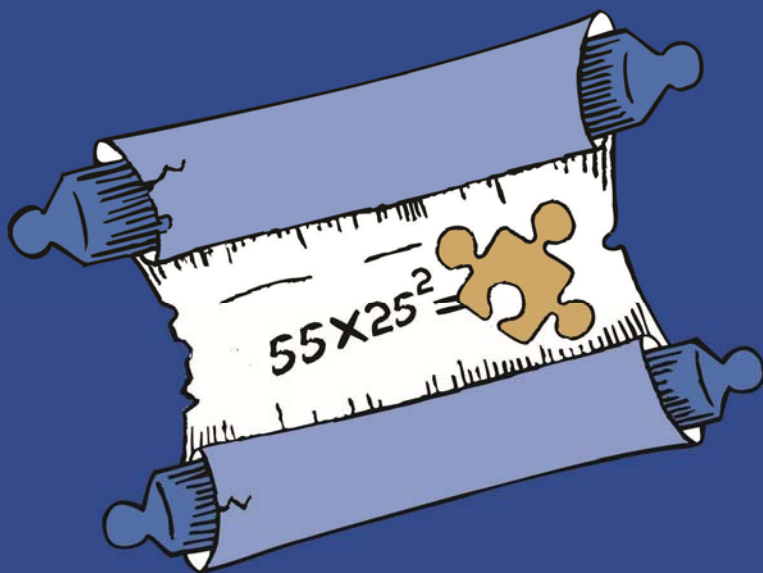


# Mbalo Brief



the missing piece of the puzzle

August 2018



Issue 07/2018

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



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## Editor's comment

August is known to South Africans as Women's Month as the country commemorates and pays tribute to the more than 20 000 women who marched to the Union Buildings on 9 August 1956 in protest against the extension of Pass Laws to women. The government of South Africa declared August as Women's Month and 9 August is celebrated annually as Women's Day. This year, it is also 24 years after the adoption of the Women's Charter for Effective Equality. The charter was endorsed by the National Parliament in August 1994 and addressed a broad range of concerns such as equality, legal rights, economic issues, education, health, politics, and violence against women, amongst others. Since 1994, South Africa has introduced and implemented legislation, including the Commission on Gender Equality and the Employment Equity Act, for advancing equality and empowerment for women, children and people with disabilities.

In this month's issue of *Mbalo Brief*, our educational article is based on Community Survey 2016: Provincial Profile: Gauteng 2016, Report 03-01-09. Also included in this issue are our monthly articles such as the *Consumer price index*, *Manufacturing* and *Motor trade sales*. We have also included a crossword puzzle and solutions for the July 2018 puzzle.

Articles published in this issue are based on results of industry surveys conducted for the months ranging from May to June 2018.

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

Enjoy the read.



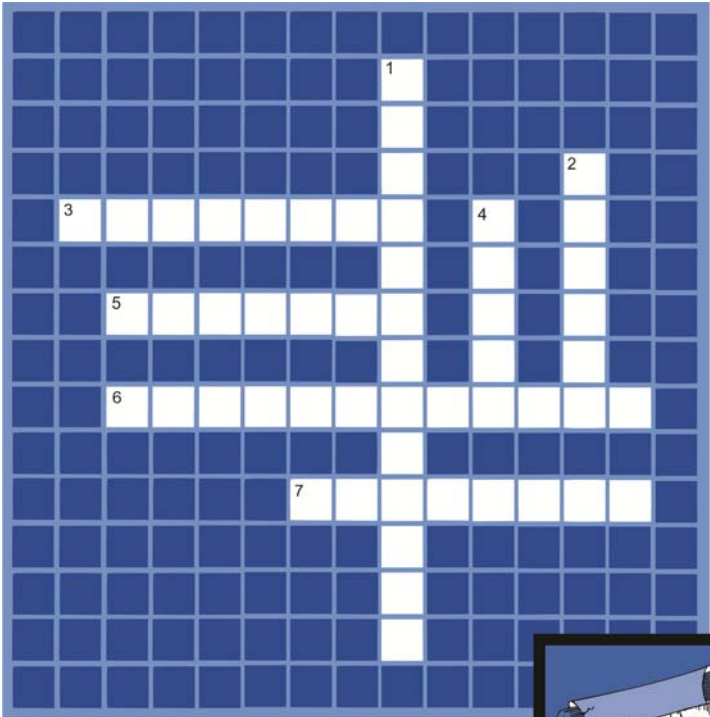


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Crossword puzzle





## Across

## Down

3. Which municipality in Gauteng was the leading district municipality with the bucket toilet systems? Read educational article.
5. This month's educational article is based on the Community Survey profiling for which province?
6. Who is the new Acting Head of the National Prosecuting Authority appointed by the president of South Africa?
7. What is the name of the governor of the South African Reserve Bank? Give the surname only.
1. Protea Hotels by Marriott will be replacing their plastic straws with.....straws. (Fill in the missing word). Read Tourist Accommodation article for clue.
2. Which month is declared Women's Month in South Africa?
4. Who delivered the 2018 Nelson Mandela annual lecture on 17 July 2018 in Johannesburg. Give the surname only.

## Solutions for July 2017 puzzle

### Across

2. Centenary
5. Russia
7. Albertina

### Down

1. KwaZulu-Natal
3. Djokovic
4. France
6. VAT





## **Educational article on Community Survey 2016: Gauteng provincial profile**

### **Introduction**

Gauteng, which means “place of gold”, is one of the nine provinces of South Africa. The province is situated in the Highveld and is the smallest province in South Africa, accounting for only 1,5% of the land area, but has the largest population and economy. The province is surrounded by Free State, North West, Limpopo and Mpumalanga. Although it is the smallest of South Africa's nine provinces, Gauteng comprises the largest share of the South African population at about 13 million. Gauteng was formed from part of the old Transvaal Province after South Africa's first multiracial elections on 27 April 1994. It was initially named Pretoria-Witwatersrand-Vereeniging region (PWV), and was renamed Gauteng in December 1994.

The information in this educational article is derived from the Community Survey: Provincial profile Gauteng report (Report No. 03-01-09). The report was published on 27 June 2018 by Statistics South Africa (Stats SA) and forms part of a series of publications generated from the Census 2011 and Community Survey 2016 (CS 2016). This article covers mortality, housing and access to basic services, among others.

### **Population characteristics**

This section focuses on Gauteng's population demographic characteristics, based on Census 2011 and CS 2016. The section shows the population growth of the province over time and also shows the population sex distribution for the two periods.

### **Population size**

The Census 2011 and CS 2016 results show that the population percentage change for South Africa was 7,5%, and Gauteng had the highest percentage change of the population at 9,2%. Gauteng's population grew from 12,3 million during Census 2011 to 13,4 million during CS 2016.





Gauteng had more males (50,4%) than females (49,6%) during Census 2011 and CS 2016, respectively. This meant that the pattern of population distribution by sex remained unchanged.

The district profile showed that metropolitan areas had the highest percentage change, with City of Tshwane leading (12,1%), followed by City of Johannesburg with 11,6%. The lowest percentage change was noticed in the West Rand with 2,1%. Looking at local municipalities, Midvaal Municipality had the highest percentage change at 17,1%, followed by Lesedi at 13,0% while the lowest and a negative percentage change was observed in Merafong City (-4,4%).

According to CS 2016, the City of Johannesburg had the highest population size with about 4,9 million people, and Merafong City had the lowest number of people with 188 843.

## Age and sex structure

During Census 2011 and CS 2016, the working-age population (15–64) in Gauteng constituted the highest percentage of 72,0% and 66,5%, respectively. The profile of older persons aged 65 years and older doubled from 4,3% in Census 2011 to 8,7% in CS 2016. The proportion of children aged younger than 15 increased from 23,7% during Census 2011 to 24,7% during CS 2016.

The CS 2016 indicates that Merafong City (69,3%), followed by West Rand (68,5%) and Mogale City (68,3%), had the highest population in the 15–64 age group.

The CS 2016 indicates that both City of Johannesburg and City of Tshwane had the highest population in the 0–14 age categories with 25,7% each, while Ekurhuleni had the lowest at 22,7%.

During CS 2016, there were more males (554 956) than females (539 423) between the ages of 5 and 9 in Gauteng. A higher number of males (679 978) than females (645 173) was also observed in the working-age group of 25–49. As the ages progress, there were more females than males in the age group 50 years and above, as observed in the age group 55–59 (280 413 for females and 270 753 for males), 60–64 (216 851 for females and 198 006 for males), 65–69 (163 785 for females and 155 763 for males), 70–74 (119 036 for females and 98 631 for males), 75–79



(72 381 for females and 45 147 for males), 80–84 (36 452 for females and 19 904 for males) and 85 and older (27 441 for females and 13 672 for males).

## Marital status

The distribution of the population aged 18 years and older by marital status during CS 2016 indicates that the proportion of persons who had never been married was higher (47,0%), followed by the legally married (34,3%) whilst the separated but still legally married constituted lower proportions (0,8%). The proportion of males who have never been married was higher (48,3%) compared to 45,6% for females. The CS 2016 results further show that 35,7% of males were legally married compared to 32,8% of females.

## Migration

This section provides an overview of internal and international migrants within Gauteng and its districts. The section also gives a glimpse of the number of people living in Gauteng that were not born in Gauteng.

### Internal migration

According to CS 2016, a total of 8 598 962 (91%) people who were born in Gauteng still resided within the province. Less than 10% of the Gauteng-born population was spread throughout the country. There were 2,1% of people born in Gauteng living in North West, followed by 1,8% in Mpumalanga and Western Cape at 1,6%.

### Reasons for moving from previous residence

In general, a higher proportion (25,4%) of people in South Africa moved from their previous residence because of a new dwelling for the household. This is followed by 17,8% of people moving to live with or be closer to a spouse, family or friend. Gauteng follows a similar pattern to the national one with higher proportions (28,4%) of people moving because of a new dwelling, 15,9% moving to live with or be closer to a spouse and 13,6% moving to look for paid work. Moving from the previous residence because of political instability/religious conflict/persecution was the least given reason with 0,3% for Gauteng.



## **International migration**

During CS 2016, Gauteng had the highest proportions of persons born outside South Africa at 50,8%, followed by Western Cape at 12,2%. Eastern Cape (3,6%), Free State (3,4%), and Northern Cape (1,1%) had the lowest proportions.

### **Distribution of persons born outside South Africa by district and region of birth**

A highest proportion (81,7%) of persons who were born outside South Africa who resided in Gauteng were from Southern African Development Community (SADC) countries, followed by persons coming from the rest of the African continent (6,6%), United Kingdom and Europe (6,3%), while Asia (3,8%) and other places (1,7%) had little contribution. Amongst those residing in Gauteng but who were from other SADC countries, 91,6% were in the West Rand district, 83,1% in Ekurhuleni district, 80,8% in the City of Johannesburg, and Sedibeng and City of Tshwane each had less than 80% of people residing there who are from other SADC countries. On the other hand, the City of Tshwane had 10,2% of people from the rest of the African continent compared to other places in the district and Sedibeng had 9,3% persons from the United Kingdom and Europe.

## **Housing**

### **Distribution of households by type of main dwelling**

Gauteng had the highest proportion of households in formal dwellings, which constitute 81,4%, followed by households in informal dwellings (17,7%) while the lowest proportions were recorded for other types (0,6%) and traditional dwellings (0,2%).

## **Access to basic services**

### **Safe drinking water**

During CS 2016, the proportion of households with access to safe drinking water was higher (92,9%) compared to those without access to safe drinking water (7,1%) in Gauteng. All the municipalities in Gauteng reflect proportions higher than 90% for those with access to safe drinking water,



while those without access to safe drinking water are below 10% for all municipalities.

The CS 2016 results show that about 60,0% of households in Gauteng had access to piped water inside their houses for drinking while 29,7% of households had access to piped water from inside their yards. Furthermore, 0,5% of households access their drinking water from neighbours' taps. The results also indicate that 0,3% of households access drinking water from flowing water such as streams/ivers.

### **Distribution of households by type of toilet facility and municipalities**

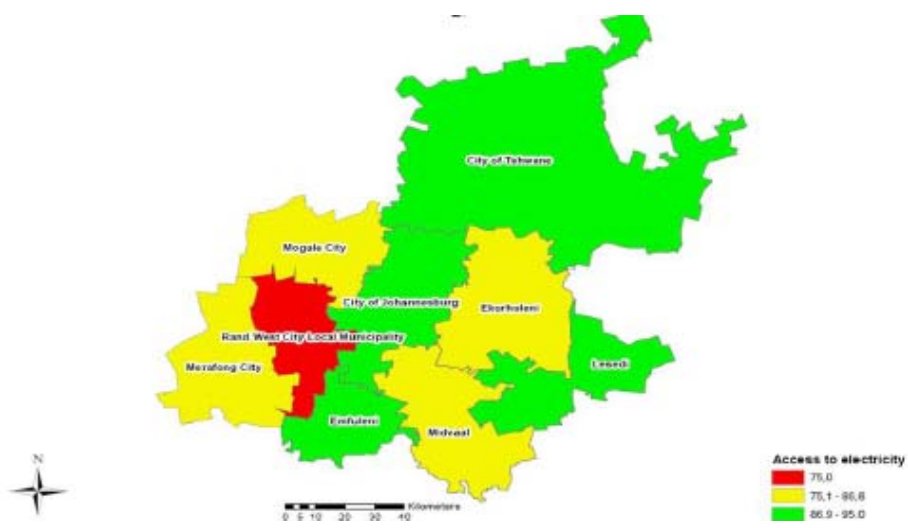
During CS 2016, Gauteng had 84,4% of households with a flush toilet connected to a public sewerage system compared to other types of toilets. The City of Johannesburg had the highest proportion (88,6%) of households with a flush toilet connected to a public sewerage system amongst all the metros, followed by Ekurhuleni (85,4%) and City of Tshwane at 77,2%. Amongst the local municipalities, Emfuleni Local Municipality had 90,6% of households with a flush toilet connected to a public sewerage system, followed by Lesedi (83,6%) and Midvaal with 62,6%. In addition, 2,3% of households in Gauteng used bucket toilet systems that were collected by the municipality. Ekurhuleni Metropolitan Municipality (3,2%) had the highest proportion of households with the bucket toilet systems that were collected by the municipality, followed by City of Johannesburg with 2,7% while West Rand (3%) was the leading district municipality with the bucket toilet system.

### **Distribution of households by access to electricity**

During CS 2016, about 4 175 597 households in Gauteng had in-house conventional and pre-paid metres for electricity and out of those, 1 768 978 households used pre-paid municipality electricity metres. Ekurhuleni had the highest number (566 952) of households using pre-paid municipality electricity metres, followed by City of Tshwane with 500 548 households. The second most-used electricity supplier was Eskom-prepaid in Gauteng with 1 431 446 households. The City of Johannesburg had the highest number (621 420) of households with Eskom-prepaid electricity, followed by Ekurhuleni with 334 813 households.



**Figure 2: Distribution of households by access to electricity, Gauteng**



## Internet services

The CS 2016 results show that the majority (4 036 778) of households in Gauteng do not have access to the internet. Furthermore, the higher number (484 959) of male-headed households had access to the internet compared to female-headed households (222 331).

## Agricultural activities and food security

During CS 2016, around 2,3 million households out of 16,9 million in South Africa are participating in agricultural activities. The provinces with the highest prevalence of households involved in agriculture compared to the national prevalence of 13,8% was Eastern Cape (28%), Limpopo (24,1%), KwaZulu-Natal (18,6%), Mpumalanga (18,2%) and Free State (16,6%) while the lowest prevalence of households involved in agriculture are in Gauteng (4,9%) and Western Cape (3,6%).

Vegetable production in Gauteng is done by the majority of households (159 326), followed by poultry production with 48 979 households. The City of Johannesburg has a higher number of households involved in



vegetable production (60 983), grains and food crops (12 446), industrial crop (283) and other agricultural activities (3 024) while the City of Tshwane leads in fruit production (17 479), poultry production (17 481) and livestock production (9 084).

## **Mortality**

Mortality statistics play a vital role in development planning as they provide indicators of the general welfare of a national population. This section gives an overview of the reported deaths in the province and their distribution.

The results for the distribution of households by whether death occurred or not in the 12 months preceding the CS 2016 indicate that 84 299 of the households in Gauteng reported that death occurred. Within the metropolitan municipalities, the City of Johannesburg households reported that 30 368 deaths occurred, followed by Ekurhuleni (21 987) and City of Tshwane (17 839). For local municipalities, Emfuleni had a higher number (5 581) of death occurrence compared to other local municipalities.

## **Demographic differentials of the deceased**

During CS 2016, the highest number (14 005) of deaths were between age groups 60 and 69, followed by age group 50–59 (13 486) and 10–19 (2 059). City of Johannesburg recorded the highest number (4 973) of deaths at age group 50–59 and 4 924 at 40–49 age group, followed by Ekurhuleni (3 536 deaths for age group 50–59 and 3 413 deaths for age group 40–49) and City of Tshwane (2 803 deaths for age group 50–59 and 2 535 deaths for age group 40–49). Generally, the province had a higher number of deaths among males (45 246) compared to females (43 908).

## **Conclusion**

The findings reflect a general pattern of increase in population from Census 2011 to CS 2016. The results indicate that the City of Tshwane had the highest population percentage change compared to other municipalities. According to the findings, the highest proportion of persons who were born outside South Africa who resided in Gauteng were from Southern African Development Community (SADC) countries.





Commonly, Gauteng had a higher number of deaths among males compared to females.



# Primary industries

## Mining: Production and sales

### *Mining production and minerals sales increase*

Many people are not aware that certain technologies such as smartphones, electric vehicles, and large-screen televisions require certain chemicals/minerals and metals to function. For example, touch-screen televisions rely on a very thin layer of indium tin oxide. Indium is one of the rare metallic elements on earth and is obtained as a by-product of zinc mining. Despite its rarity, it is still an essential part of electronic devices because there are currently no viable alternatives for creating touch screens. Furthermore, the batteries that power our cellphones and electric cars are made of cobalt – a hard, brittle metal that occurs naturally in the environment and is a common by-product of nickel and copper mining activities. Presented in this article is a summary of the mining: production and sales statistics for May 2018.

Mining production decreased by 2,6% year-on-year in May 2018 (see **Table A**). The largest negative contributors were:

- gold (-16,2%, contributing -2,5 percentage points);
- coal (-4,2%, contributing -1,1 percentage points); and
- manganese ore (-23,0%, contributing -1,1 percentage points).

PGMs (9,6%, contributing 1,9 percentage points) was a significant positive contributor.

**Table A – Key growth rates in the volume of mining production for May 2018**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Year-on-year % change, unadjusted	-0,6	2,6	1,3	-8,5	-4,4	-2,6
Month-on-month % change, seasonally adjusted	-4,1	1,2	0,1	-3,0	-2,5	5,0
3-month % change, seasonally adjusted <sup>1/</sup>	-2,0	-3,7	-3,0	-2,8	-3,3	-2,6

<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 15,1% year-on-year in May 2018 (see Table B). The main positive contributors were:

- manganese ore (94,2%, contributing 5,5 percentage points);
- coal (16,5%, contributing 4,7 percentage points);
- PGMs (13,5%, contributing 2,8 percentage points);
- gold (11,2%, contributing 1,9 percentage points); and
- iron ore (19,9%, contributing 1,8 percentage points).

**Table B – Key growth rates in mineral sales at current prices for May 2018**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Year-on-year % change, unadjusted	3,6	-8,8	3,3	0,3	6,0	15,1
Month-on-month % change, seasonally adjusted	1,0	-4,3	-4,0	-0,6	3,5	5,2
3-month % change, seasonally adjusted <sup>1/</sup>	5,1	-1,5	-4,9	-7,9	-5,7	-0,8

<sup>1/</sup> Percentage change between the previous 3 months and the 3 months ending in the month indicated. A full release on *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*

Waste has a huge negative impact (air and land pollution) on the natural environment, and recycling helps to reduce the pollution caused by waste. Recycling is the process of converting waste materials into new materials and products. Tyres are amongst the largest and most problematic sources of waste in South Africa. For example, most of the waste tyres are lying in dumps or are scattered across the country in residential areas. Mathe Group, a recycling plant authorised by the Recycling and Economic Development Initiative of South Africa (REDISA) in 2014, recycles waste tyres into products such as artificial turfs for netball and basketball fields, playground track tiles and new tyres. Besides South Africa, the plant also provides its products in Namibia, Zambia, Botswana, Tanzania and Congo. Presented in this article is a summary of the manufacturing production and sales statistics for June 2018.

Manufacturing production increased by 0,7% in June 2018 compared with June 2017 (**see Table C**). The largest positive contributions were made by the following divisions:

- food and beverages (4,3%, contributing 1,1 percentage points); and
- petroleum, chemicals, rubber and plastic products (1,7%, contributing 0,4 of a percentage point).

The largest negative contributions in June 2018 compared with June 2017 were made by the following divisions:

- motor vehicles, parts and accessories and other transport equipment (-3,3%, contributing -0,3 of a percentage point);
- wood and wood products, paper, publishing and printing (-1,5%, contributing -0,2 of a percentage point); and
- radio, television and communication apparatus and professional equipment (-9,8%, contributing -0,2 of a percentage point).



**Table C – Key growth rates in the volume of manufacturing production for June 2018**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Year-on-year % change, unadjusted	2,3	0,5	-1,8	1,0	2,0	0,7
Month-on-month % change, seasonally adjusted	-1,8	-2,4	0,6	-0,7	-1,3	0,3
3-month % change, seasonally adjusted <sup>1/</sup>	1,7	0,2	-2,2	-3,0	-1,6	-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 *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 building plans passed increases*

The construction industry in South Africa plays an important role in the country because it adds to economic growth and infrastructure development. Just like most industries, this industry also has new trends and developments that are changing the industry as we know it. One of these is modular construction. According to the Modular Building Institute, modular construction is a process in which a building is constructed off-site, under controlled plant conditions, using the same materials and designing to the same codes and standards as conventionally built facilities – but in about half the time. Buildings are produced in ‘modules’ that, when put together on site, reflect the identical design intent and specifications of the most sophisticated site-built facility – without compromise. Furthermore, modular construction mitigates the risk of weather delays as close to 60%, and sometimes more, of the construction is completed inside a factory. Presented in this article is a summary of the selected building statistics for May 2018.

### **Total value of recorded building plans passed**

The value of recorded building plans passed increased by 9,3% (R3 698,7 million) during January to May 2018 compared with January to May 2017 (see Table D). Increases were recorded for residential buildings (9,8% or



R1 992,3 million), additions and alterations (9,2% or R972,2 million) and non-residential buildings (8,3% or R734,2 million).

The largest positive contributions to the total increase of 9,3% (R3 698,7 million) were made by the following provinces:

- Western Cape (contributing 7,4 percentage points or R2 947,1 million);
- Eastern Cape (2,1 percentage points or R826,1 million); and
- KwaZulu-Natal (1,8 percentage points or R724,3 million).

Gauteng (contributing -2,7 percentage points or -R1 084,3 million) was the largest negative contributor.

The value of buildings reported as completed decreased by 9,3% (-R2 498,4 million) during January to May 2018 compared with January to May 2017. Decreases were recorded for residential buildings (-14,0% or -R2 198,2 million) and non-residential buildings (-10,7% or -R737,1 million). An increase was recorded for additions and alterations (10,1% or R436,9 million).

Two provinces reported year-on-year decreases in the value of buildings completed during January to May 2018, namely Gauteng (contributing -10,5 percentage points or -R2 813,3 million) and KwaZulu-Natal (contributing -3,5 percentage points or -R946,1 million).



**Table D – Recorded building plans passed by larger municipalities:  
January to May 2017 versus January to May 2018**

Estimates at current prices	January to May 2017 <sup>1/</sup>	January to May 2018 <sup>1/</sup>	Difference in value between January to May 2017 and January to May 2018	% change between January to May 2017 and January to May 2018
	R'000	R'000	R'000	
<b>Residential buildings</b>	20 259 994	22 252 269	1 992 275	9,8
- Dwelling houses	12 593 925	13 414 413	820 488	6,5
- Flats and townhouses	7 522 087	7 567 198	45 111	0,6
- Other residential buildings	143 982	1 270 658	1 126 676	782,5
<b>Non-residential buildings</b>	8 866 531	9 600 753	734 222	8,3
<b>Additions and alterations</b>	10 568 693	11 540 861	972 168	9,2
<b>Total</b>	39 695 218	43 393 883	3 698 665	9,3

<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 generation and distribution increase*

Although coal remains South Africa's dominant source of electricity, the use of wind and diesel to generate electricity is on the rise. According to Stats SA, wind power was responsible for producing 18 GWh of electricity in 2013 but this increased to 2 126 GWh in 2016. This corresponds with the construction of a number of wind farms over that period, such as Jefferys Bay and Cookhouse sites in Eastern Cape. However, something that might dampen any excitement over clean energy, is the rise in the use of diesel. The electricity, gas and water supply industry purchased just over 1 336



megalitres of diesel in 2016, primarily used to generate electricity. This is 124% higher than the 596 megalitres of diesel purchased in 2013. Presented in this article is a summary of the electricity generated and available for distribution statistics for June 2018.

Electricity generation (production) increased by 0,3% year-on-year in June 2018 (see Table E).

**Table E – Key growth rates in the volume of electricity generated for June 2018**

	Jan-18	Feb-18	Mar-18	April-18	May-18	Jun-18
Year-on-year % change, unadjusted	2,4	2,0	1,2	-0,5	-0,8	0,3
Month-on-month % change, seasonally adjusted	0,4	-0,6	0,6	-1,7	2,1	-1,2
3-month % change, seasonally adjusted <sup>1/</sup>	1,1	0,3	0,1	-0,7	-0,2	-0,6

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

Electricity distribution (consumption) increased by 0,6% year-on-year in June 2018 (see Table F).

**Table F – Key growth rates in the volume of electricity distributed for June 2018**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Year-on-year % change, unadjusted	1,2	0,4	-0,1	-0,7	0,2	0,6
Month-on-month % change, seasonally adjusted	-0,3	-0,4	1,1	-1,3	2,7	-1,8
3-month % change, seasonally adjusted <sup>1/</sup>	0,8	0,5	0,1	-0,2	0,7	0,4

<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*

Online commerce has altered the way that organisations take orders and get their products into the hands of the consumers. It has also affected pricing, product availability, transportation patterns, and consumer behaviour in developed economies worldwide. As a result of this transformation, the addressable customer base for wholesalers has expanded. A wholesaler located in China for instance, may have online customers who reside in South Africa. This has also increased competition in the wholesale industry as local wholesalers now have to compete with wholesalers located beyond the borders of a country. This therefore calls for the wholesale industry to innovate and update old ways of running business in order for the industry to keep up with change and transformation. Presented in this article is a summary of the wholesale trade sales for May 2018.

Wholesale trade sales increased by 5,9% in May 2018 compared with May 2017 (**see Table G**). The main contributors to this increase were dealers in solid, liquid and gaseous fuels and related products (18,3%, contributing 3,5 percentage points) and precious stones, jewellery and silverware (88,0%, contributing 1,5 percentage points).

Wholesale trade sales increased by 3,8% in the three months ended May 2018 compared with the three months ended May 2017. The main contributor to this increase was dealers in solid, liquid and gaseous fuels and related products (16,2%, contributing 3,1 percentage points).



**Table G – Key growth rates in wholesale trade sales at current prices for May 2018**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Year-on-year % change, unadjusted	0,8	3,6	6,5	3,2	2,1	5,9
Month-on-month % change, seasonally adjusted	-1,9	-1,0	1,0	2,5	-4,6	3,6
3-month % change, seasonally adjusted <sup>1/</sup>	4,3	3,7	1,2	0,2	-0,2	0,9

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

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

## Retail trade sales

### *Retail trade sales increase*

Counterfeit or fake goods are quite common in South Africa. Some retailers sell fake goods such as DVDs, clothes, bags, electronic goods, etc. However, a less common but rapidly increasing trend is that of fake food that is infiltrating the retail market. A few years ago, there were news of horse meat being labelled and sold as beef. Recently, videos of fake bread and fake fizzy drinks bought from spaza shops have been making waves on social media, resulting in the authenticity of products bought from spaza shops to be questioned. Not only do fake goods affect the reputation of the brand and value of the original goods, but they also affect the economy of the country because the government receives no import taxes as counterfeit products are often smuggled into the country. Presented in this article is a summary of the retail trade sales statistics for May 2018.

Retail trade sales increased by 1,9% year-on-year in May 2018 (**see Table H**). The highest annual growth rates were recorded for:

- retailers in household furniture, appliances and equipment (14,4%);
- all 'other' retailers (9,7%); and
- retailers in textiles, clothing, footwear and leather goods (4,1%).

The main contributor to the 1,9% increase was all 'other' retailers (contributing 1,1 percentage points).



**Table H – Key growth rates in retail trade sales for May 2018 at constant 2015 prices**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Year-on-year % change, unadjusted	5,1	3,3	4,2	4,6	0,5	1,9
Month-on-month % change, seasonally adjusted	-3,2	-1,4	1,4	-0,2	-1,1	1,1
3-month % change, seasonally adjusted <sup>1/</sup>	1,8	0,9	-1,3	-1,5	-1,2	-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 *Retail trade sales* (Statistical release P6242.1) is available on the Stats SA website: [www.statssa.gov.za](http://www.statssa.gov.za)

## Motor trade sales

### *Motor trade sales increase*

Many motorists often do not study their insurance contracts after purchasing a car. As a result, there are disputes raised during accident claims between the insurance company and motorists. The Automobile Association of South Africa – aimed at giving motorists services such as roadside assistance, insurance advice, etc. – encourages motorists to consider, among others, these important questions before signing up for insurance:

- What is the excess? Is there a different excess for loss and for damage?
- Besides the initial excess fee, are there any additional excess fees payable when claiming? For example, the age of the person that was driving at the time of the accident.
- What is the turnaround time for claims, and are there any penalties for claiming within the first six months or in the first year?

This might be one way of reducing the number of disputes between motorists and insurance companies. Presented in this article is a summary of the motor trade sales statistics for May 2018.

Motor trade sales increased by 3,4% year-on-year in May 2018 (**see Table I**). The largest annual growth rates were recorded for:

- fuel sales (11,0%); and
- convenience store sales (5,5%).



Motor trade sales increased by 4,2% in the three months ended May 2018 compared with the three months ended May 2017. The main contributors were:

- fuel sales (8,6%, contributing 2,3 percentage points); and
- new vehicle sales (4,3%, contributing 1,1 percentage points).

**Table I – Key growth rate figures in motor trade sales for May 2018**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Year-on-year % change, unadjusted	5,1	6,2	3,9	3,9	5,6	3,4
Month-on-month % change, seasonally adjusted	0,0	-1,7	0,1	5,3	-8,9	3,6
3-month % change, seasonally adjusted <sup>1/</sup>	5,0	3,0	0,6	0,7	-0,6	-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 *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***

Most people across the country are familiar with coffee bars and alcohol bars. Did you know that South Africa has a dedicated tea bar? Well, the Lady Bonin's tea bar situated on the famous Long Street in Cape Town became the first dedicated tea bar that sources, blends, and distributes various loose leaf teas from around the world. It imports other special aromatic teas such as matcha, sencha, and genmaicha tea mainly from Japan and China. Their use of natural ingredients with no additives or artificial flavours has made the tea bar famous and one of the greatest sellers of honeybush, buchu, and rooibos teas. Presented in this article is a summary of food and beverage statistics for May 2018.

Total income generated by the food and beverages industry increased by 3,4% in May 2018 compared with May 2017 (**see Table J**). Food sales grew by 4,3%.



In May 2018, positive contributors to the annual growth rate were restaurants and coffee shops (4,1%, contributing 2,1 percentage points) and takeaway and fast-food outlets (5,2%, contributing 1,8 percentage points).

Total income increased by 3,5% in the three months ended May 2018 compared with the three months ended May 2017. Positive contributors to this increase were:

- restaurants and coffee shops (5,6%, contributing 2,9 percentage points); and
- takeaway and fast-food outlets (2,8%, contributing 1,0 percentage point).

**Table J – Year-on-year percentage change in food and beverages income at constant prices by type of income – May 2018**

Type of income	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Food sales	-2,3	-1,5	1,6	6,7	1,7	4,3
Bar sales	1,5	-16,0	1,5	3,7	-6,1	-2,9
Other income	-8,3	-12,1	-7,2	-15,5	-11,4	-13,5
Total	-2,0	-2,8	1,5	6,0	0,9	3,4

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 decreases by 1,2% in May***

As part of their commitment to preserve and protect the planet for natural resources sustainability, Protea Hotels by Marriott will be replacing plastic straws with biodegradable straws in all of its hotels across the country. Biodegradable straws are straws made up of renewable biomass sources such as vegetable oils, corn starch, and food waste. The difference between a biodegradable straw and a plastic straw is that plastic straws take years to break down, and as a result, they pollute the environment, whereas a biodegradable straw can break down within 180 days. Presented in this article is a summary of the tourist accommodation statistics for May 2018.



Total income for the tourist accommodation industry decreased by 1,2% in May 2018 compared with May 2017 (**see Table K**).

Income from accommodation decreased by 2,3% year-on-year in May 2018, the result of a 7,0% decrease in the number of stay unit nights sold and a 5,0% increase in the average income per stay unit night sold.

In May 2018, the types of accommodation that recorded the largest negative year-on-year growth in income from accommodation were:

- guest-houses and guest-farms (-22,4%); and
- caravan parks and camping sites (-8,1%).

The largest negative contributors to the 2,3% year-on-year decrease in income from accommodation in May 2018 were:

- hotels (contributing -2,4 percentage points); and
- guest-houses and guest-farms (contributing -1,5 percentage points).

**Table K – Year-on-year percentage change in tourist accommodation statistics for May 2018**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Stay units available	0,0	0,0	0,0	0,0	0,0	0,0
Stay unit nights sold	1,1	1,5	-4,7	-4,2	-2,8	-7,0
Average income per stay unit nights sold	6,6	1,4	2,6	2,3	-1,0	5,0
Income from accommodation	7,7	2,9	-2,2	-2,0	-3,7	-2,3
Total income <sup>1/</sup>	5,9	1,7	-2,8	-0,8	-3,0	-1,2

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



## Tourism and migration

### ***More than three million travellers passed through South Africa's ports of entry in May 2018***

The holders of a South African passport can visit 94 countries without a visa or by gaining a visa on arrival. This is according to Passport Index released by Arton Capital. Arton Capital is a provider of residency and citizenship solutions and ranks travel documents by the number of countries that can be visited without having to apply for a visa. According to the Passport Index by Arton Capital, South Africa is ranked 47 on the list with a visa-free score of 94, which is an improvement on 90 countries open to South Africans without a visa entry in 2017. South African passport holders can access countries such as Tanzania, Tunisia, Malawi, Brazil, Argentina and Costa Rica without a visa while they can get visa on entry at Madagascar, Samoa, Iran and Ethiopia, to name a few. Presented in this article is a summary of the tourism and migration statistics for May 2018.

### **Number of travellers**

The routine data collected by the Department of Home Affairs' (DHA) immigration officers at the ports of entry into South Africa shows that a total of 3 190 914 travellers (arrivals, departures and transits) passed through South African ports of entry in May 2018 (**see Table L**). These travellers were made up of 857 349 South African residents and 2 333 565 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 439 970 arrivals, 416 597 departures and 782 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 196 107, 1 076 526 and 60 932, respectively.

A comparison between the movements in May 2017 and May 2018 indicates that the volume of arrivals and departures decreased for both South African residents and foreign travellers while the volume of travellers in transit decreased for South African residents but increased for foreign travellers. For South African residents, the volume of arrivals decreased by 1,9% (from 448 314 in May 2017 to 439 970 in May 2018), departures decreased by 2,0% (from 425 134 in May 2017 to 416 597 in May 2018), and transits decreased by 1,3% (from 792 in May 2017 to 782 in May 2018). For foreign travellers, arrivals decreased by 4,3% (from 1 249 433 in May 2017 to 1 196 107 in May 2018), departures decreased by 6,6% (from 1 153 149 in May



2017 to 1 076 526 in May 2018), and transits increased by 4,9% (from 58 059 in May 2017 to 60 932 in May 2018).

A comparison between the movements in April 2018 and May 2018 indicates that the volume of arrivals and departures decreased for both groups of travellers while the volume of travellers in transit decreased for South African residents but increased for foreign travellers. For South African residents, the volume of arrivals decreased by 16,9% (from 529 412 in April 2018 to 439 970 in May 2018), departures decreased by 16,3% (from 497 432 in April 2018 to 416 597 in May 2018), and transits decreased by 9,6% (from 865 in April 2018 to 782 in May 2018). For foreign travellers, arrivals decreased by 7,9% (from 1 298 709 in April 2018 to 1 196 107 in May 2018), departures decreased by 10,2% (from 1 198 469 in April 2018 to 1 076 526 in May 2018), and transits increased by 5,1% (from 57 955 in April 2018 to 60 932 in May 2018).

### **Mode of travel**

In May 2018, road transport was the most common mode of travel used by 2 283 023 (71,5%) of the 3 190 914 travellers. The total number of travellers who used air transport was 901 474 (28,3%). Compared to use of air and land transport, a small number of travellers, 6 417 (0,2%) used sea transport. Information on arrivals of South African residents shows that 179 141 (40,7%) came by air, 260 495 (59,2%) came by road and 334 (0,1%) arrived by sea transport. For departures, 173 515 (41,7%) used air, 242 816 (58,3%) used road and 266 (0,1%) left by sea transport. All travellers in transit, 782 (100,0%) used air transport.

In the case of foreign travellers, 235 405 (19,7%) arrived by air, 957 701 (80,1%) came by road and 3 001 (0,3%) arrived by sea transport. When departing South Africa, 251 699 (23,4%) foreign travellers left by air, 822 011 (76,4%) left by road and 2 816 (0,3%) left by sea transport. All travellers in transit 60 932 (100,0%) used air transport. Information further shows that of the 351 218 same-day visitors, an overwhelming majority, 331 117 (94,3%) arrived in the country by road, 20 081 (5,7%) flew into the country, and 20 (less than 0,1%) arrived by sea transport. Information on tourists shows that 567 307 (73,9%) used road transport, 199 996 (26,1%) came by air transport and 27 (less than 0,1%) arrived by sea transport.



## Purpose of visit

In May 2018, the majority of tourists, 741 884 (96,7%), were in South Africa for holiday compared to 20 266 (2,6%); 4 564 (0,6%) and 616 (0,1%) who were in South Africa for business, study and for medical treatment, respectively.

## Sex and age distribution

There were 437 400 (57,0%) male and 329 930 (43,0%) female tourists. Overseas tourists were made up of 90 600 (54,9%) male tourists and 74 537 (45,1%) female tourists. There were 337 031 (57,4%) male and 250 500 (42,6%) female tourists from the SADC countries. Tourists from 'other' African countries were made up of 9 032 (67,1%) male and 4 423 (32,9%) female tourists.



**Table L – Number of South African residents and foreign travellers by travel direction: May 2018**

Travel direction	May 2017	April 2018	May 2018	% change between April 2018 and May 2018	% change between May 2017 and May 2018
<b>Total</b>	3 334 881	3 582 842	3 190 914	-10,9	-4,3
<b>South African residents</b>	874 240	1 027 709	857 349	-16,6	-1,9
Arrivals	448 314	529 412	439 970	-16,9	-1,9
Departures	425 134	497 432	416 597	-16,3	-2,0
Transit	792	865	782	-9,6	-1,3
<b>Foreign travellers</b>	2 460 641	2 555 133	2 333 565	-8,7	-5,2
Arrivals	1 249 433	1 298 709	1 196 107	-7,9	-4,3
Departures	1 153 149	1 198 469	1 076 526	-10,2	-6,6
Transit	58 059	57 955	60 932	5,1	4,9
<b>Foreign arrivals</b>	1 249 433	1 298 709	1 196 107	-7,9	-4,3
Non-visitors	82 149	78 393	77 559	-1,1	-5,6
Visitors	1 167 284	1 220 316	1 118 548	-8,3	-4,2
<b>Visitors</b>	1 167 284	1 220 316	1 118 548	-8,3	-4,2
Arrivals only	263 747	333 862	279 186	-16,4	5,9
Single trips	409 129	441 072	399 086	-9,5	-2,5
Multiple trips	494 408	445 382	440 276	-1,1	-10,9
<b>Visitors</b>	1 167 284	1 220 316	1 118 548	-8,3	-4,2
Same-day	400 225	353 422	351 218	-0,6	-12,2
Tourists	767 059	866 894	767 330	-11,5	0,04

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



## Statistics of civil cases for debt

### *Number of civil summonses issued for debt increase*

Being in serious debt can be frustrating and have major financial repercussions. While it can be easy to throw away bills and ignore calls from debt collectors, there are consequences for not paying what you owe. Once you fail to pay back the money you owe to a company, either for goods purchased, services rendered or a loan, etc., the company will try various means to recover this debt. Once all their efforts have failed, the company will either sue you for the debt or sell the debt to another company. This may also lead to a civil summons (a notice to appear before a court of law where a dispute between two parties or people has to be heard; however, this does not constitute a criminal offence). The best thing to do to avoid being served civil summonses for debt and to be listed as a bad payer is to contact the creditor and make the necessary affordable payment arrangements. And if you have been served summonses, contact the creditor and reach a settlement without having to go to court. Presented in this article is a summary of the civil cases for debt statistics for May 2018.

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

The total number of civil summonses issued for debt decreased by 6,7% in the three months ended May 2018 compared with the three months ended May 2017 (**see Table M**). The largest negative contributions to the 6,7% decrease for civil summonses issued were:

- promissory notes (contributing -2,5 percentage points);
- money lent (contributing -2,3 percentage points);
- services (contributing -1,8 percentage points); and
- goods sold (contributing -1,1 percentage points).

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

The total number of civil judgements recorded for debt decreased by 8,6% in the three months ended May 2018 compared with the three months ended May 2017. The largest negative contributions to the 8,6% decrease were civil judgements relating to:

- money lent (contributing -6,3 percentage points);
- promissory notes (contributing -1,6 percentage points); and
- 'other' debts (contributing -1,1 percentage points).



### The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt decreased by 6,8% in the three months ended May 2018 compared with the three months ended May 2017. The largest negative contributions to the 6,8% decrease were the value of judgements relating to:

- money lent (contributing -7,7 percentage points);
- promissory notes (contributing -1,1 percentage points); and
- rent (contributing -0,3 of a percentage point).

In May 2018, 19 845 civil judgements for debt amounting to R328,9 million were recorded. The largest contributors to the total value of judgements were:

- money lent (R92,1 million or 28,0%);
- services (R71,7 million or 21,8%); and
- 'other' debts (R60,6 million or 18,4%).

**Table M – Key figures for civil summonses and judgements for May 2018**

Actual estimates	May 2018	% change between May 2017 and May 2018	% change between January to May 2017 and January to May 2018
Number of civil summonses issued for debt	48 359	-6,7	-6,7
Number of civil judgements recorded for debt	19 845	-10,3	-8,6
Value of civil judgements recorded for debt (R million)	328,9	-18,4	-6,8

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 insolvencies decreased

Many people consult attorneys for advice or representation because they trust them to handle their legal matters with honesty, fairness and to have their best interest at heart. However, this isn't always the case as some attorneys may take advantage and steal money from their clients. This is one of the reasons the Attorney's Fidelity Fund (AFF) was established in terms of section 25 of the Attorneys Act, 1979 (Act No. 53 of 1979). According to the Act, the role of the AFF is to reimburse clients who may suffer financial loss due to the theft of money or property entrusted to an attorney in the course of his/her practice, or where an attorney acts as an administrator in a deceased estate, or as a trustee in an insolvent estate. The client is required to submit a claim to the Law Society of the province in which the attorney practices. Should the client not be satisfied with the outcome, the client may therefore submit his/her claim to the AFF through an affidavit for further investigation, prosecution and whether to be granted a reimbursement or not. Presented in this article is a summary of the statistics of liquidations and insolvencies for June 2018.

The total number of liquidations recorded was 154 in June 2018 (see Table N). Voluntary liquidations increased by 4,4% while compulsory liquidations decreased by 35,3% year-on-year in June 2018. The number of liquidations in the second quarter of 2018 increased by 3,3% compared with the second quarter of 2017.

There was an increase of 6,3% in the first six months of 2018 compared with the first six months of 2017. Company liquidations increased by 20,2% (from 416 to 500) and close corporation liquidations decreased by 6,9% (from 437 to 407) during this period.

**Table N – Total number of liquidations for June 2018**

Number of liquidations June 2018	% change between June 2017 and June 2018	% change between April to June 2017 and April to June 2018	% change between January to June 2017 and January to June 2018
154	0,0	3,3	6,3

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 5,8% year-on-year in May 2018 (**see Table O**). An 11,5% decrease was estimated in the three months ended May 2018 compared with the three months ended May 2017.

**Table O – Total number of insolvencies for May 2018**

Number of insolvencies May 2018	% change between May 2017 and May 2018	% change between March to May 2017 and March to May 2018	% change between January to May 2017 and January to May 2018
194	-5,8	-11,5	-13,6

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

## Land transport survey

### *Volume of goods transported increases*

Some companies in South Africa are starting to use new types of land transport vehicles in order to move goods or ferry passengers. One of these is the tuk-tuk vehicles. The tuk-tuk is a three-wheeled motorised vehicle that carries up to three passengers, and is used as an alternative to taxis in South Africa. The vehicles are manufactured in Asia and shipped to an assembly plant in Port Elizabeth. According to the National Land Transport Act, 2009 (Act No. 5 of 2009), the driver of the vehicle should have an operating license which must stipulate the road network or area in which it must operate if it is used to ferry passengers. Presented in this article is a summary of the Land transport survey results for May 2018.

The volume of goods transported (payload) increased by 1,1% in May 2018 compared with May 2017 (**see Table P**). The corresponding income increased by 4,1% over the same period.

Income from freight transportation increased by 6,4% in the three months ended May 2018 compared with the three months ended May 2017. The main contributor to this increase was primary mining and quarrying products (10,9%, contributing 3,8 percentage points).



**Table P – Year-on-year percentage change in freight transportation: May 2018**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Freight payload	3,4	6,1	12,0	6,3	6,2	1,1
Freight income	4,4	9,2	12,1	7,0	8,3	4,1

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

The number of passenger journeys decreased by 24,7% in May 2018 compared with May 2017 (**see Table Q**). The corresponding income decreased by 18,7% over the same period.

**Table Q – Year-on-year percentage change in passenger transportation: May 2018**

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Passenger journeys	-9,7	-7,1	-14,1	-18,9	-3,2	-24,7
Passenger income	-3,1	-0,9	-5,8	-8,3	-5,3	-18,7

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



# Prices

## Producer price index (PPI)

### *PPI at 5,9%*

Inflation is the rate of change in prices for a basket of goods and services. It is also one of the most anticipated indicators of the overall state of a country's economy. According to Investopedia, when inflation is high, central banks increase interest rates in order to restrict economic growth and the continuous demand for funds. Likewise, deflation, or periods of decreasing prices, will often force an increase in the money supply as governments attempt to stimulate the economy. For investors, inflation is an extremely useful measure, since it can be used as a leading indicator to speculate on the future direction of interest rates. This is where the importance of the producer price index (PPI) comes in. PPI can serve multiple roles in improving investment-making decisions. One of them is that it serves as a leading indicator for CPI. When producers are faced with input inflation, those rising costs are passed along to the retailers and eventually to the consumer. Presented in this article is a summary of the producer price index for June 2018.

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

The annual percentage change in the PPI for final manufactured goods was 5,9% in June 2018 (compared with 4,6% in May 2018) (**see Table R**). From May 2018 to June 2018 the PPI for final manufactured goods increased by 0,9%. The main contributors to the annual rate of 5,9% were:

- coke, petroleum, chemical, rubber and plastic products (3,1 percentage points);
- transport equipment (0,7 of a percentage point); and
- food products, beverages and tobacco products (0,6 of a percentage point).

The main contributor to the monthly increase of 0,9% was coke, petroleum, chemical, rubber and plastic products (0,7 of a percentage point).

### **Intermediate manufactured goods**

The annual percentage change in the PPI for intermediate manufactured goods was 3,1% in June 2018 (compared with 0,2% in May 2018) (**see**



**Table R).** From May 2018 to June 2018 the PPI for intermediate manufactured goods increased by 2,2%. The main contributors to the annual rate of 3,1% were:

- basic and fabricated metals (1,9 percentage points) and recycling; and
- manufacturing n.e.c. (0,9 of a percentage point).

The main contributors to the monthly increase of 2,2% were basic and fabricated metals (1,2 percentage points) and chemicals, rubber and plastic products (1,1 percentage points).

### Electricity and water

The annual percentage change in the PPI for electricity and water was 3,4% in June 2018 (compared with 4,5% in May 2018) (**see Table R**). From May 2018 to June 2018 the PPI for electricity and water increased by 33,2%. The contributors to the annual rate of 3,4% were:

- electricity (2,2 percentage points); and
- water (1,0 percentage point).

The contributor to the monthly increase of 33,2% was electricity (33,2 percentage points).

### Mining

The annual percentage change in the PPI for mining was 8,0% in June 2018 (compared with 3,5% in May 2018) (**see Table R**). From May 2018 to June 2018 the PPI for mining increased by 4,5%. The main contributors to the annual rate of 8,0% were:

- non-ferrous metal ores (7,6 percentage points); and
- coal and gas (6,8 percentage points).

The main contributors to the monthly increase of 4,5% were non-ferrous metal ores (1,7 percentage points), coal and gas (1,2 percentage points) and gold and other metal ores (1,2 percentage points).

### Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 2,3% in June 2018 (compared with 2,6% in May 2018) (**see Table R**). From May 2018 to June 2018 the PPI for agriculture, forestry and fishing decreased by 0,4%. The contributors to the annual rate of 2,3% were:

- agriculture (1,2 percentage points);
- forestry (0,6 of a percentage point); and



- fishing (0,5 of a percentage point).

The main contributor to the monthly decrease of 0,4% was agriculture (-0,4 of a percentage point).

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

Product	Weight	Index (2016=100)			% change	
		June 2017	May 2018	June 2018	June 2018 vs May 2018	June 2018 vs June 2017
Final manufactured goods	100,00	101,8	106,8	107,8	0,9	5,9
Intermediate manufactured goods	100,00	101,9	102,8	105,1	2,2	3,1
Electricity and water	100,00	138,6	107,6	143,3	33,2	3,4
Mining	100,00	99,7	103,1	107,7	4,5	8,0
Agriculture, forestry and fishing	100,00	96,1	98,7	98,3	-0,4	2,3

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 at 4,6% in June 2018*

The implementation of the VAT increase from 14% to 15% in April 2018 caused an outcry as consumers are feeling the negative impact of this increase as most goods and services are becoming unaffordable. This has prompted Finance Minister Nhlanhla Nene to appoint an independent panel to look into the impact of the value-added tax (VAT) increase on poor and low-income households. The independent panel has recommended that 6 additional items should be added to a list of 19 basic food items that are VAT free. According to the panel, white bread, white flour, cake flour, sanitary products (such as pads, tampons, etc.), school uniforms and diapers should also be zero-rated. If the recommendations are approved, poor households will be able to afford more basic foodstuffs. Presented in this article is a summary of the Consumer price index for June 2018.

### **Headline consumer price index (CPI for all urban areas)**

Annual consumer price inflation was 4,6% in June 2018, up from 4,4% in May 2018 (**see Table S**). The consumer price index increased by 0,4% month-on-month in June 2018.

The following items contributed to headline annual consumer price inflation:

- Housing and utilities decreased from 1,1 percentage points in May 2018 to 1,0 percentage point in June 2018. The index increased by 4,1% year-on-year.
- Transport increased from 0,7 of a percentage point in May 2018 to 1,0 percentage point in June 2018. The index increased by 7,3% year-on-year.
- Recreation and culture decreased from 0,1 of a percentage point in May 2018 to zero in June 2018. The index increased by 0,6% year-on-year.
- Restaurants and hotels decreased from 0,2 of a percentage point in May 2018 to 0,1 of a percentage point in June 2018. The index increased by 4,5% year-on-year.

The following items contributed to the monthly consumer price inflation:



- Housing and utilities contributed 0,1 of a percentage point in June 2018. The index increased by 0,3% month-on-month, mainly because of actual rentals for housing (0,5%) and owners' equivalent rent (0,4%).
- Transport contributed 0,3 of a percentage point. The index increased by 1,8% month-on-month, mainly because of fuel (4,7%).

In June the CPI for goods increased by 4,2% year-on-year (up from 3,5% in May), and the CPI for services increased by 4,9% year-on-year (down from 5,3% in May).



**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 <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	102,9	103,2	103,3	103,8	104,1	104,2	104,7	103,0
	Rate	6,6	6,3	6,1	5,3	5,4	5,1	4,6	4,8	5,1	4,8	4,6	4,7	5,3
2018	Index	105,0	105,8	106,2	107,0	107,2	107,6							
	Rate	4,4	4,0	3,8	4,5	4,4	4,6							

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



# Glossary

## Primary industries

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

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

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

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

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

**PGMs – Platinum group metals:** include platinum; iridium; 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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