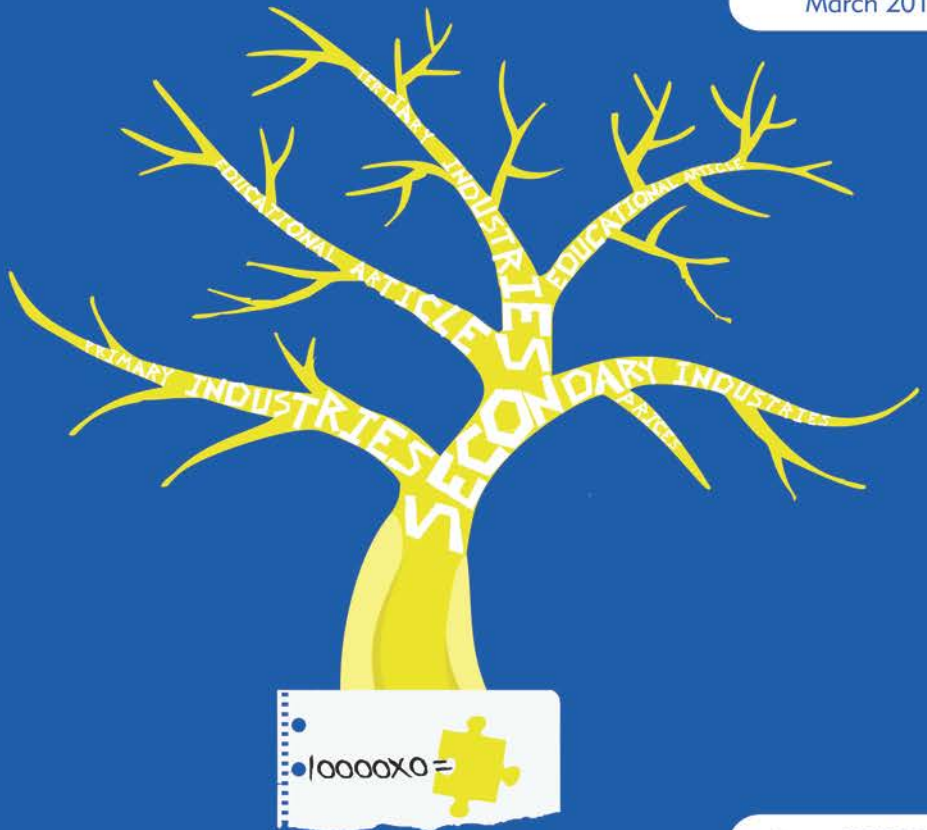


# Mbalo Brief



the missing piece of the puzzle

March 2017



Issue 02/2017

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



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## Editor's comment

On 21 March 1960, 69 people died and 180 were wounded when police fired on a peaceful crowd that had gathered in Sharpeville to protest against the pass laws (stipulations that required black Africans to carry pass books [dompas] and produce them to law enforcement officials on request). This day became an iconic date in our country's history that today we commemorate as Human Rights Day. It is a reminder of an affirmation by ordinary people, rising in unison to proclaim their rights. On Human Rights Day, South Africans are asked to reflect on their rights, to protect their rights and the rights of all people from violation irrespective of race, gender, religion, sexual orientation, whether they are foreign nationals or not – human rights apply to everyone, equally. In terms of the Bill of Rights, everyone has a right to life, equality and human dignity.

In the same month, a campaign known as Anti-Racism Week will be taking place from 14 to 21 March 2017, culminating on Human Rights Day. Anti-Racism Week is hosted by the Anti-Racism Network of South Africa (ARNSA). This is an annual campaign, organised by the network in a bid to tackle racism and create awareness nationally. This year, ARNSA hopes to increase the impact of the campaign, which calls on all South Africans to heed the call on racism, under the slogan #TakeOnRacism, and encourages people to learn about racism, talk about racism, speak out against racism and act against racism.

In this month's issue of *Mbalo Brief*, our educational article is based on earning and spending in South Africa from 2006 to 2011. The article outlines the income and expenditure patterns in South African households, and focuses on the manner in which households in South Africa earned and spent their income from 2006 to 2011.

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

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

Enjoy the read.



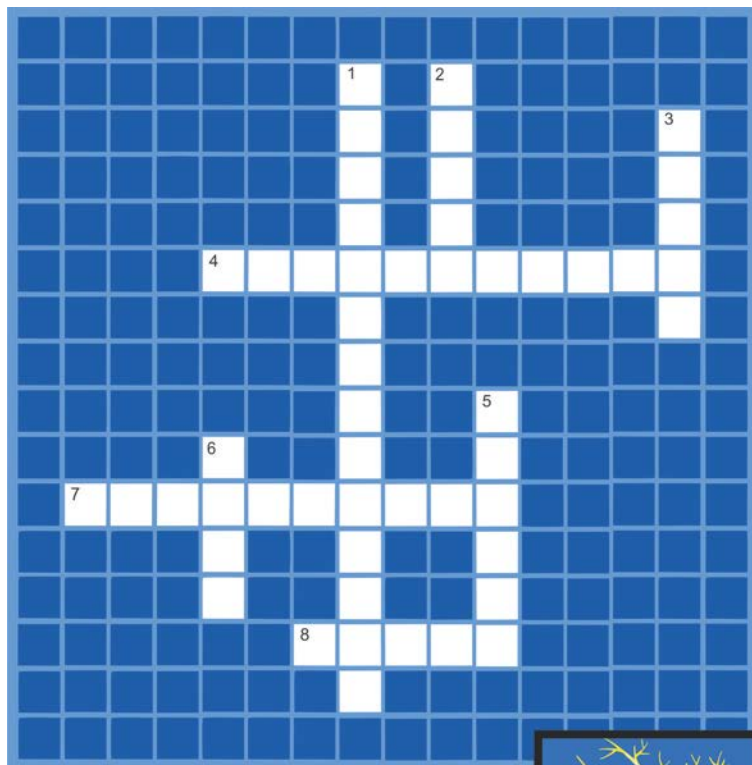


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## Crossword puzzle





### Cross

- Which country is hosting the International Population Conference (IPC) 2017 in October 2017?
- Which massacre is commemorated in South Africa on 21 March of each year?
- Is the following statement true or false? The average household income in South Africa was R151 090 in 2011. Read the educational article for clue.

### Down

- What does the 'Con' in Concorat stands for?
- What is the abbreviation for Anti-Racism Network South Africa?
- Which household (in terms of residential area) had the highest average income in 2011? Read the educational article for clue.
- What is the name of the drum on Stats SA's logo?
- Is the following statement true or false? Tanzania is one of the Southern African Development Community (SADC).

## Solutions for February 2017 puzzle

### Across

- Parliament
- Joost
- Provinces

### Down

- Cape Town
- Backpackers
- February
- Transport
- Iron ore





# Educational article on earning and spending in South Africa, 2006 – 2011

## Introduction

Many people make a living from different income sources such as salaries and pensions, among others, in order to support themselves and their family. Salaries are fixed amounts of money or compensation paid to an employee by an employer in return for work performed. These salaries are paid at fixed intervals, for example, in monthly, quarterly or weekly payments. Some of these incomes are spent on food, clothing, transport, education and health services such as hospitals and clinics. However, since the cost of living has become very high, some people will consider having multiple jobs in order to complement their lifestyle.

This educational article outlines income and expenditure patterns in South African households using findings from the Income and Expenditure Survey (IES) 2005/2006, the Living Conditions Survey (LCS) 2008/2009 and the Income and Expenditure Survey (IES) 2010/2011, which were derived from *Earning and Spending, 2006-2011* (Report No. 01-11-02). The report was published in December 2015. The article focuses on, among others, how households in South Africa earned and spent their income from 2006 to 2011.

## Household income

### Average income in South Africa

Between 2006 and 2011, the average household income (average income) increased by 16,7% from R102 401 in 2006 to R119 542 in 2011.

### Average income by province

In 2006, households in Western Cape had the highest average income (R185 377), followed by Gauteng (R152 498). Western Cape was the only province that experienced an overall decline in average household income between 2009 (R161 824) and 2011 (R159 981), while households in Gauteng recorded the highest average income in both 2009 and 2011 with R167 824 and R178 050, respectively. Households in Limpopo had the



lowest average income between 2006 and 2011 (R49 954 and R57 922, respectively).

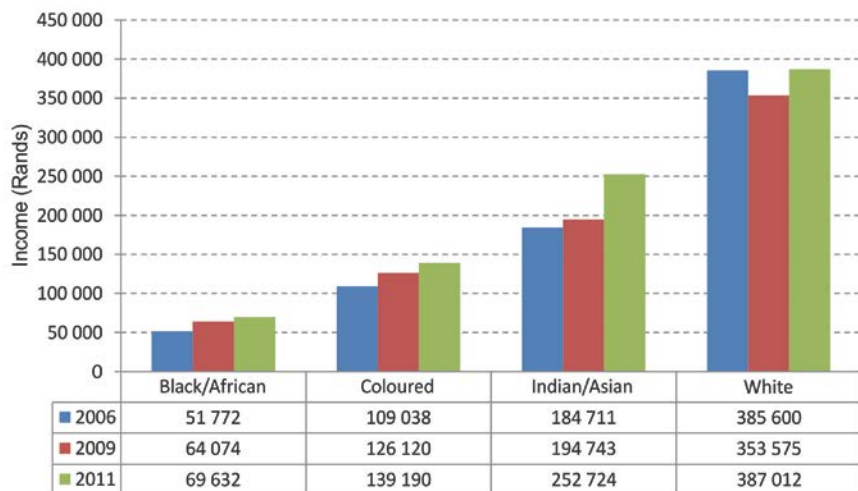
### Average income by gender of household head

The average income for households headed by males increased by 18,2%, earning R151 186 in 2011, from R127 914 in 2006. On the other hand, households headed by females had an increase of 13,5% in their average income, earning R70 830 in 2011, from R62 397 in 2006.

### Average income by population group of household head

White-headed households had the highest average income of R387 012 in 2011, from R385 600 in 2006, followed by households headed by Indians/Asians (R252 724 in 2011, from R184 711 in 2006) and coloureds (R139 190 in 2011, from R109 038 in 2006). Black African-headed households had the lowest average income of R69 632 in 2011, from R51 772 in 2006.

**Figure 1: Average income by population group of household head**







## **Average income by settlement type and household size**

From 2006 to 2011, households in urban areas had the highest average income of R151 055 in 2011 (from R134 556 in 2006), reporting a 12,3% increase, compared to households in rural areas. However, the average income of households in rural areas increased by 29,2%, from R42 365 earned in 2006 to R54 724 in 2011.

One-member households had the lowest average income from 2006 to 2011, earning R61 680 in 2011 from R58 548 in 2006. In 2006, households with two members had the highest average income compared to other households, earning R139 590 on average. Households with four members had the highest average income in 2006 and 2011, earning R137 196 and R165 821, respectively. Households with more than six members had the second lowest average income, earning R84 718 in 2011 from R66 153 earned in 2006.

## **Average income by highest level of education of household head**

Households headed by individuals with higher education had the highest average income, earning R348 729 in 2006 before a 1,8% decrease to R342 443 in 2011. Nevertheless, households headed by individuals with a primary education had the highest average income increase of 27,7% (from R44 024 earned in 2006 to R52 158 earned in 2011), followed by households headed by individuals with no formal schooling with an increase of 20,2% (from R34 924 earned in 2006 to R41 967 earned in 2011).

## **Source of income**

### **Percentage distribution of household income by source of income**

The income from salaries, wages and businesses accounted for 72,7% earned in 2011, from 79,3% in 2006. Other income accounted for 22,4% in 2011, which is an increase from 14,6% in 2006. Less than one out of every ten rands (6,1%) of the total income in 2006 was earned from social pensions, which was an increase from 6,0% in 2009 and 4,9% in 2011.



## **Income from salaries, wages and from businesses by province and population group**

The majority of households in Gauteng accounted for 37,8%, 41,2% and 39,6% of income from salaries, wages and businesses in 2006, 2009 and 2011, followed by Western Cape (17,6%, 15,9% and 15,4%) and KwaZulu-Natal (13,8%, 14,3% and 14,8%). Households in Eastern Cape (8,0%, 8,3% and 7,1%), North West (5,7%, 5,1% and 6,6%), Mpumalanga (5,3%, 5,0% and 5,8%), Free State (5,9%, 4,5% and 4,5%), Limpopo (4,4%, 4,2% and 4,5%) and Northern Cape (1,6%, 1,6% and 1,7%) provinces accounted for less than 10,0% of income from salaries, wages and businesses in 2006, 2009 and 2011.

From 2009 to 2011, black African-headed households accounted for the highest percentage share (45,50% in 2009 and 44,6% in 2011) of total earnings from salaries, wages and businesses, followed by white-headed (39,9% in 2009 and 38,9% in 2011) and coloured-headed (9,9% in 2009 and 10,9% in 2011) households. In 2009 and 2011, households headed by Indians/Asians were still accounting for the lowest percentage share in income earned from salaries, wages and businesses with 4,8% and 5,6%, respectively.

## **Income from social pensions**

### **Percentage distribution of social pensions by population group of household head**

In 2011, more than four out of every five rands (84,1%) of total earnings from social pensions were earned by black African-headed households. Earnings from social pensions for households headed by whites decreased from 11,8% in 2009 to 4,9% in 2011, while those headed by coloureds increased to 8,8% in 2011 from 7,6% in 2009. Households headed by Indians/Asians accounted for the smallest percentage share of 2,1% of total income earned as social pensions in 2011.

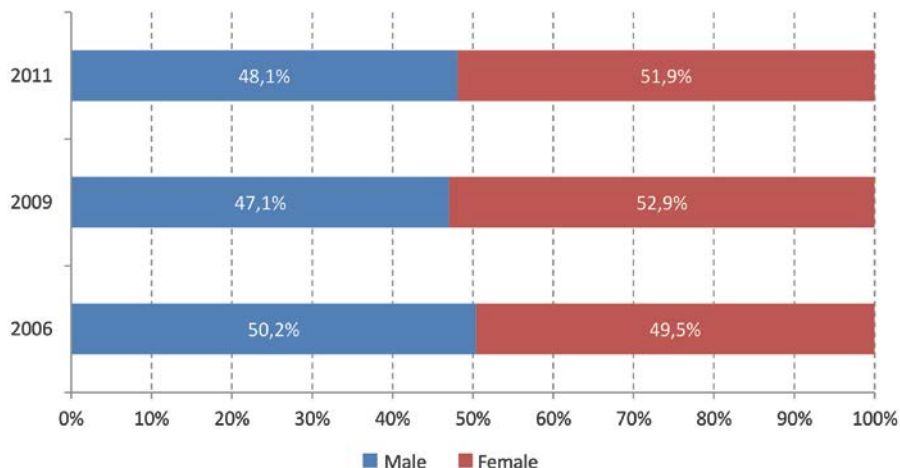
### **Percentage distribution of social pensions by gender of household head**

In 2009 and 2011, female-headed households accounted for a larger percentage share of 52,9% and 51,9%, respectively, of income earned as



social pensions compared to male-headed households (47,1% in 2009 and 48,1% in 2011). However, in 2006, male-headed households accounted for 50,2% of income earned as social pensions, compared to 49,5% recorded by their female counterparts.

**Figure 2: Percentage distribution of social pensions by gender of household head**



## Household expenditure

### Average expenditure

Nationally, the average expenditure increased over the years by 24,6% (from R76 405 in 2006 to R95 183 in 2011). However, there was a decrease by 3% in the average expenditure in 2009 (from R76 405 spent in 2006 to R74 098 spent in 2009).

### Average expenditure by province

All provinces, except Western Cape, experienced an increase in the average expenditure from 2006 to 2011. Households in Western Cape



experienced a decline of about 11% in their average expenditure (from R140 980 in 2006 to R125 925 in 2011). The largest percentage increase (55,2%) in average expenditure occurred in households in Northern Cape (from R51 974 in 2006 to R80 666 in 2011). Although Limpopo is the lowest spending province, households increased their spending by 28,3% (from R39 785 in 2006 to R51 063 in 2011).

### **Average expenditure by settlement type**

Generally, households in urban areas have spent more than households in rural areas from 2006 to 2011. Households in urban areas recorded an increase of about 20,0%, which saw them spending R118 546 on average in 2011 (from R98 654 spent in 2006), while households in rural areas had a larger proportionate increase of 35,2% on average expenditure (from R34 866 in 2006 to R47 129 in 2011).

## **Expenditure groups**

### **Total expenditure by expenditure main group**

More than a quarter (27,9%) of the total expenditure in 2011 was spent on housing, services, furnishings, equipment and maintenance. In 2011, households in South Africa had reduced their expenditure on food and clothing compared to what they spent in 2009, accounting for 22,2% of the total expenditure. Expenditure on transport and communication accounted for relatively the same percentage share in the total expenditure (21,0%) in 2011. Of the total expenditure in 2011, approximately a fifth (19,7%) was spent on other expenditure.

## **Conclusion**

Black African-headed households accounted for the highest percentage share of total earnings from salaries, wages and businesses compared to other population groups. The results indicate that the average income for male-headed households was higher than that of their female counterparts. Furthermore, households in urban areas had the highest average income compared to households in rural areas. The highest percentage of the total expenditure by households across all population groups was on housing, services, furnishings, equipment and maintenance.



## References

1. Statistics South Africa. 2015. *Earning and spending in South Africa: Report No. 01-11-02*. Pretoria: Statistics South Africa



## Primary industries

### Mining: Production and sales

#### *Mining production decreases while mineral sales increase*

During the State of the Nation Address on 9 February 2017, President Jacob Zuma stated that mining and beneficiation are one of the key areas that the government will give more attention to in order to reignite economic growth to stimulate much-needed jobs. Beneficiation, or value-added processing, involves the transformation of raw material (produced by mining and extraction processes) to a more finished product, which has a higher export sales value. For instance, raw materials such as diamond ore are extracted from the ground through mining, then exported to another country where they will be scrapped, cut and polished. At a later stage, the same processed diamond is then imported back into South Africa in the form of jewellery. However, importing the finished product is more expensive than exporting the raw materials. Thus beneficiation will benefit the economy of the country and also contribute to job creation. Presented in this article is a summary of the Mining: production and sales statistics for December 2016.

Mining production decreased by 1,9% year-on-year in December 2016 (**see Table A**). The main negative contributor was PGMs (-15,1%, contributing -3,8 percentage points). Manganese ore (29,5%, contributing 1,6 percentage points) and iron ore (7,6%, contributing 1,3 percentage points) were significant positive contributors.

Total mining production was 4,9% lower in 2016 compared with 2015. The 4,9% decrease in annual mining production followed an increase of 4,3% in 2015 and a decrease of 1,3% in 2014.

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

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Year-on-year % change, unadjusted	-5,3	0,5	4,5	-2,6	-4,5	-1,9
Month-on-month % change, seasonally adjusted	-2,5	2,8	-0,6	-0,8	-3,9	0,7
3-month % change, seasonally adjusted <sup>1/</sup>	4,5	3,9	1,4	0,8	-1,4	-2,7

<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)

Mineral sales increased by 27,0% year-on-year in November 2016 (see Table B). The three largest positive contributors to the increase of 27,0% were:

- coal (28,3%, contributing 7,9 percentage points);
- manganese ore (294,9%, contributing 6,1 percentage points); and
- iron ore (56,7%, contributing 5,1 percentage points).

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

	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Year-on-year % change, unadjusted	15,5	-0,8	9,8	17,2	12,7	27,0
Month-on-month % change, seasonally adjusted	-6,4	-11,9	8,1	4,8	1,5	6,0
3-month % change, seasonally adjusted <sup>1/</sup>	13,7	11,2	0,0	-4,4	0,6	9,0

<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

The arrival of Industry 4.0 is set to change the manufacturing industry as we know it. According to Forbes, Industry 4.0 – also called “smart factory” – is the fourth era of the manufacturing industry in which computers and automation will come together in an entirely new way, with robotics connected remotely to computer systems equipped with machines that can learn and control the robotics, with very little input from human operators. This means that a lot of equipment in the manufacturing industry will be driven and controlled by computers and hand-held devices. The advantage of Industry 4.0 is that machines can be used continuously, 24 hours a day, and only be switched off for maintenance. This will result in a greater number of manufactured products than before and less factory faults, boosting the overall output from the manufacturing industry. The downside of this era is that less people will be required for labour, which will result in an increased number of unemployed people. Thus, the transition to Industry 4.0 will have both advantages and disadvantages. Presented in this article is a summary of the Manufacturing: production and sales statistics for December 2016.

Manufacturing production decreased by 2,0% in December 2016 compared with December 2015 (**see Table C**). This decrease was mainly due to lower production in the following divisions:

- food and beverages (-6,2%, contributing -2,0 percentage points); and
- petroleum, chemical products, rubber and plastic products (-2,3%, contributing -0,6 of a percentage point).



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

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Year-on-year % change, unadjusted	-0,5	2,2	0,3	-2,8	2,0	-2,0
Month-on-month % change, seasonally adjusted	-1,9	-1,0	1,5	-2,0	0,3	0,3
3-month % change, seasonally adjusted <sup>1/</sup>	1,2	0,0	-1,3	-1,8	-1,1	-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 *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

### *Value of recorded building plans passed increases*

When a consumer buys a property, it is essential to request an approved municipal building plan of the property from the seller in order to check whether the dwelling is built in accordance with the specifications on the building plan. The lack of an approved plan might result in a municipality refusing further renovations a purchaser might want to do. In some cases the municipality can issue a fine or an order to demolish the erected structure or its additions. And, if a property is sold to a new buyer who wants approved plans and the existing owner cannot supply them, the buyer has a right not to sign a sale of agreement (a legal contract to sell a property) for the property. Presented in this article is a summary of the selected building statistics for December 2016.

The value of recorded building plans passed (at current prices) increased by 6,0% (R6 068,1 million) in 2016 compared with 2015 (see Table D). All three major building categories recorded increases. The largest percentage increase was recorded for residential buildings (7,1% or R3 590,5 million), followed by non-residential buildings (6,5% or R1 589,8 million) and additions and alterations (3,4% or R887,8 million).

The largest contributions to the total increase of 6,0% (R6 068,1 million) were reported for Western Cape (contributing 4,5 percentage points or R4 542,7 million) and KwaZulu-Natal (contributing 3,4 percentage points or R3 473,5 million).

The value of buildings reported as completed (at current prices) increased by 8,3% (R4 723,6 million) in 2016 compared with 2015. All three major building categories recorded increases. The largest percentage increase was recorded for:

- residential buildings (8,7% or R2 789,7 million);
- non-residential buildings (8,6% or R1 257,1 million); and
- additions and alterations (6,9% or R676,8 million).

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

- Gauteng (contributing 5,1 percentage points or R2 865,3 million);



- Western Cape (contributing 3,1 percentage points or R1 781,3 million); and
- KwaZulu-Natal (contributing 1,3 percentage points or R731,2 million).

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

Estimates at current prices	January to December 2015 <sup>1/</sup>	January to December 2016 <sup>1/</sup>	Difference in value between January to December 2015 and January to December 2016	% change between January to December 2015 and January to December 2016
	R'000	R'000	R'000	
<b>Residential buildings</b>	50 454 793	54 045 280	3 590 487	7,1
- Dwelling houses	33 874 365	33 349 818	-524 547	-1,5
- Flats and townhouses	15 282 339	19 181 716	3 899 377	25,5
- Other residential buildings	1 298 089	1 513 746	215 657	16,6
<b>Non-residential buildings</b>	<b>24 537 823</b>	<b>26 127 612</b>	<b>1 589 789</b>	<b>6,5</b>
<b>Additions and alterations</b>	<b>26 443 089</b>	<b>27 330 927</b>	<b>887 838</b>	<b>3,4</b>
<b>Total</b>	<b>101 435 705</b>	<b>107 503 819</b>	<b>6 068 114</b>	<b>6,0</b>

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



## Electricity generated and available for distribution

### *Electricity produced and consumed increases*

The electricity industry is the lifeblood of the South African economy. The industry supplies homes and industries with electricity and it plays a major role in providing for the various needs of other industries such as transportation (electrification of systems such as trains and motor vehicles). The electricity power system consists of generation, transmission and distribution as key functions. Generation is the process of producing electricity; transmission is the bulk movement of electricity from the generating site, such as a power plant, to an electrical substation; while distribution involves the delivery of electricity to consumers. Presented in this article is a summary of the electricity generated and distributed in January 2017.

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

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

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

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

Electricity distribution (consumption) decreased by 0,6% year-on-year in January 2016 (see **Table F**).



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

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan -17
Year-on-year % change, unadjusted	1,6	-0,7	-0,5	0,3	-1,0	-0,6
Month-on-month % change, seasonally adjusted	-0,7	0,5	1,0	-0,5	0,1	-0,3
3-month % change, seasonally adjusted <sup>1/</sup>	-0,5	-0,3	0,0	0,7	0,8	0,3

<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 increase*

The wholesale industry, like any other trading industry, strives for healthy competition amongst its peers. The wholesalers may compete for various reasons such as increasing the number of customers so that they can make more profit, as well as offering better products to meet the demands of ever-changing markets. However, competition within the trading industry can be controlled to avoid unlawful competitive practices such as price fixing. Price fixing is a practice whereby companies come to an illegal agreement not to sell goods or services below a certain price. In order to control such unlawful competitive activities within industries such as the wholesale industry, the Competition Commission – which is empowered by the Competition Act (Act No. 89 of 1998) – was established to investigate, control and evaluate restrictive business practices in order to achieve equity and efficiency in the South African economy. Since its existence, companies that were found to be involved in price fixing had to pay fines imposed by the Competition Commission to discourage unfair competitive practices within the industry. Presented in this article is a summary of the wholesale trade sales statistics for December 2016.

Wholesale trade sales increased by 11,0% in December 2016 compared with December 2015 (see **Table G**). The main contributors to this increase were dealers in:

- machinery, equipment and supplies (28,4%, contributing 3,4 percentage points);
- 'other' household goods except precious stones (17,6%, contributing 2,1 percentage points); and
- agricultural raw materials and livestock (28,3%, contributing 2,0 percentage points).

Wholesale trade sales increased by 8,3% in the last quarter of 2016 compared with the last quarter of 2015. The main contributors to this increase were dealers in:

- agricultural raw materials and livestock (44,2%, contributing 2,7 percentage points);



- machinery, equipment and supplies (14,3%, contributing 1,9 percentage points); and
- food, beverages and tobacco (6,0%, contributing 1,0 percentage point).

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

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Year-on-year % change, unadjusted	5,3	11,0	10,0	4,9	9,1	11,0
Month-on-month % change, seasonally adjusted	1,9	-2,7	2,8	-1,7	1,4	2,3
3-month % change, seasonally adjusted <sup>1/</sup>	1,8	1,3	1,6	-0,4	0,8	0,9

<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*

The number of consumers using online shopping is increasing as more retailers participate in the e-commerce space. The e-commerce space refers to a process whereby commercial transactions (selling and buying of goods/services) is conducted electronically on the internet. This increase of retailers participating in the e-commerce space may have been influenced by the increasing number of consumers that use online shopping. Hence, some of the retailers are starting to respond to online consumer needs in order to increase their sales. Some of the major advertising companies are also supporting this initiative by using mobile-friendly applications to advertise on behalf of retail companies. These improvements by advertising companies and retailers may result in an improved shopping experience. Presented in this article is a summary of the retail trade sales for December 2016.

In December 2016 retail trade sales increased by 0,9% year-on-year (**see Table H**). The largest positive annual growth rates were recorded for retailers in:

- textiles, clothing, footwear and leather goods (10,5%); and
- food, beverages and tobacco in specialised stores (7,0%).



The main contributor to the 0,9% increase was retailers in textiles, clothing, footwear and leather goods (contributing 2,3 percentage points).

Retail trade sales increased by 1,3% in the fourth quarter of 2016 compared with the fourth quarter of 2015. The main contributor to this increase was retailers in textiles, clothing, footwear and leather goods (5,3%, contributing 1,1 percentage points).

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

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Year-on-year % change, unadjusted	1,2	0,0	1,6	-0,2	3,1	0,9
Month-on-month % change, seasonally adjusted	-0,2	0,2	0,8	-0,7	3,0	-2,3
3-month % change, seasonally adjusted <sup>1/</sup>	0,7	-0,5	0,1	-0,3	1,4	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 *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

### ***Motor trade sales increase***

Electrical vehicles are slowly making their way into the South African market. The electric car (also known as electric vehicle [EV]) uses energy stored in its rechargeable batteries, which are recharged by common household electricity. Because electric cars use electricity instead of fuel, they are beneficial for the environment because they don't give off as many harmful emissions as regular vehicles, as well as helping to protect the climate and reduce overall oil consumption. Although the demand for electrical vehicles in South Africa is growing, the increase is still at a slow pace. This is mostly because there are not enough charging stations across the country, and most of the cars are costly and can only be afforded by a select few. Presented in this article is a summary of the motor trade sales for December 2016.

Motor trade sales increased by 1,6% year-on-year in 2016 compared with 2015 (**see Table I**). The largest contributors were used vehicle sales (12,2%, contributing 2,1 percentage points), and sales of accessories (8,3%, contributing 1,5 percentage points).





In December 2016, motor trade sales increased by 0,7% year-on-year. The largest positive annual growth rates were recorded for used vehicle sales (10,5%), workshop income (4,8%) and fuel sales (3,6%).

Motor trade sales increased by 1,4% in the last quarter (October to December) of 2016 compared with the last quarter of 2015. The main contributors were:

- used vehicle sales (11,4%, contributing 2,0 percentage points);
- sales of accessories (4,5%, contributing 0,8 of a percentage point); and
- new vehicle sales (-7,3%, contributing -2,0 percentage points).

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

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Year-on-year % change, unadjusted	-1,4	3,9	-0,1	-0,7	4,1	0,7
Month-on-month % change, seasonally adjusted	2,2	-3,5	1,4	0,6	0,5	1,3
3-month % change, seasonally adjusted <sup>1/</sup>	0,5	-1,4	-1,6	-2,0	0,3	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 *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

### ***Total income generated by food and beverage industry increases***

Like all other industries, the food and beverages industry has experienced a shift from conventional ways to modern ways in order to keep up with changes in the industry, and to survive in a competitive world of business. The conventional way of ordering take-aways from restaurants is increasingly changing. Some fast-food restaurants started out by offering door-to-door delivery services, where customers place their order and have the food delivered at their doorstep for free, or for a fee. Quite recently, a new delivery service was launched by UberEats, the food delivery service affiliated with ride-sharing app Uber. Users download the UberEats app onto their smartphones, select a participating restaurant and place orders. Through the app, users can monitor the progress of their orders, from the



time the food is being prepared, picked up by a driver and delivered. What makes UberEats different is that customers can order food from the best local restaurants instead of only fast-food restaurants. Presented in this article is a summary of the food and beverages industry statistics for December 2016.

The total income generated by the food and beverages industry increased by 0,4% in 2016 compared with 2015 (**see Table J**). In December 2016 total income decreased by 0,1% year-on-year. Negative annual growth rates were recorded for 'other' income (-15,7%) and bar sales (-0,2%).

Catering services decreased by 13,9% (contributing -2,1 percentage points) in December 2016 compared with December 2015.

Total income increased by 0,3% in the fourth quarter of 2016 compared with the fourth quarter of 2015. Positive contributors to this increase were restaurants and coffee shops (2,3%, contributing 0,9 of a percentage point), and take-away and fast-food outlets (1,8%, 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 – December 2016**

Type of income	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Food sales	2,5	-2,2	3,6	2,0	1,5	0,4
Bar sales	-0,8	-7,7	1,2	-0,1	-4,9	-0,2
Other income	-10,3	-19,9	-8,7	-15,0	-21,9	-15,7
<b>Total</b>	<b>1,7</b>	<b>-3,5</b>	<b>2,9</b>	<b>1,2</b>	<b>-0,1</b>	<b>-0,1</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

### *Total income for tourist accommodation industry increases*

The rise of 'sharing economy' technologies (economic and social activity involving online transactions) has created new ways of travelling. One such example is Airbnb. This is an online community marketplace that connects people looking to rent their homes with travellers who are looking for accommodation. Not only does it enable travellers to find a place to stay with ease, but it also benefits them as they can often stay for less than the cost of a hotel room. However, some hotel owners are not pleased with Airbnb, as in some instances it has caused a lesser demand for hotel rooms. Furthermore, the money that travellers would have spent on food and beverages at the hotel's restaurant and bar is likely spent elsewhere, thus impacting negatively on the revenue generated by the hotels. Presented in this article is a summary of the tourist accommodation statistics for December 2016.

Total income for the tourist accommodation industry increased by 8,6% in 2016 compared with 2015 (**see Table K**). Income from accommodation increased by 12,0% over the same period. In December 2016, total income for the tourist accommodation industry increased by 1,7% year-on-year. Income from accommodation increased by 4,5% year-on-year in December 2016, the result of a 2,3% increase in the number of stay unit nights sold and a 2,1% increase in the average income per stay unit night sold.

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

- guest-houses and guest-farms (19,7%);
- caravan parks and camping sites (10,4%); and
- hotels (7,4%).

The main positive contributors to the 4,5% year-on-year increase in income from accommodation in December 2016 were hotels (contributing 4,6 percentage points) and guest-houses and guest-farms (contributing 1,3 percentage points).

Income from accommodation increased by 8,8% in the fourth quarter of 2016 compared with the fourth quarter of 2015. The main contributors to this increase were hotels (9,2%, contributing 5,9 percentage points) and 'other' accommodation (6,1%, contributing 1,7 percentage points).

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

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

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

## Tourism and migration

### ***More than four million travellers passed through South Africa's ports of entry in December 2016***

The tourism industry is an industry with different facets. Many people travel to different countries for various reasons such as studying, leisure and seeking medical care. People who travel to another country to receive medical treatment are called medical tourists. The majority of these medical tourists look into factors such as professional medical care providers, affordable medical treatment, and world-class medical institutions and attractions when deciding which country to travel to. South Africa is well known for providing better and improved surgical procedures and is also ranked by the Southern African Development Community (SADC) as the leader in the African continent for medical tourism. Presented in this article is a summary of the tourism and migration statistics for December 2016.

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 4 542 548 travellers (arrivals, departures and transits) passed through South African ports of entry in December 2016 (**see Table L**). These travellers were made up of 1 333 870 South African residents and 3 208 678 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 566 635 arrivals, 766 332 departures and 903 travellers in transit. The corresponding volume for foreign arrivals,



departures and transit travellers was 1 554 048, 1 589 855 and 64 775, respectively.

A comparison between the movements in December 2015 and December 2016 indicates that, for both South African residents and foreign travellers, the volume of arrivals, departures and transits increased. For South African residents, the volume of arrivals increased by 5,9% (from 534 979 in December 2015 to 566 635 in December 2016), departures increased by 5,5% (from 726 210 in December 2015 to 766 332 in December 2016), and transits increased by 5,2% (from 858 in December 2015 to 903 in December 2016). For foreign travellers, arrivals increased by 0,4% (from 1 547 900 in December 2015 to 1 554 048 in December 2016), departures increased by 2,6% (from 1 549 157 in December 2015 to 1 589 855 in December 2016), and transits increased by 5,0% (from 61 673 in December 2015 to 64 775 in December 2016).

A comparison between the movements in November 2016 and December 2016 indicates that the volume of arrivals, departures and transits increased for South African residents, while for foreign travellers, the volume of arrivals and departures increased while transits decreased. For South African residents, the volume of arrivals increased by 44,7% (from 391 557 in November 2016 to 566 635 in December 2016), departures increased by 90,3% (from 402 766 in November 2016 to 766 332 in December 2016) and transits increased by 22,7% (from 736 in November 2016 to 903 in December 2016). For foreign travellers, the volume of arrivals increased by 20,1% (from 1 294 020 in November 2016 to 1 554 048 in December 2016), departures increased by 33,7% (from 1 189 434 in November 2016 to 1 589 855 in December 2016), and transits decreased by 5,5% (from 68 552 in November 2016 to 64 775 in December 2016).

### **Mode of travel**

In December 2016, road transport was the most common mode of travel used by 3 374 714 (74,3%) of the 4 542 548 travellers. The total number of travellers who used air transport was 1 157 622 (25,5%). Compared to use of air and land transport, a smaller number of travellers, 10 212 (0,2%) used sea transport. The arrivals data for South African residents show that 205 652 (36,3%) came by air, 360 660 (63,6%) came by road and 323 (0,1%) arrived by sea. For departures, 249 587 (32,6%) used air, 516 275 (67,4%) used road and 470 (0,1%) left by sea transport. All travellers in transit (903) used air transport.



## Purpose of visit

In December 2016, the majority of tourists, 948 401 (98,3%), were in South Africa for holiday compared to 13 786 (1,4%) and 2 920 (0,3%) 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 95,0% came to South Africa for holiday. A total of 15 936 (99,5%) tourists from Australasia, 9 260 (99,4%) from Central and South America, 166 316 (98,6%) from Europe, 37 625 (98,6%) from North America, 23 235 (96,4%) from Asia and 3 389 (96,2%) from the Middle East were in South Africa for holiday. Asia and Middle East had higher proportions of tourists who came to South Africa for business [3,1% (742) and 3,0% (104), respectively], while the Middle East had the highest proportion who came for study purposes [0,8% (29)] compared to other overseas regions.

## Sex and age distribution

There were 506 631 (52,5%) male and 458 476 (47,5%) female tourists in December 2016. Overseas tourists were made up of 134 733 (51,9%) male tourists and 124 991 (48,1%) female tourists. There were 362 257 (52,6%) male and 326 342 (47,4%) female tourists from the SADC countries. Tourists from 'other' African countries were made up of 9 047 (57,6%) male and 6 651 (42,4%) female tourists.



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

Travel direction		December 2015	November 2016	December 2016	% change between November and December 2016	% change between December 2015 and December 2016
<b>Total South African residents</b>	<b>Total</b>	<b>4 420 777</b>	<b>3 347 065</b>	<b>4 542 548</b>	<b>35,7%</b>	<b>2,8%</b>
	Arrivals	1 262 047	795 059	1 333 870	67,8%	5,7%
	Departures	534 979	391 557	566 635	44,7%	5,9%
	Transit	726 210	402 766	766 332	90,3%	5,5%
	Transit	858	736	903	22,7%	5,2%
<b>Foreign travellers</b>	<b>Foreign travellers</b>	<b>3 158 730</b>	<b>2 552 006</b>	<b>3 208 678</b>	<b>25,7%</b>	<b>1,6%</b>
	Arrivals	1 547 900	1 294 020	1 554 048	20,1%	0,4%
	Departures	1 549 157	1 189 434	1 589 855	33,7%	2,6%
	Transit	61 673	68 552	64 775	-5,5%	5,0%
	Transit	61 673	68 552	64 775	-5,5%	5,0%
<b>Foreign arrivals</b>	<b>Foreign arrivals</b>	<b>1 547 900</b>	<b>1 294 020</b>	<b>1 554 048</b>	<b>20,1%</b>	<b>0,4%</b>
	Non-visitors	105 062	81 921	81 590	-0,4%	-22,3%
	Visitors	1 442 838	1 212 099	1 472 458	21,5%	2,1%
	Visitors	1 442 838	1 212 099	1 472 458	21,5%	2,1%
	Visitors	1 442 838	1 212 099	1 472 458	21,5%	2,1%
<b>Visitors</b>	<b>Visitors</b>	<b>1 442 838</b>	<b>1 212 099</b>	<b>1 472 458</b>	<b>21,5%</b>	<b>2,1%</b>
	Arrivals only	328 456	272 590	357 103	31,0%	8,7%
	Single trips	546 371	444 547	527 960	18,8%	-3,4%
	Multiple trips	568 011	494 962	587 395	18,7%	3,4%
	Visitors	1 442 838	1 212 099	1 472 458	21,5%	2,1%
<b>Tourists</b>	<b>Tourists</b>	<b>892 720</b>	<b>809 349</b>	<b>965 107</b>	<b>19,2%</b>	<b>8,1%</b>
	Same-day	550 118	402 750	507 351	26,0%	-7,8%

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 on civil cases for debt

### *Number of civil judgements for debt decreases*

Debt recovery by credit providers is an integral part of any business sphere. However, there are procedures that the credit provider needs to follow before debt recovery is instituted against the defaulting customers. Amongst other procedures, the credit provider needs to keep track of the customer's payment patterns in order to alert them of their debt status and repayment plan to avoid any defaults by the customer; before the credit provider can embark on the debt recovery process. A default occurs when a customer fails to meet payment obligations entered into by him/her and the credit provider. If the credit provider fails to follow all the necessary steps required to recover the debt, this may lead to debt being prescribed. According to the National Credit Amendment Act, 2014 (Act No. 19 of 2014), a debt is considered to have been prescribed when debt has not been acknowledged or paid off by the customer, and no court summons were issued in respect of the debt in the past three consecutive years. This means the debt is essentially cancelled and the credit provider loses the right to claim payment. However, debt prescription does not apply if a debtor has relocated or changed contact details, during the prescription period, without informing the credit provider. Also, prescription will not apply if the credit provider can provide enough evidence that they tried to contact the debtor during the prescription period. The prescription period differs for each type of debt; for example, a prescription period of a home loan debt is thirty years. Presented in this article is a summary of the statistics of civil cases for debt for December 2016.

### **The number of civil summonses issued for debt**

Civil summonses issued for debt decreased by 3,4% in 2016 compared with 2015 (**see Table M**). The largest contributions to the 3,4% decrease were civil summonses relating to:

- money lent (contributing -1,3 percentage points);
- services (contributing -0,9 of a percentage point);
- 'other' debts (contributing -0,8 of a percentage point); and
- goods sold (contributing -0,8 of a percentage point).





### **The number of civil judgements recorded for debt**

The total number of civil judgements recorded for debt decreased by 8,5% in 2016 compared with 2015.

The largest negative contributions to the 8,5% decrease were civil judgements relating to:

- money lent (contributing -3,2 percentage points);
- services (contributing -2,7 percentage points); and
- 'other' debts (contributing -1,2 percentage points).

### **The value of civil judgements recorded for debt**

The total value of civil judgements recorded for debt was 8,5% lower in 2016 compared with 2015. The largest contributions to the 8,5% decrease were the value of judgements relating to:

- 'other' debts (contributing -5,5 percentage points);
- promissory notes (contributing -1,6 percentage points);
- money lent (contributing -0,7 of a percentage point); and
- goods sold (contributing -0,7 of a percentage point).

In 2016, 264 405 civil judgements for debt amounting to R4 024,2 million were recorded. The largest contributors to the total value of judgements were:

- money lent (R1 140,0 million or 28,3%);
- 'other' debts (R989,2 million or 24,6%); and
- services (R785,9 million or 19,5%).



**Table M – Key figures for civil summonses and judgements for December 2016**

Actual estimates	December 2016	% change between December 2015 and December 2016	% change between October to December 2015 and October to December 2016	Annual % change between 2015 and 2016
Number of civil summonses issued for debt	34 801	-16,8	-4,3	-3,4
Number of civil judgements recorded for debt	15 010	-18,1	-11,3	-8,5
Value of civil judgements recorded for debt (R million)	253,8	-14,7	-9,4	-8,5

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

## Statistics of liquidations and insolvencies

### ***Total number of liquidations and insolvencies decreases***

According to data from *Annual Financial Statistics (AFS)*, a report published by Statistics South Africa, the debt-to-equity ratio for the private sector as a whole has dropped since 2005. The debt-to-equity ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. Debt refers to how much an industry has borrowed, inclusive of related costs, to fund its operations. Equity refers to how much has been invested by shareholders and how much profit has been retained. A higher debt-to-equity ratio indicates that more debt (e.g. bank loans) is being used. A lower ratio indicates more reliance on capital from shareholders or retained income. If a lot of debt is used to finance increased operations (high debt to equity), the company could potentially generate more earnings than it would have without this outside financing. However, if the cost of debt becomes too much for the company to handle, it can even lead to bankruptcy. Presented in this article is a summary of the statistics of liquidations and insolvencies for January 2017.

The total number of liquidations decreased by 32,6% (44 fewer liquidations) year-on-year in January 2017 (**see Table N**). Voluntary liquidations decreased by 34 cases and compulsory liquidations decreased by 10 cases



during this period. There was a decrease of 4,6% in the three months ended January 2017 compared with the three months ended January 2016.

**Table N – Total number of liquidations for January 2017**

Number of liquidations January 2016	% change between January 2016 and January 2017	% change between November 2015 to January 2016 and November 2016 to January 2017
91	-32,6	-4,6

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)

The estimated number of insolvencies decreased by 22,1% in December 2016 compared with December 2015 (**see Table O**). A 7,7% decrease was estimated between the fourth quarter of 2015 and the fourth quarter of 2016. Insolvencies increased by 0,4% (from 2 674 to 2 684) between 2015 and 2016.

**Table O – Total number of insolvencies for December 2016**

Number of insolvencies 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
176	-22,1	-7,7	0,4

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

### *Volume of goods transported increases*

The transport system is one of the critical systems for the economic development in a country, as it provides access to various markets and ensures that people arrive at their workplace, thus increasing productivity and contributing positively to the economy. As part of the government's plan to improve the transport system and infrastructure, the Finance Minister, Pravin Gordhan, in his budget speech in February this year, indicated that the maintenance and development of both national and provincial roads will be prioritised in this financial year. As a result, R10,8 billion will be allocated to the Provincial Roads Maintenance Grant for the development and strengthening of provincial road networks while the South African National Road Agency Limited (SANRAL) will receive R15,4 billion for the maintenance of national roads. Presented in this article is a summary of the land transport survey results for December 2016.

The volume of goods transported (payload) increased by 1,0% in 2016 compared with 2015 (**see Table P**). The corresponding income increased by 4,4% over the same period.

In December 2016 the volume of goods transported (payload) increased by 5,7% year-on-year. The corresponding income increased by 13,1% over the same period.

Income from freight transportation increased by 9,5% in the fourth quarter of 2016 compared with the fourth quarter of 2015. The main contributors to this increase were:

- primary mining and quarrying products (22,7%, contributing 7,4 percentage points); and
- manufactured food, beverages and tobacco products (19,4%, contributing 2,6 percentage points).



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

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Freight payload	-1,4	8,8	3,2	1,7	5,5	5,7
Freight income	2,9	12,2	6,7	6,4	9,3	13,1

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)

The number of passenger journeys decreased by 13,4% in 2016 compared with 2015 (**see Table Q**). The corresponding income decreased by 0,1% over the same period.

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

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

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 at 5,9% in January 2017*

Producer price index (PPI) measures actual prices paid to or received from producers for goods or services. When collecting prices for a particular period, the point-in-time and period prices are two basic choices of collection period being used. The point-in-time prices relate to the price of a product on a particular date in the month, whereas period prices are estimates of price across the month and average prices for a month. The South African PPI uses the point-in-time approach in all prices except for water prices, which are collected on a monthly basis. However, most of the prices are collected for the first seven days of the month in order to ensure consistency in the final index. Prices that are excluded in these are for electricity, agriculture and mining products. Presented in this article is a summary of the Producer price index statistics for January 2017.

The annual percentage change in the PPI for final manufactured goods was 5,9% in January 2017 compared with 7,1% in December 2016. From December 2016 to January 2017 the PPI for final manufactured goods increased by 0,4% (**see Table R**). The main contributors to the annual rate of 5,9% were food products, beverages and tobacco products (3,1 percentage points) and coke, petroleum, chemical, rubber and plastic products (1,6 percentage points).

The main contributor to the monthly increase of 0,4% was coke, petroleum, chemical, rubber and plastic products (0,5 of a percentage point).

### Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 6,7% in January 2017 compared with 7,3% in December 2016 (**see Table R**). From December 2016 to January 2017 the PPI for intermediate manufactured goods increased by 1,4%. The main contributors to the annual rate of 6,7% were:

- chemicals, rubber and plastic products (2,8 percentage points);



- sawmilling and wood (1,5 percentage points), basic and fabricated metals (1,2 percentage points); and
- recycling and manufacturing not elsewhere classified (1,1 percentage points).

The main contributor to the monthly increase of 1,4% was chemicals, rubber and plastic products (1,0 percentage point).

### **Electricity and water**

The annual percentage change in the PPI for electricity and water was 10,0% in January 2017 compared with 7,4% in December 2016 (**see Table R**). From December 2016 to January 2017 the PPI for electricity and water increased by 1,6%. The contributors to the annual rate of 10,0% were electricity (8,4 percentage points) and water (1,6 percentage points).

The contributor to the monthly increase of 1,6% was electricity (1,6 percentage points).

### **Mining**

The annual percentage change in the PPI for mining was 10,7% in January 2017 compared with 10,6% in December 2016 (**see Table R**). From December 2016 to January 2017 the PPI for mining increased by 4,5%. The main contributors to the annual rate of 10,7% were non-ferrous metal ores (4,7 percentage points), gold and other metal ores (3,3 percentage points) and coal and gas (2,9 percentage points).

The main contributors to the monthly increase of 4,5% were stone quarrying, clay and diamonds (3,9 percentage points) and gold and other metal ores (1,1 percentage points).

### **Agriculture, forestry and fishing**

The annual percentage change in the PPI for agriculture, forestry and fishing was -2,9% in January 2017 compared with 6,4% in December 2016 (**see Table R**). The main contributor to the annual rate of -2,9% was agriculture (- 4,2 percentage points). From December 2016 to January 2017 the PPI for agriculture, forestry and fishing decreased by 3,1%. The main contributor to the monthly decrease of 3,1% was agriculture (-3,2 percentage points).

**Table R – Key PPI figures for January 2017**

Product	Weight	Index (2016=100)			% change	
		January 2016	December 2016	January 2017	January 2017 vs. December 2016	January 2017 vs. January 2016
Final manufactured goods	100,00	94,8	100,0	100,4	0,4	5,9
Intermediate manufactured goods	100,00	95,0	100,0	101,4	1,4	6,7
Electricity and water	100,00	92,4	100,0	101,6	1,6	10,0
Mining	100,00	94,4	100,0	104,5	4,5	10,7
Agriculture, forestry and fishing	100,00	99,8	100,0	96,9	-3,1	-2,9

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

### Headline CPI at 6,6%

The household Income and Expenditure Survey (IES) is used, amongst other functions, to provide the basis of the consumer price index (CPI) weights. The CPI weights represent the proportions of consumption expenditure by households, and these are updated every five years. Each country has its own weighting scheme that determines an aggregated price index for its population. The type of weighting that the South African CPI uses is called the plutocratic weighting scheme whereby each household contributes to the weights an amount that is equivalent to its expenditure instead of averaging consumption value proportions, over the whole population. Presented in this article is the CPI for January 2017.

Annual consumer price inflation was 6,6% in January 2017, down from 6,8% in December 2016 (**see Table S**). The consumer price index increased by 0,6% month-on-month in January 2017.

The following contributed to the headline annual consumer price inflation:

- Food and non-alcoholic beverages increased from 1,8 percentage points in December to 1,9 percentage points in January. The index increased by 11,4% year-on-year.





- Transport increased from 0,9 of a percentage point in December to 1,0 percentage point in January. The index increased by 6,7% year-on-year.
- Alcoholic beverages and tobacco decreased from 0,3 of a percentage point in December to 0,2 of a percentage point in January. The index increased by 3,5% year-on-year.
- Recreation and culture decreased from 0,3 of a percentage point in December to 0,2 of a percentage point in January. The index increased by 3,7% year-on-year.
- Restaurants and hotels decreased from 0,3 of a percentage point in December to 0,2 of a percentage point in January. The index increased by 6,2% year-on-year.
- Miscellaneous goods and services decreased from 1,2 percentage points in December to 1,1 percentage points in January. The index increased by 7,7% year-on-year.

The following contributed to monthly consumer price inflation:

- Food and non-alcoholic beverages contributed 0,3 of a percentage point in January. The index increased by 1,6% month-on-month.
- Transport contributed 0,2 of a percentage point in January, mainly due to a 50c/l increase in the price of petrol. The index increased by 1,5% month-on-month.
- Miscellaneous goods and services contributed 0,1 of a percentage point in January. The index increased by 0,8% month-on-month.

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

Provincial annual inflation rates ranged from 5,7% in Northern Cape to 8,1% in Limpopo.



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

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg <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	4,5	5,0	5,3	5,3	5,7	6,0	6,1	6,1	5,0
2012	Index	95,2	95,7	96,8	97,2	97,2	97,5	97,8	98,0	98,9	99,5	99,8	100,0	97,8
	Rate	6,3	6,1	6,0	6,1	5,7	5,5	4,9	5,0	5,5	5,6	5,6	5,7	5,6
2013	Index	100,3	101,3	102,5	102,9	102,6	102,9	104,0	104,3	104,8	105,0	105,1	105,4	103,4
	Rate	5,4	5,9	5,9	5,9	5,6	5,5	6,3	6,4	6,0	5,5	5,3	5,4	5,7
2014	Index	106,1	107,3	108,7	109,2	109,4	109,7	110,6	111,0	111,0	111,2	111,2	111,0	109,7
	Rate	5,8	5,9	6,0	6,1	6,6	6,6	6,3	6,4	5,9	5,9	5,8	5,3	6,1
2015	Index	110,8	111,5	113,1	114,1	114,4	114,9	116,1	116,1	116,1	116,4	116,5	116,8	114,7
	Rate	4,4	3,9	4,0	4,5	4,6	4,7	5,0	4,6	4,6	4,7	4,8	5,2	4,6
2016	Index	117,7	119,3	120,2	121,2	121,4	122,1	123,1	123,0	123,2	123,8	124,2	124,7	122,0
	Rate	6,2	7,0	6,3	6,2	6,1	6,3	6,0	5,9	6,1	6,4	6,6	6,8	6,4
2017	Index	100,6												
	Rate	6,6												

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

A full release on the *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; osmium, 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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