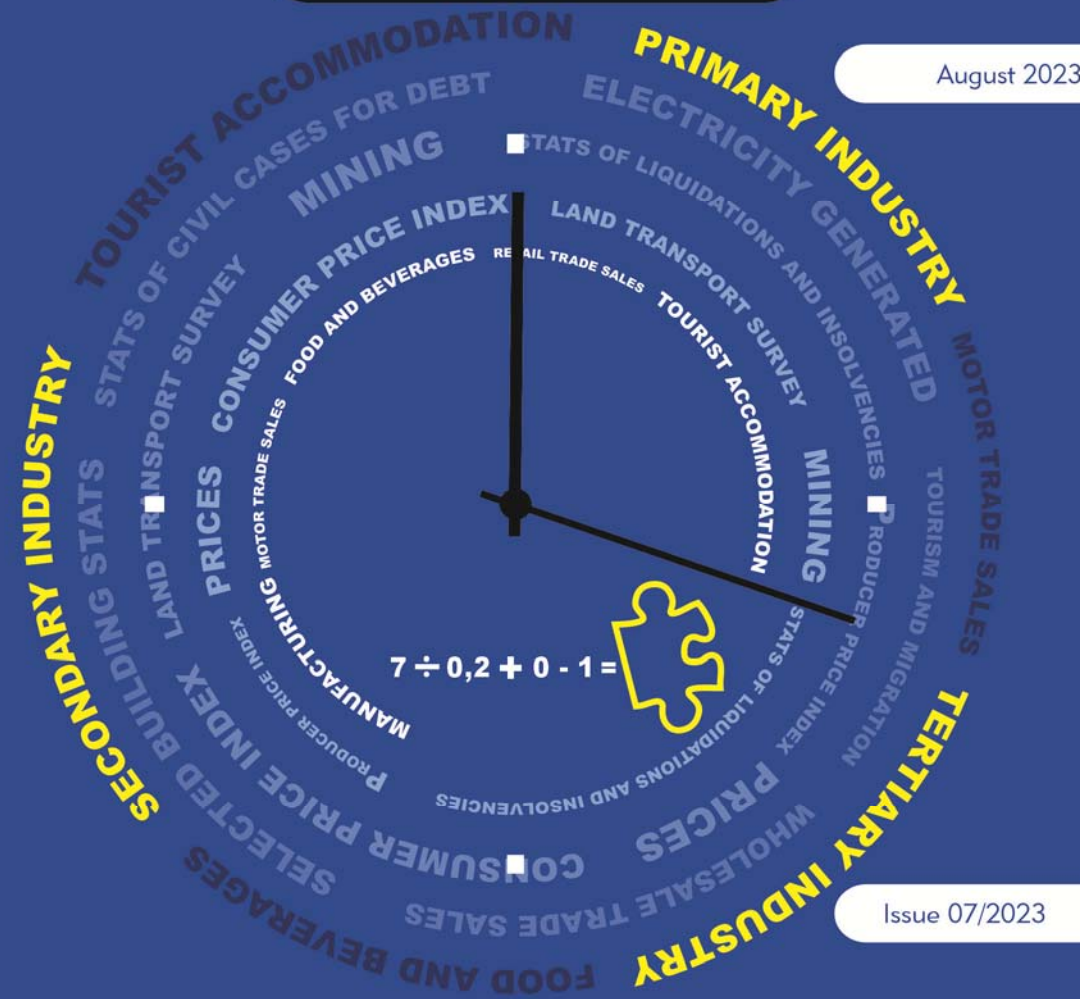


Mbalo Brief

the missing piece of the puzzle

August 2023



Issue 07/2023

IMPROVING LIVES THROUGH DATA ECOSYSTEMS



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Editor's comment

Mathematics (maths) and science are often considered the most challenging school subjects and are usually avoided by learners. Yet, they are significant in our daily lives and for greater access and participation in the workforce. Skills honed through Science, Technology, Engineering and Mathematics (STEM) extend beyond the classroom and into our kitchens, garages, in nature and tangible reality. As such, the Department of Science and Innovation (DSI) has an annual initiative known as National Science Week (NSW). This initiative seeks to develop a society that is knowledgeable about science, able to form independent opinions about science and is scientifically literate. The 2023 NSW took place throughout the country from 31 July to 05 August 2023 under the theme “*Transforming lives through the evidence-based science*”. Sub-themes were the energy and agricultural branches of science with specific focus on the country’s ongoing energy crisis and food security-related challenges. NSW also serves as an opportunity to bring awareness around STEM related careers such as electrical, chemical and mining engineers, agricultural specialists, environmental scientists and research scientists among many others.

This month, the educational article is based on the *Labour market dynamics, 2021* (Report No. 02-11-02) published by Statistics South Africa (Stats SA) on 16 March 2023. This report presents a selection of key findings sourced from the Quarterly Labour Force Survey (QLFS) and Quarterly Employment Survey (QES) and covers individuals between 15 to 64 years.

Also, have a look at our monthly crossword puzzle and solutions for the July 2023 puzzle. Articles published in this issue are based on the results of industry surveys conducted for May and June 2023.

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

Enjoy the read!



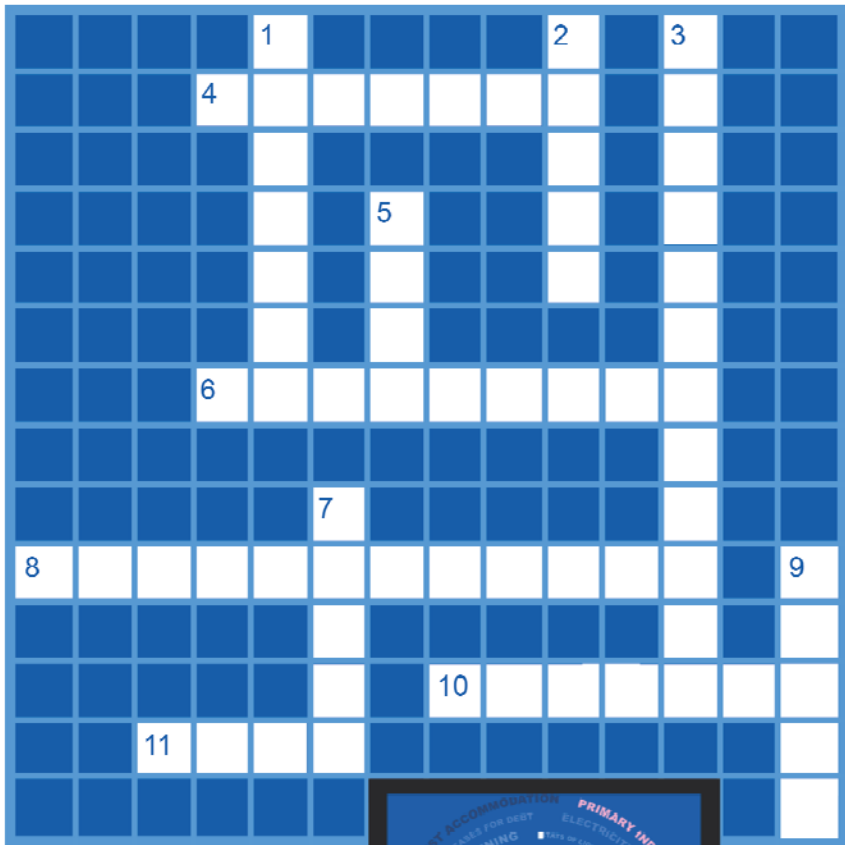


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Crossword puzzle





Across

4. What is the surname of recently appointed President of the African National Congress Women's League (ANCWL)?
6. What is the name of a triangle that has two sides of the same length?
8. Which language has been declared South Africa's 12th official language?
10. In 2016 and 2021, which province recorded the lowest share in low-skilled occupations? Read the educational article for a clue.
11. True or false? All natural numbers are whole numbers. However, not all whole numbers can be considered natural numbers.

Down

1. What are small files of information that a web server generates and sends to a web browser called?
2. On which planet can you have a birthday more than once in a day?
3. Besides Corona, which other part of the sun is visible only during a solar eclipse?
5. Phobos and Deimos are moons of which planet in our solar system?
7. True or false? According to the educational article, the level of unemployment continues to rise only for black Africans.
9. How many vertices are present on a cube? (write in words).

Solutions for the July 2023 puzzle

Across

4. True
6. Microdata

Down

1. Electricity
2. Voluntary
3. Holiday
5. Zimbabwe
7. Road





Educational article on Labour market dynamics in South Africa

Introduction

According to the International Labour Organization's (ILO) World Employment and Social Outlook (2020), the global working-age population was recorded at 5,7 billion in 2020 and of that, roughly 57,9% (3,3 billion) were employed persons. It resulted in approximately 2,3 billion of the working-age population who were either unemployed or not economically active. Furthermore, high global unemployment trends in 2020 and 2021 were mainly driven by the measures implemented to control the spread of the COVID-19 pandemic. Globally, the lockdown and limited movements were among the measures that were adopted. In the case of South Africa, unemployment levels increased by 1,4 million between 2020 and 2021.

This educational article is based on the report titled *Labour market dynamics in South Africa, 2021*, (Report No. 02-11-02), published by Statistics South Africa (Stats SA) on 16 March 2023. This report presents a selection of key findings sourced from the Quarterly Labour Force Survey (QLFS) and Quarterly Employment Survey (QES) and covers individuals between 15 to 64 years. The article will focus on the transition into employment for the unemployed; components of the South African working-age population; profile of the employed and unemployed; and the South African formal and informal sector; among others.

Background

The Labour market dynamics report is an annual report produced by Stats SA. The objective of the report is to analyse the patterns and trends of the annual labour market results over the period 2016–2021 in South Africa. It contains different aspects of the labour market as well as employment data collected from the households through the QLFS and from the formal non-agricultural businesses through the QES. The QLFS is household-based and the QES is establishment-based. Each survey has its own strengths and limitations. For example, the QES provides information on the following:

- description of the employed, e.g. their demographic profile, education level, hours of work, etc.; and
- unemployment and descriptors of the unemployed.





The QLFS is a household-based survey that collects information on the labour market activities of individuals aged 15 years and older, who live in South Africa from approximately 30 000 dwelling units. Whereas the QES is an enterprise-based survey that collects information from formal non-agricultural businesses and organisations from approximately 20 000 units/businesses. The numerous conceptual and methodological differences between the household- and enterprise-based surveys result in important distinctions in the employment estimates derived from the surveys. Among these are:

- The household-based survey includes agricultural workers, self-employed workers whose businesses are unincorporated, unpaid family workers and private household workers among the employed, while these groups are excluded from the enterprise-based QES survey.
- The household-based survey is limited to persons who are 15 years and older, whereas the enterprise-based survey is not limited to age.
- The household-based survey has no duplication of individuals because individuals are counted only once, even if they hold more than one job. In the enterprise-based survey, persons who hold more than one job and thus appear on more than one payroll are counted separately for each appearance, i.e. it counts jobs not necessarily head count.
- QLFS includes income tax, value-added tax (VAT) and number of employees in determining the formal sector, while QES includes enterprises registered for VAT, with annual turnover greater than R300 000. In addition to VAT registered enterprises QES covers municipalities, provincial governments as well as national departments which are not VAT registered entities.
- QLFS allows for proxy responses (a household member responding on behalf of the other). This can introduce misclassification of items, e.g. formal/informal classification.

Transition rates into employment for the unemployed, discouraged and other not economically active, 2016–2021

Labour market transitions show the movements of individuals between the labour market statuses of employment, unemployment and not economically active. They help to understand and interpret changes in the levels of the labour market indicators based on the QLFS.

During the period 2016–2021, the transition rate (individuals who did not change their labour market status between two consecutive quarters) into employment from other labour market status was more likely to be from





those who were seeking employment compared to the discouraged and other inactive population (see Figure 1). The second highest labour market status to transition into employment were the discouraged work-seekers. However, the transition rate into employment among the discouraged work-seekers declined from 8,3% in 2016 to 5,8% in 2021. On the other hand, the highest transition rate into employment among the economically inactive population was recorded in 2020 at 3,4% while the lowest was recorded in 2019 at 1,8%.

Figure 1: Transition rates into employment for the unemployed, discouraged and other not economically active, 2016–2021



Note: only Q3—Q4 for each year is analysed.

Provincial transition rates into employment among those with tertiary education levels, 2016 and 2021

In 2021, the transition rate into employment for those with tertiary education in South Africa was 1,8 percentage points lower than the rate in 2016. Three out of nine provinces recorded an increase in the transition rate between 2016 and 2021, namely: Northern Cape (19,8 percentage points), KwaZulu-Natal (2,8 percentage points) and Western Cape (1,3 percentage points). North West did not record any persons with tertiary education who transitioned into employment between quarter 3 of 2021 and quarter 4 of 2021. This resulted in the decline of 10,7 percentage points for the transition rate for those with tertiary education in 2021. The second highest decline in



the transition rate was observed in Eastern Cape (7,0 percentage points), followed by Limpopo (6,8 percentage points) and Mpumalanga (3,5 percentage points).

Transition into employment by work experience, age and sex, 2016 and 2021

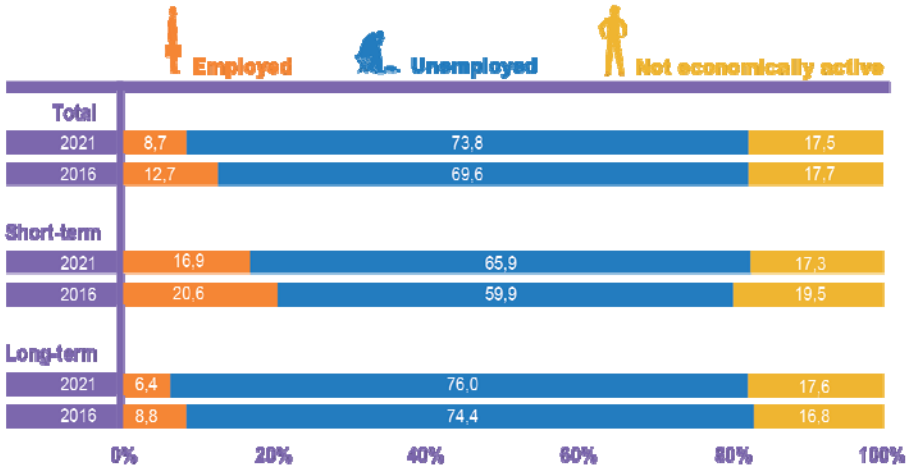
The transition rate into employment amongst those without work experience decreased by 1,3 percentage points in 2021 compared to 2016. The transition rate into employment declined for both men (2,3 percentage points) and women (0,6 of a percentage point) between 2016 and 2021. Even though men recorded the largest decline, they were more likely to find employment compared to women. In addition, the results also reveal that adults were more likely to find employment compared to youth while on the other hand, persons with work experience have a better chance of finding employment than those without work experience.

Transition rates from long-term and short-term unemployment, 2016 and 2021

Figure 2 below shows that between the period 2016 to 2021, the transition rate among persons in short-term and those in long-term unemployment increased. Persons in short-term unemployment were more likely to transition into employment than those in long-term unemployment. In 2021, about 65,9% of those in short-term unemployment remained unemployed compared to 59,9% in 2016. While among those in long-term unemployment, 76,0% remained unemployed in 2021 compared to 74,4% in 2016. The results further showed that those in short-term unemployment had a better chance of finding employment when compared to those in long-term unemployment. The transition rate into employment for those who were in short-term unemployment was 20,6% in 2016 and declined by 3,7 percentage points to 16,9% in 2021.



Figure 2: Transition rates from long-term and short-term unemployment, 2016 and 2021



The components of the South African working-age population

Working-age population by population group, 2016 and 2021

The share of the working-age population among black Africans increased from 79,8% in 2016 to 81,2% in 2021. However, the share declined for other population groups during the same period. The coloured population group declined from 9,2% in 2016 to 8,9% in 2021, Indian/Asian from 2,7% in 2016 to 2,6% in 2021 and the white population group declined from 8,3% in 2016 to 7,3% in 2021.

Working-age population by age group, 2016 and 2021

Between 2016 and 2021, the working-age population of persons aged 15–34 declined by 2,5 percentage points from 54,4% to 51,9%, respectively. In contrast, the working-age population for persons above the age of 34 increased by the same 2,5 percentage points for both reporting periods (2016 and 2021), from 45,6% in 2016 to 48,1% in 2021. Persons who were aged between 25–34 contributed the highest percentage of the working-age population in 2021 (26,1%), followed by those aged 15–24 (25,8%).



The least contribution in both 2016 and 2021 was recorded for age group 55–64 at 9,8% and 10,5% respectively.

Profile of the employed

Employment shares by industry and sex, 2021

Men had a higher share of employment in all industries except for community and social services and private households, compared to women. They accounted for more than 80% of the employment share in construction, mining and transport, while women accounted for 74,6% of employment in private households and 61,7% in community and social services.

Employment in skilled, semi- and low-skilled occupations by province, 2016 and 2021

Semi-skilled occupations (occupations which do not require advanced training or specialised skills, e.g. clerks) accounted for the largest share of employment across all provinces. In 2021, the highest shares of employment in semi-skilled occupations were in Mpumalanga (49,0%), KwaZulu-Natal (48,3%) and Northern Cape (47,7%). Limpopo (38,1%) and Free State (37,5%), recorded the highest shares of employment in low-skilled occupations (occupations requiring little or no education or advanced training, e.g. cleaners) compared to other provinces. In 2021, Gauteng recorded 33,1% share of employment in skilled occupations (occupations which require a certain amount of training or skills, e.g. nurses), followed by Western Cape with 29,4%. In both 2016 and 2021, Gauteng recorded the lowest shares of employment in low-skilled occupations compared to other occupational categories.

Number and percentage of persons employed as managers, professionals and technicians by sex, 2016–2021

Men accounted for larger shares of employment as managers over the period 2016–2021. Women employed in skilled occupations were more likely to work as technicians compared to managers and professionals. The share of women employed as technicians increased by 2,9 percentage points from 55,0% in 2016 to 57,9% in 2021. The share of women employed in managerial occupations increased by 0,1 of a percentage point, from 31,9% in 2016 to 32,0% in 2021.



The formal and informal sectors in South Africa

The formal sector employment share by province, 2016–2021

The country's formal sector employment (for example retail, financial service and motor trade businesses) had declined between 2016 and 2021, while the informal sector employment (for example, businesses such as spaza shops, hawkers, laundromats etc.) increased. During this period, the formal sector share of total employment decreased by 1,5 of a percentage point, from 69,8% to 68,4%, while the informal sector increased by 1,4 percentage points, from 16,5% to 17,9%. With regard to formal sector employment, five of the nine provinces recorded declines.

The informal sector employment share by province, 2016–2021

The largest declines in the formal sector employment were recorded in Mpumalanga (5,0 percentage points), Gauteng (4,4 percentage points) and Eastern Cape (3,9 percentage points). Northern Cape (9,7 percentage points) recorded the highest formal sector employment between 2016 and 2021. Although informal sector employment declined by 0,3 of a percentage point in Limpopo between 2016 and 2021, the province had the largest share of informal sector employment compared to other provinces. Mpumalanga (4,3 percentage points), Eastern Cape (3,1 percentage points) and Gauteng (2,9 percentage points) recorded the largest increases in the informal sector employment. While Northern Cape (4,9 percentage points) and Free State (1,1 percentage points) recorded the largest informal sector employment decreases.



Profile of the unemployed

Unemployment levels

Table 1: Unemployment levels by sex, population group and province, 2016–2021

	2016	2017	2018	2019	2020	2021
	Thousand					
Men	2 926	3 130	3 117	3 387	3 283	3 980
Women	2 827	2 990	2 986	3 192	2 999	3 678
Total	5 753	6 120	6 103	6 579	6 283	7 658
Black African	5 050	5 405	5 394	5 843	5 588	6 793
Coloured	489	508	492	516	458	575
Indian/ Asian	71	71	67	75	85	123
White	143	137	150	145	152	168
Total	5 753	6 120	6 103	6 579	6 283	7 658
Western Cape	631	641	627	650	597	794
Eastern Cape	557	740	762	813	947	1 058
Northern Cape	126	128	122	124	105	94
Free State	398	400	412	424	365	417
KwaZulu-Natal	762	831	795	906	852	1 079
North West	361	345	356	405	390	472
Gauteng	2 078	2 134	2 105	2 234	2 154	2 548
Mpumalanga	499	544	589	647	451	640
Limpopo	341	357	335	375	421	557
Total	5 753	6 120	6 103	6 579	6 283	7 658

Table 1 shows that the levels of unemployment continue to increase irrespective of sex, population group and province (except for Northern Cape, which showed a slight decrease in levels of unemployment). At national level, the number of unemployed persons increased from 5,8 million



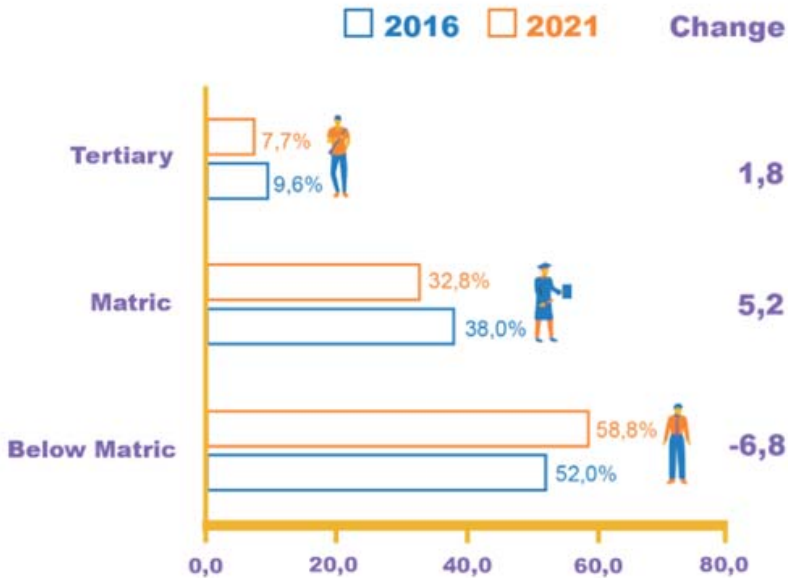
in 2016 to 7,7 million in 2021. Gauteng province recorded the highest number of unemployed persons while Northern Cape recorded the lowest for the period 2016–2021. The black African population group remain vulnerable in the South African labour market with the unemployment level at 6,8 million, more than 88% of the total number of unemployed persons in 2021. Out of the 7,7 million persons who were unemployed in 2021, 4,0 million were men and 3,7 million were women.

Proportion of the unemployed by level of education, 2016 and 2021

Figure 3 shows that below matric education category (52,0%) had the highest share of unemployed persons compared to matric (38,0%) and tertiary (9,6%) qualifications in 2021. Comparisons between 2016 and 2021 show a decrease of 6,8 percentage points among unemployed persons with below matric education and an increase among unemployed persons with matric and tertiary qualifications (5,2 and 1,8 percentage points, respectively).



Figure 3: Proportion of the unemployed by level of education, 2016 and 2021



Incidence of long-term unemployment by age group, 2016–2021

Unemployment remained high in the South African labour market with the youth being the most affected compared to other age groups. In 2021, unemployed persons aged between 25–34 had the highest incidence of long-term unemployment (79,2%), followed by those aged between 35–44 (78,6%). All age groups recorded an increase in incidence of long-term unemployment between 2016 and 2021.

Incidence of long-term unemployment by sex, 2016–2021

Women were mostly affected by the incidence of long-term unemployment compared to their male counterparts, throughout the period 2016–2021. Comparisons between 2016 and 2021 revealed that men (12,5 percentage points) had the highest increase in the incidence of long-term unemployment compared to their female counterparts (9,5 percentage points).



Trends in key labour market indicators among the youth, 2016–2021

The number of young people aged 15–34 years in the working-age population increased consecutively over the six-year period. The number increased from 20,0 million in 2016 to 20,6 million in 2021 (an increase of 635 000). The number of youth who were employed decreased by 1,3 million between 2016 and 2021, while those who were unemployed increased by 828 000, and those who were discouraged work-seekers increased by 534 000.

Conclusion

The findings indicate that persons who were seeking employment were more likely to move into employment compared to those who were discouraged and not economically active. Persons with a higher level of education had a better chance of getting a job compared to those with lower levels. Men were more likely to move into employment compared to women. Persons in short-term unemployment were more likely to move into employment than those in long-term unemployment. Nationally, community and social services and trade industries were the main contributors to employment, with men having the bigger share in employment. Semi-skilled occupations accounted for the largest share of employment across all provinces. Men were more likely to hold managerial positions. The Western Cape leads the provinces in terms of formal sector employment, while Limpopo has the highest proportion of informal sector employment compared to other provinces. The unemployment rate in South Africa continues to rise, with the youth being more vulnerable to unemployment compared to adults.



Primary industries

Mining: Production and sales

Mining production increased by 1,1 year-on-year in June 2023

South Africa was the world's eighth largest producer of gold in 2022. According to GlobalData, South Africa produced 110 tonnes of gold in 2022 and it is the only African country in the top 10 largest gold producers in the world. GlobalData reports that South Africa accounts for 3% of the global gold production. China is the world's largest gold mining country, producing 330 tonnes of gold in 2022. Australia and Russia are ranked in second position after producing 320 tonnes each. The leading gold producers in South Africa are Harmony Gold Mining, AngloGold Ashanti, Gold Fields, Sibanye and Northam Platinum. This article presents a summary of results from the *Mining: Production and sales* (statistical release P2041) for June 2023.

Mining production increased by 1,1% year-on-year in June 2023 (see **Table A**). The largest positive contributors were:

- gold (28,5% and contributing 3,6 percentage points); and
- PGMs (11,1% and contributing 2,5 percentage points).

The largest negative contributors were:

- iron ore (-18,0% and contributing -2,4 percentage points); and
- diamonds (-41,0% and contributing -1,8 percentage points).

Table A – Key growth rates in the volume of mining production for June 2023

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

^{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 at current prices decreased by 14,3% year-on-year in June 2023 (see **Table B**). The largest negative contributors were:

- PGMs (-30,9%, contributing -9,4 percentage points);



- coal (-26,2%, contributing -7,4 percentage points);
- 'other' non-metallic minerals (-47,8%, contributing -2,7 percentage points); and
- iron ore (-15,5%, contributing -1,8 percentage points).

Gold (84,8% and contributing 5,9 percentage points) and chromium ore (57,0% and contributing 2,4 percentage points) were significant positive contributors.

Table B – Key growth rates in mineral sales for June 2023

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Year-on-year % change, unadjusted	7,7	-6,7	-14,5	-25,5	-11,8	-14,3
Month-on-month % change, seasonally adjusted	-1,1	-1,3	-2,4	-12,0	25,4	-12,8
3-month % change, seasonally adjusted ^{1/}	-7,9	-0,6	-0,1	-4,9	-4,1	-3,8

^{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 increased by 5,5% in June 2023

On 18 July 2023, Nestlé South Africa opened a R79 million new manufacturing plant for coffee mixes in Babelegi, Hammanskraal, north of Pretoria. The plant will produce Nescafé coffee mixes such as Nescafé Gold range including Cappuccino Original, Cappuccino Original Reduced Sugar and Cappuccino Salted Caramel Latte, among others. Around 46% of ingredients used at the plant are sourced locally. Through the new manufacturing plant, Nestlé has created 27 new employment opportunities in engineering and production. This article presents a summary of results from the *Manufacturing: Production and sales* (statistical release P3041.2) for June 2023.

Manufacturing production increased by 5,5% in June 2023 compared with June 2022 (see **Table C**). The largest contributions were made by the following divisions:



- motor vehicles, parts and accessories and other transport equipment (19,5%, contributing 1,8 percentage points);
- basic iron and steel, non-ferrous metal products, metal products and machinery (7,5%, contributing 1,6 percentage points); and
- food and beverages (5,8%, contributing 1,3 percentage points).

Table C – Key growth rates in the volume of manufacturing production for June 2023

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Year-on-year % change, unadjusted	-4,1	-5,5	-1,7	3,7	2,4	5,5
Month-on-month % change, seasonally adjusted	0,7	-1,7	3,7	0,9	-1,3	1,2
3-month % change, seasonally adjusted ^{1/}	-0,9	-1,0	1,4	1,5	2,8	2,3

^{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

The value of building plans passed decreased by 11,7% in May 2023 (-R5 553,2 million) during January to May 2023 compared with January to May 2022

South African youth are purchasing fewer properties compared to 10 years ago. This is according to Lightstone, a company that provides information, valuations and market intelligence on properties in South Africa. Lightstone reported that in 2012, individuals under 35 accounted for 45% of property purchases but by 2022 this percentage dropped to 38%. Some of the reasons influencing purchasing decisions of South African youth include the uncertainty of the market and the volatility of property lending rates. One major reason is that, for some, their income is too low to qualify for housing finance but too high to qualify for a government “free-basic-house” subsidy scheme. In light of this, the Department of Human Settlements (DHS) has developed an initiative called “First Home Finance”, a once-off housing finance subsidy that enables qualifying beneficiaries to buy or build their first affordable homes. This subsidy is offered to permanent South African residents earning between R3 501 and R22 000 per month. Recipients may choose to use the subsidy to pay for legal fees connected with a house



purchase or even for a deposit. Through this subsidy, South African youth are a step closer to owning their first properties. Should they choose to build, their property will contribute to the value of buildings passed and completed. This article summarises the results of the *Selected building statistics of the private sector as reported by local government institutions* (statistical release P5042.1) for May 2023.

The value of building plans passed decreased by 11,7% (-R5 553,2 million) from January to May 2023 compared with January to May 2022 (**see Table D**). Decreases were reported for non-residential buildings (-24,2% or -R2 342,3 million) and residential buildings (-13,7% or -R3 448,3 million). An increase was reported for additions and alterations (1,9% or R237,5 million).

The largest contributions to the total decrease of 11,7% (-R5 553,2 million) were made by KwaZulu-Natal (contributing -8,0 percentage points or -R3 802,4 million) and Western Cape (contributing -2,8 percentage points or -R1 313,6 million).

The value of buildings reported as completed decreased by 23,0% (-R6 748,9 million) during January to May 2023 compared with January to May 2022. Decreases were reported for:

- additions and alterations (-51,7% or -R4 565,0 million);
- non-residential buildings (-14,3% or -R954,7 million); and
- residential buildings (-8,9% or -R1 229,1 million).



Table D – Buildings plans passed by larger municipalities by type of building for May 2023

Type of building	January - May 2022	January – May 2023	Difference in value between January - May 2022 and January - May 2023	% change between January - May 2022 and January - May 2023
	1/	1/	R'000	
	R'000	R'000	R'000	
Residential buildings	25 237 644	21 789 340	-3 448 304	-13,7
- Dwelling houses	16 093 097	14 305 830	-1 787 267	-11,1
- Flats and townhouses	8 772 109	7 166 719	-1 605 390	-18,3
- Other residential buildings	372 438	316 791	-55 647	-14,9
Non-residential buildings	9 680 883	7 338 561	-2 342 322	-24,2
Additions and alterations	12 415 430	12 652 880	237 450	1,9
Total	47 333 957	41 780 781	-5 553 176	-11,7

^{1/} 2022 and 2023 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 production decreased by 9,0% in May 2023

Prepaid electricity is becoming increasingly popular among South African households as it allows consumers to buy it almost anywhere and anytime. It also allows consumers to monitor their day-to-day usage throughout the month instead of waiting for an account bill at the end of the month. However, there is an existing perception that buying prepaid electricity at the start of the month is cheaper than buying in the middle of the month. This is partially true: the main reason behind consumers experiencing electricity becoming more expensive throughout the month is due to Eskom's Incline Block Tariff (IBT) system. This system hikes prices as users consume more electricity. Under this system, units of electricity are split into different blocks (typically three blocks). The more electricity a consumer purchases, the



more they pay per block. For instance, the first block (which starts at the beginning of the month) is the cheapest. As usage increases, the tariff moves into block two, where the price per unit is more expensive. Thereafter it moves to the third block, and so on. The usage is reset at the end of the month, and the customer starts the next month in block one (the cheapest block). This article summarises the results of the *Electricity generated and available for distribution* (statistical release P4141) for May 2023.

Electricity generation (production) decreased by 9,0% year-on-year in May 2023 (see Table E).

Table E – Key growth rates in the volume of electricity generated for May 2023

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

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

Electricity distribution (consumption) decreased by 7,8% year-on-year in May 2023 (see Table F).

Table F – Key growth rates in the volume of electricity distributed for May 2023

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

^{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

Wholesale trade sales increase by 5,3% in May 2023 compared with May 2022

Competition amongst wholesalers allows consumers to have a variety of products and services to meet their needs. However, lack of competition might result in the dominating wholesalers taking advantage of increasing prices and offering worse service knowing that the market has no other alternatives. On 01 August 2023, the Competition Commission presented its investigation results into Online Intermediation Platforms Market Inquiry (OIPMI), where it was investigating local and international business-to-consumer (B2C) online platform markets such as e-Commerce, online travel agencies, food deliveries, apps stores and property classifieds among others, to identify features affecting competition in these markets. The investigation forms part of efforts to prevent monopolies formation in B2C platforms. Platforms found to have adversely affected competition, were required to implement remedial actions. This provided greater visibility and opportunity for smaller South African platforms, enabling more intense platform competition and level the playing field for small businesses selling through these platforms. This article summarises the results of *Wholesale trade sales* (statistical release P6141.2) for May 2023.

Wholesale trade sales increased by 5,3% in May 2023 compared with May 2022 (**see Table G**). The main positive contributors were dealers in:

- machinery, equipment and supplies (34,0%c, contributing 3,9 percentage points); and
- food, beverages and tobacco (10,1%, contributing 1,4 percentage points).

Wholesale trade sales increased by 8,1% in the three months ended May 2023 compared with the three months ended May 2022. The main contributors were dealers in:

- machinery, equipment and supplies (35,7%, contributing 4,2 percentage points);
- 'other' goods (13,6%, contributing 1,1 percentage points); and
- food, beverages and tobacco (5,5%, contributing 0,8 of a percentage point).



Table G – Key growth rates in wholesale trade sales for May 2023

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Year-on-year % change, unadjusted	14,1	11,3	12,8	7,8	11,6	5,3
Month-on-month % change, seasonally adjusted	-3,4	0,2	3,6	-2,3	1,6	-1,6
3-month % change, seasonally adjusted ^{1/}	0,1	-1,2	-2,2	-0,3	1,5	0,6

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

Retail trade sales

Retail trade sales decreased by 1,4% year-on-year in May 2023

Shopping malls are important to the country's economy because they are one of the main contributors to retail sales while supporting the community by creating jobs. Despite the current tough economic conditions and increased online shopping, South African malls continue to thrive. According to Vukile Property Fund Limited, a South African mall developer, footfall (the number of people entering a shop or shopping area at a given time) at their shopping malls increased to 107% of its pre-COVID level in the year ending 31 March 2023. In addition, the Clur Shopping Centre Index reported that trading density (a business or store's efficiency in using its stock; the higher the trading density, the higher the turnover of the business and the stronger its cash flow position) performance and growth at South African shopping centres in 2022 was the highest in four years. While people like the convenience of ordering some items from the comfort of their homes or even offices, there are some items that are generally better to shop for at a brick-and-mortar store. That is, some consumers prefer to inspect the quality of their fruit, vegetables, clothes, furniture, etc. on the spot without relying only on reviews or pictures. This is just one of the factors that give shopping malls their popularity. This article summarises the results of the *Retail trade sales* (statistical release P6242,1) for May 2023.

Retail trade sales decreased by 1,4% year-on-year in May 2023 (see **Table H**). The largest negative contributors to this decrease were:

- general dealers (-3,7%, contributing -1,6 percentage points); and



- retailers in hardware, paint and glass (-8,7%, contributing -0,7 of a percentage point).

Retail trade sales decreased by 1,5% in the three months ended May 2023 compared with the three months ended May 2022. The largest negative contributors to this decrease were:

- general dealers (-2,7%, contributing -1,2 percentage points); and
- retailers in food, beverages and tobacco in specialised stores (-5,5%, contributing -0,5 of a percentage point).

The group of retailers in textiles, clothing, footwear and leather goods was the only positive contributor (6,0% and contributing 1,0 percentage point).

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

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Year-on-year % change, unadjusted	-0,5	-0,8	-0,7	-1,5	-1,8	-1,4
Month-on-month % change, seasonally adjusted	-0,6	1,3	-0,5	-0,7	0,2	-0,7
3-month % change, seasonally adjusted ^{1/}	0,2	1,0	0,8	0,7	-0,2	-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 decreased by 0,8% year-on-year in May 2023

The South African motor trade industry plays a vital role in our economy. Its significance extends to several sectors of the economy thus contributing to various economic development imperatives because of its diversity. In 2022, the broader automotive industry's contribution to the gross domestic industry (GDP) comprised 4,9%, which is made up of 2,9% manufacturing and 2% retail. Motor trade comprises the wholesale or retail trade of new or used automotive vehicles, including commercial vehicles and motorcycles, and their parts and the retail of fuel, as well as repairs and maintenance services of these vehicles. This article summarises the results of *Motor trade sales* (statistical release P6343.2) for May 2023.



Motor trade sales decreased by 0,8% year-on-year in May 2023 (see Table I). The largest negative annual growth rates were recorded for:

- used vehicle sales (-10,3%); and
- convenience store sales (-6,6%).

The largest negative contributor to this decrease was used vehicle sales (contributing -2,2 percentage points).

Motor trade sales decreased by 2,5% in the three months ended May 2023 compared with the three months ended May 2022. The main negative contributor to this decrease was used vehicle sales (-12,0%, contributing -2,6 percentage points).

Table I – Key growth rates in motor trade sales at constant 2019 prices for May 2023

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

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

Food and beverages

Total income generated by the food and beverages industry increased by 6,7% in May 2023 compared with May 2022

South Africa is one of the top 10 wine-producing countries in the world. According to the *State of the World Vine and Wine sector for 2022* report published by the International Organisation of Vine and Wine (OIV), world wine production was estimated at 258 million hectolitres (mhl) in 2022, a decrease of almost 3 mhl (-1%) compared to that of 2021. The OIV report indicates that Italy is the leading wine producer with 49,8 mhl, followed by France with 45,6 mhl and Spain with 35,7 mhl. South Africa is ranked the 8th



in the world with 10,2 mhl wine production in 2022. According to the OIV, South African wine production decreased by 6% in 2022 compared to 2021, recording 10,8 mhl. South Africa's 2022 volume is back to the average production levels recorded before the beginning of the drought that started in 2015, which heavily impacted the country's wine production for several years in a row. This article summarises results from the *Food and beverages* (statistical release P6420) for May 2023.

Total income generated by the food and beverages industry increased by 6,7% in May 2023 compared with May 2022 (**see Table J**). The largest annual growth rates were recorded for:

- 'other' income (11,7%); and
- food sales (6,7%).

In May 2023, the main contributor to the 6,7% year-on-year increase was restaurants and coffee shops (9,5% and contributing 4,4 percentage points).

Total income increased by 7,1% in the three months ended May 2023 compared with the three months ended May 2022. The main contributors to this increase were:

- restaurants and coffee shops (7,0%, contributing 3,3 percentage points); and
- takeaway and fast-food outlets (5,9%, contributing 2,2 percentage points).

Table J – Year-on-year percentage change in food and beverages income at constant 2019 prices by type of income – May 2023

Type of income	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Food sales	14,3	15,5	12,7	8,1	5,4	6,7
Bar sales	42,2	27,1	23,6	17,9	11,5	4,8
Other income	6,6	14,5	-3,0	11,5	5,9	11,7
Total	16,0	16,3	13,0	8,8	5,8	6,7

¹A 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 increased by 21,0% in May 2023 compared with May 2022

As the world hastens to net zero (balance between the amount of greenhouse gas that is produced and the amount that is removed from the atmosphere) by 2050, all industries are expected to cut emissions. One of the industries that takes effort to assist in reaching net zero is the tourism industry. In June 2023, a 54-room Hemp Hotel constructed with hempcrete (an energy-efficient, low impact, water-smart building that offers a smaller carbon footprint) was completed. Bricks used on the hotel walls are derived from plants and can reduce the carbon dioxide footprint (amount of carbon dioxide released into the atmosphere). According to Boshoff Muller, director of Afrimat Hemp, “the plant absorbs carbon, it gets put it into blocks and then stored into a building for 50 years or longer”. This article summarises results of the *Tourist accommodation* (statistical release P6410) for May 2023.

Total income for the tourist accommodation industry increased by 21,0% in May 2023 compared with May 2022 (**see Table K**). Income from accommodation increased by 30,2% year-on-year in May 2023, the result of an 8,2% increase in the number of stay unit nights sold and a 20,4% increase in the average income per stay unit night sold.

In May 2023, the largest contributors to the 30,2% year-on-year increase in income from accommodation were:

- hotels (30,8%, contributing 15,5 percentage points); and
- ‘other’ accommodation (34,7%, contributing 14,4 percentage points).



Table K – Year-on-year percentage change in tourist accommodation statistics for May 2023

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Stay units available	0,3	0,3	0,4	0,3	0,0	0,0
Stay unit nights sold	18,5	16,2	12,9	7,0	9,9	8,2
Average income per stay unit nights sold	19,9	34,3	41,9	27,1	19,0	20,4
Income from accommodation	42,1	56,0	60,2	36,0	30,8	30,2
Total income ^{1/}	42,1	39,4	35,2	26,2	25,9	21,0

^{1/} Includes restaurant and bar sales and 'other' income. Percentage change between the previous 3 months and the 3 months ending in the month indicated. 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 2 311 573 travellers passed through South African ports of entry/exit in June 2023

Globalisation has given an increased number of people the opportunity to study, work and live in any country of their choice. As a result, people are constantly migrating in large numbers from their country of origin to host countries. In Africa, South Africa is among the top five destination countries for immigrants and tourists. According to the Africa Centre for Strategic Studies (ACSS), the country's history and position as a regional economic powerhouse make it a major destination country for immigrants from the region and from abroad. Although migration may pose certain challenges on the host country such as increased pressure on public services and state resources, overcrowding, language barriers and increased level of pollution among others, it also has positive economic and social impacts on host countries. For instance, immigrants are more likely to start businesses, which provide employment opportunities to locals if successful. Some also have scarce skills which can bridge the workforce gap. Furthermore, immigrants stimulate international trade and contribute positively to long-term fiscal balances (the amount of money that a government receives from



tax revenues and the proceeds of assets sold, minus any government spending). This article summarises the results of the *Tourism and migration* (statistical release P0351) for June 2023.

The routine data collected by the Department of Home Affairs (DHA) immigration officers at the ports of entry into and out of South Africa show that a total of 2 311 573 travellers (arrivals, departures and transits) passed through South African ports of entry/exit in June 2023 (see **Table L**). These travellers were made up of 701 989 South African residents and 1 609 584 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 316 628 arrivals, 384 972 departures and 389 travellers in transit. The corresponding volume for foreign arrivals, departures and travellers in transit was 851 647, 727 207 and 30 730 respectively.

A comparison between the movements in May 2023 and June 2023 indicates that the volume of arrivals and travellers in transit decreased for both groups of travellers, whereas the volume of departures increased for South African residents but decreased for foreign travellers. For South African residents, the volume of arrivals decreased by 3,4% (from 327 811 in May 2023 to 316 628 in June 2023). Departures increased by 16,2% (from 331 346 in May 2023 to 384 972 in June 2023) and transits decreased by 19,3% (from 482 in May 2023 to 389 in June 2023).

For foreign travellers, arrivals decreased by 4,9% (from 895 463 in May 2023 to 851 647 in June 2023), departures decreased by 7,9% (from 789 789 in May 2023 to 727 207 in June 2023), and transits decreased by 9,0% (from 33 779 in May 2023 to 30 730 in June 2023).

A comparison between the movements in June 2022 and June 2023 indicates that the volume of arrivals, departures and travellers in transit increased for both South African residents and foreign travellers. For South African residents, the volume of arrivals increased by 19,3% (from 265 364 in June 2022 to 316 628 in June 2023), departures increased by 16,5% (from 330 327 in June 2022 to 384 972 in June 2023) and transits increased by 27,5% (from 305 in June 2022 to 389 in June 2023). For foreign travellers, arrivals increased by 46,5% (from 581 375 in June 2022 to 851 647 in June 2023), departures increased by 44,3% (from 503 997 in June 2022 to 727 207 in June 2023) and transits increased by 24,8% (from 24 624 in June 2022 to 30 730 in June 2023).



Mode of travel of travellers

In June 2023, road was the most common mode of travel used by 1 562 252 (67,6%) of the 2 311 573 travellers. The total number of travellers who used air was 743 821 (32,2%). Compared to air and land, a smaller number of travellers, 5 500 (0,2%) used sea into and out of South Africa. Information on arrivals of South African residents shows that 149 620 (47,3%) came by air, 166 932 (52,7%) came by road and 76 (less than 0,1%) arrived by sea. For departures, 189 593 (49,2%) used air, 195 245 (50,7%) used road and 134 (less than 0,1%) left by sea. All travellers in transit, 389 (100,0%) used air. In the case of foreign travellers, 182 898 (21,5%) arrived by air, 666 100 (78,2%) came by road and 2 649 (0,3%) arrived by sea. When departing South Africa, 190 591 (26,2%) foreign travellers left by air, 533 975 (73,4%) left by road and 2 641 (0,4%) left by sea. All travellers in transit, 30 730 (100,0%) used air.

Visitors

In June 2023, 26 054 (3,1%) of foreign arrivals were classified as non-visitors, while 825 593 (96,9%) were classified as visitors. Visitors were categorised into three groups:

- i. Arrivals only – comprising visitors who entered the country in June 2023 but did not depart in June 2023 [283 141 (34,3%)];
- ii. Single trips – visitors who came to South Africa once in June 2023 and left in June 2023 [256 518 (31,1%)]; and
- iii. Multiple trips – visitors who came to and left South Africa more than once in June 2023 [285 934 (34,6%)].

Visitors were further grouped as same-day visitors and overnight visitors (tourists). In June 2023, there were 217 274 (26,3%) same-day visitors and 608 319 (73,7%) tourists. Between May 2023 and June 2023, the volume of same-day visitors decreased by 8,3% (from 273 063 in May 2023 to 217 274 in June 2023) and that of tourists decreased by 3,5% (from 630 100 in May 2023 to 608 319 in June 2023). Between June 2022 and June 2023, the volume of same-day visitors increased by 63,0% (from 133 279 in June 2022 to 217 274 in June 2023) and that of tourists increased by 52,3% (from 399 550 in June 2022 to 608 319 in June 2023).



Tourists

Sex and age distribution of tourists

There were more male [358 328 (58,9%)] than female [249 991 (41,1%)] tourists. Male tourists constituted most tourists for all three regions, Southern Africa Development Community (SADC) countries [284 141 (59,8%)], overseas countries [67 981 (55,2%)] and 'other' African countries [5 665 (63,3%)]. Similarly, the largest portion of female tourists was from SADC countries [191 217 (40,2%)], followed by overseas countries [55 088 (44,8%)] and 'other' African countries [3 283 (36,7%)].

The age distribution indicates that out of all tourists, [27 564 (4,5%)] were aged younger than 15 years; [52 296 (8,6%)] were aged between 15 and 24 years; [147 573 (24,3%)] were aged between 25 and 34 years; [188 911 (31,1%)] were aged between 35 and 44 years; [113 136 (18,6%)] were aged between 45 and 54 years; [51 759 (8,5%)] were aged between 55 and 64 years; [27 079 (4,5%)] were aged 65 years and older.

Purpose of visit of tourists

In June 2023, the majority of tourists, 585 871 (96,3%), were in South Africa for holiday compared to 19 863 (3,3%); 2 325 (0,4%) and 260 (less than 0,1%) who were in South Africa for business, study and medical treatment respectively.

Mode of travel of tourists

Regarding the mode of travel, 114 778 (93,3%) overseas tourists arrived in the country by air, whilst 8 235 (6,7%) came in by road and 56 (less than 0,1%) arrived by sea. Tourists from the SADC countries, came predominantly by road 443 214 (93,2%), whilst 32 142 (6,8%) came by air and two (less than 0,1%) arrived by sea. The number of tourists who came into South Africa by air from 'other' African countries was 8 043 (89,9%); while 905 (10,1%) used road transport and none preferred sea.



Table L – Number of South African residents and foreign travellers by travel direction, June 2023

Travel direction	June 2022	May 2023	June 2023	% change May to June 2023	% change June 2022 to July 2023
Total	1 705 992	2 378 670	2 311 573	-2,8%	35,5%
South African residents	595 996	659 639	701 989	6,4%	17,8%
Arrivals	265 364	327 811	316 628	-3,4%	19,3%
Departures	330 327	331 346	384 972	16,2%	16,5%
Transit	305	482	389	-19,3%	27,5%
Foreign travellers	1 109 996	1 719 031	1 609 584	-6,4%	45,0%
Arrivals	581 375	895 463	851 647	-4,9%	46,5%
Departures	503 997	789 789	727 207	-7,9%	44,3%
Transit	24 624	33 779	30 730	-9,0%	24,8%

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 decreased by 1,2% in May 2023

The rising cost of living caused by an increase in fuel, food and electricity prices is pushing more South Africans into debt. Moreover, take-home income for some South Africans remains stagnant, forcing them to get unsecured debts to close the financial gap. According to Investopedia, “unsecured debt refers to loans that are not backed by collateral. If the borrower defaults on the loan, the lender may not be able to recover their investment because the borrower is not required to pledge any specific assets as security for the loan.” Unsecured debt also carries high-interest charges because they pose a higher risk to the lender. This type of debt includes credit cards, personal and student loans. Should a consumer default on unsecured debt, it may result in a lower credit score and after several months of missed payments, the account will be handed over to a collection agency. However, if they also fail to recover the money owed, the debt will eventually result in a civil case. This article summarises the results



of the Statistics of civil cases for debt (statistical release P0041) for May 2023.

The number of civil summonses issued for debt

The total number of civil summonses issued for debt decreased by 1,2% in the three months ended May 2023 compared with the three months ended May 2022 (see Table M). The largest negative contributors to the 1,2% decrease in civil summonses issued were:

- money lent (contributing -3,4 percentage points); and
- goods sold (contributing -1,7 percentage points).
- 'Other' debts made the largest positive contribution (contributing 4,8 percentage points).

The number of civil judgements recorded for debt

The total number of civil judgements recorded for debt increased by 1,8% in the three months ended May 2023 compared with the three months ended May 2022. The largest positive contributor was 'other' debts (contributing 6,0 percentage points) and the largest negative contributor was goods sold (contributing -3,5 percentage points).

The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt increased by 10,8% in the three months ended May 2023 compared with the three months ended May 2022.

The largest positive contributors to the 10,8% increase were civil judgements relating to:

- money lent (contributing 7,9 percentage points); and
- 'other' debts (contributing 5,2 percentage points).
- Goods sold (contributing -2,0 percentage points) was the largest negative contributor.

In May 2023, 12 543 civil judgements for debt amounting to R341,5 million were recorded.

The largest contributors to the total value of judgements were:

- money lent (R111,2 million or 32,6%);
- services (R66,9 million or 19,6%); and
- 'other' debts (R65,0 million or 19,0%).



Table M – Key figures for civil summonses and judgements for May 2023

Actual estimates	May 2023	% change between May 2022 and May 2023	% change between March to May 2022 and March to May 2023
Number of civil summonses issued for debt	45 250	0,0	-1,2
Number of civil judgements recorded for debt	12 543	1,8	1,8
Value of civil judgements recorded for debt (R million)	341,5	8,3	10,8

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

Total number of liquidations decreased by 11,7% in June 2023 compared with June 2022

Since the beginning of 2023, more companies that were unable to meet their financial obligations closed their doors. On 24 July 2023, Statistics South Africa (Stats SA) published liquidation industry statistics for June 2023, indicating that 802 companies were liquidated since January to June 2023. Out of the 802 companies, 81 were liquidated in January 2023, 162 in February 2023, 168 in March 2023, 112 in April and 151 in May 2023 and 128 in June 2023. According to Stats SA, since the start of 2023, 681 companies closed their doors voluntarily while 121 did so on a compulsory basis. The highest number of companies who closed their doors on a voluntary basis was recorded in March 2023 (135), followed by May 2023 with 134 companies. This article summarises results from the *Statistics of liquidations* (statistical release P0043.1) for June 2023.

The total number of liquidations decreased by 11,7% in June 2023 compared with June 2022 (**see Table N**). There was a decrease of 17,0% in the second quarter of 2023 compared with the second quarter of 2022. The total number of liquidations decreased by 14,0% in the first six months of 2023 compared with the first six months of 2022.



Table N – Key growth rates in the number of liquidations for June 2023

Number of liquidations June 2023	% change between June 2022 and June 2023	% change between April to June 2022 and April to June 2023	% change between January to June 2022 and January to June 2023
128	-11,7	-17,0	-14,0

A full release on *Statistics of liquidations* (statistical release P0043.1) is available on the Stats SA website: www.statssa.gov.za.

Land transport

The volume of goods transported (payload) decreased by 0,3% in May 2023

A good transport system is essential for a country as it contributes to its economic development by enabling the movement/transportation of people and goods to various places such as employment, education and markets. To ensure a smooth commute, the Department of Transport (DoT) wants to improve the transport system and provide better and safer access to transport services that are more efficient and of better quality than the current ones. According to DoT, most people in South Africa currently do not have private vehicles and depend on public transport and other non-motorised transport (NMT) to get to work, school, or amenities. Considering this, safer and more accessible walking and cycling infrastructure is planned. According to Statistics South Africa's (Stats SA) *National household and travel survey* (NHTS), 59,4% of learners from all types of educational institutions walked to school in 2020, while only 0,1% cycled. Additionally, 20,3% of workers walked to their place of work and 0,6% cycled. The DoT says that if planned properly, cycling and pedestrian networks can act as feeders to public transport, lower the cost of commuting, and reduce traffic congestion and carbon emissions. This article summarises the results of *Land transport* (statistical release P7162) for May 2023.

The volume of goods transported (payload) decreased by 0,3% in May 2023 compared with May 2022 (**see Table O**). The corresponding income increased by 2,2% over the same period.

Income from freight transportation increased by 6,8% in the three months ended May 2023 compared with the three months ended May 2022. The main positive contributors to this increase were:



- primary mining and quarrying products (12,9%, contributing 4,2 percentage points);
- 'other' freight (10,6%, contributing 2,1 percentage points); and
- manufactured food, beverages and tobacco products (6,0%, contributing 0,7 of a percentage point).

Table O – Year-on-year percentage change in freight transportation: May 2023

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Freight payload	12,9	17,2	7,3	4,8	11,4	-0,3
Freight income	15,1	19,9	11,6	7,3	11,3	2,2

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

The number of passenger journeys increased by 18,3% in May 2023 compared with May 2022 (see Table P). The corresponding income increased by 11,1% over the same period.

Table P – Year-on-year percentage change in passenger transportation: April 2023

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Passenger journeys	13,5	18,8	12,9	13,5	2,5	18,3
Passenger income	45,3	30,5	19,1	15,5	5,4	11,1

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



Prices

Producer price index (PPI)

PPI at 4,8% in June 2023

Economic indicators such as the producer price index (PPI), consumer price index (CPI) and gross domestic product (GDP) are essential to the economy because they inform investors, policymakers and economists, among others, of the current state of a country's economy and may provide insight on the economy's future performance. Regarding PPI, it measures the changes in the prices of locally produced commodities. One of its uses is that it acts as a forecast for CPI. For instance, the PPI for June 2023 eased to 4,8% from 7,3% in May 2023. This is the lowest since March 2021, when it was 5,2%. This was mainly due to lower production costs in the coke, petroleum, chemical, rubber and plastic products. The easing of the PPI has already started to be reflected in the CPI for June 2023, which reported 5,4%, down from 6,3% in May 2023. This ripple effect contributed to the Reserve Bank's Monetary Policy Committee pausing interest rates at its latest meeting on 20 July 2023. This article summarises the results of the Producer price index (statistical release P0142.1) for June 2023.

Final manufactured goods – headline PPI

Annual producer price inflation (final manufacturing) was 4,8% in June 2023, down from 7,3% in May 2023 (**see Table Q**). The producer price index (PPI) decreased by 0,3% month-on-month in June 2023. The main contributors to the headline PPI annual inflation rate were:

- food products, beverages and tobacco products (increased by 6,4% year-on-year and contributed 1,6 percentage points);
- paper and printed products (increased by 14,5% year-on-year and contributed 1,2 percentage points);
- transport equipment (increased by 11,3% year-on-year and contributed 1,0 percentage point); and
- metals, machinery, equipment and computing equipment (increased by 6,2% year-on-year and contributed 0,9 of a percentage point).



The main contributor to the headline PPI monthly decrease was coke, petroleum, chemical, rubber and plastic products (decreased by 1,6% month-on-month and contributed -0,4 of a percentage point).

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 2,4% in June 2023 (compared with 4,4% in May 2023) (see **Table Q**). The index decreased by 1,3% month-on-month. The main contributors to the annual rate were:

- basic and fabricated metals (1,3 percentage points);
- sawmilling and wood (0,5 of a percentage point); and
- recycling and manufacturing n.e.c. (0,4 of a percentage point).

The main contributor to the monthly rate was basic and fabricated metals (-1,1 percentage points).

Electricity and water

The annual percentage change in the PPI for electricity and water was 13,6% in June 2023 (compared with 15,5% in May 2023). The index increased by 34,8% month-on-month. Electricity contributed 12,5 percentage points and water contributed 0,8 of a percentage point to the annual rate. Electricity contributed 34,7 percentage points to the monthly rate.

Mining

The annual percentage change in the PPI for mining was 2,8% in June 2023 (compared with 7,2% in May 2023). The index decreased by 2,6% month-on-month. The main positive contributors to the annual rate were:

- gold and other metal ores (3,3 percentage points);
- coal and gas (0,9 of a percentage point); and
- stone and quarrying, clay and diamonds (0,9 of a percentage point).

The main contributor to the monthly rate was non-ferrous metal ores (-1,9 percentage points).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 6,2% in June 2023 (compared with 4,5% in May 2023). The index



increased by 0,8% month-on-month. The main contributors to the annual rate were agriculture (3,5 percentage points) and fishing (2,3 percentage points). The main contributor to the monthly rate was agriculture (0,8 of a percentage point).

Table Q – Key PPI figures for June 2023

Product	Weight	Index (Dec 2020=100)			% change	
		June 2022	May 2023	June 2023	June 2023 vs. May 2023	June 2023 vs. June 2022
Final manufactured goods	100,00	121,7	127,9	127,5	-0,3	4,8
Intermediate manufactured goods	100,00	130,7	135,5	133,8	-1,3	2,4
Electricity and water	100,00	165,4	139,4	187,9	34,8	13,6
Mining	100,00	129,8	137,0	133,4	-2,6	2,8
Agriculture, forestry and fishing	100,00	114,3	120,4	121,4	0,8	6,2

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

Consumer price index (CPI)

CPI at 5,4% in June 2023

The consumer price index (CPI) has decreased to the lowest reading for the first time after 20 months. The June 2023 CPI annual headline inflation published by Statistics South Africa (Stats SA) on 19 July 2023 decreased to 5,4% from 6,3% in May 2023. The June 2023 inflation rate was the lowest reading since October 2021, when the rate was 5,0%. Additionally, the June 2023 inflation rate is within South African Reserve Bank's (SARB) target range of between 3% and 6% for the first time in 14 months. The last time the CPI reading was within SARB target range was in April 2022 when it was 5,9%. This article summarises results of the *Consumer price index* (CPI) (statistical release P0141) for June 2023.



Key findings headline consumer price index (CPI) for all urban areas

Annual consumer price inflation was 5,4% in June 2023, down from 6,3% in May 2023 (**see Table R**). The CPI increased by 0,2% month-on-month in June 2023. The main contributors to the 5,4% annual inflation rate were:

- food and non-alcoholic beverages (increased by 11,0% year-on-year and contributed 1,9 percentage points);
- housing and utilities (increased by 4,2% year-on-year and contributed 1,0 percentage point); and
- miscellaneous goods and services (increased by 6,4% year-on-year and contributed 0,9 of a percentage point).

In June the annual inflation rate of goods was 6,3%, down from 8,0% in May; and for services it was 4,5%, down from 4,6% in May.

Table R – Consumer price index: Index numbers and year-on-year rates
Base year: Dec 2021=100

Year	Index/ rate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average ¹
2018	Index	84,5	85,2	85,5	86,2	86,3	86,6	87,4	87,3	87,7	88,1	88,2	88,1	86,8
	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	87,9	88,6	89,4	89,9	90,2	90,5	90,8	91,1	91,3	91,3	91,4	91,6	90,3
	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	91,9	92,8	93,1	92,6	92,0	92,5	93,7	93,9	94,0	94,3	94,3	94,4	93,3
	Rate	4,5	4,6	4,1	3,0	2,1	2,2	3,2	3,1	3,0	3,3	3,2	3,1	3,3
2021	Index	94,8	95,4	96,1	96,7	96,8	97,0	98,1	98,5	98,7	99,0	99,4	100,0	97,5
	Rate	3,2	2,9	3,2	4,4	5,2	4,9	4,6	4,9	5,0	5,0	5,5	5,9	4,5
2022	Index	100,2	100,8	101,8	102,4	103,1	104,2	105,8	106,0	106,1	106,5	106,8	107,2	104,2
	Rate	5,7	5,7	5,9	5,9	6,5	7,4	7,8	7,6	7,5	7,6	7,4	7,2	6,9
2023	Index	107,1	107,9	109,0	109,4	109,6	109,8							
	Rate	6,9	7,0	7,1	6,8	6,3	5,4							

¹ Annual average.

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



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; osmium, 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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