

Mbalo Brief



the missing piece of the puzzle

June 2017



Issue 05/2017

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



STATS SA
STATISTICS SOUTH AFRICA





Statistics South Africa
Private Bag X44
Pretoria 0001
South Africa

ISlballo House, 75 Koch street, Salvokop
Pretoria 0002

User information services: (012) 310 8600
Fax: (012) 310 8500
Main switchboard: (012) 310 8911
Fax: (012) 321 7381

Website: www.statssa.gov.za
Email: info@statssa.gov.za





Editor's comment

In this month of June, South Africans commemorate the 1976 June 16 uprising when more than 15 000 students in Soweto took to the streets to march against the Bantu education policies. Every year, June 16 is National Youth Day and is declared a public holiday. Although the youth of 1976 fought against unequal education and language amongst other issues, the youth of today are faced with a different crisis, that of unemployment. According to the Quarterly Labour Force Survey (QLFS) of Statistics South Africa (Stats SA), released on 01 June 2017, the unemployment rate in South Africa has increased to 27,7% in the first quarter of 2017, which is the highest increase observed since 2003. Youth unemployment contributed 38,6% to the unemployment rate. However, South Africa is not the only country with such a high rate of youth unemployment; the Group of Twenty (G20) countries such as France, Canada and Brazil are faced with the same crisis. The G20 will be hosting the 2017 Summit on 07 and 08 July in Germany and at this twelfth summit, they will be discussing ways to address this pressing socioeconomic crisis, namely youth unemployment.

In this month's issue of *Mbalo Brief*, our educational article is based on the Community Survey 2016 with a focus on the state of basic service delivery in South Africa. Also have a look at our monthly crossword puzzle and solutions for the May 2017 puzzle.

Articles published in this issue are based on results of industry surveys conducted for the months ranging from March to April 2017, such as manufacturing, and the wholesale trade.

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



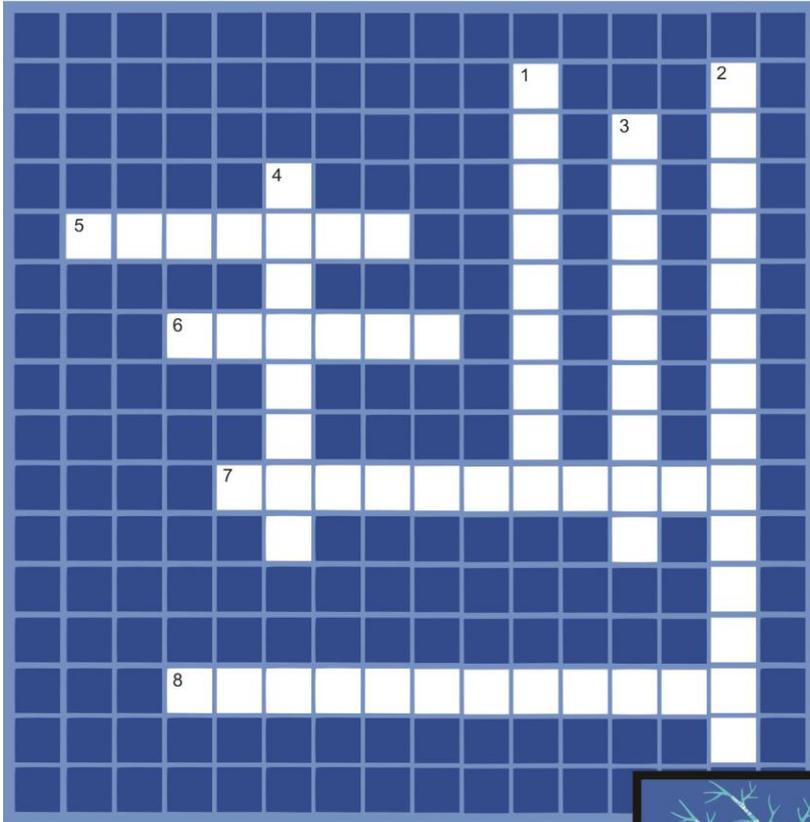


CONTENTS

- Editor’s comment**i
- Crossword puzzle**.....iii
- Educational article on the state of basic services**1
- Primary industries**10
 - Mining: Production and sales10
- Secondary industries**12
 - Manufacturing: Production and sales.....12
 - Selected building statistics of the private sector13
 - Electricity generated and available for distribution14
- Tertiary industries**16
 - Wholesale trade sales16
 - Retail trade sales17
 - Motor trade sales18
 - Food and beverages19
 - Tourist accommodation20
 - Tourism and migration21
 - Statistics of civil cases for debt25
 - Statistics of liquidations and insolvencies27
 - Land transport survey28
- Prices**30
 - Producer price index (PPI) 30
 - Consumer price index (CPI) 32
- Glossary**... 35



Crossword puzzle





Across

5. In which province would you find Makhuduthamaga municipality?
6. Which type of tourist accommodation has contributed 4,9% to the 5,9% in the first quarter of 2017? Read Tourist accommodation article for clue.
7. Name the province with the highest household backlog in access to piped water by province and local municipality.
8. Who is the new South African Minister of Finance

Down

1. What is the term that refers to the contamination of air, water, or soil by substances that are harmful to living organisms? Read mining article for clue.
2. What was celebrated on 05 June 2017 internationally?
3. South Africa's economy is currently in a ... recession. Fill in the missing word.
4. What is the name of the public holiday on 16 June?

Solutions for May 2017 Puzzle

Across

3. North West
4. Workers day
5. Baxter
6. Coal
7. Retail
8. Mining

Down

1. OR Tambo
2. Decreased





Educational article: The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016

Introduction

The South African Constitution states that municipalities have the responsibility to ensure that all citizens are provided with services in a sustainable manner to satisfy their basic needs. Municipalities can use a variety of ways to ensure that services are delivered to the community. One way in which municipalities can deliver services to people is through own infrastructure and human resources. Some municipalities outsource some of their municipal services such as water and sanitation services, refuse collection and disposal. In other words, the municipality may choose to hire a company to deliver the services to its communities in order to fulfil its mandate and monitor that those services are delivered properly. Basic services have an effect on the quality of the lives of the people in communities. For instance, if the provision of water is of poor quality or there is refuse disposal failure, this will contribute to the creation of an unhealthy living environment.

This educational article will highlight the findings from *The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016 data* report (Report No. 03-01-22), which was published on 30 March 2017. The report was compiled based on the data derived from the Community Survey 2016 which was conducted from 7 March to 22 April 2016. The article covers issues regarding basic services, such as access to these services, interruptions, and the community's perception of water, sanitation, electricity and refuse removal.

Background to the municipalities categories

The Municipal Infrastructure Investment Framework (MIIF) classifies local municipalities into four subcategories, namely B1, B2, B3 and B4. The B1 category comprises secondary cities and local municipalities with the largest budgets; the B2 category refers to local municipalities with a large town as its core; the B3 category defines local municipalities with small towns, with relatively small populations and significant proportions of urban population but with no large town at its core. The B4 category is made up of local





municipalities which are mainly rural with communal tenure and with, at most, one or two small towns in their area. In addition, the MIIF classifies district municipalities into two categories, namely C1, which refers to district municipalities that are not water services authorities, and C2, which defines district municipalities that are water services authorities.

Water services

Households using different main sources of drinking water by province

During Community Survey (CS) 2016, approximately nine-tenths (89,8%) of households in South Africa used piped water as their main source of drinking water. Three-quarters of households had piped water inside the dwelling (44,4%) or inside their yards (30%), while 1,9% accessed water from a neighbour's tap and 4,5% accessed it from a communal tap. However, 4,3% of households still relied on water from unsafe sources such as rivers, streams, wells or springs. The households that have access to piped water as their main source of water was highest in Western Cape (99%), Gauteng (97,4%), followed by Free State (96,2%), Eastern Cape (75,1%) and Limpopo (79,9%). At least 17,9% of households in Eastern Cape, 7,6% households in KwaZulu-Natal and 6,7% of households in Limpopo still relied on unsafe sources of water.

Household access to drinking water, 2011 and 2016

In 2016, the percentage of households that had access to water inside their dwellings decreased to 44,4% from 46,3% in 2011, while water access in the yard increased from 27,1% in 2011 to 30,0% in 2016. The percentage of households without access to piped water increased to 10,1% in 2016 from 8,8% in 2011.

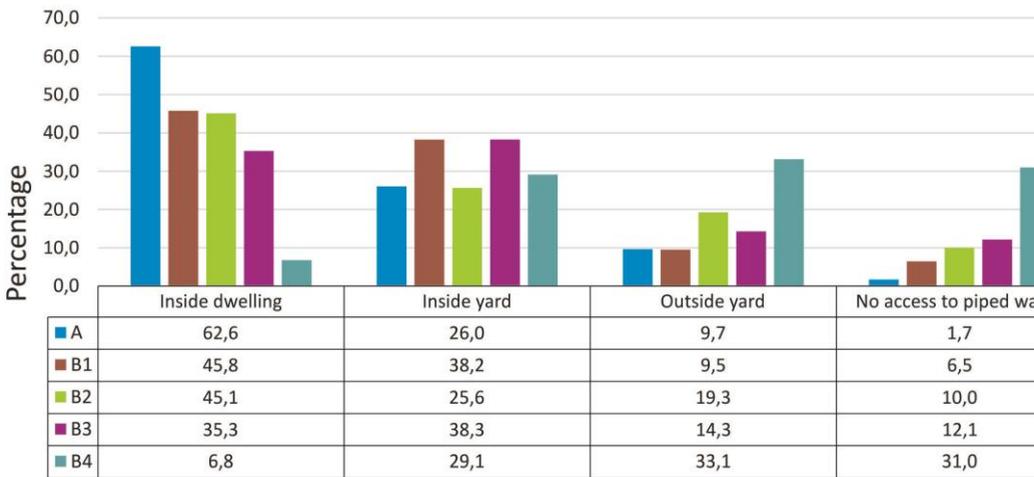
The percentage of households with access to water inside the dwelling was 62,6% for category A municipalities and 6,8% for rural B4 municipalities. Contrary, the percentage of households without access to piped water was 1,7% for households in category A municipalities and 31% of households in rural B4 municipalities.



Household backlog in access to piped water by province and local municipality

In 2016, 1,7 million households (8,8% of all households) in the country did not have access to piped water. The highest backlog was recorded for Eastern Cape (24,9%), Limpopo (20%), KwaZulu-Natal (14,6%) and North West (13,9%), while the lowest backlog was registered in Western Cape (1%).

Figure 1: Household access to drinking water by municipal category, 2016



Water supply

Main provider of household drinking water by province

Nationally, 88,9% of households received their water from either a municipality or from another water scheme such as a community water supply (83,5% and 5,4%, respectively). In 2016, at national level, 4,7% of households relied on streams, rivers or rain water as a source for drinking water, with the highest percentage of households recorded for Eastern Cape with 22,5%.



Reliability of water services

Percentage of households that experienced water interruptions during the previous three months by local municipality

A total of 23,4% of households in South Africa experienced some water interruptions in the three months before the Community Survey 2016. The highest interruptions were most common in the The Big Five False Bay (85,1%), Modimolle (79,5%) and Mohokare (78,4%), and least common in Baviaans and Emthanjeni (both 1,5% each) and Hantam (1,6%) local municipalities. For metropolitan municipalities, the percentage of households that reported interruptions were located in the City of Cape Town (7,4%) and in the City of eThekweni (20%).

Percentage of households that experienced water interruptions that lasted longer than two consecutive days during the previous three months by province and municipal category

In 2016, a total of 61,9% of households in South Africa experienced water interruptions that lasted for more than two consecutive days during the previous three months. Although less than 6% of households experienced such prolonged interruptions in three municipalities (Baviaans, Siyathemba, Camdeboo), more than 90% of households experienced such interruptions in Karoo Hoogland (100%), Tokologo (93,1%), Magareng (90,7%), Thulamela (90,6%) and the The Big Five False Bay (90,1%). Between 80% and 90% of households experienced prolonged interruptions in 47 municipalities, while 70% to 80% of households in 52 municipalities reported similar interruptions. Households in metropolitan municipalities were less likely to experience long interruptions than households in particularly B4 municipalities (B4 category is made up of local municipalities that are mainly rural with communal tenure and with one or two towns in their area).

Residents' perception of water services

Almost nine-tenths (89,9%) of households in South Africa used piped water as their primary source of drinking water. In a question that was limited to households that received piped water from municipalities, about 59,0% of households in South Africa expressed their overall satisfaction with the overall quality of water services they received. The reported level of satisfaction was highest in local municipalities such as Kgatelopele (89,6%), Swartland (89,2%), Bitou (88,6%), Lesedi (86,8%), and Tswelopele (86,7%)



and Karoo Hoogland (86,7%).

On the other hand, very few households were satisfied with water services in Ngquza Hill (9,9%), Port St Johns (13,8%) and Mtubatuba (16,8%). The majority of households rated the service as 'poor' in Ngquza Hill (70,2%), Port St Johns (62,4%), Mtubatuba (58,3%) and Jozini (56,1%), to name a few.

Sanitation services

Access to sanitation

In 2016, 63,3% of households in South Africa used flush toilets connected to either a public sewerage or a local septic system. A further 12,2% of households used pit toilets with ventilation pipes, while 0,3% mainly used ecological and urine diversion toilets. The proportion of households using pit toilets without ventilation pipes was at 13,7%, while 2,2% of households used bucket toilets and 2,4% had no access to sanitation.

While flush toilets were quite common in Western Cape (93,4%) and Gauteng (86,3%), they were much less common in Limpopo (23,6%), Mpumalanga (45,7%), Eastern Cape (46,7%), KwaZulu-Natal (46,8%) and North West (47,7%). Pit latrines without ventilation pipes were most common in Limpopo (39,8%), Mpumalanga (28,8%) and North West (28,2%).

No access to sanitation services

The percentage of households that lacked sanitation increased as municipalities became more rural. Lack of sanitation was most common in Intsika Yethu and Mbhashe (21,1% each), Engcobo (20,3%), Great Kei (20,2%) and Port St Johns (19,7%). Less than one per cent of households who lacked access to sanitation were recorded in urban provinces such as Gauteng (0,5%) and Western Cape (0,9%), whereas more than five per cent of households were concentrated in the largely rural provinces of Eastern Cape (5,9%) and Northern Cape (5,5%).



Efficiency of sanitation services

Percentage of households whose main toilet facility is located in the dwelling, by local municipality

The highest prevalence of toilet facilities in the dwelling was reported in Hessequa (91,4%), Oudtshoorn (89,3%), Swellendam (87,8%), Kannaland and Langeberg (both 86,3%) in Western Cape, while the lowest proportions were reported in Ntabankulu (0,7%), Mhlontlo (0,7%), Nyandeni (1,6%) in Western Cape, and Aganang (1,7%) in Limpopo.

Residents' perception of sanitation services by province and municipal category

About 60,7% of households rated the sanitation services they used as 'good'. Households in Western Cape (75,0%) and Gauteng (70,2%) were most positive about the quality of the service they received, while more than half of the households in KwaZulu-Natal (51,8%), Eastern Cape (51,3%), North West (51,2%), Limpopo (50,6%) and Mpumalanga (50,3%) considered the quality of sanitation services as appropriate. While more than two-thirds (66,8%) of households in metropolitan municipalities rated the quality of sanitation services positively, only 46,0% did so in rural B4 municipalities. Inversely, 23,9% of households that rated the service as 'poor' resided in B4 municipalities compared to 13% residing in metros.

Solid waste removal services

Access to refuse removal services

Nationally, household waste was removed once per week or less regularly for 63,9% of all households. Refuse collection was most common in Western Cape (89,9%) and Gauteng (86,7%), and least common in Limpopo (23,3%), Mpumalanga (42,7%) and Eastern Cape (43,5%). Almost one-third (30,1%) of households lacked refuse facilities in 2016. The use of own refuse dumps, or not having any refuse disposal facilities was highest in Limpopo (71,8%), Mpumalanga (50,5%), Eastern Cape (50,3%) and KwaZulu-Natal (42,9%). The use of communal containers or central collection points was highest in Western Cape (4,5%).



Households' perception of refuse removal services

The highest level of satisfaction for refuse removal was reported for households in Swartland (93,3%), Laingsburg (92,9%) in Western Cape, and Karoo Hoogland (92,7%) and Kareeberg (92,2%) in Northern Cape. Only 8,6% of households in Ngquza Hill and 9,6% of households in Port St Johns in Eastern Cape rated the service they received as 'good'. Almost two-thirds (64,2%) of households in Ngquza Hill rated the service as 'poor', followed by Dikgatlong (61,8%) in Northern Cape, Thembisile Hani (61,1%) in Mpumalanga, Port St Johns (59,1%), Mtubatuba (55,3%) in KwaZulu-Natal, Makhuduthamaga (54,5%) in Limpopo, Umhlabuyalingana (51,4%) and Nongoma (50,9%) municipalities in KwaZulu-Natal.

Electricity services

Access to electricity

Percentage of households with access to electricity by province

About 87,6% of households reportedly had access to electricity in 2016. The highest level of access was measured in Western Cape (92,7%), followed by Free State (91,9%), Limpopo (91,4%), Eastern Cape (84,3%), Gauteng (85,6%) and KwaZulu-Natal (85,6%).

Percentage of households with access to electricity by municipal category

Access to electricity was higher in households residing in category A municipalities (a category A municipality is a metropolitan municipality) (88,7%), followed by secondary cities or category B1 municipalities (88,6%) and 85,7% in rural (B4) municipalities.

The CS 2016 findings indicate that only 18,5% of households in Umhlabuyalingana local municipality had access to electricity. The lowest number of households with access to electricity were recorded in Jozini (41,6%), Ntabankulu (52,8%), Maphumulo (57,0%), Emadlangeni (57,2%) and Msinga (57,3%) local municipalities. Almost all households in Aganang (98,9%), Ba-Phalaborwa (98,6%), Camdeboo, Dr JS Maroka, and Swartland (98,4% each) had access to electricity.

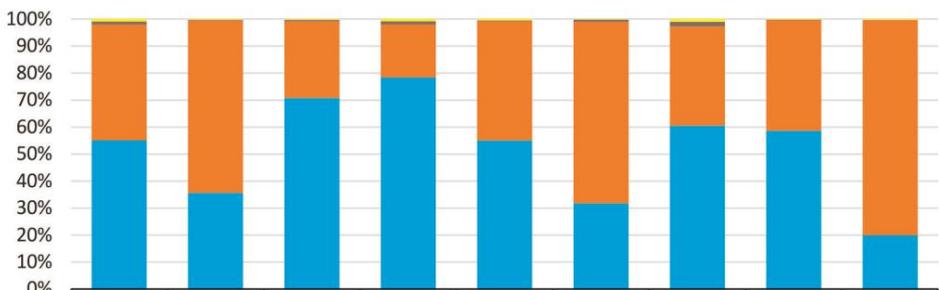


Main supplier of electricity by local municipality and province

In general, the municipalities provided services to the majority of households in Free State (78,4%), Northern Cape (70,7%), Gauteng (60,5%) and Mpumalanga (58,7%), while Eskom was particularly active in rural provinces such as Limpopo (79,7%), North West (67,3%) and Eastern Cape (63,7%).

In 2016, a higher percentage of households received their electricity directly from Eskom in rural municipalities such as Dannhauser and Mier (100% each), and Fetakgomo (98,7%). Local municipalities were almost exclusively responsible to provide electricity to households in municipalities such as Ngwathe (99,5%), Nxuba (97,6%), Oudtshoorn (97,5%) and Modimolle (96,9%).

Figure 2: Main supplier of electricity by province, 2016



	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
Do not know	0,9	0,3	0,3	0,8	0,5	0,2	1,0	0,2	0,3
Other supplier	1,1	0,3	0,5	1,2	0,3	0,8	1,7	0,2	0,1
Eskom	42,9	63,7	28,4	19,6	44,1	67,3	36,8	41,0	79,7
Municipality	55,1	35,6	70,7	78,4	55,0	31,7	60,5	58,7	19,9

Reliability of electricity services

Nationally, 16,9% of households reported that they had experienced an electricity interruption during the three months before the survey. Two-thirds of households in Modimolle municipality (66,6%) reported the highest electricity interruptions, followed by The Big Five False Bay (59,5%), Ventersdorp (50,6%), Great Kei (49,7%) and Inkwanca (46,8%)





municipalities. Electricity interruptions were least common in Hantam (0,8%), Kareeberg (1,3%), Siyathemba (1,4%), Mier (1,6%) and Tshwelopele and Molemole (both 2,5% each) municipalities.

Conclusion

The total percentage of households that had access to water inside their dwellings decreased to 44,4% in 2016, from 46,3% in 2011. Regarding the main provider of drinking water, the findings from CS 2016 indicate that a large proportion of households received their drinking water from their municipalities. Furthermore, the majority of households in local municipal areas had no access to water in their dwelling compared to metro areas. The percentage of households that lacked sanitation was prevalent in rural local municipalities.



Primary industries

Mining: Production and sales

Mining production and minerals sales increase

According to the world environment sector calendar, June is known as Environment Month, and World Environment Day was celebrated on 5 June 2017. South Africa is also amongst the many countries in the world that use the month to create awareness on the sustainability of the environment. One of the factors that have a negative impact on the environment such as pollution, is the unregulated and unmanaged exploration of mining for minerals (when safety and environmentally approved methods for mining are not followed). Pollution is the contamination of air, water, or soil by substances that are harmful to living organisms. The responsibility to ensure that the mining process takes place in a manner that will not cause harm to the environment and to living organisms, rests with the government and the mining companies. In order to minimise the pollution in the mining industry, the government has introduced and implemented policies that protect the environment, such as the Mining and Biodiversity Guideline. Presented in this article is a summary of the mining: production and sales statistics for March 2017.

Mining production increased by 15,5% year-on-year in March 2017 (see **Table A**). The three main positive contributors were:

- PGMs (30,0%, contributing 6,1 percentage points);
- iron ore (24,4%, contributing 4,0 percentage points);
- coal (8,1%, contributing 2,0 percentage points); and
- diamonds (53,8%, contributing 1,6 percentage points).

Gold (-8,8%, contributing -1,2 percentage points) was a significant negative contributor.



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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Year-on-year % change, unadjusted	-2,3	-5,0	-2,9	1,8	4,1	15,5
Month-on-month % change, seasonally adjusted	-0,8	-4,7	0,2	2,2	2,3	3,7
3-month % change, seasonally adjusted ^{1/}	1,0	-1,7	-3,4	-4,6	-1,1	3,5

^{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 10,0% year-on-year in February 2017 (see **Table B**). The largest positive contributors to the increase of 10,0% were:

- iron ore (76,2% and contributing 6,6 percentage points);
- manganese ore (151,5% and contributing 4,5 percentage points);
- coal (16,7% and contributing 4,5 percentage points); and
- chromium ore (98,4% and contributing 3,0 percentage points).

Table B – Key growth rates in mineral sales at current prices for February 2017

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Year-on-year % change, unadjusted	17,0	12,5	27,6	22,6	22,1	10,0
Month-on-month % change, seasonally adjusted	5,3	1,5	6,9	-1,3	-3,1	-4,3
3-month % change, seasonally adjusted ^{1/}	-5,3	0,1	9,3	12,1	7,7	0,0

^{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

Manufacturing production increases

Technology is rapidly growing, and many countries in the world are adapting to the changes that comes with it. For example, some years ago, it used to require a minimum of three pilots to fly an airplane; however, since the introduction of on-board flight computers, the number of pilots required to fly an airplane has dropped to two. The on-board flight computer can take off, cruise and land an airplane by itself, and pilots will only be on stand-by should the on-board flight computer fail. Now the manufacturers of airplanes are working on the idea of constructing airplanes that can fly without pilots. On 1 June 2017, the world's biggest airplane manufacturers, the Boeing Company, announced that it has embarked on the manufacturing of airplanes that fly without pilots. The Boeing Company also aims to test the first jetliner that will fly without a pilot as early as the year 2018. Presented in this article is a summary of the Manufacturing: production and sales statistics for March 2017.

Manufacturing production increased by 0,3% in March 2017 compared with March 2016 (**see Table C**). This increase was mainly due to higher production in the following divisions:

- basic iron and steel, non-ferrous metal products, metal products and machinery (6,0%, contributing 1,1 percentage points);
- glass and non-metallic mineral products (10,5%, contributing 0,4 of a percentage point); and
- motor vehicles, parts and accessories and other transport equipment (5,8%, contributing 0,4 of a percentage point).



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

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

^{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

A new study from Harvard University suggests that environmental factors within a building, such as the degree or type of ventilation, airborne contaminants, lighting and noise levels, have a major impact on the productivity of the people who work there. This is because this is where most people spend majority of their time. The study found that working in green-certified buildings can improve employee decision-making, and that occupants in green-certified office environments scored 26% higher on tests of cognitive function, had 30% fewer symptoms of sick building syndrome, and had 6% higher sleep quality scores than those in high-performing but non-certified buildings. Presented in this article is a summary of the selected building statistics of the private sector for March 2017.

The value of recorded building plans passed decreased by 8,5% (-R2 196,1 million) in the first quarter of 2017 compared with the first quarter of 2016 (**see Table D**). Non-residential buildings fell by 31,2% (-R2 500,4 million). There were large year-on-year decreases in plans passed for shopping space in the following provinces:

- KwaZulu-Natal (-R1 449,9 million);
- Gauteng (-R730,5 million); and
- Western Cape (-R717,2 million).

The largest negative contributions to the total decrease of 8,5%



(-R2 196,1 million) were made by Gauteng (contributing -7,8 percentage points or -R2 017,2 million) and KwaZulu-Natal (contributing -5,0 percentage points or -R1 300,1 million).

The value of buildings reported as completed increased by 23,7% (R3 078,8 million) in the first quarter of 2017 compared with the first quarter of 2016. All three major building categories recorded increases. The largest percentage increase was recorded for the following:

- non-residential buildings (32,3% or R1 102,9 million);
- residential buildings (23,4% or R1 683,7 million); and
- additions and alterations (12,2% or R292,2 million).

Four provinces reported year-on-year increases in the value of buildings completed in the first quarter of 2017. The largest contributions were recorded for the following provinces:

- Western Cape (contributing 9,8 percentage points or R1 280,0 million);
- Gauteng (contributing 9,0 percentage points or R1 172,8 million); and
- KwaZulu-Natal (contributing 6,9 percentage points or R903,5 million).

Electricity generated and available for distribution

Electricity generation and distribution increases

Recently there has been talk about the use of nuclear energy in generating electricity as an alternative to coal and other renewable sources. But it is important to understand how nuclear energy is used to generate electricity and look at the advantages and disadvantages of this process. Nuclear energy is generated using atoms found in uranium (a chemical element). These atoms are then split through a reaction process known as fission (when an atom splits into two parts), causing them to generate heat. The heat is then used to convert water into steam, which drives turbines that produce electricity. One advantage of generating electricity through nuclear energy is that it reduces the amount of energy generated from fossil fuels (coal and oil). Less use of fossil fuels means lowering greenhouse gas emissions. One disadvantage, however, is that nuclear fuels are non-renewable energy resources, therefore if there is an accident, large amounts of radioactive material could be released into the environment and harm people and other living organisms. In addition, nuclear waste remains radioactive and is hazardous to health for thousands of years. Presented in this article is a summary of the electricity statistics for April 2017.



Electricity generation (production) increased by 0,8% year-on-year in April 2017 (see Table E).

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Year-on-year % change, unadjusted	2,2	0,8	0,8	-3,9	2,7	0,8
Month-on-month % change, seasonally adjusted	-0,3	0,0	-0,5	-0,7	0,9	1,1
3-month % change, seasonally adjusted ^{1/}	0,2	0,7	0,3	-0,3	-0,8	-0,1

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

Electricity distribution (consumption) increased by 0,1% year-on-year in April 2017 (see Table F).

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

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

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



Tertiary industries

Wholesale trade sales

Wholesale trade sales increase

South Africa is now officially in a recession after the gross domestic product (GDP) shrank by 0,7% in the first quarter of 2017, following another decrease of 0,3% in GDP for last quarter of 2016. A recession usually occurs after the GDP reports a decrease in two consecutive quarters. The trade division was one of the contributors to this decrease, particularly the catering, accommodation and wholesale sector. Presented in this article is a summary of the wholesale trade sales for March 2017.

Wholesale trade sales increased by 6,8% in March 2017 compared with March 2016 (see Table G). The main contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (12,3%, contributing 2,2 percentage points);
- food, beverages and tobacco (7,6%, contributing 1,3 percentage points); and
- 'other' goods (14,5%, contributing 1,2 percentage points).

Wholesale trade sales increased by 2,9% in the first quarter of 2017 compared with the first quarter of 2016. The main contributors to this increase were dealers in solid, liquid and gaseous fuels and related products (12,3%, contributing 2,2 percentage points) and food, beverages and tobacco (5,6%, contributing 0,9 of a percentage point).

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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Year-on-year % change, unadjusted	4,9	9,1	10,9	6,8	-4,2	6,8
Month-on-month % change, seasonally adjusted	-1,9	1,0	3,4	-2,5	-1,5	1,6
3-month % change, seasonally adjusted ^{1/}	-0,6	0,3	0,7	2,0	1,2	-0,4

^{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 increase

The Competition Commission has started a probe into the Grocery Retail Market across Gauteng. The inquiry was prompted by reports of unfair competition practices within the retail sector. The commission will look into issues such as the impact of long-term exclusive agreements for larger retailers in shopping malls, as well as allegations that retail giants blocked rivals from accessing malls. One of the claims that were made during the hearings was that shops in townships were disappearing as a result of the infiltration of the formalised retail players (well known supermarkets such as Shoprite, Checkers, Pick 'n Pay), which were taking the market share by attracting more consumers than smaller township shops. The inquiry commenced on 27 November 2015, with the findings expected to be released in March 2018. Presented in this article is a summary of the retail trade sales statistics for March 2017.

Retail trade sales increased by 0,8% year-on-year in March 2017 (see **Table H**). The highest annual growth rates were recorded for retailers in:

- food, beverages and tobacco in specialised stores (14,8%);
- household furniture, appliances and equipment (8,2%); and
- pharmaceuticals and medical goods, cosmetics and toiletries (7,2%).

Positive contributors to the 0,8% increase were retailers in:

- food, beverages and tobacco in specialised stores (contributing 1,0 percentage point);
- pharmaceuticals and medical goods, cosmetics and toiletries (contributing 0,6 of a percentage point);
- household furniture, appliances and equipment (contributing 0,4 of a percentage point); and
- hardware, paint and glass (contributing 0,3 of a percentage point).

Retail trade sales decreased by 1,0% in the first quarter of 2017 compared with the first quarter of 2016. The main negative contributors to this decrease were:

- retailers in textiles, clothing, footwear and leather goods (-6,4%, contributing -1,1 percentage points);
- general dealers (-1,1%, contributing -0,5 of a percentage point); and
- 'all other' retailers (-3,5%, contributing -0,4 of a percentage point).



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

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

^{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

After manufacturing motor vehicles in South Africa since 1926, General Motors, a motor vehicle manufacturing company, is set to stop its operations in South Africa by the end of 2017. General Motors was responsible for manufacturing some of South Africa’s well-known brands such as Chevrolet and Isuzu. The closing of the company could have a negative impact on the number of motor trade sales, as the manufacturing of some motor brands such as Chevrolet will stop. However, Isuzu South Africa has purchased the manufacturing plant and will continue with the manufacturing of their motor brand. Isuzu will also take over some of the General Motors employees in order to reduce job losses. Presented in this article is a summary of the motor trade sales statistics for March 2017.

Motor trade sales increased by 10,1% year-on-year in March 2017 (see **Table I**). The largest annual growth rates were recorded for:

- fuel sales (14,3%); and
- new vehicle sales (12,1%).

Motor trade sales increased by 6,1% in the first quarter of 2017 compared with the first quarter of 2016. The main contributors were:

- fuel sales (9,7%, contributing 2,4 percentage points);
- used vehicle sales (7,4%, contributing 1,4 percentage points); and
- new vehicle sales (5,3%, contributing 1,4 percentage points).



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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Year-on-year % change, unadjusted	-0,7	4,1	1,0	6,8	1,4	10,1
Month-on-month % change, seasonally adjusted	0,7	0,6	1,7	0,2	1,1	0,8
3-month % change, seasonally adjusted ^{1/}	-1,9	0,5	1,4	2,7	2,8	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 the food and beverages industry increases

Some non-government organisations such as old-age homes, depend on donations to meet some of their basic needs such as food and water. One way in which some of these organisations raise funds for some of their needs is through fundraising projects such as selling food that they themselves have made. For example, the seniors at the Sunnyside Park old-age home are making chocolates and selling these to their community in Boughton, Pietermaritzburg. The project started in December 2016 when an elderly man in the home saw the need to raise funds for the home. The chocolatiers, whose ages range from 63 to 90, have been selling their chocolates to restaurants, schools and individuals around the Boughton area. Presented in this article is a summary of food and beverage statistics for March 2017.

Total income generated by the food and beverages industry decreased by 1,2% in March 2017 compared with March 2016 (**see Table J**). The largest negative annual growth rate was recorded for 'other' income (-14,5%).

In March 2017, the largest contribution to the decrease of 1,2% was restaurants and coffee shops (-1,6%, contributing -0,7 of a percentage point).

Total income decreased by 0,9% in the first quarter of 2017 compared with the first quarter of 2016. The contributors to this decrease were:

- catering services (-4,9%, contributing -0,8 of a percentage point); and



- takeaway and fast-food outlets (-1,7%, contributing -0,7 of a percentage point).

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

Type of income	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Food sales	2,0	1,5	0,5	-1,8	1,0	-0,7
Bar sales	-0,1	-4,9	0,2	0,8	-0,2	-1,3
Other income	-15,0	-21,9	-18,8	-17,6	-12,9	-14,5
Total	1,2	-0,1	-0,1	-1,9	0,5	-1,2

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 by 3,6%

As part of broadening the variety of tourism products on the market and empowering small businesses operating in the tourism industry, 90 small businesses from around South Africa were selected to receive expert coaching. The coaching exercise was initiated by the National Department of Tourism through its Tourism Incentive Programme to prepare the small businesses for the Tourism Indaba, which was held from 16 to 18 May 2017 in Durban. At the Indaba, these 90 tourism small businesses were given opportunities to showcase their tourism products. Amongst the selected small businesses were safari tour operators, African day spas, township restaurants and hotels. Presented in this article is a summary of the tourist accommodation statistics for March 2017.

Total income for the tourist accommodation industry increased by 1,4% in March 2017 compared with March 2016 (**see Table K**).

In March 2017, income from accommodation increased by 3,3% year-on-year, the result of a 1,6% decrease in the number of stay unit nights sold and a 5,0% increase in the average income per stay unit nights sold.



Income from accommodation increased by 5,7% in the first quarter of 2017 compared with the first quarter of 2016. The main contributors to this increase were:

- hotels (4,9%, contributing 3,2 percentage points);
- 'other' accommodation (8,6%, contributing 2,3 percentage points); and
- guest-houses and guest-farms (3,5, contributing 0,3 of a percentage point).

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

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

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

Tourism and migration

More than three million travellers passed through South Africa's ports of entry in March 2017

South Africa is one of the top most competitive travel and tourism countries in the world. According to World Economic Forum's Travel and Tourism Competitiveness Index (TTCI) for 2017, South Africa is the 53rd most competitive travel and tourism country out of 136 countries in the world and the leading country in the Sub-Saharan region. The report states that the travel and tourism in Sub-Saharan region remains untapped despite sustained economic growth. Tourism in the region is mainly driven by natural tourism but there can be significant improvement in protecting, valuing and communicating cultural richness. Presented in this article is a summary of the tourism and migration statistics for March 2017.



Number of travellers

A total of 3 309 712 travellers (arrivals, departures and transits) passed through South African ports of entry in March 2017 (**see Table L**). These travellers were made up of 818 948 South African residents and 2 490 764 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 396 471 arrivals, 421 743 departures and 734 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 258 642, 1 175 596 and 56 526 respectively.

A comparison between the movements in March 2016 and March 2017 indicates that the volume of arrivals and departures decreased for both South African residents and foreign travellers, while the volume of travellers in transit increased for South African residents but decreased for foreign travellers. For South African residents, the volume of arrivals decreased by 12,0% (from 450 637 in March 2016 to 396 471 in March 2017), departures decreased by 13,0% (from 484 750 in March 2016 to 421 743 in March 2017), and transits increased by 1,2% (from 725 in March 2016 to 734 in March 2017). For foreign travellers, arrivals decreased by 12,3% (from 1 435 879 in March 2016 to 1 258 642 in March 2017), departures decreased by 11,4% (from 1 326 244 in March 2016 to 1 175 596 in March 2017), and transits decreased by 7,5% (from 61 087 in March 2016 to 56 526 in March 2017).

A comparison between the movements in February 2017 and March 2017 indicates that the volume of arrivals, departures and travellers in transit increased for both South African residents and foreign travellers. For South African residents, the volume of arrivals increased by 19,4% (from 332 116 in February 2017 to 396 471 in March 2017), departures increased by 25,5% (from 336 129 in February 2017 to 421 743 in March 2017), and transits increased by 16,0% (from 633 in February 2017 to 734 in March 2017). For foreign travellers, arrivals increased by 6,6% (from 1 180 301 in February 2017 to 1 258 642 in March 2017), departures increased by 12,0% (from 1 050 062 in February 2017 to 1 175 596 in March 2017), and transits increased by 17,9% (from 47 948 in February 2017 to 56 526 in March 2017).



Mode of travel

In March 2017, road transport was the most common mode of travel used by 2 269 429 (68,6%) of the 3 309 712 travellers. The total number of travellers who used air transport was 1 029 870 (31,1%). Compared to use of air and land transport, a smaller number of travellers, 10 413 (0,3%) used sea transport. The arrivals data for South African residents show that 154 700 (39,0%) came by air, 241 360 (60,9%) came by road and 411 (0,1%) arrived by sea transport. For departures, 167 501 (39,7%) used air, 253 983 (60,2%) used road and 259 (0,1%) left by sea transport. All travellers in transit (734) used air transport.

Purpose of visit

In March 2017, the majority of tourists, 778 364 (96,6%), were in South Africa for holiday compared to 22 372 (2,8%) and 5 121 (0,6%) who were in South Africa for business and for study purposes respectively.

The majority of African tourists, 536 833 (96,7%) came to South Africa for holiday. However, there were differences between tourists from the SADC countries and 'other' African countries, namely:

- Whereas 524 106 (96,9%) of tourists from the SADC countries were on holiday; 12 727 (87,6%) 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 89,4% (6 090); 86,2% (5 265); and 85,5% (1 372) for West Africa, East and Central Africa and North Africa respectively.
- Business persons constituted 7,2% (1 048) of tourists from 'other' African countries and 2,4% (13 049) from the SADC countries. North Africa had the highest proportion, 9,5% (153) of its tourists who came to South Africa for business purposes.
- Students made up 5,2% (751) of tourists from 'other' African countries compared with 0,7% (3 532) from the SADC countries. East and Central Africa had the highest proportion, 5,5% (334) of its tourists who came to South Africa for study purposes.

Sex and age distribution

In March 2017, there were 454 855 (56,4%) male and 351 002 (43,6%) female tourists. Overseas tourists were made up of 134 756 (54,0%) male tourists and 114 885 (46,0%) female tourists. There were 310 007 (57,3%)



male and 230 680 (42,7%) female tourists from the SADC countries. Tourists from 'other' African countries were made up of 9 506 (65,4%) male and 5 020 (34,6%) female tourists.

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

Travel direction	March 2016	January 2017	March 2017	% change between February and March 2017	% change between March 2016 and March 2017
Total	3 759 322	2 947 189	3 309 712	12,3%	-12,0%
South African residents	936 112	668 878	818 948	22,4%	-12,5%
Arrivals	450 637	332 116	396 471	19,4%	-12,0%
Departures	484 750	336 129	421 743	25,5%	-13,0%
Transit	725	633	734	16,0%	1,2%
Foreign travellers	2 823 210	2 278 311	2 490 764	9,3%	-11,8%
Arrivals	1 435 879	1 180 301	1 258 642	6,6%	-12,3%
Departures	1 326 244	1 050 062	1 175 596	12,0%	-11,4%
Transit	61 087	47 948	56 526	17,9%	-7,5%
Foreign arrivals	1 435 879	1 180 301	1 258 642	6,6%	-12,3%
Non-visitors	90 792	73 911	77 939	5,4%	-14,2%
Visitors	1 345 087	1 106 390	1 180 703	6,7%	-12,2%
Visitors	1 345 087	1 106 390	1 180 703	6,7%	-12,2%
Arrivals only	324 319	313 632	286 182	-8,8%	-11,8%
Single trips	486 761	398 453	422 983	6,2%	-13,1%
Multiple trips	534 007	394 305	471 538	19,6%	-11,7%
Visitors	1 345 087	1 106 390	1 180 703	6,7%	-12,2%
Same-day	440 493	330 566	374 846	13,4%	-14,9%
Tourists	904 594	775 824	805 857	3,9%	-10,9%

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

Number of civil summonses issued for debt decreases

Over-indebtedness does not only affect companies but individuals as well. When you realise that you have too much debt and are no longer coping with your credit instalments, it is always best to take remedial action before legal actions are taken against you, which might land you in court. Not only will this have a negative effect on your financial situation, but it will also affect your ability to borrow money. One way of dealing with over-indebtedness is voluntary sequestration (an application that is done to the High Court to surrender one's estate (assets and liabilities) to creditors in the hands of the Master of the High Court and be declared insolvent/bankrupt. Through voluntary sequestration, your lawyer will help you apply for insolvency with the court, you will then have to prove to the court that you cannot afford your debt any longer and you declare personal bankruptcy. Once the court has reviewed and approved your application, you will be declared bankrupt and voluntary sequestration becomes an option. Thereafter, most of your debt will be written off and credit providers will not be able to take further action against you, such as charging interest or taking recovery action. Under these circumstances, you are legally required to sell all your personal assets (your house, car, furniture, electronics, and so forth) to recover some of the money you owe your credit providers. Presented in this article is a summary of the civil cases for debt statistics for March 2017.

The number of civil summonses issued for debt

The total number of civil summonses issued for debt decreased by 0,8% in the first quarter of 2017 compared with the first quarter of 2016 (**see Table M**). The largest negative contributions to the 0,8% decrease were civil summonses relating to:

- services (contributing -3,4 percentage points);
- goods sold (contributing -2,0 percentage points); and
- rent (contributing -0,5 of a percentage point).

The number of civil judgements recorded for debt decreased by 16,1% in the first quarter of 2017 compared with the first quarter of 2016. The largest contributions to the 16,1% decrease were civil judgements relating to:

- 'other' debts (contributing -6,0 percentage points);
- services (contributing -5,2 percentage points); and



- money lent (contributing -1,8 percentage points).

The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt decreased by 12,1% in the first quarter of 2017 compared with the first quarter of 2016. The largest negative contributions to the 12,1% decrease were the value of judgements relating to:

- 'other' debts (contributing -8,3 percentage points);
- services (contributing -2,8 percentage points); and
- goods sold (contributing -1,2 percentage points).

In March 2017, 20 682 civil judgements for debt amounting to R354,7 million were recorded. The largest contributors to the total value of judgements were:

- money lent (113,0 million or 31,9%);
- 'other' debts (R69,4 million or 19,6%); and
- services (R67,1 million or 18,9%).

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

Actual estimates	March 2017	% change between March 2016 and March 2017	% change between January to March 2016 and January to March 2017
Number of civil summonses issued for debt	57 290	9,5	-0,8
Number of civil judgements recorded for debt	20 682	-7,7	-16,1
Value of civil judgements recorded for debt (R million)	354,7	-2,0	-12,1

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

Number of liquidations increase while insolvencies decrease

In the debt recovery process, different approaches are used; one of those being repossessing the businesses' or individuals' assets. There are procedures and legal steps that creditors should follow when repossessing the businesses' assets in order to recover debts. First, the creditor should issue a section 129 letter, i.e. the notice issued in terms of section 129 of the National Credit Act advising the business that they are in arrears of a certain amount in unpaid instalment(s) at a given date. Second, the business will then have a minimum of 10 days to enter into an agreement on how it intends to settle the debt. Last, should the business fail to settle the debt, the creditor then will have the right to issue summons and judgement through the Master of the High Court and the business will have its assets repossessed. In some cases, the repossession of assets can lead to the liquidation of the business. Presented in this article is a summary of the statistics of liquidations and insolvencies for April 2017.

The total number of liquidations showed a year-on-year increase of 6,4% (9 more cases) in April 2017 (**see Table N**). Voluntary liquidations increased by 29 cases while compulsory liquidations decreased by 20 cases.

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

- unclassified (10 more liquidations, from 27 to 37);
- manufacturing (5 more liquidations, from 3 to 8);
- construction (4 more liquidations, from 6 to 10); and
- community, social and personal services (4 more liquidations, from 9 to 13).

There was a decrease of 2,2% in the three months ended April 2017 compared with the three months ended April 2016. Company liquidations decreased by 9,3% (from 258 to 234) and close corporation liquidations increased by 5,5% (from 237 to 250) during this period.



Table N – Total number of liquidations for April 2017

Number of liquidations April 2017	% change between April 2016 to April 2017	% change between February to April 2016 and February to April 2017	% change between January to April 2016 and January to April 2017
150	6,4	-2,2	-8,7

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 24,2% year-on-year in March 2017 (**see Table O**). A 17,6% decrease was estimated in the first quarter of 2017 compared with the first quarter of 2016.

Table O – Total number of insolvencies for March 2017

Number of insolvencies March 2017	% change between March 2016 to March 2017	% change between January 2015 to March 2016 and January 2016 to March 2017
225	-24,2	-17,6

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

In an effort to provide high-quality and affordable public transport, the City of Cape Town has adopted the Transit-Oriented Development (TOD) Strategic Framework, which earned the city the *Union Internationale des Transports Publics* (UITP) award on 17 May 2017. The UITP, which is an international association that advocates for public transport and sustainable mobility, awarded the city with the International Public Transport Strategy Award under the Public Transport Strategy category for its TOD Strategic Framework at the UITP World Summit in Montreal, Canada. The UITP awards recognise successful projects that are implemented around the world which place public transport at the heart of the urban and local mobility system. Presented in this article is a summary of the Land transport survey results for March 2017.

The volume of goods transported (payload) increased by 5,8% in March 2017 compared with March 2016 (**see Table P**). The corresponding income increased by 10,8% over the same period.



Income from freight transportation increased by 13,9% in the first quarter of 2017 compared with first quarter of 2016. The main contributors to this increase were:

- primary mining and quarrying products (20,5%, contributing 7,2 percentage points);
- manufactured food, beverages and tobacco products (29,9%, contributing 3,7 percentage points); and
- 'other' freight (18,7%, contributing 1,8 percentage points).

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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Freight payload	1,7	5,5	4,8	14,9	8,1	5,8
Freight income	6,4	9,3	12,7	19,8	11,7	10,8

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 6,1% in March 2017 compared with March 2016 (**see Table Q**). The corresponding income decreased by 9,0% over the same period.

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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Passenger journeys	-12,8	-10,1	-3,5	-8,9	-10,1	-6,1
Passenger income	-3,4	0,3	-0,9	0,4	-1,1	-9,0

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)

PPI at 4,6% in April 2017

South Africa's producer price index (PPI) for April 2017 recorded its lowest level in almost 18 months. Food products, beverages and tobacco products continue to be one of the major contributors to the decrease in PPI. One of the reasons for the decrease, especially in food prices, could be linked to the fact that the drought is dissipating and the rand is stronger than before (one of the reasons for this is a weaker dollar). Furthermore, the increase in rainfall for most of the provinces except the Western Cape over the past few months led to a decrease in the prices of crops at producer level. Whether this decrease in food prices will affect the prices of certain food items such as bread and cereal remains to be seen. Presented in this article is a summary of the PPI for April 2017.

Final manufactured goods – headline PPI

The annual percentage change in the PPI for final manufactured goods was 4,6% in April 2017 (compared with 5,2% in March 2017) **(see Table R)**. From March 2017 to April 2017 the PPI for final manufactured goods increased by 0,3%. The main contributors to the annual rate of 4,6% were food products, beverages and tobacco products (2,1 percentage points) and coke, petroleum, chemical, rubber and plastic products (1,2 percentage points).

The contributors to the monthly increase of 0,3% were:

- food products, beverages and tobacco products (0,1 of a percentage point);
- wood and paper products (0,1 of a percentage point);
- metals, machinery, equipment and computing equipment (0,1 of a percentage point);
- transport equipment (0,1 of a percentage point); and
- coke, petroleum, chemical, rubber and plastic products (-0,1 of a percentage point).



Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 5,0% in April 2017 (compared with 6,8% in March 2017) (**see Table R**). From March 2017 to April 2017 the PPI for intermediate manufactured goods decreased by 0,8%. The main contributors to the annual rate of 5,0% were chemicals, rubber and plastic products (2,2 percentage points), sawmilling and wood (1,2 percentage points) and recycling and manufacturing n.e.c. (1,0 percentage point). The main contributor to the monthly decrease of 0,8% was basic and fabricated metals (-0,9 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 5,9% in April 2017 (compared with 10,8% in March 2017) (**see Table R**). From March 2017 to April 2017 the PPI for electricity and water increased by 0,8%. The contributors to the annual rate of 5,9% were electricity (4,1 percentage points) and water (1,7 percentage points). The contributors to the monthly increase of 0,8% were electricity (0,3 of a percentage point) and water (0,6 of a percentage point).

Mining

The annual percentage change in the PPI for mining was 5,7% in April 2017 (compared with 6,0% in March 2017) (**see Table R**). From March 2017 to April 2017 the PPI for mining increased by 0,6%. The main contributors to the annual rate of 5,7% were coal and gas (2,7 percentage points) and non-ferrous metal ores (2,7 percentage points). The main contributor to the monthly increase of 0,6% was coal and gas (1,1 percentage points).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was -1,6% in April 2017 (compared with -4,2% in March 2017). From March 2017 to April 2017 the PPI for agriculture, forestry and fishing increased by 0,9%. The main contributor to the annual rate of -1,6% was agriculture (-2,9 percentage points). The main contributor to the monthly increase of 0,9% was forestry (1,0 percentage point).



Table R – Key PPI figures for April 2017

Product	Weight	Index (2012=100)			% change	
		April 2016	March 2017	April 2017	April 2017 vs. March 2017	April 2017 vs. April 2016
Final manufactured goods	100,00	97,1	101,3	101,6	0,3	4,6
Intermediate manufactured goods	100,00	97,4	103,1	102,3	-0,8	5,0
Electricity and water	100,00	96,7	101,6	102,4	0,8	5,9
Mining	100,00	98,2	103,2	103,8	0,6	5,7
Agriculture, forestry and fishing	100,00	97,8	95,3	96,2	0,9	-1,6

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 5,3% in April 2017

In June 2017, Statistics South Africa (Stats SA) announced that South Africa has entered into a technical recession after the gross domestic product (GDP) contracted in two consecutive quarters. The recession affects the spending behaviour of consumers. For instance, consumers are more likely to purchase a house during an expansion (growth) period rather than during a recession. Consumers might also make substantial cutbacks on a range of products (e.g. kids' toys, branded goods, etc.) and on dining out. In addition, consumers may plan to continue tightening their household budgets even further if the economy worsens. Presented in this article is the CPI for April 2017.

Annual consumer price inflation was 5,3% in April 2017, down from 6,1% in March 2017 (**see Table P**). The consumer price index increased by 0,1% month-on-month in April 2017.

The following contributed to the headline annual consumer price inflation:

- Food and non-alcoholic beverages decreased from 1,5 percentage points in March 2017 to 1,1 percentage points in April 2017. The index increased by 6,7% year-on-year.



- Transport decreased from 1,1 percentage points in March 2017 to 0,7 of a percentage point in April 2017. The index increased by 4,6% year-on-year.
- Miscellaneous goods and services decreased from 1,2 percentage points in March 2017 to 1,1 percentage points in April 2017. The index increased by 7,3% year-on-year.

Miscellaneous goods and services contributed 0,1 of a percentage point in April 2017. The index increased by 0,4% month-on-month.

In April 2017 the CPI for goods increased by 5,3% year-on-year (down from 7,0% in March 2017), and the CPI for services increased by 5,5% year-on-year (up from 5,4% in March).

Provincial annual inflation rates ranged from 4,3% in both Northern Cape and Mpumalanga to 6,3% in Western Cape.



Table P – Consumer price index: Index numbers and year-on-year rates
Base year: 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	102,3	102,4									
	Rate	6,6	6,3	6,1	5,3									

^{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'.



Editorial & Layout

Maune Lerobane
Wendy Ngoveni
Mandla Mahlangu
Tlou Matjekana

Language Editors

Annelize Allner
Salomien Rudolph

Design

Thabo Kgaile