

# Mbalo Brief



the missing piece of the puzzle

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## Editor's comment

As we celebrate Women's Month in August, the South African government has made headway to promote gender equality and empowerment of women and closing the gap by increasing the proportion of seats allocated to women in parliament. The promotion of gender equality and women empowerment are part of the Millennium Development Goals (MDGs) which must be met by December 2015. However, gender-based discrimination is still rife with regard to women's access to land and assets. According to the Organisation for Economic Co-operation and Development (OECD), which is a cross-country measure of discrimination against women in social institutions across 160 countries; formal and informal laws, social norms and practices, the absence of a national communal land tenure laws still leave many women who live in the former 'Bantustans' or homelands vulnerable, as access to land strongly depends on relations to local power, which is usually vested in men. OECD ranked South Africa at position 90 out of 148 countries in social institutions and gender index.

Our educational article for this month's issue of *Mbalo Brief* focuses on the change in the use of electricity amongst households in South Africa. The findings in this article are based on the *General Household Survey (GHS) Series V: Energy, 2002–2012* (Report No. 03-18-04). The article provides an analysis of access to electricity and changes in the households' use of electricity.

This issue also features articles on *Land transport, Mining, Food and beverages* and *Tourism and Migration*, amongst others. Fill in our crossword puzzle to test your insight into general issues. We have also included the solutions to the July 2015 puzzle.

Articles published in this issue are based on results of industry surveys conducted for the months ranging from April to July 2015, which were released in July and August 2015.

For full details on any of our surveys, visit our website at [www.statssa.gov.za](http://www.statssa.gov.za)

Enjoy the read!





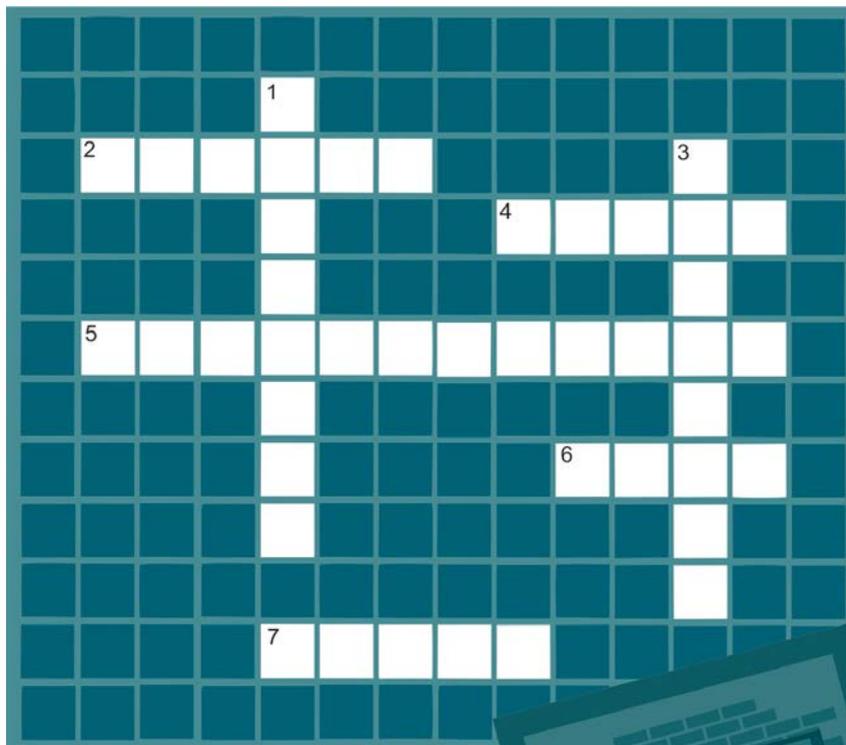
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## Crossword puzzle





### Across

2. Who is the Commissioner of South African Revenue Services? [Supply surname only]
4. How many commercial ports does South Africa has? [Read Land transport survey article for clue]
5. In which city is the Constitutional Court located?
6. Which only negative annual growth rate was recorded for Motor trade sales? [Read Motor trade sales article]
7. Abbreviate: Tourism Marketing South Africa

### Down

1. Which Chinese language will be introduced in South African schools in 2016?
3. How many parties are represented in South African parliament?

## Solutions for July 2015 puzzle

### Across

5. Natural
6. Free State
8. Kimberley
9. Dipuo Peters

### Down

1. Hotels
2. Baleka Mbete
3. July
4. Flu
6. Fruit
7. Male





# Educational article on the change in the use of electricity amongst households in South Africa, 2002 – 2012

## 1. Introduction

Each household in South Africa requires an adequate amount of energy to conduct domestic chores such as cooking, heating, lighting and communicating. Having adequate access to appropriate forms of energy is critical for improving living standards, health and reducing poverty. In the absence of accessible or affordable modern energy, many households turn to multiple sources of energy, including fuels such as wood, cow dung and coal. While some of these sources provide practical alternatives for household energy requirements, utilising them not only exposes households to health hazards but also contributes to environmental degradation. The use of these sources of energy is very common amongst low-income households and these households often spend a higher proportion of their household resources and time than wealthier households to acquire enough energy to maintain even modest household activities.

Universal access to electricity is also one of the factors that the National Development Plan (NDP) seeks to achieve by 2030. According to the plan, this will result in an elimination of poverty and a reduction of inequality. The plan states that this will be achieved by expanding access to energy (to 90% by 2020, and 95% by 2030), maintaining affordable tariffs, and maintaining targeted and sustainable subsidies for poor households. Although the plan acknowledges the significant achievements over the past 20 years, it points out that the energy needs of 20% or more of poor households still need to be met. The plan therefore calls for integrated plans to address energy deprivation where households either have no access to electricity, or where households can only afford modest quantities of electricity and are forced to use multiple sources of energy that are often costly and harmful. The plan also warns that the reliability of electricity supply has deteriorated and that prices are rising at unaffordable rates. The purpose of this article is to provide an in-depth analysis of access of electricity and the change in the use of electricity over time. The findings in this article are based on the *General Household Survey (GHS) Series V: Energy, 2002–2012* (Report No. 03-18-04), which was published in November 2013. This report is only updated once every four or five years; hence the data used is up to 2012.





## 2. Households in South Africa

### 2.1 Number of households

Households are the most appropriate units of analysis to measure progress with regard to the delivery of basic services to the South African population. Therefore, before access and use of electricity can be analysed, the article will first provide a brief background on the households in South Africa.

According to Statistics South Africa (Stats SA), in 2012, there were 14,6 million households in South Africa. The total number of households was distributed among the provinces in the following manner:

- Gauteng (4,2 million);
- KwaZulu-Natal (2,5 million);
- Eastern Cape (1,63 million);
- Western Cape (1,62 million);
- Limpopo (1,4 million);
- North West (1,1 million);
- Mpumalanga (1,1 million)
- Free State (843 000); and
- Northern Cape (296 000).

### 2.2 Household living standards

The Living Standard Measure (LSM) groups people and households into ten distinct groups based on criteria such as their level of urbanisation, ownership of vehicles and major electrical appliances. For instance, those with the least number of appliances, no vehicle and not living in urban areas will be classified as the low LSM. The measurement is classified from LSM 1 to LSM 10. For the purpose of the survey, these categories were combined as follows:

- Low LSM: comprising LSM 1 to LSM 4
- Intermediate LSM: comprising LSM 5 to LSM 7
- High LSM: comprising LSM 8 to LSM 10.

**Quintile:** The quintile measure divides the households into five equal parts where households are ordered from those with the least per capita household income to those with the highest per capita household income. Thus, The first quartile represents the lowest fifth of the data (1-20%); the



second quintile represents the second fifth (21% - 40%). Quintile 3 represents households that fall into the third fifth (41%–60%). Quintile 4 represents households that fall into the fourth fifth (61%–80%). The final and wealthiest quintile, quintile 5, represents households that fall into the highest fifth of the data (81%–100%) of the data. These values are per capita household income per month. The monetary cut values for income quintiles are as follows:

- Quintile 1: R0–R390;
- Quintile 2: R391–R764;
- Quintile 3: R765–R1 499;
- Quintile 4: R1 500–R3 997; and
- Quintile 5: Larger than R3 997.

Households that fell into the bottom two income quintiles were classified as poor, while those in the three upper bands were grouped together as 'rich' households. Although the per capita household income might differ significantly amongst households in the 'rich' category, these households probably use and have access to very similar fuels and appliances.

In 2012, Limpopo (58,4%) and Eastern Cape (53,2%) were the two provinces with most households falling in the two lowest income quintiles (the poorest households are disproportionately represented in rural areas and provinces with large rural populations). By comparison, only 26,2% of households in Gauteng and 28,3% in Western Cape fell into the same category. In addition, 29% of households in Gauteng and 26,9% of households in Western Cape fell into the richest income quintile. A comparison of income quintile bands in urban and rural areas shows that 29,8% of urban households fell into the lowest two quintiles compared to 60,2% of rural households. By contrast, 26,3% of urban households were quintile 5 households, compared to only 7,5% of rural households.

Furthermore, wealthier households were generally more likely to possess electrical appliances than households in lower income quintile bands. The differences between ownership of various appliances between households in quintile 1 and quintile 5 are particularly pronounced for microwave ovens (54,3%), pay television such as DSTV and Top TV (50,4%), computers (48,9%) and washing machines (47,9%). The smallest differences were observed for ownership of swimming pools (13,9%), air conditioners (18,1%) and dish washers (19,8%).



Urban households were more likely to own electrical appliances than rural households. They were also more likely to have possessed appliances such as a microwave oven (64,4%) and washing machine (41,4%) whereas 25,7% and 10,4% of rural households possessed a microwave oven and washing machine respectively.

Almost half of all households in Eastern Cape (48,9%) and Limpopo (46,4%) had a low standard of living compared to only 8,8% of households in Western Cape and 15,8% of households in Gauteng. However, only 5,7% of households in Limpopo and 9,2% of households in Eastern Cape enjoyed a high standard of living compared to 34,3% of households in Western Cape and 28,3% of households in Gauteng. About one-fifth of households in South Africa were classified as having had a high standard of living. Households in rural areas were much more likely to have experienced a low standard of living than households in urban areas (57,5% compared to 16% respectively). By contrast, 26% of households in urban areas experienced a high quality of life compared to only 2,6% of households in rural areas.

### **3. Household access to electricity**

#### **3.1 Household access to mains electricity**

In 2012, 85,3% of South African households reported that they were connected to mains electricity. A further 3,6% of households reported that they used electricity, but that they were not connected to the mains. About 11% of households did not have access to electricity. Furthermore, a larger percentage of households in urban areas, with the exception of Limpopo, had access to electricity than those in rural areas. The largest differences between urban and rural areas were noted in Gauteng (89,7% vs 68,7%), Eastern Cape (92,2% vs 74,8%) and KwaZulu-Natal (90,6% vs 73,2%) respectively.

In 2012, approximately 3,6% (578 005) of all households used electricity without being connected to the mains themselves. Of this total, 460 856 were in urban areas and 117 149 in rural areas. Almost three-quarters of these households (76,7% in urban areas and 59,2% in rural areas) indicated that they tapped electricity from other sources (such as their neighbours or landlords), but that they paid or reimbursed them for the electricity. A much smaller percentage (11,7%) admitted that they extracted electricity from other sources but that they did not pay for it. The percentage was much



larger in rural areas (18,1%) than in urban areas (10,1%). A very small percentage of households utilised home solar systems or generators.

The number of households with access to mains electricity increased by 48,8% (at an average rate of 3,7% per year) to 12,4 million households in 2012. During this period, the total number of households increased by approximately 35% to 14,6 million households at an average rate of 2,8% per year. Despite the rapid rate of electrification, the number of households without access to electricity declined by less than 10% to 2,3 million households in 2012. This figure is lower than the national backlog, calculated by the Department of Energy in 2013, of 3,4 million households. The share of households without electricity of all households declined from 22,9% in 2002 to 14,7% in 2012.

Access to electricity is largely associated with a households' per capita monthly income. Households in income quintile 5 would therefore be more likely to have access to electricity than those in preceding income quintiles. Households in income quintile 5 enjoyed the largest access to electricity in all provinces except North West.

According to the report, this observation might be linked to the well-established trend in North West in which many mine-workers prefer to be paid a live-out allowance rather than to stay in mine hostels or other mine accommodation. To save money (which they often send back as remittances to the areas of origin) the miners then move into dilapidated informal settlements where they are often left without access to basic services, such as electricity. Another anomaly can be found in Limpopo and Mpumalanga where households in quintile 4 are less likely to have access to electricity than those in lower quintiles 2 and 3. In Gauteng, households in quintile 4 were less likely to access electricity than those in quintile 2.

As with income quintiles, there seems to be a positive connection between standard of living and the likelihood of being connected to the mains electricity. LSMs are highly linked with electricity use as the index is essentially based on household's ownership of a series of 29 commodities, many of which are electrical appliances. Nationally, 99,7% of households with the highest standard of living had access to electricity, compared to 94,6% of households in the 'intermediate' category, and only 59,3% in the lowest category. In terms of access to electricity, households in the two upper categories (high and intermediate) are very similar, while households in the lowest category are lagging behind considerably across all provinces.



It is interesting to note that only 47,6% of low LSM households in Western Cape and 34,0% of low LSM households in Gauteng had access to electricity. By comparison, 81,3% of low LSM households in Limpopo had access to electricity.

#### 4. Electricity distribution

Nationally, half of households indicated that they received electricity from their local municipalities, while 47,1% received electricity directly from Eskom. Less than 2,9% claimed to receive electricity independently from these two providers. Municipalities provided electricity to almost two-thirds (65,9%) of households in urban areas, but only 14,1% of households in rural areas. Conversely, 84,1% of households in rural areas said they received electricity from Eskom as compared to 30,8% in urban areas. The percentage of rural households served by Eskom was particularly high in provinces such as Eastern Cape (98,3%), North West (95,9%) and Limpopo (94%), an observation related to the inability, or unwillingness of municipalities to deliver services to relatively poor and scattered households. The study found that, compared to the service provided by Eskom in urban areas, households that received electricity from their municipalities were less likely to rate the electricity services they received as 'good', and were more likely to rate the service they received as 'poor'.

#### 5. Alternative sources of energy

Nationally, 11% of households did not have access to electricity in 2012. Households without adequate access to appropriate sources of energy often utilise multiple sources of energy such as wood and paraffin. These sources of energy increase the exposure of household members to health risks potentially caused by indoor pollution or injury as a result of carrying heavy loads, as well as accidental burning or ingestions of fluids such as paraffin.

However, some households with access to electricity were not able to use it for all household activities due to affordability. The use of alternative sources of energy by electrified households could be associated with geographical location (more likely in rural areas), socio-economic status (more likely for poor households), and domestic activities (more likely for energy-intensive activities such as space heating and cooking).

Households without access to electricity were generally more likely to use solid fuels (particularly wood, but also coal and animal dung) for cooking,



heating and lighting than electrified households. The use of solid fuels was particularly prevalent in rural areas. In rural areas, more than three-quarters of households without access to electricity used solid fuels for cooking, heating and lighting compared to about 50% of rural rich (in quintiles 3–5) households without access to electricity. The use of solid fuels was much more limited in urban areas, regardless of socio-economic status, as access to wood was more limited, and the use of paraffin was more common.

### 5.1 Source of energy for cooking

The percentage of households that used electricity for cooking increased from 58% in 2002 to 75,2% in 2012. The percentage of households that used solid fuels decreased by 10 percentage points, from 22,6% in 2002 to 12,6% in 2012. Despite these improvements, 45,1% of households in Limpopo still used wood, while 5,8 of households in Mpumalanga used coal, in addition to 17,6% that still used wood. Whereas 9,3% of electrified households preferred solid fuels for cooking, more than half (53,2%) of un-electrified households relied on paraffin, while another 39,1% used solid fuels. The use of LP gas for cooking is still relatively small and largely limited to high income, predominantly urban households.

### 5.2 Source of energy for space heating

Space heating is a relatively energy-intensive, yet more seasonal activity for households. Unlike cooking which is an essential activity for households, many households choose not to heat their homes. The percentage of these households increased consistently from 7,2% in 2002 to 27,7% in 2012. By comparison, the percentage of households that used other sources of energy, particularly electricity and wood, declined. Since the study was conducted during the cold winter months between July and September 2012, it is, perhaps, understandable that households in Gauteng and Free State were most likely to have used some kind of fuel for heating. More than 40% of households in Western Cape and KwaZulu-Natal, however, indicated that they did not heat their homes. Although electricity was used for heating by less than half the electrified households, presumably due to monetary reasons, 46,8% of un-electrified households relied on solid fuels while another 17,5% relied on paraffin. Low LSM households, and those in rural areas, particularly those in traditional dwellings, were most likely to use solid fuels for heating space.



### 5.3 Source of energy for heating water

In 2012, 76,7% of households used electricity (predominantly through geysers) and only 11,6% used solid fuels to heat water. The use of solid fuels were most common in Limpopo (40,9%) and Mpumalanga (20,1%) and least common in Western Cape (0,7%) and Gauteng (1,8%). Urban households were much more likely than those in rural areas to use electricity (86,0% compared to 56,7%) while the use of solid fuels was more common in rural areas. Only 56,1% of households in informal dwellings used electricity to heat water, while 27,4% and 9,9% respectively relied on paraffin and solid fuels.

### 5.4 Source of energy for lighting

The use of electricity for lighting was more common in urban areas (90,3%) than rural areas (80,9%). While 94,9% of households in formal dwellings and 92,1% of households in subsidised dwelling used electricity, less than two-thirds of households in informal and traditional dwellings used electricity. More than one-quarter of these households used candles. Nationally, more than three-quarters (76,3%) of un-electrified households used candles for lighting, while 20,8% used paraffin. Although these percentages were very similar across rural and urban areas for households without access to electricity, a slightly higher percentage of un-electrified poor households in rural areas (80,6%) used candles.

## 6. Household perceptions of measures to save electricity

**Table 1 - Household support for measures to save electricity by living standard, 2012**

	Formal	Informal	Traditional
	%		
Switch off lights when you leave your house	92,4	65,9	63,9
Using energy saving bulbs	82,6	52,9	46,8
Switch off unused lights	66,1	36,8	40,1
Switch off unused appliances	76,3	51,3	47,2
Switch off the geyser at certain times	30,2	3,8	3,3
Boil only as much water as needed	83,5	60,5	52,8
Use stove plates sparingly	82,0	59,0	51,2
Bath with as little water as possible	57,3	34,8	35,0
Use warm clothing/blankets instead of heaters	64,1	46,9	44,7
Close doors/windows when the heater is on	53,9	34,4	29,3
Allow clothes to drip-dry instead of ironing	34,8	24,4	30,9
Install a solar water heater	7,4	2,5	3,2

During the survey, households were requested to indicate if they supported a set of everyday activities that could commonly be followed to save some electricity. The results of these questions are presented in Table 1.

Nationally, households were least likely to support the installation of a solar water heater (7,0%), switching off the geyser when not in use (27,1%), and not using an electric iron (33,4%). Households were most likely to support a call to switch off lights when you leave your house (85,3%), to use stove plates sparingly (75,3%) and to use energy saving light bulbs (74,2%).

Households were also asked to indicate how they would deal with sudden increases in the price of electricity. One-third (36,4%) indicated that they would continue using the same amount of electricity but that they would merely pay more for it. Nationally, 82,2% agreed with a statement that they would reduce the amount of electricity used by the household, while about two-thirds (63,8%) agreed with a statement that they would look for an alternative source of energy to use. Only 5,9% of households agreed with a statement that they would stop paying for the service altogether.



## 7. Conclusion

The National Development Plan envisions greater social equity through expanded access to energy services with affordable tariffs and well-targeted and sustainable subsidies for needy households. Access to affordable modern sources of energy is essential to achieve social and economic development in pursuit of poverty reduction and ensuring an improved quality of life for all households. Although the percentage of households with access to electricity increased from 77,1% in 2002 to 85,3% in 2012, a large number of households either remain without electricity, or cannot afford to use adequate electricity to satisfy their needs.

## References

1. Statistics South Africa. 2013. *General Household Survey (GHS) Series V: Energy, 2002–2012* (Report No. 03-18-04). Pretoria: Statistics South Africa.
2. Department of Energy. 2013. *A survey of energy-related behaviours and perceptions in South Africa: The residential sector*. Pretoria: Department of Energy.

# Primary industries

## Mining: Production and sales

### *Mining production and mineral sales increase*

Mining companies retrench mineworkers due to mining sector challenges they are faced with. Some of the challenges are labour unrests as workers demand higher wages, low commodity prices, load shedding and electricity shortages. Government has been in negotiations with mining companies and labour unions to come up with possible solutions to avert job losses. Task teams were set up to come up with short and long term interventions. This article highlights mining production for May 2015 and mineral sales for April 2015.

Mining production increased by 2,7% year-on-year in May 2015 (see **Table A**). The highest positive growth rates were recorded for PGMs (99,6%), partly as the result of a low base in May 2014 when the PGM sector was adversely affected by industrial action.

**Table A – Key growth rates in the volume of mining production for May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Year-on-year % change, unadjusted	-2,7	-1,9	8,5	19,9	7,9	2,7
Month-on-month % change, seasonally adjusted	1,0	-3,2	4,8	6,9	-4,7	-4,7
3-month % change, seasonally adjusted <sup>1/</sup>	3,6	0,5	-0,4	2,4	5,9	4,1

<sup>1/</sup> Percentage change between the previous 3 months and the 3 months ending in the month indicated.

Mineral sales increased by 4,5% year-on-year in April 2015 (see **Table B**). The highest positive contributions to the increase of 4,5% were the following mineral groups and minerals:

- PGMs (57,3%, contributing 10,9 percentage points);
- chromium ore (45,0%, contributing 1,4 percentage points); and
- coal (4,5%, contributing 1,2 percentage points).



Iron ore decreased by 39,4% year-on-year and was a significant negative contributor (contributing -7,5 percentage points).

**Table B – Key growth rates in mineral sales at current prices for April 2015**

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Year-on-year % change, unadjusted	-5,0	-2,2	-13,4	-12,9	0,1	4,5
Month-on-month % change, seasonally adjusted	-4,4	1,2	-4,9	3,8	3,0	3,0
3-month % change, seasonally adjusted <sup>1/</sup>	6,4	1,3	-3,3	-3,7	-2,2	3,9

<sup>1/</sup> 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](http://www.statssa.gov.za)

## Secondary industries

### Manufacturing: Production and sales

#### *Manufacturing production decreases*

Companies choose to invest in foreign countries for a number of reasons. Some of the reasons are to expand their operations and to make profit. To capitalize on retaining its existing and establishing new buyers for minibus taxis, the Toyota South Africa Motors company has opened a R476 million plant, on its main production site in Durban, in June 2015 to manufacture Quantum Ses'fikile minibus taxis. The parts/units for production of these minibuses were initially imported from Japan. Toyota, which began to assemble the Ses'fikile brand in South Africa in 2012 will now wholly produce the minibus taxis for local and international markets. This article highlights statistics on manufacturing sales and production for May 2015.

Manufacturing production decreased by 1,4% in May 2015 compared with May 2014 (**see Table C**). The 1,4% year-on-year decrease in manufacturing production in May 2015 was mainly due to lower production in the following divisions:

- basic iron and steel, non-ferrous metal products, metal products and machinery (-5,8%, contributing -1,2 percentage points); and
- petroleum, chemical products, rubber and plastic products (-4,6%, contributing -1,1 percentage points).

**Table C – Manufacturing production and sales for May 2015**

Estimates	May 2015	% change between May 2014 and May 2015	% change between February to April 2014 and February to April 2015	% change between January to May 2014 and January to May 2015
Physical volume of manufacturing production index (base: 2010=100)	104,0	-1,4	0,2	-0,3
Total estimated sales of manufactured products (R million)	153 127	3,3	3,0	1,3

A full release on *Manufacturing: Production and sales* (Statistical release P3041.2) is available on the Stats SA website: [www.statssa.gov.za](http://www.statssa.gov.za)



## Selected building statistics of the private sector

### *The value of recorded building plans passed increases*

The number of malls constructed in South Africa is continually rising. One of the latest additions to this number is the 115 000 square metre wide Mall of Africa currently being constructed in Waterfall, Midrand. The mall has been strategically positioned between the country's administrative capital, Pretoria and its economic hub, Johannesburg, providing easy access from both sides of the N1 Freeway. Once the mall is completed in March 2016, about 300 stores will open their doors to consumers. Thus, the development of the mall will not only benefit the construction industry but also the retail industry. Presented in this article is a summary of the selected building statistics of the private sector statistics for May 2015.

The value of recorded building plans passed increased by 11,2% (R4 019,3 million) during January to May 2015 compared with January to May 2014 (see **Table D**). Increases were reported for residential buildings (16,0% or R2 737,1 million), additions and alterations (8,1% or R761,6 million) and non-residential buildings (5,6% or R520,5 million).

Six provinces reported year-on-year increases in the value of building plans passed during January to May 2015. The increase in the value of building plans passed was dominated by Western Cape (contributing 7,0 percentage points or R2 518,3 million) and Gauteng (contributing 3,5 percentage points or R1 251,9 million).

The value of buildings reported as completed increased by 7,4% (R1 406,5 million) during January to May 2015 compared with January to May 2014. Residential buildings rose by 20,8% (R2 095,3 million) and non-residential buildings fell by 13,4% (-R673,9 million).

Four provinces reported year-on-year increases in the value of buildings completed during January to May 2015. Western Cape contributed 6,7 percentage points (R1 279,1 million) to this increase.

**Table D – Recorded building plans passed by larger municipalities:  
January to May 2014 versus January to May 2015**

Estimates at current prices	January to May 2014	January to May 2015	Difference in value between January to May 2014 and January to May 2015	% change between January to May 2014 and January to May 2015
	R'000	R'000	R'000	
<b>Residential buildings</b>	17 123 367	19 860 509	2 737 142	16,0
-Dwelling houses	11 680 031	12 979 125	1 299 094	11,1
-Flats and townhouses	5 064 370	6 230 193	1 165 823	23,0
-Other residential buildings	378 966	651 191	272 225	71,8
<b>Non-residential buildings</b>	9 370 667	9 891 139	520 472	5,6
<b>Additions and alterations</b>	9 435 093	10 196 733	761 640	8,1
<b>Total</b>	35 929 127	39 948 381	4 019 254	11,2

<sup>1/</sup> 2014 and 2015 figures should be regarded as preliminary because of possible backlogs and incomplete reporting by municipalities.

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

## Electricity generated and available for distribution

### *Production and consumption of electricity decreases*

Eskom is continuing to apply load shedding throughout the country, and homeowners should guard against power surges. Power surges occur when the flow of electricity is interrupted, then started again, or when something sends electricity flowing back into the system. The unexpected excessive flow of electricity causes electric appliances to short-circuit, malfunction, or become damaged, and as such, these appliances can even burn down the house. Homeowners should ensure that they unplug appliances at all times and install surge protectors to avoid damage to and loss of the appliances. This article highlights the production and consumption of electricity for May 2015.



Electricity generation (production) decreased by 3,5% year-on-year in May 2015 (**see Table E**), while electricity distribution (consumption) decreased by 2,7% year-on-year in May 2015.

**Table E – Key growth rate in the volume of electricity generated for May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Year-on-year % change, unadjusted	-1,0	-1,5	-2,1	-0,2	-4,5	-3,5
Month-on-month % change, seasonally adjusted	1,0	0,2	-0,8	0,9	-2,0	-0,8
3-month % change, seasonally adjusted <sup>1/</sup>	-0,8	-1,0	-0,5	0,2	-0,4	-1,1

<sup>1/</sup> 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](http://www.statssa.gov.za)



# Tertiary industries

## Wholesale trade sales

### *Wholesale trade sales up by 2,0%*

Wholesale trade is a method of trade in which goods are procured and kept in bulk and sold in consignments of a selected quantity to wholesalers, retailers, etc. These goods are dispatched for distribution throughout the country according to consumer needs. This form of trade is a vital element of domestic trade, as it involves the early stages of goods movement. Some of the products that fall within wholesale trade are livestock, books, furniture and beverages. Presented in this article is a summary of the wholesale trade sales statistics for May 2015.

Wholesale trade sales increased by 2,0% in May 2015 compared with May 2014 (**see Table F**). The major contributors to this increase were dealers in:

- food, beverages and tobacco (5,6%, contributing 0,9 of a percentage point); and
- construction and building materials (14,9%, contributing 0,8 of a percentage point).

Wholesale trade sales increased by 1,5% in the three months ended May 2015 compared with the three months ended May 2014. The major contributors to this increase were dealers in:

- food, beverages and tobacco (7,6%, contributing 1,2 percentage points);
- construction and building materials (15,2%, contributing 0,9 of a percentage point); and
- 'other' household goods except precious stones (8,3%, contributing 0,9 of a percentage point).



**Table F – Key growth rates in wholesale trade sales at current prices for May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Year-on-year % change, unadjusted	1,8	-5,1	-1,3	5,8	-3,5	2,0
Month-on-month % change, seasonally adjusted	0,1	-1,2	3,6	3,7	-5,4	4,3
3-month % change, seasonally adjusted <sup>1/</sup>	-1,5	-4,0	-2,4	1,5	3,4	3,4

<sup>1/</sup> 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](http://www.statssa.gov.za)

## Retail trade sales

### ***Retail trade sales increase by 2,4%***

Most retailers are using social media such as Twitter and Facebook (among others) to introduce a new product, or to announce when there is a sale or a new store opening. With more competition on the same brands, retailers are relying on social media to increase their clientele, boost sales and to market their products. Social media users or customers 'retweet', in other words, they share this information and comment on retailers' social network pages, which could influence others to purchase the displayed products or to market the retail shops. The introduction of the social media also plays a major role in keeping retailers engaged with customers, as some customers ask questions or post their concerns and dissatisfaction instead of calling or emailing a customer service centre. This article gives a summary on the performance of retail trade sales in May 2015.

Retail trade sales increased by 2,4% year-on-year in May 2015 (**see Table G**). The highest annual growth rates were recorded for retailers in:

- hardware, paint and glass (9,0%); and
- food, beverages and tobacco in specialised stores (6,0%).

The main contributors to the 2,4% increase were general dealers (contributing 0,9 of a percentage point) and retailers in hardware, paint and glass (contributing 0,6 of a percentage point).

Retail trade sales increased by 2,8% in the three months ended May 2015 compared with the three months ended May 2014. The main contributors to this increase were:

- general dealers (2,3%, contributing 1,0 percentage point); and
- retailers in hardware, paint and glass (9,7%, contributing 0,7 of a percentage point).

**Table G – Key growth rates in retail trade sales at constant 2012 prices for May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Year-on-year % change, unadjusted	2,0	1,9	3,7	2,5	3,4	2,4
Month-on-month % change, seasonally adjusted	-0,9	0,3	1,4	-0,2	0,0	0,1
3-month % change, seasonally adjusted <sup>1/</sup>	0,6	0,8	0,7	1,0	1,1	0,8

<sup>1/</sup> 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](http://www.statssa.gov.za)

## Motor trade sales

### *Sales in the motor industry decrease*

Regular maintenance of your motor vehicle is key to keep it in good condition and to prolong its lifespan. Motor vehicle maintenance is the process which involves checking of a vehicle after travelling a certain mileage and conducting repairs when necessary to avoid accidents or inconvenience to the owner. Motor vehicle maintenance is essential to the car as it adds value to the vehicle when the owner resells it. Motor trade sales figures for May 2015 are presented below.

Motor trade sales decreased by 0,8% year-on-year in May 2015 (**see Table H**). The only negative annual growth rate was recorded for fuel sales (-7,4%).



Motor trade sales increased by 1,3% in the three months ended May 2015 compared with the three months ended May 2014. The main contributors to this increase were:

- sales of accessories (11,1%, contributing 1,9 percentage points); and
- used vehicle sales (6,6%, contributing 1,1 percentage points).

**Table H – Key motor trade sales figures for May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Year-on-year % change, unadjusted	5,9	-1,8	0,2	6,6	-2,1	-0,8
Month-on-month % change, seasonally adjusted	0,6	-2,4	0,4	5,0	-6,1	1,9
3-month % change, seasonally adjusted <sup>1/</sup>	-0,7	-2,6	-2,6	-1,1	0,2	0,8

<sup>1/</sup> 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](http://www.statssa.gov.za)

## Food and beverages

### *Food sales increase*

The climate usually has an effect on the primary production of food and beverages. If it is too hot, too cold or too windy, or it rains a lot or too little, this can have an effect on food production. However, in the last few months, South African food and beverage producers had to include load shedding as one of the factors that could affect food production. Farmers are highly dependent on electricity for key processes such as irrigation, livestock care and harvesting, and load shedding sometimes interrupts these processes. For example, in the dairy industry, once the milk from the cow is in the factory, it needs to be kept at the perfect temperature and then processed through a series of heating and cooling stages to provide dairy products. These products also need electricity to remain cooled so that they can have a longer shelf life, otherwise they will have to be thrown out – which is not only a waste but also a loss to the food industry. Presented in this article is a summary of the food and beverages statistics for May 2015.

Total income generated by the food and beverages industry increased by 5,1% in May 2015 compared with May 2014 (**see Table I**). The only positive annual growth rate was recorded for food sales (6,1%).

In May 2015, the highest annual growth rates were recorded for takeaway and fast-food outlets (7,2%, contributing 2,8 percentage points) and restaurants and coffee shops (5,0%, contributing 2,3 percentage points).

Total income increased by 7,7% in the three months ended May 2015 compared with the three months ended May 2014. The main contributors to this increase were:

- takeaway and fast-food outlets (10,4%, contributing 3,9 percentage points); and
- used vehicle sales (6,6%, contributing 1,1 percentage points).

**Table I – Year-on-year percentage change in food and beverages income at current prices by type of income – May 2015**

Type of income	Dec-14	Jan-15	Feb-15	Mar-15	Apr-2015	May-15
Food sales	9,7	12,7	6,9	11,2	9,3	6,1
Bar sales	-9,6	-0,4	0,0	6,3	-0,3	-0,9
Other income	21,2	9,1	-4,0	0,4	-4,6	-4,8
<b>Total</b>	<b>7,3</b>	<b>11,0</b>	<b>5,8</b>	<b>10,3</b>	<b>7,8</b>	<b>5,1</b>

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

## Tourist accommodation

### *Income for tourist accommodation increases*

The tourism industry is integral to the economy of South Africa. However, sometimes the success of this industry may depend on factors such as exchange rates and marketing or promotional campaigns as well as the image of the country as portrayed by the media. One of the organisations responsible for the promotion and marketing of the country is South African Tourism. Some tourist establishments charge 1% on a room rate to contribute towards the endeavours of South African Tourism to market the country locally and internationally. In return for their contributions, tourist



establishments receive 10% discount on grading fees, 10% discount when exhibiting at local and international trade shows hosted by South African Tourism, and an opportunity to attend tourism industry networking events, among others. It is important that tourist establishments contribute towards the marketing of the country, as this does not benefit the tourist establishments alone, but also the entire tourism industry, which ultimately boosts the economy of the country. This article provides a summary on tourist accommodation for May 2015.

Total income for the tourist accommodation industry increased by 7,0% in May 2015 compared with May 2014 (**see Table J**). Income from accommodation increased by 6,4% year-on-year in May 2015. This is as a result of a 0,2% decrease in the number of stay unit nights sold and a 6,6% increase in the average income per stay unit night sold.

The main contributor to the 6,4% year-on-year increase in income from accommodation in May 2015 were hotels (contributing 5,0 percentage points) and 'other' accommodation (contributing 1,3 percentage points).

In May 2015, the types of accommodation that recorded positive year-on-year growth rates in income from accommodation were hotels (7,8%), 'other' accommodation (4,6%) and guest-houses and guest-farms (1,8%).

Income from accommodation increased by 8,0% in the three months ended May 2015 compared with the three months ended May 2014. The main contributors to this increase were:

- hotels (9,2%, contributing 5,8 percentage points); and
- 'other' accommodation (6,0%, contributing 1,8 percentage points).

**Table J – Year-on-year percentage change in tourist accommodation statistics for May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Stay units available	0,3	0,3	0,9	1,2	1,0	0,9
Stay unit nights sold	-1,5	-9,2	-5,1	-0,2	-1,1	-0,2
Average income per stay unit night sold	3,5	7,9	9,6	9,7	9,1	6,6
Income from accommodation	2,0	-2,1	4,0	9,4	7,9	6,4
Total income <sup>1/</sup>	<b>3,6</b>	<b>0,7</b>	<b>4,0</b>	<b>7,6</b>	<b>6,9</b>	<b>7,0</b>

<sup>1/</sup> Includes restaurant and bar sales and 'other' income.

A full release on *Tourist accommodation* (Statistical release P6410) is available on the Statistics South Africa website: [www.statssa.gov.za](http://www.statssa.gov.za)

## Tourism and migration

### *Millions of travellers pass through SA ports*

Since the introduction of the new requirement under the Passport and Travel Documents' Act that is aimed at capping child trafficking, there had been perceptions that it might have a negative impact on the tourism industry and investment in South Africa. Some of the reasons are that the required documents to travel with minors under 18 years may take time to apply for and process, which could inconvenience the travellers who wish to embark on a trip. And therefore this may discourage the potential tourists. Meantime, President Jacob Zuma has established an inter-ministerial committee on 12 August 2015 to look into consequences of the new regulations in tourism and investment in South Africa. The committee will be chaired by Deputy President Cyril Ramaphosa and will be comprised of Ministers of Tourism, Home Affairs, Trade and Industry, Social Development and Small Business Development. This article reports on the statistics for tourism and migration for April 2015.

A total of 3 291 455 travellers (arrivals and departures) passed through South African ports of entry in April 2015 (**see Table K**). These travellers were made up of 942 940 South African residents and 2 348 515 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 467 372 arrivals, 474 853 departures and 715 travellers in transit. The corresponding volumes for foreign arrivals,



departures and transit travellers were 1 169 290, 1 124 179 and 55 046 respectively.

In April 2015, road transport was the most common mode of travel used by 2 422 683 (73,6%) out of the 3 291 455 travellers. The total number of travellers who used air transport was 854 595 (26,0%).

A total of 128 923 (89,1%) overseas tourists arrived in the country by air whilst those who came by road were 15 812 (10,9%). This is in contrast to the number of tourists from the Southern African Development Community (SADC) countries who came into South Africa predominantly by road [523 973 (93,5%)]. Only 36 416 (6,5%) tourists from the SADC countries came in by air. The number of tourists who came into South Africa by air from 'other' African countries was 12 458 (92,5%); with 1 001 (7,4%) using road transport.

The majority [685 865 (95,3%)] of tourists were in South Africa for holidays compared to 26 203 (3,6%) and 7 489 (1,0%) of tourists who were in South Africa for business and for study purposes respectively. A detailed analysis reveals that of all the tourists from each of the overseas regions, at least 90,0% came to South Africa for holidays.

There were 397 698 (55,3%) male and 321 856 (44,7%) female tourists. Overall results show that 51 042 (7,1%) tourists were aged less than 15 years; 636 406 (88,4%) were aged between 15 and 64 years; and 32 109 (4,5%) were aged 65 years and older.

**Table K – Number of South African residents and foreign travellers by travel direction: April 2015**

Travel direction	April	March	April	% change	% change
	2014	2015	2015	March 2015 to April 2015	April 2014 to April 2015
<b>Total South African residents</b>	<b>3 535 563</b>	<b>3 217 754</b>	<b>3 291 455</b>	<b>2,3</b>	<b>-6,9</b>
Arrivals	465 666	384 922	467 372	21,4	0,4
Departures	496 319	409 260	474 853	16,0	-4,3
Transit	573	735	715	-2,7	24,8
<b>Foreign travellers</b>	<b>2 573 005</b>	<b>2 422 837</b>	<b>2 348 515</b>	<b>-3,1</b>	<b>-8,7</b>
Arrivals	1 308 531	1 235 571	1 169 290	-5,4	-10,6
Departures	1 207 210	1 127 979	1 124 179	-0,3	-6,9
Transit	57 264	59 287	55 046	-7,2	-3,9
<b>Foreign arrivals</b>	<b>1 308 531</b>	<b>1 235 571</b>	<b>1 169 290</b>	<b>-5,4</b>	<b>-10,6</b>
Non-visitors	42 411	85 931	84 125	-2,1	98,4
Visitors	1 266 120	1 149 640	1 085 165	-5,6	-14,3
<b>Visitors</b>	<b>1 266 120</b>	<b>1 149 640</b>	<b>1 085 165</b>	<b>-5,6</b>	<b>-14,3</b>
Arrivals only	372 416	265 068	265 842	0,3	-28,6
Single trips	506 514	439 257	427 211	-2,7	-15,7
Multiple trips	387 190	445 315	392 112	-11,9	1,3
<b>Visitors</b>	<b>1 266 120</b>	<b>1 149 640</b>	<b>1 085 165</b>	<b>-5,6</b>	<b>-14,3</b>
Same-day	426 020	416 399	365 608	-12,2	-14,2
Overnight (tourists)	840 100	733 241	719 557	-1,9	-14,3

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

## Statistics of civil cases for debt

### *Civil summonses issued for debt decrease*

A civil case for debt results when a person fails to pay a previously agreed sum of money for things such as, among others, rent, food or a claim for compensation for an accident or injury. The person who is owed the money may try to recover the debt by sending a letter of demand to the debtor. Should the debtor deny owing the money, a summons will be issued and the



debtor will be required to appear in court. The clerk of the court will institute a judgement against the debtor for the amount owed. This will also mean that the debtor will be issued with a court order to pay, and should he/she fail to do so, his or her property can be sold to recover the debt. Presented in this article is a summary of the civil cases for debt for May 2015.

The total number of civil summonses issued for debt decreased by 5,5% in the three months ended May 2015 compared with the three months ended May 2014 (**see Table L**). A year-on-year decrease of 11,0% was recorded between May 2014 and May 2015.

The largest negative contributions to the 5,5% decrease were civil summonses relating to:

- services (contributing -2,9 percentage points);
- promissory notes (contributing -1,3 percentage points); and
- rent (contributing -1,2 percentage points).

The total number of civil judgements recorded for debt decreased by 4,1% in the three months ended May 2015 compared with the three months ended May 2014. A decrease of 7,2% was recorded between May 2014 and May 2015.

The largest negative contributions to the 4,1% decrease were civil judgements relating to:

- services (contributing -3,1 percentage points);
- 'other' debts (contributing -1,3 percentage points); and
- goods sold (contributing -1,0 percentage point).

The total value of civil judgements recorded for debt was 9,0% higher in the three months ended May 2015 compared with the three months ended May 2014. A year-on-year increase of 5,3% was recorded in May 2015.

The largest positive contributions to the 9,0% increase were the value of judgements relating to:

- 'other' debts (contributing 4,5 percentage points);
- money lent (contributing 2,3 percentage points); and
- services (contributing 1,3 percentage points).

In May 2015, 24 448 civil judgements for debt amounting to R362,9 million were recorded. The largest contributors to the total value of judgements were:

- money lent (R107,3 million or 29,6%);
- other' debts (R99,4 million or 27,4%); and
- services (R64,0 million or 17,6%).

**Table L – Key figures for civil summonses and judgements for May 2015**

Actual estimates	May 2015	% change between May 2014 and May 2015	% change between January to May 2014 and January to May 2015
Number of civil summonses issued for debt	57 265	-11,0	-5,5
Number of civil judgements recorded for debt	24 448	-7,2	-4,1
Value of civil judgements recorded for debt (R million)	362,9	5,3	9,0

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

## Statistics of liquidations and insolvencies

### 41 fewer liquidations recorded in June

Businesses play a significant role in the growth of South Africa's economy. They provide goods, services, employment, pay taxes and attract international markets to invest in our country. They also change the way we live and work. Some businesses have come up with successful innovations which improve our standard of living such as the introduction of banking applications which enable individuals to transact anywhere and anytime. It is therefore essential that business should remain afloat. One of the best ways to ensure this is to constantly monitor business performance and sustainability in order to avoid the businesses going insolvent or being liquidated. Presented in this article is a summary of the statistics of insolvencies and liquidations for May and June 2015 respectively.

The total number of liquidations recorded decreased by 20,6% (41 fewer cases) year-on-year in June 2015 (see **Table M**). Compulsory liquidations decreased by 60 cases and voluntary liquidations increased by 19 cases.

The largest year-on-year decreases in total liquidations in June 2015 related to businesses in the financing, insurance, real estate and business services



industry (31 fewer liquidations) and the wholesale and retail trade, catering and accommodation industry (18 fewer liquidations).

During the first six months of 2015, the number of liquidations reflected a year-on-year decrease of 7,8%. Close corporation liquidations decreased by 9,5% (from 538 to 487) and company liquidations decreased by 6,1% (from 540 to 507) during this period.

**Table M – Total number of liquidations for June 2015**

Number of liquidations June 2015	% change between June 2014 and June 2015	% change between April to June 2014 and April to June 2015	% change between January to June 2014 and January to April 2015
158	-20,6	-13,5	-7,8

The estimated number of insolvencies decreased by 5,7% year-on-year in May 2015 (**see Table N**). A 6,5% decrease was estimated between the three months ended May 2014 and the three months ended May 2015. There was a decrease of 7,8% in the first five months of 2015 compared with the first five months of 2014.

**Table N – Total number of insolvencies for May 2015**

Number of insolvencies May 2015	% change between May 2014 and May 2015	% change between March to May 2014 and March to May 2015	% change between January to May 2014 and January May 2015
230	-5,7	-6,5	-7,8

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

## Land transport survey

### *Income from freight transportation decreases*

South Africa's transport industry is crucial to the economic growth of the country and it is also a key contributor to the country's competitiveness in global markets. The country's total road network is estimated to be 747 000km, making it the longest road network in Africa. Furthermore, the country's rail network is about 20 247km and rail volumes are expected to grow to about 350 million tonnes by 2020. On the other hand, South Africa has eight commercial ports which are important in enabling some of the

trade activities with many countries in Africa, Europe, Asia and USA. To improve their effectiveness, Transnet has allocated 9% of its infrastructure investment programme to upgrade ports infrastructure. Lastly, OR Tambo International Airport is the heart of cargo transportation in Africa. Thus, through these four modes of transport, road, rail, air and sea, South Africa transport industry continues to be relevant globally. Presented in this article is a summary of the land transport survey results for May 2015.

The volume of goods transported (payload) decreased by 6,5% in May 2015 compared with May 2014 (see **Table O**). The corresponding income decreased by 2,4% over the same period.

Income from freight transportation decreased by 0,9% in the three months ended May 2015 compared with the three months ended May 2014. The main contributor to this decrease was primary mining and quarrying products (-3,3%, contributing -1,2 percentage points).

**Table O – Year-on-year percentage change in freight transportation: May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Freight payload	6,7	9,7	1,9	1,7	-6,8	-6,5
Freight income	4,9	6,5	3,1	3,6	-3,7	-2,4

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

## Passenger transportation

The number of passenger journeys decreased by 3,9% in May 2015 compared with May 2014 (see **Table P**). The corresponding income increased by 2,9% over the same period.

**Table P – Year-on-year percentage change in passenger transportation: May 2015**

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Passenger journey	0,0	-8,2	-3,4	0,2	-6,3	-3,9
Passenger income	7,8	1,4	3,0	3,4	-1,8	2,9

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



# Prices

## Producer Price Index (PPI)

### *PPI increase to 3,7% in June*

On the 23rd of July 2015, the South African Reserve bank increased the interest rate by 0,25%. One of the main reasons for the increase in interest rate, as cited by the Reserve Bank Governor Lesetja Kganyago, was the increase in PPI, particularly the increase in food prices such as maize which rose by 20% since May 2015. Therefore, an increase in PPI can sometimes cause an increase in interest rates as PPI gives an indication of what will happen to inflation in the months ahead as price increases are passed on to consumers along the value chain. Presented in this article is a summary of the PPI statistics for June 2015.

### **Final manufactured goods – headline PPI**

The annual percentage change in the PPI for final manufactured goods was 3,7% in June 2015 (compared with 3,6% in May 2015) (**See Table Q**). The PPI for final manufactured goods increased by 0,3% from May 2015 to June 2015.

The main contributors to the annual rate of 3,7% were:

- food products, beverages and tobacco products (6,1% year-on-year, contributing 2,0 percentage points);
- metals, machinery, equipment and computing equipment (5,9% year-on-year, contributing 0,9 of a percentage point); and
- wood and paper products (6,8% year-on-year and contributing 0,7 of a percentage point).

The main contributor to the monthly increase of 0,3% was coke, petroleum, chemical, rubber and plastic products (2,0% month-on-month and contributing 0,4 of a percentage point).



## Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was -0,4% in June 2015 (compared with -0,4% in May 2015). (**See Table Q**). The PPI for intermediate manufactured goods increased by 0,2% from May 2015 to June 2015.

The main contributor to the annual rate decrease of -0,4% was basic and fabricated metals (-4,0% year-on-year, contributing -1,2 percentage points). The main contributor to the monthly increase of 0,2% was chemicals, rubber and plastic products (1,5% month-on-month, contributing 0,5 of a percentage point).

## Electricity and water

The annual percentage change in the PPI for electricity and water was 11,4% in June 2015 (compared with 9,9% in May 2015) (**See Table Q**). The PPI for electricity and water increased by 34,8% from May 2015 to June 2015.

The contributors to the annual rate of 11,4% were electricity (11,7% year-on-year, contributing 10,4 percentage points) and water (6,3% year-on-year and contributing 0,8 of a percentage point). The contributor to the monthly increase of 34,8% was electricity (41,1% month-on-month and contributing 34,8 percentage points).

## Mining

The annual percentage change in the PPI for mining was -4,2% in June 2015 (compared with -3,8% in May 2015). The PPI for mining increased by 0,9% from May 2015 to June 2015.

The main contributors to the annual rate decrease of -4,2% were non-ferrous metal ores (-8,5% year-on-year and contributing -3,0 percentage points) and coal and gas (-3,3% year-on-year, contributing -0,9 of a percentage point). The main contributor to the monthly increase of 0,9% was gold and other metal ores (3,7% month-on-month and contributing 1,1 percentage points).



## Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 4,5% in June 2015 (compared with 3,1% in May 2015) (**See Table Q**). The PPI for agriculture, forestry and fishing decreased by 0,8% from May 2015 to June 2015.

The main contributor to the annual rate of 4,5% was agriculture (5,5% year-on-year, contributing 4,6 percentage points). The contributor to the monthly decrease of 0,8% was agriculture (-0,9% month-on-month and contributing -0,8 of a percentage point).

**Table Q – Key PPI figures for June 2015**

Product	Weight	Index (2012=100)			% change	
		June 2014	May 2015	June 2015	June 2015 vs. May 2015	June 2015 vs. June 2014
Final manufactured goods	100,00	114,3	118,1	118,5	0,3	3,7
Intermediate manufactured goods	100,00	117,3	116,6	116,8	0,2	-0,4
Electricity and water	100,00	145,7	120,4	162,3	34,8	11,4
Mining	100,00	111,1	105,4	106,4	0,9	-4,2
Agriculture, forestry and fishing	100,00	103,9	109,5	108,6	-0,8	4,5

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

## Consumer price index

### *Annual inflation rate at 4,7% in June 2015*

The Consumer Price Index (CPI) uses a basket of goods method that aims to compare prices of products from month to month. The CPI largely covers products that are often purchased and used by consumers on a frequent basis monthly. The average annual CPI figures are used as a guide to adjust, interests earned on investments and savings, monetary lending



rates, mortgage bonds and loan rates and rents. This article presents the consumer price index for June 2015.

The headline CPI (for all urban areas) annual inflation rate in June 2015 was 4,7% (see Table Q). This rate was 0,1 of a percentage point higher than the corresponding annual rate of 4,6% in May 2015. On average, prices increased by 0,4% between May 2015 and June 2015.

The food and non-alcoholic beverages index decreased by 0,3% between May 2015 and June 2015. The annual rate for this category of goods decreased to 4,3% in June 2015 from 4,7% in May 2015. The decrease in the food and non-alcoholic beverages index was attributed to the decreases in the following components:

- fruit (-3,6%);
- vegetables (-1,8%);
- 'other' food (-0,6%);
- bread and cereals (-0,2%); and
- fish (-0,2%).

There was an increase in the following components: hot beverages (0,4%), oils and fats (0,3%), milk, eggs and cheese (0,2%), sugar, sweets and desserts (0,2%) and meat (0,1%).

The housing and utilities index increased by 0,7% between May 2015 and June 2015, mainly due to a 1,1% increase in actual rentals for housing and a 1,0% increase in owners' equivalent rent. The annual rate decreased to 5,4% in June 2015 from 5,6% in May 2015.

The transport index increased by 1,4% between May 2015 and June 2015, mainly due to a 47 cents per litre increase in the price of petrol. The annual rate increased to 0,7% in June 2015 from -0,7% in May 2015.

The provinces with an annual inflation rate lower than or equal to headline inflation were:

- Eastern Cape (4,6%);
- Northern Cape (4,6%);
- Gauteng (4,6%);
- Mpumalanga (4,5%);
- North West (4,0%);
- Limpopo (4,0%); and



- KwaZulu-Natal (3,9%).

The provinces with an annual inflation rate higher than the headline inflation rate were Western Cape (5,1%) and Free State (4,9%).

**Table R – Consumer price index: Index numbers and year-on-year rates**  
**Base year: December 2012 = 100**

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg <sup>1</sup>
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	4,6	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	..	..	..	..	..	..	..
	Rate	4,4	3,9	4,0	4,5	4,6	4,7	..	..	..	..	..	..	..

<sup>1/</sup> Annual average.

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



# Glossary

## Primary industries

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

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

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

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

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

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

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



## Secondary industries

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

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

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

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

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

## Tertiary industries

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

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

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

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



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

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

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

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

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

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

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

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

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

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

**‘Other’ African countries:** refers to all non SADC African countries.

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

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



**Professional services:** refer to medical doctors, dentists, advocates, attorney, auditors, accountants, architects, engineers, hospital services etc.  
**Promissory notes:** written undertaking, signed by a person or party, to pay money to another person or to be the bearer of such a note on a specific date or on demand.

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

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

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

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

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

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

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

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

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



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

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

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

## Prices

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

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

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

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

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



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