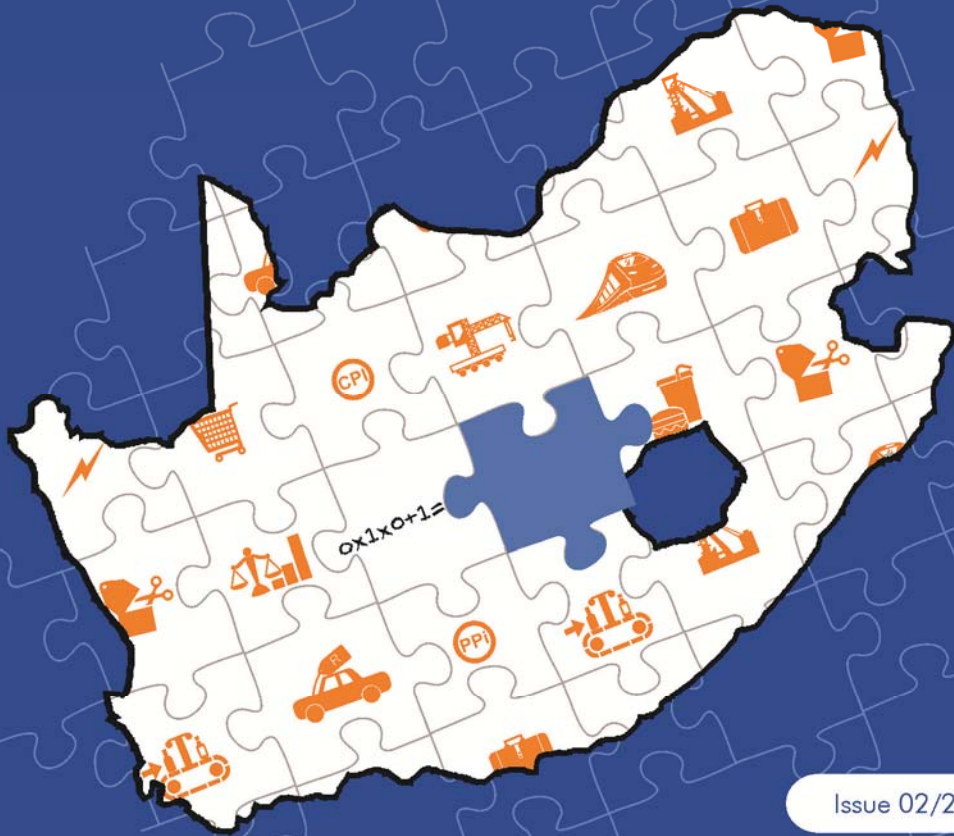


Mbalo Brief



the missing piece of the puzzle

March 2020



Issue 02/2020

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



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Editor's comment

Human Rights Day is a public holiday in South Africa celebrated on 21 March each year. On this day in 1960, the community of Sharpeville township embarked on a protest march against pass laws. The pass laws were designed to segregate the population, manage urbanisation, and allocate migrant labour. Black South Africans over the age of 16 were forced to carry pass books when outside their homelands. The pass laws limited the movements of not only black African citizens, but other racial groups such as coloureds and Indians. These population groups were forced to live in designated separate areas, which were especially in non-white areas. On the day of the march, the apartheid police shot and killed 69 of the protesters and 189 were injured. The protest came to be known as the Sharpeville Massacre and it exposed the apartheid government's violation of human rights to the world. Human Rights Day commemorates and honours those who fought and died for the liberation and the rights that South Africans enjoy today. Human Rights Day is also commemorated to reinforce the commitment to the Bill of Rights, chapter 2 in the Constitution of South Africa which stipulates the rights of the people of South Africa in terms of life, equality and human dignity.

In this month's issue of *Mbalo Brief*, our educational article is based on three generations of adults and their participation in education, their highest educational attainment and labour market outcomes. The three generations of adults are Generation X adults (born between 1960 and 1979 who were 39–58 years old in 2018), the Millennials (born between 1980 and 1999 who were 19–38 years old in 2018) and the Born-free generation (born in 1994 and later who were 0–24 years old in 2018). Also have a look at our monthly crossword puzzle and solutions for the February 2020 issue.

Articles published in this issue are based on results of industry surveys conducted for the months ranging from December 2019 to January 2020.

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



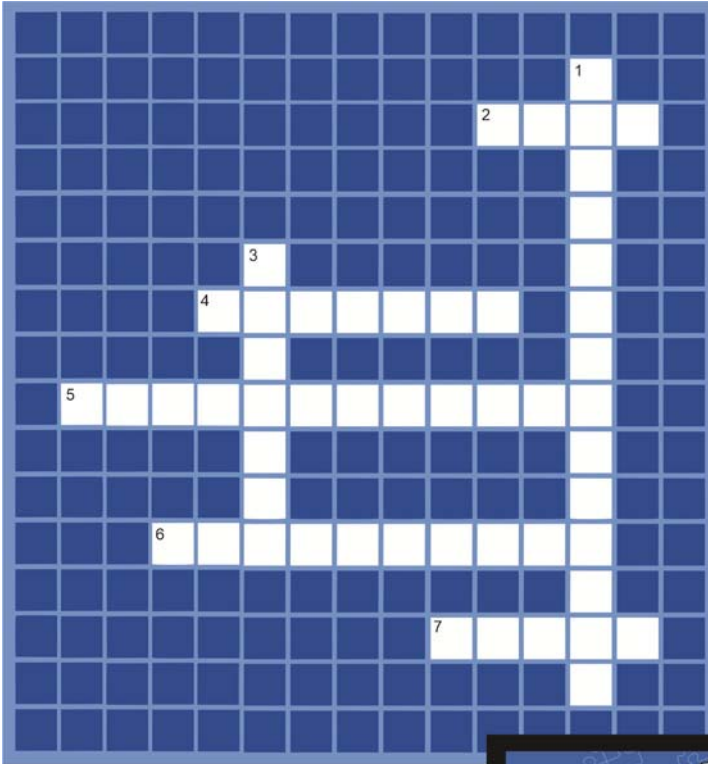


Contents

Editor’s comment	i
Crossword puzzle	iii
Educational article on Education Series Volume VI: Education and Labour Market Outcomes in South Africa, 2018	1
Primary industries	8
Mining: Production and sales	8
Secondary industries	10
Manufacturing: Production and sales.....	10
Selected building statistics of the private sector	11
Electricity generated and available for distribution	13
Tertiary industries	15
Wholesale trade sales.....	15
Retail trade sales	16
Motor trade sales	17
Food and beverages	18
Tourist accommodation.....	19
Tourism and migration	21
Statistics of civil cases for debt.....	24
Statistics of liquidations and insolvencies	25
Land transport survey	27
Prices	29
Producer price index (PPI).....	29
Consumer price index (CPI).....	31
Glossary	34



Crossword puzzle





Across

- 2020 is considered a leap year, occurring once every four years, which has 366 days including 29 February as an intercalary day. True or False?
- What is the name of the type of corona virus that has affected many countries across the world since late 2019?
- In which city was the annual Tourism Best Practice workshop hosted? Read Tourist accommodation for clue.
- People that are born between 1980 and 1999 are called?
- Which city in China reported its first case of covid-19 corona virus?

Down

- What is the name of the holiday celebrated on 21 March yearly?
- Statistics..... is a body that advise the Minister and the Statistician-General on any issue concerned with the production and use of official statistics. Fill in the missing word

Solutions for November 2019 puzzle

Across

- Human Rights Day
- Bye
- China

Down

- George Gorgeous
- Zozibini Tunzi
- Old Tannery





Educational article based on the Education Series Volume VI: Education and Labour Market Outcomes in South Africa, 2018

Introduction

Obtaining quality education is one of the United Nations (UN) Sustainable Development Goals (SDGs) that make up its vision of creating sustainable development. According to the UN, quality education improves quality of life, and access to inclusive education can help equip locals with the tools required to develop innovative solutions to the world's greatest problems. In spite of these benefits, there are still challenges facing the provision of quality education, namely lack of adequately trained teachers and poor conditions of schools. In fulfilling the SDG vision, in his State of the Nation Address (SONA) on 20 June 2019, the President of the Republic of South Africa, Mr Cyril Ramaphosa, announced that the focus in the coming 10 years would be on equipping young children with reading skills, providing free higher education for the poor, enhancing teachers' preparation and providing support for teaching learners in reading in all the languages. The President also announced the introduction of subjects like coding and data analytics at primary school level. Furthermore, education administration was allocated the largest share of total government spending in 2019 (R372,7 billion) with the aim to improve the education system and to develop skills needed by the economy.

This article is based on the *Education Series Volume VI: Education and Labour Market Outcomes in South Africa, 2018* (Report No. 92-01-06). The report focuses on three generations of adults and their participation in education, their highest educational attainment, and labour market outcomes. The three generations studied in this report were the Generation X adults born between 1960 and 1979 who were 39–58 years old in 2018; the Millennials born between 1980 and 1999 who were 19–38 years old in 2018; and the Born-free generation born in 1994 and those who were 0–24 years old in 2018. The report uses the 2002 and 2018 General Household Survey (GHS) data, the 2002 Labour Force Survey (LFS) data and the 2018 Quarterly Labour Force Survey (QLFS) annualised datasets.





Generation X

These are people born between 1960 and 1979. This cohort constituted close to 11,5 million individuals aged 39–58 in 2018, with 63% amongst them still below the age of 50 years. In 2018, there were 5,4 million males and 6,1 million females in this generation. This was the youth generation during the democratic transition of the country from its apartheid past, as the youngest were just 15 years old and the oldest were 34 years old in 1994. In 2018, the male life expectancy at birth was 61,1 years whereas the female life expectancy at birth was 67,5 years.

In relation to the population group composition of Generation X, the mid-year population estimates in 2018 indicated that three out of four individuals in the age group 39–58 were black Africans (close to 8,6 million), while close to 11% (1,3 million) were white, 10% (1,2 million) coloured and 4% (402 000) Asian/Indian. Moreover, two out of five black Africans in this generation were 39–44 years old; similarly, two out of five whites in this generation were 39–46 years old. However, one out of every two black African individuals in Generation X were 39–46 years old.

Millennials

This group of people was born between 1980 and 1999, and constituted close to 20,5 million individuals aged 19–38 in 2018, with more than half (56,2%) of them still younger than 30 years. In 2018, there were approximately 10,4 million males and 10,1 million females in this generation. The population distribution of the Millennials was characterised by an increase in the number of both male and female individuals up to the age of 28, after which a slow decline followed.

They were the generation that were born during a time that saw the dawning of the greatest technological advancements such as personal computers, mobile telephones and the internet. Overall, the Millennials comprised 84% black African (17,1 million), 8% coloured (1,6 million), 2% Asian/Indian (506 000) and 6% white (1,1 million) persons.

Born-free generation

This group comprised people born in and after 1994 and constituted close to 26,3 million individuals aged 0–24 in 2018, with two-thirds (67% or approximately 17,8 million) amongst them aged 15 years or younger. In





2018, there were approximately 13,3 million males and 13,0 million females in this generation. They are the generation that was born after the fall of apartheid in 1994 a time that signifies a period of political freedom in the country. For the purpose of this report, the period 1994 to 2018 was used. The Born-free generation were individuals aged 19–24. The age cohorts 17 to 19 had the lowest percentage of the black African population compared to the other age groups. Among the black African Born-free generation, seven out of nine (close to 78%) were 18 years or younger in 2018, whereas the rest (approximately 22%) were 19–24 years old. Similarly, 77% of coloureds, 75% of whites and 74% of Indians/Asians were 18 years or younger in 2018.

Distribution of the generations by province, 2018

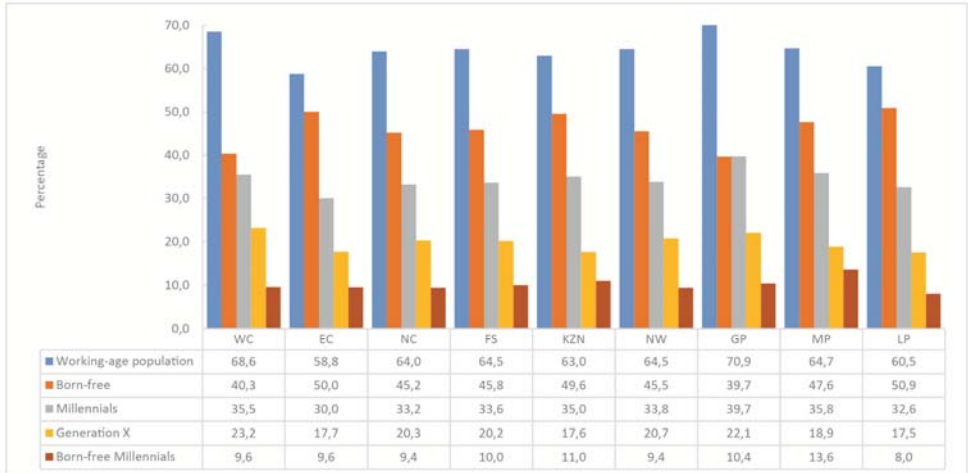
In 2018, Gauteng was home to the largest share of the population in South Africa with close to a quarter (25,8%) of the total population residing in the province. Similarly, Gauteng had the largest population share of all three generations (Millennials (28,8%), Generation X (28,4%) and Born-free (22,3%)), while KwaZulu-Natal had the second largest share of the population (Born-free (21,0%), Millennial (19,1%) and Generation X (17,1%)). Northern Cape was the province with the smallest share of all populations (Generation X (2,2%), Born-free (2,1%) and Millennials (2,0%)). The Born-free generation were typically residents of Gauteng (22,3%), KwaZulu-Natal (21,0%), Eastern Cape (12,7%) and Limpopo (11,5%).

Distribution of the generations as a percentage of the total population by province, 2018

Gauteng (70,9%) and Western Cape (68,6%) had the largest share of the working-age population in South Africa, while one out of every two individuals in Eastern Cape (50,0%) and KwaZulu-Natal (49,6%) constituted the Born-free generation. The highest percentage of Millennials were residents of Gauteng (39,7%), followed by Mpumalanga (35,8%), Western Cape (35,5%) and KwaZulu-Natal (35,0%). In Mpumalanga, the Born-free Millennials (13,6%) were the largest generation, while this generation amounted to the lowest percentage (8,0%) in Limpopo. In the Western Cape, Generation X (23,2%) made up the largest share of the total provincial population while the same generation constituted 22,1% of the total population in Gauteng.



Figure 1: Distribution of the generations as a percentage of the total population by province, 2018



Source: Stats SA, Mid-year population estimates 2018

Educational attainment

Educational attainment of Generation X, Millennials and Born-free generation by gender, 2018

In 2018, 4,6% of Generation X had no schooling, while Millennials constituted less than one per cent (0,8%) of individuals with no schooling. Millennials were less likely to have dropped out of school before or after completing primary schooling, as only 3,5% among them had dropped out of school without completing primary school and 2,8% had left school after completing primary school. By contrast, 11,5% of Generation X did not complete primary schooling and 5,7% completed primary schooling only. More Millennials had completed at least some secondary schooling (41,8%) or Grade 12 (37,6%) compared to Generation X who completed secondary schooling (34,6%) or Grade 12 (26,9%). However, 16,4% of Generation X had achieved a tertiary qualification compared with 12,9% of the Millennials.



Female Millennials were better educated compared to their male counterparts, while the educational gender gap was more narrowed within Generation X. The percentage of female Millennials (39,8%) who completed their secondary education was 4,4 percentage points higher than that of their male counterparts (35,4%). However, among Generation X, this difference amounted to only two per cent (27,9% for male Millennials and 26,0% for female Millennials). The percentage of female Millennials (14,0%) who achieved tertiary qualifications was 2,1 percentage points higher than that of their male counterparts (11,9%), while Generation X was at 16,6% for males and 16,2% for females. More male Millennials would proportionately drop out of primary school, as 4,3% did not complete primary schooling compared to their female counterparts (2,8%). Most of the Born-free generation were still too young to be at school or were still attending school in 2018.

A lower percentage of drop-outs from primary schooling were observed among black African and coloured Millennials, compared to the older generation. Moreover, the largest educational gains among black Africans and coloureds were in the increase in the percentage of individuals who completed secondary schooling – from 24,1% amongst Generation X black Africans to 36,7% amongst black African Millennials; and from 25,1% amongst Generation X coloureds to 39,2% amongst coloured Millennials. Similarly, significant progress had been observed in the completion of secondary schooling among Indians/Asians, with 45,9% of Generation X Indians/Asians and 53,0% of Indian/Asian Millennials achieving such qualifications. However, inequalities by population group in the achievement of tertiary qualifications across generations persist. The percentage of black African (11,0%) and coloured Millennials (9,4%) who have tertiary qualifications was lower compared to whites (41,3%) and Indians/Asians (28,5%).

Labour market outcomes for Generation X, Millennials and Born-free Millennials

Among Generation X individuals aged 23–38 in 2002, more than half (52,2%) were employed while 23,3% were unemployed. Close to a quarter (24,5%) were not economically active. Among those who were not economically active, close to 9% were discouraged work-seekers. These include individuals who wanted to work and were available to work or start a business but who did not take active steps to find work during the reference period.



Among Millennials aged 23–38 in 2018, close to half (49,5%) were employed while 23,8% were unemployed, and 26,7% were not economically active. Close to three in ten (31,6%) 15–24-year-old young people were not in employment; the same was true for 39,3% of 15–34-year-olds.

Born-free Millennials aged 19–24 were significantly less likely to be employed compared to the other two generations, with 21,4% being unemployed while 19,1% were employed. About 59,5% Born-free Millennials were not economically active. However, Born-free Millennials were also more likely to give up too quickly in their search for jobs, and become discouraged work-seekers (11,1%).

Generation X adults aged 23–38 labour market characteristics by gender, 2002

Males participated in the labour market at a higher rate than their female counterparts did in 2002. Among those employed, 56,4% were males while females were at 43,6%. The gender composition of the labour force aged 23–38 during 2002 shows that a higher proportion of women (69,5%) were not economically active compared to men (28,9%). Among discouraged work-seekers, two-thirds (66,6%) were females compared to men (33,4%).

Millennial women on average exceeded Millennial men in educational attainment, and constituted the largest share of skilled individuals. Hence, they were expected to enter the labour market and close the existing gender gap in employment. However, the labour force constituted mostly male Millennials (55,3%) and only 44,7% females. Among employed Millennials, the majority were males (57,7%) and females constituted 42,3%. Furthermore, female Millennials were the majority among discouraged work-seekers (55,0%) compared to males (45,0%).

Labour market opportunities still favour more males than females among Born-free Millennials. Given a disproportionally larger percentage of male labour force participation (55,7%) in this generation, the gender gap in employment was the highest in this generation compared to the preceding generations, as only 39,3% of females were employed. While women constituted the majority of the economically not active population (53,8%), they also constituted the majority of discouraged work-seekers (52,1%).



Generation X adults aged 23–38 labour market characteristics by population group, 2002

Population group imbalances were displayed in labour force participation rates among Generation X members aged 23–38. In 2002, less than half (46,9%) of black Africans in the age group 23–38 were employed, while 63,5% coloureds, 69,1% Indians/Asians and 79,7% whites in the same cohort were employed. Furthermore, during the same period, 26,3% black Africans in the age group 23–38 were unemployed, followed by the coloured (20,0%), Indian/ Asian (12,2%) and white (5,1%) population groups.

Distribution of the generations as a percentage of the total working-age population by gender, 2018

In 2018, Millennials aged 19 to 38 years constituted more than half (54,1%) of the working-age population in South Africa, while Generation X adults made up close to 30,1% and Born-free Millennials close to 15,7% of the total working-age population. Male Millennials (56%) constituted the largest percentage of the total male working-age population, while females within the same generation amounted to 52,3% of all females among the working-age population.

Conclusion

According to the findings of the report, the Born-Free population comprises the majority when compared to Millennials and Generation X. In terms of working-age population, the Millennials aged 19 to 38 years constitute a larger proportion of the working-age group than other generations. The report also indicates that Generation X individuals were likely to be employed compared with Millennials and Born-free generations. Furthermore, Gauteng had the largest population of all three generations while Northern Cape had the smallest share. A higher proportion of the Born-free generation were residents of Gauteng, KwaZulu-Natal and Limpopo.

Reference

Statistics South Africa, 2018. Education Series Volume VI: Educational and Labour Market Outcomes in South Africa, 2018, Pretoria.





Primary industries

Mining: production and sales

Mining production increases and sales decreases

The National Energy Regulator of South Africa (Nersa) has already approved 75 applications from private companies wanting to generate electricity for self-use. The majority of applications came from mining companies, and other applications came from individual households and companies. While Eskom is going through a phase of load shedding due to planned and unplanned power outages, the licensing of electricity generation for self-use will ease the demand and supply of electricity. Electricity supply in the mining industry is very crucial as it has an impact on the production of minerals and sales. Presented in this article is a summary of the mining: production and sales statistics for December 2019.

Mining production increased by 1,8% year-on-year in December 2019. The largest positive contributors were:

- gold (24,9%, contributing 2,7 percentage points);
- 'other' non-metallic minerals (24,1%, contributing 1,3 percentage points);
- iron ore (9,8%, contributing 1,2 percentage points); and
- chromium ore (26,6%, contributing 0,9 of a percentage point).

Total mining production was 1,3% lower in 2019 compared with 2018 (**see Table A**). The 1,3% decrease in annual mining production followed a decrease of 2,1% in 2018 and an increase of 4,6% in 2017.



Table A – Key growth rates in the volume of mining production for December 2019

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Year-on-year % change, unadjusted	1,9	-2,8	-0,4	-2,1	-1,0	1,8
Month-on-month % change, seasonally adjusted	-5,0	0,2	0,7	1,7	-1,8	-2,4
3-month % change, seasonally adjusted ^{1/}	4,5	1,6	-1,6	-1,3	-0,4	0,2

^{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 decreased by 6,0% year-on-year in December 2019 (**see Table B**). The largest negative contributors were:

- coal (-20,1%, contributing -5,7 percentage points);
- manganese ore (-49,0%, contributing -4,9 percentage points); and
- 'other' non-metallic minerals (-26,5%, contributing -1,3 percentage points).

Total mineral sales were 10,6% higher in 2019 compared with 2018. The 10,6% increase in annual mineral sales followed increases of 5,2% in 2018 and 8,3% in 2017.

Table B – Key growth rates in mineral sales at current prices for August 2018

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Year-on-year % change, unadjusted	16,9	9,1	15,9	9,0	7,9	-6,0
Month-on-month % change, seasonally adjusted	3,0	-1,3	2,0	-0,4	6,5	-9,9
3-month % change, seasonally adjusted ^{1/}	2,7	-0,2	1,4	1,3	4,1	1,3

^{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 decreases

The furniture industry is one of the contributors to South Africa's manufacturing sector. This industry also contributes to job creation and also to the country's gross domestic product (GDP). The South African Furniture Initiative (SAFI) and the Department of Trade and Industry (DTI) completed their consultative roadshow in February 2020 in Port Elizabeth. The purpose of the roadshow was to meet with local manufacturers across the country in the furniture industry to discuss the challenges and opportunities within the industry. The roadshow was also done in preparation for the Furniture Industry Master Plan. With the inputs from the roadshow visits, SAFI and DTI may be able to guide future industrial developments such as the creation of supportive policies and the growth of the furniture industry through export promotion amongst others. Presented in this article is a summary of the Manufacturing: production and sales statistics for December 2019.

Manufacturing production decreased by 5,9% in December 2019 compared with December 2018 (**see Table C**). The largest negative contributions were made by the following divisions:

- motor vehicles, parts and accessories and other transport equipment (-24,9% and contributing -1,4 percentage points);
- petroleum, chemical products, rubber and plastic products (-5,9% and contributing -1,4 percentage points);
- wood and wood products, paper, publishing and printing (-9,9% and contributing -1,1 percentage points);
- basic iron and steel, non-ferrous metal products, metal products and machinery (-3,3% and contributing -0,6 of a percentage point); and
- food and beverages (-1,5% and contributing -0,5 of a percentage point).



Table C – Key growth rates in the volume of manufacturing production for December 2019

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Year-on-year % change, unadjusted	-0,6	-1,5	-2,3	-0,4	-3,2	-5,9
Month-on-month % change, seasonally adjusted	1,0	1,0	-2,1	2,9	-1,8	-2,8
3-month % change, seasonally adjusted ^{1/}	-1,4	-1,7	-1,1	0,6	0,2	-0,3

^{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

Total value of recorded building plans passed decreases

Many people wonder whether it is better to build or buy a house in South Africa. Both options come with pros and cons. Some of the advantages of buying an already existing house include security: there would be existing houses in the surrounding areas as opposed to the probability of being surrounded by vacant land when building one from scratch. An already established house will also come with being close to various amenities such as schools, shopping centres, hospitals, etc. However, building a new home from scratch gives the owner the opportunity to have the house built according to their liking. It also comes with lower maintenance and running costs as most of the facilities are still new. Lastly, building a new house usually takes a lot more time than what the owner might have bargained or budgeted for. Therefore, when deciding whether to build or buy a new house, prospective owners should make sure that they carefully consider all the factors involved such as having plans approved by the municipality. Presented in this article is a summary of the results from the Selected building statistics of the private sector as reported by local government institutions for December 2019.

The value of recorded building plans passed decreased by 9,0% (-R10 665,6 million) in 2019 compared with 2018 (see Table D).



Decreases were recorded for non-residential buildings (-14,8% or -R4 011,6 million) and residential buildings (-11,6% or -R7 188,6 million). An increase was recorded for additions and alterations (1,8% or R534,6 million).

The largest negative contributions to the total decrease of 9,0% (-R10 665,6 million) were recorded by Western Cape (contributing -3,8 percentage points or -R4 553,2 million), followed by KwaZulu-Natal (contributing -3,1 percentage points or -R3 661,4 million) and Gauteng (contributing -2,0 percentage points or -R2 421,1 million).

Table D – Recorded building plans passed by larger municipalities: January to December 2018 versus January to December 2019

Estimates at current prices	January to December 2018	January to December 2019	Difference in value between January to December 2018 and January to December 2019	% change between January to November 2018 and January to November 2019
	R'000	R'000	R'000	
Residential buildings	61 760 655	54 572 056	-7 188 599	-11,6
-Dwelling houses	33 128 191	30 661 010	-2 467 181	-7,4
-Flats and townhouses	26 824 390	23 190 690	-3 633 700	-13,5
-Other residential buildings	1 808 074	720 356	-1 087 718	-60,2
Non-residential buildings	27 194 795	23 183 205	-4 011 590	-14,8
Additions and alterations	29 611 670	30 146 232	534 562	1,8
Total	118 567 120	107 901 493	-10 665 627	-9,0

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 generation (production) decreases

Over 12 700 households in South Africa relied on Eskom as their main source of electricity in 2018. This is according to the General Household Survey (GHS) published by Stats SA in May 2019. These households mostly used electricity for heating, lighting and cooking. Moreover, many companies in South Africa use electricity for day-to-day running of their companies such as keeping desktops/laptops plugged in, internet connection, telephones, air-conditioning, etc. Thus, whenever Eskom implements load shedding, usually as a result of limitations in the electricity generation capacity of its power stations, it can have a negative impact on the amount of electricity distributed/supplied to its consumers. This usually inconveniences thousands of households and companies as their day-to-day activities are being interrupted. Presented in this article is a summary of the key results from the release on Electricity, generated and available for distribution for January 2020.

Electricity generation (production) decreased by 2,5% year-on-year in January 2020 (see **Table E**).

Table E – Key growth rates in the volume of electricity generated for December 2019

	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
Year-on-year % change, unadjusted	-2,4	-0,4	-1,9	-2,8	-4,0	-2,5
Month-on-month % change, seasonally adjusted	1,9	-2,3	-1,1	-1,1	-1,7	1,2
3-month % change, seasonally adjusted ^{1/}	-0,6	-1,8	-1,5	-0,5	-1,5	-1,8

^{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 January 2020 (see **Table F**).



Table F – Key growth rates in the volume of electricity distributed for January 2020

	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
Year-on-year % change, unadjusted	-4,7	-1,2	-2,1	-3,1	-4,9	-3,6
Month-on-month % change, seasonally adjusted	-2,6	3,3	-0,6	-1,5	-1,4	1,2
3-month % change, seasonally adjusted ^{1/}	-1,4	-1,9	-1,3	0,4	-0,8	-1,4

^{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

Sales for December 2019 increase

Despite an increase in sales for wholesale trade for December 2019, the trade industry (inclusive of motor, retail, wholesale and accommodation sectors) was one of the main contributors to the technical recession that the country slipped into in the fourth quarter of 2019 (October to November), making it the third recession since 1994. The industry was the second biggest negative contributor on the gross domestic product (GDP) in the fourth quarter of 2019, declining by 3,8%. There are several reasons for this decline, some of which include the constant load shedding the country experienced in the fourth quarter. This caused trading disruptions and customer inconvenience. Another reason is because consumers prioritised spending more on durable goods than on non-durable goods (as the retail trade sales and restaurant trade were up in the fourth quarter). Presented in this article is a summary of the key results from the Wholesale trade sales survey for December 2019.

Wholesale trade sales increased by 5,6% in December 2019 compared with December 2018 (**see Table G**). The main positive contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (8,3%, contributing 2,1 percentage points);
- 'other' household goods, except precious stones (13,3%, contributing 1,5 percentage points);
- food, beverages and tobacco (7,3%, contributing 1,4 percentage points); and
- 'other' goods (19,2%, contributing 1,2 percentage points).

Wholesale trade sales increased by 0,3% in the fourth quarter of 2019 compared with the fourth quarter of 2018. The main contributor to this increase was dealers in food, beverages and tobacco (6,9%, contributing 1,1 percentage points).



Table G – Key growth rates in wholesale trade sales at constant prices for December 2019

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Year-on-year % change, unadjusted	10,9	-0,4	-0,9	0,5	-4,1	5,6
Month-on-month % change, seasonally adjusted	6,1	-4,5	-0,5	2,7	-3,6	-1,8
3-month % change, seasonally adjusted ^{1/}	1,6	0,7	1,0	-0,6	-1,0	-2,2

^{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

December sales decrease by 0,4%

The December festive season is known to be a time when consumer spending peaks as they spend more on groceries, gifts, restaurants, travelling, etc., resulting in an increase in sales in most industries. For the retail trade industry, however, the festive season did little to boost the sales as the industry recorded a decrease of 0,4% in December 2019. Interestingly, the industry witnessed a greater increase in sales in November 2019 (2,6%), which was partly due to the Black Friday euphoria. This was also the second highest increase recorded in 2019. This could be an indication that more consumers are starting to shift from doing their festive shopping in December to November. Alternatively, it could also indicate that consumers are feeling the pinch of the current state of the South African economy and have slashed their spending habits. Presented in this article is a summary of the key results of Retail trade sales statistics for December 2019.

Retail trade sales decreased by 0,4% year-on-year in December 2019 (**see Table H**). The largest negative contributors to this decrease were:

- general dealers (-0,8%, contributing -0,3 of a percentage point);
- retailers in hardware, paint and glass (-3,7%, contributing -0,2 of a percentage point); and
- all 'other' retailers (-1,7%, contributing -0,2 of a percentage point).



In 2019, retail trade sales increased by 1,2% compared with 2018. The main contributors to this increase were:

- general dealers (1,1%, contributing 0,5 of a percentage point);
- retailers in textiles, clothing, footwear and leather goods (1,8%, contributing 0,3 of a percentage point); and
- all 'other' retailers (1,8%, contributing 0,2 of a percentage point).

Table H – Key growth rates in retail trade sales for December 2019 at constant 2015 prices

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Year-on-year % change, unadjusted	2,0	1,0	0,4	0,4	2,6	-0,4
Month-on-month % change, seasonally adjusted	0,2	-1,0	0,7	0,0	2,0	-3,1
3-month % change, seasonally adjusted ^{1/}	0,6	0,5	0,0	-0,3	0,7	0,4

^{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

In recent years online shopping has grown so popular that it has affected the whole experience of shopping in a better way. Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Online shopping has now been extended to the motor trade industry. Some people would rather avoid going to a motor vehicle dealership to make a purchase in order to save time and costs. Buying online can give the buyer the benefit of being able to easily look at different motor vehicles, brands and models easily and also compare different prices from various dealerships. Another advantage of buying a motor vehicle online is that the buyer can avoid the dealership's salesperson's commission. A salesperson's commission is money that the dealership pays the salesperson for every motor vehicle they sell, which is added to the total cost of the vehicle. Well, these are just some of the perks that come with purchasing a vehicle online, however there are many other benefits of motor vehicle online shopping. Presented in this article is a summary of the motor trade sales statistics for December 2019.



Motor trade sales increased by 1,9% year-on-year in December 2019 (see **Table I**). The largest annual growth rates were recorded for:

- used vehicle sales (9,4%);
- new vehicle sales (6,3%); and
- workshop income (6,0%).

Table I – Key growth rate figures in motor trade sales for December 2019

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Year-on-year % change, unadjusted,	5,1	1,5	0,1	-0,7	-4,1	1,9
Month-on-month % change, seasonally adjusted	1,0	1,1	-3,0	0,8	-1,9	-0,8
3-month % change, seasonally adjusted ^{1/}	1,0	0,8	0,0	0,2	-2,0	-2,3

^{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 increased

Although the name of a business is an important component of the business brand, however in some instances, it is important for the business to change its name. Most often a business may change its name when it grows or changes its operations, amongst other reasons. It is interesting to take note that one of the largest dairy companies Parmalat South Africa has changed its name to Lactalis South Africa. The new name came into effect on 1 February 2020. The company has said that the name change will not have an impact on the company’s other existing range of products and well-known brands such as Melrose, Steri Stumpie, Bonnita, PureJoy, Galbani and Aylesbury. The name Parmalat will still be used on their dairy products including cheese, yoghurt, milk, custard, cream, drinking yoghurt, maas, fruit beverages, butter and ice cream in order not to confuse the consumers. Presented in this article is a summary on food and beverages statistics for January 2019.



Total income generated by the food and beverages industry increased by 2,4% in 2019 compared with 2018 (**see Table J**)

In December 2019 total income increased by 0,7% year-on-year. Food sales grew by 2,0%. The positive contributors to the 0,7% year-on-year increase were:

- restaurants and coffee shops (2,1%, contributing 1,2 percentage points); and
- takeaway and fast-food outlets (2,8%, contributing 0,9 of a percentage point).

Table J – Year-on-year percentage change in food and beverages income at constant prices by type of income – December 2020

Type of income	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Food sales	-1,5	1,5	0,7	-1,8	0,6	2,0
Bar sales	-4,7	3,4	1,7	3,5	-2,6	-11,6
Other income	-5,8	-4,0	-24,6	-5,7	-4,6	-11,1
Total	-1,9	1,5	0,1	-1,5	0,2	0,7

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 increased by 2,0%

In order for tourists to be able to choose tourist establishments that meet their expectations (in terms of affordability and standard), it is important that the information relating to service levels of such establishments is easily accessible. Such information must include the star-grading, amongst others, to indicate quality levels of the tourist establishments. On 05 to 07 March 2020, the Department of Tourism (DOT) hosted the annual Tourism Best Practice workshop in Kempton Park, Ekurhuleni. The theme for this year's workshop was "Quality Assurance - the integrated approach". In his address during the official opening, the Deputy Minister of DOT, Fish Mahlalela



mentioned that the Tourism Grading Council of South Africa (TGCSA) is still the only official recognised quality assurance body for tourism products. The TGCSA was established in 2000 in terms of the Tourism Act, (Act No. 3 of 2014). One of the objectives of the Act is to promote responsible tourism practices, which includes quality assurance in the tourism industry. Presented in this article is a summary of the tourist accommodation statistics for January 2019.

Total income for the tourist accommodation industry increased by 2,0% in 2019 compared with 2018. Income from accommodation increased by 1,8% over the same period (see **Table K**).

In December 2019 total income for the tourist accommodation industry increased by 2,1% year-on-year. Income from accommodation increased by 1,2% year-on-year in December 2019, mainly because of a 1,1% increase in the average income per stay unit night sold.

Table K – Year-on-year percentage change in tourist accommodation statistics for December 2020

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Stay units available	0,0	-0,2	-0,2	-0,2	-0,2	-0,2
Stay unit nights sold	-1,1	1,7	3,1	-3,8	0,3	0,0
Average income per stay unit nights sold	3,9	2,9	4,2	5,8	-0,9	1,1
Income from accommodation	2,8	4,7	7,4	1,8	-0,6	1,2
Total income ^{1/}	0,8	5,3	4,6	1,2	0,9	2,1

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 4 657 450 travellers passed through South African ports of entry in December 2019

South Africa has been topped by Mauritius as the leading competitive travel and tourism country in the sub-Saharan region. According to World Economic Forum's (WEF) Travel and Tourism Competitiveness Index (TTCI) for 2019, South Africa ranked 61 out of 140 countries in the world and the second leading country in sub-Saharan region. The report indicates that Mauritius is now ranked in the 54th position in the world and the leading country in the sub-Saharan region. The report indicates that the region continues to face difficulties in health and hygiene, overall infrastructure and the effective selling of cultural and business travel. However, some of the region's greatest improvements came from areas where it traditionally has trailed, including information and communication technology (ICT) readiness, international openness and price competitiveness. Presented in this article is a summary of the key results from the Tourism and migration release for December 2019.

Number of travellers

The routine data collected by the Department of Home Affairs' (DHA) immigration officers at the ports of entry into and out of South Africa shows that a total of 4 657 450 travellers (arrivals, departures and transits) passed through South African ports of entry/exit in December 2019 (see **Table L**). These travellers were made up of 1 477 588 South African residents and 3 179 862 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 638 708 arrivals, 838 048 departures and 832 travellers in transit. The corresponding volume for foreign arrivals, departures and travellers in transit was 1 559 368, 1 561 121 and 59 373, respectively.

A comparison between the movements in December 2018 and December 2019 indicates that the volume of arrivals increased for South African residents but decreased for foreign travellers, whereas the volume of departures and travellers in transit decreased for both groups of travellers. For South African residents, the volume of arrivals increased by 1,3% (from 630 785 in December 2018 to 638 708 in December 2019). Departures decreased by 0,7% (from 843 975 in December 2018 to 838 048 in December 2019), and transits decreased by 11,4% (from 939 in



December 2018 to 832 in December 2019). For foreign travellers, arrivals decreased by 2,2% (from 1 594 112 in December 2018 to 1 559 368 in December 2019), departures decreased by 2,8% (from 1 605 326 in December 2018 to 1 561 121 in December 2019), and transits decreased by 2,3% (from 60 757 in December 2018 to 59 373 in December 2019).

In December 2019, 78 185 (5,0%) of foreign arrivals were classified as non- visitors while 1 481 183 (95,0%) were classified as visitors. The visitors were categorised into three groups:

- i. Arrivals only – comprising visitors who entered the country in December 2019 but did not depart in December 2019 [370 011 (25,0%)].
- ii. Single trips – visitors who came to South Africa once in December 2019 and left in December 2019 [548 924 (37,1%)].
- iii. Multiple trips – visitors who came to and left South Africa more than once in December 2019 [562 248 (38,0%)].

Mode of travel

In December 2019, road transport was the most common mode of travel used by 3 394 311 (72,9%) of the 4 657 450 travellers. The total number of travellers who used air transport was 1 209 200 (26,0%). Compared to the use of air and land transport, a smaller number of travellers, 53 939 (1,2%) used sea transport. Information on arrivals of South African residents shows that 231 304 (36,2%) came by air, 385 127 (60,3%) came by road and 22 277 (3,5%) arrived by sea transport. For departures, 298 408 (35,6%) used air, 518 818 (61,9%) used road and 20 822 (2,5%) left by sea transport. All travellers in transit, 832 (100,0%) used air transport.

Purpose of visit

In December 2019, the majority of tourists, 967 486 (98,6%), were in South Africa for holiday compared to 10 633 (1,1%); 2 597 (0,3%) and 322 (less than 0,1%) who were in South Africa for business, study and for medical treatment respectively.

Sex and age distribution

In December 2019, there were 521 704 (53,2%) male and 459 334 (46,8%) female tourists. Overseas tourists were made up of 133 436 (52,0%) male tourists and 123 362 (48,0%) female tourists. There were 380 527 (53,5%)



male and 330 256 (46,5%) female tourists from SADC countries. Tourists from 'other' African countries were made up of 6 959 (57,2%) male and 5 203 (42,8%) female tourists.

In respect of age distribution, results show that the majority of tourists were aged between 25 and 34 years [255 150 (26,0%)], followed closely by the age group 35 to 44 years [251 262 (25,6%)].

Table L – Number of South African residents and foreign travellers by travel direction: December 2019

Travel direction	December 2018	November 2019	December 2019	% change between November 2019 and December 2019	% change between December 2018 and December 2019
Total	4 735 894	3 504 412	4 657 450	32,9%	-1,7%
South African residents	1 475 699	909 878	1 477 588	62,4%	0,1%
Arrivals	630 785	445 039	638 708	43,5%	1,3%
Departures	843 975	464 103	838 048	80,6%	-0,7%
Transit	939	736	832	13,0%	-11,4%
Foreign travellers	3 260 195	2 594 534	3 179 862	22,6%	-2,5%
Arrivals	1 594 112	1 336 068	1 559 368	16,7%	-2,2%
Departures	1 605 326	1 193 490	1 561 121	30,8%	-2,8%
Transit	60 757	64 976	59 373	-8,6%	-2,3%
Foreign arrivals	1 594 112	1 336 068	1 559 368	16,7%	-2,2%
Non-visitors	78 764	83 037	78 185	-5,8%	-0,7%
Visitors	1 515 348	1 253 031	1 481 183	18,2%	-2,3%
Visitors	1 515 348	1 253 031	1 481 183	18,2%	-2,3%
Arrivals only	368 845	304 257	370 011	21,6%	0,3%
Single trips	569 018	475 021	548 924	15,6%	-3,5%
Multiple trips	577 485	473 753	562 248	18,7%	-2,6%
Visitors	1 515 348	1 253 031	1 481 183	18,2%	-2,3%
Same-day	508 193	402 494	500 145	24,3%	-1,6%
Overnight (Tourists)	1 007 155	850 537	981 038	15,3%	-2,6%

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 increases

In December 2019 the Western Cape High Court handed down a judgement that promised massive relief for South Africans in debt. The judgement effectively limits a consumer's total debt repayment to double the original debt. That is, a consumer who owed R500 at the time they defaulted on their debt repayment, cannot be charged more than R500 for interest and legal fees by the credit provider. Furthermore, collection costs recovered by a credit provider cannot be passed on to consumers unless they have been taxed and agreed to be paid by the consumer. Presented in this article is a summary of the results from the Statistics of civil cases for debt release for December 2019.

The total number of civil summonses issued for debt

The total number of civil summonses issued for debt increased by 1,1% in 2019 compared with 2018 (**see Table M**). The main positive contributors to the 1,1% increase were civil summonses relating to:

- money lent (contributing 3,5 percentage points);
- promissory notes (contributing 0,6 of a percentage point); and
- 'other' debts (contributing 0,6 of a percentage point). Services (contributing -3,3 percentage points) was the largest negative contributor.

The number of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 7,4% in 2019 compared with 2018. The largest contributors to the 7,4% decrease were civil judgements relating to:

- promissory notes (contributing -2,7 percentage points);
- services (contributing -2,6 percentage points);
- 'other' debts (contributing -1,2 percentage points); and
- rent (contributing -1,1 percentage points).

The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt was 3,1% lower in 2019 compared with 2018. The largest negative contributor to the decrease was 'other' debts (contributing -5,3 percentage points). In 2019, 200 166 civil



judgements for debt amounting to R3 736,3 million were recorded. The largest contributors to the total value of judgements were:

- money lent (R1 048,7 million or 28,1%);
- services (R793,4 million or 21,2%); and
- 'other' debts (R648,6 million or 17,4%).

Table M – Key figures for civil summonses and judgements for December 2019

Actual estimates	December 2019	% change between December 2018 and December 2019	% change between October to December 2018 and October to December 2019	Annual % change between 2018 and 2019
Number of civil summonses issued for debt	32 377	6,6	2,4	1,1
Number of civil judgements recorded for debt	12 867	7,3	-14,0	-7,4
Value of civil judgements recorded for debt (R million)	268,6	9,9	5,0	-3,1

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 decreased

Statistics South Africa (Stats SA) collects administrative information on liquidations from Companies and Intellectual Property Commission (CIPC) and the Department of Trade and Industry (DTI), while information on insolvencies is gathered from Notices of the Master of the High Court that appear in the Government Gazette. Liquidation means closing of the business operations. Stats SA publishes statistical release (P0043) monthly, which shows the voluntary and compulsory liquidations of companies and close corporations and insolvencies of individuals and partnerships. The aggregated data in this statistical release are used by the private and public sectors to measure economic performance and are also important indicators of the scope of unpaid debt in South Africa. Presented in this article is the summary of the liquidation statistics for December 2019 and insolvency statistics for the month of January 2020.

The total number of liquidations decreased by 10,1% in January 2020 compared with January 2019 (**see Table N**). Voluntary liquidations



decreased by 26 cases while compulsory liquidations increased by 12 cases during this period.

There was an increase of 13,8% in the three months ended January 2020 compared with the three months ended January 2019.

Table N – Total number of liquidations for January 2020

Number of liquidations January 2020	% change between January 2019 and January 2020	% change between November 2018 to January 2019 and November 2019 to January 2020
125	-10,1	13,8

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 increased by 21,7% in 2019 compared with 2018 (**see Table O**). A 10,2% increase was estimated between the fourth quarter of 2018 and the fourth quarter of 2019. There was a year-on-year increase of 6,6% in December 2019.

Table O – Total number of insolvencies for December 2019

Number of insolvencies December 2019	% change between December 2018 and December 2019	% change between October to December 2018 and October to December 2019	% change between January to December 2018 and January to December 2020
211	6,6	10,2	21,7

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 decreases

South Africa has been experiencing a backlog in road maintenance and as a result road infrastructure is likely to have potholes that are normally damaging motor vehicles. In addressing some of the backlogs and lack of road maintenance, on 28 February 2020, the Kouga municipality in partnership with Scottish company MacRebur and South African civil engineering experts, opened a kilometre plastic road which is Africa's first eco-friendly road at Jeffrey's Bay in Eastern Cape. The road has been built using an equivalent of 684 000 bottles or 1,8 million plastic bags. According to the municipality, the road is stronger, more durable, heat resistant and water, the main cause of potholes does not penetrate easily as in tar roads. The motorists will benefit of this road improvement in terms of their safety, vehicle operating costs and travel time among others. Presented in this article is a summary of the Land transport survey results for December 2019.

The volume of goods transported (payload) decreased by 2,4% in 2019 compared with 2018 (**see Table P**). The corresponding income decreased by 4,4% over the same period.

In December 2019 the volume of goods transported (payload) decreased by 10,1% year-on-year. The corresponding income decreased by 4,4% over the same period.

Income from freight transportation decreased by 6,1% in the fourth quarter of 2019 compared with the fourth quarter of 2018. The main negative contributors to this decrease were:

- primary mining and quarrying products (-6,4%, contributing -2,2 percentage points);
- basic metals and fabricated metal products (-37,9%, contributing -1,3 percentage points); and
- 'other' freight (-5,8%, contributing -1,0 percentage point).

**Table P – Year-on-year percentage change in freight transportation: December 2019**

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Freight payload	-2,6	-2,0	-3,9	-7,4	-13,6	-10,1
Freight income	-0,5	0,5	-1,9	-4,3	-9,3	-4,4

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 16,0% in 2019 compared with 2018 (see **Table Q**). The corresponding income increased by 2,1% over the same period. In December 2019, the number of passenger journeys decreased by 17,6% year-on-year. The corresponding income decreased by 1,2% over the same period.

Table Q – Year-on-year percentage change in passenger transportation: December 2019

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Passenger journeys	-21,2	-19,0	-15,4	-11,9	-21,2	-17,6
Passenger income	-4,1	3,3	8,6	1,6	-2,2	-1,2

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 for January 2020 at 4,6%

Following a rebound in December 2019, the producer price index (PPI) recorded yet another increase in January 2020 (from 3,4% in December 2019 to 4,6% in January 2020). This is the highest PPI rate recorded since July 2019. It is also the second PPI increase recorded after decreasing for six consecutive months from June 2019 to November 2019. Since the PPI has started rising again, there is a small chance that the consumer price index (CPI) might also increase in future as the PPI is often regarded as an earlier indication of the CPI. Presented in this article is a summary of the key results from the Producer price index release for January 2020.

Final manufactured goods – headline PPI

Annual producer price inflation (final manufacturing) was 4,6% in January 2020, up from 3,4% in December 2019 (**see Table R**). The producer price index increased by 0,3% month-on-month in January 2020.

The main contributors to the headline PPI annual inflation rate were coke, petroleum, chemical, rubber and plastic products; food products, beverages and tobacco products; and metals, machinery, equipment and computing equipment.

- Coke, petroleum, chemical, rubber and plastic products increased by 6,8% year-on-year and contributed 1,4 percentage points.
- Food products, beverages and tobacco products increased by 3,7% year-on-year and contributed 1,3 percentage points.
- Metals, machinery, equipment and computing equipment increased by 4,1% year-on-year and contributed 0,6 of a percentage point.

The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 0,5% month-on-month and contributed 0,1 of a percentage point.

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 0,7% in January 2020 (compared with -1,5% in December 2019)



(see **Table R**). The index increased by 0,7% month-on-month. The main contributors to the annual rate were basic and fabricated metals (1,5 percentage points) and sawmilling and wood (0,7 of a percentage point). The main contributor to the monthly rate was recycling and manufacturing n.e.c. (0,3 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 13,0% in January 2020 (compared with 13,8% in December 2019) (see **Table R**). The index decreased by 1,5% month-on-month. Electricity contributed 12,0 percentage points to the annual rate, and water contributed 1,1 percentage points. Electricity contributed -1,4 percentage points to the monthly rate.

Mining

The annual percentage change in the PPI for mining was 32,2% in January 2020 (compared with 24,2% in December 2019) (see **Table R**). The index increased by 6,4% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (23,8 percentage points), gold and other metal ores (4,8 percentage points) and coal and gas (3,6 percentage points). The main contributors to the monthly rate were non-ferrous metal ores (3,9 percentage points) and gold and other metal ores (1,3 percentage points).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was -0,9% in January 2020 (compared with -0,6% in December 2019) (see **Table R**). The index decreased by 0,5% month-on-month. The main contributor to the annual rate was agriculture (-2,5 percentage points). The main contributor to the monthly rate was agriculture (-0,5 of a percentage point).



Table R – Key PPI figures for January 2020

Product	Weight	Index (2016=100)			% change	
		January 2019	December 2019	January 2020	January 2020 vs December 2019	January 2020 vs January 2019
Final manufactured goods	100,00	109,8	114,5	114,8	0,3	4,6
Intermediate manufactured goods	100,00	106,8	106,8	107,6	0,7	0,7
Electricity and water	100,00	110,4	126,7	124,8	-1,5	13,0
Mining	100,00	112,4	139,7	148,6	6,4	32,2
Agriculture, forestry and fishing	100,00	102,1	101,7	101,2	-0,5	-0,9

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)

CPI rises to 4,5% in January 2020

The impact of the coronavirus on the economic activity has prompted the ratings agency Moody's to cut the growth forecasts for Group of Twenty (G20) countries (G20 members account for 85% of the world economy, 75% of global trade and two-thirds of the world's population) for the first half of 2020. On 06 March 2020, the Moody's agency issued an update on its forecasts for the global macro outlook and the ratings agency anticipates that the coronavirus will affect economic growth in many countries, particularly slowing business and consumer activity. Moody's expects the group of G20 economies to grow by 2,1% during 2020. South Africa's growth forecast for 2020 was lowered from 0,7% to 0,4%, United States from 1,7% to 1,5% and China from 5,2% to 4,8%. Apart from the impact on the economic activity, coronavirus impacts on the consumer expenditures where consumers often avoid travelling and avoid public places in an attempt to reduce the risk of getting infected. This disruption may causes less consumption of goods that might cause consumer prices to escalate or



producers losing income. Presented in this article is a summary of the Consumer price index (CPI) release for January 2020.

Annual consumer price inflation was 4,5% in January 2020, up from 4,0% in December 2019. The consumer price index increased by 0,3% month-on-month in January 2020 (**see Table S**). The main contributors to the 4,5% annual inflation rate were food and non-alcoholic beverages; housing and utilities; transport; and miscellaneous goods and services.

Food and non-alcoholic beverages increased by 3,7% year-on-year, and contributed 0,6 of a percentage point to the total CPI annual rate of 4,5%.

Housing and utilities increased by 4,7% year-on-year, and contributed 1,2 percentage points.

Transport increased by 6,4% year-on-year, and contributed 0,9 of a percentage point.

Miscellaneous goods and services increased by 5,7% year-on-year, and contributed 0,9 of a percentage point.

The annual inflation rates for goods and for services were 4,9% and 4,0% respectively. Provincial annual inflation rates ranged from 4,0% in Eastern Cape, Free State and KwaZulu-Natal to 5,1% in Western Cape.



Table S – Consumer price index: Index numbers and year-on-year rates
Base year: Dec 2016 = 100

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average [1]
Year	Index/rate													
2010	Index	69,3	69,8	70,3	70,4	70,6	70,6	71,1	71,1	71,1	71,3	71,4	71,5	70,7
	Rate	6,1	5,8	5,1	4,8	4,7	4,1	3,8	3,6	3,0	3,3	3,5	3,5	4,3
2011	Index	71,9	72,3	73,2	73,5	73,8	74,1	74,7	74,9	75,2	75,5	75,8	75,9	74,2
	Rate	3,8	3,6	4,1	4,4	4,5	5,0	5,1	5,3	5,8	5,9	6,2	6,2	5,0
2012	Index	76,3	76,7	77,6	77,9	77,9	78,2	78,4	78,6	79,3	79,8	80,0	80,2	78,4
	Rate	6,1	6,1	6,0	6,0	5,6	5,5	5,0	4,9	5,5	5,7	5,5	5,7	5,7
2013	Index	80,4	81,2	82,2	82,5	82,3	82,5	83,4	83,6	84,0	84,2	84,3	84,5	82,9
	Rate	5,4	5,9	5,9	5,9	5,6	5,5	6,4	6,4	5,9	5,5	5,4	5,4	5,7
2014	Index	85,1	86,0	87,2	87,6	87,7	88,0	88,7	89,0	89,0	89,2	89,2	89,0	88,0
	Rate	5,8	5,9	6,1	6,2	6,6	6,7	6,4	6,5	6,0	5,9	5,8	5,3	6,2
2015	Index	88,9	89,4	90,7	91,5	91,7	92,1	93,1	93,1	93,1	93,3	93,4	93,7	92,0
	Rate	4,5	4,0	4,0	4,5	4,6	4,7	5,0	4,6	4,6	4,6	4,7	5,3	4,5
2016	Index	94,4	95,7	96,4	97,2	97,4	97,9	98,7	98,6	98,8	99,3	99,6	100,0	97,8
	Rate	6,2	7,0	6,3	6,2	6,2	6,3	6,0	5,9	6,1	6,4	6,6	6,7	6,3
2017	Index	100,6	101,7	102,3	102,4	102,7	102,9	103,2	103,3	103,8	104,1	104,2	104,7	103,0
	Rate	6,6	6,3	6,1	5,3	5,4	5,1	4,6	4,8	5,1	4,8	4,6	4,7	5,3
2018	Index	105,0	105,8	106,2	107,0	107,2	107,6	108,5	108,4	108,9	109,4	109,6	109,4	107,8
	Rate	4,4	4,0	3,8	4,5	4,4	4,6	5,1	4,9	4,9	5,1	5,2	4,5	4,7
2019	Index	109,2	110,1	111,0	111,7	112,0	112,4	112,8	113,1	113,4	113,4	113,5	113,8	112,2
	Rate	4,0	4,1	4,5	4,4	4,5	4,5	4,0	4,3	4,1	3,7	3,6	4,0	4,1
2020	Index	114,1												
	Rate	4,5												



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.

Acting household head: any member of the household acting on behalf of the head of the household.

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.

Day trip: a trip outside of the respondent's usual environment, where they leave and return within the same day (i.e. do not stay overnight).

Domestic tourism: a trip within the boundaries of South Africa but outside of the respondent's usual environment.

Note: The following categories are excluded from the definition of domestic visitor:

- persons travelling to another place within the country with the intention of setting up their usual residence in that place.
- Persons who travel to another place within the country and are remunerated from within the place visited.
- Persons who travel regularly or frequently between neighbouring localities as defined by the 'usual environment' rule.

Dwelling unit: structure or part of a structure or group structures occupied or meant to be occupied by one or more than one household.

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

Expenditure: the total consumption expenditure made by a visitor or on behalf of a visitor during his/her trip and stay at a destination.

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

Household: a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

Household head: the main decision-maker, or the person who owns or rents the dwelling, or the person who is the main breadwinner.

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.

Main purpose of trip: this is the purpose in the absence of which the trip would not have been made.

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.

Tourist accommodation: any facility that regularly (or occasionally) provides 'paid' or 'unpaid' overnight accommodation for tourists.

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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