

Mbalo Brief



the missing piece of the puzzle

April 2017



Issue 03/2017

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



Editor's comment

On 27 April, South Africans celebrate Freedom Day, to commemorate the day on which the first democratic elections were held in South Africa in 1994. This day has since been celebrated annually in South Africa since the first non-racial democratic elections, marking the establishment of a new democratic government led by Nelson Mandela and a new government subject to a new Constitution.

Freedom Day therefore serves as a reminder that the guarantee of our freedom requires us to remain vigilant against corruption and the erosion of the values of the struggle for freedom and to build an active citizenry that will work towards wiping out the legacy of racism, inequality and the promotion of the rights embodied in our Constitution.

In this month's issue of *Mbalo Brief*, our educational article is based on Domestic Tourism for 2015. The article outlines the travel behaviour and expenditure of South African residents travelling within the borders of the country. Also have a look at our monthly crossword puzzle and solutions to the March 2017 puzzle.

Articles published in this issue are based on results of industry surveys conducted for the months ranging from December 2016 to February 2017.

For more details on any of the surveys, visit our website at:
www.statssa.gov.za

Enjoy the read.





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Crossword puzzle





Across

2. What was the most common reason for day trips in 2015?
Read educational article
6. Who is the new Deputy Minister of Finance?
7. A speech delivered by the president at the annual opening of Parliament (abbr.)

Down

1. In price statistics, what does CPI stand for?
3. SDGs is the acronym for Sustainable Development (fill in the missing word).
4. In which city was the Earth Hour launched?
5. In which month was President Jacob Zuma born?

Solutions for February 2017 puzzle

Across

4. South Africa
7. Sharpeville
8. False

Down

1. Constitutional
2. ARNSA
3. Urban
5. Djembe
6. True





Educational article on Domestic tourism

1. Introduction

Tourism is regarded in the National Development Plan (2030) as one of the most important potential drivers of economic growth and job creation in South Africa. There are different types of tourism, but this article will focus on domestic tourism. This type of tourism is concerned with travelling within the country. Domestic tourists do not need a passport, visa or conversion of one currency into another, and range from local to provincial trips.

The findings in this article are based on the *Domestic Tourism Survey, 2015* published by Statistics South Africa (Stats SA) on 16 March 2017. The article will explore the total number of trips taken within the borders of South Africa, expenditure incurred and types of transport used to different destinations within the country since 2013 to 2015. These indicators address the National Tourism Sector Strategy (NTSS) objective, which aims at growing the contribution by domestic tourism to the country's economy. These indicators will provide a picture of how far the sector is in addressing the National Development Plan's target of increasing the total number of tourists, the average amount of money spent by each tourist, and achieving appropriate levels of tourism infrastructure (particularly transport and accommodation) in view of attracting different types of tourists within and/or outside the country.

2. Number and types of trips

The total number of day and overnight trips taken during the period January–December 2013, 2014 and 2015 has been decreasing. The number of day trips decreased from 54 million in 2013 to 48 million in 2014, and to 44 million in 2015. Overnight trips also decreased from approximately 51 million in 2013 to 47 million in 2014, and to 45 million in 2015.

Close to six million day trips were taken in December 2013 compared to 5,4 million in 2014 and 5,2 million in 2015. Day trips that were taken in January steadily decreased from 5,5 million in 2013 to 4,2 million in 2014, and to 4 million in 2015. During November 2013 and 2015, fewer day trips were taken (3,1 million) when compared to November 2014 (3,2 million).

Overnight trips that were taken in December 2013 decreased from 8,3 million to 7,2 million in 2014, and further to 7,1 million in 2015. November 2015 has recorded a relatively lower number of overnight trips across the





three years with a steady decline over time. For most of the months, overnight trips increased between 2013 and 2014, and declined in 2015.

3. Total expenditure spent on domestic day and overnight trips

Figure 1 – Total expenditure on domestic tourism in 2015



Figure 1, above, is a representation of the expenditure reported for the trips taken in 2015. There was a decline in the total amount of money spent on



domestic tourism in 2015 after an increase between 2013 and 2014. In total, R104 billion was spent on domestic trips in 2013, followed by R110 billion spent in 2014 and R87 billion in 2015. The amount of money that was spent on day trips increased from R35 billion in 2013 to R39 billion in 2014; however, in 2015, day travellers spent R25 billion.

Total spending on overnight trips increased by nearly R3 billion from R68 billion in 2013 to R71 billion in 2014; however, this number decreased to about R62 billion in 2015 (a R9 billion decrease as compared to 2014).

Most money spent in 2013 and 2014 was spent on shopping (with R41 billion and R46 billion, respectively). However, in 2015, travellers reduced their expenditure on shopping to R29 billion. Expenditure on domestic transport tends to be relatively high when compared to other expenditure items. Although the domestic transport item registered a R4 billion decrease in 2015 (from R32 billion in 2014 to R28 billion in 2015), it is still the second highest item after shopping. The food and beverages category recorded an increase in the money spent between 2013 (R15 billion) and 2014 (R18 billion), whereas it declined in 2015 (R16 billion). It is worth noting that for day trips in 2015, most day travellers spent more money on food and beverages (R5,6 billion) than in 2013 (R4,5 billion) and 2014 (R4,6 billion). Recreation and culture continues to be the lowest expenditure item.

4. Percentage of total day trips by province of destination, January–December 2015

In 2015, the proportions of day trips undertaken to particular provinces were as follow:

Gauteng (25,2%);

Limpopo (16,4%);

Western Cape (16,3%);

Eastern Cape (9,2%);

North West (9,2%);

Mpumalanga (8,9%);

Northern Cape (3,3%); and

Free State (3,1%).



Most day trips were within the province in which individuals reside. The provinces of destination with the lowest incidence of day travellers from other provinces were Western Cape (99% of day travellers were from that province), Eastern Cape (97%) and KwaZulu-Natal (90%). The province of destination with the lowest percentage of day travellers from that particular province was North West (57%).

Between January and December 2015, Limpopo was the destination of choice for most overnight domestic tourists, with nearly 20% of all trips leading there. They were followed by those who visited Eastern Cape (15,5%) and KwaZulu-Natal (13,7%). Northern Cape was the least visited province on overnight trips (4,8%).

5. Type of accommodation utilised

In 2015, the most popular form of accommodation for tourists was staying with friends and relatives (20 million trips), which accounted for close to 75% of all the trips taken in 2015. Roughly 1,4 million trips were undertaken by tourists who utilised self-catering establishments, while 956 000 were accommodated in hotels. Hotels were used largely by tourists who travelled to KZN (207 000 trips), whereas self-catering establishments were mostly utilised by tourists who visited Western Cape (551 000 trips). Most tourists to Limpopo and Eastern Cape stayed with friends and relatives compared to trips undertaken to other provinces (3,6 million trips and 3,3 million trips, respectively).

6. Purpose of visit

In 2015, shopping was the most common reason for taking day trips, accounting for 27,4% of all day trips. This was followed by visiting friends and relatives (23,8%) and leisure (16,7%). The proportion of day trips undertaken for religious and business purposes remained unchanged between 2014 and 2015, at 5,4% and 4,3%, respectively. The least common reason for undertaking day trips in 2015 was to participate in sports (2,0%) and for medical purposes (3,6%).

Visiting friends and relatives was the most commonly given reason for undertaking overnight trips in all the three years of reporting: 48,8% in 2013, 49,5% in 2014, and 48,7% in 2015. This was followed by tourists who undertook trips for leisure purposes, i.e. 18,9% in 2013, 18,2% in 2014, and 18,5% in 2015.



7. Mode of transport used

Most day travellers undertook day trips using taxis for shopping purposes (36,7% in 2013; 45,7% in 2014; and 45,3% in 2015). There was also an increase in travellers who reported that they used air transport for leisure purposes (from 55,4% in 2013 to 65,0% in 2015).

There was an increase in the proportion of the day travellers who travelled by car to visit friends and relatives, from 30,0% in 2013 to 33,0% in 2014. However, this decreased to 28,4% in 2015. Furthermore, individuals who used cars for shopping purposes increased from 16,7% in 2013 to 18,9% in 2014, but then decreased to 18,0% in 2015.

8. Main purpose of overnight trips by length of stay

The most common length of stay of tourists on overnight trips was up to one week (81,0%). Almost 10% of overnight trips lasted for one to two weeks, while those that lasted for more than two weeks accounted for 9,3% of overnight trips.

Overnight trips taken for the main purpose of sport were the most common reason for staying less than a week (96,4%), followed by trips for religious purposes (94,6%). Trips undertaken for funeral purposes (91,0%) also lasted for up to a week, followed by trips for business purposes (86,3%).

The overall average number of nights spent by tourists at their respective destinations was six nights. The highest average number of nights were spent by tourists who visited friends and relatives and who had undertaken the trip for leisure purposes, with seven nights each.

9. Main purpose of most recent day trips by expenditure

In 2013, total expenditure on day trips was R11,7 billion, which decreased to R11 billion in 2014 and to R7,2 billion in 2015.

In 2013, day travellers spent most of their money on shopping (R6,1 billion) and domestic transport (R3,2 billion). The same pattern followed in 2014 with shopping at R6,0 billion and domestic transport at R2,8 billion. In 2015, more money was spent on domestic transport (R2,5 billion) and shopping (R2,2 billion). For all the three years, the least amount of money was spent on recreation and culture (R299 000 in 2013; R87 000 in 2014; and R174 000 in 2015).



10. Population group by main purpose of the most recent day trip

In 2015, black Africans undertook day trips mainly for shopping (4,1 million trips) and visiting friends and relatives (2,9 million trips), as opposed to 176 000 trips undertaken by Indians/Asians for the same reason, while white travellers undertook 1,5 million day trips mainly for leisure. Coloureds undertook most of their day trips for shopping (423 000 trips) and leisure (419 000 trips).

In relation to overnight trips, black Africans undertook 11 million trips to visit friends and relatives, while 1,3 million trips were undertaken by the white population group for the same reason. Furthermore, when compared to other population groups, black Africans (1,7 million) and tourists from the white population group (2,4 million) undertook most of their overnight trips for leisure purposes. Most Indians/Asians took overnight trips for leisure (325 000 trips), while most coloureds took overnight trips for visiting friends and relatives (773 000 trips).

11. Conclusion

This article focused on domestic tourism in South Africa and included information on day and overnight trips. What can be observed from the findings in this article is that there has been a decline in domestic tourism since 2013, for both day and overnight trips. Although the total expenditure on domestic overnight trips increased from 2013 to 2014, a decrease was reported in 2015. In 2013, 2014 and 2015, Gauteng, Limpopo and Western Cape were the most popular destinations for day travellers, whereas tourists (those who undertook overnight trips) mostly preferred visiting Limpopo and KwaZulu-Natal. A visit to friends and relatives was the most popular reason for undertaking overnight trips.



Primary industries

Mining: Production and sales

Mining production and mineral sales increase

South Africa is in the process of transforming mineral resources into finished products in order to reduce the export of raw and intermediate mineral products. A new R4,5 billion beneficiation plant is due to be built in Richards Bay in KwaZulu-Natal to transform titanium into higher value products which will be consumed locally and abroad. The construction of the plant, which will begin in 2018 while production is expected to begin in 2020, was unveiled on 11 April 2017 by KwaZulu-Natal Economic Development, Tourism and Environmental Affairs MEC, Sihle Zikalala. This project is the result of a partnership between the Richards Bay Industrial Development Zone, Nyanza Light Metals and Avertana, a New Zealand-based company. The project is expected to create 550 permanent skilled jobs and 1 200 indirect jobs when the plant is fully operational, and 800 jobs during construction. Presented in this article is a summary of the Mining: production and sales statistics for January 2017.

Mining production increased by 1,3% year-on-year in January 2017 (**see Table A**). The two main positive contributors were manganese ore (20,0%, contributing 1,2 percentage points) and iron ore (7,3%, contributing 1,2 percentage points). Coal (-5,5%, contributing -1,6 percentage points) was a significant negative contributor.

Table A – Key growth rates in the volume of mining production for January 2017

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Year-on-year % change, unadjusted	1,0	5,0	-2,2	-5,0	-3,1	1,3
Month-on-month % change, seasonally adjusted	2,8	-0,5	-1,0	-4,7	-0,3	1,7
3-month % change, seasonally adjusted ^{1/}	4,1	1,9	1,2	-1,5	-3,6	-5,2

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated. A full release on *Mining: Production and sales* (Statistical release P2041) is available on the Stats SA website: www.statssa.gov.za





Mineral sales increased by 23,0% year-on-year in December 2016 (see **Table B**). The largest positive contributors to the increase of 23,0% were:

- manganese ore (317,7%, contributing 8,8 percentage points);
- chromium ore (195,5%, contributing 6,4 percentage points);
- iron ore (64,7%, contributing 5,8 percentage points); and
- coal (13,9%, contributing 3,9 percentage points).

Table B – Key growth rates in mineral sales at current prices for December 2016

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Year-on-year % change, unadjusted	-1,8	8,8	17,0	12,5	28,8	23,0
Month-on-month % change, seasonally adjusted	-12,7	8,1	5,5	1,5	7,6	-1,5
3-month % change, seasonally adjusted ^{1/}	10,8	-0,5	-0,5	0,3	9,9	12,7

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated. A full release on *Mining: Production and sales* (Statistical release P2041) is available on the Stats SA website: www.statssa.gov.za



Secondary industries

Manufacturing: Production and sales

Production in manufacturing decreases

South Africa is fast becoming the leading manufacturer and supplier of locomotives in Africa. This is evident after Transnet unveiled the first Trans-Africa locomotive on 04 April 2017, to be designed, engineered and manufactured in Africa. The new locomotive is specifically designed to conduct business on the continent. The diesel-powered locomotive, which will be assembled at Koedoespoort in Pretoria, is designed for the African landscape and is suitable for use on shunting and on branch lines. The locomotives can also be used on old rail tracks designed to carry light axle loads. Presented in this article is a summary of the Manufacturing: production and sales statistics for January 2017.

Manufacturing production decreased by 0,8% in January 2017 compared with January 2016 (see **Table C**). The largest positive contributions were made by the following divisions:

- basic iron and steel, non-ferrous metal products, metal products and machinery (3,5%, contributing 0,6 of a percentage point);
- petroleum, chemicals, rubber and plastic products (1,7%, contributing 0,5 of a percentage point); and
- furniture and 'other' manufacturing (21,6%, contributing 0,4 of a percentage point).

Table C – Key growth rates in the volume of manufacturing production for January 2017

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Year-on-year % change, unadjusted	2,2	0,3	-2,8	2,1	-2,0	0,8
Month-on-month % change, seasonally adjusted	-1,2	1,5	-1,8	0,3	0,2	-0,4
3-month % change, seasonally adjusted ^{1/}	0,0	-1,3	-1,8	-1,0	-0,9	-0,4

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated. A full release on *Manufacturing: Production and sales* (Statistical release P3041.2) is available on the Stats SA website: www.statssa.gov.za



Selected building statistics of the private sector

Value of recorded building plans passed decreases

The increasing need for new infrastructure has led to new buildings such as retail parks and malls being developed across South Africa. For example, Ballito Junction Regional Mall in KwaDukuza, KwaZulu-Natal province, was opened on 24 March 2017 by Ngoako Ramatlhodi who was then the Minister of the Department of Public Service and Administration. The 80,000 square meter world-class shopping mall with over 200 shops offers the people of KwaDukuza and surroundings an ideal one-stop shopping experience and entertainment. The mall also features the latest in mall architectural design and retail innovation. The economic contribution made by the development of the shopping mall is of great value to the South African economy and the public as more jobs were created during the construction phase, especially for those from the local community. The mall should continue to provide sustainable job opportunities for its future operations in order to contribute positively to the country's economy and employment status. Presented in this article is a summary of the selected building statistics for January 2017.

The value of recorded building plans passed (at current prices) decreased by 14,0% (-R1 075,8 million) in January 2017 compared with January 2016. Non-residential buildings fell by 46,6% (-R1 512,8 million) (see **Table D**).

The largest contribution to the total decrease of 14,0% (-R1 075,8 million) was made by KwaZulu-Natal (contributing -26,0 percentage points or -R1 993,7 million).

The value of buildings reported as completed (at current prices) increased by 29,1% (R1 000,6 million) in January 2017 compared with January 2016. Non-residential buildings rose by 128,9% (R745,6 million).

Six provinces reported year-on-year increases in the value of buildings completed in January 2017. The largest contribution was recorded for Gauteng (contributing 25,9 percentage points or R891,7 million).



**Table D – Recorded building plans passed by larger municipalities:
January to January 2016 versus January to January 2017**

Estimates at current prices	January 2016 ^{1/}	January 2017 ^{1/}	Difference in value between January 2016 and January 2017	% change between January 2016 and January 2017
	R'000	R'000	R'000	
Residential buildings	2 976 023	3 161 447	185 424	6,2
-Dwelling houses	2 108 985	1 859 519	-249 466	-11,8
-Flats and townhouses	739 705	1 288 602	548 897	74,2
-Other residential buildings	127 333	13 326	-114 007	-89,5
Non-residential buildings	3 244 246	1 731 491	-1 512 755	-46,6
Additions and alterations	1 451 533	1 703 058	251 525	17,3
Total	7 671 802	6 595 996	-1 075 806	-14,0

^{1/} 2015 and 2016 figures should be regarded as preliminary because of possible backlogs and incomplete reporting by municipalities.

A full release on *Selected building statistics of the private sector as reported by local government institutions* (Statistical release P5041.1) is available on the Stats SA website: www.statssa.gov.za

Electricity generated and available for distribution

Electricity produced and consumed increases

Climate change is an environmental challenge that concerns many people across the world. As part of creating awareness about climate change, The World Wide Fund (WWF) started a campaign called Earth hour whereby people switch off their lights for one hour on the last Saturday of March every year. The Earth Hour, formerly known as Sydney Hour was launched in Sydney, Australia on 31 March 2007. Since then, more than 170 countries, including South Africa, have joined the global community to take action against climate change by participating in the Earth Hour campaign. According to Eskom, after the Earth Hour that took place on 25 March this year from 20:30 to 21:30 , South Africans saved an average of 420



Megawatts, enough electricity that can power a city the size of Polokwane or Port Elizabeth for one hour. Eskom measured the decrease in electricity consumed during the Earth Hour against the electricity that people normally consume during this time on an average Saturday evening. Presented in this article is a summary of the electricity generated and distributed in February 2017.

Electricity generation (production) decreased by 3,8% year-on-year in February 2017 (see **Table E**).

Table E – Key growth rates in the volume of electricity generated for February 2017

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Year-on-year % change, unadjusted	1,1	2,0	2,1	0,8	0,8	-3,8
Month-on-month % change, seasonally adjusted	-0,4	1,4	-0,4	0,1	-0,6	-0,8
3-month % change, seasonally adjusted ^{1/}	0,4	0,0	0,2	0,7	0,3	-0,4

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated.

Electricity distribution (consumption) decreased by 3,6% year-on-year in February 2017 (see **Table F**).

Table F – Key growth rates in the volume of electricity distributed for February 2017

	Sep-16	Oct-16	Nov-16	De-16	Jan-17	Feb-17
Year-on-year % change, unadjusted	-0,7	-0,5	0,3	-1,0	-0,6	-3,6
Month-on-month % change, seasonally adjusted	0,5	1,0	-0,6	0,1	-0,2	0,1
3-month % change, seasonally adjusted ^{1/}	-0,3	0,0	0,7	0,8	0,2	-0,1

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated.

A full release on *Electricity generated and available for distribution* (Statistical release P4141) is available on the Stats SA website: www.statssa.gov.za



Tertiary industries

Wholesale trade sales

Wholesale trade sales decreased

The wholesale trade sector has experienced a shift in the way of doing business. Most wholesalers have started selling their products online. This has improved the way of doing business because it has made things much quicker, customers only need to login to the online store, select the products they want, place bulk orders and make a payment online. It has also improved the customer service because if customers have a question, they can find the answer themselves under the Frequently Asked Questions (FAQs) segment. This means that they don't have to wait for the store to open or for their email to be read before they can get their answers. Customers can also make purchases any time, whether it's a public holiday, a Sunday or after official business hours. Presented in this article is a summary of the wholesale trade sales statistics for February 2017.

Wholesale trade sales decreased by 3,6% in February 2017 compared with February 2016 (**see Table G**). The main contributor to this decrease was dealers in machinery, equipment and supplies at -24,0%, contributing -4,1 percentage points).

Wholesale trade sales increased by 4,4% in the three months ended February 2017 compared with the three months ended February 2016. The main contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (7,6%), contributing 1,4 percentage points);
- food, beverages and tobacco (6,0%), contributing 1,0 percentage point);
- agricultural raw materials and livestock (12,8%), contributing 0,8 of a percentage point); and
- 'other' household goods except precious stones (5,9%), contributing 0,8 of a percentage point).



Table G – Key growth rates in wholesale trade sales at current prices for February 2017

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Year-on-year % change, unadjusted	10,0	4,9	9,1	10,9	6,8	-3,6
Month-on-month % change, seasonally adjusted	2,5	-1,8	1,1	2,6	-1,8	-1,4
3-month % change, seasonally adjusted ^{1/}	1,5	-0,5	0,5	0,6	1,9	1,1

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated.

A full release on *Wholesale trade sales* (P6141.2) is available on the Stats SA website: www.statssa.gov.za

Retail trade sales

Retail trade sales decrease

Once again shelves are lined with chocolate eggs and bunnies; it can only mean that it's Easter season. Although Easter might not be near as popular as Christmas and might not be as profitable for retailers as the Christmas season, especially because most people don't get bonuses in April like they do in December, consumers still hunt for Easter bargains from retailers. This is why some retailers take advantage of this season to boost sales through promotions and discounts on selected products; some run contests or competition for kids, while some decorate their stores with an Easter theme, making it more appealing to customers. Presented in this article is a summary of the retail trade sales statistics for January 2017.

Retail trade sales decreased by 2,3% year-on-year in January 2017 (see **Table H**). Negative annual growth rates were recorded for:

- retailers in textiles, clothing, footwear and leather goods (-5,3%);
- all 'other' retailers (-4,3%);
- retailers in household furniture, appliances and equipment (-3,4%); and
- general dealers (-2,8%).

The main negative contributors to the 2,3% decrease were:

- general dealers (contributing -1,2 percentage points); and
- retailers in textiles, clothing, footwear and leather goods (contributing -1,0 percentage point).



Retail trade sales increased by 0,7% in the three months ended January 2017 compared with the three months ended January 2016. The main contributor to this increase was retailers in textiles, clothing, footwear and leather goods (3,9%, contributing 0,8 of a percentage point).

Table H – Key growth rates in retail trade sales for January 2017 at constant 2012 prices

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Year-on-year % change, unadjusted	0,0	1,6	-0,2	3,1	1,0	-2,3
Month-on-month % change, seasonally adjusted	0,2	0,8	-0,8	3,0	-2,5	-1,2
3-month % change, seasonally adjusted ^{1/}	-0,6	-0,2	-0,4	1,3	1,0	0,6

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated. A full release on *Retail trade sales* (Statistical release P6242.1) is available on the Stats SA website: www.statssa.gov.za

Motor trade sales

Motor trade sales increase

Consumers have a variety of reasons for trading in their used motor vehicles. Some of the reasons are that the vehicle is no longer reliable, or that it has no new technology or features. When trading in a motor vehicle, consumers have to ensure that the vehicle is in a good condition, and they should disclose relevant information (such as number of previous owners, involvement in accidents, dents, etc.) to the dealers so that the dealers can conform to the Consumer Protection Act, 2008 (Act No. 68 of 2008), and refrain from contravening the Unfair Trading Regulations, which bans dealerships from practising unfair business strategies such as providing false information and not disclosing (or hiding) relevant information about the vehicle. Presented in this article is a summary of the motor trade sales for January 2017.

Motor trade sales increased by 6,8% year-on-year in January 2017 (see **Table I**). The largest annual growth rates were recorded for:

- used vehicle sales (12,7%); and
- fuel sales (9,9%).



Motor trade sales increased by 3,9% in the three months ended January 2017 compared with the three months ended January 2016. The main contributors were:

- used vehicle sales (12,5%, contributing 2,2 percentage points); and
- fuel sales (6,0%, contributing 1,6 percentage points).

Table I – Key growth rate figures in motor trade sales for January 2017

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Year-on-year % change, unadjusted	3,9	-0,1	-0,7	4,1	1,0	6,8
Month-on-month % change, seasonally adjusted	-3,5	1,4	0,8	0,5	1,5	0,2
3-month % change, seasonally adjusted ^{1/}	-1,3	-1,5	-1,8	0,5	1,4	2,6

^{1/} Percentage change between the previous 3 months and the 3 months ending in the month indicated.

A full release on *Motor trade sales* (Statistical release P6343.2) is available on the Stats SA website: www.statssa.gov.za

Food and beverages

Total income generated by food and beverages industry increases

In South Africa, agriculture is a key source of food. The country produces a variety of grains, vegetables, fruits and livestock products that are vital in providing adequate levels of nutrition and food diversity. However, food insecurity and pest outbreaks are a major challenge for the country. The General Household Survey conducted by Statistics South Africa (Stats SA) in 2015 found that 14,3 million people in the country had inadequate access to food. Climate change threatens agricultural production. For example, the 2015/16 El Nino-induced drought, the worst in 25 years – affected farming and livestock production. Presented in this article is a summary of the food and beverages industry statistics for January 2017.

The total income generated by the food and beverages industry decreased by 1,0% in January 2017 compared with January 2016 (**see Table J**). Negative annual growth rates were recorded for 'other' income (-17,4%) and food sales (-0,7%).



In January 2017, negative annual growth rates were recorded for catering services (-4,0%, contributing -0,7 of a percentage point) and takeaway and fast-foods outlets (-1,4%, contributing -0,6 of a percentage point).

Total income decreased by 0,4% in the three months ended January 2017 compared with the three months ended January 2016. Catering services decreased by 8,0% (contributing -1,3 percentage points).

Table J – Year-on-year percentage change in food and beverages income at constant prices by type of income – January 2017

Type of income	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Food sales	-2,2	3,6	2,0	1,5	0,5	-0,7
Bar sales	-7,7	1,2	-0,1	-4,9	0,2	0,3
Other income	-19,9	-8,7	-15,0	-21,9	-18,8	-17,4
Total	-3,5	2,9	1,2	-0,1	-0,1	-1,0

A full release on *Food and beverages* (Statistical release P6420) is available on the Stats SA website: www.statssa.gov.za

Tourist accommodation

Total income for tourist accommodation industry increases

Like any other entity, tourist establishment owners should have public liability insurance to safeguard their businesses and guests. If a guest is injured or their property is damaged while in the premises, public liability insurance can cover the guest's medical expenses and compensation for any damaged or destroyed customer property. Public liability insurance is a type of insurance that is designed specifically to protect businesses against any possible financial compensation claims by clients, guests or the general public where negligence could be seen as the cause of an injury or loss. Presented in this article is a summary of the tourist accommodation statistics for January 2017.

Total income for the tourist accommodation industry increased by 3,1% in January 2017 compared with January 2016 (**see Table K**). Income from accommodation increased by 6,4% year-on-year in January 2017, which is



the result of a 3,7% decrease in the number of stay unit nights sold and a 10,4% increase in the average income per stay unit night sold.

In January 2017, the types of accommodation that recorded positive year-on-year growth in income from accommodation were:

- 'other' accommodation (10,3%);
- hotels (5,2%); and
- guest-houses and guest-farms (3,5%).

The main contributors to the 6,4% year-on-year increase in income from accommodation in January 2017 were hotels (contributing 3,3 percentage points) and 'other' accommodation (contributing 2,9 percentage points).

Income from accommodation increased by 6,5% in the three months ended January 2017 compared with the three months ended January 2016. The main contributors to this increase were hotels (7,0%, contributing 4,5 percentage points) and 'other' accommodation (4,1%, contributing 1,2 percentage points).

Table K – Year-on-year percentage change in tourist accommodation statistics for January 2017

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Stay units available	0,4	0,4	0,4	0,4	0,4	0,4
Stay unit nights sold	0,8	0,9	3,5	1,3	1,1	-3,7
Average income per stay unit nights sold	10,6	7,3	8,4	9,1	2,1	10,4
Income from accommodation	11,4	8,3	12,2	10,5	3,2	6,4
Total income ^{1/}	3,7	6,9	7,0	6,6	0,6	3,1

A full release on *Tourist accommodation* (Statistical release P6410) is available on the Stats SA website: www.statssa.gov.za



Tourism and migration

A total of 3 815 402 travellers passed through South African ports of entry in January 2017

The number of trips taken by South Africans travelling domestically has been declining. This is according to findings from the Domestic Tourism Survey 2015, released by Statistics South Africa (Stats SA). One of the reasons for this decline is due to the economic challenges that the country is facing, such as low economic growth levels and unemployment. During such a period, domestic travel is often seen as a luxury purchase and falls off the household budget. The other reason is that, historically, South Africa does not have a strong domestic tourism culture. This is according to the Tourism Business Council of South Africa (TBCSA). However, all is not lost, several initiatives such as offering discounts to South African passport holders and opening up National Parks for free on selected days for South Africans are being implemented to make domestic tourism more appealing. Presented in this article is a summary of the Tourism and Migration Statistics for January 2017.

Number of travellers

The routine data collected by the Department of Home Affairs' (DHA) immigration officers at the ports of entry into South Africa show that a total of 3 815 402 travellers (arrivals, departures and transits) passed through South African ports of entry in January 2017 (**see Table L**). These travellers were made up of 995 727 South African residents and 2 819 675 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 601 521 arrivals, 393 508 departures and 698 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 559 295, 1 204 768 and 55 612 respectively. A comparison between the movements in January 2016 and January 2017 indicates that, for both South African residents and foreign travellers, the volume of arrivals increased. The volume of departures increased for South African residents but decreased for foreign travellers, while the volume of transits decreased for both groups of travellers.

For South African residents, the volume of arrivals increased by 2,9% (from 584 653 in January 2016 to 601 521 in January 2017), departures increased by 0,6% (from 391 185 in January 2016 to 393 508 in January 2017), and transits decreased by 15,8% (from 829 in January 2016 to 698 in January



2017). For foreign travellers, arrivals increased by less than 0,1% (from 1 558 854 in January 2016 to 1 559 295 in January 2017), departures decreased by 1,3% (from 1 220 540 in January 2016 to 1 204 768 in January 2017), and transits decreased by 4,6% (from 58 270 in January 2016 to 55 612 in January 2017).

In January 2017, 120 373 (7,7%) of foreign arrivals were classified as non-visitors while 1 438 922 (92,3%) were classified as visitors. The visitors were categorised into three groups:

- Arrivals only – comprising visitors who entered the country in January 2017 but did not depart in January 2017 [531 481 (36,9%)].
- Single trips – visitors who came to South Africa once in January 2017 and left in January 2017 [410 265 (28,5%)].
- Multiple trips – visitors who came to and left South Africa more than once in January 2017 [497 176 (34,6%)].

Visitors were further grouped as same-day visitors and overnight visitors (tourists). In January 2017, there were 398 388 (27,7%) same-day visitors and 1 040 534 (72,3%) tourists. Between January 2016 and January 2017, the volume of same-day visitors decreased by 7,1% (from 428 844 in January 2016 to 398 388 in January 2017) and that of tourists increased by 2,8% (from 1 012 641 in January 2016 to 1 040 534 in January 2017). Between December 2016 and January 2017, the volume of same-day visitors decreased by 21,5% (from 507 351 in December 2016 to 398 388 in January 2017), while tourists increased by 7,8% (from 965 107 in December 2016 to 1 040 534 in January 2017).

Mode of travel

In January 2017, road transport was the most common mode of travel used by 2 717 021 (71,2%) of the 3 815 402 travellers. The total number of travellers who used air transport was 1 069 913 (28,0%). Compared to use of air and land transport, a smaller number of travellers, 28 468 (0,7%), used sea transport. The arrivals data for South African residents show that 215 953 (35,9%) came by air, 380 781 (63,3%) came by road and 4 787 (0,8%) arrived by sea. For departures, 154 683 (39,3%) used air, 233 740 (59,4%) used road and 5 085 (1,3%) left by sea transport. All travellers in transit (698) used air transport.

In the case of foreign travellers, 311 833 (20,0%) arrived by air, 1 238 185 (79,4%) came by road and 9 277 (0,6%) arrived by sea. When departing



South Africa, 331 134 (27,5%) foreign travellers left by air, 864 315 (71,7%) left by road and 9 319 (0,8%) left by sea. All travellers in transit (55 612) used air transport.

Purpose of visit

In January 2017 the majority of tourists, 1 006 752 (96,8%), were in South Africa for holiday compared to 19 620 (1,9%) and 14 162 (1,4%) who were in South Africa for business and for study purposes, respectively.

The majority of African tourists, 770 130 (96,9%), came to South Africa for holiday. However, there were differences between tourists from the SADC countries and 'other' African countries:

- Whereas 758 292 (97,2%) of tourists from the SADC countries were on holiday, 11 838 (82,2%) of tourists from 'other' African countries came for the same purpose. Data on the regions of 'other' African countries show that tourists on holiday constituted 86,9% (6 174); 80,3% (1 086); and 77,0% (4 578) for West Africa, North Africa and East and Central Africa, respectively.
- Business persons constituted 5,1% (741) of tourists from 'other' African countries and 1,6% (12 822) from the SADC countries. North Africa had the highest proportion; 10,4% (140) of its tourists came to South Africa for business purposes.
- Students made up 12,7% (1 823) of tourists from 'other' African countries compared with 1,2% (9 161) from the SADC countries. East and Central Africa had the highest proportion; 17,3% (1 030) of its tourists came to South Africa for study purposes.

Sex and age distribution

In January 2017, there were 585 075 (56,2%) male and 455 459 (43,8%) female tourists. Overseas tourists were made up of 130 079 (53,1%) male tourists and 114 995 (46,9%) female tourists. There were 445 126 (57,0%) male and 335 149 (43,0%) female tourists from the SADC countries.

Tourists from 'other' African countries were made up of 9 396 (65,2%) male and 5 006 (34,8%) female tourists. The ages of the tourists were categorised into three broad groups: those younger than 15 years, 15–64 years, and 65 years and older. In 2017, 50 728 (4,9%) tourists were aged younger than 15 years; 926 578 (89,0%) were aged between 15 and 64 years; and 63 228 (6,1%) were aged 65 years and older.



Table L – Number of South African residents and foreign travellers by travel direction: January 2017

Travel direction	January 2016	December 2016	January 2017	% change between December 2016 and January 2017	% change between January 2016 and January 2017
Total	3 814 331	4 542 548	3 815 402	-16,0%	0,03%
South African residents	976 667	1 333 870	995 727	-25,4%	2,0%
Arrivals	584 653	566 635	601 521	6,2%	2,9%
Departures	391 185	766 332	393 508	-48,7%	0,6%
Transit	829	903	698	-22,7%	-15,8%
Foreign travellers	2 837 664	3 208 678	2 819 675	-12,1%	-0,6%
Arrivals	1 558 854	1 554 048	1 559 295	0,3%	0,03%
Departures	1 220 540	1 589 855	1 204 768	-24,2%	-1,3%
Transit	58 270	64 775	55 612	-14,1%	-4,6%
Foreign arrivals	1 558 854	1 554 048	1 559 295	0,3%	0,03%
Non-visitors	117 369	81 590	120 373	47,5%	2,6%
Visitors	1 441 485	1 472 458	1 438 922	-2,3%	-0,2%
Visitors	1 441 485	1 472 458	1 438 922	-2,3%	-0,2%
Arrivals only	497 274	357 103	531 481	48,8%	6,9%
Single trips	429 745	527 960	410 265	-22,3%	-4,5%
Multiple trips	514 466	587 395	497 176	-15,4%	-3,4%
Visitors	1 441 485	1 472 458	1 438 922	-2,3%	-0,2%
Same-day	428 844	507 351	398 388	-21,5%	-7,1%
Tourists	1 012 641	965 107	1 040 534	7,8%	2,8%

A full release on *Tourism and migration* (Statistical release P0351) is available on the Stats SA website: www.statssa.gov.za



Statistics of civil cases for debt

Total number of civil summonses issued for debt decreased

Some South Africans are too deep in debt that they do not know how to get out. Rising food and petrol prices, a weakened rand and rising interest rates have hit consumers' pockets causing them to enter into personal loan agreements to make ends meet. Furthermore, the recent downgrade of the country's economy to junk status by two rating firm, Fitch and Standard and Poor's Global, could make matters worse. This means that loans are likely to become more expensive, forcing consumers to pay more money for their mortgage, vehicles as well as clothing accounts, etc. If South Africans find themselves in extreme debt, it could affect the economy because economic growth stems from consumers' ability to spend. Presented in this article is a summary of the statistics on civil cases for debt for January 2017.

The total number of civil summonses issued for debt decreased by 5,4% in the three months ended January 2017 compared with the three months ended January 2016 (**see Table M**). The largest negative contributions to the 5,4% decrease were services (contributing -3,4 percentage points) and goods sold (contributing -1,6 percentage points).

The total number of civil judgements recorded for debt decreased by 13,6% in the three months ended January 2017 compared with the three months ended January 2016. The largest contributions to the 13,6% decrease were civil judgements relating to:

- services (contributing -5,5 percentage points);
- 'other' debts (contributing -5,0 percentage points); and
- goods sold (contributing -1,5 percentage points).

The total value of civil judgements recorded for debt decreased by 10,5% in the three months ended January 2017 compared with the three months ended January 2016. The largest negative contributions to the 10,5% decrease were the value of judgements relating to:

- 'other' debts (contributing -7,7 percentage points);
- services (contributing -2,4 percentage points); and
- promissory notes (contributing -2,3 percentage points).

In January 2017, 15 206 civil judgements for debt amounting to R233,8 million were recorded. The largest contributors to the total value of judgements were:



- money lent (R71,2 million or 30,5%);
- 'other' debts (R50,0 million or 21,4%); and
- services (R47,2 million or 20,2%).

Table M – Key figures for civil summonses and judgements for January 2017

Actual estimates	January 2017	% change between January 2016 and January 2017	% change between November 2015 to January 2016 and November 2016 to January 2017
Number of civil summonses issued for debt	41 122	-5,5	-5,4
Number of civil judgements recorded for debt	15 206	-21,5	-13,6
Value of civil judgements recorded for debt (R million)	233,8	-15,5	-10,5

A full release on *Statistics of civil cases for debt* (Statistical release P0041) is available on the Stats SA website: www.statssa.gov.za

Statistics of liquidations and insolvencies

Total number of liquidations and insolvencies decreases

In trying to ensure best practices by companies, the government has put in place legislation that regulates reckless trading such as trading in insolvent circumstances as per the new Companies Act, 2008 (Act No. 71 of 2008). The company is said to be trading recklessly if it does not operate in good faith. According to the new Companies Act, 2008 (Act No. 71 of 2008), directors need to keep watch on the financial status of their companies. This includes being aware of the circumstances of the company as well as seeking legal or financial advice in the case where the company is unable to meet its liabilities; and placing the company into liquidation or to cease trading, where necessary. This is to avoid the situation where the company ends up trading in insolvent circumstances. Trading under insolvent circumstances means that a company does not meet its creditworthiness. In terms of the solvency and liquidity test, solvency relates to the assets of the company that, when fairly valued, are equal to or exceed the liabilities of the company, while liquidity relates to the company's being able to pay its debts as they are due in the course of business for a period of 12 months. According to the Act, action will be taken against any company that continues to carry on its business with the intent to trade under insolvent



circumstances. Presented in this article is a summary of the statistics of liquidations and insolvencies for February 2017.

The total number of liquidations decreased by 24,4% (47 fewer liquidations) year-on-year in February 2017 (**see Table N**). Voluntary liquidations decreased by 47 cases while compulsory liquidations remained unchanged during this period.

The largest year-on-year decreases in total liquidations in February 2017 related to businesses in the following industries:

- financing, insurance, real estate and business services (38 fewer liquidations, from 81 to 43);
- trade, catering and accommodation (16 fewer liquidations, from 39 to 23); and
- community, social and personal services (14 fewer liquidations, from 31 to 17).

There was a decrease of 27,7% in the first two months of 2017 compared with the first two months of 2016.

Table N – Total number of liquidations for February 2017

Number of liquidations February 2017	% change between February 2016 and February 2017	% change between December 2015 to February 2016 and December 2016 to February 2017	% change between January to February 2016 and January to February 2017
146	-24,4	-19,5	-27,7

A full release on *Statistics of liquidations and insolvencies* (Statistical release P0043) is available on the Stats SA website: www.statssa.gov.za

The estimated number of insolvencies decreased by 13,3% year-on-year in January 2017 (**see Table O**). A 12,6% decrease was estimated in the three months ended January 2017 compared with the three months ended January 2016.


Table O – Total number of insolvencies for January 2017

Number of insolvencies January 2017	% change between January 2016 and January 2017	% change between November 2015 to January 2016 and November 2016 to January 2017
156	-13,3	-12,6

A full release on *Statistics of liquidations and insolvencies* (Statistical release P0043) is available on the Stats SA website: www.statssa.gov.za

Land transport survey

Volume of goods transported increases while passenger journeys decrease

Due to recent outcries with regard to passengers safety when using taxis, such as passengers falling victim to rape and/or robbery by taxi drivers involved in a syndicate targeting vulnerable passengers, a new taxi models and applications (apps) have been developed to assist passengers to determine if the taxis they are using are safe or not. These apps are used for taxis that have been approved as safe after which they will be given a QR code (a machine-readable code consisting of an array of black and white squares, typically used for storing URLs or other information for reading by the camera on a smartphone) which will be detected by passengers when they call a cab using this app. If the taxi does not have a QR code, the passenger will receive an alert on their phone informing them that the taxi has not been approved as safe to ride. Added to this, thorough background checks on anyone who applies to be a driver are conducted to ensure that the taxi driver was not convicted of crime before. Presented in this article is a summary of the retail trade sales statistics for Land transport survey for January 2017.

The volume of goods transported (payload) increased by 15,0% in January 2017 compared with January 2016 (**see Table P**). The corresponding income increased by 19,6% over the same period. Income from freight transportation increased by 13,6% in the three months ended January 2017 compared with the three months ended January 2016.

The main contributors to this increase were:

- primary mining and quarrying products (27,7%, contributing 9,1 percentage points); and



- manufactured food, beverages and tobacco products (23,4%, contributing 3,2 percentage points).

Table P – Year-on-year percentage change in freight transportation: January 2017

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Freight payload	8,8	3,2	1,7	5,5	4,8	15,0
Freight income	12,2	6,7	6,4	9,3	12,7	19,6

A full release on the *Land transport survey* (Statistical release P7162) is available on the Stats SA website: www.statssa.gov.za

The number of passenger journeys decreased by 7,2% in January 2017 compared with January 2016 (see **Table Q**). The corresponding income increased by 3,5% over the same period.

Table Q – Year-on-year percentage change in passenger transportation: January 2017

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Passenger journeys	-14,9	-5,7	-12,8	-10,1	-3,5	-7,2
Passenger income	-1,1	1,5	-3,4	0,3	-0,9	3,5

A full release on the *Land transport survey* (Statistical release P7162) is available on the Stats SA website: www.statssa.gov.za



Prices

Producer price index (PPI)

Headline PPI at 5,6% in February 2017

As a result of higher rainfall in South Africa, dam levels have risen with most reaching levels of 100% or more and planting conditions have become better. This has also eased the pressure on farmers as some of them no longer need to pay higher electricity bills from pumping water from local rivers to irrigate their crops and they are not limited to water allocations system which dictates the times they can irrigate their crops. This relief could have a positive effect on the agricultural sector as it can result in a decrease in food prices. If this happens, it will also affect the producer price index (PPI) as food, beverages and tobacco products are one of the main drivers of the increase in the PPI rate. Presented in this article is a summary of the producer price index statistics for February 2017.

Final manufactured goods – headline PPI

The annual percentage change in the PPI for final manufactured goods was 5,6% in February 2017 (compared with 5,9% in January 2017) (**see Table R**). From January 2017 to February 2017 the PPI for final manufactured goods increased by 0,6%. The main contributors to the annual rate of 5,6 % were food products, beverages and tobacco products (2,8 percentage points) and coke, petroleum, chemical, rubber and plastic products (1,9 percentage points). The main contributor to the monthly increase of 0,6% was coke, petroleum, chemical, rubber and plastic products (0,4 of a percentage point).

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 7,0% in February 2017 (compared with 6,7% in January 2017) (**see Table R**). From January 2017 to February 2017 the PPI for intermediate manufactured goods increased by 0,7%. The main contributors to the annual rate of 7,0% were chemicals, rubber and plastic products (2,7 percentage points), sawmilling and wood (1,7 percentage points), basic and fabricated metals (1,7 percentage points) and recycling and manufacturing n.e.c. (1,0 percentage point). The main contributors to the monthly increase



of 0,7% were basic and fabricated metals (0,5 of a percentage point) and sawmilling and wood (0,3 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 9,3% in February 2017 (compared with 10,0% in January 2017) (**see Table R**). From January 2017 to February 2017 the PPI for electricity and water increased by 0,8%. The contributors to the annual rate of 9,3% were electricity (7,6 percentage points) and water (1,6 percentage points). The contributor to the monthly increase of 0,8% was electricity (0,8 of a percentage point).

Mining

The annual percentage change in the PPI for mining was 12,2% in February 2017 (compared with 10,7% in January 2017) (**see Table R**). From January 2017 to February 2017 the PPI for mining increased by 3,3%. The main contributors to the annual rate of 12,2% were non-ferrous metal ores (4,5 percentage points), coal and gas (2,8 percentage points) and gold and other metal ores (2,1 percentage points). The main contributors to the monthly increase of 3,3% were stone quarrying, clay and diamonds (2,7 percentage points) and gold and other metal ores (0,7 of a percentage point).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was -3,2% in February 2017 (compared with -2,9% in January 2017) (**see Table R**). From January 2017 to February 2017 the PPI for agriculture, forestry and fishing increased by 1,2%. The main contributor to the annual rate of -3,2% was agriculture (-4,1 percentage points). The main contributor to the monthly increase of 1,2% was agriculture (1,5 percentage points).


Table R – Key PPI figures for February 2017

Product	Weight	Index (2012=100)			% change	
		February 2016	January 2017	February 2017	February 2017 vs. January 2017	February 2016 vs. February 2017
Final manufactured goods	100,00	95,6	100,4	101,0	0,6	5,6
Intermediate manufactured goods	100,00	95,4	101,4	102,1	0,7	7,0
Electricity and water	100,00	93,7	101,6	102,4	0,8	9,3
Mining	100,00	96,2	104,5	107,9	3,3	12,2
Agriculture, forestry and fishing	100,00	101,3	96,9	98,1	1,2	-3,2

A full release on the *Producer price index* (Statistical release P0142.1) is available on the Stats SA website: www.statssa.gov.za

Consumer price index (CPI)

Headline CPI at 6,3% in February 2017

Standard & Poor's Global recently lowered South Africa's sovereign credit rating to BB+ or junk status. What does this mean and how does it affect South Africa's inflation? Government has two major sources of funding: they can collect money either through tax, or they can borrow money from investors. This money is used to fund various activities such as infrastructure development, grants, education, etc. So when there is a downgrade to junk status, investors will require more in terms of interest on the money they have lent to the government, increasing South Africa's debt-servicing costs. This will mean that taxes, interest rates and inflation will increase, thus increasing the monthly cost on things like home loans and vehicle finance repayments. Furthermore, the rand might lose further ground against international currencies, which would increase the price that is paid to import foreign goods into South Africa. Presented in this article is a summary of the consumer price index statistics for February 2017.



Headline consumer price index (CPI for all urban areas)

Annual consumer price inflation was 6,3% in February 2017, down from 6,6% in January 2017 (**see Table S**). The consumer price index increased by 1,1% month-on-month in February 2017.

The following contributed to the headline annual consumer price inflation:

- Food and non-alcoholic beverages decreased from 1,9 percentage points in January to 1,7 percentage points in February 2017. The index increased by 9,9% year-on-year.
- Household contents and services decreased from 0,2 of a percentage point in January to 0,1 of a percentage point in February. The index increased by 3,4% year-on-year.

The following contributed to the headline monthly consumer price inflation:

- Food and non-alcoholic beverages contributed 0,1 of a percentage point in February. The index increased by 0,7% month-on-month.
- Health contributed 0,1 of a percentage point in February. The index increased by 3,8% month-on-month.
- Transport contributed 0,1 of a percentage point in February, mainly due to a 29c/l increase in the price of petrol. The index increased by 0,9% month-on-month.
- Miscellaneous goods and services contributed 0,7 of a percentage point in February, mainly due to a 9,8% increase in health insurance. The index increased by 5,0% month-on-month.

In February the CPI for goods increased by 7,1% year-on-year (down from 7,6% in January), and the CPI for services increased by 5,6% year-on-year (down from 5,7% in January).

Provincial annual inflation rates ranged from 5,1% in Northern Cape to 7,3% in Western Cape.



Table S – Consumer price index: Index numbers and year-on-year rates
Base year: Feb 2012 = 100

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg ^{1/}
2010	Index	86,4	87,0	87,7	87,8	88,0	88,0	88,6	88,6	88,7	88,9	89,0	89,2	88,2
	Rate	6,2	5,7	5,1	4,8	4,6	4,2	3,7	3,5	3,2	3,4	3,6	3,5	4,3
2011	Index	89,6	90,2	91,3	91,6	92,0	92,4	93,2	93,4	93,8	94,2	94,5	94,6	92,6
	Rate	3,7	3,7	4,1	4,2	4,5	5,0	5,3	5,3	5,7	6,0	6,1	6,1	5,0
2012	Index	95,2	95,7	96,8	97,2	97,2	97,5	97,8	98,0	98,9	99,5	99,8	100,0	97,8
	Rate	6,3	6,1	6,0	6,1	5,7	5,5	4,9	5,0	5,5	5,6	5,6	5,7	5,6
2013	Index	100,3	101,3	102,5	102,9	102,6	102,9	104,0	104,3	104,8	105,0	105,1	105,4	103,4
	Rate	5,4	5,9	5,9	5,9	5,6	5,5	6,3	6,4	6,0	5,5	5,3	5,4	5,7
2014	Index	106,1	107,3	108,7	109,2	109,4	109,7	110,6	111,0	111,0	111,2	111,2	111,0	109,7
	Rate	5,8	5,9	6,0	6,1	6,6	6,6	6,3	6,4	5,9	5,9	5,8	5,3	6,1
2015	Index	110,8	111,5	113,1	114,1	114,4	114,9	116,1	116,1	116,1	116,4	116,5	116,8	114,7
	Rate	4,4	3,9	4,0	4,5	4,6	4,7	5,0	4,6	4,6	4,7	4,8	5,2	4,6
2016	Index	117,7	119,3	120,2	121,2	121,4	122,1	123,1	123,0	123,2	123,8	124,2	124,7	122,0
	Rate	6,2	7,0	6,3	6,2	6,1	6,3	6,0	5,9	6,1	6,4	6,6	6,8	6,4
2017	index	100,6	101,7											
	Rate	6,6	6,3											

^{1/} Annual average.

A full release on the *Consumer price index* (Statistical release P0141) is available on the Stats SA website: www.statssa.gov.za



Glossary

Primary industries

Gigawatt-hour (gWh): one gigawatt-hour of electricity is equal to one million kilowatt-hours. A kilowatt-hour is the basic unit of electrical energy equal to one kilowatt of power supplied to or taken from an electric circuit steadily for one hour. One kilowatt-hour equals one thousand watt-hours.

Index of physical volume of manufacturing production: also known as a production index, is a statistical measure of the change in the volume of production. The production index of a major group is the ratio between the volume of production of a major group in a given period and the volume of production of the same major group in the base period.

Index of physical volume of mining production: a statistical measure of the change in the volume of production. The production index of a mineral group is the ratio between the volume of production of a mineral group in a given period and the volume of production of the same mineral group in the base period.

Index of the physical volume of electricity production: a statistical measure of the change in the volume of production of electricity in a given period and the volume of production of electricity in the base period.

Industry: a group of establishments engaged in the same or similar kinds of economic activity.

PGMs – Platinum group metals: include platinum; iridium; osmiridium, palladium; rhodium; ruthenium and osmium.

Sales: total value of sales and transfers-out of goods mined by the mining establishments and the amounts received for installation, erection or assembly or other services.

Secondary industries

Additions and alterations: extensions to existing buildings as well as internal and external alterations of existing buildings.



Blocks of flats: a structure, usually multi-storey, consisting of a number of dwellings sharing the same residential address, and usually sharing a common entrance, foyer or staircase.

Dwelling houses: a free-standing, complete structure on a separate stand or a self-contained dwelling-unit, e.g. granny flat, on the same premises as existing residence. Out-buildings and garages are included.

Other residential buildings: include institutions for the disabled, boarding houses, old age homes, hostels, hotel, motels, guest houses, holiday chalets, bed and breakfast accommodation, entertainment centres and casinos.

Residential buildings: dwelling houses, flats, townhouses and other residential buildings.

Tertiary industries

Acknowledgements of debt: a statement by a person/debtor in which he admits that he owes money to an individual or a company or a bank.

Average income per stay unit night sold: average rate per stay unit (i.e. rate per room in a hotel or powered site in a caravan park) is calculated by dividing the total income from accommodation by the number of stay unit nights sold in the survey period.

Catering services: enterprises involved in the sale and supply of meals and drinks prepared on the premises on a contract basis and brought to other premises chosen by the person ordering them, to be served for immediate consumption to guests or customers. Include bars, taverns, other drinking places, ice-cream parlours, etc.

Civil judgements: decisions taken in a civil matter or a dispute between two people or parties.

Civil summonses: notices to appear before the court of law where a dispute between two parties or people has to be heard, i.e. not for criminal offence.



Enterprise: a legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its sales activities.

Foreign traveller: a person who resides outside South Africa and visits the country temporarily.

Income from accommodation industry: income from amounts charged for rooms or equivalent. Other income is excluded (e.g. income from meals).

Income from bar sales: refers to income from liquor sales.

Income from food sales: refers to income from the sale of meals and non-alcoholic drinks.

Income from restaurant and bar sales: income from meals, banqueting and beverages and tobacco sales.

Insolvency: refers to an individual or partnership which is unable to pay its debt and is placed under final sequestration. The number of insolvencies does not refer to the number of persons involved, as a partnership which is unable to pay its debt is regarded as one insolvency, irrespective of the number of partners.

Liquidation: refers to the winding-up of the affairs of a company or close corporation when liabilities exceed assets and it can be resolved by voluntary action or by an order of the court.

Microdata: data gathered on a small scale, such as data on an individual.

'Other' African countries: refers to all non SADC African countries.

Other income: includes all income not earned from food sales or bar sales.

Other SADC: refers to the thirteen countries, excluding South Africa, that belong to the Southern African Development Community.

Professional services: refer to medical doctors, dentists, advocates, attorney, auditors, accountants, architects, engineers, hospital services etc.



Promissory notes: written undertaking, signed by a person or party, to pay money to another person or to be the bearer of such a note on a specific date or on demand.

Restaurants and coffee shops: enterprises involved in the sale and provision of meals and drinks, ordered from a menu, prepared on the premises for immediate consumption and with provided seating.

Retailer: a retailer is an enterprise deriving more than 50% of its turnover from sales of goods to the general public for household use.

Retail trade: includes the resale (sale without transformation) of new and used goods and products to the general public for household use.

Stay unit: unit accommodation available to be charged out to guests, for example, a powered site in a caravan park or a room in a hotel.

Stay unit night sold: total number of stay units occupied on each night during the survey period.

Takeaway and fast-food outlets: enterprises involved in the sale and provision of meals and drinks, ordered from a menu, prepared on the premises for takeaway purposes in a packaged format, at a stand or in a location, with or without provided seating.

Total income: includes income from food sales, income from bar sales and other income.

Tourism: comprises the activities of persons travelling to, and staying in places outside their usual environment, for not more than one consecutive year, for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.

Tourist: a visitor who stays at least one night in the place visited.

Traveller: any person on a trip between two or more countries or between two or more localities within his/her country of residence.

Voluntary liquidation: takes place when a company or close corporation, by own choice, resolves to wind-up its affairs.



Wholesale trade: Includes the resale (sale without transformation) of new and used goods and products to other wholesalers, retailers, agricultural, industrial, commercial, institutional and professional users either directly or through agents on a fee or contract basis.

Prices

Annual percentage change: change in the index of the relevant month of the current year compared with the index of the same month in the previous year expressed as a percentage.

Consumer price index (CPI): an index that measures the price of a fixed basket of consumer goods and services.

Inflation rate: annual percentage change in the CPI for all items of the relevant month of the current year compared with the CPI for all items of the same month in the previous year expressed as a percentage.

Monthly percentage change: change in the index of the relevant month compared to the index of the previous month expressed as a percentage.

Year-on-year: A term used frequently in investment research and other reports to mean 'compared with the same period in the previous fiscal year'.



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