



Statistics South Africa
Private Bag X44
Pretoria 0001
South Africa

ISibalo House, Koch street, Salvokop
Pretoria 0002

User information services: (012) 310 8600
Main switchboard: (012) 310 8911

Website: www.statssa.gov.za
Email: info@statssa.gov.za





Editor's comment

On 28 July 2020, Statistics South Africa (Stats SA) published the *Quarterly employment statistics* (QES) survey results for the first quarter of 2020. According to the survey, the formal non-agricultural sector shed 3 000 jobs in the first quarter of 2020. This brings the total number of persons employed in the formal non-agricultural sector in South Africa to 10,2 million. The survey further shows that three of the eight industries (trade, construction and manufacturing) reported a decrease quarter-on-quarter, while the electricity industry reported no change.

On a more positive note, however, the government has declared war on unemployment and seeks to create jobs by doing the following: Reversing spatial apartheid by building more homes near big cities where the work is; by introducing a policy that ensures that graduates are hired without work experience, by introducing skills programmes for young people to make them more employable; and by reducing the cost of data so that using the internet to apply for jobs can be cheaper, making the internet more accessible for the disenfranchised workers of South Africa.

In this month's issue, our educational article is based on *Child Poverty in South Africa: A Multiple Overlapping Deprivation Analysis, Findings of the Living Conditions Survey, June 2020*, Report No. 03-10-22. Articles published in this issue are based on results of industry surveys conducted for the months ranging from March to May 2020. Also have a look at our monthly crossword puzzle and solutions for the June 2020 puzzle.

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

Enjoy the read!





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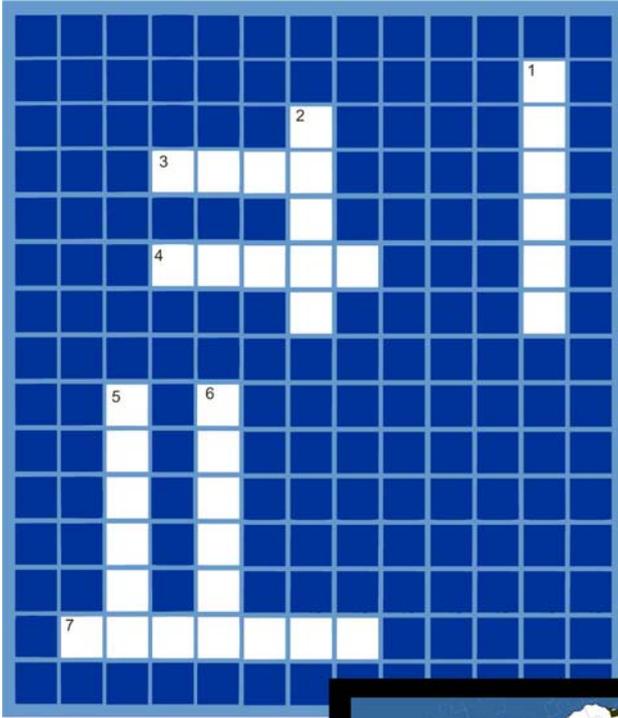
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Crossword puzzle





Across

3. True or false? The sale of alcohol is currently banned in South Africa
4. Fill in the missing word. The basic iron and, non-ferrous metal products, metal products and machinery was the largest negative contributor to the overall manufacturing output in April 2020.
7. Which country has the largest economy in Africa?

Down

1. In which month is National Women's Day celebrated in South Africa?
2. How many continents make up the world?
5. Which South African diplomat and daughter of anti-apartheid activists, Nelson Mandela and Winnie Madikizela-Mandela, recently passed on?
6. Who is South Africa's Minister of Health?

Solutions for June 2020 puzzle

Across

1. David
4. Youth Day
6. Western Cape

Down

2. Drones
3. Sam Nzima
5. Agency
7. Six





Educational article: Child Poverty in South Africa: A Multiple Overlapping Deprivation Analysis

1. Introduction

Poverty is defined as not having enough material possessions or income for a person's needs which may include social and economic elements. Poverty being a concern for governments, it affects everybody, including children. Globally, children are one of the most vulnerable groups in society as they cannot be in charge of their well-being and depend on elders for survival. In almost every country, children are significantly more likely to live in poverty than adults, and the consequences of poverty on children can be devastating and lifelong, with implications for the country's economic growth and human capital development. Therefore, reducing poverty and deprivation should be a priority of any democratic government. This is in line with the National Development Plan which its main objective is to eliminate poverty and reduce inequality by the year 2030.

This educational article is based on the report titled *Child Poverty In South Africa: A Multiple Overlapping Deprivation Analysis, June 2020* (Report No. 03-10-22) published by Statistics South Africa (Stats SA) on 07 July 2020. The report is derived from the Living Conditions Survey conducted in 2014/2015 with a focus on the poverty levels by measuring multi-dimensional and money-metric poverty among children in South Africa. The report applies the Multiple Overlapping Deprivation Analysis (MODA) methodology, by assessing children's access to various goods and services using a life-cycle approach. For the purpose of this article, multi-dimensional and money metric poverty, poverty deprivation at national, provincial and metropolitan municipal level from the following three age groups will be discussed:

- early childhood 0–4 years;
- primary childhood 5–12 years and
- adolescent 13–17.

2. Understanding the Multiple Overlapping Deprivation Analysis (MODA)

The child poverty levels are determined using the Multiple Overlapping Deprivation Analysis (MODA) methodology by the United Nations

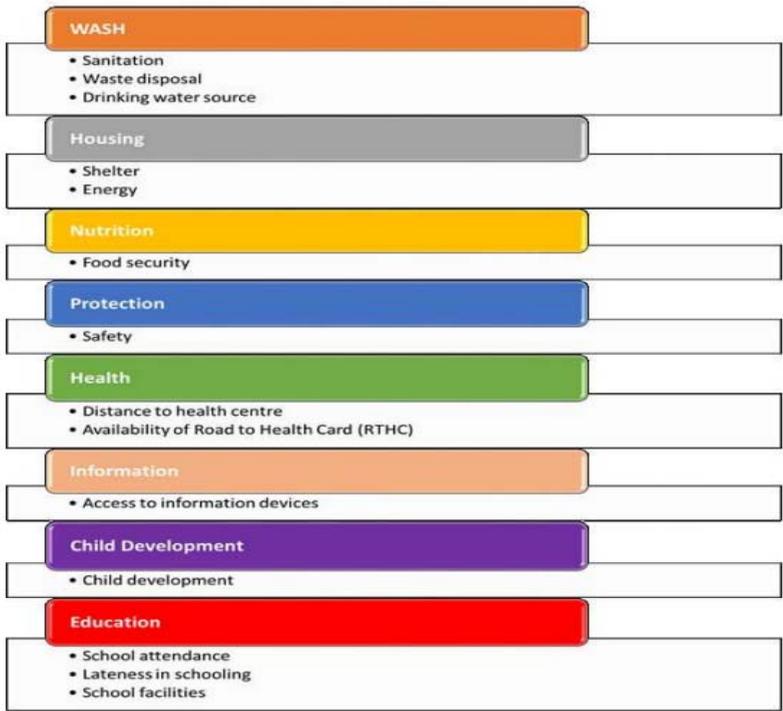




International Children Fund's (UNICEF's). MODA uses a child as a unit of analysis and adopts indicators that are child specific and relevant to the

well-being of the child. Figure 1 shows the South African MODA which has 7 dimensions (Housing, Protection, Nutrition, Health, Information, WASH and Child development) and 14 indicators. According to MODA, a child is classified poor if s/he is deprived in at least three of these dimensions.

Figure 1: Dimensions and Indicators based on the Living Conditions Survey 2015



3. Overlap analysis between money-metric and multidimensional deprivation

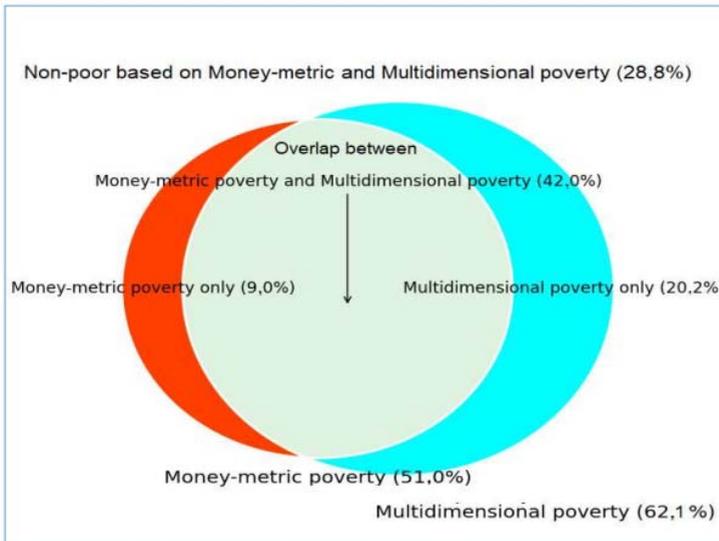
In South Africa, money metric is used to analyse the social well-being of households. This section explores the relationship between money-metric and multidimensional poverty for children aged 0–17 years. The money-metric poverty status of households (poor or non-poor) is determined based



on national poverty lines. The cost-of-basic needs approach, which is internationally recognised, is used to link welfare to the consumption of goods and services. A household is considered poor if its consumption is below the lower bound poverty line of R647 per person per month. On the other hand, a child is regarded as deprived or multi-dimensionally poor if he or she is deprived in three or more dimensions of well-being simultaneously.

Figure 2 shows the deprivation overlap for children aged 0–17 years based on money-metric and multi-dimensional poverty at the national level. At least, 9,0% of children are found to be only money-metric poor and not deprived, whereas 20,2% are multi-dimensionally poor only. Most children (42,0%) are both money-metric and multidimensional poor, while 28,8% are neither poor nor deprived.

Figure 2: Deprivation overlap for children aged 0–17 years based on money-metric and multidimensional poverty at the national level, 2015



Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.

3.1 Deprivation overlap for children based on money-metric and multidimensional poverty by province

The Eastern Cape, Limpopo and KwaZulu-Natal provinces have higher percentages of children aged 0-17 that are both poor and deprived at 62,1%, 59,9% and 56,3% respectively. Higher proportions of children that are



deprived but not poor are registered in Mpumalanga (25,5%), followed by Limpopo and Western Cape provinces which records almost similar proportions of deprived but not poor children at 22,9% and 22,1%. Gauteng (55,6%) and Western Cape (50,3%) report the highest proportions of children that are not poor in both measures (see Table 1).

Table 1: Deprivation overlap for children aged 0–17 years based on money-metric and multidimensional poverty by province

Province	Money-metric poverty status of household (LBPL)	Overlap	Multidimensional poverty (k=3)	Money-metric poor only	Multidimensionally poor (deprived) only	Non-poor (money-metric & multidimensional poverty)
Limpopo	65,8	59,9	82,8	5,9	22,9	11,3
Mpumalanga	50,6	43,7	69,2	6,9	25,5	23,9
Gauteng	25,8	15,0	33,6	10,8	18,6	55,6
North West	56,8	43,9	64,1	12,9	20,2	22,9
KwaZulu-Natal	63,3	56,3	75,8	7,0	19,4	17,3
Free State	46,4	32,4	53,8	13,9	21,3	32,3
Northern Cape	50,5	34,7	53,8	15,8	19,1	30,4
Eastern Cape	68,8	62,1	78,7	6,7	16,5	14,6
Western Cape	27,6	15,0	37,1	12,6	22,1	50,3
National	51,0	42,0	62,1	9,0	20,2	28,8

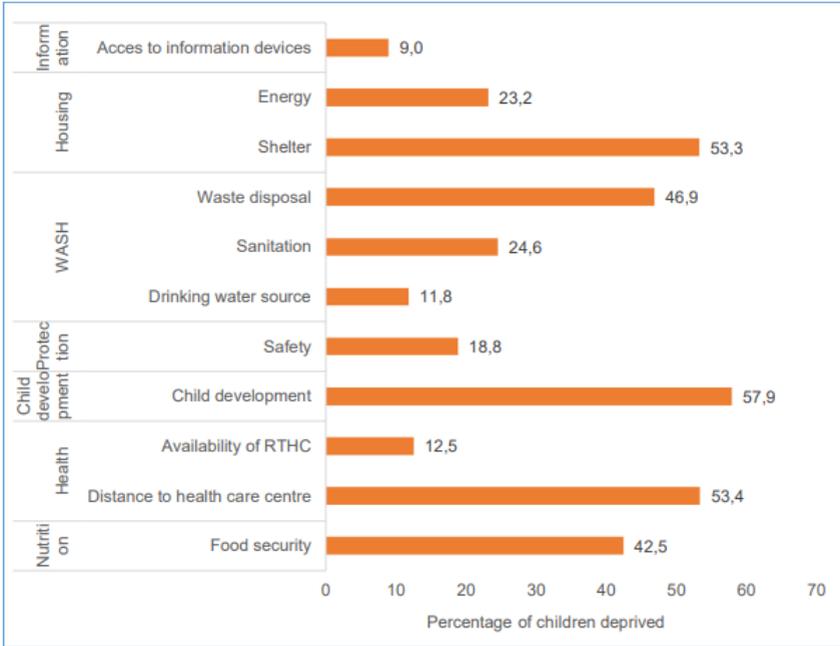
Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.

4. Deprivation distribution among younger children (0–4 years), nationally

This section presents the results for younger children between 0 – 4 years old. It specifically looks into the deprivation headcount by indicators and dimensions of interest as well as the rates based on individual characteristics of a child. In addition, the deprivation distribution and overlap between specific dimensions are discussed at the national and metropolitan municipality levels.



Figure 3: Deprivation headcount rates for children aged 0–4 years by indicator and dimension



Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.

Figure 3, shows the headcount deprivation rate of indicators at a dimension level for children 0 – 4 years old. A child is considered deprived in a specific dimension (e.g. Health) if he or she is deprived in at least one of its indicators (e.g. availability to Road to Health Card (RTHC) or distance to health care centre). The analysis incorporates seven dimensions, with numbers of deprivation experienced in housing, nutrition, child development, protection, information, health and Water, Sanitation and Hygiene (WASH). Nationally, more than 6 out of 10 children are deprived in housing dimension, which is mainly due to lack of adequate and sustainable shelter indicator with 53,3% of children deprived.

Nutrition plays a very critical role for children in this age group in terms of their mental and physical development. In South Africa, more than 4 out of 10 children (42,5%) in this age group are deprived in the Nutrition dimension



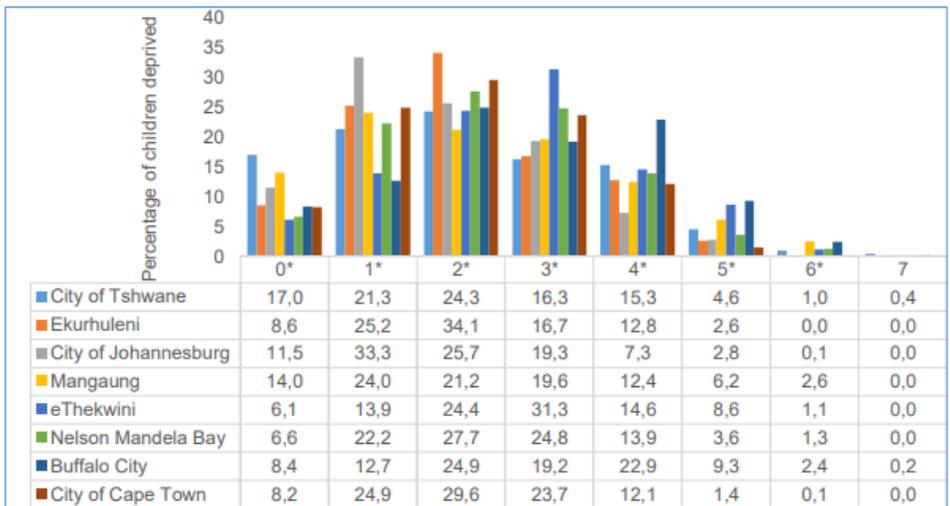


due to food security. Furthermore, almost 58% of all children aged 0–4 years are deprived in the child development dimension. The Health dimension is composed of the indicators “Availability of RTHC” and “distance to health care centre” with deprivation rates of 12,5% and 53,4% respectively.

4.1 The number of simultaneous deprivations experienced by children aged 0–4 years old by metropolitan municipality

The distribution in Figure 4 shows that eThekweni and Nelson Mandela Bay municipalities have higher proportions of children deprived in 3 dimensions at the same time (31,3% and 24,8% respectively). Moreover, City of Tshwane has 17,0% of children facing no deprivations out of all dimensions of well-being studied, followed by Mangaung at 14,0%.

Figure 4: The number of simultaneous deprivations experienced by children aged 0–4 years old by metropolitan municipality



Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.
 Note: * $p < 0.05$ in Chi-squared test of independence.

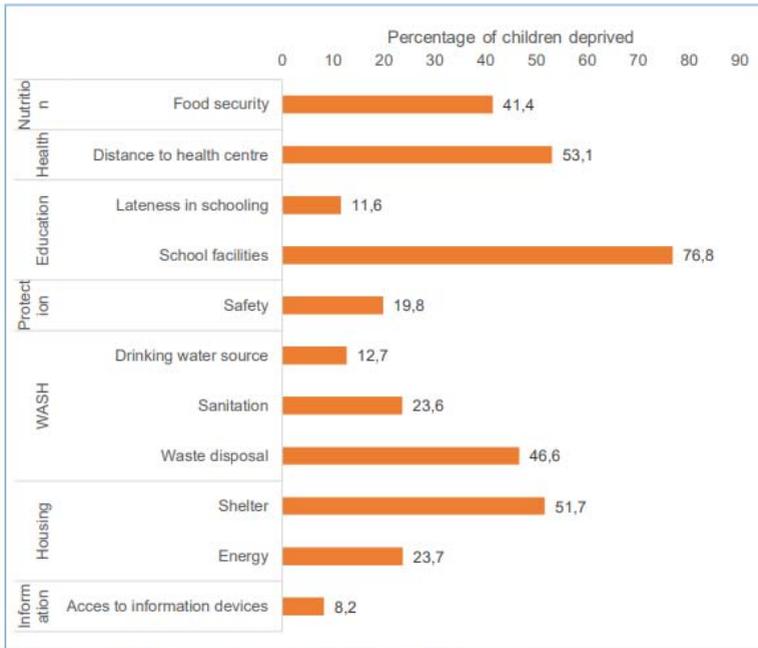
5. Deprivation distribution (5–12 years), nationally

According to Figure 5, high deprivation in Education is driven by lack of school facilities (76,8%), while for Housing dimension is driven by the materials used to build the shelter (51,7%), contributing largely to the housing deprivation. With the Health dimension, more than five out of ten children who are deprived travel longer distances to get to the nearest health



care centre. The high deprivation in the WASH dimension is driven by inappropriate waste disposal management and services (46,6%), followed by sanitation measured by inadequate toilet facilities (23,6%). Regarding the Nutrition dimension, it is found that 41,4% of children are from households experiencing deprivation in food security. With respect to the protection dimension, it is reported that 19,8% of children live in an unsafe environments due to crime. The Information dimension recorded the lowest rate of deprivation in this category, with only 8,2% of children from households with no access to information devices.

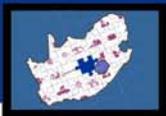
Figure 5: Deprivation headcount rates for children aged 5–12 years by indicator and dimension



Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.

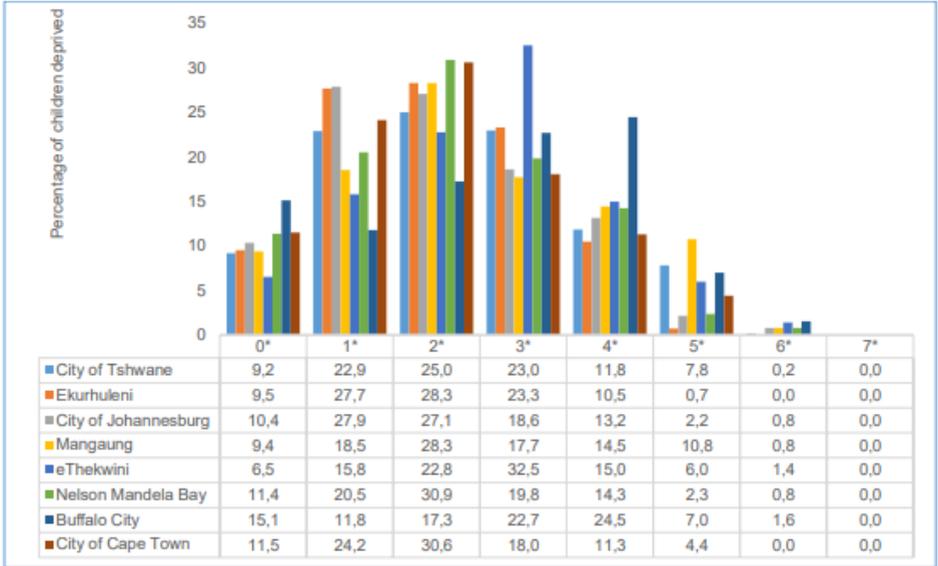
5.1 Deprivation distribution by metropolitan municipality

Amongst the metropolitan municipalities, as shown in Figure 6, Buffalo City and the City of Cape Town have the highest proportion of children with no



deprivation (15,1% and 11,5% respectively). On the other hand, Mangaung, City of Tshwane and Buffalo City have relatively high percentages of children deprived in 5 out of 7 dimensions (10,8%, 7,8% and 7,0% respectively). Less than 2% of children in all the metropolitan municipalities are deprived in 6 or more dimensions.

Figure 6: Deprivation distribution for children aged 5–12 years by metropolitan municipality



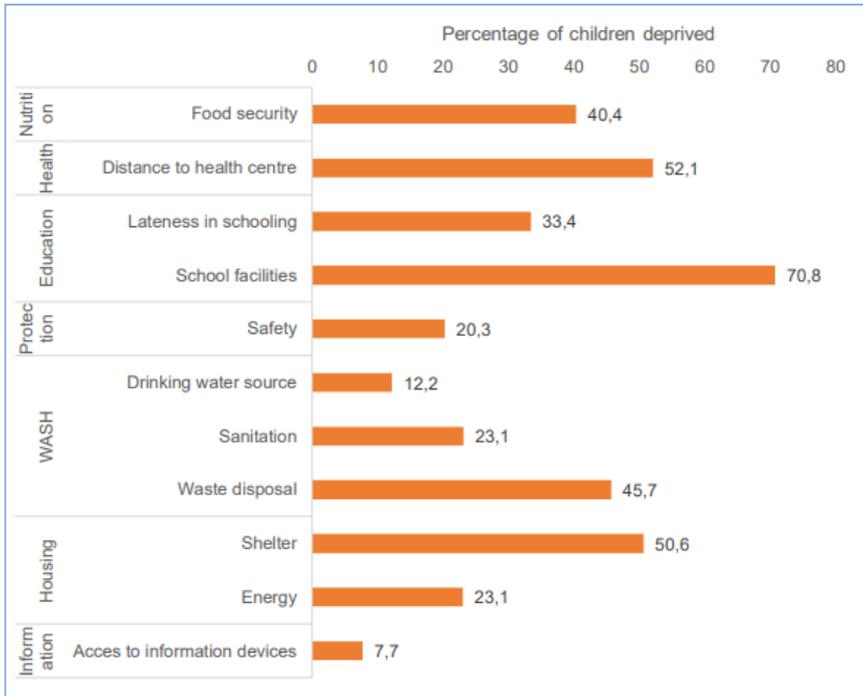
Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.
 Note: * $p < 0.05$ in Chi-squared test of independence.

6. Deprivation among children (13–17 years) nationally

Figure 7 shows the proportion of deprived children in each indicator of well-being analysed for adolescents aged 13–17 years old nationally. About 7 out of 10 (70,8%) children of this age group attended a school which was not equipped with appropriate facilities/services. In addition, 33,4% did not complete the grade required for his/her age. Inadequate housing materials (roof, walls and floor) affect around half of the children aged 13–17 years old (50,6%). Moreover, 52,1% of children live further than 5 km away from the nearest health care centre.



Figure 7: Deprivation distribution for children aged 13–17 years at national level



Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.

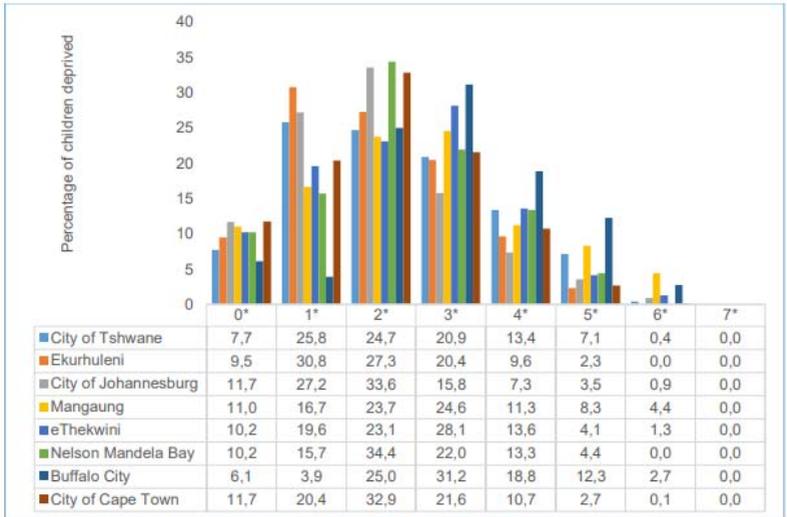
6.1 Deprivation distribution of children aged 13–17 years by metropolitan municipality

Figure 8 shows the distribution of deprivations amongst children aged 13–17 years old by metropolitan municipality. In particular, around 1 out of 3 children (33,8%) living in Buffalo City experience deprivation in 4 or more dimensions at the same time as opposed to 11,7% in City of Johannesburg and 11,9% in Ekurhuleni. In Mangaung, 12,7% of children suffer from 5 or 6 simultaneous deprivations. On the other hand, 38,9% of children residing in City of Johannesburg are deprived in none or 1 dimension only in contrast to 10,0% in Buffalo City and 27,7% in Mangaung.





Figure 8: Deprivation distribution of children aged 13–17 years by metropolitan municipality



Source: Author's calculations based on the Living Conditions Survey (LCS) 2015.
 Note: * $p < 0.05$ in Chi-squared test of independence.

7. Conclusion

On average, the multi-dimensionally poor children suffer from 4 out of 7 deprivations across all age groups. More than 8 out of 10 children across all age groups experience multiple deprivations, for example, number of deprivations greater than one. The proportion of children living in money-metric poverty is lower than multidimensional child poverty rate. Children from provinces in South Africa that are predominantly rural are highly stricken by multidimensional poverty.



Primary industries

Mining: production and sales

Mining production decreases

The mining industry was one of the biggest negative contributors to economic growth in quarter 1 of 2020 (January to March). During this quarter, the mining and quarrying industry decreased by 21,5% and contributed -1,7 percentage points to the gross domestic product (GDP growth). Although it might seem like the mining industry has been going through a bleak period, the South African government is set on reviving the industry. It plans to do this by: strengthening innovation; introducing robust junior mineral exploration and clean technology; ensuring mineral processing; and building a strong supportive mining supply and services sectors. Hopefully these initiatives will be enough to bring the industry back into profitability. Presented in this article are the key results for the Mining: Production and sales release for May 2020.

Mining production decreased by 29,8% year-on-year in May 2020 (see **Table A**). The largest contributors were:

- iron ore (-66,3%, contributing -7,4 percentage points);
- PGMs (-27,3%, contributing -6,6 percentage points);
- manganese ore (-45,4%, contributing -3,0 percentage points);
- 'other' non-metallic minerals (-46,7%, contributing -2,8 percentage points); and
- coal (-9,6%, contributing -2,6 percentage points).

Table A – Key growth rates in the volume of mining production for May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Year-on-year % change, unadjusted	0,3	7,4	6,2	-19,1	-50,3	-29,8
Month-on-month % change, seasonally adjusted	-5,9	7,2	-2,7	-19,3	-36,8	44,0
3-month % change, seasonally adjusted ^{1/}	-0,1	-1,9	-3,0	-6,2	-22,9	-31,3

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



Mineral sales decreased by 13,4% year-on-year in May 2020 (see Table B). The largest negative contributors were:

- coal (-21,2%, contributing -5,8 percentage points);
- manganese ore (-41,1%, contributing -3,5 percentage points);
- PGMs (-9,8%, contributing -2,5 percentage points); and
- chromium ore (-50,4%, contributing -2,1 percentage points).

Gold (58,6%, contributing 5,7 percentage points) was a significant positive contributor.

Table B – Key growth rates in mineral sales at current prices for May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Year-on-year % change, unadjusted	-5,4	24,4	18,0	11,3	-29,3	-13,4
Month-on-month % change, seasonally adjusted	-9,8	25,5	-10,8	1,6	-36,9	25,7
3-month % change, seasonally adjusted ^{1/}	1,7	8,0	5,4	11,3	-11,5	-18,2

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



Secondary industries

Manufacturing: Production and sales

Manufacturing production decreased by 49,4% in April 2020

In April 2020, all ten manufacturing divisions reported negative growth. The basic iron and steel, non-ferrous metal products, metal products and machinery (which reported a decrease of 65,4%, contributing -13,2 percentage points) was the largest negative contributor to the overall manufacturing output. Steel is one of the foundation or primary components for many industries such as construction, transportation, mining and the manufacturing of electric power lines, machinery and equipment. Steel is also used in the health care sector for hospital beds, disposable buckets for needles or hazardous waste, scalpels, and hospital wheelchairs. The manufacturing of steel is undoubtedly important to the growth and development of the country's economy. Thus, the loss of sales in this division can have an impact on the production and sales of other industries. Presented in this article is a summary of the key results from the Manufacturing: Production and sales release for April 2020.

Manufacturing production decreased by 49,4% in April 2020 compared with April 2019 (**see Table C**). The largest contributions were made by the following divisions:

- basic iron and steel, non-ferrous metal products, metal products and machinery (-65,4%, contributing -13,2 percentage points);
- petroleum, chemical products, rubber and plastic products (-41,5%, contributing -9,5 percentage points);
- motor vehicles, parts and accessories and other transport equipment (-98,0%, contributing -7,8 percentage points);
- food and beverages (-19,4%, contributing -5,4 percentage points); and
- wood and wood products, paper, publishing and printing (-49,2%, contributing -4,9 percentage points).



Table C – Key growth rates in the volume of manufacturing production for April 2020

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
Year-on-year % change, unadjusted	-3,5	-6,3	-1,9	-2,1	-5,5	-49,4
Month-on-month % change, seasonally adjusted	-1,8	-3,2	3,0	-2,7	-1,2	-44,3
3-month % change, seasonally adjusted ^{1/}	0,2	-0,6	-1,8	-2,5	-2,0	-16,9

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

Selected building statistics of the private sector

Value of recorded building plans passed decreases

A new law has been passed in order to protect South African home buyers against dishonest home sellers and agencies. On 19 September 2019, President Cyril Ramaphosa signed into law the Property Practitioners Act, 2019 (Act No. 22 of 2019). According to the Act, anyone who earns a commission or brokerage from the sale or leasing of a property needs a valid Fidelity Fund certificate which must be produced on request from a seller or landlord. The Act requires that an agent, agency/business and its property practitioners must be fully compliant and should have a valid tax clearance and Black Economic Empowerment (BEE) certificate. The main purpose of the Act is to regulate the affairs of all property practitioners, to allow for transformation in the property sector and to provide for consumer protection. It is a punishable offence for any property practitioner or agency to deceive any consumer or not adhere to the Act. Presented in this article is a summary of the results from the release on Selected building statistics of the private sector as reported by local government institutions for April 2020.

The value of recorded building plans passed (at current prices) decreased by 33,0% (-R12 325,6 million) during January to April 2020 compared with January to April 2019 (see **Table D**).



Decreases were recorded for residential buildings (-40,1% or -R8 090,7 million), non-residential buildings (-28,7% or -R2 346,3 million) and additions and alterations (-20,9% or -R1 888,6 million).

The largest negative contributions to the total decrease of 33,0% (-R12 325,6 million) were made by Gauteng (contributing -18,5 percentage points or -R6 910,2 million), Western Cape (contributing -6,1 percentage points or -R2 297,7 million) and KwaZulu-Natal (contributing -3,6 percentage points or -R1 358,9 million)

Table D – Recorded building plans passed by larger municipalities: January to April 2019 versus January to April 2020

Estimates at current prices	January to April 2019	January to April 2020	Difference in value between January to April 2019 and January to April 2020	% change between January to April 2019 and January to April 2020
	R'000	R'000	R'000	
Residential buildings	20 188 586	12 097 845	-8 090 741	-40,1
- Dwelling houses	8 971 149	7 072 269	-1 898 880	-21,2
- Flats and townhouses	10 821 545	4 896 881	-5 924 664	-54,7
- Other residential buildings	395 892	128 695	-267 197	-67,5
Non-residential buildings	8 186 904	5 840 624	-2 346 280	-28,7
Additions and alterations	9 024 396	7 135 768	-1 888 628	-20,9
Total	37 399 886	25 074 237	-12 325 649	-33,0

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 (production) decreases

On 7 July 2020, the Department of Mineral Resources and Energy published a Ministerial Determination in the *Government Gazette* on new generation capacity in order to contribute towards strengthening energy security in the country. The Ministerial Determination allows among others, for 2 000 megawatts (MW) to be purchased from a range of energy source technologies in accordance with the short-term risk mitigation capacity. This then allows Eskom a way to purchase electricity from independent power producers in line with the procurement programmes by the Department of Mineral Resources and Energy. The procurement programme shall target connection to the grid for the new generation capacity by no later than December 2021. Presented in this article is a summary of the key results from the release on Electricity generated and available for distribution for May 2020.

Electricity generation (production) decreased by 13,2% year-on-year in May 2020 (see Table E).

Table E – Key growth rates in the volume of electricity generated for May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Year-on-year % change, unadjusted	-4,0	-2,5	1,0	-4,0	-22,8	-13,2
Month-on-month % change, seasonally adjusted	-1,6	1,3	-0,2	-2,2	-16,4	9,9
3-month % change, seasonally adjusted ^{1/}	-1,8	-2,1	-2,1	-1,1	-6,7	-9,9

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

Electricity distribution (consumption) decreased by 13,6% year-on-year in May 2020 (see Table F).



Table F – Key growth rates in the volume of electricity distributed for May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Year-on-year % change, unadjusted	-4,9	-3,6	0,0	-5,0	-23,3	-13,6
Month-on-month % change, seasonally adjusted	-1,3	1,3	-1,1	-2,4	-16,4	10,7
3-month % change, seasonally adjusted ^{1/}	-1,1	-1,8	-2,3	-1,8	-7,6	-10,5

^{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

Sales for May 2020 decrease

In order to prevent running out of stock, some retailers use blanket sales orders. A blanket order is typically made when a customer is purchasing large quantities of goods that are to be delivered in several smaller shipments over a certain period of time. For example, a retailer who needs goods signs a long-term agreement with a wholesaler and the goods will be delivered in portions when the retailers needs them. A blanket order offers benefits to retailers by minimising the risk and costs associated with goods storage and the price won't fluctuate over time no matter what affects the market. Presented in this article is a summary of the key results from the Wholesale trade sales survey for May 2020.

Wholesale trade sales decreased by 23,8% in May 2020 compared with May 2019 (**see Table G**). The main negative contributors to this decrease were dealers in:

- solid, liquid and gaseous fuels and related products (-49,7%, contributing -12,5 percentage points); and
- construction and building materials (-51,4%, contributing -3,3 percentage points).

Wholesale trade sales decreased by 22,5% in the three months ended May 2020 compared with the three months ended May 2019. The main negative contributors to this decrease were dealers in:

- solid, liquid and gaseous fuels and related products (-43,3%, contributing -11,0 percentage points);
- construction and building materials (-47,5%, contributing -2,6 percentage points); and
- machinery, equipment and supplies (-12,4%, contributing -1,6 percentage points).



Table G – Key growth rates in wholesale trade sales at current prices for May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Year-on-year % change, unadjusted	5,5	7,7	6,1	-1,0	-43,7	-23,8
Month-on-month % change, seasonally adjusted	-2,1	6,8	-1,5	-5,4	-38,9	34,0
3-month % change, seasonally adjusted ^{1/}	-2,0	-1,0	0,3	1,1	-14,1	-22,5

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

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

Retail trade sales

May sales decrease by 12,0%

While the Consumer Protection Act, 2008 (Act No. 68 of 2008) allows consumers the right to examine, including fitting on goods before buying them, some retailers are cautious to allow consumers to fit and exchange goods for safety reasons due to COVID-19 pandemic. Retailers' decision to disallow the fitting of clothes and the return of purchased clothes came after it was reported that the coronavirus can survive on surfaces and clothing for some time. Some retailers will allow the return of goods when the nation moves to level 1 of the lockdown while others will do so when the coronavirus is over. Presented in this article is a summary of the key results of Retail trade sales statistics for May 2020.

Retail trade sales decreased by 12,0% year-on-year in May 2020 (**see Table H**). The largest negative annual growth rates were recorded for:

- all 'other' retailers (-55,5%);
- retailers in household furniture, appliances and equipment (-30,1%); and
- retailers in food, beverages and tobacco in specialised stores (-29,1%).

The main contributors to the 12,0% decrease were:

- all 'other' retailers (contributing -6,5 percentage points);
- retailers in food, beverages and tobacco in specialised stores (contributing -2,2 percentage points); and
- general dealers (contributing -2,1 percentage points).



Retail trade sales decreased by 19,5% in the three months ended May 2020 compared with the three months ended May 2019. The main contributors to this decrease were:

- retailers in textiles, clothing, footwear and leather goods (-36,9%, contributing -6,4 percentage points); and
- all 'other' retailers (-49,6%, contributing -6,1 percentage points).

Table H – Key growth rates in retail trade sales for January 2020 at constant 2015 prices

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Year-on-year % change, unadjusted	-0,5	1,3	1,9	2,9	-50,4	-12,0
Month-on-month % change, seasonally adjusted	-3,2	2,4	-5,7	6,7	-50,7	74,2
3-month % change, seasonally adjusted ^{1/}	0,2	1,0	-2,3	-0,7	-18,1	-18,9

^{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 decreased by 49,1% year-on-year in May 2020

On the 24th of July 2020, the Minister of Trade, Industry and Competition, Ebrahim Patel, revealed during the department’s budget vote that Toyota “will build Africa’s first hybrid (petrol-electric) vehicle in South Africa within 18 months”. This will be the first hybrid vehicle to be produced by Toyota on the African continent. A hybrid vehicle is powered by both an electric motor and an internal combustion engine. The two systems work directly with each other to drive the car. Minister Patel noted that Toyota’s plan is in line with “tectonic shifts in economies towards greener industries” as hybrid vehicles use less fuel and produce lower emissions than fuel-only vehicles. Presented in this article is a summary of the key results of the Motor trade sales release for May 2020.

Motor trade sales decreased by 49,1% year-on-year in May 2020 (see Table I). The largest negative annual growth rates were recorded for:

- new vehicle sales (-55,7%);



- used vehicle sales (-55,1%);
- workshop income (-51,5%); and
- fuel sales (-51,0%).

Motor trade sales decreased by 49,6% in the three months ended May 2020 compared with the three months ended May 2019 . The main contributors to this decrease were:

- new vehicle sales (-57,3%, contributing -14,2 percentage points);
- fuel sales (-44,7%, contributing -13,4 percentage points);
- used vehicle sales (-56,9%, contributing -10,2 percentage points); and
- sales of accessories (-42,9%, contributing -7,3 percentage points).

Table I – Key growth rate figures in motor trade sales for May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Year-on-year % change, unadjusted	2,4	1,3	4,8	-16,2	-84,0	-49,1
Month-on-month % change, seasonally adjusted	-0,2	1,6	1,0	-19,0	-75,2	163,4
3-month % change, seasonally adjusted ^{1/}	-1,9	-1,8	0,3	-5,0	-31,7	-48,0

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

Food and beverages

Total income generated by the food and beverages industry decreases

In trying to fight the continuous spread of COVID-19, President Cyril Ramaphosa reinstated the ban on the sale of alcohol on 12 July 2020. The decision was taken in order to free up hospital beds occupied by those suffering from alcohol-related traumas. However, some South African liquor industry groups such as the South African Liquor Brand owners' Association (SALBA), the Beer Association of South Africa (BASA) and Liquor Traders Association of South Africa (LTASA), to name a few, have raised concerns that the decision to ban the sale of alcohol could have a disastrous economic impact on the industry and continue to exacerbate the loss of excise revenue while also fueling the growth in the illicit liquor market.



Moreover, the industry already suffered financial losses in April and May 2020 as bar sales made a loss of -100% in both months. This could ultimately have an impact on the food and beverages industry, as alcohol is one of the beverages sold in bars and restaurants. Presented in this article is a summary of the key results from the release on the Food and beverages industry for the month of May 2020.

Total income generated by the food and beverages industry decreased by 87,9% in May 2020 compared with May 2019 (see Table J). The largest decreases were recorded for:

- bar sales (-100,0%); and
- food sales (-87,3%).

In May 2020, the main contributors to the 87,9% year-on-year decrease were:

- restaurants and coffee shops (-98,0%, contributing -49,8 percentage points); and
- takeaway and fast-food outlets (-85,7%, contributing -28,9 percentage points).

Total income decreased by 69,1% in the three months ended May 2020 compared with the three months ended May 2019. The main contributors to this decrease were:

- restaurants and coffee shops (-74,5%, contributing -39,4 percentage points); and
- takeaway and fast-food outlets (-69,3%, contributing -22,2 percentage points).

Table J – Year-on-year percentage change in food and beverages income at constant prices by type of income – May 2020

Type of income	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Food sales	1,9	3,1	2,9	-28,9	-94,6	-87,3
Bar sales	-10,9	0,9	-0,7	-41,0	-100,0	-100,0
Other income	-5,2	-9,8	-26,3	-44,9	-82,6	-80,0
Total	0,8	2,6	1,9	-30,2	-94,6	-87,9

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 decreases by 98,0% in May 2020

Restrictions of international flights, inter-provincial leisure travel ban, sales of alcohol ban and an evening curfew are just some of the factors affecting the South African tourism industry. Statistics reported in this article show that the total income for the tourist accommodation industry in April and May 2020 decreased by 98,1% and 98,5%, respectively. Furthermore, the Tourism Business Council of South Africa (TBCSA) revealed that more than R68 billion in tourism has been lost due to the national lockdown. The loss of income in the industry has driven some restaurant owners and workers to take to the streets to make their voices heard. Some restaurant owners and employees in Cape Town laid out rows of empty tables and chairs along pavements or in the middle of streets in what they called a "One Million Seats on the Streets" demonstration. The purpose of this demonstration was to highlight the massive impact the COVID-19 lockdown regulations have had on the industry. Presented in this article is a summary of the key results of the Tourist and accommodation release for May 2020.

The total income for the tourist accommodation industry decreased by 98,0% in May 2020 compared with May 2019 (**see Table K**). Income from accommodation decreased by 98,5% year-on-year in May 2020, the result of a 98,0% decrease in the number of stay unit nights sold and a 24,2% decrease in the average income per stay unit night sold.

In May 2020, all accommodation types recorded large negative year-on-year growth in income from accommodation. The main contributors to the 98,5% year-on-year decrease in income from accommodation were:

- hotels (-98,2%, contributing -65,9 percentage points); and
- 'other' accommodation (-98,8%, contributing -27,4 percentage points).

Income from accommodation decreased by 77,0% in the three months ended May 2020 compared with the three months ended May 2019. The main contributors to this decrease were:

- hotels (-77,1%, contributing -51,0 percentage points); and
- 'other' accommodation (-76,4%, contributing -21,6 percentage points).



Table K – Year-on-year percentage change in tourist accommodation statistics for May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Stay units available	-0,2	0,0	-0,1	-0,1	-0,2	-0,2
Stay unit nights sold	0,1	0,7	1,8	-38,9	-97,4	-98,0
Average income per stay unit nights sold	1,0	4,0	6,2	-4,6	-25,8	-24,2
Income from accommodation	1,0	4,7	8,1	-41,7	-98,1	-98,5
Total income ^{1/}	2,4	4,9	6,4	-33,6	-98,7	-98,0

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

A total of 97 425 travellers passed through South Africa's ports of entry in April 2020

South Africa is one of the countries in the world with many ports of entry or borders that include land, air and maritime. These ports of entry are regarded as key security control measures (when entering and leaving the country). However, well-managed borders can help address issues such as illegal immigration and transnational criminal activities. As a way of controlling movements and improving the security and safety of citizens and other nationals travelling in and out of the country, the President of South Africa, Cyril Ramaphosa, signed the Border Management Agency (BMA) Bill into law with effect from 21 July 2020. As part of its objective, this new law will control and manage movements at the borders through an integrated structure, including the establishment, organisation, regulation, functions and control of the Border Management Authority, the appointment of its Commissioner, Deputy Commissioners and officials, amongst others. Presented in this article is a summary of the tourism and migration statistics for April 2020.

Number of travellers

The number of travellers between April 2019 and April 2020 as well as between March 2020 and April 2020 are not necessarily comparable due to the hard lockdown level 5 that the country introduced on 26 March 2020. A



general expectation is that no visitors would be observed, as we may see in the analysis that follows there were foreign arrivals coming in and leaving the country during this period, though in small numbers. This may be true of visitors who were sent home to their countries of residence.

The routine data collected by the Department of Home Affairs' (DHA) immigration officers at the ports of entry into and out of South Africa shows that a total of 97 425 travellers (arrivals, departures and transits) passed through South African ports of entry/exit in April 2020 (**see Table L**). These travellers were made up of 31 014 South African residents and 66 411 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 15 716 arrivals, 15 298 departures and no travellers in transit. The corresponding volume for foreign arrivals, departures and travellers in transit was 29 341, 37 068 and 2, respectively

A comparison between the movements in April 2019 and April 2020 indicates that the volume of arrivals, departures and travellers in transit decreased for both South African residents and foreign travellers. For South African residents, the volume of arrivals decreased by 96,8% (from 493 734 in April 2019 to 15 716 in April 2020). Departures decreased by 97,0% (from 506 224 in April 2019 to 15 298 in April 2020), and transits decreased by 100,0% (from 818 in April 2019 to 0 in April 2020). For foreign travellers, arrivals decreased by 97,8% (from 1 350 167 in April 2019 to 29 341 in April 2020), departures decreased by 97,0% (from 1 217 493 in April 2019 to 37 068 in April 2020), and transits decreased by almost 100,0% (from 64 182 in April 2019 to 2 in April 2020).

A comparison between the movements in March 2020 and April 2020 indicates that the volume of arrivals, departures and travellers in transit decreased for both groups of travellers. For South African residents, the volume of arrivals decreased by 95,0% (from 314 022 in March 2020 to 15 716 in April 2020), departures decreased by 94,6% (from 283 691 in March 2020 to 15 298 in April 2020), and transits decreased by 100,0% (from 492 in March 2020 to 0 in April 2020). For foreign travellers, arrivals decreased by 96,6% (from 863 232 in March 2020 to 29 341 in April 2020), departures decreased by 95,9% (from 905 186 in March 2020 to 37 068 in April 2020), and transits decreased by 100,0% (from 30 528 in March 2020 to 2 in April 2020).



Mode of travel

In April 2020, road transport was the most common mode of travel used by 81 015 (83,2%) of the 97 425 travellers. The total number of travellers who used air transport was 15 864 (16,3%). Compared to the use of air and land transport, a smaller number of travellers [546 (0,6%)] used sea transport. Information on arrivals of South African residents shows that 2 598 (16,5%) came by air, 12 991 (82,7%) came by road and 127 (0,8%) arrived by sea transport. For departures, 2 479 (16,2%) used air, 12 733 (83,2%) used road and 86 (0,6%) left by sea transport. In the case of foreign travellers, 274 (0,9%) arrived by air, 28 972 (98,7%) came by road and 95 (0,3%) arrived by sea transport. When departing South Africa, 10 511 (28,4%) foreign travellers left by air, 26 319 (71,0%) left by road and 238 (0,6%) left by sea transport. A small number of travellers in transit, 2 (100,0%) used air transport.

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Regional and national distribution

In April 2020, South Africa received 507 foreign arrivals from five of the six overseas regions and the distribution of overseas foreign arrivals was as follows: Central and South America, 217 (42,8%); Europe, 161 (31,8%); Asia, 109 (21,5%); Australasia, 15 (3,0%); and North America, 5 (1,0%). Most foreign arrivals from Africa [28 829 (100,0%)] came from the SADC countries. The distribution of the remaining foreign arrivals from Africa is as follows: West Africa, 2 (less than 0,1%); and North Africa, 1 (less than 0,1%). South Africa did not receive foreign arrivals from East and Central Africa in April 2020.

Sex and age distribution

In April 2020, there were 28 525 (97,2%) male and 816 (2,8%) female foreign arrivals. Overseas foreign arrivals were made up of 353 (69,6%) male foreign arrivals and 154 (30,4%) female foreign arrivals. There were 28 170 (97,7%) male and 659 (2,3%) female foreign arrivals from SADC countries. Foreign arrivals from 'other' African countries were made up of 2



(66,7%) male and 1 (33,3%) female foreign arrivals. The majority of foreign arrivals were aged between 35 and 44 years [13 754 (46,9%)], followed by the age group 45 and 54 years [6 630 (22,6%)] and age group 25 and 34 years [6 282 (21,4%)].

Table L – Number of South African residents and foreign travellers by travel direction: April 2020

Travel direction	April 2019	March 2020	April 2020	% change between March 2020 and April 2020	% change April 2019 to April 2020
Total	3 632 618	2 397 151	97 425	-95,9%	-97,3%
South African residents	1 000 776	598 205	31 014	-95,9%	-96,9%
Arrivals	493 734	314 022	15 716	-95,0%	-96,8%
Departures	506 224	283 691	15 298	-94,6%	-97,0%
Transit	818	492	-	-100,0%	-100,0%
Foreign travellers	2 631 842	1 798 946	66 411	-96,3%	-97,5%
Arrivals	1 350 167	863 232	29 341	96,6%	-97,8%
Departures	1 217 493	905 186	37 068	-95,9%	-97,0%
Transit	64 182	30 528	2	-100,0%	-100,0%

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

Statistics of civil cases for debt

Total number of civil summonses issued for debt decreases

As from November 2020, DebiCheck – a new way of confirming debit orders before they are processed by banks and credit lenders – will replace the early debit order (EDO) which was allowing companies to track available funds in a customer’s account for 32 days. This means that no new debit orders will be processed early unless they are DebiChecked in order to



comply with the verification process, and no debit order will be paid from a consumer's account unless it is with their verified approval. The system is instituted by the South African Reserve Bank (SARB) and the Payment Association of South Africa (PASA) with the hope to stamp out rogue debit orders which are processed without consent of consumers. The DebiCheck system is responding to the increase in fraudulent debit orders, while on the other hand it is also protecting credit providers from consumers reversing or disputing valid debit orders. Presented in this article is a summary of the results from the Statistics of civil cases for debt release for May 2020.

The total number of civil summonses issued for debt

The total number of civil summonses issued for debt decreased by 47,8% in the three months ended May 2020 compared with the three months ended May 2019 (**see Table M**). The largest contributors to the 47,8% decrease for civil summonses issued were:

- services (contributing -13,7 percentage points);
- money lent (contributing -10,5 percentage points);
- 'other' debts (contributing -10,1 percentage points); and
- promissory notes (contributing -6,9 percentage points).

The number of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 53,1% in the three months ended May 2020 compared with the three months ended May 2019.

The largest contributors to the 53,1% decrease were civil judgements relating to:

- services (contributing -17,7 percentage points);
- money lent (contributing -11,4 percentage points);
- 'other' debts (contributing -8,2 percentage points); and
- promissory notes (contributing -6,2 percentage points).

The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt decreased by 42,8% in the three months ended May 2020 compared with the three months ended May 2019.

The largest contributors to the 42,8% decrease were the value of judgements relating to:

- money lent (contributing -12,6 percentage points);



- services (contributing -8,8 percentage points);
- ‘other’ debts (contributing -7,5 percentage points); and
- rent (contributing -4,9 percentage points).

In May 2020, 6 547 civil judgements for debt amounting to R123,7 million were recorded. The largest contributors to the total value of judgements were:

- money lent (R27,1 million or 21,9%);
- services (R26,4 million or 21,3%);
- ‘other’ debts (R22,2 million or 17,9%); and
- goods sold (R19,3 million or 15,6%).

Table M – Key figures for civil summonses and judgements for May 2020

Actual estimates	May 2020	% change between May 2019 and May 2020	% change between March to May 2019 and March to May 2020
Number of civil summonses issued for debt	19 392	-59,1	-47,8
Number of civil judgements recorded for debt	6 547	-65,5	-53,1
Value of civil judgements recorded for debt (R million)	123,7	-63,8	-42,8

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

Statistics of liquidations and insolvencies

Total number of liquidations decreased by 40,4% in the second quarter of 2020

Amid efforts by the government and the medical sector to mitigate the health impact of the COVID-19 pandemic, many firms have seen a decrease in demand for their products and services. Moreover, financial distress is already being reported in industries such as aviation, tourism, hospitality, retail and manufacturing. If a company is experiencing financial distress, it would be imperative for that company to prioritise its continued existence and consider business rescue as an alternative to liquidation.

Business rescue is defined in section 128(1)(b) of the new Companies Act, 2008 (Act No. 71 of 2008) as “proceedings to facilitate the rehabilitation of a company that is financially distressed”. The proceedings are aimed at aiding



a company which is in financial distress, by allowing it to reorganise and restructure its affairs, assets, equity, debts, property and liabilities, thus enabling it to continue trading and avoid job losses. Presented in this article is a summary of the key results of the Liquidations and insolvencies release for June 2020.

The total number of liquidations decreased by 40,4% in the second quarter of 2020 compared with the second quarter of 2019 (see **Table N**). A year-on-year decrease of 17,8% was recorded in June 2020. The total number of liquidations decreased by 24,8% during the first six months of 2020 compared with the first six months of 2019.

Table N – Total number of liquidations for June 2020

Number of liquidations June 2020	% change between June 2019 to June 2020	% change between April to June 2019 and April to June 2020	% change between January to June 2019 and January to June 2020
134	-17,8	-40,4	-24,8

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

The estimated number of insolvencies decreased by 79,3% in May 2020 compared with May 2019 (see **Table O**). A 35,5% decrease was estimated in the first five months of 2020 compared with the first five months of 2019.

Table O – Total number of insolvencies for May 2020

Number of insolvencies May 2020	% change between May 2019 to May 2020	% change between March to May 2019 and March to May 2020	% change between January to April 2019 and January to April 2020
42	-79,3	-61,9	-35,5

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 decreases

An efficient public transport system can contribute to the economic development of South Africa. For example, it creates access to markets for people in various areas of the country. In an effort to improve the public transport system during the COVID-19 pandemic, the Department of



Transport has urged taxi operators to adhere to the regulations set out for public transport in order to protect themselves and passengers from COVID-19. On 12 July 2020, President Cyril Ramaphosa introduced an additional set of risk-adjusted regulations during the level 3 lockdown period. For the taxi industry, these new regulations include the compulsory use of face masks by all those in the taxi; sanitising of passengers before boarding and alighting; the use of jammers to keep windows open by at least 5 cm, and a 70% loading capacity for inter-provincial travel, while local taxis will now be able to carry passengers to full capacity (100% load). Presented in this article is a summary of the land transport survey results for May 2020.

The volume of goods transported (payload) decreased by 22,7% in May 2020 compared with May 2019 (see **Table P**). The corresponding income decreased by 22,5% over the same period.

Income from freight transportation decreased by 22,0% in the three months ended May 2020 compared with the three months ended May 2019. The main contributors to this decrease were:

- primary mining and quarrying products (-17,4%, contributing -6,4 percentage points);
- 'other' freight (-26,6%, contributing -4,8 percentage points);
- basic metals and fabricated metal products (-62,5%, contributing -2,3 percentage points);
- containers (-33,0%, contributing -1,8 percentage points); and
- manufactured food, beverages and tobacco products (-13,7%, contributing -1,5 percentage points)

Table P – Year-on-year percentage change in freight transportation: May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Freight payload	-10,4	-7,2	-4,9	-5,3	-39,6	-22,7
Freight income	-4,5	-3,4	-2,2	-0,1	-42,4	-22,5

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 71,7% in May 2020 compared with May 2019 (see **Table Q**). The corresponding income decreased by 68,8% over the same period.



Table Q – Year-on-year percentage change in passenger transportation: May 2020

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Passenger journeys	-17,6	-19,0	-15,9	-32,8	-83,4	-71,7
Passenger income	-1,2	-1,8	3,1	-15,1	-80,6	-68,8

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



Prices

Producer price index (PPI)

PPI for February decreases to 0,4%, down from 1,2% for April 2020

Maize is the most important grain crop produced in South Africa. According to the Crop Estimates Committee (CEC), maize production was estimated at 11,52 million tons during the 2019/20 marketing season, while production for the 2018/19 marketing season was estimated at 12,5 million tons. Grain SA attributes the decrease in production to the difficult production season during the 2019/20 marketing season. Most of the maize plantings in North West and the central to western parts of the Free State, were completed later than the optimal planting window period. Not only did this have a negative impact on the actual area planted, but it also affected the season's yield potential. The difficult production season and the below-average crop made the local supply and demand balance sheet for the 2019/20 marketing season tight and therefore South Africa had to import maize to meet the local demand. The decrease in maize production will cause producers to increase their prices, which may lead to consumer prices increase. In this article is a summary of the key results from the Producer price index release for May 2020.

Final manufactured goods – headline PPI

Annual producer price inflation (final manufacturing) was 0,4% in May 2020, down from 1,2% in April 2020 (**see Table R**). The producer price index decreased by 0,3% month-on-month in May 2020.

The main contributors to the headline PPI annual inflation rate were food products, beverages and tobacco products; and transport equipment.

- Food products, beverages and tobacco products increased by 3,4% year-on-year and contributed 1,1 percentage points.
- Transport equipment increased by 8,8% year-on-year and contributed 0,8 of a percentage point.

The main contributor to the headline PPI monthly decrease was coke, petroleum, chemical, rubber and plastic products, which decreased by 4,3% month-on-month and contributed -0,9 of a percentage point.



Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 1,7% in May 2020 (compared with 1,3% in April 2020) (**see Table R**). The index increased by 0,5% month-on-month. The main contributor to the annual rate was basic and fabricated metals (3,7 percentage points).

The main contributors to the monthly rate were basic and fabricated metals (0,3 of a percentage point) and chemicals, rubber and plastic products (0,2 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 14,0% in May 2020 (compared with 15,5% in April 2020) (**see Table R**). The index decreased by 1,2% month-on-month. Electricity contributed 12,8 percentage points to the annual rate and water contributed 1,2 percentage points. Electricity contributed -1,1 percentage points to the monthly rate.

Mining

The annual percentage change in the PPI for mining was 28,2% in May 2020 (compared with 43,9% in April 2020) (**see Table R**). The index decreased by 11,3% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (19,2 percentage points) and gold and other metal ores (10,1 percentage points).

The main contributor to the monthly rate was non-ferrous metal ores (-9,0 percentage points).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 2,8% in May 2020 (compared with 3,5% in April 2020) (**see Table R**). The index decreased by 1,9% month-on-month. The contributors to the annual rate were agriculture (2,1 percentage points), fishing (0,6 of a percentage point) and forestry (0,1 of a percentage point).

The contributor to the monthly rate was agriculture (-1,9 of a percentage point).



Table R – Key PPI figures for May 2020

Product	Weight	Index (2016=100)			% change	
		May 2019	April 2020	May 2020	May 2020 vs April 2020	May 2020 vs May 2019
Final manufactured goods	100,00	113,6	114,4	114,0	-0,3	0,4
Intermediate manufactured goods	100,00	109,4	110,7	111,3	0,5	1,7
Electricity and water	100,00	118,1	136,2	134,6	-1,2	14,0
Mining	100,00	121,8	176,1	156,2	-11,3	28,2
Agriculture, forestry and fishing	100,00	95,7	100,3	98,4	-1,9	2,8

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 2,1% in May 2020

The COVID-19 lockdown restrictions have necessitated a different way for the calculation of the consumer price index (CPI). For example, special imputation methods were used in the April CPI to account for the absence of consumer expenditure on certain CPI basket items. The aim of imputation is to approximate as closely as possible the price movement of the product for which we do not have a price. It should be noted that the South African CPI imputes at the index level and not for individual prices. In a typical month, the weighted imputation rate of the CPI is approximately 0,2%. In May, there was the easing of COVID-19 lockdown restrictions and as a result, the opening of a wider range of goods and services became available for sale. However, as prices for these imputed product groups were not available in April, it is not possible to compute changes to their indices for the calculation



of the May CPI. Presented in this article is a summary of the Consumer price index for May 2020.

Headline consumer price index (CPI for all urban areas)

Annual consumer price inflation was 2,1% in May 2020, down from 3,0% in April 2020 (**see Table S**). The consumer price index decreased by 0,6% month-on-month in May 2020.

The following items contributed to headline annual consumer price inflation:

- Food and non-alcoholic beverages increased by 4,4% year-on-year, and contributed 0,7 of a percentage point to the total CPI annual rate of 2,1%.
- Housing and utilities increased by 4,5% year-on-year, and contributed 1,1 percentage points.
- Transport decreased by 8,4% year-on-year, and contributed -1,2 percentage points.
- Miscellaneous goods and services increased by 6,2% year-on-year, and contributed 1,0 percentage point.

The annual inflation rates for goods and for services were 0,0% and 4,1% respectively. Provincial annual inflation rates ranged from 1,6% in Limpopo to 2,6% in Western Cape.



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

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average [1]
Year	Index/rate													
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	112,0	112,4	112,8	113,1	113,4	113,4	113,5	113,8	112,2
	Rate	4,0	4,1	4,5	4,4	4,5	4,5	4,0	4,3	4,1	3,7	3,6	4,0	4,1
2020	Index	114,1	115,2	115,6	115,0	114,3								
	Rate	4,5	4,6	4,1	3,0	2,1								

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

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'.



Editorial & Layout

Maune Lerobane
Wendy Ngoveni
Mandla Mahlangu
Tlou Matjekana

Language Editors

Annelize Allner
Salomien Rudolph

Design

Thabo Kgaile