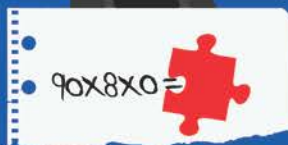


Mbalo Brief



the missing piece of the puzzle

February 2017



Issue 01/2017

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



STATS SA
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Editor's comment

Statistics South Africa (Stats SA) aims to bring more easy to understand statistics to the people of South Africa in 2017 and beyond. This was shown through the commitment by Stats SA to host the first ever United Nations World Data Forum. The forum was held on 15 to 18 January 2017 at the International Convention Centre in Cape Town. The UN World Data Forum was initiated after the realisation that most countries have huge sources of data that can be useful, but the data are often poorly coordinated, difficult to access and not simple to analyse.

The forum provided a platform for policy-level discussions with the aim of producing usable data to ensure progress towards the 2030 Agenda for Sustainable Development. In order to achieve the 2030 Agenda for Sustainable Development, topics such as understanding the world through data, data visualisation, literacy and journalism, and also how civil society groups are using data to talk to governments about citizens' experiences and priorities, were discussed at the forum.

We hope our renewed commitment as Stats SA to provide you with statistics that is easy to understand and relevant will encourage you to read more of our publications.

In this month's issue of *Mbalo Brief*, our educational article is based on the Community Survey 2016 results with a focus on agricultural households. Also have a look at our monthly crossword puzzle and solutions for the November 2016 puzzle.

Articles published in this issue are based on results of industry surveys conducted for the months ranging from October to December 2016 which were published by Stats SA in January and February 2017.

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



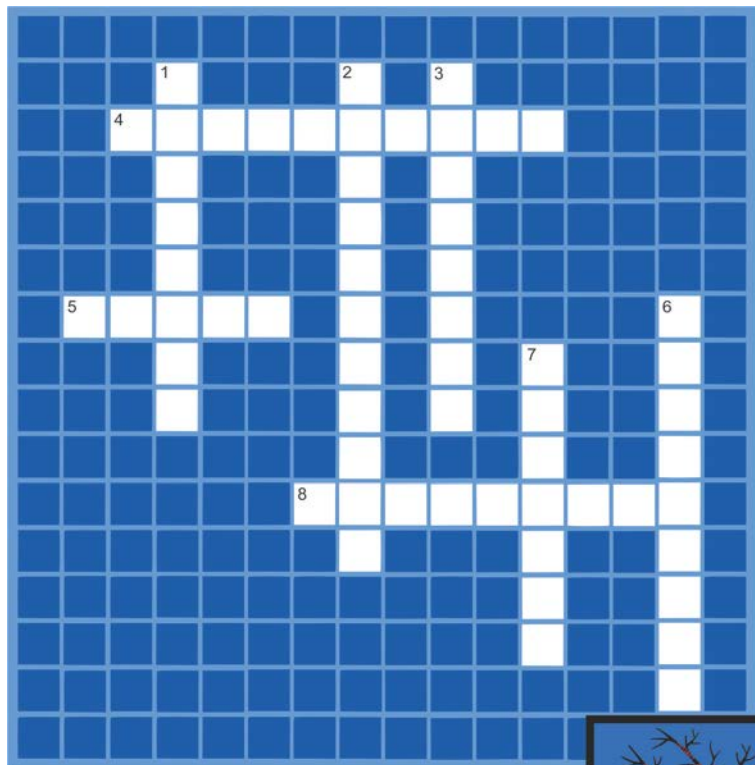


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Crossword puzzle





Across

4. is the legislative authority of South Africa that has the power to make laws for the country in accordance with the Constitution. (fill in the missing word)
5. What is the name of the rugby legend that died on 06 February 2017?
8. There are two houses in Parliament, the National Assembly and the National Council of..... (fill in the missing word)

Down

1. Which city hosted the United Nations World Data Forum?
2. What is the latest trending tourist accommodation type?
3. In which month did President Jacob Zuma deliver the state of the nation address?
6. What is the second largest contributor to the household expenditure in the 2014/15 Living Conditions of Households Survey in South Africa report?
7. Which mining mineral contributed 36,8% to the 12,4% mineral sales increase in October 2016? read mining production and sales article

Solutions for November 2016 puzzle

Across

4. Athol Trollip
6. Mobi Moola
7. Gauteng
8. Panyaza Lesufi

Down

1. Donald Trump
2. Operation Khanyisa
3. Gambia
5. Limpopo



Educational article on Agricultural Households

1. Introduction

Agriculture is important to human beings as it forms the basis for food security. In essence, the agricultural sector – when managed properly – can help sustain life because without food, both humans and animals cannot survive. Agricultural statistics are key to the measurement of the performance of the agricultural sector. The information is mostly used for measurement and planning for food security and measurement of employment and research work in the sector. This article will focus on agricultural households in South Africa in 2016. It will look more closely into the number of agricultural households, the type of farming activities they are involved in, the main reason for farming, and the place of farming.

2. Background

The information presented in this article is generated from the *Community Survey 2016: Agricultural households* (Report No. 03-01-05) that was published on 27 January 2017. The report is the second in a series of agricultural statistics released at household level. The first report, *Census 2011: Agricultural households*, was published in 2013 and was generated from Census 2011. This report forms part of a series of publications generated from the Community Survey (CS) 2016.

All sampled households in CS 2016 were asked if they had produced any kind of food or other agricultural products from 01 January 2015 to 31 December 2015. If yes, the household was then identified as an agricultural household and the enumerator proceeded to ask follow-up questions. The initial question, together with the follow-up questions, constituted the agricultural module of the survey.

3. Number of agricultural households

The number of households engaged in agriculture (also referred to as agricultural households in this article) was 2,3 million in 2016 compared to





2,9 million in 2011. The decrease of 19,1% between the two years was mainly due to the drought experienced in the country during 2014 and 2015.

Nationally, 13,8% of households were involved in agriculture in 2016. Furthermore, the majority of households engaged in agriculture were in KwaZulu-Natal (23,0% of the country's total), Eastern Cape (21,3%) and Limpopo (16,6%). Free State, Western Cape and Northern Cape reported the lowest proportions of households engaged in agriculture, with 6,8%, 3,0% and 2,1% (of the country's total), respectively.

Eastern Cape accounted for 32,7% of the country's households involved in livestock farming in 2016, as well as 28,4% of households involved in poultry farming. KwaZulu-Natal accounted for 21,6% of all households involved in vegetable farming.

The leading main place of agricultural activity in 2016 nationally was 'back yard' (83,8%), followed by 'farm land' (8,7%) and 'communal land' (5,0%). 'School, church or other organisational land' recorded the lowest percentage at 0,9%.

4. Reason for agricultural activities

The main reason why Western Cape, KwaZulu-Natal and Limpopo households were involved in agriculture was for 'extra source of household food'. For the rest of the provinces, the main reason for engaging in agricultural activities was for 'main source of household food'.

For crop farming, the majority of households in provinces farmed on 'dry land' (39,7%), followed by 'both irrigation and dry land' (34,5%) and lastly, 'irrigation' (25,8%).

5. Type of farming activity

In 2016, 'animals only' farming constituted the main form of household agricultural activity in six of the nine provinces, the three exceptions being Western Cape (27,5%), Free State (31,9%) and Gauteng (18,3%). Nationally, 'animals only' and 'crops only' farming accounted for 42,9% and 34,6% of households in agriculture, respectively.

Furthermore, 'animal combination' (51,3%) nationally, was the leading livestock farming type in all provinces except in Western Cape, Gauteng and



Mpumalanga. These three provinces were mainly engaged in 'poultry only' farming (50,0%, 60,1% and 40,9%, respectively).

Figure 1: Percentage of households by type of farming in South Africa

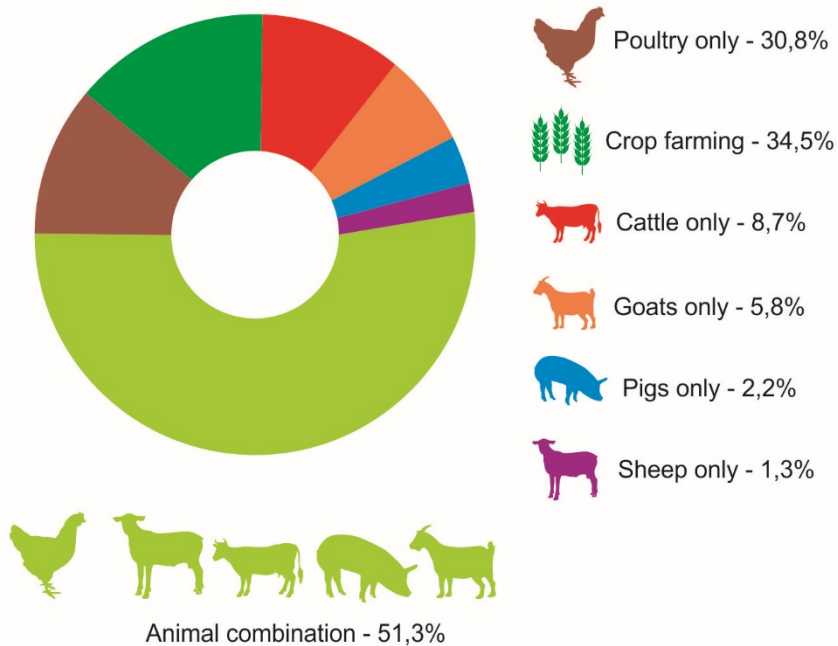


Figure 1 above shows the percentage of the type of farming activity/practice that households in South Africa are engaged in.



Cattle farming

According to CS 2016, the highest proportion of the country's agricultural households that farmed 1 to 10 cattle were in Eastern Cape (34,1%), followed by KwaZulu-Natal with 28,9% households. Eastern Cape (19,7%) had the highest proportion of agricultural households that farmed more than 100 cattle, followed by Free State with a proportion of 19,0%.

Sheep farming

In 2016, Eastern Cape was the leading province in sheep-farming households, accounting for half of the country's agricultural households that farmed 1 to 10 sheep. In addition, Eastern Cape also accounted for 65,6% of all agricultural households that farmed 11 to 100 sheep as well as 35,6% of those that farmed over 100 sheep.

Nationally, the proportion of sheep-farming households that had 11 to 100 sheep was 46,6%. At provincial level, KwaZulu-Natal (68,0%) and Limpopo (66,8%) had the largest percentages of sheep-farming households that had 1 to 10 sheep. Eastern Cape and Gauteng had the largest percentages of sheep-farming households that had 11 to 100 sheep with 54,6% and 52,0%, respectively. Western Cape (44,5%) had the highest proportion of sheep-farming households that had more than 100 sheep.

Goat farming

In 2016, KwaZulu-Natal (35,0%) and Eastern Cape (29,6%) accounted for the largest percentages of agricultural households that farmed 1 to 10 goats. These two provinces also accounted for the largest percentages of agricultural households that farmed 11 to 100 goats in the country (35,5% and 32,6%, respectively).

Pig farming

Eastern Cape (69,4% of country's total) had the largest percentage of agricultural households that farmed 1 to 10 pigs. The province also had the largest percentage of agricultural households that farmed 11 to 100 pigs in the country.



Poultry farming

Eastern Cape (31,0% of the country's total) and KwaZulu-Natal (24,6%) had the highest percentage of agricultural households that farmed 1 to 10 poultry. These provinces also had the highest percentage of agricultural households that farmed 11 to 100 poultry in the country.

6. Access to household services

In 2016, 73,6% of agricultural households received water from a 'regional/local water scheme' (operated by a water service provider). In individual provinces, Eastern Cape (52,9%) and KwaZulu-Natal (70,0%) had the lowest proportions of agricultural households receiving water from a 'regional/local water scheme' (operated by a water service provider).

The majority of agricultural households in the country used 'pit latrines' (54,7%), followed by those with 'flush toilets' at 29,3%. In individual provinces, Limpopo (80,2%), Eastern Cape (65,1%), North West (64,7%) and Mpumalanga (62,2%) had the highest proportions of agricultural households using 'pit latrines'.

Nationally, 86,5% of agricultural households used electricity as the main source of energy for lighting, followed by those that used candles (9,5%). In all provinces, electricity was the largest main source of energy for lighting in agricultural households.

Nationally, 66,1% and 24,5% of agricultural households used electricity and wood respectively as the main source of energy for cooking. In all provinces, electricity was the largest main source of energy for cooking in agricultural households. Limpopo (47,2% of all energy types) had the largest proportion of agricultural households that used wood as the main source of energy for cooking.



7. Conclusion

The number of South African households engaged in agricultural activities decreased between 2011 and 2016. This decline was mainly due to the drought experienced throughout the country during 2014 and 2015. The

Eastern Cape had the highest proportion of agricultural households in the country in 2016; followed by Limpopo and KwaZulu-Natal. Western Cape and Gauteng recorded the lowest proportions of households engaged in farming activities. Furthermore, 'animal only' farming constituted the main form of household agricultural activity in six of the nine provinces, with the three exceptions being Western Cape, Free State and Gauteng. The main reasons for the majority of households being engaged in agriculture were either as 'main source of household food' or as 'extra source of household food'. 'Back yard' was the leading main place of agricultural activity in 2016 nationally, followed by 'farm land' and 'communal land'.

8. References

1. Statistics South Africa. 2016. *Community Survey*. Pretoria: Statistics South Africa
2. Statistics South Africa. 2016. *Agricultural households: Report No. 03-01-05*. Pretoria: Statistics South Africa



Primary industries

Mining: Production and sales

Mining production decreases while mineral sales increase

Owing to the challenges faced by the mining industry in Africa and the world, the industry launched the Investing in African Mining Indaba in 1994. The conference has since been taking place annually. The aim of the Mining Indaba is to unite investors, mining companies, government and other stakeholders from around the world to learn, network and advance mining on the continent. The 23rd Investing in Africa Mining Indaba was hosted from 06 to 09 February 2017 in Cape Town. Collaborations and inclusiveness between mining companies and key stakeholders were amongst the key discussions during this year's conference. Amongst other participants, the programme brings together leading representatives from the mining industry, such as the African Mining Ministerial Forum, mining consultants, advisory groups, analysts and government ministries to share ideas on how the industry can develop. Presented in this article is the mining production and sales statistics for November 2016.

Mining production decreased by 4,2% year-on-year in November 2016 (**see Table A**). The main negative contributors were:

- PGMs (-10,8%, contributing -2,4 percentage points);
- iron ore (-8,7%, contributing -1,5 percentage points); and
- gold (-9,4%, contributing -1,3 percentage points).

Manganese ore (26,9%, contributing 1,5 percentage points) was a significant positive contributor.



Table A – Key growth rates in the volume of mining production for November 2016

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

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

Mineral sales increased by 12,4% year-on-year in October 2016 (see Table B). The three largest positive contributors to the increase of 12,4% were:

- coal (20,5%, contributing 5,6 percentage points);
- iron ore (36,8%, contributing 2,6 percentage points); and
- chromium ore (53,5%, contributing 1,9 percentage points).

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

| | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|---|--------|--------|--------|--------|--------|--------|
| Year-on-year % change, unadjusted | 17,1 | 15,5 | -0,8 | 10,0 | 17,0 | 12,4 |
| Month-on-month % change, seasonally adjusted | 19,8 | -7,2 | -11,5 | 8,2 | 4,6 | 1,5 |
| 3-month % change, seasonally adjusted ^{1/} | 8,6 | 13,5 | 11,1 | -0,3 | -4,4 | 0,5 |

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



Secondary industries

Manufacturing: Production and sales

Production in manufacturing increases

The poultry industry in South Africa is experiencing a decrease in the quantity of poultry products produced due to the increasing number of such products being imported. As a result, some poultry companies had to close down and others had to retrench their employees as they could no longer break-even. In response to closures and retrenchments in the poultry industry, the Department of Trade and Industry together with the Department of Agriculture, Forestry and Fisheries have established a national task team named the Poultry Sector Task Team comprised of representatives of the Departments of Trade and Industry, Economic Development and Agriculture, Forestry and Fisheries, as well as the Industrial Development Corporation. The task team is aimed at developing a comprehensive strategy that will address challenges faced by the local poultry industry. In order to include discussions around retrenchments and the employment affairs, labour unions are also part of the team. After conducting consultations and research to find solutions to the challenges faced by the poultry industry, the team will submit a set of recommendations to the departments concerned, the poultry industry management and the labour sector. Presented in this article is a summary of the Manufacturing production and sales statistics for November 2016.

Manufacturing production increased by 1,9% in November 2016 compared with November 2015 (**see Table C**). This increase was mainly due to higher production in the following divisions:

- basic iron and steel, non-ferrous metal products, metal products and machinery (6,1%, contributing 1,0 percentage point);
- food and beverages (2,3%, contributing 0,6 of a percentage point); and
- wood and wood products, paper, publishing and printing (2,7%, contributing 0,3 of a percentage point).



Table C – Key growth rates in the volume of manufacturing production for November 2016

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

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

Selected building statistics of the private sector

Value of recorded building plans passed increases

The results of the Quarterly labour force survey (QLFS) for the fourth quarter of 2016 released by Statistics South Africa, indicate that employment grew by 235 000 and the number of job seekers declined by 92 000 resulting in slight decline (0,6 of percentage point) in the fourth quarter of 2016 in the unemployment rate to 26,5%. However, the employed growth in the construction industry declined as 9 000 employees lost their jobs in the same quarter. During the same period formal sector employment declined by 12 000 in the construction industry. Presented in this article is a summary of the selected building statistics for November 2016.

The value of recorded building plans passed increased by 6,5% (R6 055,7 million) during January to November 2016 compared with January to November 2015 (**see Table D**). All three major building categories recorded increases. The largest percentage increase was recorded for:

- non-residential buildings (10,5% or R2 346,8 million);
- residential buildings (5,6% or R2 598,4 million); and
- additions and alterations (4,6% or R1 110,5 million).



The largest contributions to the total increase of 6,5% (R6 055,7 million) were made by Western Cape (contributing 4,4 percentage points or R4 070,9 million) and KwaZulu-Natal (contributing 3,7 percentage points or R3 418,7 million).

The value of buildings reported as completed increased by 6,5% (R3 363,4 million) during January to November 2016 compared with January to November 2015. All three major building categories recorded increases. The largest percentage increase was recorded for:

- non-residential buildings (13,0% or R1 721,0 million);
- additions and alterations (6,3% or R568,4 million); and
- residential buildings (3,7% or R1 074,1 million).

Six provinces reported year-on-year increases in the value of buildings completed during January to November 2016. The largest contributions were recorded for:

- Western Cape (contributing 3,0 percentage points or R1 529,5 million);
- KwaZulu-Natal (contributing 2,9 percentage points or R1 509,5 million); and
- Gauteng (contributing 1,6 percentage points or R841,5 million).



**Table D – Recorded building plans passed by larger municipalities:
January to November 2015 versus January to November 2016**

| Estimates at current prices | January to November 2015 ^{1/} | January to November 2016 ^{1/} | Difference in value between January to November 2015 and January to November 2016 | % change between January to November 2015 and January to November 2016 |
|----------------------------------|---|---|---|---|
| | R'000 | R'000 | R'000 | |
| Residential buildings | 46 691 610 | 49 289 993 | 2 598 383 | 5,6 |
| -Dwelling houses | 31 442 506 | 30 962 707 | -479 799 | -1,5 |
| -Flats and townhouses | 14 036 047 | 16 835 209 | 2 799 162 | 19,9 |
| -Other residential buildings | 1 213 057 | 1 492 077 | 279 020 | 23,0 |
| Non-residential buildings | 22 402 098 | 24 748 946 | 2 346 848 | 10,5 |
| Additions and alterations | 24 262 477 | 25 372 966 | 1 110 489 | 4,6 |
| Total | 93 356 185 | 99 411 905 | 6 055 720 | 6,5 |

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

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



Electricity generated and available for distribution

Electricity produced and consumed increases

Owing to the increasing demand for electricity in South Africa, Eskom has several power-generating plants across the country. To ensure the long-term reliability and sustainability of the plants, they are maintained regularly. Maintenance also improves their performance and ensures their safety. Eskom's rigorous plant maintenance has increased the utility's capacity in a number of ways. Firstly, Eskom has connected more households with electricity. According to the acting Eskom CEO, Matshela Koko, Eskom has connected 162 104 new customers to the grid in the past nine months and 150 747 of these customers are already using electricity. Secondly, Eskom has increased cross-border sales by 25% and aims to further increase domestic and export sales. Thus, maintaining power-generating plants on a regular basis improves their effectiveness. Presented in this article is a summary of the electricity generated and distributed in November 2016.

Electricity generation (production) increased by 2,1% year-on-year in November 2016 (**see Table E**). Electricity distribution (consumption) increased by 0,3% year-on-year in November 2016.

Table E – Key growth rates in the volume of electricity generated for November 2016

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

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

Electricity distribution (consumption) decreased by 1,0% year-on-year in December 2016 (**see Table F**). Total electricity consumption was 1,2% lower in 2016 compared with 2015. The 1,2% decrease in annual electricity consumption followed a decrease of 1,5% in 2015 and an increase of 0,2% in 2014.



Table F – Key growth rates in the volume of electricity distributed for December 2016

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

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

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



Tertiary industries

Wholesale trade sales

Wholesale trade sales increase

The wholesale industry is one of those industries that are at risk of being targeted as a market for counterfeit goods. Counterfeit goods are goods that are often of inferior quality, made or sold under another business brand name without the brand owner's authorisation. When counterfeit goods end up in legitimate distribution channels through deception, this can harm the reputation of the business, and ultimately impact on the consumers who spend their money on such goods. It is therefore important that wholesalers purchase their merchandise from registered and reputable producers. Presented in this article is a summary of the wholesale trade sales statistics for November 2016.

Wholesale trade sales increased by 8,7% in November 2016 compared with November 2015 (**see Table G**). The main contributors to this increase were dealers in:

- agricultural raw materials and livestock (29,0%, contributing 1,9 percentage points);
- machinery, equipment and supplies (14,6%, contributing 1,9 percentage points); and
- food, beverages and tobacco (11,5%, contributing 1,7 percentage points).

Wholesale trade sales increased by 7,9% in the three months ended November 2016 compared with the three months ended November 2015. The main contributors to this increase were dealers in:

- agricultural raw materials and livestock (52,7%, contributing 2,9 percentage points);
- food, beverages and tobacco (9,3%, contributing 1,4 percentage points); and
- machinery, equipment and supplies (8,1%, contributing 1,1 percentage points).



Table G – Key growth rates in wholesale trade sales at current prices for November 2016

| | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 |
|---|--------|--------|--------|--------|--------|--------|
| Year-on-year % change, unadjusted | 8,0 | 5,3 | 11,0 | 10,0 | 4,9 | 8,7 |
| Month-on-month % change, seasonally adjusted | -0,3 | 1,8 | -2,5 | 2,4 | -1,9 | 1,0 |
| 3-month % change, seasonally adjusted ^{1/} | 0,9 | 1,8 | 1,3 | 1,5 | -0,5 | 0,4 |

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

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

Retail trade sales

Retail trade sales increase

Tough economic conditions and the high cost of living have led to consumers finding ways to cut back on their spending patterns and embark on saving money. One of the ways of saving money is through buying second-hand or used goods online and at retail outlets at reasonable prices. Some of the second-hand goods sold are, to name a few, clothing, footwear, furniture, jewellery and household appliances. While buying used items is beneficial for the consumer as it means paying less on goods that could cost more when they are new, retailers in used or second-hand goods also benefit from this type of trade. Presented in this article is a summary of the retail trade sales for November 2016.

Retail trade sales increased by 3,8% year-on-year in November 2016 (**see Table H**). The highest annual growth rates were recorded for retailers in:

- hardware, paint and glass (5,4%);
- pharmaceuticals and medical goods, cosmetics and toiletries (4,9%); and
- general dealers (4,7%).

The main contributor to the 3,8% increase was general dealers (contributing 2,0 percentage points).



Retail trade sales increased by 1,8% in the three months ended November 2016 compared with the three months ended November 2015. The main contributors to this increase were retailers in:

- hardware, paint and glass (5,8%, contributing 0,5 of a percentage point);
- food, beverages and tobacco in specialised stores (6,0%, contributing 0,4 of a percentage point); and
- pharmaceuticals and medical goods, cosmetics and toiletries (4,8%, contributing 0,4 of a percentage point).

Table H – Key growth rates in retail trade sales for November 2016 at constant 2012 prices

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

^{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

Like many other industries, the motor vehicle industry does encounter litigations between its consumers and suppliers. Some of the litigations come from consumers not being satisfied with the performance of the motor vehicles purchased or suppliers selling products that have mechanical faults. Therefore, in order to mitigate such conflicts, in 2014 the Minister of Trade and Industry published the South African Motor Industry Code of Conduct, which serves as a framework for conflict resolution between consumers and suppliers in the motor industry. In line with the Motor Industry Code of Conduct, the Commissioner of the National Consumer Commission published best practice guidelines for public comment in July 2016. This set of best practices and code of conduct are aimed at providing consumers and motor vehicle suppliers with guidelines with regard to alternative dispute resolution mechanisms when handling complaints in the motor industry. This



is also meant to assist consumers to take practical measures, for example, that they should examine motor vehicle parts before delivery. Likewise the

motor vehicle suppliers will also have to explain product warranties to their consumers. In doing so, the number of litigations may be decreased. Presented in this article is a summary of motor trade sales statistics for November 2016.

Motor trade sales increased by 4,2% year-on-year in November 2016 (see **Table I**). The largest annual growth rates were recorded for:

- used vehicle sales (13,9%);
- sales of accessories (8,0%); and
- convenience store sales (5,5%).

Motor trade sales increased by 1,1% in the three months ended November 2016 compared with the three months ended November 2015. The main contributors were:

- used vehicle sales (11,0%, contributing 1,9 percentage points);
- sales of accessories (6,1%, contributing 1,1 percentage points); and
- new vehicle sales (-7,1%, contributing -2,0 percentage points).

Table I – Key growth rate figures in motor trade sales for November 2016

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

^{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

Income for food and beverages increases

On 27 January 2017, Statistics South Africa (Stats SA) released the Living Conditions of Households in South Africa (LCS) annual report for the period 2014/2015. The report presents findings on household expenditure and income data. According to the LCS 2014/2015, food and non-alcoholic beverages fall under the top four contributors to household consumption expenditure, contributing 12,9%. The first largest contributor is housing, water, electricity, gas and other fuels, contributing 32,6%, followed by transport, contributing 16,3% and miscellaneous goods and services, contributing 14,7%. LCS further reports that on average, a typical South African household spent R13 292 on food and non-alcoholic beverages in 2014/2015. Presented in this article is a summary of the food and beverages statistics for November 2016.

Total income generated by the food and beverages industry increased by 0,6% in November 2016 compared with November 2015 (see **Table J**). Positive growth rates were recorded for bar sales (1,6%) and food sales (1,3%).

In November 2016, positive annual growth rates were recorded for:

- restaurants and coffee shops (3,4%, contributing 1,4 percentage points); and
- takeaway and fast-food outlets (0,2%, contributing 0,1 of a percentage point).

Total income for food and beverages increased by 1,5% in the three months ended November 2016 compared with the three months ended November 2015. Positive contributors to the increase were:

- restaurants and coffee shops (3,2%, contributing 1,3 percentage points); and
- takeaway and fast-food outlets (2,0%, contributing 0,8 of a percentage point).



Table J – Year-on-year percentage change in food and beverages income at constant prices by type of income – November 2016

| Type of income | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 |
|----------------|------------|------------|-------------|------------|------------|------------|
| Food sales | 3,5 | 2,5 | -2,2 | 3,6 | 2,0 | 1,3 |
| Bar sales | -2,2 | -0,8 | -7,7 | 1,2 | -0,1 | 1,6 |
| Other income | -16,3 | -10,3 | -19,9 | -8,7 | -15,0 | -19,3 |
| Total | 2,2 | 1,7 | -3,5 | 2,9 | 1,2 | 0,6 |

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 increases

Accommodation in South Africa is as diverse as the country itself, and many tourists find accommodation that caters for different tastes and budgets, such as hotels, caravan parks and guest houses. While some tourists look for a luxurious accommodation experience and often book themselves into five-star hotels, others with a small budget only want basic accommodation. One type of accommodation that is known to be affordable is the bed and breakfast venue, commonly known as a B&B. However, a new affordable accommodation type called the backpacker venue is currently trending in the tourist accommodation industry. Even though backpacker venues offer the cheapest and most basic accommodation with no catering, entertainment or other services, they are a fast-growing accommodation option in South Africa. Many cities in the country have one or more backpacker venues. Presented in this article is a summary of the tourist accommodation statistics for November 2016.

Total income for the tourist accommodation industry increased by 6,4% in November 2016 compared with November 2015 (**see Table K**). Income from accommodation increased by 10,3% year-on-year in November 2016; the result of a 2,2% increase in the number of stay unit nights sold and a 7,9% increase in the average income per stay unit night sold.



In November 2016, the types of accommodation that recorded the highest year-on-year growth in income from accommodation were:

- caravan parks and camping sites (28,0%); and
- 'other' accommodation (11,6%).

The main contributors to the 10,3% year-on-year increase in income from accommodation in November 2016 were:

- hotels (contributing 6,4 percentage points); and
- 'other' accommodation (contributing 3,0 percentage points).

Table K– Year-on-year percentage change in tourist accommodation statistics for November 2016

| | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 |
|--|--------|--------|--------|--------|--------|--------|
| Stay units available | 0,4 | 0,4 | 0,4 | 0,4 | 0,4 | 0,4 |
| Stay unit nights sold | 4,3 | 5,5 | 0,8 | 0,9 | 3,5 | 2,2 |
| Average income per stay unit nights sold | 6,1 | 11,8 | 10,6 | 7,3 | 8,4 | 7,9 |
| Income from accommodation | 10,7 | 17,9 | 11,4 | 8,3 | 12,2 | 10,3 |
| Total income ^{1/} | 8,0 | 13,3 | 3,7 | 6,9 | 7,0 | 6,4 |

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

Tourism and migration in South Africa

Volume of arrivals and departures increases for foreign travellers

In the tourism industry, the importance of reliable transport is crucial for tourists to reach their destination on time or as planned. Three of South Africa's airports, namely Cape Town, OR Tambo and King Shaka International Airports, have been named as the world's most punctual airports to convey travellers. This is according to on-time performance results for the airlines and airports released by the Official Airline Guide (OAG) Punctuality League for 2016. OAG is an air travel company based in the United Kingdom that provides digital information and applications to the world's airlines, airports, government agencies and travel-related service companies. It deals with an airline schedules database which holds future



and historical flight details for more than 900 airlines and over 4 000 airports. According to the 2016 OAG report, Cape Town International Airport has

been ranked 6th in the world on OAG's medium airports, with 86,06% of the flights arriving and departing under 15 minutes of their scheduled times. Johannesburg's OR Tambo International Airport featured in the 8th position globally on OAG's large airport punctuality list with 84,32%, while Durban's King Shaka International Airport is ranked 10th in the world on OAG's small airport punctuality list with 83,03%. Presented in this article is a summary of the Tourism and migration statistics for November 2016.

Number of travellers

The routine data collected by the Department of Home Affairs' (DHA) immigration officers at the ports of entry into South Africa show that a total of 3 347 065 travellers (arrivals, departures and transits) passed through South African ports of entry in November 2016 (see Table L). These travellers were made up of 795 059 South African residents and 2 552 006 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 391 557 arrivals, 402 766 departures and 736 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 294 020, 1 189 434 and 68 552 respectively. A comparison between the movements in November 2015 and November 2016 indicates that, for both South African residents and foreign travellers, the volume of arrivals decreased while the volume of departures increased. The volume of transits decreased for South African residents but increased for foreign travellers.

For South African residents, the volume of arrivals decreased by 1,9% (from 398 968 in November 2015 to 391 557 in November 2016), departures increased by 3,2% (from 390 175 in November 2015 to 402 766 in November 2016), and transits decreased by 8,7% (from 806 in November 2015 to 736 in November 2016). For foreign travellers, arrivals decreased by 0,9% (from 1 305 140 in November 2015 to 1 294 020 in November 2016), departures increased by 1,3% (from 1 173 778 in November 2015 to 1 189 434 in November 2016), and transits increased by 0,3% (from 68 366 in November 2015 to 68 552 in November 2016).



A comparison between the movements in October 2016 and November 2016 indicates that the volume of arrivals, departures and transits decreased for both South African residents and foreign travellers. For South African residents, the volume of arrivals decreased by 18,6% (from 480 961 in October 2016 to 391 557 in November 2016), departures decreased by 9,3% (from 444 061 in October 2016 to 402 766 in November 2016) and transits decreased by 4,9% (from 774 in October 2016 to 736 in November 2016). For foreign travellers, the volume of arrivals decreased by 3,2% (from 1 336 973 in October 2016 to 1 294 020 in November 2016), departures decreased by 0,4% (from 1 193 994 in October 2016 to 1 189 434 in November 2016), and transits decreased by 3,5% (from 71 057 in October 2016 to 68 552 in November 2016).

Mode of travel

In November 2016, road transport was the most common mode of travel used by 2 345 135 (70,1%) of the 3 347 065 travellers. The total number of travellers who used air transport was 991 325 (29,6%). Compared to use of air and land transport, a smaller number of travellers, 10 605 (0,3%), used sea transport. The arrivals data for South African residents show that 146 624 (37,4%) came by air, 244 672 (62,5%) came by road and 261 (0,1%) arrived by sea. For departures, 149 896 (37,2%) used air, 252 443 (62,7%) used road and 427 (0,1%) left by sea transport. All travellers in transit (736) used air transport.

Purpose of visit

In November 2016 the majority of tourists, 780 390 (96,4%), were in South Africa for holiday compared to 25 644 (3,2%) and 3 315 (0,4%) 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, more than 90,0% came to South Africa for holiday.

The majority of African tourists, 539 685 (96,7%), came to South Africa for holiday. However, there were differences between tourists from the SADC countries and 'other' African countries, namely:

- Whereas 525 187 (96,9%) of tourists from the SADC countries were on holiday, 14 498 (89,9%) of tourists from 'other' African countries came for the same purpose. Data on the regions of 'other' African



countries show that tourists on holiday constituted 92,6% (7 653); 88,6% (5 584); and 80,8% (1 261) for West Africa, East and Central

Africa and North Africa respectively.

- Business persons constituted 7,8% (1 254) of tourists from 'other' African countries and 2,7% (14 462) from the SADC countries. North Africa had the highest proportion; 15,5% (242) of its tourists came to South Africa for business purposes.
- Students made up 2,4% (383) of tourists from 'other' African countries compared with 0,4% (2 409) from the SADC countries. North Africa had the highest proportion; 3,7% (58) of its tourists came to South Africa for study purposes.

Sex and age distribution

In November 2016, there were 452 508 (55,9%) male and 356 841 (44,1%) female tourists. Overseas tourists were made up of 135 001 (54,0%) male tourists and 115 016 (46,0%) female tourists. There were 306 107 (56,5%) male and 235 951 (43,5%) female tourists from the SADC countries. Tourists from 'other' African countries were made up of 10 702 (66,3%) male and 5 433 (33,7%) female tourists.

The ages of the tourists were categorised into three broad groups: Those younger than 15 years, 15 to 64 years, and 65 years and older. At least 29 621 (3,7%) tourists were aged less than 15 years; 723 370 (89,4%) were aged between 15 and 64 years; and 56 358 (7,0%) were aged 65 years and older.



Table L – Number of South African residents and foreign travellers by travel direction: November 2016

| Travel direction | November 2015 | October 2016 | November 2016 | % change between October and November 2016 | % change between November 2015 and November 2016 |
|--------------------------------|------------------|------------------|------------------|--|--|
| Total | 3 337 233 | 3 527 820 | 3 347 065 | -5,1% | 0,3% |
| South African residents | 789 949 | 925 796 | 795 059 | -14,1% | 0,6% |
| Arrivals | 398 968 | 480 961 | 391 557 | -18,6% | -1,9% |
| Departures | 390 175 | 444 061 | 402 766 | -9,3% | 3,2% |
| Transit | 806 | 774 | 736 | -4,9% | -8,7% |
| Foreign travellers | 2 547 284 | 2 602 024 | 2 552 006 | -1,9% | 0,2% |
| Arrivals | 1 305 140 | 1 336 973 | 1 294 020 | -3,2% | -0,9% |
| Departures | 1 173 778 | 1 193 994 | 1 189 434 | -0,4% | 1,3% |
| Transit | 68 366 | 71 057 | 68 552 | -3,5% | 0,3% |
| Foreign arrivals | 1 305 140 | 1 336 973 | 1 294 020 | -3,2% | -0,9% |
| Non-visitors | 102 602 | 89 970 | 81 921 | -8,9% | -20,2% |
| Visitors | 1 202 538 | 1 247 003 | 1 212 099 | -2,8% | 0,8% |
| Visitors | 1 202 538 | 1 247 003 | 1 212 099 | -2,8% | 0,8% |
| Arrivals only | 259 415 | 291 300 | 272 590 | -6,4% | 5,1% |
| Single trips | 478 163 | 444 139 | 444 547 | 0,1% | -7,0% |
| Multiple trips | 464 960 | 511 564 | 494 962 | -3,2% | 6,5% |
| Visitors | 1 202 538 | 1 247 003 | 1 212 099 | -2,8% | 0,8% |
| Same-day | 428 160 | 396 047 | 402 750 | 1,7% | -5,9% |
| Tourists | 774 378 | 850 956 | 809 349 | -4,9% | 4,5% |

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



Statistics on civil cases for debt

Number of civil judgements for debt decreases

Before the litigation process for debt recovery can be undertaken, there are procedures a credit provider should follow. In terms of the National Credit Act 2005, (Act No. 34 of 2005), a credit provider should notify a debtor about

its intention to commence with legal action should the debtor fail to meet payment obligations. The Act states that at the time that the credit provider approaches the court for an order to enforce a credit agreement, the debtor must have been in default for at least 20 business days and 10 business days must have elapsed since the credit provider delivered the notice. Concurrently, the credit provider must advise the debtor of a right to visit a debt counsellor. If it happens that after 10 days the debtor has not applied for a debt review, the credit provider may then proceed with legal action. In a case where the debtor has applied for a debt review, no legal action may be taken until it has been found by a court or a debt counsellor that the person is not over-indebted. Presented in this article is a summary of the statistics of civil cases for debt for November 2016.

The number of civil summonses issued for debt

The total number of civil summonses issued for debt increased by 0,8% in the three months ended November 2016 compared with the three months ended November 2015 (**see Table M**). The largest positive contribution to the 0,8% increase was civil summonses relating to money lent (contributing 2,4 percentage points).

The number of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 8,2% in the three months ended November 2016 compared with the three months ended November 2015. The largest negative contributions to the 8,2% decrease were civil judgements relating to:

- Services (contributing -6,6 percentage points);
- 'other debts (contributing -3,3 percentage points); and
- goods sold (contributing -0,9 of a percentage point).



The value of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 6,1% in the three months ended November 2016 compared with the three months ended November 2015. The largest negative contributions to the 6,1% decrease were the value of civil judgements relating to:

- 'other' debts (contributing -5,8 percentage points);
- services (contributing -2,8 percentage points); and
- goods sold (contributing -1,1 percentage points).

The total number of civil judgements for debt granted in November 2016 was 23 514, amounting to R371,4 million. The largest contributors to the total value of judgements were:

- money lent (R113,5 million or 30,6%);
- 'other' debts (R74,7 million or 20,1%); and
- services (R68,8 million or 18,5%).

Table M – Key figures for civil summonses and judgements for November 2016

| Actual estimates | November 2016 | % change between November 2015 and November 2016 | % change between September to November 2015 and September to November 2016 |
|---|---------------|--|--|
| Number of civil summonses issued for debt | 59 186 | 1,7 | 0,8 |
| Number of civil judgements recorded for debt | 23 514 | -3,3 | -8,2 |
| Value of civil judgements recorded for debt (R million) | 371,4 | -2,9 | -6,1 |

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 and insolvencies decreased

Most companies experience difficulties in accepting that they could be declared insolvent or be liquidated. Therefore, they try to find legal options available to avoid the process of being liquidated. Liquidation occurs when a



company can no longer pay its debts, or as a result of a legal court outcome, by request of the creditors, or the company may voluntarily apply to be liquidated. However, some struggling companies do not apply for liquidation, and instead they decide to take a liquidation strategy. A liquidation strategy is a procedural strategy that is adopted by companies that have assets. The strategy involves selling off the company's assets to recover debts incurred before closing the company's operations. Presented in this article is a summary of the liquidations for December 2016 and insolvencies statistics for November 2016.

The number of liquidations recorded increased by 3,4% (4 more cases) year-on-year in December 2016 (**see Table N**). Compulsory liquidations decreased by 16,0% while voluntary liquidations increased by 0,6% between 2015 and 2016. Liquidations increased by 3,3% in the three months ended December 2016 compared with the three months ended December 2015.

The largest year-on-year decreases in total liquidations in 2016 related to businesses in the following industries:

- community, social and personal services, which recorded 263 fewer liquidations (from 411 to 148); and
- trade, catering and accommodation, which recorded 51 fewer liquidations (from 507 to 456).

Table N – Total number of liquidations for December 2016

| Number of liquidations December 2016 | % change between December 2015 and December 2016 | % change between October to December 2015 and October to December 2016 | % change between January to December 2015 and January to December 2016 |
|--------------------------------------|--|--|--|
| 123 | 3,4 | 3,3 | -1,4 |

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

The estimated number of insolvencies decreased by 1,9% in November 2016 compared with November 2015 (see **Table O**). A 1,1% increase was estimated between the three months ended November 2015 and the three months ended November 2016.



Table O – Total number of insolvencies for November 2016

| Number of insolvencies November 2016 | % change between November 2015 and November 2016 | % change between September to November 2015 and September to November 2016 | % change between January to November 2015 and January to November 2016 |
|--------------------------------------|--|--|--|
| 208 | -1,9 | 1,1 | 2,5 |

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

Land transport survey

Volume of goods transported increases

Light delivery vehicles (LDVs) such as vans and trucks have been contributing to the road death toll in South Africa. In an effort to reduce the number of passengers dying in accidents involving LDVs, the Department of Transport has amended the regulations in the National Road Traffic Act, 1996 (Act No. 93 of 1996) which will come into effect in May 2017. According to the regulations, LDV drivers will no longer be allowed to use their LDVs to ferry schoolchildren and persons in the goods compartment of their vehicles. Presented in this article is a summary of the land transport survey results for November 2016.

The volume of goods transported (payload) increased by 5,9% in November 2016 compared with November 2015 (**see Table P**). The corresponding income increased by 9,8% over the same period.

Income from freight transportation increased by 7,6% in the three months ended November 2016 compared with the three months ended November 2015. The main contributors to this increase were:

- primary mining and quarrying products (17,9%, contributing 6,1 percentage points); and
- manufactured food, beverages and tobacco products (17,7%, contributing 2,2 percentage points).



Table P – Year-on-year percentage change in freight transportation: November 2016

| | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 |
|-----------------|--------|--------|--------|--------|--------|--------|
| Freight payload | 6,3 | -1,4 | 8,8 | 3,2 | 1,7 | 5,9 |
| Freight income | 7,2 | 2,9 | 12,2 | 6,7 | 6,4 | 9,8 |

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

The number of passenger journeys decreased by 10,1% in November 2016 compared with November 2015 (**see Table Q**). The corresponding income increased by 1,1% over the same period.

Table Q – Year-on-year percentage change in passenger transportation: November 2016

| | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 |
|--------------------|--------|--------|--------|--------|--------|--------|
| Passenger journeys | -16,0 | -17,6 | -14,9 | -5,7 | -12,8 | -10,1 |
| Passenger income | -0,2 | -4,5 | -1,1 | 1,5 | -3,4 | 1,1 |

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



Prices

Producer price index (PPI)

PPI at 7,1% in December 2016

The price of products sold to consumers is one of the most important factors that producers should consider when selling their products. If the price is too high, especially if the price is higher than that of a competing product from another manufacturer, the product might undersell. However, if the price is too low, the producer runs the risk of making a loss. Thus, when determining these prices, producers have to take a few things into consideration such as the cost of production, transport, cost of sales, price charged by competitors and also include the profit they would like to make from that product. If the product sells well and the demand for it increases, it can sometimes cause the producer to increase the volume of production of this particular product, thereby increasing the size of the market for that product. Presented in this article is a summary of the Producer price index statistics for December 2016.

The annual percentage change in the PPI for final manufactured goods was 7,1% in December 2016 (compared with 6,9% in November 2016) (**see Table R**). From November 2016 to December 2016 the PPI for final manufactured goods increased by 0,5%. The main contributors to the annual rate of 7,1% were:

- food products, beverages and tobacco products (3,9 percentage points);
- metals, machinery, equipment and computing equipment (0,9 of a percentage point); and
- coke, petroleum, chemical, rubber and plastic products (0,8 of a percentage point).

The main contributors to the monthly increase of 0,5% were non-metallic mineral products (0,2 of a percentage point) and transport equipment (0,2 of a percentage point).

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 7,3% in December 2016 (compared with 6,6% in November



2016) (**see Table R**). From November 2016 to December 2016 the PPI for intermediate manufactured goods increased by 0,6%. The main contributors to the annual rate of 7,3% were:

- sawmilling and wood (2,0 percentage points);
- basic and fabricated metals (2,0 percentage points); and
- chemicals, rubber and plastic products (1,8 percentage points).

The main contributor to the monthly increase of 0,6% was basic and fabricated metals (0,5 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 7,4% in December 2016 (compared with 8,3% in November 2016) (**see Table R**). From November 2016 to December 2016 the PPI for electricity and water decreased by 1,1%. The contributors to the annual rate of 7,4% were electricity (5,7 percentage points) and water (1,7 percentage points). The contributor to the monthly decrease of 1,1% was electricity (-1,1 percentage points).

Mining

The annual percentage change in the PPI for mining was 10,6% in December 2016 (compared with 8,1% in November 2016) (**see Table R**). From November 2016 to December 2016 the PPI for mining increased by 2,0%. The main contributors to the annual rate of 10,6% were non-ferrous metal ores (5,8 percentage points), gold and other metal ores (4,5 percentage points) and coal and gas (3,8 percentage points). The main contributor to the monthly increase of 2,0% was non-ferrous metal ores (1,8 percentage points).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 6,4% in December 2016 (compared with 8,1% in November 2016) (**see Table R**). From November 2016 to December 2016 the PPI for agriculture, forestry and fishing increased by 1,7%. The contributors to the annual rate of 6,4% were agriculture (4,8 percentage points), forestry (0,9 of a percentage point) and fishing (0,6 of a percentage point). The main contributor to the monthly increase of 1,7% was agriculture (1,9 percentage points).



Table R – Key PPI figures for December 2016

| Product | Weight | Index (2012=100) | | | % change | |
|-----------------------------------|--------|------------------|---------------|---------------|---------------------------------|---------------------------------|
| | | December 2015 | November 2016 | December 2016 | December 2016 vs. November 2016 | December 2016 vs. December 2015 |
| Final manufactured goods | 100,00 | 120,6 | 128,6 | 129,2 | 0,5 | 7,1 |
| Intermediate manufactured goods | 100,00 | 119,1 | 127,0 | 127,8 | 0,6 | 7,3 |
| Electricity and water | 100,00 | 129,0 | 140,2 | 138,6 | -1,1 | 7,4 |
| Mining | 100,00 | 106,3 | 115,3 | 117,6 | 2,0 | 10,6 |
| Agriculture, forestry and fishing | 100,00 | 125,9 | 131,6 | 133,9 | 1,7 | 6,4 |

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 increases to 6,8% in December 2016

Statistics South Africa has revised the Consumer price index (CPI) basket of goods and services including the weights attached to these, with effect from January 2017. The CPI's basket of goods has increased to 412 in 2017 from 396 in 2013 where some new products (such as rusks, instant noodles etc.) were added while postage stamps, teapots and board games among others were removed. These goods are revised every 5 years to better reflect the changing nature of the cost of living in South Africa and represent the items in different categories on which households acquire, use or pay. In order for goods to be included in the basket, they should represent the greatest share of expenditure within their respective groups. Usually, products and services

accounting for 90% of expenditure in each group are included in a basket of goods. However, due to the large number of food items available, the selection of food products should represent at least 0,5% of expenditure within their 3-digit class and 5% of expenditure within a 5-digit class (3 or 5 digit class refers to Classification of Individual Consumption According to Purpose [COICOP] and it is used to divide the purpose of individual consumption expenditures incurred by households). Products with a national



weight of less than 0,01% are excluded from the basket. Presented in this article is a summary of the CPI statistics for December 2016.

Annual consumer price inflation was 6,8% in December 2016, up from 6,6% in November 2016 (**see Table S**). The consumer price index increased by 0,4% month-on-month in December 2016.

The following contributed to the headline annual consumer price inflation:

- Housing utilities increased from 1,3 percentage points in November 2016 to 1,4 percentage points in December 2016. The index increased by 5,6% year-on-year.
- Recreation and culture increased from 0,2 of a percentage point in November 2016 to 0,3 of a percentage point in December 2016. The index increased by 7,6% year-on-year.
- Restaurants and hotels increased from 0,2 of a percentage point in November 2016 to 0,3 of a percentage point in December 2016. The index increased by 7,1% year-on-year.
- Transport decreased from 1,0 percentage point in November 2016 to 0,9 of a percentage point in December 2016. The index increased by 5,7% year-on-year.

The following contributed to monthly consumer price inflation:

- Food and non-alcoholic beverages contributed 0,1 of a percentage point in December 2016. The index increased by 0,8% month-on-month.
- Housing and utilities contributed 0,2 of a percentage point in December 2016. The index increased by 1,0% month-on-month.
- Transport contributed -0,1 of a percentage point in December 2016, mainly due to a 20c/l decrease in the price of petrol. The index decreased by 0,4% month-on-month.

In December 2016, the CPI for goods increased by 7,8% year-on-year (up from 7,7% in November 2016), and the CPI for services increased by 5,9% year-on-year (up from 5,6% in November 2016).

Provincial annual inflation rates ranged from 5,6% in Northern Cape to 8,4% in Limpopo .



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

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

^{1/} Annual average.

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



Glossary

Primary industries

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

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

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

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

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

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

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



Secondary industries

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

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

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

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

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

Tertiary industries

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

Prices

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

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

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

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

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



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