

CONTENTS

HEADLINES
ECONOMIC INDICATORS
FEATURE ARTICLE

INFOGRAPHIC OF THE MONTH
PROVINCIAL SNAPSHOT
CONTACT US

Your monthly update on South Africa's economic indicators

Headlines

Formal sector jobs fall
in Q1: 2020
Page 1

Infographics

I scream, you scream, we all
scream for ice cream
Page 4

Provincial snapshot

Ability to settle debt – how do
municipalities fare?
Page 5

Municipal spending up by 12% Page 3



Economic headlines

Inflation rate edges up in June



Fuel price changes continue to dominate shifts in the index (click [here](#) to read more).

Formal sector jobs fall in Q1: 2020



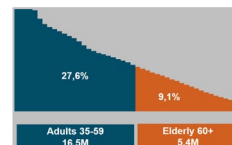
The trade, construction and manufacturing industries reported losses (click [here](#) to read more).

Mobility in the time of lockdown



These are the most common reasons for travellers crossing provincial borders (click [here](#) to read more).

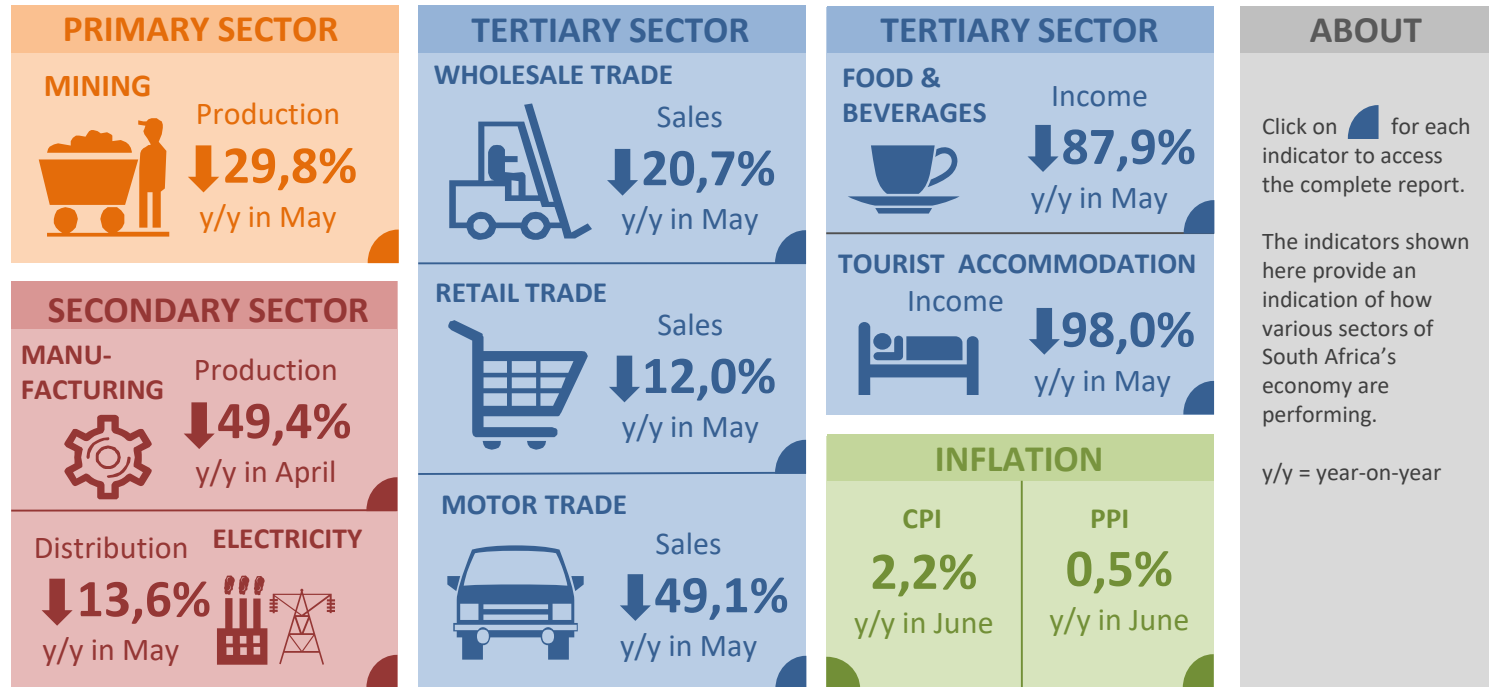
Protecting South Africa's elderly



The proportion of the elderly in the population has grown over time (click [here](#) to read more).

Click [here](#) to browse more headlines.

Monthly economic indicators



Note: The COVID-19 pandemic has disrupted Stats SA's release schedule. Keep up to date with what we are publishing [here](#).

Feature article

Municipal spending up by 12%

This was driven largely by increased spending on employee costs.

South Africa's 257 municipalities spent R96,8 billion in the quarter ended March 2020 on operational costs, up from R86,3 billion in the quarter ended March 2019. This excludes capital spending.

The biggest contributors to the R10,6 billion rise were employee costs (up R4,6 billion). Employee costs, which includes salaries and wages of municipal staff, contribute 31,3% of total spending.

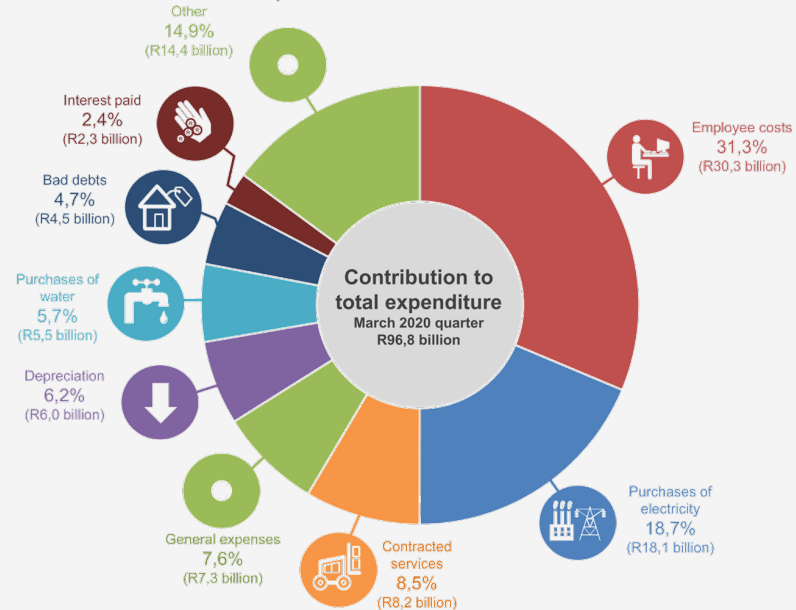
Electricity purchases was the second biggest expenditure item, followed by contracted services, general expenses and depreciation.

Bad debts contributed 4,7% to total spending.

Read more [here](#).

Where does municipal money go?

Total spending across all 257 municipalities, for the quarter ended March 2020*



*January to March 2020

Percentages have been rounded and may not sum to 100%

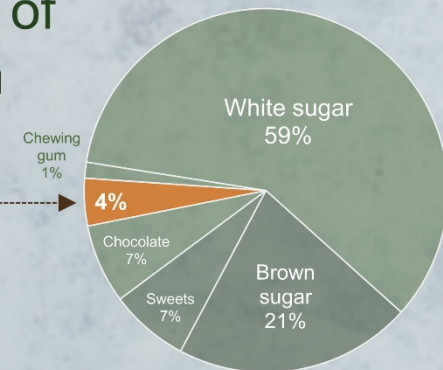
Source: Quarterly financial statistics of municipalities, March 2020

Infographic of the month

I scream, you scream,
we all scream for
ice cream

International
Ice Cream Day
19 July 2020

Ice cream takes up **4%** of
household spending on
sugar, sweets and
desserts



Provincial snapshot

Ability to settle debt – how do municipalities fare?

Half of South Africa's local government institutions may struggle to pay back short-term debt.

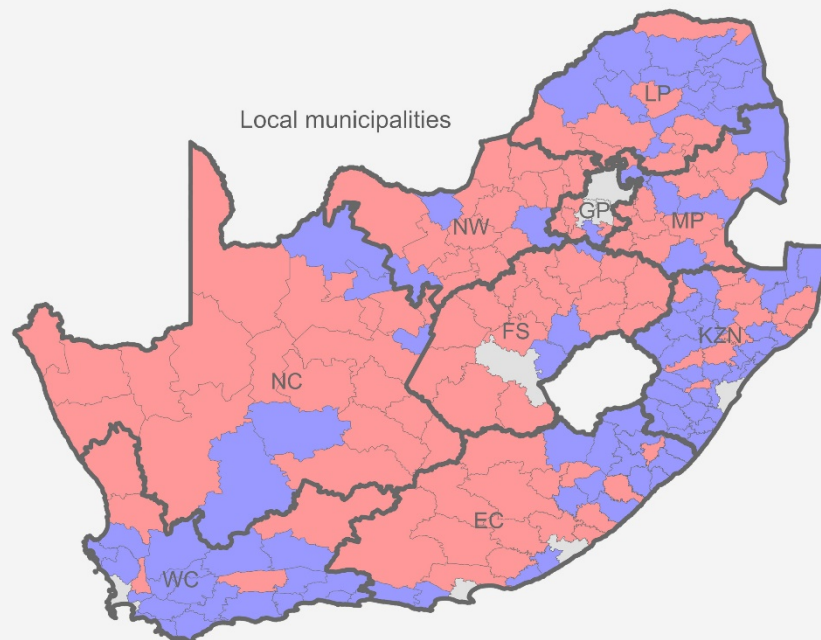
A working capital ratio less than one means that current liabilities exceed current assets. If a municipality has more short-term debt (liabilities) than inventory and cash (short-term assets), it may battle to settle its debt obligations.

In 2019, Free State, North West and Northern Cape had the highest proportions of municipalities reporting a working capital ratio of less than one.

On the other side of the coin, Western Cape, KwaZulu-Natal and Eastern Cape had the highest proportion of municipalities with a ratio greater than or equal to one.

Read more [here](#).

- These municipalities don't have enough current assets to pay off current debt (working capital ratio <1)
- These municipalities have enough current assets to pay off current debt (working capital ratio ≥ 1)



Working capital ratio = current assets/current liabilities Source: Financial census of municipalities, 2019

Contact us

Head Office
ISibalo House, Koch Street
Salvokop, Pretoria
0002

Private Bag X44
Pretoria 0001
South Africa

Main switchboard
Tel: +27 12 310 8911
User Information Services
Tel: +27 12 310 8600

Click [here](#) for contact details for provincial offices and subject experts.



E-mail: info@statssa.gov.za
Website: www.statssa.gov.za

 Stats SA

 @StatsSA

 Statistics South Africa

 <https://soundcloud.com/statssa>

 <http://www.slideshare.net/StatsSA>

Read more editions of *Stats Biz* [here](#).