTRIES)

Refer to the Figure below and match the types of industries in the diagram with the statements below.



- 7.1.1 Industries that produce perishable goods
- 7.1.2 Industries that can be located anywhere and are not restricted by the location of markets or raw materials
- 7.1.3 Industries that can be located anywhere without an effect from factors such as resources or transport
- 7.1.4 Industries that process bulky raw materials
- 7.1.5 Industries located on the outskirts of the built-up areas because of noise and air pollution
- 7.1.6 Industries located between the source of the raw material and the market (customers)
- 7.1.7 Industries that occupy small spaces and can be located in the city centre

(7 x 1) (7)

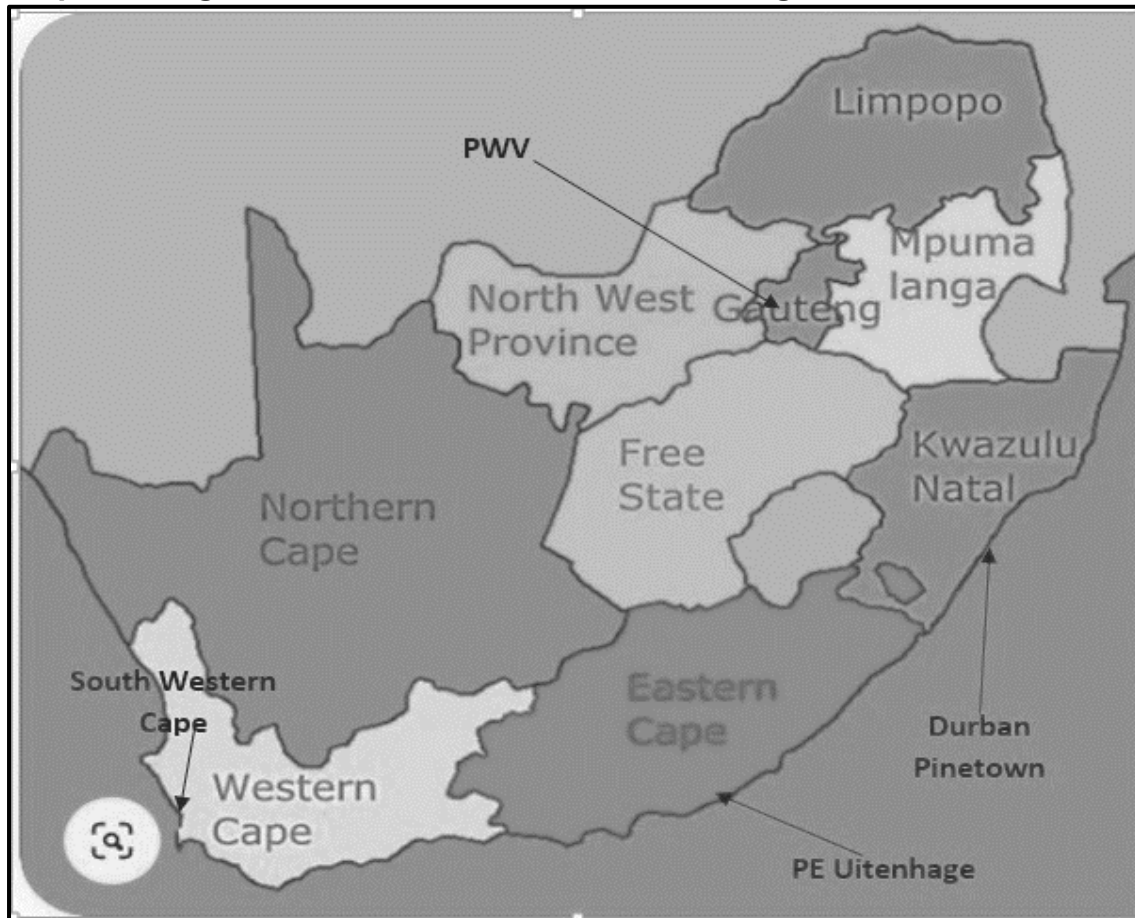


## 7.2 INDUSTRIAL REGIONS IN SOUTH AFRICA

### The four major industrial regions in South Africa

- PWV/Gauteng
- Durban-Pinetown / eThekweni
- South Western Cape
- Port Elizabeth-Uitenhage / Nelson Mandela Bay

### Map showing the location of the four Industrial Regions



## PRETORIA-WITWATERSRAND-VEREENIGING (PWV) OR GAUTENG

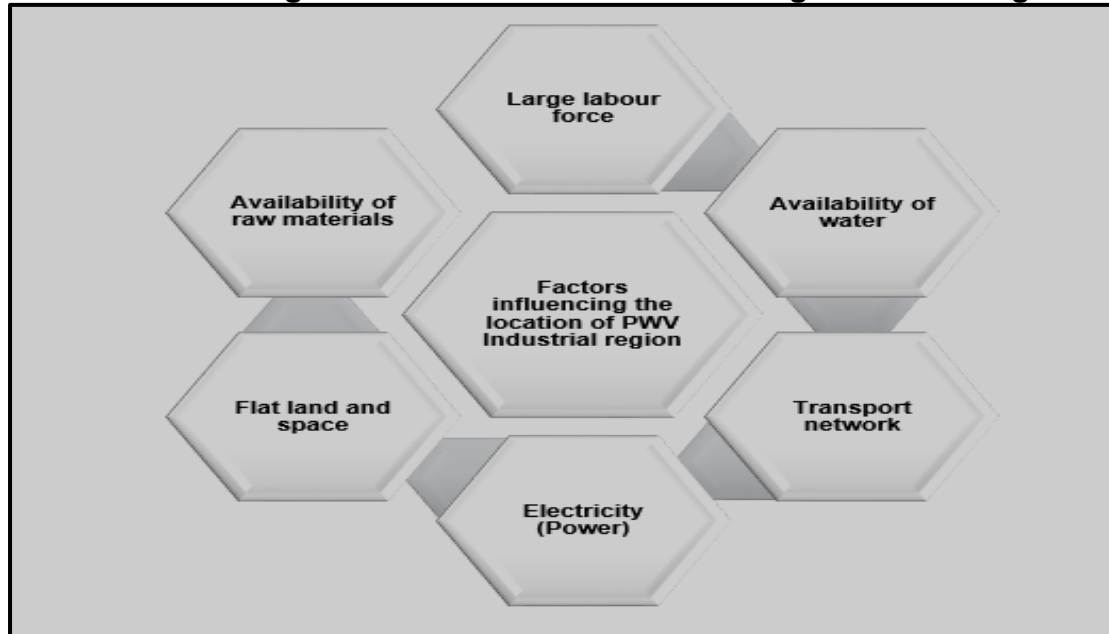
The reason for the development of this industrial region was the discovery of gold that led to people migrating to the area. This was called the gold rush. As a result the population grew and it led to the rapid development and industrialization of this area. The industrial region is situated in the Gauteng province.

### Map of the PWV /Gauteng Industrial Region



The map above shows how the PWV/Gauteng region has developed into a conglomerate as a result of industrial development. This is vast area of industrial development with a number of interlinked linked towns and cities which functions as a single economic hub. There are a diverse number of industries in the PWV/ Gauteng industrial region.

## Factors influencing the location of the PWV/Gauteng Industrial Region



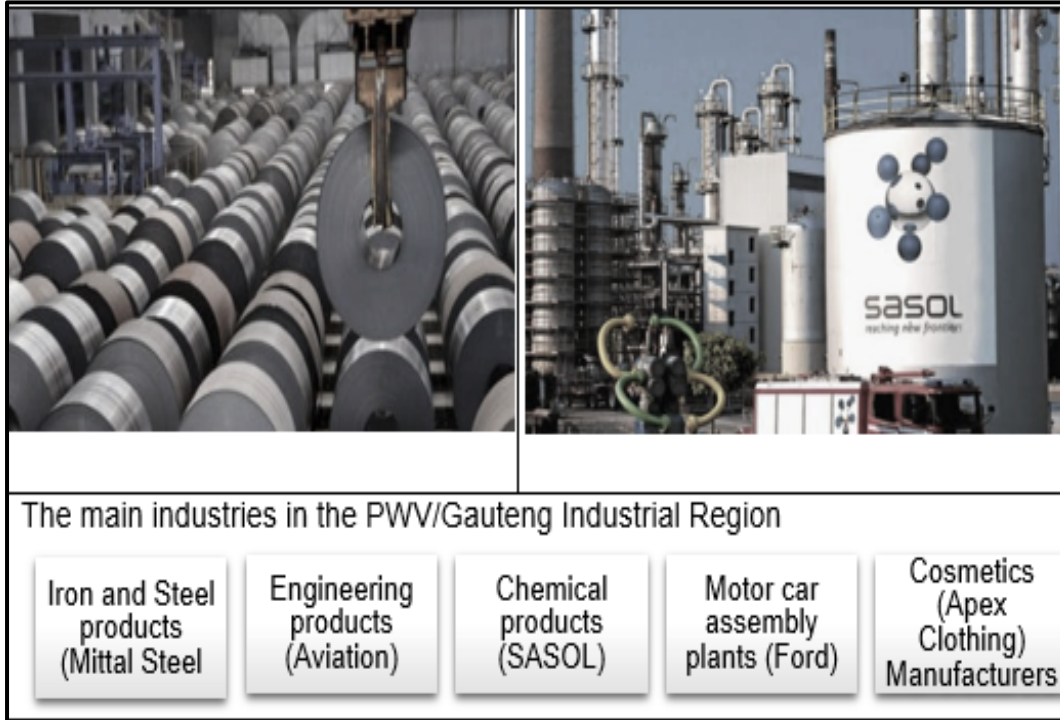
## Factors influencing the location of the PWV/Gauteng Industrial Region

- A good transport network (road, rail and air) In PWV.
- Well linked to other regions of South Africa especially harbors.
- Large market.
- Raw materials available.
- Has skilled labour available. It has the largest population from all the core industrial region/provinces.
- Large power stations located in PWV and coal mines are close (large coal mines in Mpumalanga).
- Sufficient water supply (water supply supplemented by water projects e.g. TUVA project).
- Has many tertiary education institutions (skills development).
- Relatively flat land (easier construction of industries).

## Factors that hinder the PWV/Gauteng Industrial Region

- Over-concentration of industries, e.g. in the core industrial regions.
- Strain on resources e.g. water supply, power supply.
- Load shedding and increasing costs of electricity can hinder productivity.
- Strain on transport infrastructure (traffic congestion).
- PWV industrial region is far from the harbours creating more expenses.
- Industries, especially heavy industries, create a lot of air pollution.
- Labor unrests and protests.
- Safety problems.
- Power struggle between labor unions and industries.
- Production decrease due to workers taking more sick leave
- Hard lock-down during pandemics has a negative impact on productivity.

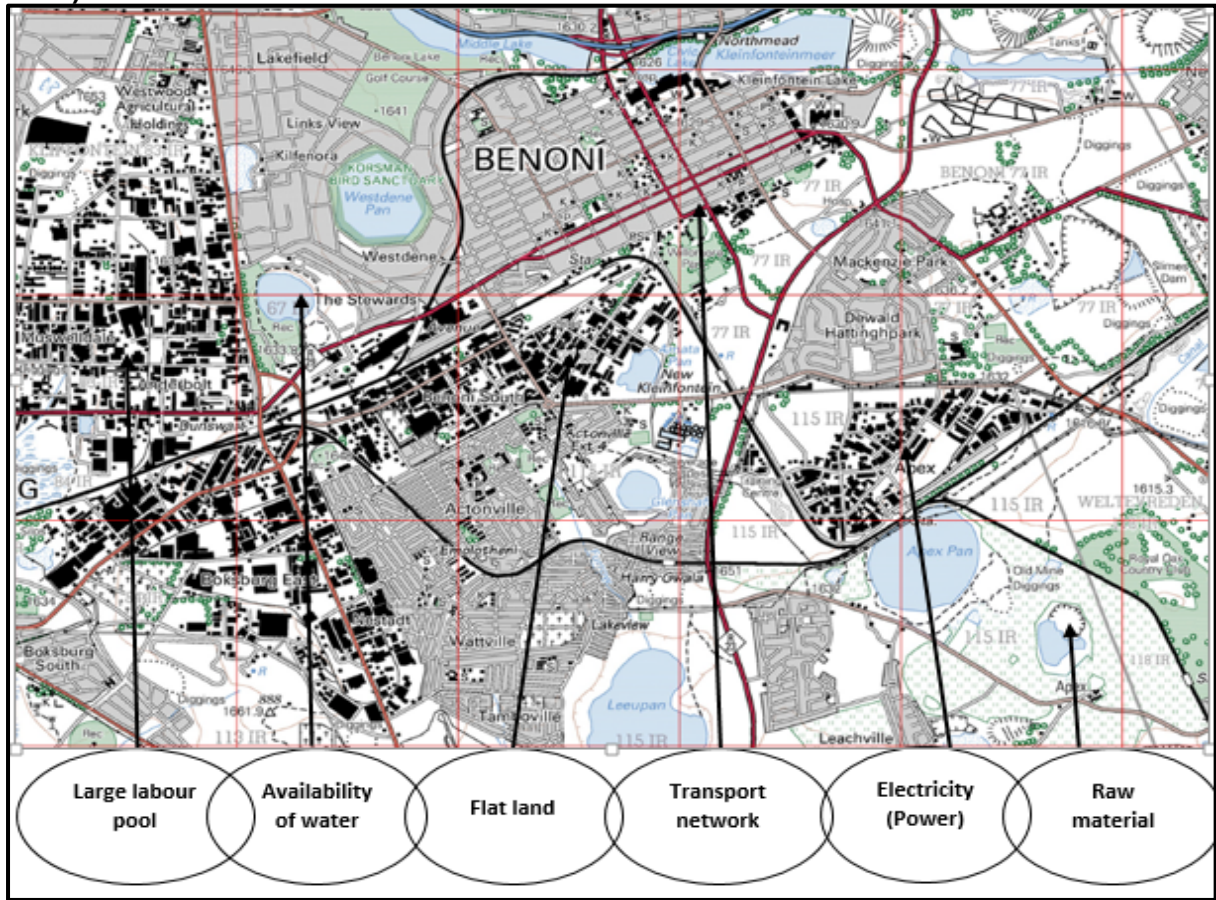
## Main industrial activities in the PWV Industrial Region



## Economic and social impacts of the PWV/Gauteng Industrial Region

- Industries contribute money to the GDP of our country.
- The industries earn foreign exchange when through the export of machinery.
- The money earned through exports increase the earnings of the regions.
- Local people and the rest of the country (both skilled and unskilled) benefit by getting employment in the region.
- The industries serve as a market for the local raw material.
- Some companies reinvest in communities by providing bursaries and skills development.

**Map integration: Industrial Region in the PVW (Boksburg/ Benoni/ Brakpan area)**



## ACTIVITY 7.2.1 PWV/ GAUTENG

Read the extract based on the PWV/Gauteng Industrial Region.

### **GAUTENG TO REMAIN DOMINANT IN SA ECONOMY UNTIL 2017**

By Leandi Kolver

Gauteng continued to dominate the South African economy, contributing nearly 35% to the national gross domestic product, until at least 2017. It is noted that Gauteng's provincial economy was 75% and was made up of tertiary sector industries, including trade, transport, finance and community services.

The province was also regarded as the natural destination for international investors wishing to establish a springboard into Africa. The PWV/Gauteng Industrial Region's diversified manufacturing sector produced more than 50% of South Africa's manufactured exports.

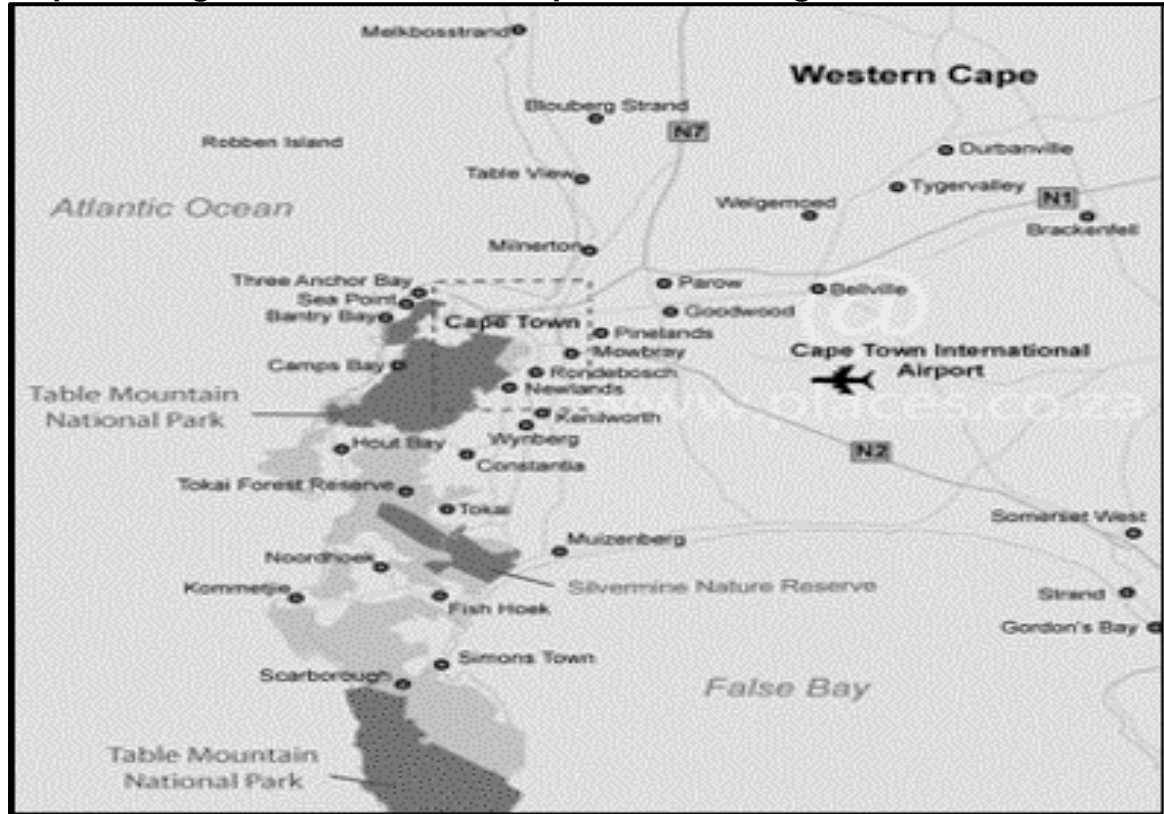
The PWV/Gauteng Industrial Region has a number of copper-processing industries, which is supported by raw materials from the Phalaborwa SDI. The diversified manufacturing sector, including copper, will face major challenges in the next three years, including challenges related to energy provision, labour, underinvestment in capital equipment and technology.

- 7.2.1.1 Quote evidence from the article to support the statement that the PWV/Gauteng Industrial Region is a core industrial region. (1 x 1) (1)
- 7.2.1.2 Discuss ONE factor that has contributed to the PWV/Gauteng Industrial Region being a preferred destination for international investors. (1 x 2) (2)
- 7.2.1.3 Gauteng's manufacturing sector is a major market for copper.
- (a) Why is the Phalaborwa SDI the main supplier of copper to Gauteng? (1 x 2) (2)
- (b) How will the Phalaborwa SDI benefit from strengthening its trading links with Gauteng? (1 x 2) (2)
- 7.2.1.4 Write a paragraph of approximately EIGHT lines explaining how energy provision and labour will become major challenges that the PWV/Gauteng Industrial Region will experience in the processing of copper in the next three years. (4 x 2) (8)

## SOUTH WESTERN CAPE INDUSTRIAL REGION

The industrial region is situated in the Western Cape. Cape Town harbour is the third most important harbour in South Africa. This region dominantly receive winter rainfall and therefore water shortages are a main concern.

### Map showing the South Western Cape Industrial Region



### Factors influencing the location of the South Western Cape Industrial Region

- Cape Town harbour is the third most important in South Africa.
- Large labour force.
- Nuclear power available.
- Efficient transport network.
- Raw materials available, e.g. wine.
- Market available.
- Seasonal rainfall leads to water shortages.

### Factors influencing the location of the South Western Cape Industrial Region

- Access to shipping port.
- Plenty skilled labour force.
- Has many tertiary education institutions (skills development).
- Large foreign tourist market and local market.
- Raw materials – deciduous fruit, wheat, vegetables dairy and fish.
- Dry dock facilities for ship repairs.
- Large population creates a large enough local market to ensure success.

### Factors that hinder the South Western Cape Industrial Region

- Expensive electricity – far from coal mines – Koeberg nuclear power plant nearby.
- High transport costs to largest market in PWV which is a distance away.
- Water shortages – use Palmiet water pump saving scheme to supplement water supply.
- Salaries are lower than in PWV which leads to lower spending power.
- No mineral raw materials in the area.
- Labor unrests and protests.
- Safety problems.
- Power struggle between labor unions and industries.
- Impact of illness on productivity.
- Hard lock-down during pandemics has a negative impact on productivity.

### Main industrial activities in the South Western Cape Industrial Region



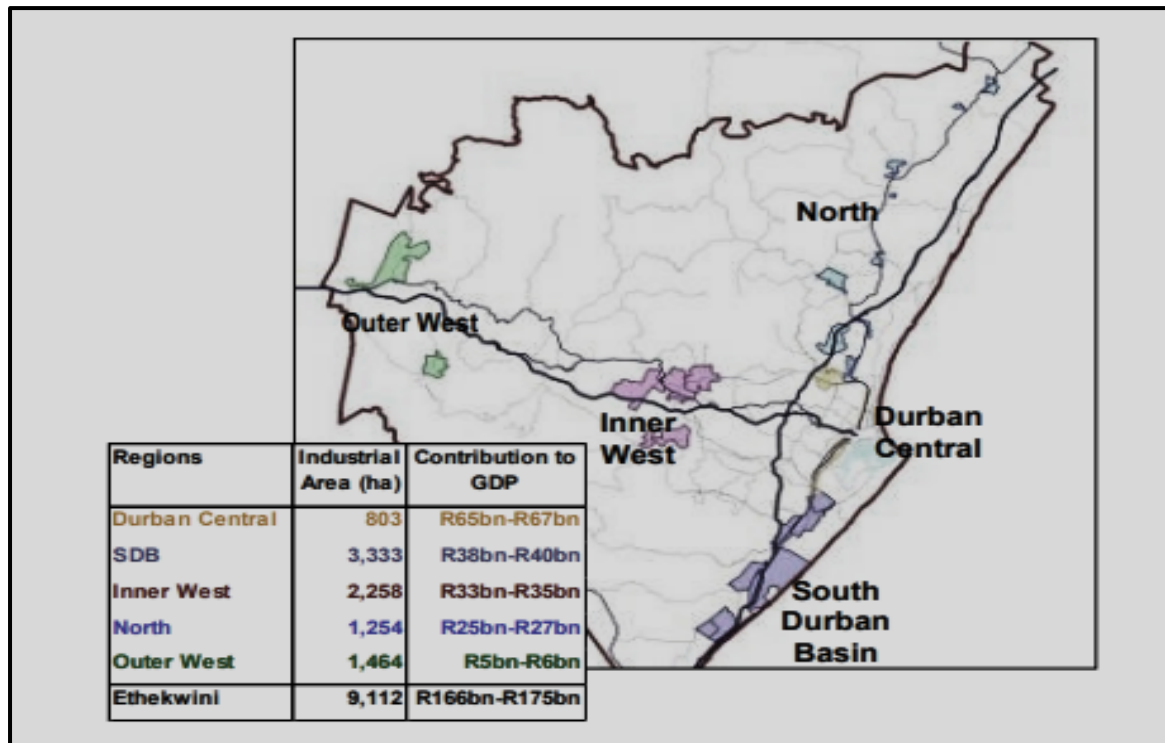
### Economic and social impacts of the South Western Cape Industrial Region

- Industries contribute money to the GDP of our country.
- The industries earn foreign exchange when through the export of machinery.
- The money earned through exports increase the earnings of the regions.
- Local people and the rest of the country (both skilled and unskilled) benefit by getting employment in the region.
- The industries serve as a market for the local raw material extracted from fishing and agriculture.
- Some companies reinvest in communities by providing bursaries and skills development.



## DURBAN-PINETOWN (ETHEKWINI)

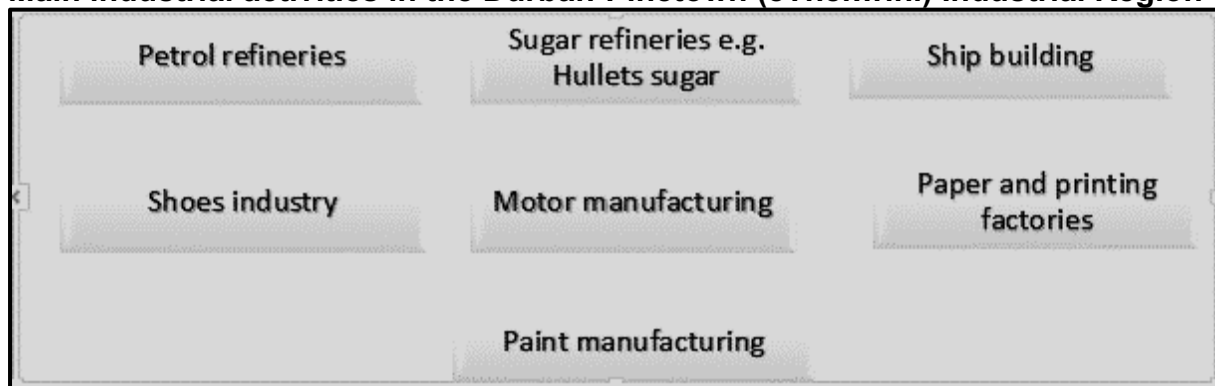
Map showing their location Durban-Pinetown (eThekweni). Industrial Spatial Distribution in the EMA



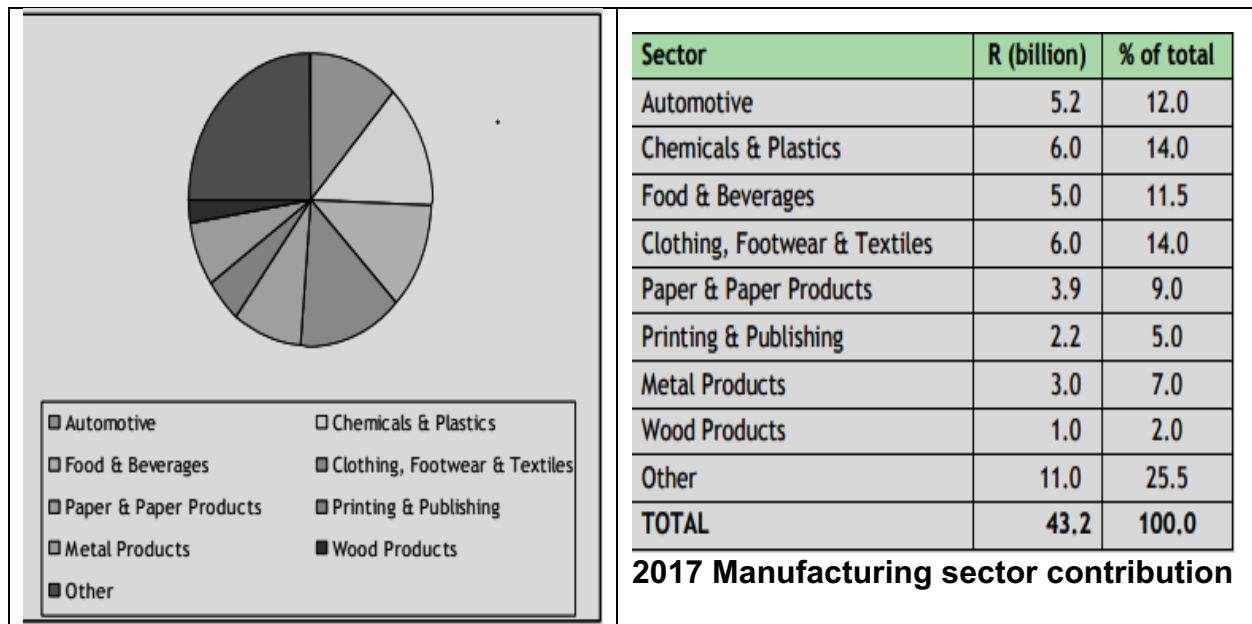
### Factors influencing the location of the Durban-Pinetown (eThekweni) Region

- Durban harbour is the largest and busiest in South Africa.
- There is a large labour force.
- Abundance supply of water.
- Well-developed transport network.
- Access to local and overseas markets.

### Main industrial activities in the Durban-Pinetown (eThekweni) Industrial Region



## Manufacturing sector in the Durban-Pinetown (eThekweni) Industrial Region



### Factors that favour the Durban-Pinetown (eThekweni) Industrial Regions

- Harbour facilities in Durban.
- Abundance of labour.
- Developed transport network.
- Available electrical energy (Power).

### Factors that hinder the Durban-Pinetown (eThekweni) Industrial Regions

- Limited household levels of production (Agriculture and other primary sectors).
- High levels of unemployment to support industrial development.
- Low household income levels.
- Limited access to social facilities.
- Limited transport infrastructure.

### Economic and Social Impacts of the Durban-Pinetown (eThekweni) Industrial Region

- Development of industrial area for vegetable market especially fruit market.
- Development of a hub for automotive parts and car assembly.
- Development of the tyre and textile industry.
- Ensure safety and security across the area.

Map showing the Durban-Pinetown Industrial area (KZN)



## ACTIVITY 7.2.4 DURBAN-PINETOWN (ETHEKWINI)

Refer to the case study on Durban-Pinetown region below and answer the questions.  
**Case study on the manufacturing sector in the Durban-Pinetown region.**

### MANUFACTURING SECTOR

The Durban-Pinetown Industrial Region is the second largest in the country, after PWV/Gauteng. The manufacturing sector is geared for export, with nearly a third of South Africa's manufactured exports being produced in KwaZulu-Natal. Its diversified nature is significant in the KwaZulu-Natal's economic growth rate, and generates 20 per cent of provincial employment.

The largest manufacturing industries are the automobile and component sector, pulp and paper products, chemicals and petrochemicals, and food and beverages.

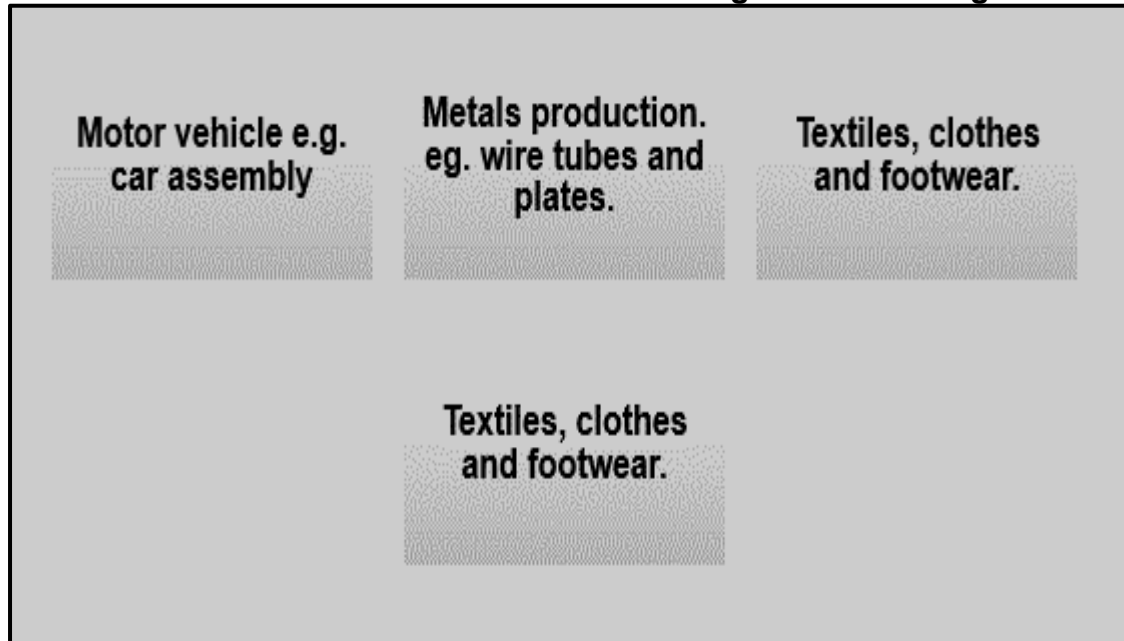
The Durban-Pinetown Industrial Region has a competent shipbuilding and repair sector with an excellent skills base. Over the years a variety of ocean going vessels have been built as well as renowned luxury motorised yachts. At present the shipbuilding industry has good basic infrastructure. There are immense possibilities around the Durban shoreline, especially in the construction of ships or parts. World demand for ships is on the increase and such an investment would create many jobs in the area.

- 7.2.4.1 Where would you rank Durban-Pinetown in terms of industrial output in South Africa? (1 x 1) (1)
- 7.2.4.2 Quote evidence from the passage to show that secondary economic activities make a big contribution to the GDP. (1 x 1) (1)
- 7.2.4.3 In a paragraph of approximately EIGHT lines, discuss the positive impact of the Durban-Pinetown Industrial Region on the economic development in KwaZulu-Natal. (4 x 2) (8)

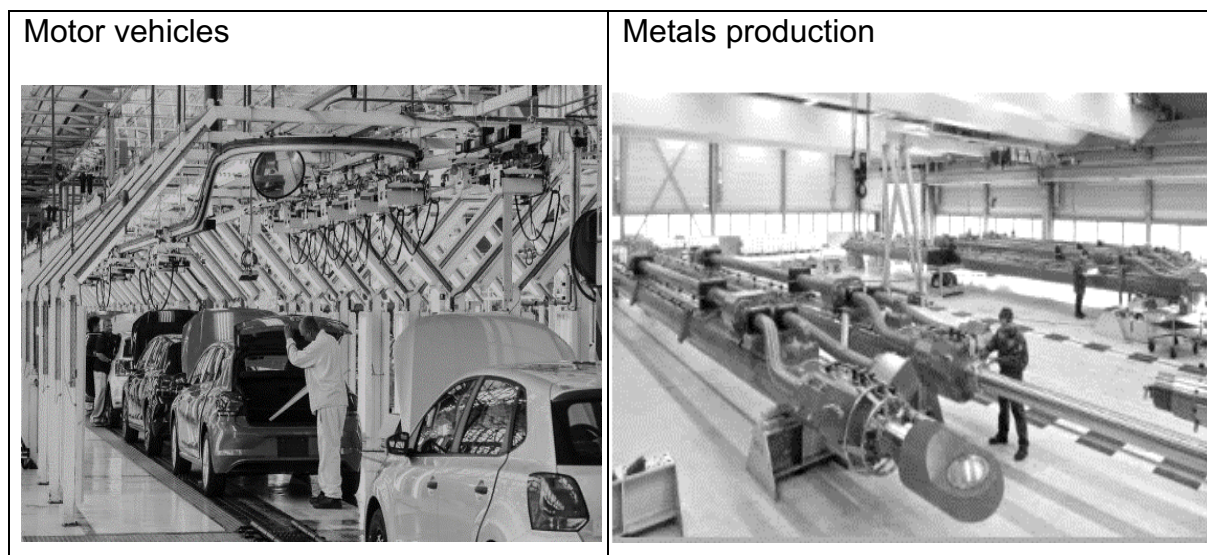
## PORT ELIZABETH-UITENHAGE (NELSON MANDELA METROPOLE)

- It is the smallest core industrial region in South Africa.
- Initial development greatly influenced by port facilities.
- Situated in the Eastern Cape.

### Main industrial activities Port Elizabeth-Uitenhage Industrial Region



### Main industrial activities of the Port Elizabeth-Uitenhage Industrial Region



Textiles, clothing and footwear



Fruit canning



### **Factors influencing the location of Port Elizabeth-Uitenhage industrial region**

- Close to the harbour hence cheaper costs for importing e.g. car parts and export of motor vehicles.
- Skilled and unskilled labour supply In Eastern Cape population 6,734,001 (11.3%) (2020). Approximately 1.3 million in PE-Uitenhage.
- Good supply of raw materials for such as cotton and fruits used for the production of textile (cotton), soft drinks and a variety of fruits products.
- A good transport network (road, rail, air and port) which links it to other regions of South Africa.
- It is linked to international markets through the harbours.
- Centrally located in relation to Western Cape and Durban-Pinetown Core industrial regions.
- It has good water supply because it is located in the eastern half the country that receives more rainfall.

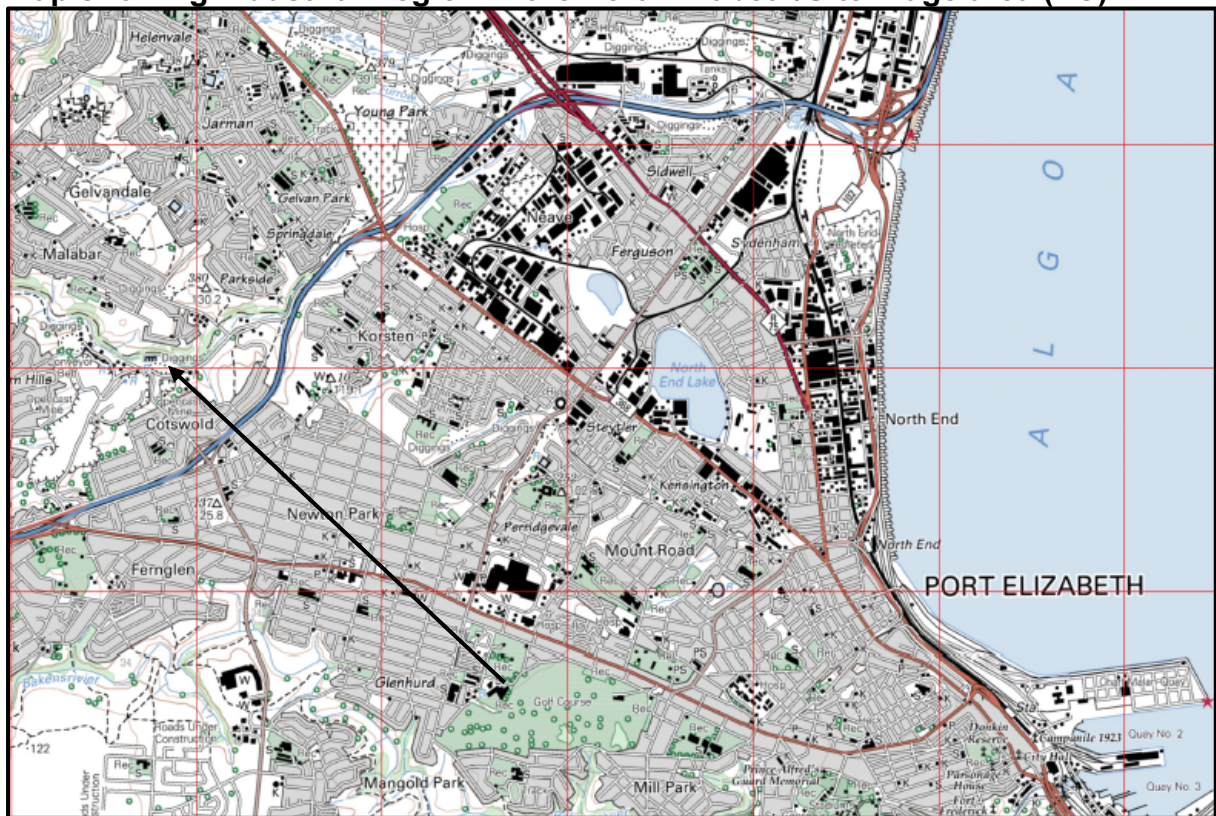
### **Factors hindering Industrial Development in Port Elizabeth-Uitenhage Industrial Region**

- This industrial region is stricken by drought periodically.
- It is located far from mines which makes the transportation of raw material to be expensive.
- It far from coal mine which results in high electricity costs.
- Sometimes employees engage in strikes which result in loss of production.

## Economic and social impacts of Port Elizabeth-Uitenhage industrial region

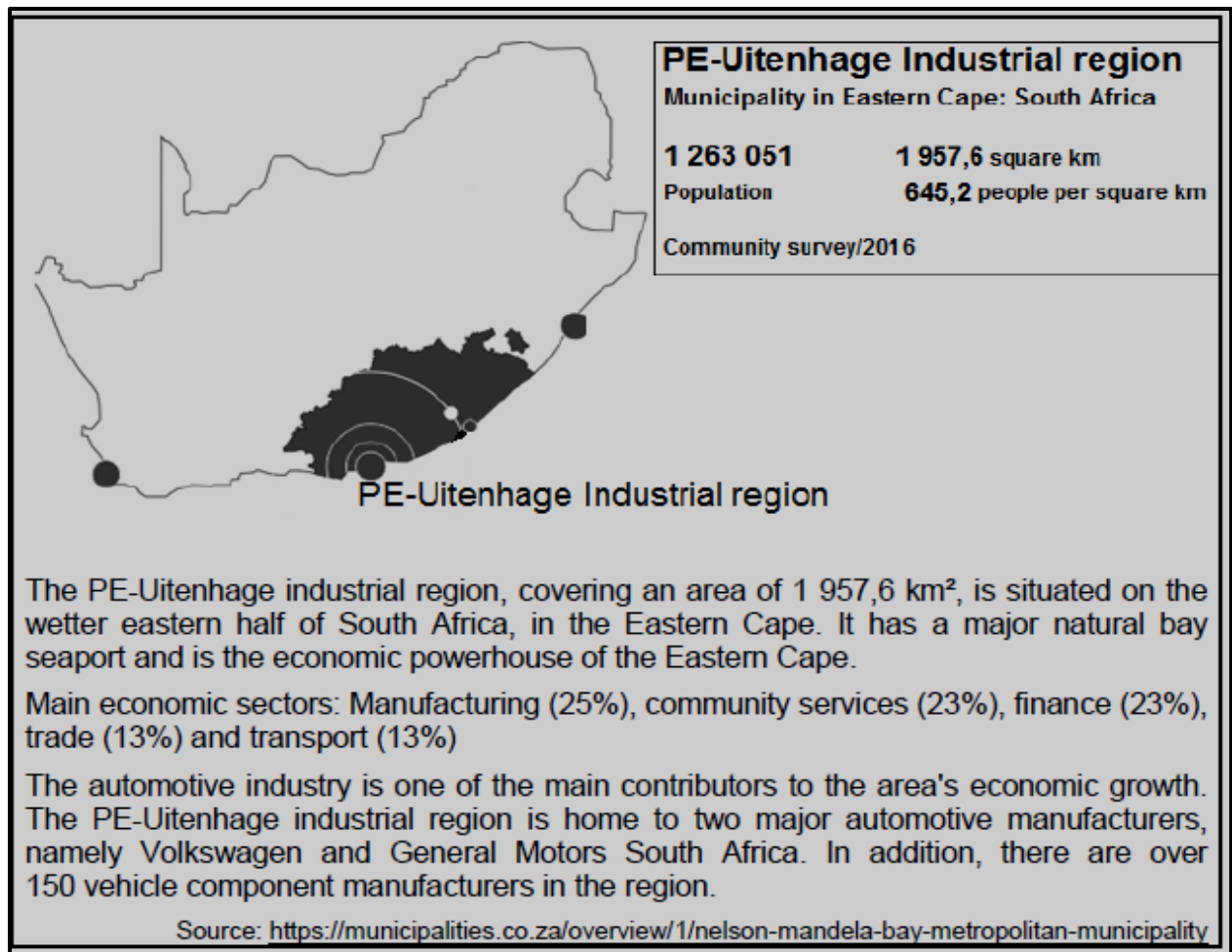
- Industries contribute money to the GDP of South Africa.
- The industries earn foreign exchange through the export of machinery.
- The money earned through exports increase the earnings of the region.
- Local people and the rest of South Africa (both skilled and unskilled) benefit by getting employment in the region.
- The industries serve as a market for the local raw material extracted in agriculture and fishing.
- Some companies reinvest in communities by providing bursaries and skills development.

## Map showing Industrial Region in the Port Elizabeth/Uitenhage area (EC)



## ACTIVITY 7.2.5 PORT ELIZABETH-UITENHAGE

Refer to the Figure below the infographic of South Africa's industrial region, Port Elizabeth-Uitenhage (Nelson Mandela Metropole) and answer the questions.



- 7.2.5.1 In which province is the Port Elizabeth-Uitenhage industrial region located? (1 x 1) (1)
- 7.2.5.2 State the main industry in this region. (1 x 1) (1)
- 7.2.5.3 Give TWO physical (natural) factors in the infographic that contributed to its growth as a manufacturing region. (2 x 1) (2)
- 7.2.5.4 Why is the large population an advantage to the Port Elizabeth-Uitenhage region? (1 x 2) (2)
- 7.2.5.5 Explain how the industry in QUESTION 2.4.2 contributed to the economic growth of this region. (2 x 2) (2)
- 7.2.5.6 Discuss TWO challenges experienced by industries in the Port Elizabeth-Uitenhage region in comparison to industries in the PWV region. (2 x 2) (4)



## 7.3 STRATEGIES FOR INDUSTRIAL DEVELOPMENT

### KEY CONCEPTS

Concept	Explanation
<b>Industrial Development Zone (IDZ)</b>	An industrial zone that has been identified especially for export-driven industries
<b>Spatial Development Initiative (SDI)</b>	Areas that have been identified in South Africa as having the [potential for economic growth
<b>Decentralisation</b>	The development of economic activities in an area away from the central location.

### OVERVIEW OF APARTHEID INDUSTRIAL DEVELOPMENT STRATEGY

#### The Good Hope Plan

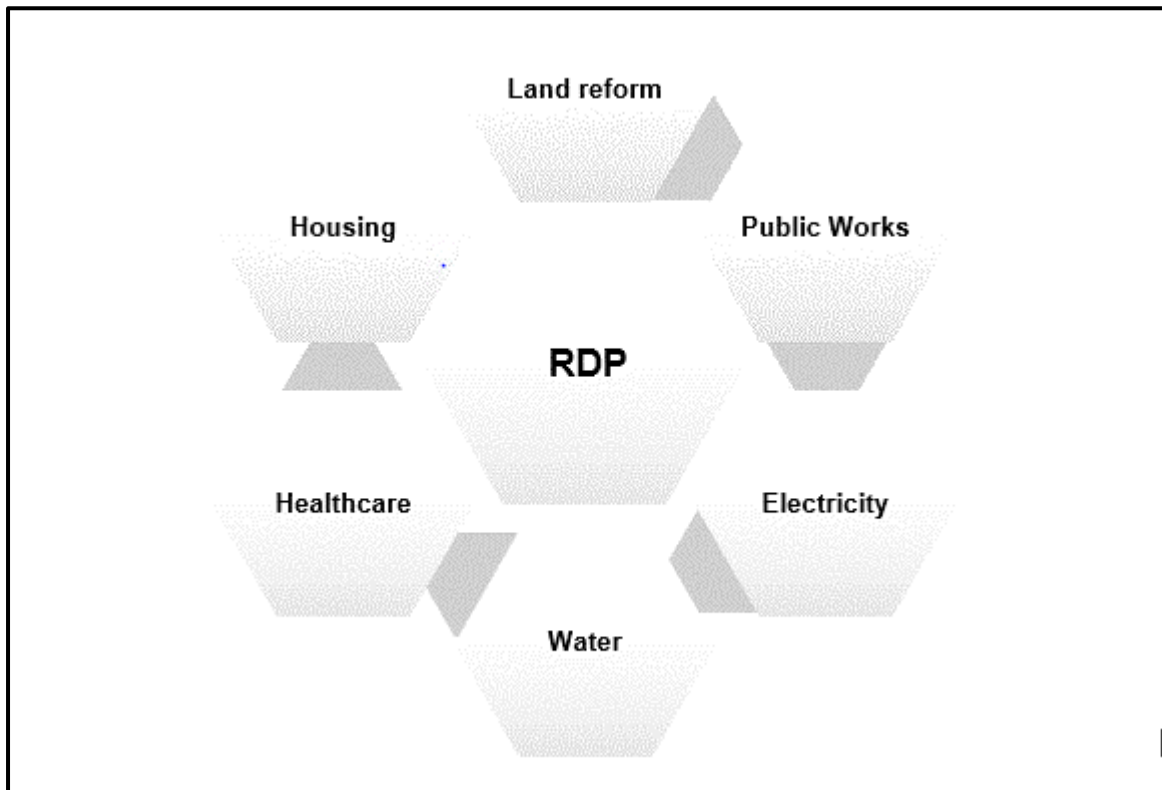
- The spread of economic wealth in South Africa.
- Led to the geographic regions that make up the nine provinces.
- De-concentrated points created.
- Isolated industrial development points identified.
- Tax incentives to encourage industries to move to certain areas.
- Border industries created on the borders of homelands.

### OVERVIEW OF POST-APARTHEID INDUSTRIAL DEVELOPMENT STRATEGIES

#### The Reconstruction and Development Programme (RDP)

The purpose of the RDP was to improve the quality of life (social development). RDP was aimed on local development and achieved some significant successes.

## Key development areas of the Reconstruction and Development Policy



### **Growth, Employment and Redistribution (GEAR)**

This was an attempt to improve and extend the RDP. The focus was to ensure people were given jobs, housing and clean water. The GEAR plan also focused on developing Trade, Investment and Private enterprise (economic development) GEAR was successful in attracting foreign investment and increasing demand for South African products. The GEAR policy was rejected by the Trade Unions who favoured BEE policy that reduced social expenditure.

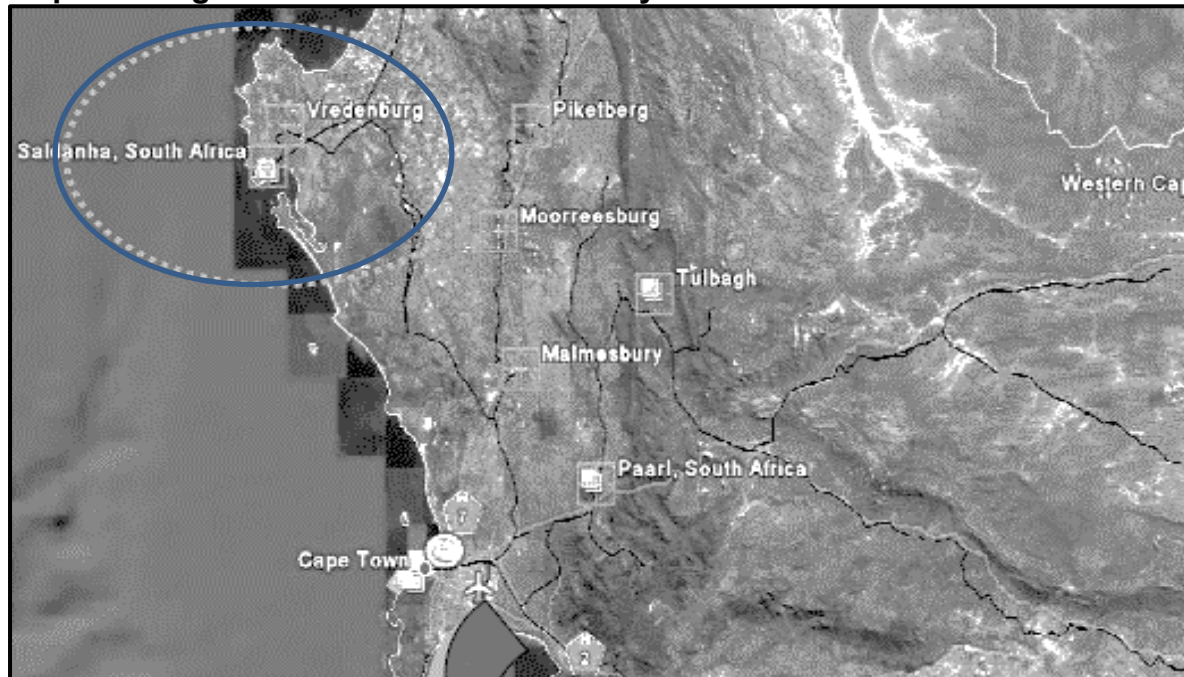
## The benefits of GEAR



## INDUSTRIAL DEVELOPMENT ZONES

### SALDANHA BAY INDUSTRIAL DEVELOPMENT ZONE (IDZ)

#### Map showing the location of Saldanha Bay IDZ



#### Factors influencing the location of Saldanha Bay IDZ

- Availability of an international port for the import and export of goods & services.
- Incentives and concessions provided for investors.
- Decentralisation to enhance regional industrial growth and development.
- An IDZ requires domestic goods and services to support the industries located in it.

#### Main industrial activities at Saldanha Bay IDZ

- Renewable energy production & manufacturing cluster.
- Oil supply base/hub for the Oil and Gas cluster.
- Maritime shipbuilding and repair cluster.
- A Steel and Minerals production & manufacturing cluster.

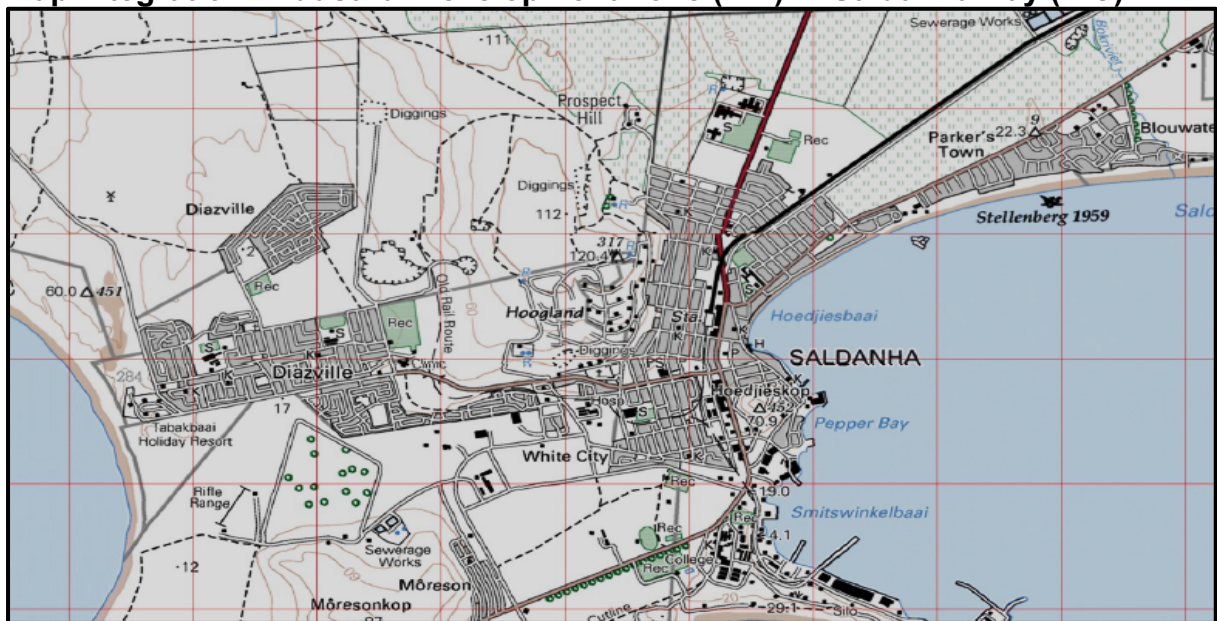
#### Factors that favour and hinder the development of the Saldanha Bay IDZ

Favouring	Hindering
<ul style="list-style-type: none"> <li>• Good network of sea, road and rail</li> <li>• Sufficient and reliable supply of services (water, electricity, connectivity)</li> <li>• Flat and vast tracks of land</li> <li>• Support of the national and provincial government</li> </ul>	<ul style="list-style-type: none"> <li>• Constraints on water supply</li> <li>• Contamination of storm water/drainage systems</li> <li>• High demand on electricity</li> <li>• Limited land availability/High land value</li> </ul>

## Economic and Social Impact of Saldanha Bay IDZ

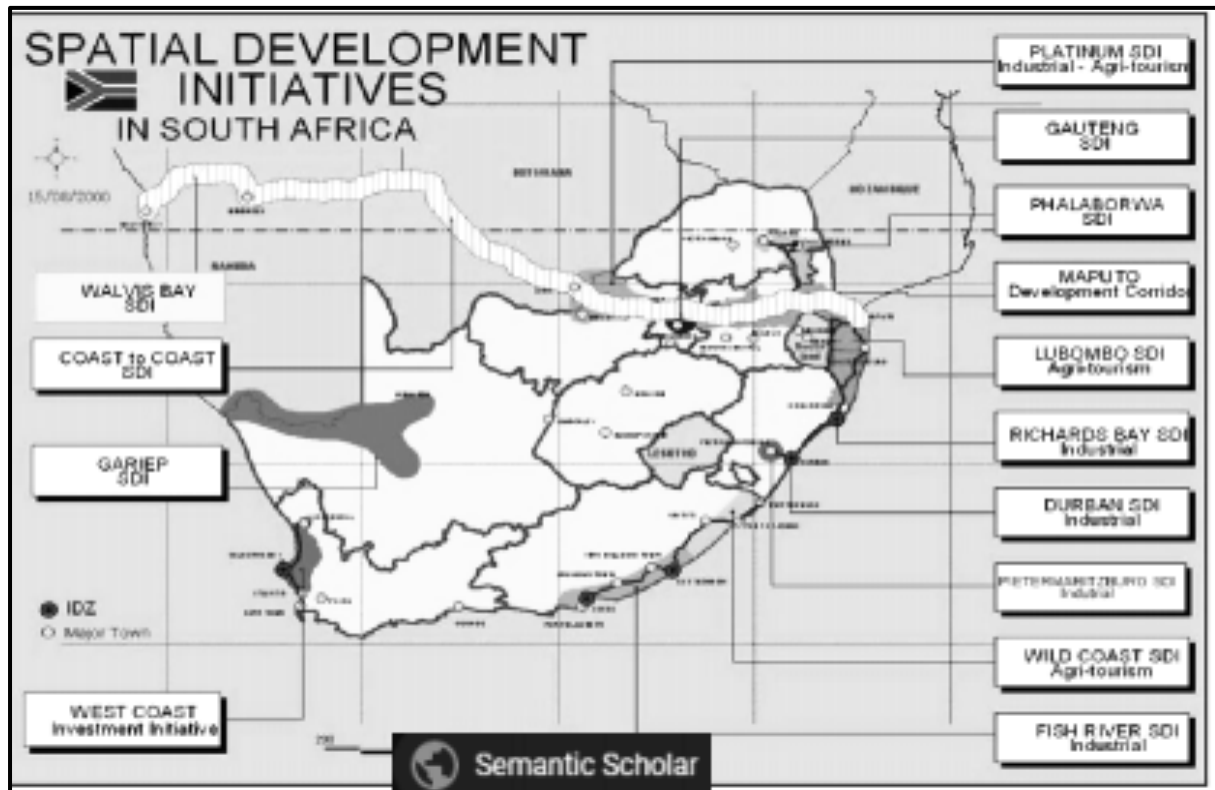
- Economic returns increase in the area.
- Increased shipping to foreign countries.
- Infrastructure subsidies.
- Real estate below market value.
- Sustainable and direct jobs creation.
- Large requirement for maintenance personnel in chemical, mechanical, electrical and control engineering, from highly to semi-skilled.
- Public and private training for artisans must improve.
- Regional linkages to meet demand.
- In-company training will occur for specialist skills.

## Map integration: Industrial Development Zone (IDZ) in Saldanha Bay (WC)



## SPATIAL DEVELOPMENT INITIATIVES (SDI)

### Map showing South Africa's Spatial Development Initiatives



### West Coast SDI

- The Spatial Development Initiative (SDI) program has been in existence since 1995.
- Aims of generating investment projects in key economic sectors in specific areas of South Africa.
- Increasing employment in these sectors and areas.
- Assessment of the capacity of the SDIs to restructure the economy and enhance employment creation in South Africa.
- The extent to which the SDI strategy conforms to economic theory on industrial location and economic development.
- The SDIs have been (and can be) successful in employment creation.

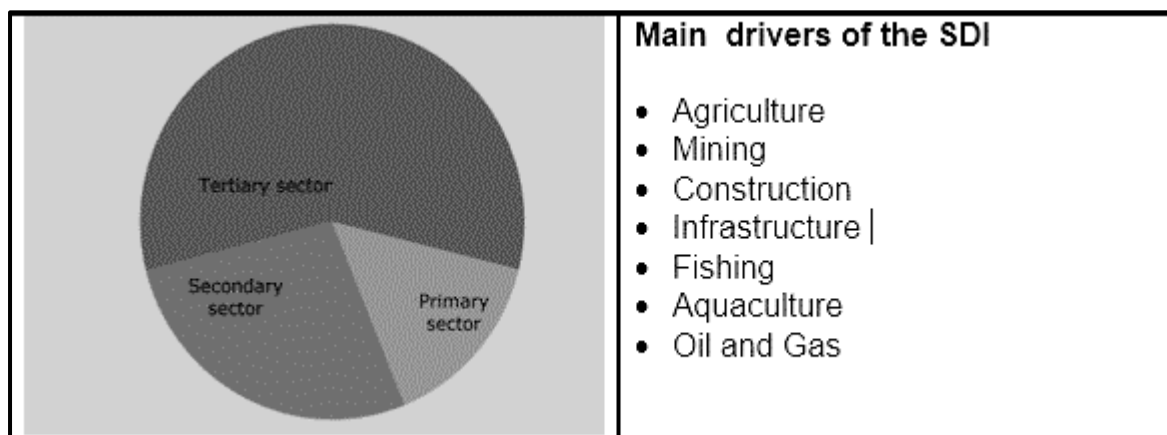
### Map showing the location of the West Coast SDI on the South African map



### Factors influencing the location of the West Coast SDIs

- Located along the coastal region for shipping for trade purposes.
- Abundance of labour from the surrounding areas, especially rural areas.
- The buoyant fish industry along the West coast is reflected in the employment and income statistics.
- Offshore oil and gas availability.
- Scenic coastline that promotes attracts tourism.
- Mild winter climate.

### Economic profile of The West Coast and main drivers of the Spatial Development Initiative, 2018.



### **Factors that favour the development of the West Coast SDI**

- Organic farming & new generation products.
- Most wheat farmers rotate crops with animal feed and are exploring canola as crop for new generation products.
- Increased availability and affordability of broad-band internet access becoming increasingly important for globally connected businesses such as tourism, agriculture, and oil and gas.
- Bridging the digital divide can also contribute towards poverty alleviation.

### **Factors that hinder the development of the West Coast SDIs**

- Climate change and increasing temperatures may negatively impact future sustainability of certain segments.
- Water supply constraints, including competing demand for water from Cape Town at higher prices constrains new production.
- Export Agro-products compete with global market restrictions.
- New mines often require major transport and other infrastructure investments from local and district government.
- Huge backlog in water supply for sanitation.
- There are no commercial airports within the West Coast District.

### **Economic and social impacts of the West Coast SDI**

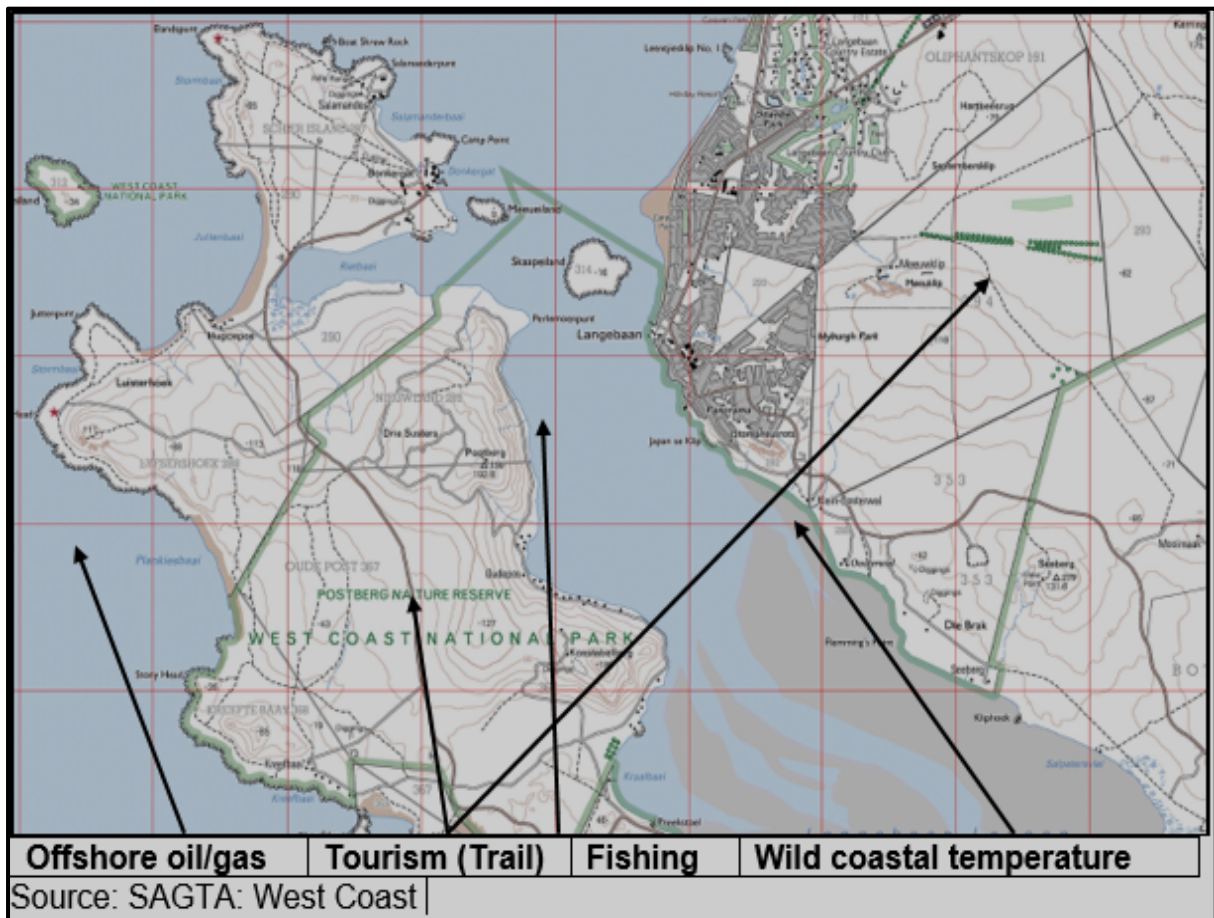
- Increasing share of economic activity and constitute an important potential area for economic growth and job creation.  
Key trends in the following areas:
- Foreign Direct Investment and International Trade
- Domestic Investment.
- Promote skills development
- Promote tourism.
- Promote bulk infrastructural development and services for the district as a whole.

### **Main functions in the West Coast SDI**

- Bulk water supply.
- Bulk sewage purification works and main sewage disposal.
- Solid waste disposal sites that serve the whole area.
- Building and maintenance of municipal roads.
- Regulation of passenger transport services.

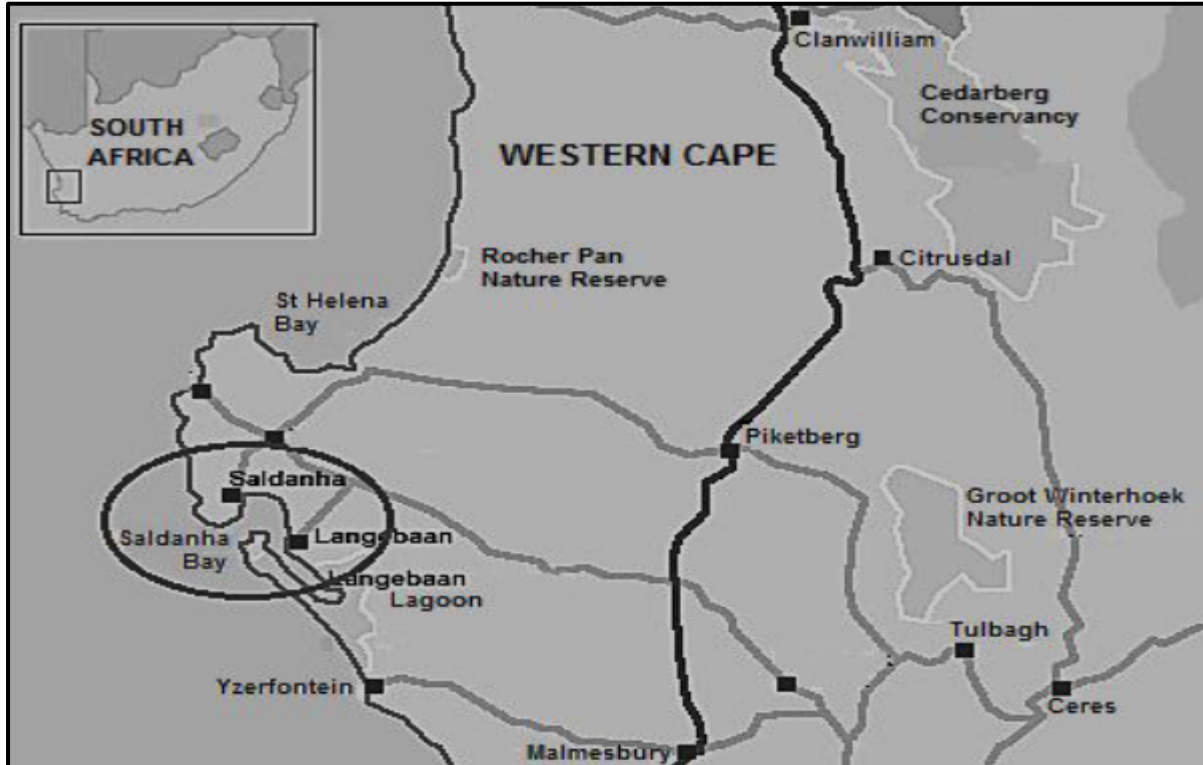


## Map integration: Spatial Development Initiative in the West Coast Area (WC)



### ACTIVITY 7.3.1 (WEST COAST SDI)

Refer to the Figure below showing the West Coast Spatial Development Initiative

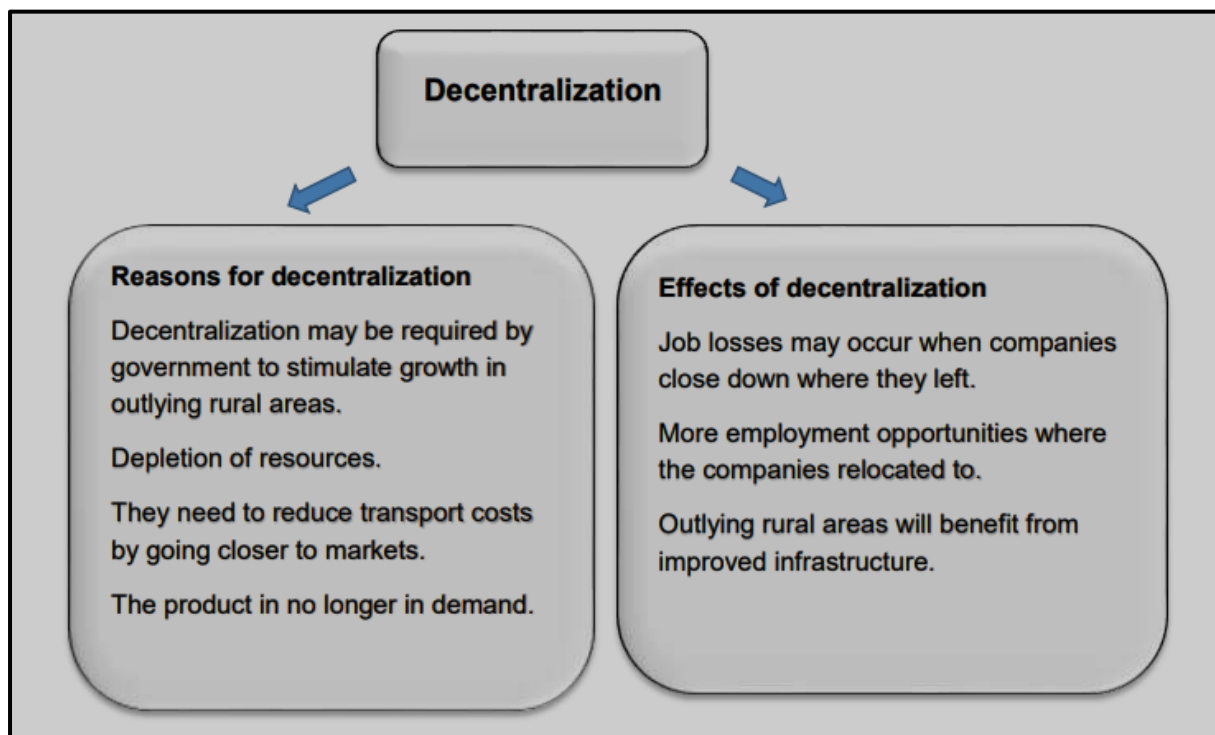
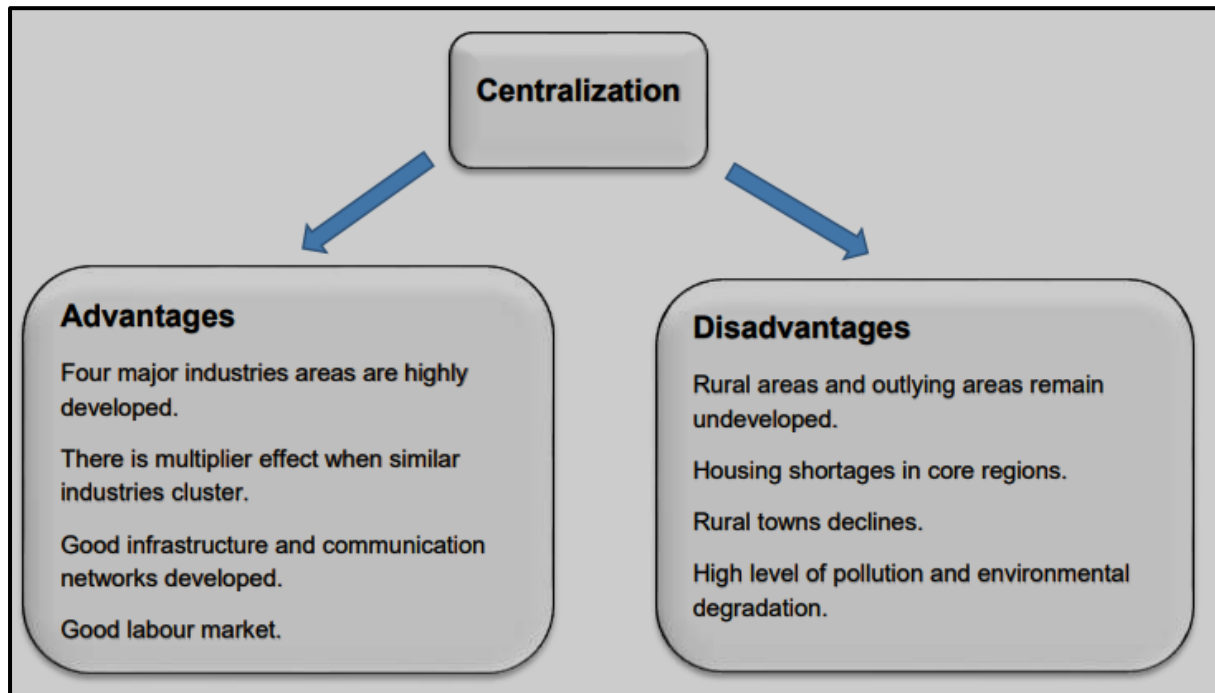


- 7.3.1.1 What is a spatial development initiative? (1 x 1) (1)
- 7.3.1.2 Name the port associated with the West Coast SDI. (1 x 1) (1)
- 7.3.1.3 Name ONE manufacturing industry in the West Coast SDI. (1 x 1) (1)
- 7.3.1.4 Discuss TWO physical factors that favoured the development of the SDI on the West coast. (2 x 2) (4)

## INDUSTRIAL CENTRALISATION AND DECENTRALISATION

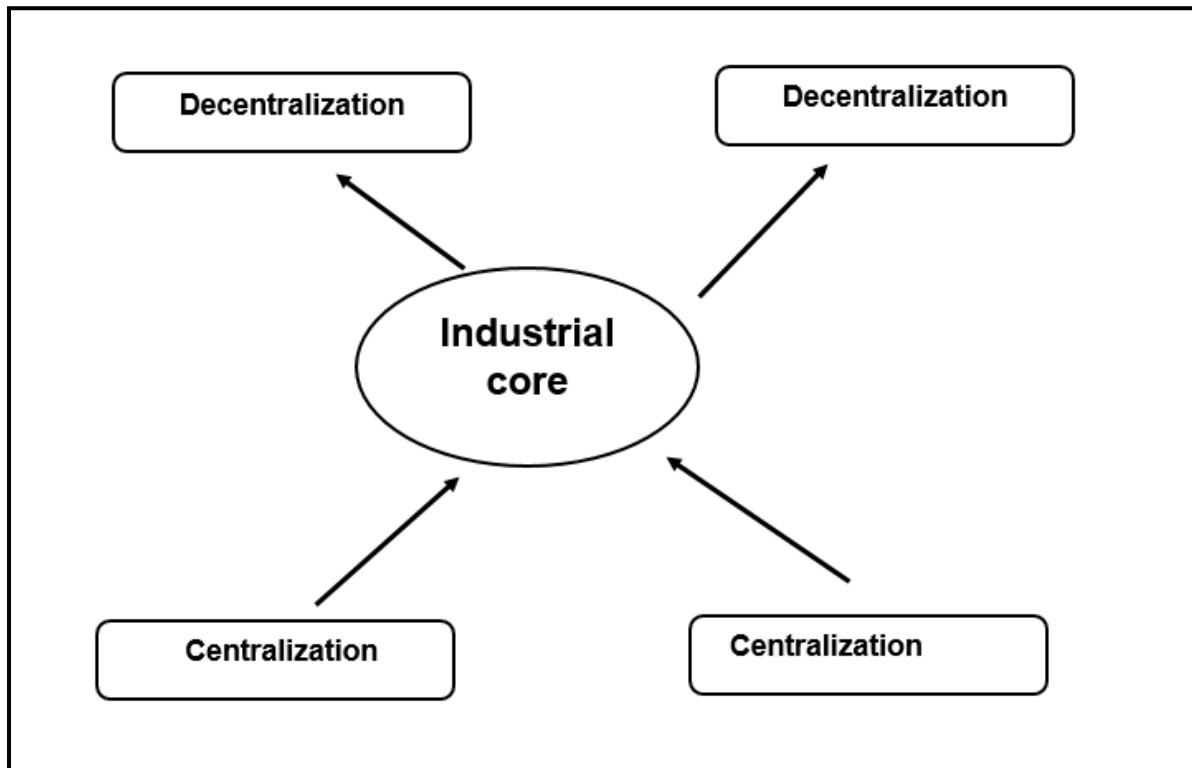
### Reasons why decentralisation must occur

- There is an uneven spread of financial resource and services in South Africa
- Job opportunities are not evenly spread within the country.



### ACTIVITY 7.3.2 INDUSTRIAL CENTRALISATION AND DECENTRALISATION

Study the diagram below and answer the questions.



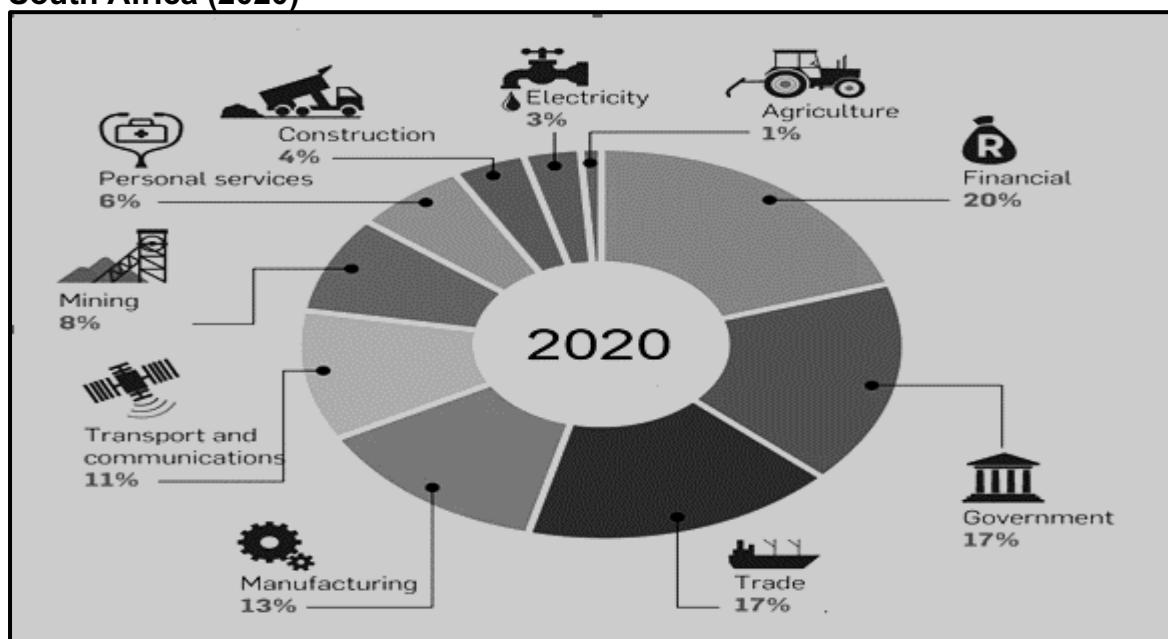
- 7.3.2.1 Define the term decentralisation. (1 x 2) (2)
- 7.3.2.2 Discuss TWO causes of decentralisation. (2 x 2) (4)
- 7.3.2.3 Evaluate the impact of decentralisation of outlying areas where companies relocate to. (2 x 2) (4)

## 8. TERTIARY ECONOMIC SECTOR

### KEY CONCEPTS

Concept	Explanation
Tertiary	Involve the provision/distribution of services to the businesses and the consumers.
Centralization	Over concentration of activities in a few core industrial areas, e.g. PWV (Gauteng), Durban-Pinetown (eThekweni) Port Elizabeth-Uitenhage (Nelson Mandela Metropole), South Western Cape.
Decentralization	The process where industries move to outlying areas which are underdeveloped.
Trade	The exchange of goods and services for money.
Local trade	The exchange of goods and services within a country.
International trade	The exchange of goods and services between two or more countries.
Balance of payment	The difference in value between the visible imports and visible exports
Balance of trade	The difference in value between the visible and invisible imports
Exports	Goods and services that are sold to foreign countries.
Favourable trade balance	Occurs when the value of exports is greater than the value of imports.
Foreign exchange	The money paid to South Africa by other countries, e.g. dollars and pounds, in exchange for goods and services.
Imports	Goods and services that are bought from foreign countries.

### Graphical representation of contribution of Tertiary sector to the Economy of South Africa (2020)



### **Trade (local and international)**

Tertiary activities contributed 74 % to the GDP in 2020. It had higher earning than the rest of the sectors combined.

### **The role of trade (local and international) in economic development (definition, balance of trade, trade agreements).**

- Trade is very important in improving the standard of living of people.
- When a country exports more and import less the GDP will be higher.
- A positive balance of trade is important to ending global poverty.
- Countries that engage in international trade tend to grow faster and provide better income and more opportunities to their people.
- Free trade benefits lower-income households by offering consumers cheaper goods and services.

### **The role of transport (public/private) in economic development**

- Good transport infrastructure promotes transportation of goods to the market.
- Bad transport infrastructure delays the goods to reach the market in time.
- Good public transport assist workers to reach their place of work in time.
- When too many people use their own cars to work it results in traffic congestion and delays to reach their place of work.

### **South Africa trades with different countries.**

- South Africa's biggest trading partners are China, Germany, the United States, the UK, India and Japan.
- The goods that are exported are diamonds, fruits, gold, metals and minerals, sugar, and wool.
- South Africa's main import products are: machinery mineral products vehicles and aircraft vessels, chemicals, equipment components and iron and steel products.
- The balance of trade was about -17, 25 billion dollars in 2019. Best balance of trade in recent years was about -5, 95 billion dollars.

## Causes of negative balance of trade



## The role of trade (local and International) in economic development

- A positive balance of trade results in the country earning more money than it spends on foreign goods.
- Exports results in earning of foreign income.
- Exporting processed goods result in more foreign income.
- Government has more money to spend on delivery to services.
- Improved local trade contribute to the GDP of the country.
- Income earned often results in better job opportunities and an improved standard of living.

## Graph indicating the contribution of exports to GDP from 1960 to 2014



## 9. THE INFORMAL SECTOR

### KEY CONCEPTS

Concept	Explanation
Informal sector	The unregistered and unregulated sector of the economy which includes hawking and street vending. They do not pay tax and are not monitored by government.
Entrepreneurship	The act of creating a business or businesses with the purpose of generating a profit.
Credit facility	Type of loan made in a business or corporate financial context usually over an extended period.
Income tax	Tax imposed on individuals or entities in respect of income or profits earned.

#### Characteristics of informal sector employment

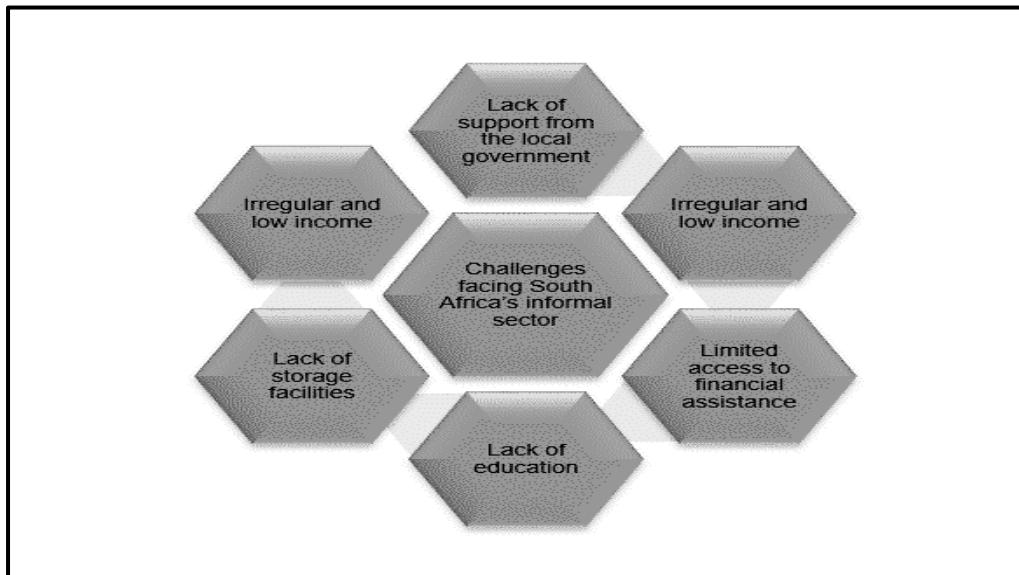
- Operations are on a small scale.
- Low costs are involved in starting a business.
- Low use of technology but labour intensive.
- No access to credit facilities from financial institutions.
- Usually owned by families.
- They do not pay any income tax.
- They are a results of unemployment and poverty.

#### Reasons for high informal sector employment in South Africa

- They do not pay any taxes.
- They form as a results of unemployment.
- Employees don't contribute to pension/UIF funds/medical aids.
- They form as a results of poverty.



## Challenges facing South Africa's informal sector



### Importance/role of the informal sector in the economy

- Provide critical/much needed employment for the poverty stricken.
- Improves the quality of life.
- Reduces crime amongst the unemployed.
- Contribute to the country's economy.
- Informal traders support formal trading (get goods from the formal sector).
- Encourages entrepreneurship amongst communities.

### Strategies for strengthening the informal sector

- Government can provide facilities and support services.
- Education in entrepreneurial skills.
- Provide financial support to informal assessment.
- Allocation site and services for informal sector.
- Registration of informal sector.

## ACTIVITY 9.1 INFORMAL SECTOR

Study the Figure below showing an informal vendor in the street of Soweto and answer the questions that follows.



- 9.1.1. Name at least TWO products that the informal vendor might be selling  
(2 x 1) (2)
- 9.1.2. What are the possible risks that might be experienced by the informal trader on the above picture?  
(2 x 2) (4)
- 9.1.3. In a paragraph of about EIGHT lines suggest FOUR ways in which government can assist the vendor to improve the working environment?  
(4 x 2) (8)

## 10. POSSIBLE ANSWERS

(The page number refer to where the activity is in the study guide)

### THE STRUCTURE OF THE ECONOMY

#### Activity 5.1 (Structure of the Economy) Page 14

- 5.1.1. primary (1)
- 5.1.2 tertiary (1)
- 5.1.3 primary (1)
- 5.1.4 secondary (1)
- 5.1.5 tertiary (1)
- 5.1.6 secondary (1)
- 5.1.7 tertiary (1) (7 x 1) (7)

#### Activity 5.2 (Tertiary Activity) Page 14

- 5.2.1 Concerned with the provision of services (2)  
**[CONCEPT]** (1 x 2) (2)
- 5.2.2 Finance, real estate and business service activities (1)  
**(ACCEPT Construction) (1) [ANY ONE]** (1 x 1) (1)

#### 5.2.3 FINANCE, REAL ESTATE AND BUSINESS ACTIVITIES

Gauteng is the economic hub of South Africa (2)  
There are many Head Offices and businesses (2)  
Concentration of these economic activities (2)  
Office and business space readily available (2)  
The Johannesburg Security/Stock Exchange (JSE) located here (2)

**OR**

#### CONSTRUCTION

Gauteng experiences rapid growth in economic development (2)  
Industrial growth requires more factories (2)  
Influx of businesses requires office space (2)  
Influx of people requires housing (2)  
Constant upgrading of older buildings/urban renewal projects (2)  
Constant upgrading of infrastructure/well-developed infrastructure promotes construction industry (2)

**[ANY ONE, DEPENDING ON ANSWER TO QUESTION 1.2.3]** (1 x 2) (2)

- 5.2.4 It contributes a large percentage/more than 30% (2) (1 x 2) (2)
- 5.2.5 More profits are generated from the tertiary sector/tertiary products have a higher value (2)  
Exporting primary products has a low profit margin/primary products has less value (2)  
Tertiary sector is more indicative of the skill levels of the labour force (2)

Tertiary sector generates a more steady income as compared to the primary sector (2)

Tertiary activities less at risk to natural disasters (2)

Climatic changes put farming products at risk (2)

Higher salaries are earned which strengthens buying power (2)

Tertiary activities have a greater potential to attract foreign investments (2)

To protect raw materials from being depleted/destroyed (2)

**[ANY TWO]** (2 x 2) (4)

5.2.6 Transport/airports increases accessibility in terms of international links/promotes international trade (2)

Gautrain provides alternative means of accessibility (2)

Good transport networks connect Gauteng with rest of SA/promotes domestic trade (2)

Allows for the easy transportation of goods (2)

Transport networks attracts foreign investment/promotes further growth (2)

Links Gauteng to harbours and facilitates international trade (2)

Rapid transport services to transport people to work and back (2)

Promotes tourist-related industries (2)

Increases access to tertiary services (2)

Leads to growth in tertiary sector (2)

**[ANY TWO]** (2 x 2) (4)

## PRIMARY ECONOMIC SECTOR

### Activity 6.1 (Beef) Page 19

- 6.1.1 Brazil (1) (1 x 1) (1)
- 6.1.2 In 2016 South Africa became the net red meat exporter of beef for the first time (1) (1 x 1) (1)
- 6.1.3 South Africa is a relatively dry country with three quarters of the country receiving annual rainfall of below 500mm (2)  
Infertile soil due to soil erosion in large parts of the country which is dominated by steep slopes i.e. along the escarpment (2)  
Lack of subsidy for most farmers leading to cheaper imports from other countries with subsidies for their farmers (2) (3 x 2) (6)

### Activity 6.2 (Sugar Cane) Page 23

- 6.2.1 Eastern Cape (1) Kwazulu-Natal (1) and Mpumalanga (1) (3 x 1) (3)
- 6.2.2 Poor re-planting rates (2)  
Low levels of education (2)  
High costs of inputs (2)  
Upward adjustment of the minimum wage (2)  
Lack of capital injection from financial institutions (2)  
Extreme climate events (2)  
**[ANY FOUR]** (4 x 2) (8)

### Activity 6.3 (Maize) Page 26

- 6.3.1 To earn foreign capital (1)  
Support local maize prices for sustainable maize production (1) (1 x 1) (1)  
**[ANY ONE]**
- 6.3.2 Lowest – 2016 (1)  
Highest – 2017 (1) (2 x 1) (2)
- 6.3.3 Staple diet for many African countries (2)  
SA produces a higher quality maize than other competing countries (2).  
Used as an additive in the production of other foods (2)  
Maize is supplied at an affordable price (2)  
The climatic factors are not conducive for production in foreign countries (2)  
**[ANY TWO]** (2 x 2) (4)

### Activity 6.4 (Mining) Page 31

- 6.4.1 Extracting raw materials out of the ground (1) (1 x 1) (1)
- 6.4.2 Rich mineral deposits in South Africa (2)  
Variety of minerals in South Africa (2)  
Favourable geothermal gradients (2)  
Most minerals are mined through opencast process reducing risks (2)  
Most minerals are located close to the surface (2)  
Extracting raw materials out of the ground (1)

The quality of the minerals is of a high standard (2)  
 Natural harbours well-located for exports (2)  
 Abundant water resources (2)  
**[ANY TWO]** (2 x 2) (4)

6.4.3 Ensure a better economic climate for promoting labour peace (2)  
 Improve conditions for labour broking (2)  
 Create more collective bargaining councils to improve incentives and working conditions of miners (2)  
 Improve salary adjustments to come in line with CPI (2)  
 Improve medical aid assistance to labour (2)  
 Improve housing allowance (2)  
 Workers to have shares in the company/provide incentives (2)  
 Commit to improve safety measures (2)  
**[ANY ONE]** (1 x 2) (2)

6.4.4 **Infrastructure**  
 Mining encourages the growth and development of transportation networks e.g. road and rail (2)  
 Improvement of water infrastructure (2)  
 Mining requires higher and efficient energy usage and therefore improves electricity grid supply (2)  
 Power utilities for mining are created in more remote rural areas and ensures growth of marginalised communities (2)  
 Information and communication networks e.g. cell phone networks/ internet/connectivity are improved (2)  
 Telecommunication networks are improved (2)

**Industrial Development**

Related industries and industrial development from mining grow as mining communities develop around the mine (2)  
 Opportunities to add value exist in most minerals found in SA e.g. the mining of iron ore has developed smelting industries (2)  
 More employment opportunities for growth and development exist in factories that supply mining equipment to mines (2)

**[ANY FOUR: MUST INCLUDE BOTH INFRASTRUCTURE AND INDUSTRIAL]** (4 x 2) (8)

**Activity 6.5 (Coal) Page 35**

6.5.1 Mpumalanga (1) (1 x 1) (1)

6.5.2 ESKOM (1)  
 SASOL (1) (2 x 1) (2)

6.5.3 Land degradation (2) OR  
 Opencast mining an eyesore (2)  
 Air pollution from the burning of coal to generate electricity (2)  
**[ANY TWO]** (2 x 2) (4)

**6.5.4 RECTIFYING ENVIRONMENTAL INJUSTICES**

- Land mined as open cast coal mines need to be rehabilitated (2)
  - Re-vegetation and the restoration of local fauna in the area where mining occurred must be monitored (2)
  - Applying the polluter pays principle and fining companies responsible for high levels of air pollution (2)
  - Applying scrubbing and clean technology to smoke stacks (2)
  - Offsetting carbon footprints with carbon credits (2)
  - Planting of more trees to offset carbon emissions (2)
- [ANY FOUR]** (4 x 2) (8)

**Activity 6.6 (Gold) Page 38**

- 6.6.1 Gauteng (1)
- 6.6.2 West Wits Operations (1)
- 6.6.3 Anglo Gold Ashanti (1)
- 6.6.4 China (1)
- 6.6.5 7th (1)
- 6.6.6  $140 + 90 = 230$  mt (1)
- 6.6.7 2014 (1)
- 6.6.8 Decreasing (1) (8 x 1) (8)

## SECONDARY ECONOMIC SECTOR

### Activity 7.1 (TYPES OF INDUSTRIES) PAGE 48

- 7.1.1 Market orientated (1)
- 7.1.2 Ubiquitous (1)
- 7.1.3 Footloose (1)
- 7.1.4 Raw material-orientated/heavy (1)
- 7.1.5 Heavy (1)
- 7.1.6 Bridge (1)
- 7.1.7 Light (1) (7 x 1) (1)

### Activity 7.2.1 (PWV/GAUTENG) Page 54

- 7.2.1.1 '... contributing nearly 35% to the national gross domestic product, until at least 2017' (1)  
'...produced more than 50% of South Africa's manufactured exports' (1)  
**[ANY ONE]** (1 x 1) (1)
- 7.2.1.2 Good energy security secures uninterrupted energy supply (2)  
Many skilled/unskilled labourers ensure a high level of productivity (2)  
Capital and technology to maintain high levels of production (2)  
Wide variety of raw materials to support industrial development (2) Well-developed transport system to transport raw materials/goods (2)  
OR Tambo provides access to international investors (2)  
A well-developed infrastructure providing essential services (2)  
Wide variety of established secondary and tertiary industries (2)  
Johannesburg Security Exchange (JSE) is located in the PWV/Gauteng (2)  
Commercial and economic hub of South Africa (2)  
Dense/large population creates readily available market/higher purchasing power (2)  
Flat land facilitates the development of new industries (2)  
Access to water resources is more favourable (2)  
**[ANY ONE]** (1x2) (2)
- 7.2.1.3 (a) Abundance of copper mined there (2)  
Close proximity to PWV/Gauteng Industrial Region (2)  
Accessibility via roads/railways (2)  
Saving on transport costs (2)  
**[ANY ONE]** (1 x 2) (2)  
  
(b) Attracts more investors to the region (2)  
Creates more employment opportunities (2)  
Entrepreneurial skills are improved (2)  
Skills transfer from Gauteng (2)  
Creates a stable labour force (2)  
Strengthens buying power (2)  
Ready market for the copper industries (2)  
Linked industries will be improved/developed (2)  
Multiplier effect leads to the expansion of other industries (2)  
Improved transport links could assist Phalaborwa to export through



Gauteng (2)  
 Infrastructural improvement and development to ensure rail/road transport of copper (2)  
 Social responsibility programs of copper mines will uplift local communities (2)  
 Supports a higher standard of living for local communities (2)  
 Funds generated will stimulate further development (2)  
**[ANY ONE]** (1 x 2) (2)

**7.2.1.4 Energy provision**

Over reliance on coal as a source of energy (2)  
 Coal is a non-renewable resource (2)  
 Coal is an unsustainable resource (2)  
 Negative environmental impact of coal (2)  
 Rising costs of energy (2)  
 Overload on ESKOM grid that cannot cope with demand (2) Power cuts/load shedding affect productivity (2)  
 Unreliable power network (2)  
 Theft of power cables disrupt power provision (2)  
 Corruption in the coal mining sector hampers productivity (2)  
**OR**

**Labour**

Importing skills will be expensive and increase the costs of production (2)  
 Expensive to train labourers (2)  
 Disputes and industrial action/strikes will reduce productivity (2)  
 Brain drain, where valuable skilled people leaving South Africa (2) Impact of illnesses/diseases lower productivity (2)  
 Challenges associated with the provision of minimum wages (2)  
 Mechanisation could lead to unemployment in the future (2)  
**[ANY FOUR]** (4 x 2) (8)

**Activity 7.2.4 Durban-Pinetown (eThekweni) Page 60**

7.2.4.1 2<sup>nd</sup> (1) (1 x 1) (1)

7.2.4.2 The manufacturing sector is geared for export (1) **OR**  
 With nearly a third of South Africa's manufactured exports being produced in KZN (1)  
**[ANY ONE]** (1 x 1) (1)

7.2.4.3 More employment opportunities are created (2)  
 Reduction in poverty due to people being employed (2)  
 Greater income results in an improved standard of living (2)  
 KZN home market will increase in strength as people have more money  
 Increase in the export of goods will occur (2)  
 Increase in foreign income as exports increase (2)  
 This encourages the growth of the gross domestic product (2)  
 High level of industrialisation attracts foreign investment (2)  
 Multiplier effect results in further economic development (2)  
 Linked industries are developed to support major industries (2)  
 Results in new beneficiation initiatives developing (2)  
**[ANY FOUR]** (4 x 2) (8)

**Activity 7.2.5 (Port Elizabeth-Uitenhage) Page 64**

- 7.2.5.1 Eastern Cape (1)  
[ACCEPT EC] (1) (1 x 1) (1)
- 7.2.5.2 Automotive industry /motor vehicle industry /assembly of motor vehicles (1)  
(1 x 1) (1)
- 7.2.5.3 Natural bay seaport (harbor) (1)  
It has a more central location as compared to the other core industrial areas to reach the northern and southern parts of South Africa (1)  
Covering an area of 1957,6km<sup>2</sup> (1)  
Located in the wetter eastern half of the country (1)  
**[ANY TWO]** (2 x 1) (2)
- 7.2.5.4 Large labour force (2)  
Availability of a market (2)  
Large buying power (2)  
**[ANY ONE]** (1 x 2) (2)
- 7.2.5.5 Provides sustainable employment for local residents (2)  
Increased earnings will benefit local businesses (2)  
Improved infrastructure associated with industries will boost other economic activities in the area (2)  
Export of vehicles increases foreign exchange (2)  
Industries will contribute to local economic growth (2)  
Taxes paid by the industry contributes to regional income (2)  
Provides market for raw materials to increase production (2)  
Export of products increases foreign exchange (2)  
Multiplier-effect stimulates other sectors of the local economy (2)  
Results in the upskilling of people which will increase quality and output (2)  
Fourth-industrial revolution skills e.g. robotics will increase efficiency in the workplace (2)  
**[ANY TWO]** (2 x 2) (4)
- 7.2.5.6 Lack of minerals and raw materials (2)  
Lack of minerals to beneficiate (2)  
Water shortages due to no supplementation by water schemes (2)  
Shortage of skilled labour force (2)  
Less tertiary activities and services (2)  
No administrative capital advantage (2)  
Poorer infrastructure compared to PWV (2)  
Smaller market in PE-Uitenhage (2)  
Electricity is more expensive (2)  
Less capital investment in PE-Uitenhage region (2)  
**[ANY TWO]** (2 x 2) (4)

**Activity 7.3.1 (West Coast SDI) Page 74**

- 7.3.1.1 A government programme to encourage investment in infrastructure in undeveloped areas (1) (1 x 1) (1)
- 7.3.1.2 Saldanha Bay (Accept Port of Saldanha) (1) (1 x 1) (1)
- 7.3.1.3 Steel processing/manufacturing (1)  
Fish processing and fishmeal industries (1)  
Gas power plant (1)  
Ship repair (1)  
**[ANY ONE]** (1 x 1) (1)
- 7.3.1.4 Bay allows for the development of a natural harbour (2)  
Available vacant land for the expansion of industries (2)  
Flat land makes construction cheaper and easier (2)  
Flat land makes the construction of infrastructure easier, therefore increases accessibility (2)  
Climate is conducive for productivity (2)  
**[ANY TWO]** (2 x 2) (4)

**Activity 7.3.2 (Industrial Centralisation and Decentralization) Page 76**

- 7.3.2.1 The process where industries move to outlying areas which are underdeveloped. (2) (1 x 2) (2)
- 7.3.2.2 The raw materials used for production of goods in the industrial region are depleted(finished).(2)  
The demand for the goods that are produced by the company has reduced  
The company relocates in order to move closer to the raw material in order to reduce transport. (2 x 2) (4)
- 7.3.6.3 There will be more employment opportunities in the area where the industry has relocated to.(2)  
There will be an improvement of infrastrucutre.(2) (2 x 2) (4)

## INFORMAL SECTOR

### Activity 9.1 (Informal Sectors) Page 82

9.1.1 Vegetables /Fruits (1)

Sweets (1)

Cooked foods (1)

**[ANY ONE]**

(2 x 1) (2)

9.1.2 Theft from passers-by (2)

Exposing customers to food poisoning (2)

Expiry of products due to lack of refrigeration (2)

Destruction of stock during adverse weather conditions (2)

Contamination of the products being sold (2)

**[ANY TWO]**

(2 x 2) (4)

9.1.3 Provide a building for the vendor (2)

Provision of site (buildings) and services (water and electricity) (2)

Provided financial support to construct a better shelter (2)

Relocate to a safer area/ Demarcation of area for informal sector (2)

(4 x 2) (8)

## 11. ANNEXURE A: EXAMINATION ACTION VERBS

### ACTION WORDS (VERBS/COMMAND WORDS) FOR ASSESSMENT

VERB	MEANING	HOW TO ANSWER
<b>Account</b>	to answer for - explain the cause of - so as to explain why	Full sentences
<b>Analyse</b>	to separate, examine and interpret critically	Full sentences
<b>Classify</b>	to divide into groups or types so that things with similar characteristics are in the same group - to arrange according to type or sort	One-word answers /phrases
<b>Comment</b>	to write generally about	Full sentences
<b>Compare</b>	to point out or show both similarities and differences	Full sentences
<b>Define</b>	to give the concise and clear meaning	Full sentences
<b>Describe</b>	to list the main characteristics of something - give an account of	Full sentences
<b>Differentiate</b>	to show the difference between things	Full sentences
<b>Discuss</b>	to examine by means of argument, presenting both sides and reaching a conclusion	Full sentences
<b>Determine</b>	to officially decide (something) especially because of evidence or facts	Full sentences
<b>Distinguish</b>	to recognise the difference between things	Full sentences
<b>Draw / Sketch</b>	to show by means of a sketch	A diagram is required
<b>Evaluate</b>	to make an appraisal or express an opinion concerning the value - to define, analyse and discuss	Full sentences
<b>Explain</b>	to make clear, interpret and spell out the material you present	Full sentences
<b>Give</b>	to state facts without discussions	One-word answers
<b>Identify</b>	to give the essential characteristics of - to name	One-word answers
<b>Illustrate</b>	to show what something is like - to show that something is true	Full sentences
<b>Justify</b>	to prove or give reasons for decisions or conclusions, using logical argument	Full sentences
<b>List</b>	to write an itemised series of concise statements	One-word answers
<b>Locate</b>	to find the exact place where something is	One-word answers
<b>Mention</b>	providing relevant facts	Full sentences
<b>Name</b>	to state something - give, identify or mention	One-word answers

<b>VERB</b>	<b>MEANING</b>	<b>HOW TO ANSWER</b>
<b>Outline</b>	give a summary, using main points and leaving out minor details	Full sentences
<b>Predict</b>	to say what you think will happen - to foretell - to say in advance	Full sentences
<b>Propose</b>	to suggest a plan - to make a formal suggestion	Full sentences
<b>Provide</b>	to state facts without discussions	Full sentences/one-word answers
<b>Recommend</b>	to advise that something should be done	Full sentences
<b>Report</b>	to produce an official statement or written document	Full sentences
<b>Select /Choose</b>	to choose something from a greater whole	One-word answers
<b>Solve</b>	to find a solution to something that is causing difficulties	Full sentences
<b>State</b>	to present information plainly without discussion	One-word answers
<b>Suggest</b>	to propose an explanation or solution	Full sentences
<b>Support</b>	to show that an idea/statement is true	Full sentences
<b>Tabulate</b>	to group like terms or activities under specific headings	One-word answers/phrases
<b>Use</b>	to do something using a specific skill or method	Full sentences
<b>Verify</b>	to check/prove that something is correct	Full sentences
<b>Write</b>	to create a formal document	Full sentences

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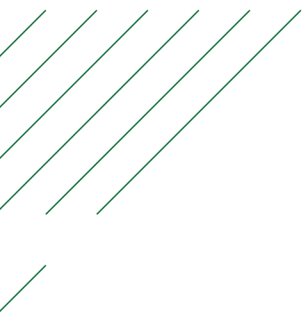
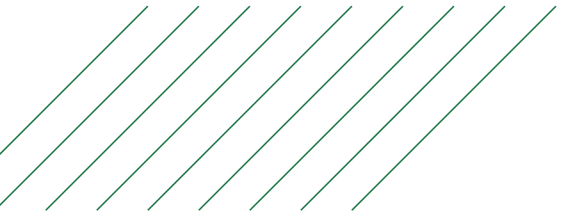
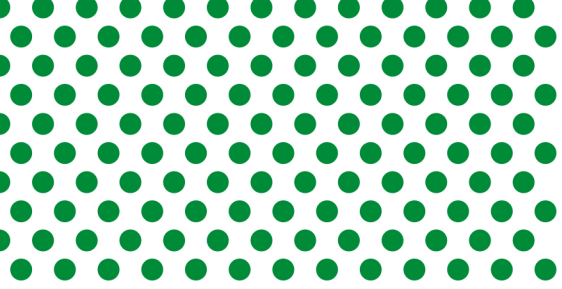
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