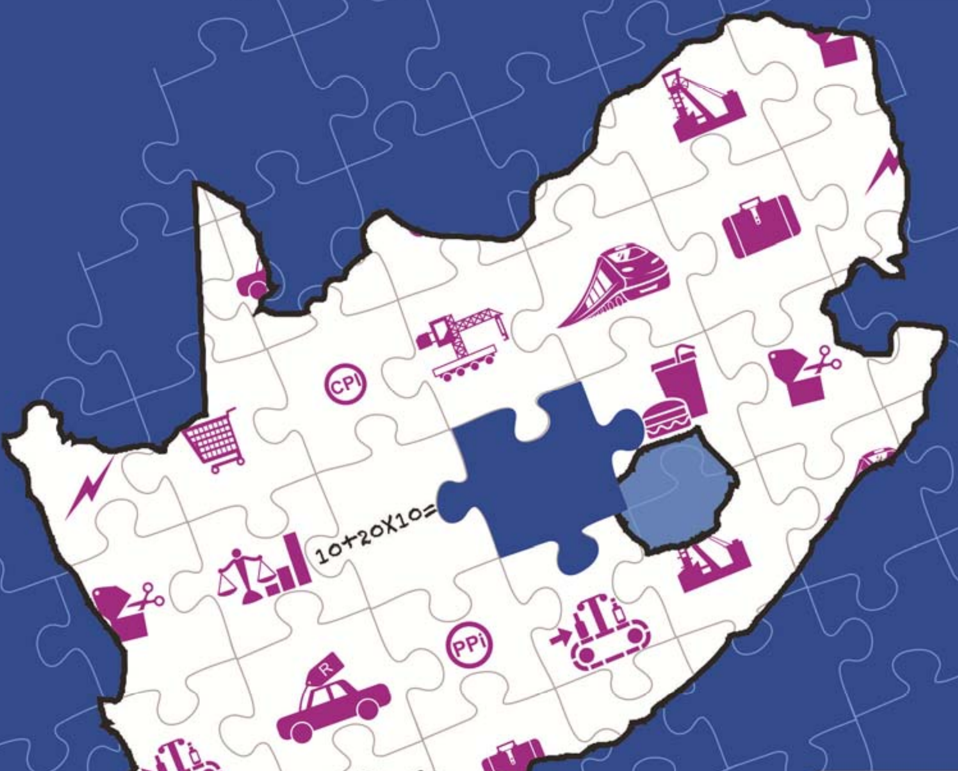
Mbalo Brief

the missing piece of the puzzle

June 2019



Issue 05/2019

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND

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Editor's comment

After every five years, the national and provincial elections take place where South Africans elect their preferred President and the five-year-term for cabinet ministers elapses. On 08 May 2019 marked the 5th democratic elections and saw Cyril Ramaphosa being unanimously elected as the president of South Africa. A few days after his swearing in, President Cyril Ramaphosa announced his new cabinet, and that included reducing the number of ministers and their deputies from 36 to 28. The president reduced the size of his cabinet in order to reduce government spending. President Ramaphosa has also combined a number of departments in the process of reconfiguring the state, which he said was still ongoing. Some of the combined departments were Trade and Industry with Economic Development, Higher Education and Training with Science and Technology, Environmental Affairs with Forestry and Fisheries, Agriculture with Land Reform and Rural Development, Mineral Resources with Energy, Human Settlements with Water and Sanitation *and* Sports and Recreation with Arts and Culture. He further added responsibility for infrastructure to the Department of Public Works and the one for employment to the Department of Labour.

In this month's issue of *Mbalo Brief*, our educational article is based on the results of the food security report titled *Towards measuring food security in South Africa: an examination of hunger and food inadequacy,* Report No. 03-00-14 (2017), published on 28 March 2019. The article provides information on the extent of households' experiences of hunger and access to food, as well as to provide insight on the location and the profile of households that are food insecure in terms of access to food and exposure to hunger. Also have a look at our monthly crossword puzzle and solutions for the May 2019 puzzle.

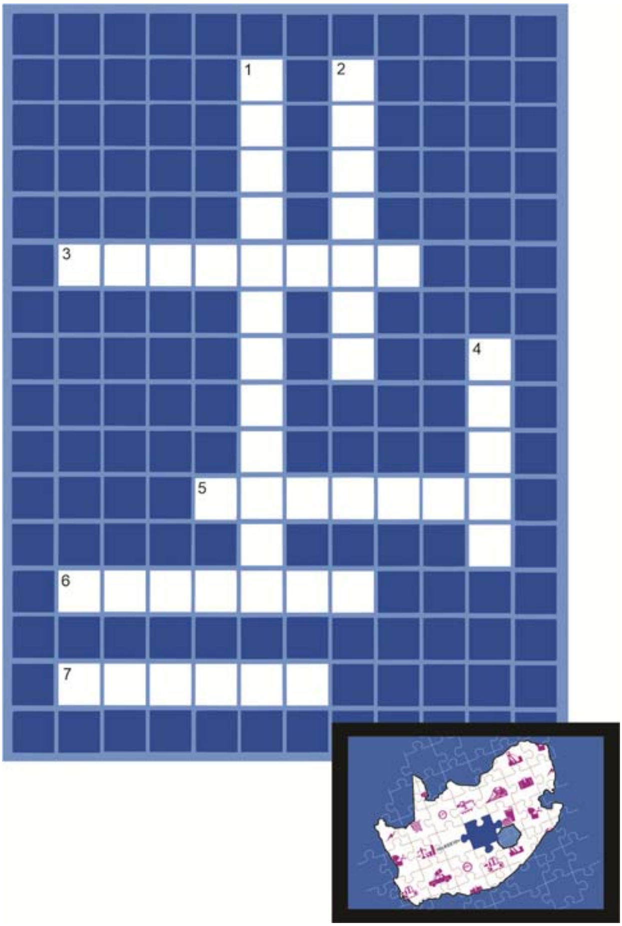
Articles published in this issue are based on results of industry surveys conducted for the months ranging from March to April 2019.

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

Enjoy the read.

Contents

Crossword puzzle



Across

3. Which holiday is celebrated on 16 June every year in South Africa?
5. What is the name of the newly appointed minister in the Presidency?
6. The South African national cricket team is also known as.............
7. Which power station has synchronised unit 3 to the national grid to produce electricity? Read Electricity generated and available for distribution article for clue

Down

1. In which province is The Big hole located?
2. Name one of the countries hosting the 2019 Cricket World Cup?
4. Which country was the leading exporter of gold in 2018? Read Mining: Production and sales article for clue

Solutions for May 2019 puzzle

Across

2. Train
4. True
5. Private

Down

1. Frederick
3. Loftus
5. Public
6. IEC

Educational article on food security in South Africa

1. Introduction

Recently, food and hunger issues have received increased attention. The impact of climate change and tough economic conditions put new and additional stress on food systems. According to the Food and Agriculture Organization (FAO), approximately 821 million people in the world were undernourished in 2017. The South African government has taken measures to promote food security and to domesticate international indicators on food security to monitor development in different organs of state. Furthermore, an inter-ministerial National Food Security and Nutrition Plan has been developed by the government. This is in line with the National Development Plan (NDP), which recognises agricultural productivity and rural development among the essential priorities for creating employment, economic growth, reducing poverty and addressing food security in South Africa.

The purpose of this article is to present the extent of food security in South Africa by looking at households' involvement in agricultural activities, level of adequacy in accessing food as well as experiences of hunger. The article is based on the results of the food security report titled *Towards measuring food security in South Africa: an examination of hunger and food inadequacy,* Report No. 03-00-14 (2017), published on 28 March 2019.

2. Background

The right to food is enshrined in the South African Constitution. Section 27(1) (b) of the Constitution states that "everyone has the right to sufficient food and water" and section (27) (b) emphasises that "the State must formulate reasonable legislative efforts and take other measures within its available resources, to achieve the progressive realisation of these rights." The right to food requires that food be available, accessible, and adequate for everyone without discrimination. The Department of Agriculture, Forestry and Fisheries (DAFF) is responsible for developing agricultural policies and initiate support programmes to ensure that South Africans are able to produce their own food and reduce food insecurity. The Food and Nutrition Security Policy is key in achieving the objectives of the National Development Plan (NDP) and that of the global Sustainable Development Goals (SDGs). Goal 2 of the SDGs commits to ending hunger, achieving food security, improved nutrition, and promote sustainable agriculture by 2030.

Various studies have established that there is a relationship between food security, unemployment, poverty and inequality. The same has been highlighted in the NDP. According to the NDP, food insecurity is both a cause and a consequence of poverty. Research on poverty in South Africa shows that the unyielding poverty stance in South Africa is attributed to former policies of the apartheid regime that purported racial inequality, segregation and unsustainable settlement patterns. The Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013), however, redresses access to land for the previously disadvantaged and protects prime agricultural land and environmental resources.

2.1 The link between poverty and inequality in South Africa

Changes in the cost of living (i.e. price changes for goods and services) require that regular adjustments be made to the national poverty lines (NPLs) to maintain their integrity and relevance over time. The most common change made is to annually adjust the NPLs using the consumer price index (CPI) series. Since this article is based on results obtained in 2017, the food poverty line referred to here is based on the 2017 price, which was R531 per person per month. This refers to the amount of money that an individual will need in order to afford the minimum required daily food intake. This is also commonly referred to as the ‘extreme’ poverty line.

From the period 2006 to 2009, South Africa experienced an increase in the proportion of people living below the food poverty line. The food poverty line rose from 28,4% in 2006 to 33,5% in 2009. This increase was followed by a decline of 12,1 percentage points by 2011 to 21,4%, but was further followed by an increase of 3,8 percentage points to 25,2% in 2015. The increase in food poverty noted in 2009 coincided with the global economic recession of 2008 that also affected South Africa.

One of the tools used by Stats SA to measure poverty and deprivation in the country is the South African Multidimensional Poverty Index (SAMPI). SAMPI was constructed using the following four dimensions of poverty:

- Health (nutrition and child mortality);
- Education (years of schooling and school attendance);
- Living standards (fuel for cooking, lighting and heating, sanitation, water, type of dwelling, and assets); and
- Economic activity (adult unemployment).

According to SAMPI, multidimensional poverty in South Africa declined from 17,9% in 2001 to 7% in 2016. Eastern Cape (30,2%), KwaZulu-Natal (22,3%) and Limpopo (21,8%) were provinces that had the highest poverty headcount rates in 2001. The SAMPI results show that after 10 years, poverty decreased by almost half in 2011 in most of the provinces, particularly those that had the highest poverty rates in 2001. In 2011, the country witnessed a decrease in hunger, poverty and inadequate access to food.

Whilst poverty declined, however, inequality remained high in South Africa The income per capita Gini coefficient (income inequality) remained close to 0,70 (0,72 in 2006; 0,69 in 2009; 0,69 in 2011; and 0,68 in 2015). This high level of inequality may partly explain the contrasting scenarios of South Africa being food secure at national level but not at household level, as 6,8 million people experienced hunger while 10,4 million had inadequate access to food in 2017.

While there is sufficient food available for everyone in South Africa through domestic food production and food imports, the means to access food at household level is still a challenge to some as indicated by the high levels of income inequality (e.g. the income gap in 2015 was 0,51). High levels of unemployment further exacerbates the situation. According to the *Quarterly labour force survey* (QLFS), the unemployment rate reached 27,5% in the third quarter of 2017.

2.2 Impact of drought and household involvement in agricultural activities

Drought and climate variability and its extremes reduce crop yield. They also affect exports and imports as affected countries try to compensate for domestic production. For instance, the Western Cape province in South Africa was the hardest hit by drought in 2018. Cape Town and surrounding areas have been receiving below average monthly rainfall since 2015. This led to the imposing of water restrictions through water cuts and a limit on the litres of water that could be used daily. The drop in agricultural production in the country was one of the contributors to the contraction of the gross domestic product (GDP) in 2018.

Household agricultural production has not been spared from the impact of drought. Between 2011 and 2016, South Africa experienced a decline in the proportion of households involved in agricultural activities. In 2011, about 2,9 million households (19,9%) reported that they were involved in agricultural activities. In 2016, this declined by 6,1 percentage points to 2,3 million households (13,8%). The decrease in households' agricultural production, however, occurred in all provinces and not just the Western Cape.

2.3 Households' involvement in agricultural activities

In 2017, an estimated 2,5 million households in South Africa were engaged in agricultural activities. More than half (52,8%) of these households were headed by females while just below half (47,2%) were headed by males. Research shows that female-headed households spend more resources on welfare of children than on consumption of adult goods.

Figure 1 – Percentage distribution of households involved in agricultural activities by province

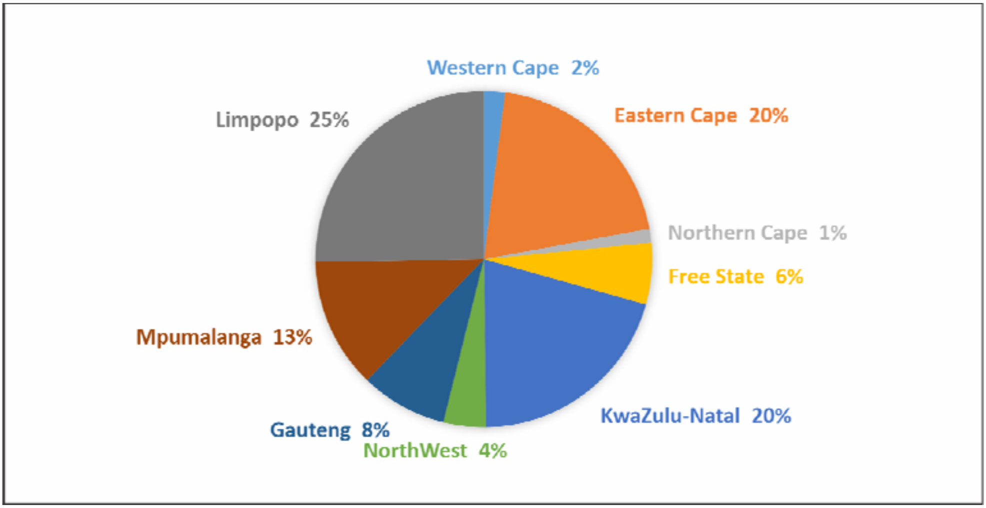
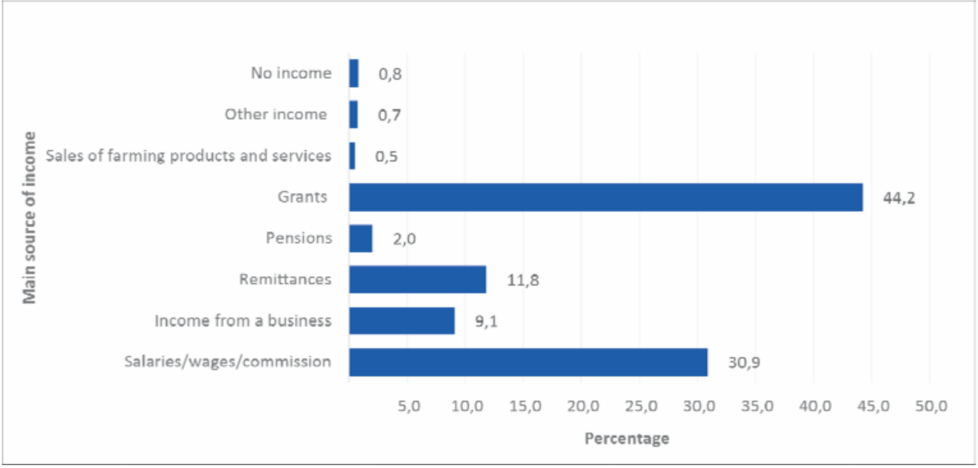


Figure 1 shows the percentage distribution of households involved in agricultural activities by province. At provincial level, the results show that Limpopo (25%), Eastern Cape (20%) and KwaZulu-Natal (20%) had the highest proportions of households involved in agricultural activities. These also happen to be provinces that are predominantly rural and with high levels of poverty. Northern Cape (1%) and Western Cape (2%) had the lowest proportions of households involved in agricultural activities.

The percentage of households involved in agricultural activities according to type of activity shows that the majority of households (53,4%) reported involvement in the production of fruits and vegetables, followed by those involved in the production of grains and other food crops (51,8%) and those involved in livestock farming (47,1%). A small proportion of households were involved in fish farming (0,1%), forestry (0,1%), game farming (0,2%) and other agricultural produce (0,2%).

Figure 2 – Proportion of households involved in agricultural activities by main source of income



Source: Statistics South Africa, General Household Survey 2017.

Figure 2 shows the source of income for households that are involved in agricultural activities. Household assets including income, land and others can determine a household's access to food. In 2017, more than half (58,3%) of South African households' main source of income was salaries, followed by social grants (19,9%). As the majority of households depend on salaries, price volatility and unemployment tend to affect households' food security.

In 2017, 78,5% of South African households were involved in agricultural activities as an extra source of food for the household. Limpopo (91,4%), Eastern Cape (81,9%) and Mpumalanga (79,0%) were the provinces with the highest proportions of such households.

On the other hand, 6,5% of households were involved in agricultural activities as a leisure activity or hobby, while 5,3% were involved in agricultural activities for extra source of income, followed by 2,2% who were doing it as the main source of income and 7,5% as the main source of food for the household.

3. Hunger and food access in South Africa

The General Household Survey (GHS) has been collecting data on experience of hunger since 2002. In 2002, there were 13,5 million South Africans who experienced hunger. This number dropped to 6,8 million in 2017. The number of households that experienced hunger also decreased from 2,7 million to 1,7 million households within the same period.

3.1 Households' access to food

This section covers information about households' access to food using the Household Food Insecurity Access Scale (HFIAS). The HFIAS provides the following three major household food access categories:

- adequate food access;
- inadequate food access; and
- severe inadequate food access.

3.2 Households' food access levels

Out of 16,2 million households in 2017, about 12,7 million (78,7%) households reported that they have adequate access to food, while 2,5 million (15,8%) reported that their food access is inadequate and almost 0,9 million (5,5%) of households described their food access as severely inadequate.

Limpopo had the highest proportion (93,6%) of households with adequate access to food, followed by Gauteng (84,0%). Households in North West (24,5%), Northern Cape (20,5%), Eastern Cape (20,1%), KwaZulu-Natal (18,6%), and Mpumalanga (18,6%) had the highest proportions of households that reported inadequate access, which are all above the national average of 15,8%. Northern Cape (13,0%), Mpumalanga (12,3%) and North West (11,6%) were the only provinces with severe inadequate access to food that was almost twice the national average.

Furthermore, black African-headed households had the highest proportion (17,9%) of households who reported inadequate access to food, followed by coloured-headed households (13,5%). In addition, households headed by coloureds had the highest proportion of households with severe inadequate access to food (8,3%). Households headed by whites (96,6%) and Indians/Asians (93,2%) had the highest proportions of households who reported having adequate access to food.

3.3 Households with or without children and level of adequacy in accessing food

In 2017, 80,8% of households with no children reported that their food access was adequate and only about 5% of these households experienced severe inadequate access to food. On the other hand, almost two-thirds (62,8%) of households with more than three children had adequate access to food while 29,6% reported inadequate access to food. Thus, households with no children or fewer children were more likely to have adequate access to food than those with many children.

4. Vulnerability to hunger

This section examines households' vulnerability to hunger. It provides a profile of households' experiences of hunger in terms of population group of the household head, as well as their geographic location such as province and the settlement type. For the purpose of this article, 'rural' is derived by combining traditional areas and farms.

4.1 Profiling households vulnerable to hunger

According to the Food and Agriculture Organization, poverty has been identified as the main cause of hunger in the world. Out of the 16,2 million households in South Africa, 1,7 million households were vulnerable to hunger in 2017; that constituted 10,5% of all South African households. The majority of these households were headed by black Africans (91,1%), followed by coloured people (7,3%), white people (1,3%) and Indians/Asians (0,4%).

It is worth noting that out of the top three provinces (Limpopo, KwaZulu-Natal, and Eastern Cape) that were mentioned earlier as the provinces with the highest proportion of households involved in agricultural activities, only Limpopo had the least number of households (3,3%) experiencing hunger in 2017. Furthermore, Gauteng was mentioned as one of the two provinces with the lowest poverty levels and the province with the second highest proportion of households with adequate food access. However, it had the highest percentage of households (25,2%) that experienced hunger.
In terms of type of settlement in 2017, two-thirds (63,4%) of households that reported experiencing hunger were located in urban areas while 36,6% were located in rural areas. This could be attributed to the fact that households living in rural areas are likely to participate in subsistence farming, as they are more likely to have the necessary skills, tools and access to land for such activities.

4.2 Child hunger

The Constitution of the Republic of South Africa, Section 28(1)(c) of the Bill of Rights gives every child the right to basic nutritious food, which depends on children's access to sufficient food. The government has introduced a number of programmes to alleviate and reduce hunger, malnutrition and food insecurity. Out of the 16,2 million South African households, almost 11,5 million had no child aged 5 years or younger. About 4,7 million had children aged 5 years or younger, and 3,4 million of these households had one child. Furthermore, 1 million households had two children and 0,2 million households had three or more children aged 5 years or younger.

Out of the 4,7 million households that had young children (aged 5 years or younger), only 611 126 experienced hunger (13,1%). Child hunger was highest in Northern Cape (23,6%), Mpumalanga (16,7%) and KwaZulu-Natal (17,6%). Limpopo (3,8%) had the lowest percentage of households that reported child hunger. More than half (56,1%) of the households with younger children that experienced hunger resided in urban areas, and 43,9% in rural areas.

5. Conclusion

The results contained in this article indicate that less than a quarter of households were involved in agricultural activities in South Africa in 2017. Most of these households were mainly headed by females. Furthermore, the results showed that most households involved in agricultural activities were involved in the production of fruits and vegetables, grain and other food crops, as well as livestock and poultry farming. The main source of income for these households was social grants. Furthermore, most households involved in agricultural activities indicated that the main reason for their involvement is to supplement food for the household. Despite South Africa being food secure at national level, there were still some households that had inadequate or severe inadequate access to food in 2017.

The results further indicate that food inadequacy and hunger are still a challenge as some households had inadequate or severe inadequate access to food, while other households experienced hunger in 2017. Households with a higher number of young children and those that are bigger in size were more likely to experience hunger and inadequate or severe inadequate access to food. Child hunger was still found to be a challenge in South Africa. More than half a million households with children aged five years or younger experienced hunger in 2017.

Primary industries

Mining: Production and sales

Mining production decreases

South Africa has been toppled as the leading gold producer in Africa. This is according to the 2018 World Bank Commodity Markets Outlook report, which ranked Ghana as the leading exporter of gold in 2018 with 158 tonnes, second place is Sudan with 127 tonnes and South Africa is place in the third position with 119 tonnes. South Africa and Ghana both produced 137 tonnes of gold in 2017. One of the factors that could have contributed to South Africa being placed at third place could be the decline of gold production and gold reserves, among others. Presented in this article is a summary of the key results from the Mining: Production and sales release for March 2019.

Mining production decreased by 1,1% year-on-year in March 2019 **(see Table A)**. The largest negative contributors were:
- gold (-17,7%, contributing -2,3 percentage points);
- 'other' non-metallic minerals (-8,1%, contributing -0,5 of a percentage point);
- chromium ore (-6,4%, contributing -0,3 of a percentage point); and
- iron ore (-1,6%, contributing -0,2 of a percentage point).

The largest positive contributor was coal (5,7%, contributing 1,4 percentage points).

Table A – Key growth rates in the volume of mining production for March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Year-on-year % change, unadjusted	0,7	-4,7	-3,9	-3,2	-8,1	-1,1
Month-on-month % change, seasonally adjusted	2,9	-5,6	-1,7	0,0	-2,3	3,8
3-month % change, seasonally adjusted [1/]	-0,4	-0,3	0,1	-4,6	-5,2	-3,4

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

Mineral sales increased by 11,6% year-on-year in March 2019 **(see Table B).** The largest positive contributors were:

- PGMs (21,3%, contributing 4,2 percentage points);
- iron ore (44,1%, contributing 4,2 percentage points);
- manganese ore (17,6%, contributing 1,6 percentage points); and
- chromium ore (21,8%, contributing 1,0 percentage point).

Table B – Key growth rates in mineral sales at current prices for March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Year-on-year % change, unadjusted	3,9	10,8	17,5	19,4	9,2	11,6
Month-on-month % change, seasonally adjusted	9,8	2,4	4,0	-3,1	-7,0	5,1
3-month % change, seasonally adjusted [1/]	2,7	4,3	11,4	8,8	4,1	-2,9

[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 rate of global manufacturing growth has slowed, mainly as a consequence of trade and tariff barriers, according to the *International Yearbook of Industrial Statistics 2019* published by the United Nations Industrial Development Organization (UNIDO). According to UNIDO, the African countries continue to struggle in their efforts to catch up with the industrial development of the rest of the world. UNIDO reports that the average share of manufacturing in gross domestic product (GDP) of African least developed countries (LDCs) has further dropped to 8,3% compared to the 19,6% average of the developing countries and emerging industrial economies group. With growth rates of 6,3% and 3,1% respectively, Côte d'Ivoire and Morocco represented countries with significantly expanding year-on-year manufacturing production in the first quarter of 2019. However, South Africa, the region's most industrialised country, experienced a year-on-year growth rate of 0,5%. Presented in this article is a summary of the key results of the Manufacturing: Production and sales release for March 2019.

Manufacturing production increased by 1,2% in March 2019 compared with March 2018 **(see Table C)**. The largest positive contributions were made by the following divisions:
- petroleum, chemical products, rubber and plastic products (7,0%, contributing 1,5 percentage points);
- basic iron and steel, non-ferrous metal products, metal products and machinery (3,2%, contributing 0,7 of a percentage point); and
- food and beverages (1,0%, contributing 0,3 of a percentage point).

The largest negative contributions were made by the following divisions:
- petroleum, chemical products, rubber and plastic products (-3,8%, contributing -0,9 of a percentage point);
- motor vehicles, parts and accessories and other transport equipment (-6,0%, contributing -0,5 of a percentage point); and
- wood and wood products, paper, publishing and printing (-3,6%, contributing -0,4 of a percentage point).

Table C – Key growth rates in the volume of manufacturing production for March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Year-on-year % change, unadjusted	3,1	1,1	0,0	0,8	0,5	1,2
Month-on-month % change, seasonally adjusted	1,3	0,2	0,4	-1,6	-2,0	0,8
3-month % change, seasonally adjusted [1/]	0,9	0,6	1,1	0,5	-0,8	-2,4

[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

The increase in energy consumption and efficiency, especially in big buildings, is one of the challenging issues in many countries across the world. The smart-building innovation in the building industry is turning what was once fiction into everyday reality for many people as a way of enabling efficient energy usage. For example, the newly installed lights in the new buildings only operate when someone is there; equipment or other machines can be ‘put to sleep’ after a period of non-activity using the Building Management System (BMS) to save energy. A BMS is a computer-based control system commonly implemented in building plans with extensive mechanical and electrical systems. A well-designed and managed BMS provides great opportunities for energy efficiency and saving. For instance, the BMS is able to dictate equipment failure for maintenance and identifies lights that are left on after office hours to be switched off, thus saving energy. Presented in this article is a summary of the selected building statistics for March 2019.

The value of recorded building plans passed (at current prices) decreased by 1,4% (-R353,9 million) in the first quarter of 2019 compared with the first quarter of 2018. (**See Table D**).

The largest negative contributions to the total decrease of 1,4% (-R353,9 million) were made by Western Cape (contributing -5,4 percentage points or -R1 400,3 million) and Eastern Cape (contributing -2,4 percentage points or -R620,2 million).

Gauteng (contributing 9,1 percentage points or R2 352,0 million) was the largest positive contributor.

Table D – Recorded building plans passed by larger municipalities: January to March 2018 versus January to March 2019

Estimates at current prices	January to March 2018 1/	January to March 2019 1/	Difference in value between January to March 2018 and January to March 2019	% change between January to March 2018 and January to March 2019
	R'000	R'000	R'000	
Residential buildings	**12 476 807**	**13 300 883**	**824 076**	**6,6**
-Dwelling houses	7 786 195	6 413 473	-1 372 722	-17,6
-Flats and townhouses	4 370 192	6 703 185	2 332 993	53,4
-Other residential buildings	320 420	184 225	-136 195	-42,5
Non-residential buildings	**6 323 593**	**5 576 390**	**-747 203**	**-11,8**
Additions and alterations	**6 958 277**	**6 527 553**	**-430 724**	**-6,2**
Total	**25 758 677**	**25 404 826**	**-353 851**	**-1,4**

1/ 2018 and 2019 figures should be regarded as preliminary because of possible backlogs and incomplete reporting by municipalities.
A full release on *Selected building statistics of the private sector as reported by local government institutions* (Statistical release P5041.1) is available on the Stats SA website: www.statssa.gov.za

Electricity generated and available for distribution

Electricity generation increases

The national electricity utility Eskom is trying to find ways to produce enough electricity to keep up with the increasing electricity consumption by building more power stations throughout South Africa. The Kusile Power Station Project is one of the country's coal-fired power plants located near the Kendal power station, in the Nkangala district in Mpumalanga. The Kusile Power Station Project is still under construction and is expected to comprise six units, each unit with the capacity of 800 megawatts and for a total capacity of 4 800 megawatts. On 14 April 2019, Unit 3 of the Kusile Power Station Project was synchronised to the grid and produced its first power. This means that the testing and optimisation of the unit can take place and power will be provided to the grid at isolated intervals. Thereafter, once all the testing is done, the unit will be fully powered at 800 megawatts and feed into the national grid for the country's distribution and consumption. Presented in this article is a summary of the electricity generated and distributed in April 2019.

Electricity generation (production) increased by 1,8% year-on-year in April 2019 (**see Table E**).

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

	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Year-on-year % change, unadjusted	-0,2	-1,6	-2,1	-1,9	-2,9	1,8
Month-on-month % change, seasonally adjusted	-0,4	-0,3	-0,7	-0,2	-1,3	3,1
3-month % change, seasonally adjusted [1/]	0,4	0,4	-0,2	-0,8	-1,6	-0,6

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

Electricity distribution (consumption) increased by 1,6% year-on-year in April 2019 (**see Table F**).

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

	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Year-on-year % change, unadjusted	0,9	0,1	0,1	-1,0	-2,8	1,6
Month-on-month % change, seasonally adjusted	-1,1	1,0	-0,6	-1,1	-1,5	2,9
3-month % change, seasonally adjusted [1/]	0,0	0,1	-0,3	-0,4	-1,6	-1,3

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

Tertiary industries

Wholesale trade sales

Wholesale trade sales increase

The Wholesale Trade Sales Survey is a survey that is conducted by Statistics South Africa (Stats SA) to provide monthly results of different enterprises in the wholesale trade sales industry, which are used to compile estimates of the gross domestic product (GDP) and its components. The survey is also useful in monitoring the state of the economy and inform economic policy formulation in the country. This survey includes dealers in the wholesale enterprises such as wholesale trade in agricultural raw materials and livestock, food, beverages and tobacco, and textiles, clothing and footwear, amongst others. Presented in this article is a summary of the wholesale trade sales statistics for March 2019.

Wholesale trade sales increased by 4,2% in March 2019 compared with March 2018 (**see Table G**). The main contributors were dealers in:

- solid, liquid and gaseous fuels and related products (10,2%, contributing 2,3 percentage points); and
- agricultural raw materials and livestock (21,6%, contributing 1,4 percentage points).

Table G – Key growth rates in wholesale trade sales at current prices for March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Year-on-year % change, unadjusted	14,0	7,8	-0,5	3,7	5,2	4,2
Month-on-month % change, seasonally adjusted	15	-2,4	-7,9	3,4	1,5	1,0
3-month % change, seasonally adjusted[1/]	5,5	4,6	-0,4	-4,9	-6,4	-1,7

[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

The Great Yellow Brick Company opened a new Lego Certified Store in Menlyn Park in Pretoria on 1 June 2019. The new store follows the opening of the first Lego Certified Store in South Africa in Sandton in 2018. What sets apart the two local Lego stores is that the store at Menlyn Park will be the only one in South Africa to feature a digital minifigure scanner, where shoppers can scan their hand to create a digital, three-dimensional (3D) Lego minifigure of themselves. Lego is a construction toy consisting of interlocking plastic building blocks. Lego pieces can be assembled and connected in various ways to construct toys, including vehicles, buildings, and robots. Anything constructed can be taken apart again, and the pieces can be reused to make other objects. Presented in this article is a summary of the retail trade sales for March 2019.

Retail trade sales increased by 0,2% year-on-year in March 2019 (**see Table H**). Positive annual growth rates were recorded for:

- retailers in household furniture, appliances and equipment (1,9%);
- general dealers (1,8%); and
- all ‘other’ retailers (1,5%).

The main contributor to the 0,2% increase was general dealers (contributing 0,8 of a percentage point).

Table H – Key growth rates in retail trade sales for March 2019 at constant 2015 prices

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Year-on-year % change, unadjusted	2,4	3,2	-1,3	1,4	1,4	0,2
Month-on-month % change, seasonally adjusted	0,8	3,2	-5,1	1,6	0,6	-0,7
3-month % change, seasonally adjusted [1/]	0,9	1,7	0,8	0,5	-1,6	-0,7

[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 decrease

Some financial service providers for motor dealerships add on-the-road or handling fees to the total purchase price of a vehicle unbeknown to the consumer. This was the findings of the National Credit Regulator (NCR) in 2018 when it was conducting an investigation into on-the-road fees charged by credit providers for motor dealers. The NCR found that the fees charges contravene the National Credit Act, 2005 (Act No. 34 of 2005). According to the Act, a credit provider must not charge consumers any fee, charge, commission, expense or other amount payable by the credit provider to any third party in respect of a credit agreement. Presented in this article is a summary of the key results for the Motor trade sales release for March 2019.

Motor trade sales decreased by 4,9% year-on-year in March 2019 **(see Table I)**. Negative annual growth rates were recorded for:

- new vehicle sales (-17,4%);
- used vehicle sales (-9,5%); and
- workshop income (-1,1%).

Motor trade sales decreased by 2,2% in the first quarter of 2019 compared with the first quarter of 2018. The main contributor was new vehicle sales (-8,5%, contributing -2,4 percentage points).

Table I – Key growth rate figures in motor trade sales for March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Year-on-year % change, unadjusted	6,1	3,0	-4,0	0,5	-1,9	-4,9
Month-on-month % change, seasonally adjusted	1,8	-0,5	-4,1	0,8	-1,3	1,7
3-month % change, seasonally adjusted [1]	1,9	1,2	0,1	-2,1	-3,8	-2,5

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

Food and beverages

Food and beverages industry increases

Oils and fats are an important part of a balanced and healthy diet. However, too much trans-fat (liquid fats that are converted to solid fats during food processing techniques in foods such as cookies, crackers, doughnuts, fried foods, etc.) can lead to diseases. In an effort to eliminate industrial trans-fat from processed foods, the World Health Organization (WHO) is encouraging the fat, oil and food service industries to replace industrially produced trans-fats with healthier fats and oils in processed foods. WHO requested the food industries to commit and meet trans-fat elimination targets by 2023 or earlier (with the WHO's recommendation for all food categories to be less than 2 grams per 100 grams of total fat or oil in all foods), implement trans-fat labelling on any pre-packaged food, and increase the supply of replacement alternatives low in saturated fat, among others. Presented in this article is a summary of the key results from the Food and beverages statistics for March 2019.

Total income generated by the food and beverages industry increased by 8,1% in March 2019 compared with March 2018 **(see Table J)**. Positive annual growth rates were recorded for:

- food sales (8,7%); and
- bar sales (0,5%).

In March 2019, the largest annual growth rates were recorded for:

- restaurants and coffee shops (12,4%, contributing 6,3 percentage points); and
- takeaway and fast-food outlets (4,2%, contributing 1,5 percentage points).

Total income increased by 5,0% in the first quarter of 2019 compared with the first quarter of 2018. Positive contributors to this increase were:

- restaurants and coffee shops (7,6%, contributing 3,9 percentage points); and
- takeaway and fast-food outlets (3,6%, contributing 1,3 percentage points).

Table J – Year-on-year percentage change in food and beverages income at constant prices by type of income – March 2019

Type of income	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Food sales	3,0	7,7	8,2	1,9	5,4	8,7
Bar sales	-9,8	-5,9	-6,2	5,0	-5,1	0,5
Other income	-8,8	-24,3	-7,3	1,9	-4,8	-0,2
Total	**2,1**	**6,3**	**7,0**	**2,0**	**4,5**	**8,1**

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 the tourist accommodation industry increases

Government has introduced a Tourism Amendment Bill in April 2019 to amend the Tourism Act, 2014 (Act No. 3 of 2014) in order to address the unregulated home rental service within the tourism industry. Home rental is renting or leasing of a dwelling or its part to a visitor on a temporary basis for a reward. The Bill has included short-term home rental and threshold in order to regulate the tourist accommodation industry. Once the Bill becomes law, home rental will be subjected to responsible tourism practices of the tourism board. Presented in this article is a summary of the key results from the Tourist accommodation statistical release for March 2019.

Total income for the tourist accommodation industry increased by 2,8% in March 2019 compared with March 2018 **(see Table K)**. Income from accommodation increased by 1,3% year-on-year in March 2019, as a result of a 0,8% increase in the number of stay unit nights sold and a 0,4% increase in the average income per stay unit night sold.

The main contributor to the 1,3% year-on-year increase in income from accommodation in March 2019 was hotels (contributing 1,4 percentage points).

In March 2019, the types of accommodation that recorded positive year-on-year growth in income from accommodation were:

- caravan parks and camping sites (27,0%);
- 'other' accommodation (3,5%); and

- hotels (2,1%).

Income from accommodation decreased by 1,2% in the first quarter of 2019 compared with the first quarter of 2018. The main contributor to this decrease was guest-houses and guest-farms (-15,4%, contributing -1,1 percentage points).

Table K – Year-on-year percentage change in tourist accommodation statistics (income at current prices), March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Stay units available	-0,1	-0,2	-0,1	-0,2	-0,2	-0,2
Stay unit nights sold	-0,9	-3,4	-3,0	-1,9	-1,8	0,8
Average income per stay unit nights sold	0,5	8,3	0,9	-0,9	-0,5	0,4
Income from accommodation	-0,4	4,6	-2,1	-2,7	-2,3	1,3
Total income [1/]	**-0,8**	**2,7**	**-3,3**	**-3,2**	**0,1**	**2,8**

[1/] Includes restaurant and bar sales and 'other' income.
A full release on *Tourist accommodation* (Statistical release P6410) is available on the Stats SA website: www.statssa.gov.za

Tourism and migration

574 084 travellers visited South Africa in March 2019

The Southern African Development Community (SADC) region boasts endless natural wonders, landscapes, attractions, culture, flora and fauna for tourists to explore and have a wonderful adventure. However, visiting these countries is not as simple as hopping on a flight and jetting off to the desired destination. When travelling, tourists have to ensure they follow all the rules and regulations, and these could include the kind of items permitted in their luggage, having relevant visas in place, having money in the relevant currency or meeting the medical requirements for the country they are travelling to. If travellers follow the rules and regulations correctly, they could have a better chance of smooth and memorable trips as well as easy passing through ports of entry. Presented in this article is a summary of the results for the Tourism and migration release for March 2019.

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 3 574 084 travellers (arrivals, departures and transits) passed through South African ports of entry in March 2019 **(see Table L)**. These travellers were made up of 1 003 575 South African residents and 2 570 509 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 487 479 arrivals, 515 398 departures and 698 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 301 855, 1 210 297 and 58 357, respectively.

A comparison between the movements in March 2018 and March 2019 indicates that the volume of arrivals increased for South African residents and decreased for foreign travellers. The volume of departures decreased for both groups of travellers. Travellers in transit decreased for South African residents but increased for foreign travellers. For South African residents, the volume of arrivals increased by 14,6% (from 425 546 in March 2018 to 487 479 in March 2019), departures decreased by 1,5% (from 523 059 in March 2018 to 515 398 in March 2019), and transits decreased by 7,8% (from 757 in March 2018 to 698 in March 2019). For foreign travellers, arrivals decreased by 1,2% (from 1 317 875 in March 2018 to 1 301 855 in March 2019), departures decreased by 2,1% (from 1 236 166 in March 2018 to 1 210 297 in March 2019), and transits increased by 2,4% (from 56 981 in March 2018 to 58 357 in March 2019).

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 South African residents intend to spend or spent abroad are not collected by the DHA. 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 March 2019, 83 638 (6,4%) foreign arrivals were classified as non-visitors while 1 218 217 (93,6%) were classified as visitors. The visitors were categorised into three groups:

i. Arrivals only – comprising visitors who entered the country in March 2019 but did not depart in March 2019 [289 840 (23,8%)];

ii. Single trips – visitors who came to South Africa once in March 2019 and left in March 2019 [459 658 (37,7%)]; and

iii. Multiple trips – visitors who came to and left South Africa more than once in March 2019 [468 719 (38,5%)].

Visitors were further grouped as same-day visitors and overnight visitors (tourists). In March 2019, there were 379 521 (31,2%) same-day visitors and 838 696 (68,8%) tourists.

Mode of travel

In March 2019, road transport was the most common mode of travel used by 2 421 364 (67,7%) of the 3 574 084 travellers. The total number of travellers who used air transport was 1 088 007 (30,4%). Compared to the use of land transport, a small number of travellers [64 713 (1,8%)] used sea transport. Information on arrivals of South African residents shows that 182 365 (37,4%) came by air, 282 388 (57,9%) came to South Africa by road and 22 726 (4,7%) arrived by sea transport. For departures, 200 500 (38,9%) used air, 290 849 (56,4%) used road and 24 049 (4,7%) left by sea transport. All travellers in transit [698 (100,0%)] used air transport. In the case of foreign travellers, 303 127 (23,3%) arrived by air, 989 847 (76,0%) came by road and 8 881 (0,7%) arrived by sea transport. When departing South Africa, 342 960 (28,3%) foreign travellers left by air, 858 280 (70,9%) left by road and 9 057 (0,7%) left by sea transport. All travellers in transit [58 357 (100,0%)] used air transport.

Of the 379 521 same-day visitors, the majority [361 506 (95,3%)] arrived in the country by road, 17 564 (4,6%) flew into the country, and 451 (0,1%) arrived by sea transport. Information on tourists shows that 565 869 (67,5%) used road transport, 270 321 (32,2%) came by air transport and 2 506 (0,3%) arrived by sea transport.

Purpose of visit

In March 2019, the majority of tourists [814 046 (97,1%)] were in South Africa for holiday compared to 19 473 (2,3%), 4 676 (0,6%) and 501 (0,1%) who were in South Africa for business, study and medical treatment, respectively. Compared to other overseas regions, Europe had the highest number of tourists [141 742 (62,3%)] who came for holiday, 4 568 (56,0%) who came for business, 447 (49,1%) who came for study, and 76 (66,7%) who came for medical treatment.

Sex and age distribution

In March 2019, there were 471 372 (56,2%) male and 367 324 (43,8%) female tourists. Overseas tourists were made up of 126 974 (53,7%) male tourists and 109 673 (46,3%) female tourists. There were 334 743 (57,0%) male and 252 446 (43,0%) female tourists from SADC countries. Tourists from 'other' African countries were made up of 8 821 (65,2%) male and 4 698 (34,8%) female tourists. The majority of tourists were aged between 35 and 44 years [232 760 (27,8%)], followed closely by the age group 25–34 years [225 964 (26,9%)].

Table L – Number of South African residents and foreign travellers by travel direction: March 2019

Travel direction	March 2018	February 2019	March 2019	% change between February and March 2019	% change between March 2018 and March 2019
Total	**3 560 384**	**3 039 744**	**3 574 084**	**17,6%**	**0,4%**
South African residents	**949 362**	**731 074**	**1 003 575**	**37,3%**	**5,7%**
Arrivals	425 546	360 186	487 479	35,3%	14,6%
Departures	523 059	370 186	515 398	39,2%	-1,5%
Transit	757	702	698	-0,6%	-7,8%
Foreign travellers	**2 611 022**	**2 308 670**	**2 570 509**	**11,3%**	**-1,6%**
Arrivals	1 317 875	1 205 901	1 301 855	8,0%	-1,2%
Departures	1 236 166	1 055 331	1 210 297	14,7%	-2,1%
Transit	56 981	47 438	58 357	23,0%	2,4%
Foreign arrivals	**1 317 875**	**1 205 901**	**1 301 855**	**8,0%**	**-1,2%**
Non-visitors	74 481	73 338	83 638	14,0%	12,3%
Visitors	1 243 394	1 132 563	1 218 217	7,6%	-2,0%
Visitors	**1 243 394**	**1 132 563**	**1 218 217**	**7,6%**	**-2,0%**
Arrivals only	336 159	327 483	289 840	-11,5%	-13,8%
Single trips	448 388	418 632	459 658	9,8%	2,5%
Multiple trips	458 847	386 448	468 719	21,3%	2,2%
Visitors	**1 243 394**	**1 132 563**	**1 218 217**	**7,6%**	**-2,0%**
Same-day	360 645	335 382	379 521	13,2%	5,2%
Tourists	882 749	797 181	838 696	5,2%	-5,0%

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 summonses for debt decreases

The 2019 tax season is set to commence on 01 August 2019 for all taxpayers. However, those who file electronically could do so from 01 July 2019. The closing dates would be from 31 October 2019 (those who file at branches), 04 December 2019, and 31 January 2020 for those who file online. Tax season is the annual engagement between ordinary citizens and the South African Revenue Service (SARS) whereby taxpayers reconcile their personal income and tax-related deductions by completing and submitting their tax returns. This is in line with the Income Tax Act, 1962 (Act No. 58 of 1962) and, as announced by SARS on 04 June 2019, the tax return threshold has been increased from R350 000 to R500 000. This means that individuals who earn less than R500 000 per annum and meet certain other criteria do not need to submit their tax returns. Missing the deadline for tax returns could result in administrative penalties being imposed for every outstanding tax return to that particular individual. Furthermore, criminal prosecution resulting in imprisonment or a fine for each day that such tax default continues may result in individuals accumulating more debt and owing money to SARS. Therefore, it is important that taxpayers comply with the tax administration requirements and file their tax returns within the tax period to avoid incurring unnecessary debt. Presented in this article is a summary of the statistics of civil cases for debt for March 2019.

The number of civil summonses issued for debt

The total number of civil summonses issued for debt decreased by 3,8% in the first quarter of 2019 compared with the first quarter of 2018 (**see Table M**).

The largest negative contributions to the 3,8% decrease for civil summonses issued were:

- services (contributing -1,6 percentage points);
- promissory notes (contributing -1,5 percentage points); and
- ‘other’ debts (contributing -1,3 percentage points).

The number of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 1,5% in the first quarter of 2019 compared with the first quarter of 2018.

The largest negative contributions to the 1,5% decrease were civil judgements relating to:

- promissory notes (contributing -1,2 percentage points);
- rent (contributing -0,9 of a percentage point); and
- money lent (contributing -0,5 of a percentage point).

The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt decreased by 11,1% in the first quarter of 2019 compared with the first quarter of 2018.

The largest negative contributions to the 11,1% decrease were the value of judgements relating to:

- 'other' debts (contributing -6,0 percentage points);
- money lent (contributing -3,3 percentage points); and
- promissory notes (contributing -2,1 percentage points).

Table M – Key figures for civil summonses and judgements for March 2019

Actual estimates	March 2019	% change between March 2018 and March 2019	% change between January to March 2018 and January to March 2019
Number of civil summonses issued for debt	45 375	-4,7	-3,8
Number of civil judgements recorded for debt	17 247	-4,5	-1,5
Value of civil judgements recorded for debt (R million)	276,2	-16,0	-11,1

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

Statistics of liquidations and insolvencies

Number of liquidations increases

The Companies Act, 2008 (Act No. 71 of 2008) places an obligation on the directors of a company or close corporation to liquidate the company as soon as the liabilities exceed the assets. If a director permits a company to obtain goods or services on credit knowing that the company is not in a position to make payment for such goods or services, the company might file a claim against the director to be held liable for debt in terms of the Act.

Such conduct would constitute reckless behaviour on the part of the director, and may also include an intent to defraud the creditor who had supplied goods to the company on credit. Presented in this article is a summary of the key results from the Statistics of liquidations and insolvencies release for April 2019.

The total number of liquidations recorded increased by 53,1% (60 more cases) in April 2019 compared with April 2018 **(see Table N)**. Voluntary liquidations decreased by 41 cases, while compulsory liquidations increased by 19 cases. The total number of liquidations increased by 10,0% in the first four months of 2019 compared with the first four months of 2018.

Table N – Total number of liquidations for April 2019

Number of liquidations April 2019	% change between April 2018 and April 2019	% change between February to April 2018 and February to April 2019	% change between January to April 2018 and January to April 2019
173	53,1	4,2	10,0

The estimated number of insolvencies increased by 30,1% in March 2019 compared with March 2018 **(see Table O)**. A 31,1% increase was estimated in the first quarter of 2019 compared with the first quarter of 2018.

Table O – Total number of insolvencies for March 2019

Number of insolvencies March 2019	% change between March 2018 and March 2019	% change between January to March 2018 and January to March 2019
229	30,1	31,1

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

South Africa's state-owned freight and logistics company, Transnet, plans to build an 'inland' port worth R2,5 billion in Gauteng. The terminal will be located within the broader Tambo Springs Logistics Gateway development in Southern Ekurhuleni and is expected to be operational by 2022. The port is meant to offer the first complete supply chain solution to the Southern African region and will have an initial capacity to handle around 225 000 twenty-foot-equivalent unit (TEU) containers in its first phase, and ultimately grow to handle approximately 550 000 TEUs. TEU is an inexact unit of cargo capacity often used to describe the capacity of container ships and container terminals. The terminal is expected to improve the rail freight system in the country, boost economic growth and hopefully decrease the number of trucks on national roads. Presented in this article is a summary of the results of the Land transport survey statistical release for the month of March 2019. The volume of goods transported (payload) increased by 1,4% in March 2019 compared with March 2018 **(see Table P)**. The corresponding income increased by 1,7% over the same period.

Income from freight transportation increased by 2,7% in the first quarter of 2019 compared with the first quarter of 2018. The main contributor to this increase was primary mining and quarrying products (10,3%, contributing 3,7 percentage points).

Table P – Year-on-year percentage change in freight transportation: March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Freight payload	7,0	13,3	5,2	4,1	-1,9	1,4
Freight income	8,3	13,3	6,4	5,0	1,4	1,7

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

The number of passenger journeys decreased by 16,1% in March 2019 compared with March 2018 **(see Table Q)**. The corresponding income decreased by 4,0% over the same period.

Table Q – Year-on-year percentage change in passenger transportation: March 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Passenger journeys	12,5	-5,0	-9,7	-15,5	-14,0	-16,1
Passenger income	2,9	3,0	3,6	-3,5	-3,3	-4,0

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

Prices

Producer price index (PPI)

PPI at 6,5%

According to research from the Bureau for Food and Agricultural Policy, an independent research institute in South Africa, South Africa is ranked sixth – together with Russia – out of 16 major chicken-producing countries in the world. The cost of producing a chicken in South Africa is between 10% and 20% lower than in most countries, including the Netherlands, Germany, France, the United Kingdom, Italy, Spain and Denmark. The countries with the lowest total production cost per kilogram of chicken are Brazil and the United States, the two top chicken-producing countries in the world. Presented in this article is a summary of the PPI statistics for April 2019.

Final manufactured goods – headline PPI

The annual percentage change in the PPI for final manufactured goods was 6,5% in April 2019 (compared with 6,2% in March 2019) (**see Table R**). From March 2019 to April 2019 the PPI for final manufactured goods increased by 1,3%.

The main contributors to the annual rate of 6,5% were coke, petroleum, chemical, rubber and plastic products (2,5 percentage points), food products, beverages and tobacco products (1,5 percentage points) and metals, machinery, equipment and computing equipment (0,9 of a percentage point).

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 6,7% in April 2019 (compared with 6,3% in March 2019) (**see Table R**). From March 2019 to April 2019 the PPI for intermediate manufactured goods increased by 1,0%. The main contributors to the annual rate of 6,7% were chemicals, rubber and plastic products (3,5 percentage points) and basic and fabricated metals (2,4 percentage points).

Electricity and water

The annual percentage change in the PPI for electricity and water was 9,8% in April 2019 (compared with 5,9% in March 2019) (**see Table R**). From March 2019 to April 2019 the PPI for electricity and water increased by 5,8%. The contributors to the annual rate of 9,8% were electricity (8,3 percentage points) and water (1,4 percentage points).

Mining

The annual percentage change in the PPI for mining was 21,1% in April 2019 (compared with 20,2% in March 2019) (**see Table R**). From March 2019 to April 2019 the PPI for mining increased by 1,8%. The main contributors to the annual rate of 21,1% were non-ferrous metal ores (11,2 percentage points), gold and other metal ores (7,7 percentage points) and coal and gas (3,6 percentage points).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 0,3% in April 2019 (compared with -0,4% in March 2019) (**see Table R**). From March 2019 to April 2019 the PPI for agriculture, forestry and fishing decreased by 1,7%. The main contributors to the annual rate of 0,3% were fishing (0,7 of a percentage point) and forestry (0,4 of a percentage point).

Table R – Key PPI figures for April 2019

Product	Weight	Index (2016=100)			% change	
		April 2018	Mar 2019	April 2019	April 2019 vs March 2019	April 2019 vs April 2018
Final manufactured goods	100,00	106,1	111,5	113,0	1,3	6,5
Intermediate manufactured goods	100,00	102,4	108,2	109,3	1,0	6,7
Electricity and water	100,00	107,4	111,4	117,9	5,8	9,8
Mining	100,00	101,1	120,2	122,4	1,8	21,1
Agriculture, forestry and fishing	100,00	96,6	98,6	96,9	-1,7	0,3

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

Consumer price index (CPI)

CPI at 4,4%

Food and fuel prices are usually two of the major contributors to inflation. Interestingly, the two are also interlinked because food prices in South Africa are influenced a lot by diesel prices. This is because South Africa does not have waterways and rely heavily on land transport by road. A rise in fuel prices also affects the cost of producing and transporting agricultural crops, as 80% of grain is transported by road. This increase in costs is usually passed on to consumers as businesses struggle to absorb the added costs. Presented in this article is a summary of the results of the Consumer price index (CPI) release for April 2019.

Headline consumer price index (CPI for all urban areas)
Annual consumer price inflation was 4,4% in April 2019, down from 4,5% in March 2019 **(see Table S)**. The consumer price index increased by 0,6% month-on-month in April 2019. The following items contributed to the headline annual consumer price inflation:

- Alcoholic beverages and tobacco decreased from 0,4 of a percentage point in March 2019 to 0,3 of a percentage point in April 2019. The index increased by 5,7% year-on-year.
- Transport increased from 0,9 of a percentage point in March 2019 to 1,1 percentage points in April 2019. The index increased by 7,4% year-on-year.
- Recreation and culture decreased from 0,1 of a percentage point in March 2019 to zero in April 2019. The index increased by 0,3% year-on-year.
- Transport contributed 0,4 of a percentage point. The index increased by 2,8% month-on-month. In April 2019 the CPI for goods increased by 4,2% year-on-year (up from 4,1% in March), and the CPI for services increased by 4,6% (down from 4,9% in March).

Provincial annual inflation rates ranged from 3,8% in Eastern Cape to 5,2% in Western Cape.

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

Year	Index/rate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average [1]
2010	Index	69,3	69,8	70,3	70,4	70,6	70,6	71,1	71,1	71,1	71,3	71,4	71,5	70,7
	Rate	6,1	5,8	5,1	4,8	4,7	4,1	3,8	3,6	3,0	3,3	3,5	3,5	4,3
2011	Index	71,9	72,3	73,2	73,5	73,8	74,1	74,7	74,9	75,2	75,5	75,8	75,9	74,2
	Rate	3,8	3,6	4,1	4,4	4,5	5,0	5,1	5,3	5,8	5,9	6,2	6,2	5,0
2012	Index	76,3	76,7	77,6	77,9	77,9	78,2	78,4	78,6	79,3	79,8	80,0	80,2	78,4
	Rate	6,1	6,1	6,0	6,0	5,6	5,5	5,0	4,9	5,5	5,7	5,5	5,7	5,7
2013	Index	80,4	81,2	82,2	82,5	82,3	82,5	83,4	83,6	84,0	84,2	84,3	84,5	82,9
	Rate	5,4	5,9	5,9	5,9	5,6	5,5	6,4	6,4	5,9	5,5	5,4	5,4	5,7
2014	Index	85,1	86,0	87,2	87,6	87,7	88,0	88,7	89,0	89,0	89,2	89,2	89,0	88,0
	Rate	5,8	5,9	6,1	6,2	6,6	6,7	6,4	6,5	6,0	5,9	5,8	5,3	6,2
2015	Index	88,9	89,4	90,7	91,5	91,7	92,1	93,1	93,1	93,1	93,3	93,4	93,7	92,0
	Rate	4,5	4,0	4,0	4,5	4,6	4,7	5,0	4,6	4,6	4,6	4,7	5,3	4,5
2016	Index	94,4	95,7	96,4	97,2	97,4	97,9	98,7	98,6	98,8	99,3	99,6	100,0	97,8
	Rate	6,2	7,0	6,3	6,2	6,2	6,3	6,0	5,9	6,1	6,4	6,6	6,7	6,3
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	Index	109,2	110,1	111,0	111,7									
	Rate	4,0	4,1	4,5	4,4									

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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