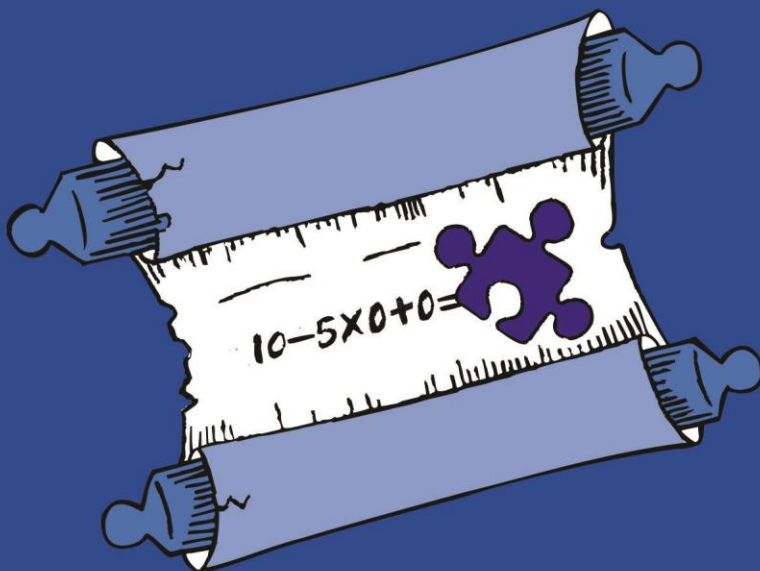


Mbalo Brief



the missing piece of the puzzle

October 2018



Issue 09/2018

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



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Editor's comment

After recording two consecutive quarters of negative gross domestic product (GDP) growth in the first and second quarter of 2018, South Africa's economy has slipped into a technical recession. One of the negative contributors to the GDP growth was transport, contributing -4,9 percentage points. However, there is still hope for the industry, especially since October is Transport Month and the Department of Transport intends to use this opportunity to improve the sector by showcasing South Africa's public transport system and roads infrastructure, and exposing young people to careers in the transportation industry. In launching Transport Month, the Minister of Transport, Dr Blade Nzimande, said that to improve regional and continental integration and relations, transport must take centre stage. He further said that the Department of Transport will ensure that all the country's modes of transport, namely maritime, aviation, rail and land transport, are integrated and respond to the needs of the communities, particularly the poor and the working class.

The educational article for this month's issue of *Mbalo Brief* is based on the *Tourism Report No. 03-51-02*. The article outlines the population movements in and out of South Africa in 2017.

Included in this issue are our monthly articles such as the *Producer price index (PPI)*, *Selected building statistics of the private sector*, *Retail trade sales* and *Tourist accommodation*. We have also included a crossword puzzle and solutions for the September 2018 puzzle.

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

Enjoy the read.





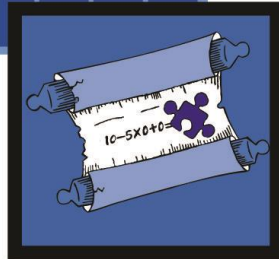
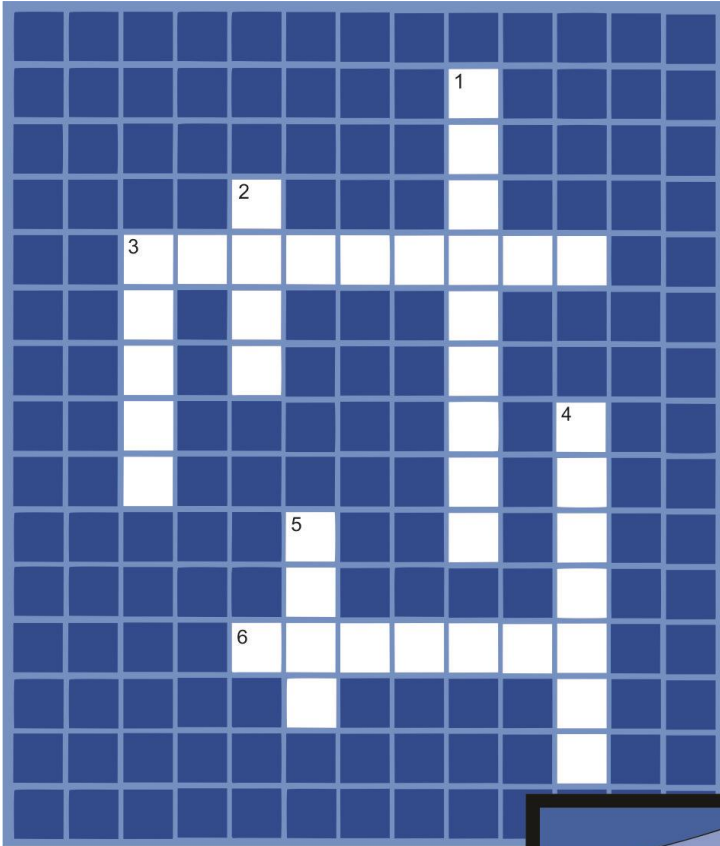
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Crossword puzzle





Across

3. Which sector is showcased in South Africa every year in October?
6. What is the name of the Princess, also a member of the British Royal Family, who recently got married to Jack Brooksbank?

Down

1. Which restaurant chain is the largest in the world?
2. What is the abbreviation for South Africa Revenue Service?
3. Which city is the largest in the world in terms of population size?
4. Who is South Africa's newest Minister of Finance? Fill in the surname only.
5. True or false? According to the gross domestic product (GDP) results published by Statistics South Africa, the country is currently in a technical recession.

Solutions for September 2018 puzzle

Across

3. The Kitchen
5. Gauteng
6. Kofi Annan

Down

1. The Hague
2. Pravin Gordhan
4. Zondo





Educational article: Tourism, 2017

1. Introduction

Many people from different countries across the world enter and exit South Africa through its many ports of entry/exit. The ports of entry/exit include road (boarder gates), air (airports) and sea (harbours). These are all regulated and managed under the Department of Home Affairs (DHA). The ports of entry/exit are regulated through the Immigration Act, 2002 (Act No.13 of 2002) which makes provisions for the regulation of admission of foreigners, their stay, and their departure from the Republic and for matters connected therewith. Many people visit South Africa to study, for holiday or to work amongst other reasons. However, it is required by the DHA that these movements to be recorded as these administrative records are used to regulate the flow of people across the ports of entry and exit. These administrative records are also an important source of statistical data on temporary population movements in the country.

Data collected at the South Africa's ports of entry/exit are collected directly from travel documents either by scanning them or by capturing information from the travel documents into the port's electronic database. Individual ports transmit the data to the national database i.e. the Movement Control System (MCS) at the head office of the DHA.

This educational article is based on the findings of the *Tourism 2017 Report* (Report No. 03-51-02), which was published on 13 August 2017. The report forms part of a regular annual series of publications on tourism. The main aim of the report is to present information on population movements in and out of South Africa in 2017. However, for the purpose of this article, only the data on travellers and tourists will be discussed, highlighting the number of South African residents and foreigners who travelled in and out of South Africa in 2017, the mode of transport used and the purpose of visits. In addition to the 2017 data, data from 2016 and earlier years are also presented to provide some comparison in order to highlight observed trends and patterns.

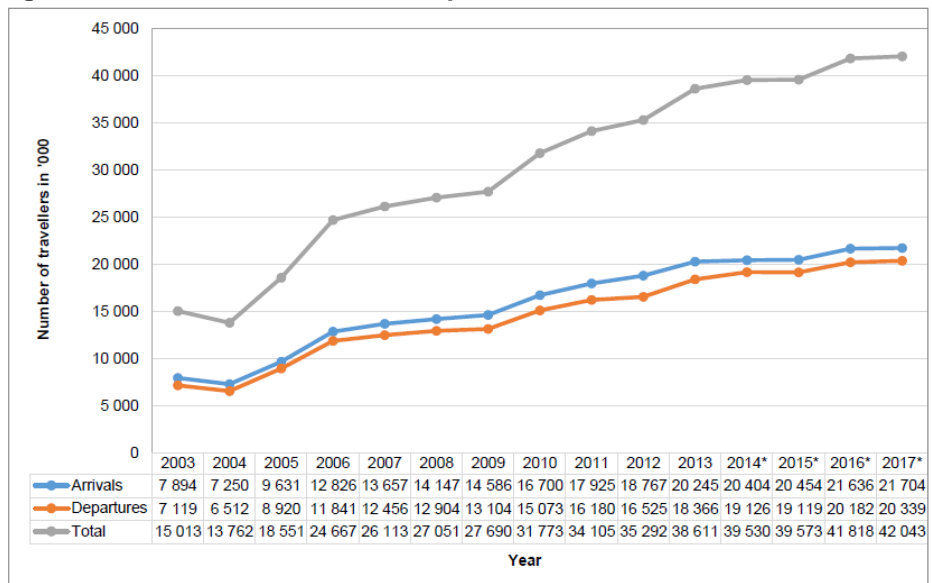




2. Travellers

Many people are always on the move travelling from one place to the other every day, undertaking either domestic or international trips. A traveller is someone who moves between different geographical locations for any purpose and any duration. These movements are recorded and published by Statistics Africa (Stats SA) in the *Tourism and Migration* release (Statistical release P0351) every month. Travellers include passengers in transit, arrivals into and departures from South Africa regardless of residency status. In 2017, there were approximately 42 043 thousand travellers (21 704 thousand arrivals and 20 339 thousand departures) that were recorded. When comparing the number of travellers in 2017 with those in 2003 (15 013 thousand), there was a significant increase of 27 030 travellers, and this means the number of travellers doubled over the 15 year period (see figure 1).

Figure 1: Number of arrivals and departures of travellers, 2003 - 2017



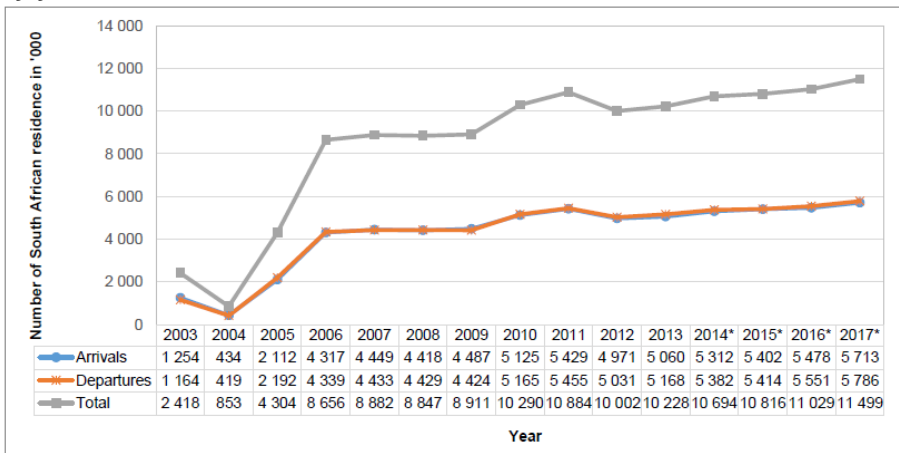
*2014–2017 data excludes travellers in transit



2.1 South African resident travellers

The number of South African resident travellers was 11 508 449 in 2017 (5 713 133 arrivals, 5 785 699 departures and 9 617 travellers in transit) compared to the number of South African residents travellers of 11 038 366 in 2016. As indicated in Figure 2, the annual volume of arrivals and departures for South African residents declined between 2003 and 2004 then increased throughout 2005 to 2017. These declines in the volume of South African travellers between 2003 and 2004 were mainly due to the changes in the Immigration Act, 2002 (Act No.13 of 2002) regarding the recording of information on international movements of South African residents. The amendments to the Act resulted in information on arrivals and departures of South African residents not being consistently collected (i.e. misinterpretation of the Act led to some immigration officers collecting while others were not collecting information on South African residents). Collection resumed after the implementation of the Immigration Amendment Act, 2004 (Act No.19 of 2004). The figure further shows that there were nearly as many departures as arrivals over the years.

Figure 2: Number of arrivals and departures of South African residents by year of travel, 2003 - 2017



*2014–2017 data exclude travellers in transit.



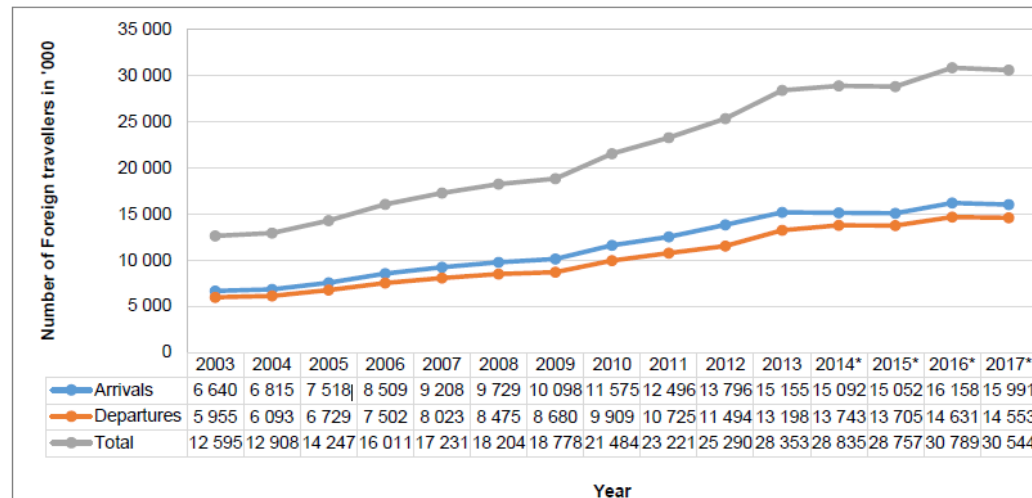
2.1.1 Mode of transport used by South African resident travellers

Travellers use different mode of travel to enter/exit the country. Some people may prefer road transport, while others air transport or sea transport. The most popular mode of transport used by South African residents in 2017 was road transport consisting of 60,9% arrivals and 61,0 % departures, followed by air transport with 38,6% arrivals and 38,5% departures. Sea transport was the mode of transport least used by South African residents travellers recording only 0,5% arrivals and 0,5% departures in 2017.

2.2 Foreign travellers

The number of foreign travellers increased from 31 613 396 in 2016 to 31 297 571 in 2017. This increase includes 15 990 598 arrivals, 14 553 540 departures and 753 433 transits. As shown in Figure 3, there is an increasing trend in the number of both foreign arrivals and departures between 2003 and 2017, with a slight decrease between 2014 to 2015 and 2016 to 2017 taking into account the exclusion of travellers in transit from arrivals starting from 2014. Unlike in the case of South African travellers, the volume of departures of foreign travellers has been lower than that of arrivals throughout the fifteen-year period.

Figure 3: Number of arrivals and departures of foreign travellers, 2003 - 2017



*2014–2017 data excludes travellers in transit.



2.2.1 Mode of transport by foreign travellers

South Africa is one of the countries in the world with many ports of entry/exit or borders that include road, air and sea. Road transport was the most used mode of transport used by foreign travellers in 2017, recording 12 439 525 arrivals and 10 974 804 departures. Of the 12 439 525 foreign arrivals, 29,8% entered through the Lesotho port of entry, while 23,4% entered through the Zimbabwe port of entry. These two countries were also mostly used by foreigners who left South Africa in 2017 (29,6% and 21,2%, respectively). Sea transport was the mode of transport least used by foreign travellers, recording 54 827 arrivals and 56 094 departures.

2.2.2 Purpose of visit

In 2017, the main purpose of visit for foreign arrivals was holidays (94,1%), whereas 2,3% of the 2017 arrivals came for work, 1,8% for business and 0,6% for study purposes. January 2017 had the highest number of foreign arrivals who came to study (16 470) and to work (52 847); those who came for business came in November (31 616) and in October 2017 (28 168), while those who came for holidays came mainly in December 2017 (1 505 996) and January 2017 (1 442 639).

3. Tourists

The term tourist is defined in the Stats SA's Concepts and Definitions as a visitor who stays at least one night in the place visited for less than a year. Often a tourist visits different countries for various reasons such as studying, business and holiday amongst others. A total of 10 285 197 tourists came to South Africa in 2017, showing an increase of 2,4% from the 10 044 163 tourists recorded in 2016. The highest number of tourist arrivals [1 040 534 (10,1%)] was recorded in January 2017, whilst the lowest number was recorded in June 2017 [708 978 (6,9%)]. It was also observed that the monthly tourist arrivals in 2017 were generally higher than the monthly arrivals observed in 2016

As far as the purpose of the visit is concerned, the highest number of tourists who came on holiday was recorded in January [1 006 752 (10,1%)] and in December 2017 [975 522 (9,8%)], whereas the highest number of business persons was recorded in November at 28 421 (11,2%) and in October at 24 786 (9,7%), and that of students was recorded in January at 14 162 (17,9%).



3.1 The ten leading overseas countries

South Africa receives tourists from many countries in the world each year. These tourists are classified into three categories, namely overseas, Southern African Development Community (SADC) and 'other' African countries. From the overseas countries, the ten most leading countries for overseas tourists in 2017 were: The United Kingdom (UK), 447 901 (16,5%); United States of America (USA), 370 747 (13,7%); Germany, 349 211 (12,9%); France, 196 165 (7,2%); The Netherlands, 159 621 (5,9%); Australia, 116 257 (4,3%); India, 97 921 (3,6%); China, 97 069 (3,6%); Brazil, 67 797 (2,5%); and Canada, 67 156 (2,5%). A comparison of the 2017 volumes with the 2016 volumes indicates that the number of tourists increased in all the ten leading overseas countries except China and Brazil. France had the largest increase of 27,2%, while Brazil and China had a decrease of 42,7% and 17,0%, respectively.

3.2 The ten leading SADC countries

The Southern African Development Community (SADC) is a regional economic community comprising 15 member states, namely Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The ten leading countries for tourists from the SADC region in 2017 were: Zimbabwe, 2 039 932 (27,6%); Lesotho, 1 747 211 (23,7%); Mozambique, 1 339 245 (18,1%); Swaziland, 876 992 (11,9%); Botswana, 681 379 (9,2%); Namibia, 208 747 (2,8%); Malawi, 175 014 (2,4%); Zambia, 173 033 (2,3%); Angola, 49 299 (0,7%); and Tanzania, 36 306 (0,5%). Malawi had the highest increase of 26,0%, while Lesotho decreased by 0,6%.

3.3 The ten leading 'other' African countries

The 'other' African countries are those countries situated in Africa but that do not form part of the SADC regional economic community. These countries include Nigeria, Kenya, Ghana, Uganda, Gabon, Egypt, Ethiopia, Cameroon, Congo, Côte d'Ivoire, to name a few. The ten leading countries for tourists from 'other' African countries in 2017 were: Nigeria, 50 921 (29,5%); Kenya, 28 944 (16,8%); Ghana, 17 705 (10,3%); Uganda, 14 097 (8,2%); Ethiopia, 8 598 (5,0%); Egypt, 8 500 (4,9%); Gabon, 7 982 (4,6%); Cameroon, 5 094 (3,0%); Congo, 3 364 (2,0%); and Senegal, 2 609 (1,5%). A comparison between the 2017 and 2016 volumes indicates that the number of tourists



decreased in six of the ten leading countries. Nigeria had the highest decline of 22,4%, while Senegal increased by 5,9%.

3.4 Mode of travel

A large number of tourists who came to South Africa in 2016 used road transport [7 215 719 (70,2%)], followed by those who came by air [3 060 339 (29,8%)], and those who arrived through sea ports [9 139 (0,1%)]. The road users mainly came in through the Zimbabwe (26,0%) and the Lesotho (24,7%) ports of entry. Namibia (1,8%) had the least number of the 2017 tourists using its ports of entry.

Out of the 3 060 339 tourists that flew into the country, the largest proportion (71,8%) used O.R. Tambo International Airport. Cape Town and King Shaka international airports were used by 26,3% and 1,6% tourists respectively. Most of the tourists that used sea ports of entry came in through the Cape Town Harbour (71,7%).

3.5 Purpose of visit

In 2017, most tourists came to South Africa for holidays [9 951 424 (96,8%)]. The remaining tourists came for business [254 653 (2,5%)] and 79 120 (0,8%) were in the country to study. There were some regional and country differences with respect to the purpose of visit. For example, 12 251 (7,1%) tourists from 'other' African countries and 84 993 (3,1%) of tourists from overseas countries came for business, compared to 156 365 (2,1%) from SADC countries. In addition, students made up 9 194 (5,3%) of tourists from 'other' African countries compared to 53 561 (0,7%) of tourists from SADC countries and 16 351 (0,6%) of overseas tourists.

4. Conclusion

The 2017 Tourism report presents South African residents and foreign travellers that passed through South Africa's ports of entry/exit in 2017. There was an increase in the number of South African resident arrivals and departures in 2017 as compared to the other years. Foreign traveller data also recorded an increase in the number of foreign arrivals in 2017. The majority of overseas and 'other' African tourists flew into the country, whereas tourists from SADC countries came in by road. As it is observed, holiday continued to be the main reason for visiting South Africa between 2016 and 2017.





Primary industries

Mining: production and sales

Mining production decreases

Mining is one of the sectors that keep South Africa's economic engine running. Although the country is currently in a recession, this sector was one of the positive contributors to the country's gross domestic product (GDP) growth, contributing 0,4 of a percentage point in July 2018. Also, mining has helped to shape South Africa to a great extent as it led to the establishment of cities such as Kimberley and Johannesburg. Furthermore, most of South Africa's power stations are dependent on coal, one of the minerals mined in South Africa and the largest source of electricity generated by Eskom. This means that most businesses and households in the country are in turn dependent on coal, making the mining of coal that more important. These are just some of the factors that show how important the mining sector is to the economy. Presented in this article is a summary of the Mining: production and sales statistics for July 2018.

Mining production decreased by 5,2% year-on-year in July 2018 (see **Table A**). The largest negative contributors were:

- gold (-15,0%, contributing -2,4 percentage points);
- iron ore (-17,4%, contributing -2,3 percentage points);
- coal (-5,8%, contributing -1,5 percentage points); and
- PGMs (-6,2%, contributing -1,3 percentage points).

Diamonds (40,7%, contributing 2,3 percentage points) was a significant positive contributor.



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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Year-on-year % change, unadjusted	2,7	-7,2	-3,1	-0,7	3,7	-5,2
Month-on-month % change, seasonally adjusted	0,9	-3,1	-2,2	5,3	5,4	-8,6
3-month % change, seasonally adjusted ^{1/}	-2,7	-2,4	-2,5	-1,8	1,2	3,3

Mineral sales decreased by 1,7% year-on-year in July 2018 (see Table B). The main negative contributors were:

- coal (-6,3%, contributing -1,9 percentage points);
- gold (-7,4%, contributing -1,5 percentage points); and
- iron ore (-14,2%, contributing -1,4 percentage points).

Manganese ore (26,6% and contributing 2,0 percentage points) was a significant positive contributor.

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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Year-on-year % change, unadjusted	3,4	0,6	6,0	14,7	10,4	-1,7
Month-on-month % change, seasonally adjusted	-3,7	-0,9	3,1	4,8	1,6	-7,2
3-month % change, seasonally adjusted ^{1/}	-5,2	-8,0	-5,9	-1,2	5,1	5,2

^{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 increases

The performance of the manufacturing industry is critical for the economy because it is linked to other sectors. The industry also plays a key role in economic empowerment, growth, development and investment. It is therefore important to have initiatives that will help grow the industry. One such initiative is the Local Southern African Expo, which will take place from 21 to 23 May 2019. The Expo will bring together manufacturers of best-of-breed products and a captive buying audience seeking local solutions. It will also allow the local market to leverage South Africa's strong export potential while providing sought-after access to global markets via its core visitor component. The Expo will further benefit local manufacturers as it will provide local companies with access to global markets, provide industry insight and networking opportunities as well as identify industry challenges and opportunities for growth, among other things. Presented in this article is a summary of the Manufacturing: Production and sales statistics for July 2018.

Manufacturing production increased by 2,9% in July 2018 compared with July 2017 (**see Table C**). The largest contributions were made by the following divisions:

- food and beverages (5,8%, contributing 1,5 percentage points);
- motor vehicles, parts and accessories and other transport equipment (8,3%, contributing 0,6 of a percentage point); and
- wood and wood products, paper, publishing and printing (3,9%, contributing 0,4 of a percentage point).



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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Year-on-year % change, unadjusted	0,5	-1,8	1,2	2,1	0,6	2,9
Month-on-month % change, seasonally adjusted	-2,4	0,6	-0,4	1,3	0,2	1,6
3-month % change, seasonally adjusted ^{1/}	0,2	-2,1	-2,9	-1,4	0,1	1,9

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

Selected building statistics of the private sector

Value of recorded building plans passed increases

Residents who wish to erect, alter or convert any building should have the approval of the local authority such as the local municipality. However, exception is given to buildings and structures that are of cultural significance or special value which are deemed to form part of the national estate (components of the cultural and natural environment that are of great national value). According to the National Heritage Resources Act, 1999 (Act No. 25 of 1999), no person or institution may alter or demolish any structure or part of a structure which is older than 60 years without a permit issued by the relevant heritage resources authority. The buildings and structures with cultural significance are protected and preserved for the benefit of the community or selected cultural groups. Presented in this article is a summary of the selected building statistics for July 2018.

The value of recorded building plans passed (at current prices) increased by 0,7% (R443,8 million) during January to July 2018 compared with January to July 2017 (see Table D). Increases were recorded for additions and alterations (7,4% or R1 170,0 million) and residential buildings (2,4% or R761,2 million). A decrease was recorded for non-residential buildings (-10,0% or -R1 487,5 million).



The largest positive contribution to the total increase of 0,7% (R443,8 million) was made by Western Cape (contributing 4,5 percentage points or R2 854,7 million). Gauteng (contributing -4,4 percentage points or -R2 741,5 million) was the largest negative contributor.

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

Estimates at current prices	January to July 2017	January to July 2018	Difference in value between January to J July 2017 and January to July 2018	% change between January to July 2017 and January to July 2018
	1/	1/	R'000	R'000
Residential buildings	32 122 318	32 883 559	761 241	2,4
-Dwelling houses	18 968 312	19 383 702	415 390	2,2
-Flats and townhouses	12 853 605	12 082 104	-771 501	-6,0
-Other residential buildings	300 401	1 417 753	1 117 352	372,0
Non-residential buildings	14 948 962	13 461 468	-1 487 494	-10,0
Additions and alterations	15 837 853	17 007 893	1 170 040	7,4
Total	62 909 133	63 352 920	443 787	0,7

^{1/} 2017 and 2018 figures should be regarded as preliminary because of possible backlogs and incomplete reporting by municipalities.

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

Electricity generated and available for distribution

Electricity produced and consumed

In order to adhere to universal electric plug and socket standards, the South African Bureau of Standards (SABS) has introduced a new electrical plug and socket standard known as SANS 164–2 or ZA Plug for South African consumers. The ZA Plug, which replaces the current triangular electrical



plug/socket standard, has the same hexagonal profile as the Europlug used on cellphone chargers but includes an earth pin near the middle plug and thinner pins. Any new buildings erected as from January 2018 must incorporate electrical sockets that conform to the new standard. While it is required to comply with the ZA Plug standard in new buildings, it is unnecessary for consumers to switch electrical sockets in their existing buildings as the old standard remains legal. Presented in this article is a summary of the electricity generated and distributed in August 2018.

Electricity generation (production) decreased by 0,4% year-on-year in August 2018 (see Table E).

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

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Year-on-year % change, unadjusted	1,2	-0,5	-0,8	0,3	2,2	-0,4
Month-on-month % change, seasonally adjusted	0,6	-1,7	1,9	-1,2	0,1	-0,6
3-month % change, seasonally adjusted ^{1/}	0,1	-0,7	-0,2	-0,7	0,1	-0,7

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

Electricity distribution (consumption) increased by 1,2% year-on-year in August 2018 (see Table F).

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

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Year-on-year % change, unadjusted	-0,1	-0,7	0,2	0,6	2,7	1,2
Month-on-month % change, seasonally adjusted	1,1	-1,4	2,7	-1,9	0,5	0,4
3-month % change, seasonally adjusted ^{1/}	0,1	-0,2	0,7	0,4	1,0	-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 increases

Different wholesalers who operate in different wholesale businesses are required to be registered as wholesalers, even those selling hazardous goods such as petroleum products, e.g. petrol and diesel. According to the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003), no person may operate as a wholesaler without a wholesale licence from the Department of Energy. The licence allows a wholesaler to buy petroleum products (such as diesel and petrol) in bulk from 1 500 litres or more per transaction of petroleum products from a licensed manufacturer and to sell it to end users. The licence is valid for as long as the business operates and does not need to be renewed. However, the wholesaler must submit wholesale licence information on an annual basis and pay an annual licence fee to the Controller of Petroleum Products. The licensed wholesaler must purchase petroleum products only in bulk from a licensed wholesaler or manufacturer (except in the case of the import of petroleum products) and ensure that the operating licence is always displayed at the business site. Presented in this article is a summary of the Wholesale trade sales statistics for July 2018.

Wholesale trade sales increased by 8,3% in July 2018 compared with July 2017 (**see Table G**). The main contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (27,6%, contributing 5,7 percentage points); and
- precious stones, jewellery and silverware (75,7%, contributing 1,6 percentage points).

Wholesale trade sales increased by 6,9% in the three months ended July 2018 compared with the three months ended July 2017. The main contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (22,0%, contributing 4,4 percentage points); and
- precious stones, jewellery and silverware (40,6%, contributing 1,1 percentage points).



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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Year-on-year % change, unadjusted	5,4	3,3	2,4	7,4	5,2	8,3
Month-on-month % change, seasonally adjusted	0,4	3,3	-5,2	6,0	1,0	-0,7
3-month % change, seasonally adjusted ^{1/}	0,5	0,0	-0,5	1,7	1,2	3,8

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

Retail trade sales

Retail trade sales increase

Different cultures or generations have been having a belief that wearing second-hand clothes was taboo or unusual, especially second-hand clothes given by people one did not know or was unrelated to. However, many people are now embracing the second-hand trade to save money, and wear out-of-market designer labels. Some of these second-hand clothes are in good condition, while others only have minor damages that need to be fixed. Consumers purchase the second-hand clothes at retail shops and informal traders at a reasonable price. Presented in this article is a summary of the Retail trade sales statistics for July 2018.

Retail trade sales increased by 1,3% year-on-year in July 2018 (see **Table H**). The highest annual growth rates were recorded for:

- all 'other' retailers (6,9%);
- retailers in household furniture, appliances and equipment (6,9%); and
- retailers in textiles, clothing, footwear and leather goods (3,0%).

The main contributor to the 1,3% increase was all 'other' retailers (contributing 0,9 of a percentage point).



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

	Feb-18	Mar-18	Apr-18	May-18	Jun-17	Jul-17
Year-on-year % change, unadjusted	4,9	5,6	1,0	2,7	1,8	1,3
Month-on-month % change, seasonally	1,7	0,2	-1,7	1,3	-1,1	1,3
3-month % change, seasonally adjusted ^{1/}	-1,1	-1,1	-0,7	0,1	-0,5	0,0

^{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 increases

In September 2017, the Competition Commission of South Africa published a first draft of a new Code of Conduct (CoC) for the South African Automotive Industry. The intention of the CoC is to address anti-competitive behaviour within the industry while at the same time promoting the industry’s transformation to foster inclusive growth. In launching the initiative in 2017, the commission stated that the intended outcomes of the code are for small and historically disadvantaged independent service providers to undertake service and maintenance work while a vehicle is in-warranty; for small, HDI independents to undertake in-warranty auto-body repairs; for more historically disadvantaged individuals to own original equipment manufacturer (OEM) dealerships; and for the use of equal matching spare parts, in addition to the manufacturer’s parts, in the repair of motor vehicles. Although this is a voluntary code, and no party will be forced to adhere to its principles, many motor vehicle manufacturers and dealers are concerned about safety standards, as there is currently no plan to ensure and monitor that quality parts are utilised in consumers’ vehicles. Presented in this article is a summary of the Motor trade sales statistics for July 2018.

Motor trade sales increased by 7,7% year-on-year in July 2018 (see **Table I**). The largest annual growth rates were recorded for fuel sales (23,3%) and convenience store sales (11,2%).



Motor trade sales increased by 5,6% in the three months ended July 2018 compared with the three months ended July 2017. The main contributor was fuel sales (17,5%, contributing 4,5 percentage points).

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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Year-on-year % change, unadjusted	4,0	4,3	5,8	4,4	4,7	7,7
Month-on-month % change, seasonally adjusted	0,0	5,6	-8,8	4,1	1,3	-1,0
3-month % change, seasonally adjusted ^{1/}	0,7	0,6	-0,5	0,1	-2,4	0,2

^{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 increases

Food fraud has skyrocketed in South Africa. This includes actions such as the addition of water to milk to increase the volume, addition of sugar to honey, labelling of coffee creamer as milk, sale of expired food products and use of another company’s branding to sell ‘counterfeit’ food. Added to this, the country recently experienced a listeriosis outbreak scare. These reports have prompted the City of Cape Town to set up a dedicated food safety unit to boost confidence in the integrity of the food supply chain. The Specialised Food Control Unit, which will be in operation in 2019, is also aimed at meeting the requirements of rapidly changing global food trade. It will also help to improve monitoring of products coming into Cape Town and ensure that these are legally compliant and safe for consumption. Presented in this article is a summary of the Food and beverages statistics for July 2018.

The total income generated by the food and beverages industry increased by 0,1% in July 2018 compared with July 2017 (**see Table J**). Food sales grew by 0,6%.



In July 2018, takeaway and fast-food outlets grew by 2,8% (contributing 1,0 percentage point) while restaurants and coffee shops declined by 1,6% (contributing -0,8 of a percentage point) year-on-year.

Total income increased by 3,4% in the three months ended July 2018 compared with the three months ended July 2017. Positive contributors to this increase were takeaway and fast-food outlets (5,2%, contributing 1,9 percentage points) and restaurants and coffee shops (3,2%, contributing 1,6 percentage points).

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

Type of income	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Food sales	0,9	5,7	0,3	4,0	7,4	0,6
Bar sales	0,0	4,9	-3,2	-4,4	8,2	-6,7
Other income	-6,2	-12,5	-13,4	-7,0	-8,4	-6,1
Total	0,8	5,4	-0,1	3,4	7,2	0,1

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

Tourist accommodation

Total income for tourist accommodation increases

Over 10 million international visitors come to South Africa annually. This is according to the Department of Home Affairs (DHA). These visitors include tourists, business travellers and investors. Since millions of jobs are sustained by the economic activities generated by these travellers, it is important that the DHA should make it easy for visitors to enter the country while at the same time ensuring that they guard the country against risks (such as human trafficking and terrorism) posed by some of the visitors, considering the positive impact tourism has on job creation. In an effort to make entry into South Africa easier, the DHA will issue an international travel advisory before the end of October 2018. Once issued, foreign, national minors travelling in and out of South Africa will no longer be required to provide documentation as proof of parental consent for their



travelling. Immigration officials will only insist on documentation in exceptional high-risk situations. Presented in this article is a summary of the Tourist and accommodation statistics for July 2018.

The total income for the tourist accommodation industry decreased by 2,3% in July 2018 compared with July 2017 (**see Table K**). Income from accommodation decreased by 0,5% year-on-year in July 2018, the result of a 4,2% decrease in the number of stay unit nights sold and a 3,9% increase in the average income per stay unit night sold.

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

- guest-houses and guest-farms (-26,6%); and
- caravan parks and camping sites (-14,3%).

The largest negative contributor to the 0,5% year-on-year decrease in income from accommodation in July 2018 was guest-houses and guest-farms (contributing -1,7 percentage points)

Income from accommodation decreased by 0,3% in the three months ended July 2018 compared with the three months ended July 2017. Negative contributors to this decrease were:

- hotels (-2,3% and contributing -1,5 percentage points); and
- guest-houses and guest-farms (-21,0% and contributing -1,2 percentage points).

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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Stay units available	0,4	0,4	0,4	0,4	0,4	0,4
Stay unit nights sold	-6,3	-6,1	-4,4	-4,9	1,9	-4,2
Average income per stay unit nights sold	2,6	3,8	0,4	2,8	0,0	3,9
Income from accommodation	-3,8	-2,6	-4,1	-2,2	1,9	-0,5
Total income ^{1/}	-3,4	-0,7	-2,7	-1,4	1,9	-2,3

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



Tourism and migration

A total of 3 562 603 travellers pass through South Africa's ports of entry

Over 10 million international travellers arrive in South Africa's ports of entry annually, including travellers who travel for study, holiday and business purposes. As a way of making entry into South Africa for all legal international travellers as easy as possible and to attract more travellers for economic development, the Department of Home Affairs (DHA) has announced new visa amendments. The announcement of the visa amendments was presented by the Minister of Home Affairs, Malusi Gigaba, in Pretoria on 25 September 2018. This came after the announcement by President Cyril Ramaphosa on 21 September on changes to the visa regime as part of the economic stimulus and recovery plan. One of the changes is the requirement for travellers to apply for visas in person. Instead of applying for a visa in person, especially by travellers from countries where there is no South African mission/embassy, the DHA will allow visa applications via courier. Other changes will be the issuing 5-year multiple-entry visas and capturing the biometrics of travellers on arrival at South African ports of entry. This amendment is expected to be implemented by October 2018. Presented in this article is a summary of the Tourism and migration statistics for July 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 3 562 603 travellers (arrivals, departures and transits) passed through South African ports of entry in July 2018 (**see Table L**). These travellers were made up of 1 085 384 South African residents and 2 477 219 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 592 301 arrivals, 492 322 departures and 761 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 303 293, 1 109 388 and 64 538, respectively.

A comparison between the movements in July 2017 and July 2018 indicates that the volume of arrivals increased for South African residents but decreased for foreign travellers. Departures and transits decreased for both groups of travellers. For South African residents, the volume of arrivals



increased by 2,5% (from 578 028 in July 2017 to 592 301 in July 2018), departures decreased by 7,1% (from 530 077 in July 2017 to 492 322 in July 2018), and transits decreased by 8,5% (from 832 in July 2017 to 761 in July 2018). For foreign travellers, arrivals decreased by 3,3% (from 1 347 125 in July 2017 to 1 303 293 in July 2018), departures decreased by 6,5% (from 1 186 438 in July 2017 to 1 109 388 in July 2018), and transits decreased by 5,7% (from 68 437 in July 2017 to 64 538 in July 2018).

A comparison between the movements in June 2018 and July 2018 indicates that the volume of arrivals and transits increased for both South African residents and foreign travellers, and that departures decreased for South African residents but increased for foreign travellers. For South African residents, the volume of arrivals increased by 38,3% (from 428 421 in June 2018 to 592 301 in July 2018), departures decreased by 8,2% (from 536 234 in June 2018 to 492 322 in July 2018), and transits increased by 1,7% (from 748 in June 2018 to 761 in July 2018). For foreign travellers, arrivals increased by 12,3% (from 1 160 094 in June 2018 to 1 303 293 in July 2018), departures increased by 4,0% (from 1 066 717 in June 2018 to 1 109 388 in July 2018), and transits increased by 18,5% (from 54 482 in June 2018 to 64 538 in July 2018).

Detailed information on the departure of travellers is not available in the movement control system. Data on the purpose of travel and the number of days that South African residents intend to spend or spent abroad are not collected by the DHA. Hence, it is therefore not possible to categorise South African residents as tourists or non-tourists. However, some data are available on foreign arrivals for this categorisation.

In July 2018, 80 068 (6,1%) of foreign arrivals were classified as non-visitors while 1 223 225 (93,9%) were classified as visitors. The visitors were categorised into three groups:

- Arrivals only – comprising visitors who entered the country in July 2018 but did not depart in July 2018 [336 387 (27,5%)];
- Single trips – visitors who came to South Africa once in July 2018 and left in July 2018 [419 548 (34,3%)];
- Multiple trips – visitors who came to and left South Africa more than once in July 2018 [467 290 (38,2%)].

Visitors were further grouped as same-day visitors and overnight visitors (tourists). In July 2018, there were 367 319 (30,0%) same-day visitors and



855 906 (70,0%) tourists. Between July 2017 and July 2018, the volume of same-day visitors decreased by 8,2% (from 400 187 in July 2017 to 367 319 in July 2018) and that of tourists decreased by 0,7% (from 861 731 in July 2017 to 855 906 in July 2018). Between June 2018 and July 2018, the volume of same-day visitors increased by 1,8% (from 360 870 in June 2018 to 367 319 in July 2018), and tourists increased by 17,3% (from 729 374 in June 2018 to 855 906 in July 2018)

Mode of travel

In July 2018, road transport was the most common mode of travel used by 2 496 044 (70,1%) of the 3 562 603 travellers. The total number of travellers who used air transport was 1 059 637 (29,7%). Compared to the use of air and land transport, a small number of travellers, 6 922 (0,2%) used sea transport. Information on arrivals of South African residents shows that 262 049 (44,2%) came by air, 329 993 (55,7%) came by road and 259 (less than 0,1%) arrived by sea transport. For departures, 200 174 (40,7%) used air, 291 941 (59,3%) used road and 207 (less than 0,1%) left by sea transport. All travellers in transit, 761 (100,0%) used air transport.

In the case of foreign travellers, 283 420 (21,7%) arrived by air, 1 016 506 (78,0%) came by road and 3 367 (0,3%) arrived by sea transport. When departing South Africa, 248 695 (22,4%) foreign travellers left by air, 857 604 (77,3%) left by road and 3 089 (0,3%) left by sea transport. All travellers in transit 64 538 (100,0%) used air transport. Of the 367 319 same-day visitors, an overwhelming majority, 343 728 (93,6%) arrived in the country by road, 23 586 (6,4%) flew into the country, and 5 (less than 0,1%) arrived by sea transport. Information on tourists shows that 613 706 (71,7%) used road transport, 242 182 (28,3%) came by air transport and 18 (less than 0,1%) arrived by sea transport.

Regional and national distribution

In July 2018, the distribution of overseas tourists was as follows: Europe, 109 834 (53,3%); North America, 41 816 (20,3%); Asia, 27 375 (13,3%); Australasia, 11 226 (5,4%); Central and South America, 10 765 (5,2%) and the Middle East, 5 060 (2,5%).

Virtually all tourists from Africa, 633 740 (97,7%), came from the SADC countries. The distribution of the remaining tourists from Africa is as follows: West Africa, 7 435 (1,1%); East and Central Africa, 6 351 (1,0%); and North Africa 1 279 (0,2%). The ten leading SADC countries in terms of the number of tourists visiting South Africa in July 2018 were: Zimbabwe, 168 191



(26,5%); Lesotho, 165 478 (26,1%); Mozambique, 114 857 (18,1%); Swaziland, 72 133 (11,4%); Botswana, 51 743 (8,2%); Malawi, 18 142 (2,9%); Namibia, 15 469 (2,4%); Zambia 14 210 (2,2%); Angola, 4 266 (0,7%) and DRC, 3 751 (0,6%).

Purpose of visit

In July 2018, the majority of tourists, 823 725 (96,2%), were in South Africa for holiday compared to 19 879 (2,3%); 11 769 (1,4%) and 533 (0,1%) who were in South Africa for business, study and for medical treatment, respectively.

Sex and age distribution

There were 470 991 (55,0%) male and 384 915 (45,0%) female tourists. Overseas tourists were made up of 108 794 (52,8%) male tourists and 97 282 (47,2%) female tourists in July 2018. There were 351 949 (55,5%) male and 281 791 (44,5%) female tourists from the SADC countries. Tourists from 'other' African countries were made up of 9 600 (63,7%) male and 5 465 (36,3%) female tourists.



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

Travel direction	July 2017	June 2018	July 2018	% change between June 2018 and July 2018	% change between July 2017 and July 2018
Total	3 710 937	3 246 696	3 562 603	9,7	-4,0
South African residents	1 108 937	965 403	1 085 384	12,64	-2,1
Arrivals	578 028	428 421	592 301	38,3	2,5
Departures	530 077	536 234	492 322	-8,2	-7,1
Transit	832	748	761	1,7	-8,5
Foreign travellers	2 602 000	2 281 293	2 477 219	8,6	-4,8
Arrivals	1 347 125	1 160 094	1 303 293	12,3	-3,3
Departures	1 186 438	1 066 717	1 109 388	4,0	-6,5
Transit	68 437	54 482	64 538	18,5	-5,7
Foreign arrivals	1 347 125	1 160 094	1 303 293	12,3	-3,3
Non-visitors	85 207	69 850	80 068	14,6	-6,0
Visitors	1 261 918	1 090 244	1 223 225	12,2	-3,1
Visitors	1 261 918	1 090 244	1 223 225	12,2	-3,1
Arrivals only	325 791	270 374	336 387	24,4	3,3
Single trips	423 096	394 859	419 548	6,3	-0,8
Multiple trips	513 031	425 011	467 290	9,9	-8,9
Visitors	1 261 918	1 090 244	1 223 225	12,2	-3,1
Same-day	400 187	360 870	367 319	1,8	-8,2
Tourists	861 731	729 374	855 906	17,3	-0,7

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



Statistics on civil cases for debt

Number of civil judgements for debt decreases

Many debtors are hauled before a court for being unable to pay their instalments due to unauthorised debit orders. A debit order is an instruction that a bank account holder gives to the bank to allow a third party to collect an amount directly from their bank account. Unauthorised debit orders are executed by fraudsters who obtain bank account details and sales persons who process applications despite the consumer rejecting the offer. In order to minimise unauthorised debit orders, banks and the Payments Association of South Africa (PASA) have introduced the DebiCheck system. DebiCheck requires bank customers to electronically confirm a new debit order before it is processed, and it prevents companies from placing new debit orders without permission. Debtors are encouraged to be vigilant and monitor their bank accounts as unauthorised debit orders negatively affect their credit record or profile. Presented in this article is a summary of the statistics of civil cases for debt for July 2018.

The number of civil summonses issued for debt

The total number of civil summonses issued for debt decreased by 2,2% in the three months ended July 2018 compared with the three months ended July 2017 (**see Table M**). The largest negative contributors to the 2,2% decrease were civil summonses relating to:

- promissory notes (contributing -2,4 percentage points);
- goods sold (contributing -1,1 percentage points); and
- money lent (contributing -0,4 of a percentage point).

The number of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 9,4% in the three months ended July 2018 compared with the three months ended July 2017. The largest negative contributors to the 9,4% decrease were civil judgements relating to:

- money lent (contributing -5,4 percentage points);
- promissory notes (contributing -1,8 percentage points);
- 'other' debts (contributing -1,7 percentage points); and
- services (contributing -1,3 percentage points).



The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt increased by 0,3% in the three months ended July 2018 compared with the three months ended July 2017. The largest positive contributor to the 0,3% increase was ‘other’ debts (contributing 8,2 percentage points), while money lent (contributing -7,9 percentage points) was the largest negative contributor.

There were 18 993 civil judgements for debt in July 2018, amounting to R459,3 million. The largest contributors to the total value of judgements were:

- ‘other’ debts (R185,4 million or 40,4%);
- money lent (R83,7 million or 18,2%); and
- services (R72,2 million or 15,7%).

Table M – Key figures for civil summonses and judgements for July 2018

Actual estimates	July 2018	% change between July 2017 and July 2018	% change between May to July 2017 and May to July 2018
Number of civil summonses issued for debt	47 476	1,2	-2,2
Number of civil judgements recorded for debt	18 993	-5,3	-9,4
Value of civil judgements recorded for debt (R million)	459,3	26,3	0,3

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

Statistics of liquidations and insolvencies

Insolvencies and liquidation decrease

Insolvency refers to individuals or partnerships who are unable to pay their debt and who are placed under final sequestration. Although it is undoubtedly something that no business owner or company director wants to experience, it is a reality for a number of companies. It is therefore of utmost importance that business owners or company directors know and understand what to do to rescue their company when faced with the possibility of insolvency. Firstly, keeping a close eye on the business’s performance and cashflow is one way of avoiding insolvency, as this gives an early warning of any impending problems. Secondly, ensuring that late



payments from clients do not go unchallenged is necessary. Lastly, an agreement can be made with the business or company’s main suppliers to adjust the credit limits and payment dates. These are just some of the steps that can be taken to avoid insolvency. Presented in this article is a summary of the Liquidation and insolvency statistics for the month of August 2018.

The total number of liquidations recorded showed a decrease of 13,4% in August 2018 compared with August 2017 (see Table N). Compulsory liquidations increased by 2 cases while voluntary liquidations decreased by 26 cases.

The number of liquidations in the three months ended August 2018 decreased by 1,1% compared with the three months ended August 2017. There was an increase of 4,2% in the first eight months of 2018 compared with the first eight months of 2017.

Table N – Total number of liquidations for August 2018

Number of liquidations August 2018	% change between August 2017 and August 2018	% change between June to August 2017 and June to August 2018	% change between January to August 2017 and January to August 2018
155	-13,4	-1,1	4,2

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

The estimated number of insolvencies decreased by 22,9% in July 2018 compared with July 2017 (see Table O). A 20,8% decrease was estimated in the three months ended July 2018 compared with the three months ended July 2017. There was a decrease of 18,1% in the first seven months of 2018 compared with the first seven months of 2017.

Table O – Total number of insolvencies for July 2018

Number of insolvencies July 2018	% change between July 2017 and July 2018	% change between May to July 2017 and May to July 2018	% change between January to July 2017 and January to July 2018
192	-22,9	-20,8	-18,1

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

October was declared Transport Month in South Africa. This event is used by the Department of Transport and its entities to showcase transport infrastructure services in aviation, maritime, public transport and roads. The first October Transport Month (OTM) was launched in 2005 during the Transport Lekgotla as a platform to create awareness on the important role of transport in the economy and to encourage participation from civil society and the business sector. It also included the provision of a safe and more affordable, accessible and reliable transport system in the country. The 2018 OTM was launched on 05 May at the Lakes hotel in Benoni, Johannesburg under the theme “Together we move South Africa forward”. Amongst the prominent activities to unfold during the OTM will be the official launch of the plant built in Nigel to produce modern passenger trains for South Africa. The trains will be part of the new fleet that will be rolled out by government over the next 10 to 15 years as part of creating an affordable, accessible, safe and reliable transport system in the country. Presented in this article is a summary of the land transport survey results for July 2018.

The volume of goods transported (payload) increased by 4,8% in July 2018 compared with July 2017 (**see Table P**). The corresponding income increased by 3,0% over the same period.

Income from freight transportation increased by 1,5% in the three months ended July 2018 compared with the three months ended July 2017. The main contributor to this increase was primary mining and quarrying products (3,3% and contributing 1,1 percentage points).

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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Freight payload	12,2	7,4	6,6	1,1	-5,1	4,8
Freight income	12,6	8,9	8,8	4,3	-2,6	3,0

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 increased by 7,2% in July 2018 compared with July 2017 (**see Table Q**). The corresponding income increased by 1,7% over the same period.

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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Passenger journeys	-14,5	-18,5	-5,0	-25,1	-13,6	7,2
Passenger income	-4,8	-6,2	-7,0	-18,1	-0,6	1,7

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 at 6,3%

The South African Rand has been getting weaker against the United States dollar and this has a number of implications for local producers. One of the implications is that the weak rand will cause the cost of imported raw materials which are needed by local producers in order to produce goods to increase. This increase will contribute to higher costs of production for local producers, which will affect local and international consumers. In this article is a summary of the producer price index for August 2018.

Final manufactured goods – headline PPI

The annual percentage change in the PPI for final manufactured goods was 6,3% in August 2018 (compared with 6,1% in July 2018) (**see Table R**).

From July 2018 to August 2018 the PPI for final manufactured goods increased by 0,6%. The main contributors to the annual rate of 6,3% were:

- coke, petroleum, chemical, rubber and plastic products (3,4 percentage points); and
- transport equipment (0,9 of a percentage point).

The main contributors to the monthly increase of 0,6% were:

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

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 5,9% in August 2018 (compared with 5,5% in July 2018) (**see Table R**). From July 2018 to August 2018 the PPI for intermediate manufactured goods increased by 0,7%. The main contributors to the annual rate of 5,9% were:

- chemicals, rubber and plastic products (3,0 percentage points); and
- basic and fabricated metals (2,2 percentage points).



The main contributor to the monthly increase of 0,7% was chemicals, rubber and plastic products (0,6 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 6,5% in August 2018 (compared with 7,8% in July 2018) (**see Table R**). From July 2018 to August 2018 the PPI for electricity and water decreased by 0,7%. The contributors to the annual rate of 6,5% were electricity (5,1 percentage points) and water (1,2 percentage points).

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

Mining

The annual percentage change in the PPI for mining was 6,3% in August 2018 (compared with 9,6% in July 2018) (**see Table R**). From July 2018 to August 2018 the PPI for mining increased by 0,8%. The main contributors to the annual rate of 6,3% were coal and gas (6,2 percentage points) and non-ferrous metal ores (4,9 percentage points).

The main contributor to the monthly increase of 0,8% was gold and other metal ores (0,6 of a percentage point).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 2,0% in August 2018 (compared with 0,8% in July 2018) (**see Table R**). From July 2018 to August 2018 the PPI for agriculture, forestry and fishing decreased by 0,1%. The contributors to the annual rate of 2,0% were:

- agriculture (1,0 percentage point);
- fishing (0,6 of a percentage point); and
- forestry (0,5 of a percentage point).

The main contributor to the monthly decrease of 0,1% was agriculture (-0,2 of a percentage point).



Table R – Key PPI figures for August 2018

Product	Weight	Index (2016=100)			% change	
		Aug 2017	Jul 2018	Aug 2018	Aug 2018 vs Jul 2018	Aug 2018 vs Aug 2017
Final manufactured goods	100,00	102,7	108,5	109,2	0,6	6,3
Intermediate manufactured goods	100,00	101,3	106,6	107,3	0,7	5,9
Electricity and water	100,00	144,8	155,3	154,2	-0,7	6,5
Mining	100,00	104,0	109,7	110,6	0,8	6,3
Agriculture, forestry and fishing	100,00	96,6	98,6	98,5	-0,1	2,0

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 at 4,4% in May 2018

Once upon a time in South Africa, to fill up a 45-litre petrol tank would cost just R270. The price of inland 95-octane petrol was R6,01 in January 2009. Nine years later, the price of inland 95-octane petrol has increased to an all-time high of R16,08 per litre in September 2018, costing almost R724 to fill up a 45-litre fuel tank. The increase is subject to factors such as rising international oil prices and the weak rand. Although the fuel price has been on the increase for many years, 2018 has been the year that has seen high increases in fuel prices. For instance, annual fuel inflation, which includes prices for all forms of fuel, was 25,3% in July 2018, according to Stats SA’s *Consumer Price Index (CPI)* release. In other words, motorists paid, on average, 25,3% more for fuel in July 2018 (125,4) than they did in July 2017 (100,1). This was the highest annual fuel inflation rate since December 2011. Presented in this article is a summary of the Consumer price index for August 2018.

Headline Consumer price index (CPI for all urban areas)

Annual consumer price inflation was 4,9% in August 2018, down from 5,1% in July 2018 (see **Table S**). The consumer price index decreased by 0,1% month-on-month in August 2018.



The following items contributed to headline annual consumer price inflation:

- Alcoholic beverages and tobacco decreased from 0,4 of a percentage point in July 2018 to 0,3 of a percentage point in August. The index increased by 4,6% year-on-year.
- Transport decreased from 1,4 percentage points in July 2018 to 1,3 percentage points in August. The index increased by 9,5% year-on-year.

In August the CPI for goods increased by 5,0% year-on-year (down from 5,3% in July), and the CPI for services increased by 5,0% year-on-year (unchanged from July).



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	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	108,5	108,4					
	Rate	4,4	4,0	3,8	4,5	4,4	4,6	5,1	4,9					

^{1/} Annual average.



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.

Acting household head: any member of the household acting on behalf of the head of the household.

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.

Day trip: a trip outside of the respondent's usual environment, where they leave and return within the same day (i.e. do not stay overnight).

Domestic tourism: a trip within the boundaries of South Africa but outside of the respondent's usual environment.

Note: The following categories are excluded from the definition of domestic visitor:

- persons travelling to another place within the country with the intention of setting up their usual residence in that place.
- Persons who travel to another place within the country and are remunerated from within the place visited.
- Persons who travel regularly or frequently between neighbouring localities as defined by the 'usual environment' rule.

Dwelling unit: structure or part of a structure or group structures occupied or meant to be occupied by one or more than one household.

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

Expenditure: the total consumption expenditure made by a visitor or on behalf of a visitor during his/her trip and stay at a destination.

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

Household: a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

Household head: the main decision-maker, or the person who owns or rents the dwelling, or the person who is the main breadwinner.



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.

Main purpose of trip: this is the purpose in the absence of which the trip would not have been made.

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.

Tourist accommodation: any facility that regularly (or occasionally) provides 'paid' or 'unpaid' overnight accommodation for tourists.

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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