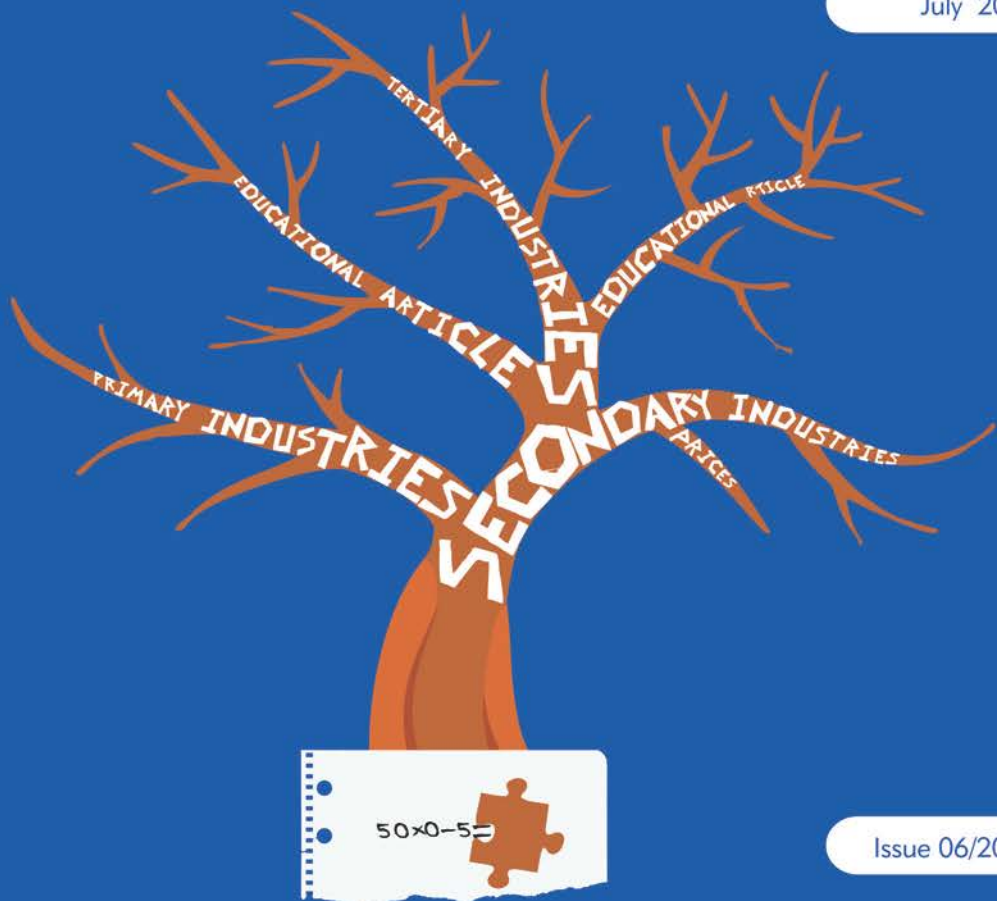


# Mbalo Brief



the missing piece of the puzzle

July 2017



Issue 06/2017

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



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## Editor's comment

"What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead." These are the words of former South African President Nelson Mandela. Every year on 18 July, people across the globe commemorate Nelson Mandela International Day and celebrate the lifetime of service Nelson Mandela gave to South Africa and the world. As from this year until Mandela Day 2018, the Nelson Mandela Foundation calls on all South Africans to heed the call on poverty under the slogan #ActionAgainstPoverty, and encourages people to volunteer for projects that will alleviate poverty, whether that be building a house for someone who has never had a home or planting a food garden at a school to feed pupils. The foundation wants South Africans and those around the world to commit to long-term, regular projects that will tackle poverty.

In this month's issue of *Mbalo Brief*, our educational article is based on the *Gross domestic product (GDP) for the first quarter of 2017*, derived from *Statistical release P0441*. Also have a look at our monthly crossword puzzle and solutions for the June 2017 puzzle.

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



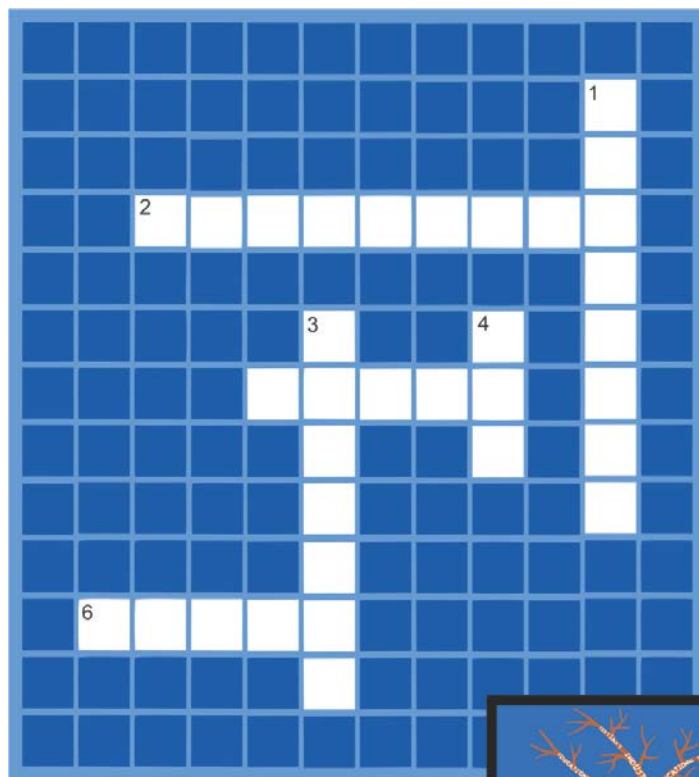


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## Crossword puzzle





### Across

2. An.....lease agreement is when a shopping centre enters into an agreement with a major food chain store for a period as long as 10 years or more. [Read Food and beverages article]
5. What is the abbreviation for Cooperative Governance and Traditional Affairs?
6. How many economic recessions did South Africa experience since 1961? [Read educational article]

### Down

1. Which city hosted the Population Association for Southern Africa?
3. What is the focus theme for Mandela Day for 2017 until 2018? [Read Editor's comment article]
4. What is the name of the South Africa's music legend that died on 12 July 2017?

### Solutions for June 2017 puzzle

#### Across

5. Limpopo
6. Hotels
7. Eastern Cape
8. Malusi Gigaba

#### Down

1. Pollution
2. Environment Day
3. Technical
4. Youth Day



## Educational article: Gross domestic product (GDP)

### 1. Introduction

In measuring a country's gross domestic product (GDP), a distinction is often made among three approaches to GDP measurement, namely: the production approach, the expenditure approach and the income approach. By design all the three approaches should equal each other, but they individually provide different perspective on the development of a specific economic phenomenon. However, the production approach is the most widely used approach because the data sources are mostly readily available than that of other approaches and also measures traditional and important industries like manufacturing and mining.

Accordingly, GDP measured from the production approach; it is an aggregate measure of production equal to the sum of the gross values added. It is further defined as sum of all the monetary value of all goods and services produced within the economic boundary during a given time period. i.e. year or quarter. In South Africa, Statistics South Africa (Stats SA) measures the GDP annually and quarterly. GDP tallies everything bought during a quarter/year, this includes when consumers purchase groceries from retailer, when manufactures produces goods for resale locally or in another country or when farmer sell their crops, etc. Goods and services are economic commodities or things that can be bought for a price. Goods are tangible items such as food, clothing, appliances, cars, etc. Services are intangible transactions in which no physical goods are transferred from the seller to the buyer. These include banking, cleaning, consultations, etc.

The GDP is also used to compare a country's economic progress against that of other countries. The rate of the GDP growth changes according to the strength of the economy of a country. If there is an economic downturn, the economy contracts and the GDP decline.

In order to improve the standard of living and increase levels of employment, strong economic growth is necessary. Increased employment will contribute to increased consumer spending and consequently increased level of economic growth, assuming a stable international economic climate.





This article is based on the *Gross domestic product (GDP) for the first quarter of 2017*, derived from *Statistical release P0441*. The article will look at factors such as the importance of GDP, how GDP can be used to determine a recession as well as focus on the GDP results for first quarter of 2017.

## 2. Why GDP is important

Economists liken the ability of GDP to give an overall picture of the state of the economy to that of a satellite in space that can survey the weather across an entire continent. GDP is important because it gives information about the size of the economy and how an economy is performing. When real GDP is growing strongly, employment is likely to be increasing as companies hire more workers. When GDP is shrinking employment often declines. GDP also enables government, policymakers and central banks to judge whether the economy is contracting or expanding, whether it needs a boost or restraint, and if a threat such as a recession or inflation looms on the horizon. Furthermore, GDP helps the investors to manage their portfolios by providing them with guidance about the state of the economy.

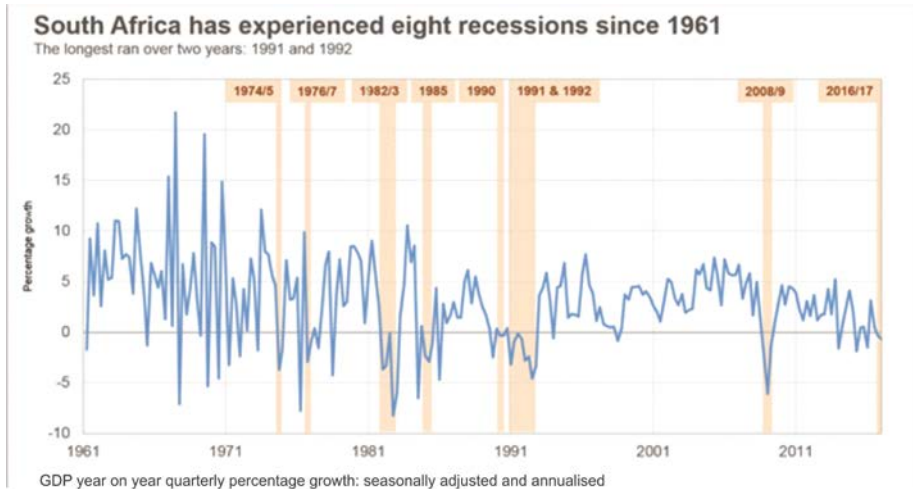
### 2.1 GDP can determine a recession

One other important thing that GDP is used for is to determine a recession of an economy. An economic recession is a decline (negative performance) in GDP for two quarters in a row. This means that the economic activity of a country is declining.





**Figure 1 – Number of recessions which occurred in South Africa from 1961**



In June 2017, Stats SA announced that the South African economy moved into recession with the reported decrease of 0,7% in GDP during the first quarter of 2017, following a 0,3% contraction in the fourth quarter of 2016. This also means that South Africa has experienced eight economic recessions since 1961 (see Figure 1, above), the longest occurring from 1991 to 1992, mainly as result of a global economic downturn. From 2008 to 2009 there was a recession over three quarters when the country became caught up in the global financial crisis.

### **2.1.1 How does recession affect the people and the economy?**

When the economy dips into recession, the unemployment rate rises, consumer spending falls, as do business profits, resulting in even more job cuts. This leads to a slump in the market as less jobs means goods and services become difficult to be sold as the purchasing power decreases.



Furthermore, the state will have challenges servicing social grants because the expected revenue collection from SARS is likely to be lower as there will be less people paying tax due to job losses. This usually leads to increase in the national debts as the government might have to borrow money to be able to meet these commitments.

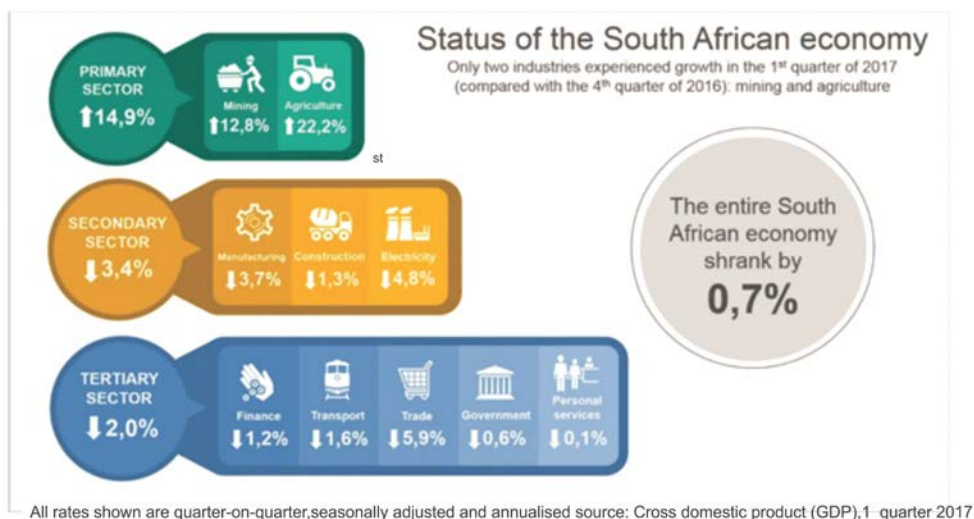
Recession also affects businesses: as sales revenues and profits decline, manufacturer for instance, cut back on hiring new employees, or freeze hiring entirely. In an effort to cut costs and improve the profit, the manufacturer may stop buying new equipment, limit research and development and stop new product rollouts. Expenditures for marketing and advertising may also be reduced. These cost-cutting efforts impact other businesses, both big and small, which provide the goods and services used by the big manufacturer. Thus recession affects people differently.

### **3. Gross domestic product first quarter of 2017 results**

GDP in the first quarter of 2017 fell by 0,7%. Real gross domestic product (measured by production) decreased by 0,7% in the first quarter of 2017 (as can be seen on Figure 1, below), following a decrease of 0,3% in the fourth quarter of 2016. Real GDP is a macroeconomic measure of the value of economic output adjusted for price changes (i.e. inflation or deflation).



Figure 2 – Status of the South African economy



### 3.1 Primary sector

The agriculture, forestry and fishing industry recorded an increase of 22,2% in the first quarter of 2017 contributing 0,4 of a percentage point to GDP growth. In this quarter, the industry rebounded on the back of eight consecutive quarters of contraction. This was mainly because of increases in the production of field crops and horticultural products. This might be one of the first signs of recovery from one of the toughest droughts in recent history.

Mining and quarrying increased by 12,8% in the first quarter of 2017 and contributed 0,9 of a percentage point to GDP growth. This was largely the result of higher production in mining of gold and mining of 'other' metal ores (including platinum).

### 3.2 Secondary sector

The manufacturing industry contracted by 3,7% in the first quarter of 2017 and contributed -0,5 of a percentage point to the GDP growth. Seven out of



ten divisions reported negative growth rates in the first quarter. The largest contributor to the decrease was the petroleum, chemical products, rubber and plastic products division.

The electricity, gas and water industry contracted by 4,8%, largely due to decreases in electricity produced in the first quarter. The amount of water distributed decreased, mainly driven by continued water restrictions in some parts of the country still recovering from the drought conditions.

The construction industry decreased by 1,3% mainly due to decreases recorded for non-residential buildings and construction works.

### **3.3 Tertiary sector**

Possibly the most important aspect of the first quarter's results is the tertiary sector. The sector – comprising finance, transport, trade, government and personal services – recorded its first quarter of decline since the second quarter of 2009, when South Africa was in a recession as well.

The largest negative contributor to growth in GDP in the first quarter was the trade, catering and accommodation industry, which decreased by 5,9% and contributed -0,8 of a percentage point to GDP growth. Decreased economic activity was reported in wholesale, retail, catering and accommodation divisions.

The transport, storage and communication industry decreased by 1,6%. Decreased economic activity was reported for communication services and road and rail passenger transportation.

### **3.4 Household final consumption expenditure (HFCE)**

Final household consumption expenditure by households decreased by 2,3% in the first quarter of 2017 contributing -1,4 percentage points to total growth. The main negative contributors to growth in household final consumption expenditure (HFCE) were:

- food and non-alcoholic beverages (-3,4%, contributing -0,7 of a percentage point);



- clothing and footwear (-12,1% and contributing -0,7 of a percentage point); and
- transport (-4,4% and contributing -0,7 of a percentage point).

The largest positive contributor to growth in HFCE was the 'other' category of expenditure, reporting an increase of 5,7% and contributing 0,6 of a percentage point).

### **3.5 Exports and imports of goods and services**

Exports of goods and services decreased by 3,2%. Both goods and services contributed negatively to the growth in exports. Exports of mineral products and vehicles and transport equipment were largely responsible for the decrease in goods. Imports of goods and services increased by 3,2%, driven largely by imports of mineral products. Net exports contributed -1,9 percentage points to total GDP growth.

### **4. Conclusion**

In recent months, economic activity in South Africa contracted over a wide range of sectors, including construction, manufacturing and transport. Only mining and agriculture made a positive contribution to output growth. All other sectors contracted. This reflects subdued demand throughout the South African economy. This led to a recession as it was the second time in a row that GDP reported a negative growth. The important question now is whether this recession will continue in the second quarter – April to June 2017, or whether there will be a turn around to economic growth. Thus, many will be waiting for GDP results for the second quarter of 2017 in anticipation, to see if the economy has picked up or not.



# Primary industries

## Mining: Production and sales

### *Mining production and minerals sales increase*

Some mining companies are steadily cutting trading on unprofitable shafts from their mines to reduce the flow of below-cost metals (a price placed on a product or service that is less than the seller paid to create it) in the market. One of the mining companies is the platinum producer Impala Platinum (Implats), which is closing down its unprofitable shafts and focusing on the best quality ore; a practice known as high grading. According to Implats, unprofitable areas are shut and work moves to new shafts due to loss-making in the platinum industry. Some of the reasons for mines to shut unprofitable shafts are the appreciation of the US dollar, a significant drop in commodity prices, and stiff competition within the mining industry, to name a few. Presented in this article is a summary of the Mining: production and sales statistics for April 2017.

Mining production increased by 1,7% year-on-year in April 2017 (**see Table A**). The main positive contributor was iron ore (29,9%, contributing 4,6 percentage points). Coal (-8,9%, contributing -2,3 percentage points) and PGMs (-5,2%, contributing -1,2 percentage points) were significant negative contributors.

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Year-on-year % change, unadjusted	-5,0	-2,9	2,1	4,1	15,4	1,7
Month-on-month % change, seasonally adjusted	-4,8	0,3	2,3	2,2	3,2	-1,6
3-month % change, seasonally adjusted <sup>1/</sup>	-1,4	-3,2	-4,5	-0,9	3,4	5,5

<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 14,0% year-on-year in March 2017 (**see Table B**). The largest positive contributors to the increase of 14,0% were:



- coal (21,1%, contributing 5,3 percentage points);
- iron ore (39,7%, contributing 4,3 percentage points);
- chromium ore (110,9%, contributing 4,2 percentage points); and
- PGMs (19,9%, contributing 4,0 percentage points).

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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Year-on-year % change, unadjusted	12,8	27,7	22,8	22,1	9,9	14,0
Month-on-month % change, seasonally adjusted	1,4	6,6	-1,2	-3,3	-4,4	2,2
3-month % change, seasonally adjusted <sup>1/</sup>	0,2	9,5	12,0	7,5	-0,3	-4,2

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



## Secondary industries

### Manufacturing: Production and sales

#### *Manufacturing production increases*

Goods manufactured locally or goods that are imported should at all times conform to the National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008) in order to protect the safety and health of consumers and the environment. According to the Act, failure to adhere to the manufacturing specifications will result in recalling all the non-compliant products from the market and applying sanctions and penalties to the importers, manufacturers, distributors and sellers where non-compliant products are traded or attempted to be traded. Goods can also be destroyed on the basis that the supplier, manufacturer or importer failed to produce a letter of authority (LOA), which is a permit issued by the National Regulator for Compulsory Specifications (an entity established to administer compulsory specifications and other technical regulations) to allow the sale of regulated products in South Africa. Presented in this article is a summary of the Manufacturing: production and sales statistics for April 2017.

Manufacturing production decreased by 4,1% in April 2017 compared with April 2016 (**see Table C**). This decrease was mainly due to lower production in the following divisions:

- petroleum, chemical products, rubber and plastic products (-6,9%, contributing -1,7 percentage points);
- motor vehicles, parts and accessories and other transport equipment (-17,7%, contributing -1,4 percentage points);
- glass and non-metallic mineral products (-10,9%, contributing -0,4 of a percentage point);
- electrical machinery (-16,8%, contributing -0,3 of a percentage point); and
- furniture and 'other' manufacturing (-13,6%, contributing -0,3 of a percentage point).





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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Year-on-year % change, unadjusted	2,1	-2,1	0,4	-3,7	0,4	-4,1
Month-on-month % change, seasonally adjusted	0,4	0,0	-0,6	-0,4	-0,4	2,3
3-month % change, seasonally adjusted <sup>1/</sup>	-1,2	-1,1	-0,7	-0,8	-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 *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 decreases*

During the apartheid era, black African people could not own property, nor could they trade in the property sector, especially in areas with high economic activities. In order to redress the historical inequalities, the Property Sector Code of 2003 was approved in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, (Act No. 53 of 2003) to enable black-owned companies to develop and acquire properties. The Amended Property Sector Code, which was gazetted for public comments in 2015, became effective on 9 June 2017 to include all industries in the property sector such as property and facility management, valuation and estate agents, amongst others. These industries are forced by the Act to contribute towards correcting the apartheid legislation which denied black people access to productive land and property ownership. The property code is also meant to increase the number of black-owned property companies in the property sector. Presented in this article is a summary of the selected building statistics for April 2017.

The value of recorded building plans passed (at current prices) decreased by 17,0% (-R6 183,7 million) during January to April 2017 compared with January to April 2016 (**see Table D**).



The largest negative contributions to the total decrease of 17,0% (-R6 183,7 million) were made by Gauteng (contributing -10,3 percentage points or -R3 748,1 million) and KwaZulu-Natal (contributing -6,1 percentage points or -R2 220,8 million).

The value of buildings reported as completed (at current prices) increased by 17,7% (R3 225,8 million) during January to April 2017 compared with January to April 2016.

Four provinces reported year-on-year increases in the value of buildings completed during January to April 2017. The largest contributions were recorded for Gauteng (contributing 14,3 percentage points or R2 606,6 million) and Western Cape (contributing 6,3 percentage points or R1 156,1 million).

**Table D – Recorded building plans passed by larger municipalities:  
January to April 2016 versus January to April 2017**

Estimates at current prices	January to April 2016 <sup>1/</sup>	January to April 2017 <sup>1/</sup>	Difference in value between January to April 2016 and January to April 2017	% change between January to April 2016 and January to April 2017
	R'000	R'000	R'000	
<b>Residential buildings</b>	17 654 133	15 582 899	-2 071 234	-11,7
- Dwelling houses	10 633 234	9 682 947	-950 287	-8,9
- Flats and townhouses	5 349 375	5 790 350	440 975	8,2
- Other residential buildings	1 671 524	109 602	-1 561 922	-93,4
<b>Non-residential buildings</b>	10 786 862	6 559 030	-4 227 832	-39,2
<b>Additions and alterations</b>	8 020 933	8 136 331	115 398	1,4
<b>Total</b>	36 461 928	30 278 260	-6 183 668	-17,0

<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*

One of the many great innovations in the world was the introduction of electricity. It has been one of the most ground-breaking inventions as it simplified and cut down a lot of manual labour. For example, having manufacturing machines cut down time and the amount of labour required to produce volumes of products at high speed. Electricity also enhances some of the safety measures in the daily lives of people, like the streetlights that lighten up the streets for people to feel safe when walking or driving during the night. The people who lived in Kimberley in 1882 were the first in Africa to have streetlights, and were ahead of cities like London in England which still relied on gas lamps for street lighting at the time. Today many households in cities, towns and rural areas in South Africa have electricity. Presented in this article is a summary of the electricity generated and distributed in May 2017.

Electricity generation (production) increased by 4,6% year-on-year in May 2017 (see Table E).

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

	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
Year-on-year % change, unadjusted	0,8	0,8	-3,9	2,7	0,8	4,6
Month-on-month % change, seasonally adjusted	0,1	-0,4	-0,7	1,0	1,4	2,1
3-month % change, seasonally adjusted <sup>1/</sup>	0,7	0,4	-0,2	-0,6	0,2	2,0

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

Electricity distribution (consumption) increased by 3,4% year-on-year in May 2017 (see Table F).



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

	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
Year-on-year % change, unadjusted	-0,9	-0,6	-3,6	2,7	0,1	3,4
Month-on-month % change, seasonally adjusted	0,1	-0,1	0,2	1,1	0,5	1,6
3-month % change, seasonally adjusted <sup>1/</sup>	0,8	0,3	0,0	0,3	1,1	2,1

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

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



# Tertiary industries

## Wholesale trade sales

### *Wholesale trade sales increase*

The latest employment figures released by Statistics South Africa (Stats SA) showed how recession has affected the employment rate in some of the industries, such as wholesale trade. According to the March 2017 Quarterly Employment Survey (QES), 48 000 employees lost their jobs between December 2016 and March 2017. The decrease in employment rate was led by the trade industry (includes wholesale trade) with 32 000 employees, followed by the business services industry with 23 000 employees. Although the trade and agriculture industries recorded a decrease in employment, there were increases reported in the construction industry with 12 000 employees and in the mining industry with 8 000 employees. Presented in this article is a summary of the wholesale trade sales statistics for April 2017.

Wholesale trade sales increased by 1,6% in April 2017 compared with April 2016 (**see Table G**). The main contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (15,4% and contributing 2,8 percentage points);
- food, beverages and tobacco (9,2% and contributing 1,4 percentage points); and
- precious stones, jewellery and silverware (35,6% contributing 1,1 percentage points).

Wholesale trade sales increased by 1,6% in the three months ended April 2017 compared with the three months ended April 2016. The main contributor to this increase was dealers in solid, liquid and gaseous fuels and related products (9,9% and contributing 1,7 percentage points).



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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Year-on-year % change, unadjusted	9,1	10,9	6,8	-4,2	7,3	1,6
Month-on-month % change, seasonally adjusted	1,1	3,4	-2,4	-1,7	2,0	2,4
3-month % change, seasonally adjusted <sup>1/</sup>	0,3	0,7	2,1	1,3	-0,3	-0,1

<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*

Many years ago, people used to visit shops to compare prices of goods they intended to purchase. This included walking from one shop to the other until they found one with affordable prices. Since the introduction of e-commerce, a lot of things have changed in the retail processes, and people can compare prices from their computers or smartphones. Internet companies and those retailers providing e-commerce marketing update sales of their goods on integrated systems such as PriceCheck and Trivago. PriceCheck compares prices of a variety of products such as electronics, furniture and food amongst others, whereas Trivago is focused on accommodation facilities only. These systems not only make it possible for South Africans to purchase goods and find accommodation, but also allow them to compare prices from different suppliers and see the cheaper offers. Presented in this article is a summary of the retail trade sales for April 2017.

Retail trade sales increased by 1,5% year-on-year in April 2017 (see **Table H**). Positive annual growth rates were recorded for:

- retailers in food, beverages and tobacco in specialised stores (13,6%);
- general dealers (5,1%); and
- retailers in pharmaceuticals and medical goods, cosmetics and toiletries (2,7%).

The main contributors to the 1,5% increase were:

- general dealers (contributing 2,1 percentage points); and



- retailers in food, beverages and tobacco in specialised stores (contributing 1,0 percentage point).

Retail trade sales increased by 0,3% in the three months ended April 2017 compared with the three months ended April 2016. Positive contributors to this increase were:

- retailers in food, beverages and tobacco in specialised stores (12,2%, contributing 0,8 of a percentage point);
- general dealers (1,3%, contributing 0,6 of a percentage point); and
- retailers in pharmaceuticals and medical goods, cosmetics and toiletries (4,6%, contributing 0,4 of a percentage point).

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Year-on-year % change, unadjusted	3,1	1,0	-2,3	-1,6	0,9	1,5
Month-on-month % change, seasonally adjusted	3,1	-2,5	-1,2	1,0	0,4	0,3
3-month % change, seasonally adjusted <sup>1/</sup>	1,4	1,0	0,7	-1,2	-1,0	-0,2

<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 decrease*

Following South Africa's credit downgrade to junk status in April 2017, most businesses were affected negatively, including the motor industry. New vehicle sales were hit hard, recording the lowest decline in monthly sales since December 2009. The decline in vehicles sales was also as a result of public holidays in April that saw the number of selling days being fewer. During this period, sales of new vehicles dropped to 11 159, from 15 010 in March 2017. Presented in this article is a summary of the motor trade sales statistics for April 2017.

Motor trade sales decreased by 7,2% year-on-year in April 2017(see **Table I**). Negative annual growth rates were recorded for:

- workshop income (-14,9%);



- new vehicle sales (-14,4%);
- used vehicle sales (-13,0%); and
- sales of accessories (-10,8%).

Motor trade sales increased by 1,4% in the three months ended April 2017 compared with the three months ended April 2016. The main contributor was fuel sales (8,9%, contributing 2,1 percentage points).

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Year-on-year % change, unadjusted	4,1	1,0	6,8	1,4	10,1	-7,2
Month-on-month % change, seasonally adjusted	0,4	1,6	0,2	0,8	0,3	-2,0
3-month % change, seasonally adjusted <sup>1/</sup>	0,4	1,3	2,5	2,5	2,1	1,0

<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 the food and beverages industry increases***

The food and beverages industry has become more competitive than it has been before. For example, some food chain outlets resort to signing exclusive lease agreements with shopping centres in order to get exclusive rights to be the only store selling foodstuff to consumers. An exclusive lease agreement is when a shopping centre enters into an agreement with a major food chain store for a period as long as 10 years or more. In this exclusive lease agreement, the food chain store is given the rights to trade as the sole food retailer in the specific shopping centre, preventing other similar stores from trading in the same shopping centre. This exclusive lease agreement is normally finalised before the shopping centre is constructed. Other food outlets were dissatisfied with these agreements and emphasised that it's anti-competitive conduct, which is in violation of the Competition Act, 1998 (Act No. 89 of 1998). However, the Competition Commission investigated the exclusive lease agreements and announced that although exclusive lease agreements raise barriers to entry into grocery retailing, its





investigation did not uncover sufficient evidence to demonstrate anti-competitive effects arising from such agreements. The Commission stated that the practice of long-term exclusive lease agreements between food retailers and landlords require further investigation. Nonetheless, through the exclusive lease agreements, consumers are denied the benefit of a free and fair competitive trading environment. Presented in this article is a summary of food and beverage statistics for March 2017.

Total income generated by the food and beverages industry increased by 0,7% in April 2017 compared with April 2016 (**see Table J**). The largest positive annual growth rate was recorded for bar sales (2,2%).

In April 2017, the largest contribution to the increase of 0,7% was restaurants and coffee shops (4,8%, contributing 1,9 percentage points).

Total income decreased by 0,3% in the three months ended April 2017 compared with the three months ended April 2016. The main contributor to this decrease was catering services (-5,8%, contributing -1,0 of a percentage point).

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

Type of income	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Food sales	1,5	0,5	-1,8	1,0	-1,0	0,7
Bar sales	-4,9	0,2	0,9	-0,2	-3,3	2,2
Other income	-21,9	-18,8	-17,6	-12,9	-18,4	-7,2
<b>Total</b>	<b>-0,1</b>	<b>-0,1</b>	<b>-1,9</b>	<b>0,5</b>	<b>-1,8</b>	<b>0,7</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 by 7,0%*

While star grading for the South African hospitality sector is a voluntary process, official recognition by the Tourism Grading Council of South Africa (TGCSA) is a stamp of quality the majority of consumers tend to rely on. The grading framework allows for the award of one to five stars based on quality of services and amenities, with five stars denoting the top of the range. Star graded establishments are further divided into accommodation categories covering hotels, guest houses, country houses, Bed and Breakfast (B&B), self-catering establishments, backpackers & hostel amenities, camping & caravan parks and the meetings, exhibitions and special events (MESE) category. Independent assessors who have undergone training approved by the TGCSA undertake inspections of properties that apply for grading. The assessors make their recommendations to an Awards Committee that ultimately decides on the number of stars an accommodation establishment qualifies for. The criteria for quality assurance are strict and in keeping with international standards and apply broadly to building exteriors, bedrooms, bathrooms, public areas, dining facilities, food and beverage outlets and service. Presented in this article is a summary of the tourist accommodation statistics for April 2017.

Total income for the tourist accommodation industry increased by 7,0% in April 2017 compared with April 2016 (**see Table K**). Income from accommodation increased by 11,4% year-on-year in April 2017, the result of a 3,4% increase in the number of stay unit nights sold and a 7,7% increase in the average income per stay unit nights sold.

In April 2017, the types of accommodation that recorded the largest year-on-year growth in income from accommodation were:

- caravan parks and camping sites (86,4%);
- 'other' accommodation (27,8%); and
- guest-houses and guest-farms (13,2%).



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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Stay units available	0,4	0,4	0,4	0,4	0,0	0,0
Stay unit nights sold	1,3	1,1	-2,3	-1,2	-0,6	3,4
Average income per stay unit nights sold	9,1	2,1	11,6	6,6	4,7	7,7
Income from accommodation	10,5	3,2	9,0	5,3	4,1	11,4
Total income <sup>1/</sup>	<b>6,6</b>	<b>0,6</b>	<b>4,6</b>	<b>3,2</b>	<b>1,5</b>	<b>7,0</b>

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 travelers pass through South Africa's ports of entry*

South Africa is well known across the world for its beauty and famous heritage sites, namely, Cradle of Humankind, Maphungubwe, Robben Island, and Table mountain to name a few. Although these are a sure attractions to tourists to the country, one of the subtle attractions to South Africa is its richness in plant diversity found across the country. These include, among others, the grasslands in the Highveld, the succulent Karoo in central South Africa, and the fynbos biome, constituting the majority of the area and plant life in the floristic region of the Western Cape. Many tourists travel to South Africa just to enjoy these beautiful sights. Presented in this article is a summary of the Tourism and migration statistics for April 2017.

A total of 3 841 519 travellers (arrivals, departures and transits) passed through South African ports of entry in April 2017 (**see Table L**). These travellers were made up of 1 068 065 South African residents and 2 773 454 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 515 265 arrivals, 552 015 departures and 785 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 395 241, 1 317 866 and 60 347 respectively.

A comparison between the movements in April 2016 and April 2017 indicates that the volume of arrivals and departures increased for both South African residents and foreign travellers, while the volume of travellers in



transit decreased for both South African residents and foreign travellers. For South African residents, the volume of arrivals increased by 26,8% (from 406 482 in April 2016 to 515 265 in April 2017), departures increased by 26,9% (from 435 094 in April 2016 to 552 015 in April 2017), and transits decreased by 7,4% (from 848 in April 2016 to 785 in April 2017). For foreign travellers, arrivals increased by 5,7% (from 1 320 375 in April 2016 to 1 395 241 in April 2017), departures increased by 6,4% (from 1 238 684 in April 2016 to 1 317 866 in April 2017), and transits decreased by 5,1% (from 63 609 in April 2016 to 60 347 in April 2017).

A comparison between the movements in March 2017 and April 2017 indicates that the volume of arrivals, departures and travellers in transit increased for both South African residents and foreign travellers. For South African residents, the volume of arrivals increased by 30,0% (from 396 471 in March 2017 to 515 265 in April 2017), departures increased by 30,9% (from 421 743 in March 2017 to 552 015 in April 2017), and transits increased by 6,9% (from 734 in March 2017 to 785 in April 2017).

### Mode of travel

In April 2017, road transport was the most common mode of travel used by 2 772 398 (72,2%) of the 3 841 519 travellers. The total number of travellers who used air transport was 1 053 741 (27,4%). Compared to use of air and land transport, a smaller number of travellers, 15 380 (0,4%) used sea transport. The arrivals data for South African residents show that 191 081 (37,1%) came by air, 323 482 (62,8%) came by road and 702 (0,1%) arrived by sea transport. For departures, 204 553 (37,1%) used air, 344 280 (62,4%) used road and 3 182 (0,6%) left by sea transport. All travellers in transit 785 (100,0%) used air transport.

### Purpose of visit

In April 2017, the majority of tourists, 895 760 (97,5%), were in South Africa for holiday compared to 16 533 (1,8%) and 6 791 (0,7%) 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 93,0% came to South Africa for holiday.

The majority of African tourists, 679 122 (97,6%) came to South Africa for holiday. However, there were differences between tourists from the SADC countries and 'other' African countries, namely:



- Whereas 665 418 (97,7%) of tourists from the SADC countries were on holiday; 13 704 (91,0%) 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 93,6% (7 349); 89,3% (5 153); and 84,2% (1 202) for West Africa, East and Central Africa and North Africa respectively.
- Business persons constituted 5,1% (762) of tourists from 'other' African countries and 1,5% (10 439) from the SADC countries. North Africa had the highest proportion, 11,7% (167) of its tourists who came to South Africa for business purposes.
- Students made up 3,9% (586) of tourists from 'other' African countries compared with 0,7% (5 061) from the SADC countries. East and Central Africa, 4,7% (273) and North Africa, 4,1% (58) had higher proportions of tourists who came to South Africa for study purposes.

### Sex and age distribution

In April 2017, there were 496 984 (54,1%) male and 422 100 (45,9%) female tourists. Overseas tourists were made up of 116 526 (52,5%) male tourists and 105 529 (47,5%) female tourists. There were 370 397 (54,4%) male and 310 521 (45,6%) female tourists from the SADC countries. Tourists from 'other' African countries were made up of 9 462 (62,9%) male and 5 590 (37,1%) 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. The overall results show that 62 262 (6,8%) tourists were aged less than 15 years; 809 670 (88,1%) were aged between 15 and 64 years; and 47 152 (5,1%) were aged 65 years and older.



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

Travel direction	April 2016	March 2017	April 2017	% change between March and April 2017	% change between April 2016 and April 2017
<b>Total</b>	3 465 092	3 309 712	3 841 519	16,1%	10,9%
<b>South African residents</b>	842 424	818 948	1 068 065	30,4%	26,8%
Arrivals	406 482	396 471	515 265	30,0%	26,8%
Departures	435 094	421 743	552 015	30,9%	26,9%
Transit	848	734	785	6,9%	-7,4%
<b>Foreign travellers</b>	2 622 668	2 490 764	2 773 454	11,3%	5,7%
Arrivals	1 320 375	1 258 642	1 395 241	10,9%	5,7%
Departures	1 238 684	1 175 596	1 317 866	12,1%	6,4%
Transit	63 609	56 526	60 347	6,8%	-5,1%
<b>Foreign arrivals</b>	1 320 375	1 258 642	1 395 241	10,9%	5,7%
Non-visitors	79 201	77 939	85 768	10,0%	8,3%
Visitors	1 241 174	1 180 703	1 309 473	10,9%	5,5%
<b>Visitors</b>	1 241 174	1 180 703	1 309 473	10,9%	5,5%
Arrivals only	288 706	286 182	327 725	14,5%	13,5%
Single trips	465 602	422 983	486 251	15,0%	4,4%
Multiple trips	486 866	471 538	495 497	5,1%	1,8%
<b>Visitors</b>	1 241 174	1 180 703	1 309 473	10,9%	5,5%
Same-day	445 255	374 846	390 389	4,1%	-12,3%
Tourists	795 919	805 857	919 084	14,1%	15,5%

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*

Many first-time property buyers often find themselves getting into debt due to unforeseen circumstances, such as repairing defects on the new property that the seller did not reveal. The buyer may end up spending more money and in some worse cases, they take loans to repair defects such as a



leaking roof, plumbing and electrical complications. In South Africa there is a standard clause in the Offer to Purchase (OTP) agreement called “Voetstoots”, an Afrikaans word meaning “as it is”, which states that the buyer is buying the property as it stands. This means that the seller has a responsibility to reveal to the buyer of any defects they know of, but that is not always the case. Some sellers may not reveal defects that are not visible such as a leaking roof during the inspection of the property in order to avoid repair costs. In order to avoid such cases that may lead to getting into debt, buyers should get property inspectors such as plumbers, electricians and building structure experts to inspect the property they intend to buy before signing the OTP. Presented in this article is a summary of the statistics of civil cases for debt for April 2017.

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

Civil summonses issued for debt decreased by 7,2% in the three months ended April 2017 compared with the three months ended April 2016 (**see Table M**). The largest negative contributors to the 7,2% decrease were civil summonses relating to:

- services (contributing -4,4 percentage points);
- goods sold (contributing -1,9 percentage points); and
- promissory notes (contributing -0,4 of a percentage point).

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

The total number of civil judgements recorded for debt decreased by 16,4% in the three months ended April 2017 compared with the three months ended April 2016. The largest contributions to the 16,4% decrease were civil judgements relating to:

- services (contributing -6,4 percentage points);
- ‘other’ debts (contributing -6,1 percentage points); and
- money lent (contributing -2,2 percentage points).

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

The total value of civil judgements recorded for debt decreased by 11,3% in the three months ended April 2017 compared with the three months ended April 2016. The largest negative contributions to the 11,3% decrease were the value of judgements relating to:

- ‘other’ debts (contributing -9,5 percentage points);



- services (contributing -2,8 percentage points); and
- goods sold (contributing -1,4 percentage points).

In April 2017, 17 533 civil judgements for debt amounting to R283,6 million were recorded. The largest contributors to the total value of judgements were:

- money lent (R96,6 million or 34,1%);
- 'other' debts (R56,7 million or 20,0%); and
- services (R48,3 million or 17,0%).

**Table M – Key figures for civil summonses and judgements for April 2017**

Actual estimates	April 2017	% change between April 2016 and April 2017	% change between February to April 2016 and February to April 2017
Number of civil summonses issued for debt	42 798	-23,1	-7,2
Number of civil judgements recorded for debt	17 533	-21,6	-16,4
Value of civil judgements recorded for debt (R million)	283,6	-10,6	-11,3

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

### *Number of liquidations increase while insolvencies decrease*

In any business, it is always important for partners or shareholders to see to the good handling of the operations and finances. This is because, should the business be in financial distress, it could end up going into liquidation. A company goes into liquidation when it is struggling financially and unable to pay its debts. There are two main ways a company could go into liquidation, namely voluntary and compulsory liquidation. Both processes involve the sale of all the company's property, dissolution and closure of the company. Compulsory liquidation is a forced form of liquidation whereby a third party lodges a winding up petition with the court to recover any debt due to them. Voluntary liquidation is initiated by the shareholders in the case where a company is facing tough financial times and unable to continue operating. Presented in this article is a summary of the statistics of liquidations and insolvencies for May 2017.





The total number of liquidations showed a year-on-year decrease of 29,9% (53 fewer cases) in May 2017 (**see Table N**). Voluntary liquidations decreased by 54 cases while compulsory liquidations increased by 1 case.

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

- financing, insurance, real estate and business services (21 fewer liquidations, from 63 to 42);
- unclassified (17 fewer liquidations, from 43 to 26);
- trade, catering and accommodation (8 fewer liquidations, from 36 to 28); and
- manufacturing (4 fewer liquidations, from 8 to 4).

There was a decrease of 13,4% in the five months of 2017 compared with the five months of 2016. Company liquidations decreased by 21,0% (from 420 to 332) and close corporation liquidations decreased by 5,2% (from 387 to 367).

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

Number of liquidations May 2017	% change between May 2016 and May 2017	% change between March to May 2016 and March to May 2017	% change between January to May 2016 and January to May 2017
124	-29,9	-3,5	-13,4

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)

The estimated number of insolvencies decreased by 22,7% year-on-year in April 2017 (**see Table O**). A 20,2% decrease was estimated in the three months ended April 2017 compared with the first three months ended 2016.



**Table O – Total number of insolvencies for April 2017**

Number of liquidations April 2017	% change between April 2016 and April 2017	% change between February to April 2016 and February to April 2017	% change between January to April 2016 and January to April 2017
180	-22,7	-20,2	-18,9

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*

South Africa is considered Africa's gateway; this is because it is relatively easy for people to connect with other African countries, especially the neighbouring ones due to well-developed transport infrastructure such as road and rail. For example, with regard to road infrastructure, travellers can use buses, which are considered the most efficient type of transport to connect to the neighbouring countries. This is made possible through the various bus lines that cross between South Africa and its neighbours such as Botswana, Lesotho, Namibia, Zambia and Zimbabwe, to name a few. Presented in this article is a summary of the Land transport survey for April 2017.

The volume of goods transported (payload) increased by 7,2% in April 2017 compared with April 2016 (**see Table P**). The corresponding income increased by 9,2% over the same period.

Income from freight transportation increased by 11,2% in the three months ended April 2017 compared with the three months ended April 2016. The main contributors to this increase were:

- primary mining and quarrying products (12,9%, contributing 4,7 percentage points);
- manufactured food, beverages and tobacco products (28,2%, contributing 3,6 percentage points); and
- 'other' freight (15,5%, contributing 1,5 percentage points).



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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Freight payload	5,5	4,8	14,9	8,1	7,1	7,2
Freight income	9,3	12,7	19,8	11,7	12,7	9,2

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 11,2% in April 2017 compared with April 2016 (**see Table Q**). The corresponding income decreased by 13,0% over the same period.

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Passenger journeys	-10,1	-3,5	-8,9	-10,1	-0,3	-11,2
Passenger income	0,3	-0,9	0,4	-1,1	0,3	-13,0

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 4,8% in May 2017*

The poultry industry is faced with a virus called Avian influenza that is affecting poultry farms in South Africa. Avian influenza, which was reported in countries like Zimbabwe in May 2017, occurs naturally among wild birds worldwide. Unfortunately, the virus has infected domestic poultry such as chickens and other wild birds. According to the Department of Agriculture, Forestry and Fisheries, two poultry farms in the Mpumalanga province have reported cases of Avian influenza. These affected farms have been put under quarantine and the affected birds were euthanised (killed painlessly), and the eggs were destroyed. If the virus is not properly managed, the sales of poultry products such as chicken and eggs may decrease. The agriculture, forestry and fishing industry contributes to the country's Producer price index (PPI) and has recorded a 0,5% decrease in May 2017 as compared with -1,6% in April 2017. Presented in this article is a summary of the Producer price index statistics for May 2017.

The annual percentage change in the PPI for final manufactured goods was 4,8% in May 2017 compared with 4,6% in April 2017. From April 2017 to May 2017 the PPI for final manufactured goods increased by 0,5% (**see Table R**). The main contributors to the annual rate of 4,8% were food products, beverages and tobacco products (1,9 percentage points) and coke, petroleum, chemical, rubber and plastic products.

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

### **Intermediate manufactured goods**

The annual percentage change in the PPI for intermediate manufactured goods was 3,1% in May 2017 (compared with 5,0% in April 2017). From April 2017 to May 2017 the PPI for intermediate manufactured goods increased by 0,3% (**see Table R**).



The main contributors to the annual rate of 3,1% were chemicals, rubber and plastic products (1,6 percentage points) and sawmilling and wood (1,3 percentage points).

The main contributor to the monthly increase of 0,3% was basic and fabricated metals (0,3 of a percentage point).

### **Electricity and water**

The annual percentage change in the PPI for electricity and water was 6,4% in May 2017 compared with 5,9% in April 2017. From April 2017 to May 2017 the PPI for electricity and water increased by 0,6% (**see Table R**).

The contributors to the annual rate of 6,4% were electricity (4,7 percentage points) and water (1,7 percentage points).

The contributor to the monthly increase of 0,6% was electricity (0,7 of a percentage point).

### **Mining**

The annual percentage change in the PPI for mining was -3,0% in May 2017 compared with 5,7% in April 2017. From April 2017 to May 2017 the PPI for mining decreased by 4,0% (**see Table R**).

The main contributors to the annual rate of -3,0% were gold and other metal ores (-3,9 percentage points) and non-ferrous metal ores (-1,0 percentage point).

The main contributors to the monthly decrease of 4,0% were gold and other metal ores (-2,2 percentage points), coal and gas (-1,4 percentage points) and non-ferrous metal ores (-1,0 percentage point).

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

The annual percentage change in the PPI for agriculture, forestry and fishing was -0,5% in May 2017 compared with -1,6% in April 2017. From April 2017 to May 2017 the PPI for agriculture, forestry and fishing remained unchanged (**see Table R**).



The main contributor to the annual rate of -0,5% was agriculture (-1,7 percentage points).

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

Product	Weight	Index (2016=100)			% change	
		May 2016	April 2017	May 2017	May 2017 vs. April 2017	May 2017 vs. May 2016
Final manufactured goods	100,00	97,4	101,6	102,1	0,5	4,8
Intermediate manufactured goods	100,00	99,5	102,3	102,6	0,3	3,1
Electricity and water	100,00	96,8	102,4	103,0	0,6	6,4
Mining	100,00	102,7	103,8	99,6	-4,0	-3,0
Agriculture, forestry and fishing	100,00	96,7	96,2	96,2	0,0	-0,5

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

## Consumer price index (CPI)

### *CPI rises to 5,4% in May 2017*

The inflation rate rose for the first time this year in May 2017 after food-price growth increased from the slowest pace since December 2015. This increase in food prices was mostly a result of an increase in the price of meat. Since the drought subsided and the country experienced improved weather conditions in the month of May, cattle farmers continued to restock their herds and the slaughtering activity eased a bit. Furthermore, the increase in consumer price index CPI was experienced in the transport component due to the increase in the prices of petrol and diesel to 49 cents per litre and 30 cents per litre respectively in the month of May 2017. Presented in this article is a summary of the CPI for May 2017.

Annual consumer price inflation was 5,4% in May 2017, up from 5,3% in April 2017 (**see Table S**). The consumer price index increased by 0,3% month-on-month in May 2017.



The following contributed to the annual headline consumer price index:

- Food and non-alcoholic beverages increased from 1,1 percentage points in April 2017 to 1,2 percentage points in May 2017. The index increased by 6,9% year-on-year.
- Transport increased from 0,7 of a percentage point in April 2017 to 0,8 of a percentage point in May 2017. The index increased by 5,2% year-on-year.

The following contributed to the monthly consumer price index:

- Food and non-alcoholic beverages contributed 0,1 of a percentage point in May 2017. The index increased by 0,5% month-on-month.
- Transport contributed 0,2 of a percentage point in May 2017. The index increased by 1,2% month-on-month.

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

Provincial annual inflation rates ranged from 4,3% in Northern Cape to 6,5% in Western Cape.



**Table S – Consumer price index: Index numbers and year-on-year rates**  
**Base year: Feb 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	101,7	102,3	102,4	102,7								
	Rate	6,6	6,3	6,1	5,3	5,4								

<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; 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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