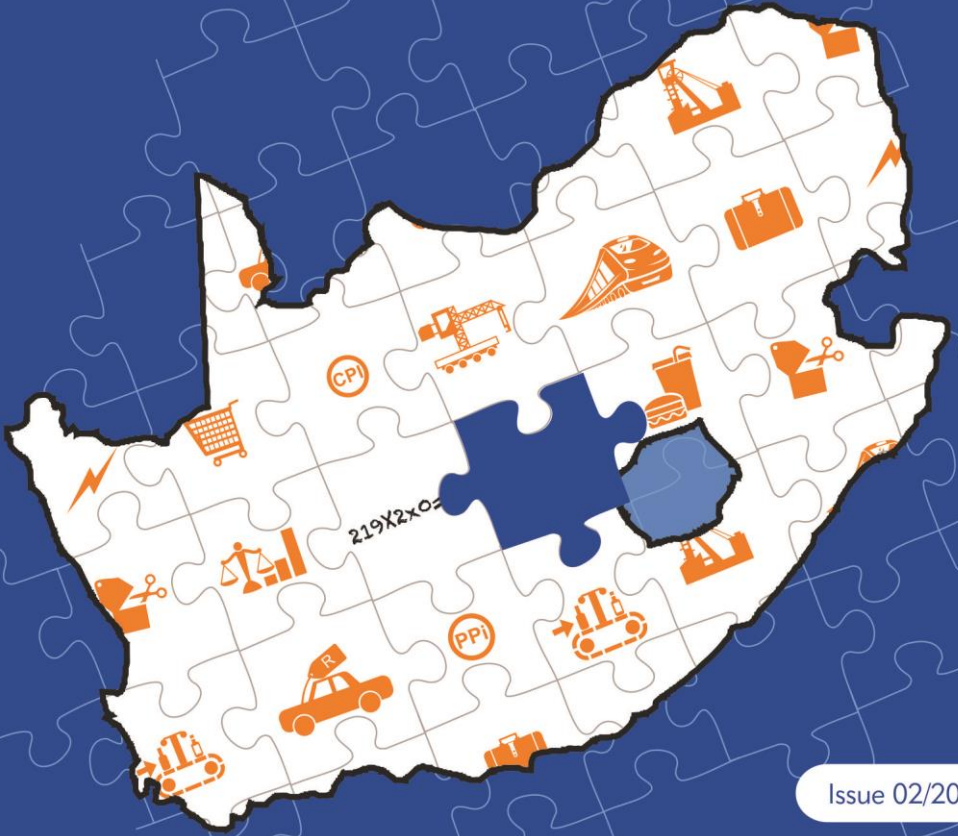


# Mbalo Brief



the missing piece of the puzzle

March 2019



Issue 02/2019

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND



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## Editor's comment

In the past few months, many companies such as hotels, restaurants and coffee shops started switching from plastic straws to paper straws as a response to the public outcry demanding action against the continued use of plastic straws. Even though this small straw may not seem like a lot at first, when its usage is added up, plastic straws create a big problem for the environment. This is because it can take up to 200 years for plastic straws to decompose and in most cases, they can't be recycled. Thus, if plastic straws find their way into the ocean, they can be easily ingested by marine animals and seabirds, which can lead to the death of these animals. Many other alternatives have been introduced such as corn, pasta, glass, papaya leaves and even seaweed straws. Although it will take a lot of time and effort to completely combat the use of plastic in general, this initiative is one step closer to a plastic-free world.

In this month's issue of Mbalo Brief, our educational article is based on the manufacturing industry. Also included in this issue is our monthly crossword puzzle.

Articles published in this issue are based on results from industry surveys conducted for the months ranging from December 2018 to January 2019.

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

Enjoy the read!





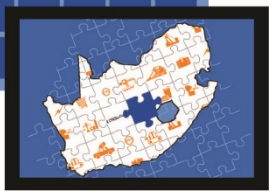
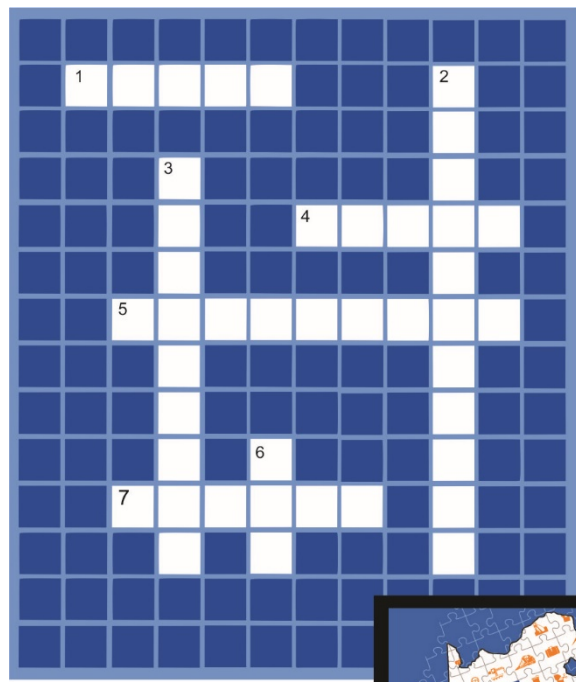
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### Crossword puzzle





### Across

1. In which month is International Women's Day celebrated?
4. What is the latest most popular alternative to plastic straws?
5. Which airline owned the flight (Boeing 737 Max 8) that recently crashed six minutes after take-off? ...Airlines.
7. Who is the newly elected president of Nigeria? Write surname only.

### Down

2. Who is the current speaker of the National Assembly? Write full name.
3. How many countries are in Africa?
6. Which natural mineral was discovered by the oil and gas company, Total, in deep water South of Mossel Bay?

## Solutions for February 2019 puzzle

### Across

3. May
4. Cwele
6. Western Cape
7. Lesotho

### Down

1. Shamila Batohi
2. JustNow
5. Mpati



## Educational article on the manufacturing industry

### Introduction

Although agriculture and, later, mining have historically dominated South Africa's economy, manufacturing became one of the most productive sectors in the early twentieth century. There are very few cases, if any, in economic history where a country has achieved sustainable economic development, without the contribution of manufacturing. The Manufacturing industry contributes directly to the gross domestic product (GDP), employment, exports and human capital development. Therefore there is a greater relationship between thriving manufacturing industry and positive economic growth. This article will focus on the manufacturing sector in 2018 by highlighting the growth in the volume of manufacturing production as well as the employment in the industry.

The information in this article is based on the results of the *Manufacturing: Production and sales, December 2018* release (statistical release P3041.2) which was published by Statistics South Africa (Stats SA) in February 2019; the *Manufacturing industry: Production*, Report 30-02-04 (2014), published in September 2016 and Finance Report 30-02-03 (2014).

### Volume of manufacturing production

Manufacturing production increased by 0,1% in December 2018 compared with 2,0% in December 2017. The largest positive contributions were made by food and beverages (3,8%, contributing 1,1 percentage points), followed by motor vehicles, parts and accessories and other transport equipment (7,0%, contributing 0,4 of a percentage point) then glass and non-metallic mineral products (9,7%, contributing 0,3 of a percentage point) divisions. These were counteracted by the largest negative contributions in petroleum, chemical products, rubber and plastic products (-3,0%, contributing -0,8 of a percentage point) and basic iron and steel, non-ferrous metal products, metal products and machinery (-2,8%, contributing -0,5 of a percentage point) divisions.



**Figure 1 – Growth in the volume of manufacturing production in 2018 compared with 2017, by division**

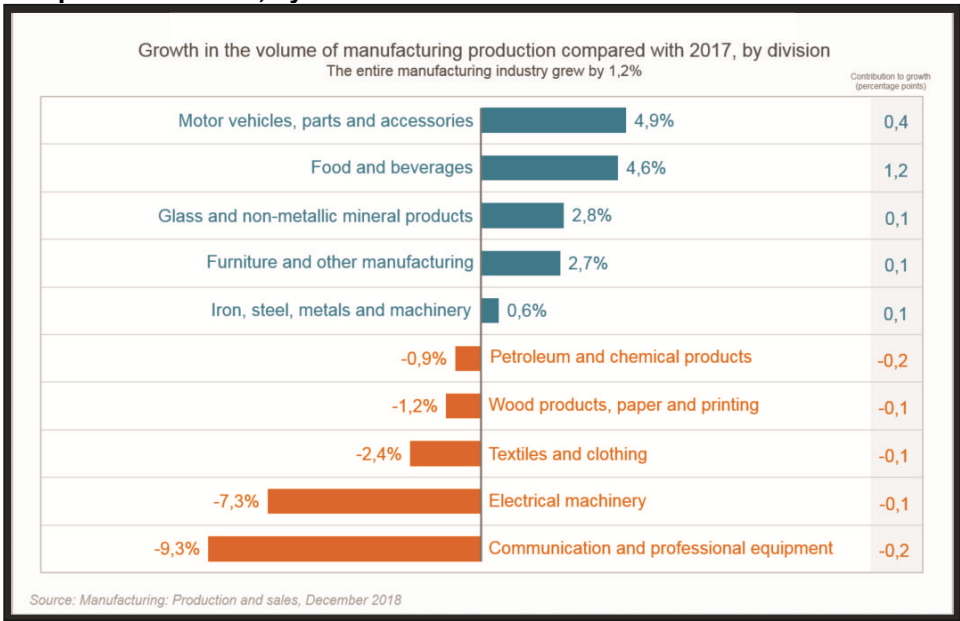


Figure 1 shows the growth in the volume of manufacturing production in 2018 compared with 2017, by manufacturing division.

In 2018, total manufacturing production increased by 1,2% compared with 2017. The largest contributions were made by the food and beverages division (4,6%, contributing 1,2 percentage points); followed by the motor vehicles, parts and accessories and other transport equipment (4,9%, contributing 0,4 of a percentage point). The division that contributed the least was the communication and professional equipment (-9,3%, contributing -0,2 of a percentage point).

Within this division, factories involved in the production of vehicle accessories had the highest increase in production, recording a 9,2% rise in activity. The motor vehicle manufacturing was the other notable performer. After two consecutive years of decline, motor vehicle production made a recovery in 2018 with a 3,5% growth rate.

The food and beverages division recorded the second highest growth rate in 2018 (up by 4,6%), contributing the most to overall manufacturing growth



(1,2 percentage point). Although all the food groups recorded an increase, the top three highest performing food groups were:

- 'other' food (including sugar) (up by 5,4%);
- dairy (up by 5,0%); and
- meat, fish and fruit (up by 4,2%).

The following manufacturing divisions recorded the lowest growth in 2018:

- Communication equipment, recording the highest decrease by -9,3%.
- Electrical machinery, decreasing by -7,7%.
- Textiles and clothing experienced its fourth consecutive year of production decline, declining by 2,4% in 2018. Manufacturers in wearing apparel products in particular, recorded the highest decline in production (-4,9%). This was followed by the leather products and textiles manufactures which recorded a decline in production by 3,9% and 3,3% respectively. The clothing sub-divisions that saw positive growth in 2018 were footwear (up by 3,5%) and the miscellaneous group 'other textile products' (up by 1,3%).
- Wood and paper, decreasing by 1,2%.
- Petroleum and chemical products, decreasing by 0,9%.

**Figure 2 – Annual percentage change in the volume of manufacturing production, 2012 – 2018**

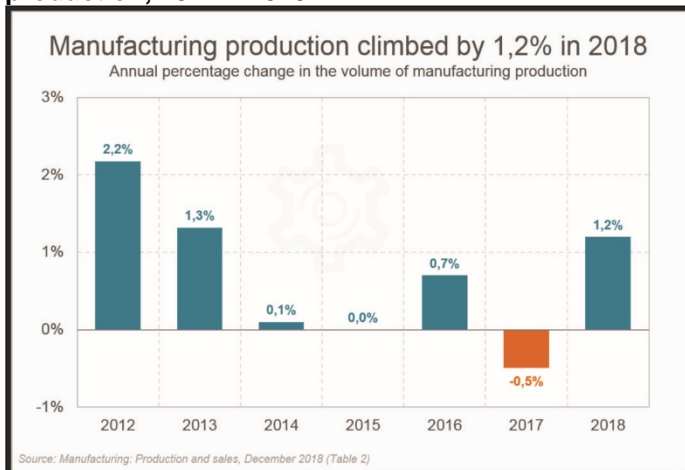




Figure 2 shows the annual percentage change in the volume of manufacturing production from 2012 to 2018.

As mentioned before, in 2018, the manufacturing industry increased by 1,2%, staging a rebound after recording a decrease of 0,5% in 2017. It also recorded its highest annual growth rate in five years from recording a 0,1% increase in 2014 to a flat growth rate in 2015.

**Figure 3 – Percentage contribution of manufacturing divisions to the total manufacturing value-added, 2018**

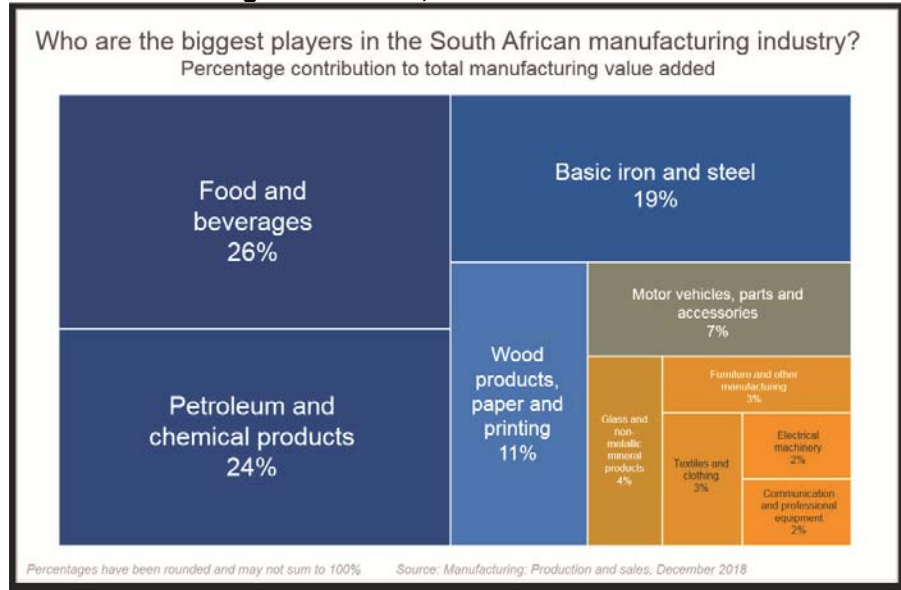



Figure 3 shows the percentage contribution of manufacturing divisions to the total manufacturing value-added in 2018.

In 2018, the manufacturing industry was the country’s fourth largest industry. Furthermore, the industry was the main driver of positive growth in the gross domestic product (GDP) in the third quarter of 2018, contributing 14% to the gross domestic product (GDP). The three industries which recorded a higher growth than manufacturing were: finance (20%), government (18%) and trade (15%).

In the manufacturing industry, the food and beverages division was the most important player, contributing 25% to total manufacturing



activity in 2018. This was followed by the petroleum and chemical products division, contributing 24% and the basic iron and steel division, contributing 19%. The divisions that contributed the least were the electrical machinery and communication and professional equipment, both contributing 2% to the total manufacturing activity in 2018.

## Employment in the manufacturing industry

In the third quarter of 2018, the number of individuals employed in South Africa increased by 92 000 compared to the second quarter of 2018 which recorded a decrease of 90 000 employees. However, when zooming into the manufacturing industry in the third quarter of 2018, the industry recorded a decrease of 25 000 employees compared to 105 000 employees in the second quarter of 2018.

A look back in 2014 in the manufacturing industry shows four interesting facts about the industry:

Firstly, 1,19 million people were employed in the manufacturing industry nationally. Furthermore, over half of these, were concentrated in three metros: Johannesburg (26%), Cape Town (13%) and eThekweni (13%).

Secondly, metals and machinery enterprises employed the largest number of individuals in the manufacturing industry 250 142 (21%), followed by the food and beverages 229 919 (19%) and petroleum and chemicals enterprises 175 450 (15%).

Thirdly, the petroleum and chemicals enterprise recorded the highest average salaries for employees working in this group of enterprises (R265 871 per annum), followed by electrical machinery (R246 760 per annum) and transport equipment (R231 607 per annum).

Lastly, in 2014 the number of people employed in the manufacturing industry has declined over the years, from 1,44 million in 2005 to 1,19 million in 2014. The job losses occurred across all manufacturing divisions with the exception of petroleum and chemicals, which created employment for 20 000 people in the same year. The largest drop in employment occurred in the textiles industry, which lost 91 000 jobs over this period.



## Conclusion

The manufacturing industry plays an important role in the growth of the economy of any country. In South Africa, the manufacturing industry has had some challenging times, to an extent of recording a negative growth rate in 2017. However, the industry started rebounding in 2018 and even played a major role in pulling the country out of recession in the third quarter of 2018.

# Primary industries

## Mining: Production and sales

### *Mining production continues to decrease*

South Africa's once steady gold sector seems to have fallen from grace. Although the country is still among the world's top ten gold producers, its gold output has fallen by 85% since 1980. In 2006, South Africa was the world's largest gold producer, a position it held for almost a century. However, by 2018, Forbes listed it as the eighth top gold producing country in the world, falling behind other countries such as China, Australia, Russia and USA. Some of the reasons for the decline in gold production are, depleting reserves, poor infrastructure and growing accident costs. With this waning production of gold, economists have suggested that the country will soon need to look beyond the precious metal as a major resource. Presented in this article is a summary of the mining: production and sales statistics for December 2018.

Mining production decreased by 4,8% year-on-year in December 2018 (**see Table A**). The negative contributors were:

- gold (-31,0%, contributing -4,6 percentage points);
- iron ore (-14,3%, contributing -2,1 percentage points);
- 'other' metallic minerals (-18,4%, contributing -0,5 of a percentage point);
- copper (-30,8%, contributing -0,3 of a percentage point); and
- chromium ore (-9,3%, contributing -0,3 of a percentage point).

The total mining production was 1,6% lower in 2018 compared with 2017. The 1,6% decrease in annual mining production followed an increase of 3,9% in 2017 preceded by a decrease of 3,7% in 2016.



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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Year-on-year % change, unadjusted	-3,5	-6,5	-2,0	0,5	-5,8	-4,8
Month-on-month % change, seasonally adjusted	-8,5	1,2	0,6	3,0	-6,5	-1,2
3-month % change, seasonally adjusted <sup>1/</sup>	4,5	3,2	-2,3	-1,7	-1,8	-1,0

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

A full release on *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 17,4% year-on-year in December 2018 (**see Table B**). The largest contributors to this increase were:

- PGMs (26,9%, contributing 5,6 percentage points);
- coal (19,3%, contributing 5,4 percentage points);
- iron ore (41,3%, contributing 4,1 percentage points); and
- manganese ore (44,8%, contributing 3,3 percentage points).

Total mineral sales were 5,2% higher in 2018 compared with 2017. The 5,2% increase in annual mineral sales followed increases of 8,4% in 2017 and 12,9% in 2016.

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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Year-on-year % change, unadjusted	-0,2	5,5	-2,7	3,8	10,7	17,4
Month-on-month % change, seasonally adjusted	-5,3	6,6	-4,3	9,4	2,3	4,2
3-month % change, seasonally adjusted <sup>1/</sup>	7,2	5,2	0,5	3,5	5,0	11,7

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

A full release on *Mining: production and sales* (Statistical release P2041) is available on the Stats SA website: [www.statssa.gov.za](http://www.statssa.gov.za)

## Secondary industries

### Manufacturing: Production and sales

#### *Manufacturing production increases*

The manufacturing industry is the fourth largest industry in South Africa. It contributed 14% to the gross domestic product (GDP) in 2018. It was also the main driver of the positive growth in the third quarter of 2018, helping lift the country out of recession. Not only does manufacturing play an important role in the national economy, but it is also an important source of employment, providing work for one in every ten individuals in South Africa's labour force. Thus, when this industry performs well it not only benefits individuals (who would be employed) but it also contributes to the growth of the economy. Presented in this article are the key results of the Manufacturing: Production and sales release for December 2018.

Manufacturing production increased by 0,1% in December 2018 compared with December 2017 (**see Table C**). The largest positive contributions were made by the following divisions:

- food and beverages (3,8%, contributing 1,1 percentage points);
- motor vehicles, parts and accessories and other transport equipment (7,0%, contributing 0,4 of a percentage point); and
- glass and non-metallic mineral products (9,7%, contributing 0,3 of a percentage point).

The largest negative contributions were made by the following divisions:

- petroleum, chemical products, rubber and plastic products (-3,0%, contributing -0,8 of a percentage point); and
- basic iron and steel, non-ferrous metal products, metal products and machinery (-2,8%, contributing -0,5 of a percentage point).



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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Year-on-year % change, unadjusted	2,7	1,6	-0,1	3,0	1,3	0,1
Month-on-month % change, seasonally adjusted	1,5	0,2	-0,9	1,2	0,4	0,7
3-month % change, seasonally adjusted <sup>1/</sup>	2,0	2,0	1,8	1,0	0,6	1,2

<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)

In 2018, total manufacturing production increased by 1,2% compared with 2017. The largest contributions were made by the following divisions:

- food and beverages (4,6%, contributing 1,2 percentage points); and
- motor vehicles, parts and accessories and other transport equipment (4,9%, contributing 0,4 of a percentage point).

## Selected building statistics of the private sector

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

When a building structure is erected, it is important that the materials used be tested to ascertain whether they are suitable for the erection of that specific building. For example, all timber materials used in the erection of a building should be tested and treated against termite and wood borer attacks and fungal decay, which can cause serious structural damage in buildings where wood is used. The local municipality may test or request any material or component to be used in the erection of any building to be tested to determine whether such material or component complies with the requirements of building regulations. If any material or component does not comply with the regulations, the local municipality may prohibit any further use of such material or component to erect such building. Presented in this article is a summary of the selected building statistics for December 2018.



The value of recorded building plans passed decreased by 1,6% (-R1 802,0 million) in 2018 compared with 2017 (see Table D).

Non-residential buildings fell by 13,8% (-R3 887,8 million). Increases were recorded for residential buildings (3,1% or R1 744,5 million) and additions and alterations (1,2% or R341,2 million).

The largest negative contributions to the total decrease of 1,6% (-R1 802,0 million) were made by:

- Gauteng (contributing -3,2 percentage points or -R3 665,1 million);
- KwaZulu-Natal (contributing -1,2 percentage points or -R1 325,5 million); and
- North West (contributing -0,5 of a percentage point or -R607,5 million).

Western Cape (contributing 1,5 percentage points or R1 718,0 million) and Mpumalanga (contributing 0,8 of a percentage point or R873,8 million) were the largest positive contributors.



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

Estimates at current prices	January to December 2017 <sup>1/</sup>	January to December 2018 <sup>1/</sup>	Difference in value between January to December 2017 and January to December 2018	% change between January to December 2017 and January to December 2018
	R'000	R'000	R'000	
<b>Residential buildings</b>	<b>55 749 953</b>	<b>57 494 488</b>	<b>1 744 535</b>	<b>3,1</b>
- Dwelling houses	33 645 044	33 128 191	-516 853	-1,5
- Flats and townhouses	21 234 962	22 766 799	1 531 837	7,2
- Other residential buildings	869 947	1 599 498	729 551	83,9
<b>Non-residential buildings</b>	<b>28 123 378</b>	<b>24 235 618</b>	<b>-3 887 760</b>	<b>-13,8</b>
<b>Additions and alterations</b>	<b>29 263 532</b>	<b>29 604 753</b>	<b>341 221</b>	<b>1,2</b>
<b>Total</b>	<b>113 136 863</b>	<b>111 334 859</b>	<b>-1 802 004</b>	<b>-1,6</b>

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

## Electricity generated and available for distribution

### *Electricity produced and consumed*

South African power utility Eskom has been facing many challenges such as cost reduction, governance crisis and revenue generation among others. In order to address some of these challenges, President Cyril Ramaphosa announced during his State of the Nation Address (SONA) on 7 February 2019 that Eskom will be unbundled (split a company into its constituent businesses) into three divisions – generation, transmission and distribution which would fall under an Eskom parent company. Amongst other things, the unbundling will assist to isolate costs and give responsibilities to each entity and enable Eskom to raise funding for its various operations easily from

funders and the market. Presented in this article is a summary of the electricity generated and distributed in January 2019.

Electricity generation (production) decreased by 2,1% year-on-year in January 2019 (see Table E).

**Table E – Key growth rates in the volume of electricity generated for January 2019**

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Year-on-year % change, unadjusted	-0,4	-0,8	0,8	-0,2	-1,6	-2,1
Month-on-month % change, seasonally adjusted	-0,6	0,4	0,8	-0,5	-0,3	-0,8
3-month % change, seasonally adjusted <sup>1/</sup>	-0,7	-0,4	-0,4	0,4	0,4	-0,3

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

Electricity distribution (consumption) increased by 0,1% year-on-year in January 2019 (see Table F).

**Table F – Key growth rates in the volume of electricity distributed for January 2019**

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Year-on-year % change, unadjusted	0,9	0,7	2,2	0,9	0,1	0,1
Month-on-month % change, seasonally adjusted	-0,1	-0,3	0,8	-1,2	0,9	-0,7
3-month % change, seasonally adjusted <sup>1/</sup>	0,0	0,3	-0,2	0,0	0,1	-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*

In order to generate profit, wholesalers and retailers use different pricing methods. Wholesalers apply wholesale price (the price charged for a product as sold in bulk to retailers or traders) and retailers use retail price (total price charged for a product sold to a customer, which includes the manufacturer's cost plus a retail increase). The wholesaler considers factors such as, among others, the cost of transporting goods and storage when selling the products in bulk to retailers. When a retailer resells goods bought from the wholesaler, it dismantles the bulk goods into units and sells to consumers to make profit. Presented in this article is a summary of the wholesale trade sales statistics for December 2018.

Wholesale trade sales increased by 0,3% in December 2018 compared with December 2017 (see **Table G**). The main positive contributors were dealers in:

- machinery, equipment and supplies (21,9%, contributing 2,5 percentage points); and
- solid, liquid and gaseous fuels and related products (10,6%, contributing 2,3 percentage points).

The main negative contributors were dealers in:

- food, beverages and tobacco (-10,7%, contributing -2,2 percentage points); and
- 'other' goods (-22,1%, contributing -2,1 percentage points).

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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Year-on-year % change, unadjusted	9,4	12,2	14,1	14,0	7,8	0,3
Month-on-month % change, seasonally adjusted	0,8	2,5	2,3	1,3	-2,7	-7,2
3-month % change, seasonally adjusted <sup>1/</sup>	4,1	4,2	5,7	5,3	4,2	-0,6

<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*

Competition in the retail industry is fierce and retailers battle each other for consumers in order to survive. This has seen retailers applying different types of competitions within their industry. One of the competitions is intra-brand competition. Intra-brand competition is competition among retailers or distributors of the same kind of brand. For example, specialty stores (retail businesses that focus on specific product) may sell a branded item such as a pair of jeans at a cheaper price than this clothing item is sold for in a department store (a retail establishment offering a wide range of consumer goods in different product categories known as departments). The competition occurs in order for the retailer to attract customers and make more profit. Presented in this article is a summary of the retail trade sales for December 2018.

Retail trade sales decreased by 1,4% year-on-year in December 2018 (see **Table H**). The largest negative contributions were recorded for retailers in:

- textiles, clothing, footwear and leather goods (-2,7%, contributing -0,6 of a percentage point); and
- general dealers (-1,0%, contributing -0,4 of a percentage point).

In 2018, retail trade sales increased by 2,1% compared with 2017. The main contributors to this increase were:

- all 'other' retailers (7,6%, contributing 0,9 of a percentage point); and
- retailers in household furniture, appliances and equipment (10,6%, contributing 0,5 of a percentage point).



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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Year-on-year % change, unadjusted	1,4	2,5	0,6	2,1	3,1	-1,4
Month-on-month % change, seasonally	1,4	0,7	-0,6	0,8	3,3	-4,8
3-month % change, seasonally adjusted <sup>1/</sup>	0,1	0,5	1,4	1,2	2,3	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 *Retail trade sales* (Statistical release P6242.1) is available on the Stats SA website: [www.statssa.gov.za](http://www.statssa.gov.za)

## Motor trade sales

### *Motor trade sales decrease*

On February 7, 2019, French oil and gas company Total, announced that it had found gas condensate on the Brulpadda Prospects, which is located on Block 11B/12B in the Outeniqua basin, 175 kilometers off the southern Cape coast of South Africa. This represents about a billion barrels of oil equivalent. Senior Vice President Exploration at Total, Kevin McLachlan, said that “With this discovery, Total has opened a new world-class gas and oil play and is well positioned to test several follow-on prospects on the same block.” Although it might be too soon to celebrate, this natural resource could be good for the motor industry as it could help with the fuel and energy security of the country and it will be a mechanism to help counter the country’s ever-rising fuel price. If all goes well, the country will not only enjoy the economic benefits, but this natural resource will also help in preserving the environment since gas is deemed to be cleaner and its emissions are 60% less than fossil fuels. Presented in this article is a summary of the Motor trade sales for December 2018.

Motor trade sales decreased by 4,5% year-on-year in December 2018 (**see Table I**). Negative annual growth rates were recorded for:

- new vehicle sales (-13,7%);
- workshop income (-12,6%);
- used vehicle sales (-9,7%); and
- sales of accessories (-3,9%).

In 2018, motor trade sales increased by 4,1% compared with 2017. The largest contributor was fuel sales (14,7%, contributing 3,8 percentage points).

Motor trade sales increased by 1,7% in the fourth quarter of 2018 compared with the fourth quarter of 2017. The main contributor was fuel sales (15,3%, contributing 4,1 percentage points).

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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Year-on-year % change, unadjusted	7,5	6,6	1,2	6,1	3,0	-4,5
Month-on-month % change, seasonally adjusted	-0,9	2,0	-0,7	1,5	-0,5	-4,2
3-month % change, seasonally adjusted <sup>1/</sup>	0,2	0,9	2,3	1,9	1,1	0,0

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

## Food and beverages

### *Income generated by food and beverages industry increases*

On 1 January 2019, South Africa's National Minimum Wage (NMW) legislation came into immediate effect, setting the minimum wage at R18,00 per hour for farmworkers, R15,00 per hour for domestic workers and R20 per hour across most other sectors of the economy. Employees who work in the food and beverages sector such as restaurants and coffee shops as well as fast-food and take-away outlets therefore fall in the R20,00 minimum wage category. This means employees who work a minimum of 45 hours per week in the hospitality industry are likely to earn a minimum of R3 600 a month. This excludes the costs that the employer will have to pay for their bonuses, uniform, tips and for providing them with meals. The Commission for Conciliation, Mediation and Arbitration (CCMA), may impose a fine that is the greater amount of twice the value of the underpayment and twice the employee's monthly wage on companies that do not comply with the Minimum Wage. Presented in this article is a summary of the key results for the Food and beverages statistical release for December 2018.



The total income generated by the food and beverages industry increased by 2,8% in 2018 compared with 2017 (**see Table J**).

In December 2018, total income increased by 5,9% year-on-year. Food sales grew by 7,0%.

The largest annual growth rate in December 2018 was recorded for restaurants and coffee shops (11,0%, contributing 5,6 percentage points).

Total income increased by 4,8% in the fourth quarter of 2018 compared with the fourth quarter of 2017. The main contributor to this increase was restaurants and coffee shops (6,7%, contributing 3,4 percentage points).

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

Type of income	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Food sales	0,1	4,2	1,0	3,0	7,7	7,0
Bar sales	-7,0	-6,9	-7,1	-9,8	-5,9	-5,8
Other income	-7,8	-1,2	-6,8	-8,8	-24,3	-9,3
<b>Total</b>	<b>-0,4</b>	<b>3,5</b>	<b>0,4</b>	<b>2,1</b>	<b>6,3</b>	<b>5,9</b>

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

## Tourist accommodation

***Total income for the tourist accommodation industry remains unchanged at 0,0%***

The words ‘sustainable’, ‘eco-friendly’ and ‘responsible’ have become synonymous words when one is talking about tourism. This is because eco-friendly tourism is fast becoming a trend and tourists are becoming more attuned to the environmental impact of tourism. This also affects how some eco-conscious tourists choose their accommodation. Some prefer hotels and/or guests houses that are considered to be green. These would normally follow strict green guidelines to ensure that their guests are staying in a safe, non-toxic and energy efficient accommodation by limiting water



waste, conserving energy, serving local and organic food and using paper straws among other things. Presented in this article are the key results of the Tourist accommodation release for December 2018.

Total income for the tourist accommodation industry was flat in 2018 compared with 2017 (**see Table K**). Income from accommodation was also flat over the same period.

In December 2018, total income for the tourist accommodation industry decreased by 2,9% year-on-year. Income from accommodation decreased by 1,1% year-on-year in December 2018, the result of a 2,5% decrease in the number of stay unit nights sold and a 1,4% increase in the average income per stay unit nights sold.

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

- caravan parks and camping sites (-19,4%);
- guest-houses and guest-farms (-12,2%); and
- hotels (-4,2%).

The main negative contributor to the 1,1% year-on-year decrease in income from accommodation in December 2018 was hotels (contributing -2,6 percentage points).

Income from accommodation increased by 0,9% in the fourth quarter of 2018 compared with the fourth quarter of 2017. The main contributor to this increase was 'other' accommodation (9,1%, contributing 2,4 percentage points).

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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Stay units available	0,4	0,2	-0,1	-0,1	-0,2	-0,1
Stay unit nights sold	-4,9	-0,8	-0,7	-0,9	-3,4	-2,5
Average income per stay unit nights sold	5,4	2,7	5,2	0,5	8,3	1,4
Income from accommodation	0,2	1,9	4,5	-0,4	4,6	-1,1
<b>Total income <sup>1/</sup></b>	-2,1	4,8	3,9	-0,8	2,7	-2,9

<sup>1/</sup> Includes restaurant and bar sales and 'other' income.



## Tourism and migration

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

Many countries require citizens of other nationality to obtain a visa before they enter their country for a specific purpose such as holiday, education or business amongst other. A visa is an endorsement on a passport indicating that the holder is allowed to enter, leave, or stay for a specified period of time in a country. The visa requirements for international travelling differ from country to country, whereas some countries are visa-free meaning that one does not require a visa to enter the country. The United States of America is one of the countries that requires a visa from foreign travellers entering the country, including South African travellers. For South Africans who wish to travel to the United States of America (USA) should apply for a U.S visa which will be placed in their traveller's passport. The application process of the USA visa is done before travelling and an approval should be issued first before one travels to the country. You will not enter the USA without a Visa. However, other countries such as Ghana, offer a visa-on-arrival which allows citizens of the African Union (except Morocco) member states that are not visa exempt to get visas for a maximum stay of 30 days upon arriving in the country. Visa is granted on arrival for holders of a copy of a pre-arranged approval from immigration. Presented in this article is a summary of the tourism and migration statistics for December 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 4 735 894 travellers (arrivals, departures and transits) passed through South African ports of entry in December 2018 (**see Table L**). These travellers were made up of 1 475 699 South African residents and 3 260 195 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 630 785 arrivals, 843 975 departures and 939 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 594 112, 1 605 326 and 60 757, respectively.

A comparison between the movements in December 2017 and December 2018 indicates that the volume of arrivals increased for both South African residents and foreign travellers whereas the volume of departures increased for South African residents but decreased for foreign travellers. Travellers in

transit increased for both groups. For South African residents, the volume of arrivals increased by 6,7% (from 590 949 in December 2017 to 630 785 in December 2018), departures increased by 4,7% (from 805 778 in December 2017 to 843 975 in December 2018), and transits increased by 3,9% (from 904 in December 2017 to 939 in December 2018). For foreign travellers, arrivals increased by 2,1% (from 1 561 724 in December 2017 to 1 594 112 in December 2018), departures decreased by 1,0% (from 1 621 875 in December 2017 to 1 605 326 in December 2018), and transits increased by 3,6% (from 58 618 in December 2017 to 60 757 in December 2018).

A comparison between the movements in November 2018 and December 2018 indicates that the volume of arrivals and departures increased for both South African residents and foreign travellers. Travellers in transit increased for South African residents but decreased for foreign travellers. For South African residents, the volume of arrivals increased by 44,4% (from 436 946 in November 2018 to 630 785 in December 2018), departures increased by 85,5% (from 455 068 in November 2018 to 843 975 in December 2018), and transits increased by 19,6% (from 785 in November 2018 to 939 in December 2018). For foreign travellers, arrivals increased by 18,8% (from 1 341 316 in November 2018 to 1 594 112 in December 2018), departures increased by 33,7% (from 1 200 690 in November 2018 to 1 605 326 in December 2018), and transits decreased by 12,4% (from 69 342 in November 2018 to 60 757 in December 2018).

### Mode of travel

In December 2018, road transport was the most common mode of travel used by 3 449 756 (72,8%) of the 4 735 894 travellers. The total number of travellers who used air transport was 1 235 803 (26,1%). Compared to the use of air and land transport, a small number of travellers, 50 335 (1,1%) used sea transport. Information on arrivals of South African residents shows that 227 644 (36,1%) came by air, 386 548 (61,3%) came by road and 16 593 (2,6%) arrived by sea transport. For departures, 292 037 (34,6%) used air, 533 723 (63,2%) used road and 18 215 (2,2%) left by sea transport. All travellers in transit, 939 (100,0%) used air transport.

In the case of foreign travellers, 345 929 (21,7%) arrived by air, 1 240 024 (77,8%) came by road and 8 159 (0,5%) arrived by sea transport. When departing South Africa, 308 497 (19,2%) foreign travellers left by air, 1 289 461 (80,3%) left by road and 7 368 (0,5%) left by sea transport. All travellers in transit 60 757 (100,0%) used air transport. Table 2 on page 13 further



shows that of the 508 193 same-day visitors, an overwhelming majority, 488 474 (96,1%) arrived in the country by road, 19 512 (3,8%) flew into the country; and 207 (less than 0,1%) arrived by sea transport. Information on tourists shows that 691 170 (68,6%) used road transport, 313 470 (31,1%) came by air transport and 2 515 (0,2%) arrived by sea transport.

### **Purpose of visit**

In December 2018, the majority of tourists, 990 438 (98,3%), were in South Africa for holiday<sup>1</sup> compared to 13 447 (1,3%); 2 873 (0,3%) and 397 (less than 0,1%) who were in South Africa for business, study and for medical treatment respectively.

### **Sex and age distribution**

There were 531 967 (52,8%) male and 475 188 (47,2%) female tourists in December 2018. Overseas tourists were made up of 134 333 (51,8%) male tourists and 125 070 (48,2%) female tourists. There were 387 512 (53,1%) male and 342 889 (46,9%) female tourists from SADC countries. Tourists from 'other' African countries were made up of 9 385 (58,3%) male and 6 717 (41,7%) female tourists.

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

Travel direction	December 2017	November 2018	December 2018	% change between November and December 2018	% change between December 2017 and December 2018
<b>Total</b>	<b>4 639 848</b>	<b>3 504 147</b>	<b>4 735 894</b>	<b>35,2%</b>	<b>2,1%</b>
<b>South African residents</b>	1 397 631	892 799	1 475 699	65,3%	5,6%
Arrivals	590 949	436 946	630 785	44,4%	6,7%
Departures	805 778	455 068	843 975	85,5%	4,7%
Transit	904	785	939	19,6%	3,9%
<b>Foreign travellers</b>	<b>3 242 217</b>	<b>2 611 348</b>	<b>3 260 195</b>	<b>24,8%</b>	<b>0,6%</b>
Arrivals	1 561 724	1 341 316	1 594 112	18,8%	2,1%
Departures	1 621 875	1 200 690	1 605 326	33,7%	-1,0%
Transit	58 618	69 342	60 757	-12,4%	3,6%
<b>Foreign arrivals</b>	<b>1 561 724</b>	<b>1 341 316</b>	<b>1 594 112</b>	<b>18,8%</b>	<b>2,1%</b>
Non-visitors	82 894	78 770	78 764	-0,01%	-5,0%
Visitors	1 478 830	1 262 546	1 515 348	20,0%	2,5%
<b>Visitors</b>	<b>1 478 830</b>	<b>1 262 546</b>	<b>1 515 348</b>	<b>20,0%</b>	<b>2,5%</b>
Arrivals only	368 060	307 132	368 845	20,1%	0,2%
Single trips	543 146	481 538	569 018	18,2%	4,8%
Multiple trips	567 624	473 876	577 485	21,9%	1,7%
<b>Visitors</b>	<b>1 478 830</b>	<b>1 262 546</b>	<b>1 515 348</b>	<b>20,0%</b>	<b>2,5%</b>
Same-day	487 251	387 374	508 193	31,2%	4,3%
Tourists	991 579	875 172	1 007 155	15,1%	1,6%

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 judgements for debt decreases*

There are different types of consumer debts in South Africa, home loans, credit cards and medical debts, amongst others. Although every consumer has an obligation to honour their debt repayment, many still fail to do so due to their financial circumstances. However, a consumer can be exempt from paying such debt through the process of debt prescription. Debt is said to be extinguished by prescription when the debtor has been unable to service the debt and the creditor had not brought any legal action against them for a period of time as indicated by the Prescription Act, 1969 (Act No. 68 of 1969). According to this Act, the period of extinguishing debt is three years, subject to the non-acknowledgement of such debt and no summonses having been issued within the past three consecutive years. However not all debt prescribes in three years. A 30 year prescription period relates to a home loan, municipal accounts etc., whereas a three year prescription period relates to retail accounts, gym membership, cellphone accounts etc. This means the creditor may not institute legal action against the debtor for extinguished debt. Provided in this article is a summary of the statistics of civil cases for debt for December 2018.

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

The total number of civil summonses issued for debt decreased by 6,4% in 2018 compared with 2017 (**see Table M**).

The largest contributors to the 6,4% decrease were civil summonses relating to:

- promissory notes (contributing -2,2 percentage points);
- money lent (contributing -2,2 percentage points); and
- services (contributing -1,0 percentage point).

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

The total number of civil judgements recorded for debt decreased by 5,7% in 2018 compared with 2017.

The positive contributors to the 5,7% decrease were civil judgements relating to:

- money lent (contributing -3,9 percentage points);
- promissory notes (contributing -1,2 percentage points); and
- 'other' debts (contributing -1,0 percentage point).



## The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt was 2,5% lower in 2018 compared with 2017.

The largest negative contributors to the 2,5% decrease were value of judgements relating to:

- money lent (contributing -4,0 percentage points); and
- promissory notes (contributing -1,1 percentage points).

In 2018, 215 852 civil judgements for debt amounting to R3 850,4 million were recorded. The largest contributors to the value of judgements were:

- money lent (R1 006,4 million or 26,1%);
- 'other' debts (R853,6 million or 22,2%); and
- services (R780,1 million or 20,3%).

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

Actual estimates	December 2018	% change between December 2017 and December 2018	% change between October to December 2017 and October to December 2018	Annual % change between 2017 and 2018
Number of civil summonses issued for debt	30 066	-20,0	-11,2	-6,4
Number of civil judgements recorded for debt	11 672	-15,1	-2,7	-5,7
Value of civil judgements recorded for debt (R million)	240,9	-14,2	-7,6	-2,5

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



## Statistics of liquidation and insolvency

### Number of liquidations increases

A voluntary liquidation takes place when a company or close corporation, by own choice, resolves to wind-up its affairs. When a company is liquidated, there is a statutory order of payment, which must be followed when paying creditors of the company. One type of creditor is the Preferential Creditor. A preferential creditor, referred to as preferred creditor in some jurisdictions, is an individual or organisation that has priority in being paid the money it is owed if the debtor declares bankruptcy. In other words such an individual or organisation's right to payment is given high preference since it is deemed more important than others. Preferred creditors include employees' remuneration (up to a prescribed amount) and the South African Revenue Service (SARS). Presented in this article are the key results of the Liquidation and insolvencies release for January 2019.

The total number of liquidations increased by 37,6% (38 more liquidations) in January 2019 compared with January 2018 (see **Table N**). Voluntary liquidations increased by 32 cases and compulsory liquidations increased by 6 cases during this period. There was a decrease of 7,5% in the three months ended January 2019 compared with the three months ended January 2018.

**Table N – Total number of liquidations for January 2019**

Number of liquidations January 2019	% change between January 2018 and January 2019	% change between November 2017 to January 2018 and November 2018 to January 2019
139	37,6	-7.5

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 5,6% in 2018 compared with 2017 (see **Table O**). In December 2018 the number of insolvencies increased by 94,1% year-on-year to 198 from a low base of 102 in December 2017. A 37,0% increase was estimated between the fourth quarter of 2017 and the fourth quarter of 2018.



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

Number of insolvencies December 2018	% change between December 2017 and December 2018	% change between October to December 2017 and October to December 2018	% change between January to December 2017 and January to December 2018
198	94,1	37,0	-5,6

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***

Road transport is one of the main forms of land transport which allows the movement of people, animals and goods from one location to another on land. In order to ensure maintenance of the roads, the toll system was introduced. The toll tariffs increase is used as a strategy by the South African National Roads Agency Limited and National Roads Act, 1998 (Act No. 7 of 1998) to allow the Minister of Transport to determine the tolls to be levied, and the rebates thereon and any increases and reductions thereof. The minister of the Department of Transport, Blade Nzimande, has approved the increase of toll fees by 4,5% on national roads which became effective on 01 March 2019. According to the South African National Road Agency (SANRAL), an entity of the Department of Transport responsible for the management, maintenance and development of South Africa's national road network, indicated that the changes to the tolls were also in-line with the consumer price index (CPI) and value added tax (VAT) increases. Presented in this article is a summary of the land transport survey results for December 2018.

The volume of goods transported (payload) increased by 6,5% in 2018 compared with 2017 (**see Table P**). The corresponding income increased by 7,7% over the same period.

Income from freight transportation increased by 10,4% in the fourth quarter of 2018 compared with the fourth quarter of 2017. The main contributors to this increase were:

- primary mining and quarrying products (17,1%, contributing 5,9 percentage points); and



- agriculture and forestry primary products (16,3%, contributing 1,3 percentage points).

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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Freight payload	8,0	7,9	6,2	7,0	13,3	9,2
Freight income	6,1	8,7	7,5	8,3	13,3	9,4

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 10,5% in 2018 compared with 2017. The corresponding income decreased by 2,1% over the same period. In December 2018 the number of passenger journeys decreased by 8,6% year-on-year (**see Table Q**). The corresponding income increased by 6,1% over the same period.

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

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Passenger journeys	6,2	-9,6	-10,4	-12,5	-5,0	-8,6
Passenger income	0,9	-1,6	-5,2	2,9	3,0	6,1

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)

## Prices

### Producer price index (PPI)

#### *PPI at 4,1%*

The South African cement industry is faced with an excessive influx of cement imports which pose a threat (for survival) to local producers. As a result, the local cement producer Pretoria Portland Cement (PPC) has urged the International Trade Administration Commission (ITAC) to impose tariffs to all countries to curb the influx of cement imports. According to PPC, the majority of cement imports are from Pakistan, China and Vietnam. This came after PPC complained about overcapacity – the situation in which an industry or factory cannot sell as much as its plant is designed to produce – in the local cement industry and market. Overcapacity has caused some producers to record less profit while others sold many cements but at a cheaper price which led to failure to recover operational costs. Owing to the current gloomy economic environment in the cement industry, PPC hopes for a total ban on cement imports. Presented in this article is a summary of the PPI statistics for January 2019.

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

The annual percentage change in the PPI for final manufactured goods was 4,1% in January 2019 (compared with 5,2% in December 2018) (see **Table R**).

From December 2018 to January 2019 the PPI for final manufactured goods decreased by 0,8%. The main contributors to the annual rate of 4,1% were coke, petroleum, chemical, rubber and plastic products (1,2 percentage points), food products, beverages and tobacco products (0,9 of a percentage point) and paper and printed products (0,6 of a percentage point).

The main contributor to the monthly decrease of 0,8% was coke, petroleum, chemical, rubber and plastic products (-0,8 of a percentage point).



## Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 3,8% in January 2019 (compared with 5,0% in December 2018) (see **Table R**).

From December 2018 to January 2019 the PPI for intermediate manufactured goods decreased by 1,5%. The main contributors to the annual rate of 3,8% were basic and fabricated metals (1,8 percentage points) and chemicals, rubber and plastic products (1,6 percentage points). The main contributors to the monthly decrease of 1,5% were chemicals, rubber and plastic products (-0,6 of a percentage point), and basic and fabricated metals (-0,4 of a percentage point).

## Electricity and water

The annual percentage change in the PPI for electricity and water was 5,5% in January 2019 (compared with 7,7% in December 2018) (see **Table R**). From December 2018 to January 2019 the PPI for electricity and water decreased by 0,8%. The contributors to the annual rate of 5,5% were electricity (3,9 percentage points) and water (1,6 percentage points). The contributor to the monthly decrease of 0,8% was electricity (-0,9 of a percentage point).

## Mining

The annual percentage change in the PPI for mining was 7,7% in January 2019 (compared with 6,0% in December 2018) (see **Table R**). From December 2018 to January 2019 the PPI for mining decreased by 0,1%. The main contributors to the annual rate of 7,7% were non-ferrous metal ores (3,8 percentage points), gold and other metal ores (3,7 percentage points) and coal and gas (2,6 percentage points). The main contributor to the monthly decrease of 0,1% was coal and gas (-1,3 percentage points).

## Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was -3,0% in January 2019 (compared with -3,9% in December 2018) (see **Table R**). From December 2018 to January 2019 the PPI for agriculture, forestry and fishing decreased by 0,2%. The main contributor to the annual rate of -3,0% was agriculture (-3,8 percentage points). The

main contributor to the monthly decrease of 0,2% was agriculture (-0,3 of a percentage point).

**Table R – Key PPI figures for January 2019**

Product	Weight	Index (2016=100)			% change	
		January 2018	December 2018	January 2019	January 2019 vs December 2018	January 2019 vs January 2018
Final manufactured goods	100,00	105,5	110,7	109,8	-0,8	4,1
Intermediate manufactured goods	100,00	102,9	108,4	106,8	-1,5	3,8
Electricity and water	100,00	104,6	111,3	110,4	-0,8	5,5
Mining	100,00	104,4	112,5	112,4	-0,1	7,7
Agriculture, forestry and fishing	100,00	105,3	102,3	102,1	-0,2	-3,0

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)

### **Headline CPI at 4,0% in January 2019**

Although the price of goods and services continues to increase following the value-added tax (VAT) that increased from 14% to 15% on 01 April 2018, a few basic items remained zero-rated to date. Zero-rated items are goods that are exempt from VAT. The 19 basic food items that are zero-rated include maize meal, pilchards in tins, milk and eggs. In addition to the 19 zero-rated items, the Minister of Finance, Tito Mboweni, made an announcement during his medium-term budget speech on 24 October 2018 that the VAT-exempt list would be expanded to include three more items from 01 April 2019. The three additional items are sanitary pads, bread flour and cake flour, which are commonly used by many consumers. Presented in this article is a summary of the consumer price index for January 2019.

Annual consumer price inflation was 4,0% in January 2019, down from 4,5% in December 2018 (**see Table S**). The consumer price index decreased by 0,2% month-on-month in January 2019.



The following contributed to the headline annual consumer price inflation:

- Transport decreased from 0,9 of a percentage point in December 2018 to 0,4 of a percentage point in January 2019. The index increased by 2,9% year-on-year.
- Miscellaneous goods and services decreased from 0,9 of a percentage point in December 2018 to 0,8 of a percentage point in January 2019. The index increased by 5,3% year-on-year.

The following contributed to monthly consumer price inflation:

- Food and non-alcoholic beverages contributed 0,2 of a percentage point. The index increased by 1,4% month-on-month.
- Transport contributed -0,5 of a percentage point. The index decreased by 3,3% month-on-month, mainly because of fuel (-10,2%).

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

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

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg <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	108,5	108,4	108,9	109,4	109,6	109,4	107,8
	Rate	4,4	4,0	3,8	4,5	4,4	4,6	5,1	4,9	4,9	5,1	5,2	4,5	4,7
2019	Rate	109,2												
	Index	4,0												

<sup>1/</sup> 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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