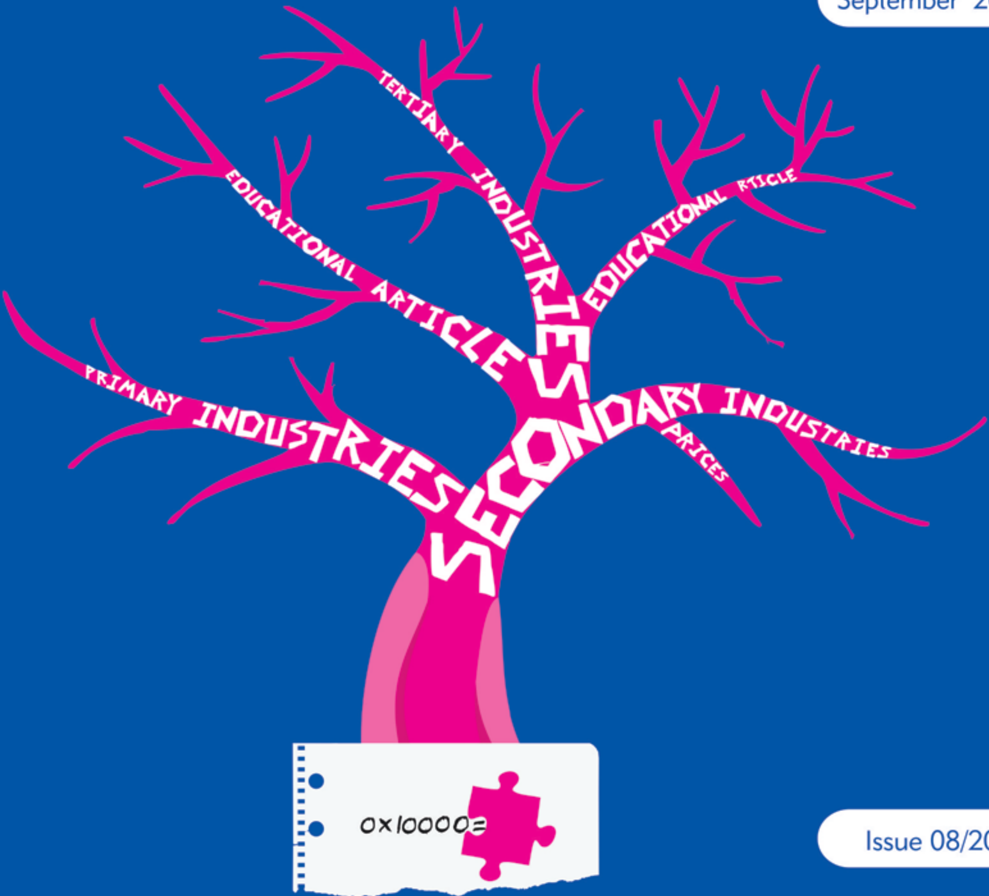
Mbalo Brief

the missing piece of the puzzle

September 2017



Issue 08/2017

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND

STATS SA
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Editor's comment

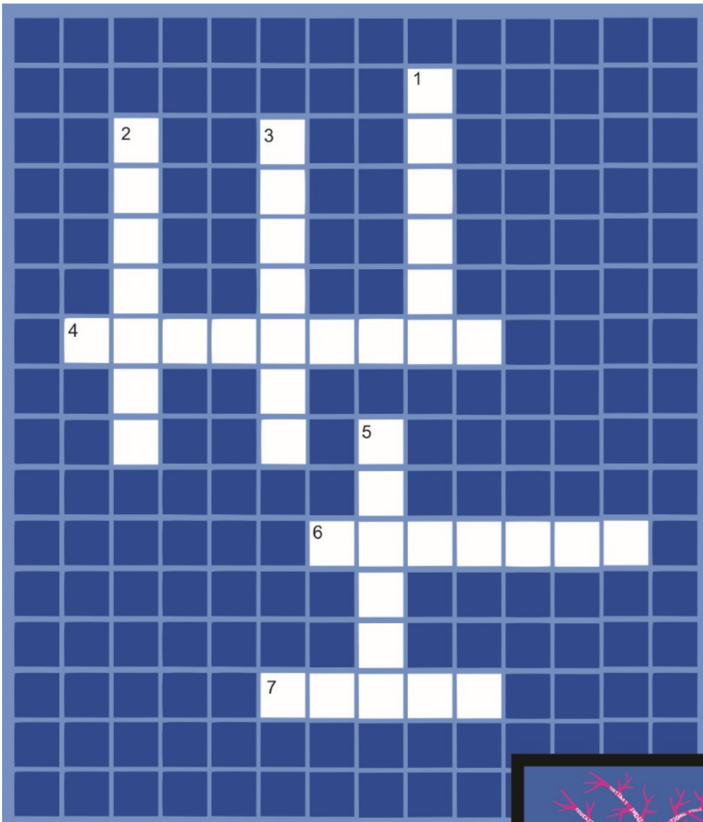
Post the apartheid era (1994), the Nobel Peace prize winner Archbishop Desmond Tutu nicknamed South Africa a "Rainbow Nation" as a reference to the diversity of the country's population; and also a way of encouraging the unity of the different people of the country following decades of racial division, ethnic segregation and language discrimination. South Africa is labelled a rainbow nation because the colours of the rainbow (red, orange, yellow, green, blue, white, indigo and violet) captures diverse races, ethnic groups, languages, culture and beautiful landscapes very well. This is also because South Africa has managed to reconcile against all odds to find unity in its diversity as a nation. The term rainbow is also regarded as a symbol of hope, promise and it is no wonder that the six colours of the country's national flag (black, yellow, green, white, red and blue) can also be found in the rainbow. South Africans celebrate these diverse races, cultures and traditions during the month of September, also known as "Heritage Month" with Heritage Day being on the 24th of September every year. We therefore would like to encourage everyone to celebrate their heritage and speak their indigenous languages with pride.

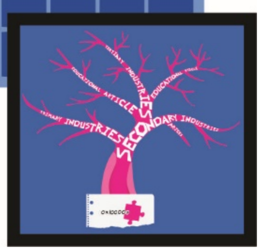
In this month's issue of *Mbalo Brief*, our educational article is based on the *Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2015* report (Report No. 03-10-06). Also have a look at our monthly crossword puzzle and solutions for the August 2017 puzzle.

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

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

Crossword puzzle





Across

4. In which month is Heritage Day celebrated?

6. What is the name of a language board that promote and create conditions for the development and use of official languages in South Africa?

7. This month's educational article is based on unemployment trends in South Africa. True or False?

Down

1. A company that is undergoing business.......proceeding is suspended of any legal proceedings. Fill in the missing word.

2. Which South African culture features in the interior design of a BMW 525i car? read motor trade sales article for clue.

3. What is the name of the South African Chief Justice?

5. What is the name of a country that used to manufacture trains for South Africa? read manufacturing article for clue.

Solution for August 2017 puzzle

Across

5. Parliament
6. Roads
7. Sales

Down

1. Market
2. Tourist
3. Holiday
4. Botswana

Poverty trends in South Africa

Introduction

Eradication of poverty remains the greatest global challenge, this is according to United Nations Deputy Secretary-General Amina Mohammed. Mohammed said this during the 2017 Integration Segment of the Economic and Social Council that was held at United Nations headquarters from 8 to 10 May 2017 focusing on the theme "Making the eradication of poverty an integral objective of all policies: What will it take?". Some of the objectives of the 2017 Integration Segment were to provide a platform for key stakeholders to identify and discuss opportunities and challenges in developing integrated approaches to tackling poverty in a sustained, inclusive and sustainable way and extract policy recommendations to guide integrated policymaking for poverty eradication as an integral part of the 2030 Agenda.

This educational article presents poverty levels and trends which were derived from Poverty trends in South Africa: An examination of absolute poverty between 2006 and 2015 (Report No. 03-10-06). The report was published in August 2017. The article focuses on, among others, the poverty levels for households and individuals by population group, education status and settlement type for 2006, 2009, 2011 and 2015.

Poverty by sex

Between 2006 and 2011, the poverty headcount (the share of population whose income or consumption is below the poverty line; that is the share of the population that cannot meet its basic needs) amongst the males and females decreased. The proportion of females living below the upper-bound poverty line (UBPL) was 68,9% in 2006, this proportion declined to 63,9% in 2009 and 54,9% in 2011. However, this proportion increased to 57,2% in 2015. Meanwhile, the proportion of males living below the UBPL dropped from 64,1% in 2006 to 51,4% in 2011 and increased to 53,7% in 2015.

Females have always had a higher poverty gap than their male counterparts between 2006 and 2011. The poverty gap for females was 37,3% in 2006 compared with 33,8% for males, representing a 3,5 percentage point difference. While the difference between males and females had narrowed by 2015, females still had a higher poverty gap at 28,9% than males at 26,5% (a 2,4 percentage point difference).

Poverty by population group

According to the LCS 2014/2015, the poverty headcount for black Africans had the highest poverty headcount than other population groups. The proportion of black Africans who were living below the UBPL in 2006 was 76,8%. This proportion remained high at 72,6% in 2009, before declining to 62,4% in 2011. However, in 2015, the proportion of black Africans who were poor increased to 64,2% (roughly three out of every five black Africans were poor). The coloured population had the second highest proportion of people who were living below the UBPL in 2006, with 56,1%. Between 2009 and 2011, the proportion of coloured population living below below UBPL declined to 45,5% and 37,1%, respectively. In 2015, only 5,9% of the Indian/Asian population was living below the UBPL. Unlike the other population groups, the proportion of poor Indians/Asians consistently decreased between 2006 and 2015.

Poverty by age group

In 2015, the youngest age group (0–17 years) had the highest proportion of people living in poverty (66,8%), while persons aged 45–54 years had the lowest proportion at 42,2% in the same year. In 2006, 77,5% of all those aged 17 years and younger were living in poverty. Although there was a decrease of 5,3% in 2009, 73,4% of children were still living in poverty. In 2006, 70,3% of people aged 18–24 were living below the UBPL. This decreased to 66,3% in 2009 and 58,6% in 2011. In 2015, the poverty headcount for this group increased to 60,1%, from 58,6% in 2011.

Poverty by education

The poverty headcount by educational level attained by individuals aged 18 years and older decreased between 2006 and 2015. The poverty headcount for individuals with no education decreased from 86,4% in 2006 to 79,2% in 2015. The poverty headcount of those with higher qualifications decreased from 9,4% in 2006 to 8,4% in 2015. The poverty headcount for individuals with some primary and primary education groups decreased between 2006 and 2015 (from 80,7% in 2006 to 72,6% in 2015 for some primary and 76,1% in 2006 to 69,2% for primary education) while those with matric qualification decreased from 40,0% in 2006 to 35,6% in 2015.

Poverty by province

Over the years, the poorest three provinces in the country have consistently been Limpopo, Eastern Cape and KwaZulu-Natal. Limpopo recorded the highest poverty headcount for 2006, 2009 and 2011. However, in 2015, the Eastern Cape had the highest headcount, with 72,9% of its population living below the UBPL, followed by Limpopo (72,4%) and KwaZulu-Natal (68,1%). Mpumalanga had a poverty gap that consistently decreased between 2006 and 2015 (41,8% in 2006, 40,7% in 2009, 31,1% in 2011 and 29,0% in 2015), while the other five provinces followed the expected result of a decreasing poverty gap between 2006 and 2011, but then increasing in 2015. These provinces were Western Cape which had a poverty gap of 12,5% in 2011 and increased to 14,7% in 2015, followed by Northern Cape with 26,4% in 2011 and which increased to 28,0% in 2015; KwaZulu-Natal with 33,4% in 2011, which increased to 36,1% in 2015; North West with 29,6% in 2011 and which increased to 32,2% in 2015 and Gauteng, with 12,0% in 2011 which increased to 13,2% in 2015.

Poverty by settlement type

In 2006, 87,6% of people residing in rural areas were living below the UBPL compared with 52,0% headcount for those living in urban areas. For rural areas, the headcount increased to 88,0% in 2009, then decreased to 77,0% in 2011, while the headcount for urban areas was 46,8% in 2009 and 38,8% in 2011. Both settlement types increased in 2015 with rural areas headcount increased to 81,3% in 2015 from 77,0% in 2011 and urban areas increased to 40,6% in 2015 from 38,8% in 2011.

On poverty gap, poor people living in rural areas were notably poorer than poor individuals living in urban areas. In 2006, the poverty gap was 52,6% for rural areas compared to urban areas (23,8%). In 2009, while the gap remained constant at 52,6% in rural areas, it decreased to 22,2% in urban areas. Although the gap in rural areas decreased in 2011 to 40,3%, it was still twice as large as the gap recorded in urban areas (16,5%). By 2015, the gap increased to 45,5% in rural areas and 17,5% in urban areas.

Household poverty

Household poverty by sex

The incidence of poverty for female-headed households was higher than that of male-headed households across all four data points (2006, 2009, 2011 and 2015). In 2006, approximately two-thirds (65,8%) of all female-headed households were living below the UBPL. This proportion decreased to 57,6% in 2009 and reached a low of 47,8% in 2011. Male-headed households experienced a similar reduction (26,8%) in poverty between 2006 and 2011. In 2006, it was estimated that approximately 43,3% of male-headed households were living in poverty. This declined to 40,1% in 2009. As with female-headed households, poverty in male-headed households also reached its lowest level in 2011, dropping to 31,7%.

Household poverty by population group

In 2006, six in every ten black African-headed households (62,4%) were living below the UBPL. This proportion decreased to 56,9% in 2009 and to 45,7% in 2011 before increasing to 46,6% in 2015. Coloured-headed households had the second highest incidence of poverty in the country, reporting 46,4% in 2006; 36,1% in 2009; 29,9% in 2011; and 32,2% in 2015. The proportion of poor households headed by Indians/Asians was 15,6% in 2006, 7,2% in 2009, 4,3% in 2011and 4,6% in 2015. The level of poverty amongst white-headed households was 1,1% in 2006, 1,0% in 2009, 0,4% in 2011 and 0,8% in 2015.

Average household expenditure

Average annual household consumption expenditure in 2015 and change from 2006 by broad expenditure categories

Housing and utilities had the largest average household expenditure share at 32,6% (R33 625) in 2015. Since 2006, expenditure on housing and utilities increased by 71,0% in real terms (the highest increase as compared to other categories). Food and non-alcoholic beverages had the smallest expenditure share at 12,9% (R13 292) in 2015, showing only a 9,0% increase from 2006. Average expenditure on transportation increased by 17,0% in real terms from 2006, amounting to R16 826 (about 16,0% of total household expenditure) in 2015.

Average annual household consumption expenditure in 2015 by population group of household head and change in 2006

Households headed by black Africans showed the highest percentage expenditure increase of 62,1% in 2015. Despite the 62,1% increase in total average consumption expenditure, the total average expenditure for white households was five times that of black African households in 2015 in rand value. White-headed households accounted for the highest expenditure in 2015 at R350 937. Even though white-headed households consistently had the highest expenditure levels, they had the lowest increase in real terms over this period at just 29,2%. In comparison, consumption expenditure in Indian/Asian-headed households grew by 37,4% in real terms, coloured-headed households increased by 53,8%, and black African-headed households had the largest increase at 62,1%.

Conclusion

During 2006, 2009, 2011 and 2015 the children aged 17 years and younger had the highest proportion of people living in poverty while individuals aged 45 to 54 years had the lowest proportion. The results indicate that the females have had higher poverty rates than males. On population groups, black African recorded higher poverty gap values compared to other population groups. Furthermore, the poorest provinces in the country have consistently been Eastern Cape, Limpopo and KwaZulu-Natal. The housing and utilities had the largest average household expenditure share while food and non-alcoholic beverages had the smallest expenditure share.

Primary industries

Mining: Production and sales

Mining production and mineral sales decrease

Illegal mining is an ongoing concern in South Africa and the world. It takes place both at abandoned mines and at operating mines, with illegal miners often operating under dangerous conditions. Illegal mining is often attributed to socio-economic challenges such as poverty and unemployment. However, in order to eradicate this illegal mining, the Department of Mineral Resources is currently considering legalising and promoting small-scale mining. Small-scale mining refers to mining practised by individuals, groups or communities (often informally) and it includes artisanal or subsistence mining operations (new entrants) and sub-optimal formal mining operations. Some of the ways to be implemented by the department in order to help make it economically sustainable, include establishing a legal entity, provide guidance towards the identification of mineral deposits, overseeing the Environmental Impact Assessment (EIA), and developing the mining equipment. Presented in this article is a summary of the Mining: production and sales statistics for June 2017.

Mining production decreased by 0,8% year-on-year in June 2017 (**see Table A**). PGMs was the largest negative contributor (-13,7% and contributing -3,0 percentage points).

Diamonds (59,0% and contributing 1,6 percentage points) was a significant positive contributor.

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Year-on-year % change, unadjusted	4,2	4,7	17,5	2,6	4,1	-0,8
Month-on-month % change, seasonally adjusted	1,7	1,3	4,6	-2,0	0,1	-2,6
3-month % change, seasonally adjusted [1/]	-3,6	-0,7	3,2	5,0	4,8	0,6

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

Mineral sales decreased by 5,9% year-on-year in May 2017. The largest negative contributors were:

- PGMs (-28,3%, contributing -7,9 percentage points);
- gold (-16,8%, contributing -3,1 percentage points); and
- iron ore (-9,5%, contributing -0,9 of a percentage point).

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

	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
Year-on-year % change, unadjusted	22,7	22,2	10,4	14,4	10,8	-5,9
Month-on-month % change, seasonally adjusted	-1,2	-3,3	-4,1	2,1	-2,1	1,4
3-month % change, seasonally adjusted [1/]	12,0	7,4	-0,2	-4,1	-6,0	-2,8

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

Secondary industries

Manufacturing: Production and sales

Manufacturing production decreases

As part of the Industrial Policy Action Plan (IPAP2) set by the Department of Trade and Industry to reach a minimum of 65% of localisation, the manufacturing industry will embark on the construction of a new train manufacturing plant. These trains will be manufactured locally at a plant at Dunnottar Park in Ekurhuleni. The new plant will also consist of a training centre and supplier park that will house suppliers who will manufacture various train components. In the past years, the Passenger Rail Agency of South Africa (PRASA) depended on foreign countries such as Brazil to manufacture its Metrorail trains. However, things will soon change as PRASA is now geared to have 600 Metrorail trains over the next 10 years. As part of preparation for this new move, the manufacturing team in Brazil is offering training to South African teams in the design, engineering, and manufacturing of the trains. Presented in this article is a summary of the Manufacturing: production and sales statistics for June 2017.

Manufacturing production decreased by 2,3% in June 2017 compared with June 2016 (**see Table C**). The largest negative contributions to production were reported in the following divisions:

- petroleum, chemical products, rubber and plastic products (-10,6%, contributing -2,6 percentage points); and
- wood and wood products, paper, publishing and printing (-4,0%, contributing -0,5 of a percentage point).

The largest positive contributions to production were reported in the following divisions:

- food and beverages (1,9%, contributing 0,5 of a percentage point); and
- basic iron and steel, non-ferrous metal products, metal products and machinery (2,4%, contributing 0,5 of a percentage point).

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Year-on-year % change, unadjusted	0,6	-3,7	0,3	-4,3	-0,9	-2,3
Month-on-month % change, seasonally adjusted	-0,4	-0,4	-0,6	2,2	-0,3	0,0
3-month % change, seasonally adjusted [1/]	-0,4	-0,7	-0,7	-0,4	0,4	1,5

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

Selected building statistics of the private sector

The value of recorded building plans passed decreases

Mixed-use developments are taking South Africa by storm. These are types of urban developments that blend residential, commercial, cultural, institutional, or industrial uses, and are physically and functionally integrated. This type of setup provides pedestrian connections, which is good for economic activities stimulation. Examples of such developments are Newton Junction and Melrose Arch in Johannesburg, and Century City in Cape Town. One of the reasons they are becoming popular is because they offer safe and affordable homes, where residents don't have to commute long distances to work and shopping facilities. They also have hotels, a variety of shops, gourmet dining and gyms, making everything accessible within a walking distance, providing convenient access to services in a secure environment. Presented in this article is the *Selected building statistics of the private sector as reported by local government institutions* for June 2017.

The value of recorded building plans passed decreased by 11,5% (-R6 353,6 million) during January to June 2017 compared with January to June 2016 (**see Table D**). Decreases were recorded for non-residential buildings (-31,1% or -R4 921,2 million) and residential buildings (-7,3% or -R1 966,9 million).

The largest negative contributions to the total decrease of 11,5% (-R6 353,6 million) were made by Gauteng (contributing -7,7 percentage points or -R4 264,8 million) and KwaZulu-Natal (contributing -5,5 percentage points or -R3 037,9 million).

The value of buildings reported as completed increased by 14,1% (R4 183,1 million) during January to June 2017 compared with January to June 2016. The largest increase was recorded for residential buildings (18,0% or R2 857,0 million), followed by non-residential buildings (11,0% or R953,4 million) and additions and alterations (7,4% or R372,7 million).

Five provinces reported year-on-year increases in the value of buildings completed during January to June 2017. The largest contributions were recorded for the following provinces:

- Gauteng (contributing 7,4 percentage points or R2 204,3 million);
- Western Cape (contributing 5,8 percentage points or R1 725,8 million); and
- KwaZulu-Natal (contributing 4,2 percentage points or R1 241,2 million).

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

Estimates at current prices	January to June 2016 1/	January to June 2017 1/	Difference in value between January to June 2016 and January to June 2017	% change between January to June 2016 and January to June 2017
	R'000	R'000	R'000	
Residential buildings	26 887 619	24 920 699	-1 966 920	-7,3
- Dwelling houses	16 250 470	15 717 664	-532 806	-3,3
- Flats and townhouses	8 708 901	8 925 913	217 012	2,5
- Other residential buildings	1 928 248	277 122	-1 651 126	-85,6
Non-residential buildings	15 818 414	10 897 235	-4 921 179	-31,1
Additions and alterations	12 677 890	13 212 375	534 485	4,2
Total	55 383 923	49 030 309	-6 353 614	-11,5

1/ 2016 and 2017 figures should be regarded as preliminary because of possible backlogs and incomplete reporting by municipalities.
A full release on *Selected building statistics of the private sector as reported by local government institutions* (Statistical release P5041.1) is available on the Stats SA website: www.statssa.gov.za

Electricity generated and available for distribution

Electricity generation and distribution decrease

The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) is a programme developed to encourage private investment to help further develop the renewable energy sector within South Africa. South Africa, with high levels of sunshine and wind throughout the year, coupled with the availability of large open tracts of land, provides the country with a potential to take advantage of renewable energy. The national renewable energy target is for 18 800 MW to be supplied through renewable energy by 2030. Renewable energy projects were built partly in response to the load-shedding and frequent power outages the country experienced from 2008, and have effectively given Eskom the time and space it needed to conduct the required maintenance on many of its coal-fired power stations, thereby supporting the utility and the national grid at a time of crisis. Presented in this article is a summary of the electricity statistics for July 2017.

Electricity generation (production) decreased by 1,8% year-on-year in July 2017 (**see Table E**).

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

	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Year-on-year % change, unadjusted	-3,9	2,7	0,8	4,6	1,6	-1,8
Month-on-month % change, seasonally adjusted	-0,8	0,9	1,2	2,3	-3,0	-1,3
3-month % change, seasonally adjusted [1/]	-0,3	-0,7	-0,1	1,8	2,1	1,0

[1/] Percentage change between the previous 3 months and the 3 months ending in the month indicated.

Electricity distribution (consumption) decreased by 1,5% year-on-year in July 2017 (**see Table F**).

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

	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Year-on-year % change, unadjusted	-3,6	2,7	0,1	3,4	1,6	-1,5
Month-on-month % change, seasonally adjusted	0,1	1,0	0,3	1,8	-2,8	-1,3
3-month % change, seasonally adjusted [1/]	-0,1	0,1	0,8	1,9	1,3	0,1

[1/] Percentage change between the previous 3 months and the 3 months ending in the month indicated.
A full release on *Electricity generated and available for distribution (*Statistical release P4141) is available on the Stats SA website: www.statssa.gov.za

Tertiary industries

Wholesale trade sales

Wholesale trade sales increase

The festive season often results in an increase in sales across many industries, and a number of employers start looking to increase their staffing levels. The wholesale industry is not an exception. This is because most wholesalers experience an influx in customers as people shop for gifts and prepare to travel to different holiday destinations, among other things. Thus, the shops are crowded, the queues are longer, and products sell out faster than usual. Although it might be the best time for sales, it can be a stressful time for employees in this sector. That's why it's important for employers to keep their staff motivated. This can be achieved by giving them breaks every now and then, offering them discounts and incentives, and paying them early. Presented in this article is a summary of the wholesale trade sales statistics for June 2017.

Wholesale trade sales increased by 1,7% in June 2017 compared with June 2016 (**see Table G**). The main contributor to this increase was dealers in food, beverages and tobacco (14,1%, contributing 2,2 percentage points).

Wholesale trade sales increased by 1,1% in the second quarter of 2017 compared with the second quarter of 2016. The main contributors to this increase were dealers in:

- food, beverages and tobacco (9,7%, contributing 1,5 percentage points); and
- solid, liquid and gaseous fuels and related products (7,2%, contributing 1,3 percentage points).

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	June-17
Year-on-year % change, unadjusted	6,8	-4,2	7,3	0,9	0,8	1,7
Month-on-month % change, seasonally adjusted	-2,6	-1,6	2,0	1,6	-3,2	0,9
3-month % change, seasonally adjusted[1/]	1,9	1,2	-0,5	-0,5	-0,1	0,5

[1/] Percentage change between the previous 3 months and the 3 months ending in the month indicated.
A full release on *Wholesale trade sales* (P6141.2) is available on the Stats SA website: www.statssa.gov.za.

Retail trade sales

Retail trade sales increases

"Retail plays a vital role in the South African economy and shopping centres are at the heart of this significant economic activity." These are the words of Amanda Stops, General Manager of the South African Council of Shopping Centres (SACSC). In 2016, there were approximately 1 785 shopping malls in South Africa and some of these were either expanded or are in the process of being expanded. This is an increase from approximately 1 600 shopping centres from 2012 whose size are larger than 2 000 square metres. There are a number of reasons for this continuous growth in the number of shopping centres; one of them being an increase in household income over the years which has an effect on the growth in the retail industry as it is largely influenced by economic conditions that consumers find themselves in. Another reason for continuous growth is the new residential and commercial growth as these factors result in the demand of retail facilities. Presented in this article is a summary of the retail trade sales for June 2017.

Retail trade sales increased by 2,9% year-on-year in June 2017 (**see Table H**). The highest annual growth rates were recorded for:
- retailers in food, beverages and tobacco in specialised stores (12,4%);
- retailers in household furniture, appliances and equipment (8,3%); and
- all 'other' retailers (5,8%).

The main contributors to the 2,9% increase were: general dealers (contributing 1,1 percentage points); and retailers in food, beverages and tobacco in specialised stores (contributing 0,9 of a percentage point).

Retail trade sales increased by 2,2% in the second quarter of 2017 compared with the second quarter of 2016. The main contributors to this increase were: general dealers (2,6%, contributing 1,1 percentage points); and retailers in food, beverages and tobacco in specialised stores (12,8%, contributing 0,9 of a percentage point).

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Year-on-year % change, unadjusted	-2,3	-1,6	0,9	2,0	1,6	2,9
Month-on-month % change, seasonally adjusted	-1,1	1,1	0,5	0,8	0,9	0,2
3-month % change, seasonally adjusted [1/]	0,8	-1,1	-0,9	-0,1	1,7	2,1

[1/] Percentage change between the previous 3 months and the 3 months ending in the month indicated.
A full release on *Retail trade sales (*Statistical release P6242.1) is available on the Stats SA website: www.statssa.gov.za

Motor trade sales

Motor trade sales increase

In South Africa, September is known as Heritage Month and the 24th of September is regarded as Heritage Day, which is also a public holiday. On this day, South Africans celebrate the diversity of their traditions and culture, the Sotho, Pedi, Zulu and Ndebele, to name a few. Who would have thought that one of these cultural groups could inspire the interior design for one of the world's most popular car brand, such as BMW? Well, an elderly Ndebele woman from Mpumalanga, Esther Mahlangu, was the first woman to create artwork on a BMW 525i sedan series with the bright colours and unique shapes of the Ndebele cultural group in 1991, turning the BMW 525i series into a BMW Art Car. In 2016, the 81-year-old woman was asked by the BMW manufacturers to transform the luxury BMW 7 series sedan into a dynamic work of art by painting the Ndebele art on the wood interior trims of the motor vehicle. The motor vehicle which, arrived in South Africa on 16 August 2017, will form part of BMW Group South Africa's Heritage Collection and will be used as a display vehicle at various arts and cultural events across the country. The motor vehicle will also create awareness and promotion of the Ndebele art. Presented in this article is a summary of the motor trade sales statistics for June 2017.

Motor trade sales increased by 3,9% year-on-year in June 2017 (**see Table I**). The largest positive annual growth rates were recorded for new vehicle sales (10,0%) and fuel sales (4,0%).

Motor trade sales increased by 0,1% in the second quarter of 2017 compared with the second quarter of 2016. The main contributor was fuel sales (6,0%, contributing 1,5 percentage points).

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Year-on-year % change, unadjusted	6,8	1,4	10,1	-7,0	3,2	3,9
Month-on-month % change, seasonally adjusted	0,2	0,9	0,3	-1,9	1,7	-0,3
3-month % change, seasonally adjusted [1/]	2,5	2,6	2,1	1,1	0,2	-0,5

[1/] Percentage change between the previous 3 months and the 3 months ending in the month indicated.
A full release on *Motor trade sales* (Statistical release P6343.2) is available on the Stats SA website: www.statssa.gov.za

Food and beverages

Total income generated by the food and beverages industry decreases

The recent drought that severely hit the agriculture industry in South Africa saw the prices of food items such as maize, bread and cereal increasing and the size of production decreasing. These price increases left many South African households cash-strapped as they had to spend more money on these basic food items. However, things began to change in May 2017 for South African households as the agriculture industry reported figures that were showing signs of recovery. According to Statistics South Africa (Stats SA), the prices of bread and cereal have been on the decrease for six consecutive months, that is, from February to July 2017. This decrease is due to the higher stocks of maize and wheat. Furthermore, the size of production is also increasing, according to the gross domestic product (GDP) report that was released on 05 September 2017, the production of maize, wheat, horticulture products (vegetables) has increased by 33,6% in the second quarter of 2017. Presented in this article is a summary on food and beverage statistics for June 2017.

Total income generated by the food and beverages industry decreased by 3,7% in June 2017 compared with June 2016 (**see Table J**). Negative annual growth rates were recorded for 'other' income (-4,5%) and food sales (-4,3%).

In June 2017, negative annual growth rates were recorded for takeaway and fast-food outlets by -7,9%, (resulting in a decrease of -3,4 percentage points) and catering services by -4,6%, (contributing -0,8 of a percentage point).

Total income decreased by 2,4% in the second quarter of 2017 compared with the second quarter of 2016. The main contributor to this decrease was takeaway and fast-food outlets (-5,0% and contributing -2,1 percentage points to the total decrease).

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

Type of income	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Food sales	-1,8	1,0	-1,0	0,7	-4,6	-4,3
Bar sales	0,9	-0,2	-3,3	1,8	-3,0	0,3
Other income	-17,6	-12,9	-18,4	1,2	-5,1	-4,5
Total	-1,9	0,5	-1,8	0,9	-4,4	-3,7

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

Tourist accommodation

Total income for tourist accommodation industry increases by 0,8%

The tourism industry is regarded as one of the most important potential drivers of economic growth and job creation in South Africa. Factors such as tourist accommodation, domestic transport and recreation and cultural activities contribute to the income (generated from tourist expenditure) of the industry. However, just like many other industries in the country, the recent economic challenges such as technical recession did affect the tourism industry as most South Africans re-prioritised their spending and cut on travelling for leisure. This was reflected in the Domestic Tourism 2016 survey report which was published on 04 September 2017. According to the survey, the tourist expenditure has decreased from 86 738 billion in 2015 to 86 698 billion in 2016. Although there was a general decrease in tourism, tourist accommodation contributed positively to the total tourist expenditure, recording an increase from 7 578 billion in 2015 to 8 261 billion in 2016. Presented in this article is a summary of the tourist accommodation statistics for June 2017.

Total income for the tourist accommodation industry increased by 0,8% in June 2017 compared with June 2016 (**see Table K**).

In June 2017, income from accommodation increased by 3,6% year-on-year, reflecting an average result of a 4,1% decrease in the number of stay unit nights sold and an 8,1% increase in the average income per stay unit nights sold.

The main contributors to the 3,6% year-on-year increase in income from tourist accommodation in June 2017 were:

- ‘other’ accommodation (contributing 2,1 percentage points); and
- hotels (contributing 1,7 percentage points).

Income from accommodation increased by 6,7% in the second quarter of 2017 compared with the second quarter of 2016.

The main contributors to this increase were ‘other’ accommodation (15,1%, contributing 4,0 percentage points) and hotels (3,7%, contributing 2,5 percentage points).

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Stay units available	0,4	0,4	0,0	0,0	0,0	0,0
Stay unit nights sold	-2,3	-1,2	-0,6	2,9	-1,7	-4,1
Average income per stay unit nights sold	11,6	6,6	4,7	7,7	6,7	8,1
Income from accommodation	9,0	5,3	4,1	10,8	4,9	3,6
Total income [1/]	4,6	3,2	1,5	6,6	-1,8	-0,8

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

Tourism and migration

More travellers pass through South Africa's ports of entry

The fluctuating exchange rate and the technical recession have been some of the reasons that South Africans are unable to afford to travel abroad for vacation. In the light of this, many South Africans have opted for a staycation. A staycation is a holiday spent in one's home country rather than abroad or one spent at home and involving day trips to local attractions. Some of the advantages of a staycation are that local tourists get to know their different local tourist attractions and increase domestic leisure trips, which eventually boost the economy of the country. Presented in this article is a summary of the tourism and migration statistics for June 2017.

A total of 3 192 858 travellers (arrivals, departures and transits) passed through South African ports of entry in June 2017 **(see Table L**). These travellers were made up of 912 374 South African residents and 2 280 484 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 428 773 arrivals, 482 804 departures and 797 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 155 058, 1 066 296 and 59 130, respectively.

A comparison between the movements in June 2016 and June 2017 indicates that the volume of arrivals and departures increased for South African residents but decreased for 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 5,0% (from 408 261 in June 2016 to 428 773 in June 2017), departures increased by 0,5% (from 480 628 in June 2016 to 482 804 in June 2017), and transits decreased by 5,0% (from 839 in June 2016 to 797 in June 2017). For foreign travellers, arrivals decreased by 1,8% (from 1 175 811 in June 2016 to 1 155 058 in June 2017), departures decreased by 1,2% (from 1 078 980 in June 2016 to 1 066 296 in June 2017), and transits decreased by 12,9% (from 67 910 in June 2016 to 59 130 in June 2017).

A comparison between the movements in May 2017 and June 2017 indicates that the volume of arrivals decreased for both South African residents and foreign travellers, whereas the volume of departures increased for South African residents but decreased for foreign travellers. The volume of travellers in transit increased for both South African residents and foreign travellers. For South African residents, the volume of arrivals decreased by 4,4% (from 448 314 in May 2017 to 428 773 in June 2017), departures increased by 13,6% (from 425 134 in May 2017 to 482 804 in June 2017), and transits increased by 0,6% (from 792 in May 2017 to 797 in June 2017). For foreign travellers, arrivals decreased by 7,6% (from 1 249 433 in May 2017 to 1 155 058 in June 2017), departures decreased by 7,5% (from 1 153 149 in May 2017 to 1 066 296 in June 2017), and transits increased by 1,8% (from 58 059 in May 2017 to 59 130 in June 2017).

Mode of travel

In June 2017, road transport was the most common mode of travel used by 2 318 832 (72,6%) of the 3 192 858 travellers. The total number of travellers who used air transport was 867 418 (27,2%). Compared to use of air and land transport, a smaller number of travellers, 6 608 (0,2%) used sea transport. The arrivals data for South African residents show that 170 542 (39,8%) came by air, 258 088 (60,2%) came by road and 143 (less than 0,1%) arrived by sea transport. For departures, 200 869 (41,6%) used air, 281 563 (58,3%) used road and 372 (0,1%) left by sea transport. All travellers in transit 797 (100,0%) used air transport.

Purpose of visit

In June 2017, the majority of tourists, 683 466 (96,4%), were in South Africa for holiday compared to 21 884 (3,1%) and 3 628 (0,5%) who were in South Africa for business and for study purposes, respectively.

A total of 11 005 (98,4%) tourists from Australasia, 7 901 (97,8%) from Central and South America, 38 595 (97,3%) from North America, 60 232 (93,7%) from Europe, 23 673 (93,6%) from Asia and 2 983 (92,6%) from the Middle East were in South Africa for holiday. Compared to other overseas regions, Europe had the highest proportion of tourists who came to South Africa for business, 6,0% (3 859), while the Middle East had the highest proportion of tourists who came to South Africa to study, 1,9% (62).

The majority of African tourists, 538 211 (96,8%) came to South Africa for holiday. However, there were differences between tourists from the SADC countries and 'other' African countries, namely:

- Whereas 528 173 (96,9%) of tourists from the SADC countries were on holiday, 10 038 (88,2%) 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 90,9% (4 955); 85,9% (4 256); and 83,9% (827) for West Africa, East and Central Africa and North Africa, respectively.
- Business persons constituted 7,9% (899) of tourists from 'other' African countries and 2,6% (14 135) from the SADC countries. North Africa had the highest proportion, 12,1% (119) of its tourists who came to South Africa for business purposes.
- Students made up 4,0% (450) of tourists from 'other' African countries compared with 0,5% (2 592) from the SADC countries. East and Central Africa, 4,3% (213) had the highest proportion of tourists who came to South Africa for study purposes.

Sex and age distribution

In June 2017, there were 401 957 (56,7%) male and 307 021 (43,3%) female tourists. Overseas tourists were made up of 83 851 (55,3%) male tourists and 67 885 (44,7%) female tourists. There were 310 001 (56,9%) male and 234 899 (43,1%) female tourists from the SADC countries. Tourists from 'other' African countries were made up of 7 555 (66,3%) male and 3 832 (33,7%) female tourists.

The ages of the tourists were categorised into three broad groups: Those younger than 15 years, 15 to 64 years, and 65 years and older. The overall results show that 29 243 (4,1%) tourists were aged less than 15 years; 649 358 (91,6%) were aged between 15 and 64 years; and 30 377 (4,3%) were aged 65 years and older.

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

Travel direction	June 2016	May 2017	June 2017	% change between May to June 2017	% change between June 2016 to June 2017
Total	3 212 429	3 334 881	3 192 858	-4,3%	-0,6%
South African residents	**889 728**	**874 240**	**912 374**	**4,4%**	**2,5%**
Arrivals	408 261	448 314	428 773	-4,4%	5,0%
Departures	480 628	425 134	482 804	13,6%	0,5%
Transit	839	792	797	0,6%	-5,0%
Foreign travellers	**2 322 701**	**2 460 641**	**2 280 484**	**-7,3%**	**-1,8%**
Arrivals	1 175 811	1 249 433	1 155 058	-7,6%	-1,8%
Departures	1 078 980	1 153 149	1 066 296	-7,5%	-1,2%
Transit	67 910	58 059	59 130	1,8%	-12,9%
Foreign arrivals	**1 175 811**	**1 249 433**	**1 155 058**	**-7,6%**	**-1,8%**
Non-visitors	74 689	82 149	72 383	-11,9%	-3,1%
Visitors	1 101 122	1 167 284	1 082 675	-7,2%	-1,7%
Visitors	**1 101 122**	**1 167 284**	**1 082 675**	**-7,2%**	**-1,7%**
Arrivals only	258 159	263 747	263 230	-0,2%	2,0%
Single trips	384 912	409 129	373 950	-8,6%	-2,8%
Multiple trips	458 051	494 408	445 495	-9,9%	-2,7%
Visitors	**1 101 122**	**1 167 284**	**1 082 675**	**-7,2%**	**-1,7%**
Same-day	409 708	400 225	373 697	-6,6%	-8,8%
Tourists	691 414	767 059	708 978	-7,6%	2,5%

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

Statistics of civil cases for debt

Number of civil judgements decreases, while the value increases

The results for civil cases for debt for June 2017, show that the number of civil summonses and judgment for debt have decreased. However, the amount of money or value of the civil judgments was higher in June 2017 (R350,6 million) compared to R345 million in June 2016. Furthermore, most of the civil debt cases have been recorded for individuals rather than businesses. In June 2017, 42,188 of the 48,169 summonses for debt went to private persons, while 19,738 of the 21,954 judgments for debt were against individuals. High indebtedness dampers on consumer spending. One of the reasons for high indebtedness could be that most people are under pressure, as they have to pay school fees, security, medical aid as well as house and car loans. This could also mean that some of them end up living beyond their means, which often increases their levels of debt. Presented in this article is a summary of the Statistics of civil cases for deb for June 2017.

The total number of civil summonses issued for debt decreased by 16,4% in the second quarter of 2017 compared with the second quarter of 2016 (**see Table M**). The largest negative contributors to the 16,4% decrease were civil summonses relating to:

- money lent (contributing -5,2 percentage points);
- services (contributing -4,7 percentage points); and
- 'other' debts (contributing -3,3 percentage points).

The total number of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 12,2% in the second quarter of 2017 compared with the second quarter of 2016. The largest contributors to the 12,2% decrease were civil judgements relating to:

- services (contributing -6,8 percentage points);
- 'other' debts (contributing -3,2 percentage points);
- goods sold (contributing -1,9 percentage points); and
- money lent (contributing -1,6 percentage points).

The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt increased by 2,2% in the second quarter of 2017 compared with the second quarter of 2016. The largest positive contributors to the 2,2% increase were the value of judgements relating to:

- money lent (contributing 5,5 percentage points);
- promissory notes (contributing 3,0 percentage points); and
- rent (contributing 1,1 percentage points).

In June 2017, 21 954 civil judgements for debt amounting to R350,6 million were recorded. The largest contributors to the total value of judgements were:

- money lent (R104,4 million or 29,8%);
- services (R72,0 million or 20,5%); and
- 'other' debts (R71,5 million or 20,4%).

Table M – Key figures for civil summonses and judgements for June 2017

Actual estimates	June 2017	% change between June 2016 and June 2017	% change between April to June 2016 and April to June 2017
Number of civil summonses issued for debt	48 169	-16,7	-16,4
Number of civil judgements recorded for debt	21 954	-10,5	-12,2
Value of civil judgements recorded for debt (R million)	350,6	1,6	2,2

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

Statistics of liquidations and insolvencies

Number of liquidations increase while insolvencies decrease

Any registered company that is financially distressed and wants to avoid being liquidated can apply for a business rescue proceedings. A business rescue proceeding is a proceeding that facilitates the rehabilitation of a company that is financially distressed by providing a temporary supervision of the company, and the management of its affairs, business and property, by a business rescue practitioner. This process also protects the company from any other legal proceedings such as eviction notice. According to section 133(1)(*a*) of Companies Act, 2008 (Act No. 71 of 2008), during a business rescue proceeding, no legal proceeding, including enforcement action against the company in relation to any property belonging to the company or lawfully in its possession, may be commenced or proceeded with in any form. In other words, the Act places a general suspension of any legal proceedings against a company undergoing business rescue proceedings. Presented in this article is a summary of the statistics of liquidations and insolvencies for July 2017.

The total number of liquidations reflected a year-on-year decrease of 30,8% in July 2017. Voluntary liquidations decreased by 42 cases and compulsory liquidations decreased by 15 cases.

Liquidations by industry measured year-on-year are as follows:

- trade, catering and accommodation decreased from 45 to 34 (11 fewer liquidations);
- finance, insurance, real estate and business services decreased from 58 to 40 (18 fewer liquidations); and
- 'unclassified liquidations' decreased from 46 to 25 (21 fewer liquidations).

There was a decrease of 16,1% in the three months ended July 2017 compared with the three months ended July 2016. The total number of liquidations recorded for the first seven months of 2017 decreased by 11,9% compared with the first seven months of 2016.

Table N – Total number of liquidations for July 2017

Number of liquidations July 2017	% change between July 2016 to July 2017	% change between May to July 2016 and May to July 2017	% change between January to July 2016 and January to July 2017
128	-30,8	-16,1	-11,9

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

A year-on-year increase of 18,4% was estimated in June 2017. The estimated number of insolvencies decreased by 6,0% in the second quarter of 2017 compared with the second quarter of 2016. The estimated number of insolvencies for the first six months of 2017 showed a decrease of 11,9% compared with the same period in 2016.

Table O – Total number of insolvencies for June 2017

Number of insolvencies June 2017	% change between June 2016 to June 2017	% change between April 2015 to June 2016 and April 2016 to June 2017	% change between January to June 2016 and January to June 2017
270	18,4	-6,0	-11,9

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

Land transport survey

Volume of goods transported increases

The South African National Assembly has passed the Administrative Adjudication of Road Traffic Offences (AARTO) amendment bill. The bill intends to introduce new road traffic violation rules. The bill will become active once it has been adopted by the National Council of Provinces and signed by the President. One of the major features of the bill is the demerit system. This system penalises vehicle drivers for traffic infringements using demerit points with a limit of 12 points. If a driver exceeds 12 demerit points a licence will be suspended for three months for every demerit point over 12. Once a driver’s licence is suspended three times, then the licence becomes invalidated. However, vehicle drivers who continue to drive after their licences have been suspended are liable to a fine or imprisonment of up to a year. According to the bill, it is possible for one to accrue multiple demerit points in a single incident because the points are awarded for every road traffic violation. Presented in this article is a summary of the Land transport survey for June 2017.

The volume of goods transported (payload) increased by 11,8% in June 2017 compared with June 2016 **(see Table P)**. The corresponding income increased by 16,4% over the same period.

Income from freight transportation increased by 13,5% in the second quarter of 2017 compared with the second quarter of 2016. The main contributors to this increase were:

- primary mining and quarrying products (14,6%, contributing 5,4 percentage points);

- manufactured food, beverages and tobacco products (26,8%, contributing 3,7 percentage points); and
- agriculture and forestry primary products (14,8%, contributing 1,1 percentage points).

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Freight payload	14,9	8,1	7,1	7,6	11,6	11,8
Freight income	19,8	11,7	12,7	9,9	13,8	16,4

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

The number of passenger journeys decreased by 13,3% in June 2017 compared with June 2016 **(see Table Q).** The corresponding income decreased by 12,3% over the same period.

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

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Passenger journeys	-8,9	-10,1	-0,3	-13,8	-7,1	-13,3
Passenger income	0,4	-1,1	0,3	-3,7	-4,1	-12,3

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

Prices

Producer price index (PPI)

PPI for July 2017 at 3,6%

Producer inflation slowed further in July largely due to food and fuel price fluctuations. The easing of the drought and improved agricultural production has continued to bring down food prices. According to the latest Producer price index (PPI) the weight for the food category was 25,17%, making it the largest portion of PPI. South African petrol prices on the other hand, are adjusted monthly on the basis of an import parity pricing principle. When the price of fuel increases, it also affects other industries which require fuel for their day-to-day activities. For instance, the manufacturing industry, requires fuel to transport their goods. Therefore, when the price of fuel fluctuates, it can also affect the prices charged by manufacturers at factory gates, thereby affecting the PPI. Presented in this article is a summary of the Producer price index (PPI) for July 2017.

Final manufactured goods – headline PPI

The annual percentage change in the PPI for final manufactured goods was 3,6% in July 2017 (compared with 4,0% in June 2017) (**see Table R**). From June 2017 to July 2017 the PPI for final manufactured goods increased by 0,5%. The main contributors to the annual rate of 3,6% were food products, beverages and tobacco products (1,2 percentage points), wood and paper products (0,7 of a percentage point) and coke, petroleum, chemical, rubber and plastic products (0,7 of a percentage point).

The contributors to the monthly increase of 0,5% were:

- wood and paper products (0,2 of a percentage point);
- food products, beverages and tobacco products (0,1 of a percentage point); and
- coke, petroleum, chemical, rubber and plastic products (0,1 of a percentage point).

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 1,5% in July 2017 (compared with 2,1% in June 2017) (**see**

Table R). From June 2017 to July 2017 the PPI for intermediate manufactured goods decreased by 0,9%.

The main contributors to the annual rate of 1,5% were sawmilling and wood (1,2 percentage points) and recycling and manufacturing n.e.c. (0,8 of a percentage point). The main contributor to the monthly decrease of 0,9% was chemicals, rubber and plastic products (-0,9 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 3,5% in July 2017 (compared with 6,2% in June 2017) (**see Table R**). From June 2017 to July 2017 the PPI for electricity and water increased by 4,0%. The contributors to the annual rate of 3,5% were electricity (2,0 percentage points) and water (1,1 percentage points). The contributors to the monthly increase of 4,0% were electricity (3,3 percentage points) and water (0,7 of a percentage point).

Mining

The annual percentage change in the PPI for mining was -0,9% in July 2017 (compared with -1,5% in June 2017) (**see Table R**). From June 2017 to July 2017 the PPI for mining increased by 0,4%. The main contributors to the annual rate of -0,9% were gold and other metal ores (-3,6 percentage points) and non-ferrous metal ores (-0,5 of a percentage point) (see Figure 4.2). The main contributors to the monthly increase of 0,4% were:

- coal and gas (1,2 percentage points);
- non-ferrous metal ores (1,1 percentage points); and
- gold and other metal ores (1,0 percentage point) .

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 0,3% in July 2017 (compared with -1,4% in June 2017) (**see Table R**). . From June 2017 to July 2017 the PPI for agriculture, forestry and fishing increased by 1,8%. The main contributor to the annual rate of 0,3% was forestry (0,8 of a percentage point). The contributor to the monthly increase of 1,8% was agriculture (1,7 percentage points).

Table R – Key PPI figures for July 2017

Product	Weight	Index (2016=100)			% change	
		July 2016	June 2017	July 2017	July 2017 vs. June 2017	July 2017 vs. July 2016
Final manufactured goods	100,00	98,7	101,8	102,3	0,5	3,6
Intermediate manufactured goods	100,00	99,5	101,9	101,0	-0,9	1,5
Electricity and water	100,00	139,2	138,6	144,1	4,0	3,5
Mining	100,00	101,0	99,7	100,1	0,4	-0,9
Agriculture, forestry and fishing	100,00	97,5	96,1	97,8	1,8	0,3

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

Consumer price index (CPI)

CPI rises to 4,6% in July 2017

On 20 July, the South African Reserve Bank (SARB) cut the repo rate for the first time in five years. The repo rate (rate at which the Central Bank of a country lends money to commercial banks in the event of any shortfall of funds) was cut by 25 basis points to 6,75%. The cut in the repo rate was designed to stimulate the economy and assist it in emerging from recession. SARB is able to influence the interest rate of commercial banks are charged and how to charge consumers when they lend money. For example, when the repo rate decreases, commercial banks are able to charge lenders a lower interest rate on their loans or debts. But if the inflation rate rises, SARB increases the repo rate causing commercial banks to increase their interest rates. Presented in this article is a summary of the CPI for July 2017.

Annual consumer price inflation was 4,6% in July 2017, down from 5,1% in June 2017 **(see Table S)**. The consumer price index increased by 0,3% month-on-month in July 2017.

The following contributed to the annual headline consumer price index:

- Food and non-alcoholic beverages decreased from 1,2 percentage points in June to 1,1 percentage points in July. The index increased by 6,8% year-on-year.

- Housing and utilities decreased from 1,4 percentage points in June to 1,1 percentage points in July. The index increased by 4,5% year-on-year.
- Transport decreased from 0,5 of a percentage point in June to 0,1 of a percentage point in July. The index increased by 1,0% year-on-year.
- Miscellaneous goods and services increased from 1,1 percentage points in June to 1,2 percentage points in July. The index increased by 7,6% 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 July. The index increased by 0,3% month-on-month.
- Housing and utilities contributed 0,3 of a percentage point in July. The index increased by 1,2% month-on-month.
- Transport contributed -0,2 of a percentage point in July. The index decreased by 1,5% month-on-month.
- Miscellaneous goods and services contributed 0,1 of a percentage point in July. The index increased by 0,5% month-on-month.

In July the CPI for **goods** increased by 3,4% year-on-year (down from 4,7% in June), and the CPI for **services** increased by 5,6% year-on-year (up from 5,5% in June).

Provincial annual inflation rates ranged from 3,2% in Northern Cape to 5,4% in Western Cape.

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

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg[1/]
2010	Index	86,4	87,0	87,7	87,8	88,0	88,0	88,6	88,6	88,7	88,9	89,0	89,2	88,2
	Rate	6,2	5,7	5,1	4,8	4,6	4,2	3,7	3,5	3,2	3,4	3,6	3,5	4,3
2011	Index	89,6	90,2	91,3	91,6	92,0	92,4	93,2	93,4	93,8	94,2	94,5	94,6	92,6
	Rate	3,7	3,7	4,1	4,2	4,5	5,0	5,3	5,3	5,7	6,0	6,1	6,1	5,0
2012	Index	95,2	95,7	96,8	97,2	97,2	97,5	97,8	98,0	98,9	99,5	99,8	100,0	97,8
	Rate	6,3	6,1	6,0	6,1	5,7	5,5	4,9	5,0	5,5	5,6	5,6	5,7	5,6
2013	Index	100,3	101,3	102,5	102,9	102,6	102,9	104,0	104,3	104,8	105,0	105,1	105,4	103,4
	Rate	5,4	5,9	5,9	5,9	5,6	5,5	6,3	6,4	6,0	5,5	5,3	5,4	5,7
2014	Index	106,1	107,3	108,7	109,2	109,4	109,7	110,6	111,0	111,0	111,2	111,2	111,0	109,7
	Rate	5,8	5,9	6,0	6,1	6,6	6,6	6,3	6,4	5,9	5,9	5,8	5,3	6,1
2015	Index	110,8	111,5	113,1	114,1	114,4	114,9	116,1	116,1	116,1	116,4	116,5	116,8	114,7
	Rate	4,4	3,9	4,0	4,5	4,6	4,7	5,0	4,6	4,6	4,7	4,8	5,2	4,6
2016	Index	117,7	119,3	120,2	121,2	121,4	122,1	123,1	123,0	123,2	123,8	124,2	124,7	122,0
	Rate	6,2	7,0	6,3	6,2	6,1	6,3	6,0	5,9	6,1	6,4	6,6	6,8	6,4
2017	Index	100,6	101,7	102,3	102,4	102,7	102,9	103,2						
	Rate	6,6	6,3	6,1	5,3	5,4	5,1	4,6						

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

Glossary

Primary industries

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

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

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

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

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

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

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

Secondary industries

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

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

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

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

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

Tertiary industries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Prices

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

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

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

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

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

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