

Mbalo Brief



the missing piece of the puzzle

June 2016



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Issue 05/2016



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Editor's comment

As we know, June is Youth Month in commemoration of the positive role played by young people of 1976 in demanding their rights as equal citizens of this country. This year marks the 40th anniversary of the June 16 uprising where hundreds of young people were killed by the apartheid government when they protested against imposition of Afrikaans as a medium of instruction. June has been designated as youth month with a specific focus on June 16, the day which is celebrated every year.

Youth plays an important role in the society, including promoting healthy practices amongst peer groups and taking steps to protect themselves against health risks. Thus, Statistics South Africa (Stats SA) in collaboration with the South African Medical Research Council (SAMRC) is conducting the South Africa Demographic and Health Survey (SADHS) 2016 on behalf of the National Department of Health (NDOH) and the youth is also encouraged to partake in the survey. SADHS will be conducted across the country from June to November 2016 and with participants from a sample of 15 000 households. The information collected from the survey is essential to track the health needs of the population, monitor the performance of health services and quality of selected health programmes (such as HIV/AIDS, TB, maternal and child health and primary health services).

Included in this fifth issue of *Mbalo Brief* are our monthly articles such as the *Producer price index (PPI)*, *Mining, Motor trade sales*, *Tourism and migration* and *Land transport survey*. Once more, we have included our monthly crossword puzzle to tease your brain and solutions for the May 2016 puzzle.

Articles published in this issue are based on results of industry surveys conducted for the months ranging from March to May 2016 which were published by Stats SA in May and June 2016.

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

Enjoy the read.



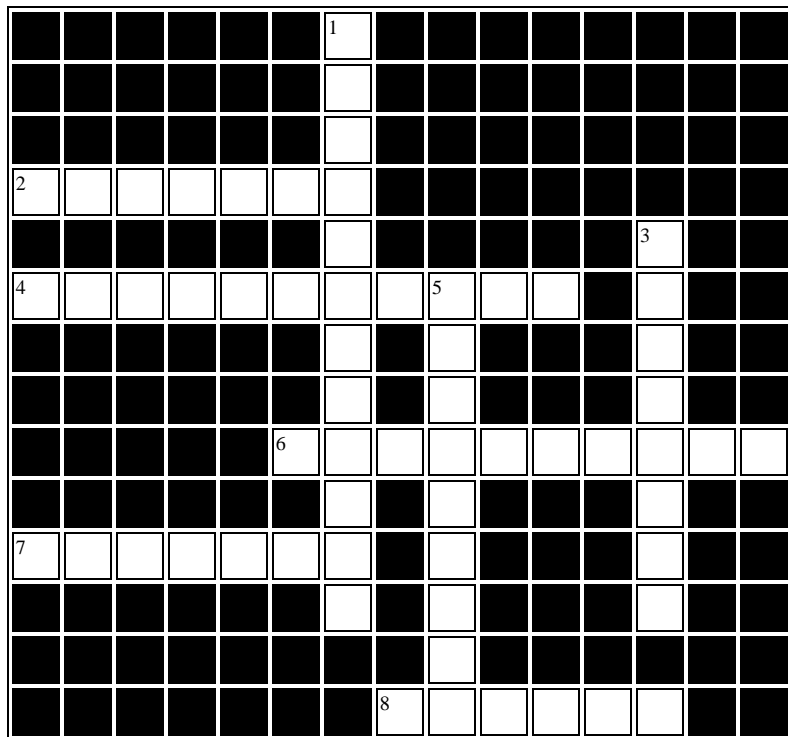


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Crossword puzzle





Across

2. What is the name of council for quality assurance in general and further education in South Africa?
4. Who is the United States and world-renowned boxing legend who passed on recently?
6. refers to the state of being unable to pay debts and being placed under final sequestration.
7. Which province is generally known for producing large quantities of tomatoes? [Read Manufacturing: production and sales article]
8. What is the longest river in South Africa?

Down

1. What is the African organisation that was founded in 2002 to replace the Organisation of African Union?
3. In what type of households are Limpopo children likely to live than other children in the country? [Read educational article]
5. What is the instrument used to measure evaporation rate?

Solutions for May 2016 puzzle

Across

3. Free State
7. Deflation

Down

1. Enterprise
2. Youth Day
3. Food
4. Vuwani
5. Mining
6. Ten





Educational article on schooling in Limpopo

1. Introduction

All South Africans have the right to basic education and learning, including adult basic education and further education according to the Bill of Rights of the country's Constitution, chapter 2, section 29. The state has an obligation, through reasonable procedures, to considerably make education available to everyone. Aside from education being a basic right, it is also necessary because it empowers those who receive it and also enables them to lead a successful life. The aim of this article is to explore the dynamics of basic education in Limpopo province in the past 20 years by focusing on intra-household dynamics that may affect the support and/or ability of learners to do homework and have a supportive home environment, such as orphanhood, household types and living arrangements. The article further explores certain government initiatives such as the school nutrition programme, school fee exemption and the child support grant and how they contribute to the quality of education received by learners in Limpopo.

The findings used in this article are sourced from the *Education Series 1: Focus on schooling in Limpopo*, 2013 (Report No. 92-01-01). The report was published by Statistics South Africa (Stats SA) in March 2015 and includes findings from Census 2011, the Learner Educator Census of Ordinary Public Schools in Limpopo (LLECS) 2013, the General Household Survey (GHS) 2013 and the National Household Travel Survey (NHTS) 2013.

2. Population characteristics

Population distribution and growth rates are two of the most important factors that influence the demand for social infrastructure and services such as schools and education. Census 2011 findings indicate that the population of Limpopo has grown by 1,8% in the five years between 1996 and 2001 (from 4 576 566 to 4 995 462) and by 0,8% in the ten-year period between 2001 and 2011 (from 4 995 462 to 5 404 868). These low growth rates can partially be attributed to emigration. In the period 2001 to 2011, as 372 283 individuals left the province to establish residence elsewhere and 219 426 immigrated to the province. The highest growth rates during the period 2001 to 2011 were found in Waterberg (1,2%) and Greater Sekhukhune (1,1%), which is below the national growth rate of 1,44% in the same period.



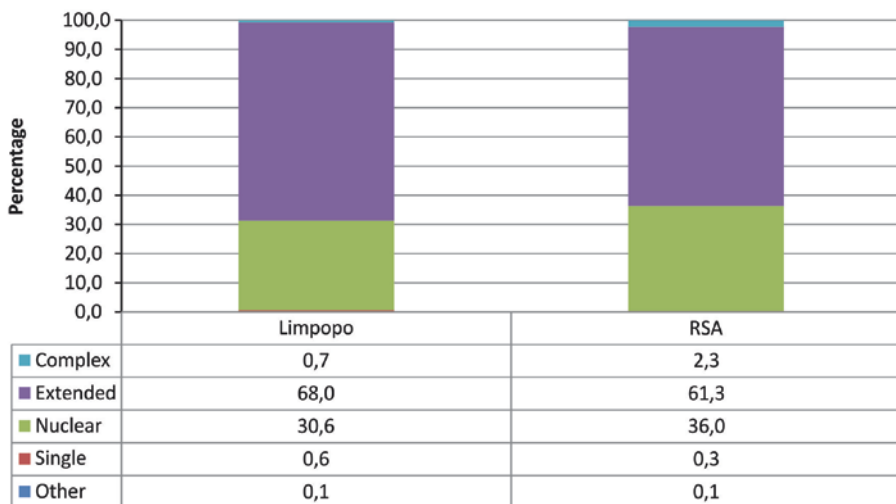


Changes in the demographic distribution of the population in Limpopo as measured in the censuses of 1996, 2001 and 2011 indicate that the demographic distributions of males and females below 20 years are similar. The population distribution as measured through Census 2011 does show declines for the age group 5–14 years between 1996 and 2011, with an increase for the 0–4-year age group. The numbers of young people aged 15–19 in 2011 were lower than expected when considering their numbers in 1996 at the age range 0–4 years. The age group 10–14 years in 2011 who were aged 0–4 in 2001 also showed a decline, although lower than for the 10–14-year age group. Possible reasons for the lower than expected numbers of young individuals could be lower fertility rates and higher rates of emigration of parents with children in this age group to other provinces in pursuit of job opportunities and better life circumstances.

3. Living arrangement of learners

In comparison with the rest of the country, children aged 7–18 living in Limpopo are less likely to be orphaned; only 4,4% are orphans compared to 5,9% of orphans nationally. Learners in Limpopo are more likely than learners in the rest of the country to live with neither of their biological parents and/or only with their biological mothers. Approximately a quarter (24,8%) of learners aged 7–15 do not live with any of their biological parents and 41% live with their biological mothers only.

Figure 1 – Percentage of children aged 7–18 living in different household types, Limpopo and South Africa, 2013



Source: General Household Survey 2013

Figure 1 shows the percentage of children aged 7–18 by the household types in which they live. Most children in Limpopo live in either extended (68%) or nuclear households (30,6%). Nuclear households are defined as households consisting of household heads, their spouses and offspring, while the extended household would typically include other relatives in addition to the nucleus. Complex households are households with members who are not related to the household head. Generally, children in Limpopo are more likely to live in extended households than children in the country as whole.



Table 1 – Living arrangements of children aged 7–18 in relation to their biological parents, Limpopo and RSA, 2013

Region	Sex	Living arrangements (percentage)				Total
		Only father	Only mother	Both	Neither	
Limpopo	Male	1,9	40,6	24,2	33,3	725 543
	Female	2,4	41,3	23,6	32,7	756 700
	Total	2,2	40,9	23,9	33,0	1 482 243
RSA	Male	4,0	34,1	32,9	29,1	6 112 928
	Female	3,7	36,1	32,3	27,9	6 068 075
	Total	3,9	35,1	32,6	28,5	12 181 003

Source: General Household Survey 2013

The living arrangements of children aged 7–18 years are summarised in Table 1 above. It shows that nearly a quarter live with both their parents (23,9%), a third (33,0%) live with neither of their biological parents and 40,9% live with only their biological mothers.

4. Social safety nets that impact on children, their well-being and education

The adoption of the Constitution in 1996 entrenched several rights aimed at protecting the poor in general and more particularly, children. In response to these imperatives, several social safety nets aimed at improving the well-being of the poor and thereby improving the quality of life of those attending schools were introduced.

Safety nets with a direct impact on education:

- School nutrition programme (the right of access to sufficient food);
- Right of children to basic nutrition (the right to basic nutrition);
- School Fee Exemption Policy (the right to education); and
- Child Support Grant (the right to social security).

Safety nets with an indirect impact:

- Free Basic Water Policy (the right to water);
- Free Primary Health Care (the right to health care services); and
- Housing Subsidy Scheme (the right to basic shelter and housing).

4.1 The school nutrition programme

The National School Nutrition Programme (NSNP) was introduced in 1994 as one of the strategic initiatives that formed part of the Reconstruction and



Development Programme (RDP). From 1994 to 2004, the programme functioned under the Department of Health. However, in 2002 a decision was made that by April 2004, the Department of Education should be responsible for the programme.

The specific objectives of the programme are to:

- contribute to enhanced learning capacity through school feeding programmes;
- promote and support food production and improve food security in school communities; and
- strengthen nutrition education in schools and communities.

Several constitutional rights of children are addressed by the National School Nutrition Programme (NSNP). These are:

- the right of access to sufficient food ;
- the right of children to basic nutrition; and
- the right to basic education.

The NSNP was never conceived to fully meet the right to access to sufficient food and the right of children to basic nutrition, but rather to complement a range of other social security interventions that would impact on the nutritional status and well-being of children and by impacting their education. It was also hoped that the programme will encourage children to attend school and improve their concentration and learning capacity.

4.1.1 Number of learners and schools benefiting from the NSNP in Limpopo

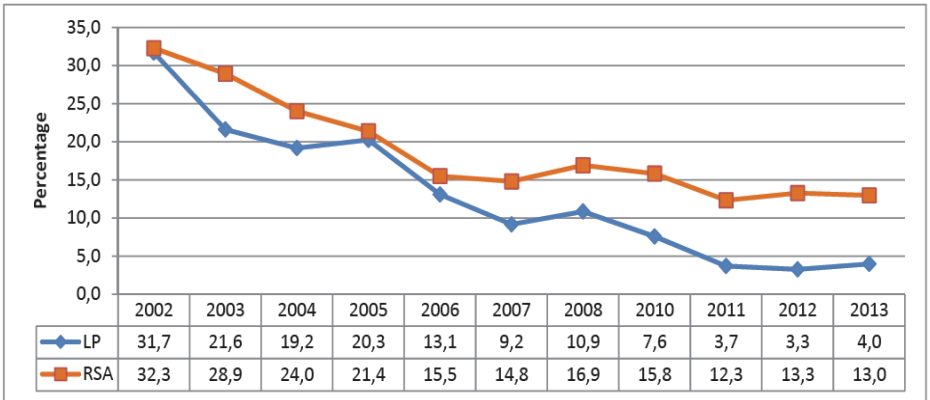
According to the annual NSNP reports, the province made progress over time in terms of both the involvement of community volunteers and other stakeholders and the promotion and development of vegetable gardens and orchards. In the 2009/2010 report, it was indicated that of 1 063 food gardens initiated, 1 056 gardens survived and 60 schools were supplying service providers with produce. The number of schools with food gardens increased to 2 056 in 2011/2012 with an additional 98 with orchards. Even though it is not clear how many of the gardens established during previous years survived, the 2012/2013 NSNP report indicates that 1 911 gardens were established during that year and that schools were supported by providing seedlings, capacity building and gardening tools. The programme in Limpopo also creates economic opportunities in the local communities as



service providers, food handlers and monitors are sourced from the community (NSNP Annual Report 2009/10).

According to the GHS, 94% of the learners in Limpopo attend a school that offers a nutrition programme and 90% of them make use of the service. This is higher than the national average for 2013 of 70,8% of pupils who eat at the school. The participation rate recorded for Limpopo in 2010 was 82,7%.

Figure 2: Percentage of learners who live in households where children aged 17 years or younger experienced hunger 2002-2013



Source: General Household Survey 2002–2013

Since 2002, there has been a steady decline nationally, as well as in Limpopo, in the percentage of households with school-going children (children 17 years or younger) who suffered from hunger in 2001. The decline in the number of children who suffered from hunger in Limpopo was higher than that of the country as a whole. Possible contributing factors to the relatively good picture in Limpopo could be the high proportion of households dependent on social grants, which make them less vulnerable to economic changes that result in job losses, as well as the supplementary effect that the school nutrition programme and small-scale food production has on household food consumption.



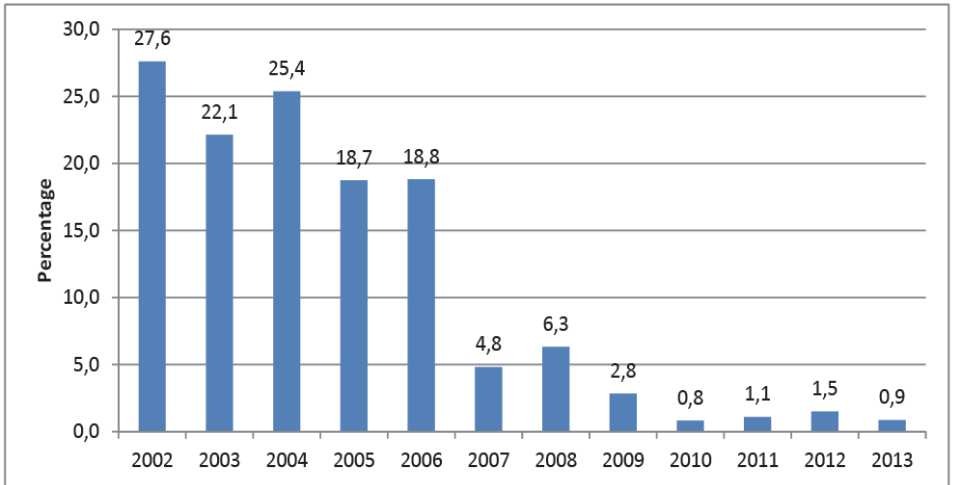
4.2 Pro-poor education support

The relatively high cost of education for households trapped in absolute poverty is commonly used as an explanation for school drop-out rates. After 1994, the government introduced two programmes that are aimed at reducing the direct costs of education for poor families: the Fee Exemption Policy and the no fee schools. The Fee Exemption Policy stipulates that parents, through the School Governing Body (SGB), should set school fees for the school and determine under which circumstances students are exempted from paying school fees. The policy provides guidelines when students should be exempted from paying school fees based on the combined annual gross income of parents. The 'no fee' school policy adopted in 2006, gives the Minister of Education the power to exempt schools from charging fees on the basis of poverty levels in the areas surrounding these schools. In practice, the schools to be exempted are identified at provincial level and these exemptions are reviewed annually.

In 2008, two years after the introduction of the 'No fee' school policy, approximately 1 million learners in 2 832 schools in Limpopo benefited from this policy. By 2013, more than 97% of the schools in Limpopo were classified as 'no fee' schools which benefited more than 96% of the learners in the province.

Findings from the GHS 2013 confirm that the percentage of learners benefiting from the 'no fee' and fee exemption policies increased significantly since 2006, when especially the 'no fee' policy was introduced. In 2013, Limpopo had the highest percentage of learners in the country that did not pay school fees (91%), while in the Eastern Cape, 81,0% of learners did not pay school fees. Eastern Cape is a province that is also very poor and shares a similar education history as Limpopo. These figures are higher than the national average of 62,4%.

Figure 3: Percentage of learners attending school who indicated “high school fees” as a problem they experienced, Limpopo 2002-2013



Source: General Household Survey 2002–2013

According to the GHS findings in 2013, the percentage of learners who indicated that they considered paying fees for high school a problem, decreased since the introduction of no fee schools (from 27,6% in 2002 to 0,9% in 2013).

4.3 Social grants and the child support grant

Since 1994, the social grants system has expanded. The introduction of the Child Support Grant (CSG) and the gradual extension of the qualifying age limit is probably the single most important contributor towards the incremental expansion in the uptake and use of the social grants system. Although seven types of grants are provided for, the Child Support Grant (CSG), Foster Care Grant (FCG) and Care Dependency Grant (CDG) accounted for 38% of the total grant expenditure during 2007/08. The CSG accounted for 31% of all expenditure on its own and is widely recognised for improving children's access to food, education and basic services. Although the CSG was initially made available to children aged 0–6 years in 1998, it was slowly extended to children under 15 years in 2009. An amendment to the Social Assistance Act in 2009 removed the CSG age restriction and



made it accessible to caregivers of children born after 31 December 1993, while at the same time prolonging their eligibility until the age of 18 years. In terms of the effectiveness of the system, most researchers have argued that the system has made an important contribution towards alleviating poverty. In relation to the Child Support Grant specifically, an impact assessment done by the Department of Social Development, South African Social Security Agency (SASSA) and United Nations Children Emergency Fund (UNICEF) in 2012 concluded that the CSG is an important investment in building capacities and reducing inequality. When considering children younger than five years, the study concluded that mothers who receive grants are more likely to take their children to attend growth monitoring, and improves height for age scores of recipient children whose mothers have achieved more than Grade 8 as their highest level of education. Children evaluated at age 10 and who received CSG since birth completed a significantly higher number of grades of schooling and obtained better mathematics scores when compared with children who started CSG at age six or later. Furthermore, early enrolment in CSG decreased the likelihood of illness and therefore potential absenteeism from school.

Since 2003, the percentage of children aged five years and older who attend school and receive social grants increased from 4% in 2003 to 54,8% in 2013. The proportion of children receiving grants in Limpopo is higher (59,2%) than for the rest of the provinces except for Eastern Cape (61,3%) and KwaZulu-Natal (62,0%), and it is also higher compared with the national figure of 54,6%.

5. Mode of travel

According to the National Household Travel Survey Provincial Profile for Limpopo that was published in 2015, 82,5% of students in Limpopo attending school walk all the way to get to their school. The only instances where learners used alternative modes were in Waterberg, where 11,2% used taxis, and in Capricorn, where 9,3% arrived at school as passengers of a car or truck. Buses are rarely used, and the highest percentage of bus-using scholars was found in Mopani (3,2%) and Vhembe (3%).

According to the GHS 2013, individuals aged 7–24 years are more likely to attend educational institutions than their counterparts in other rural provinces, such as the Eastern Cape and KwaZulu-Natal, as well as the country as a whole. Between 2002 and 2013, the proportion of individuals



attending educational institutions remained stable in the province in spite of increases in Eastern Cape and KwaZulu-Natal during the same time period.

6. Conclusion

The government has established several programmes and policies such as the NSNP, School Fee Exemption Policy, Child Support Grant, nutrition programmes and feeding schemes in order to improve education conditions. The number of learners benefiting from this NSNP increased over time. The NSNP programme might be one of the contributing factors towards the decline in the percentage of individuals attending school who reported living in households where children aged 17 years or younger experienced hunger.



Primary industries

Mining: Production and sales

Mining production decreases while mineral sales increase

The production in the mining sector for March 2016 has decreased by 18%, the biggest decline for South Africa in 35 years. South Africa is one of the top mining nations in the world for commodities such as gold, platinum and coal, therefore the decline in mining production that has been experienced recently has had a negative impact on the mining industry as well as the economy in general. The decline in mining production can be attributed to lower commodity prices and the highest production costs, amongst other factors. Thus, production or input costs such as water, electricity, labour and equipment bought or hired increased, causing mining companies to enforce cost containment measures. This included amongst others, cutting down on the production of commodities and retrenchments in the labour force in order to stay in business. These commodities cuts may see South Africa facing lower export earnings, lower revenue, job losses, and in some cases companies closure. Presented in this article is the mining production and sales for March 2016.

Mining production decreased by 18,0% year-on-year in March 2016 (see **Table A**).

The largest negative contributions were:

- PGMs (-23,7%, contributing -4,5 percentage points);
- coal (-15,8%, contributing -4,0 percentage points);
- iron ore (-21,4%, contributing -3,7 percentage points);
- manganese ore (-24,3%, contributing -1,6 percentage points); and
- gold (-7,4%, contributing -1,2 percentage points).



Table A – Key growth rates in the volume of mining production for March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Year-on-year % change, unadjusted	-4,2	-1,2	-1,8	-5,8	-8,3	-18,0
Month-on-month % change, seasonally adjusted	1,1	1,7	-0,8	-5,5	2,1	-3,4
3-month % change, seasonally adjusted ^{1/}	-3,3	-3,6	-0,9	-1,1	-2,2	-5,2

^{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

Mineral sales increased by 1,6% year-on-year in February 2016 (see **Table B**). The largest positive contributor to the 1,6% increase was gold (43,9% and contributing 6,2 percentage points).

The significant negative contributor was iron ore (-31,5% and contributing - 4,1 percentage points).

Table B – Key growth rates in mineral sales at current prices for February 2016

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Year-on-year % change, unadjusted	-5,5	-2,6	-3,4	2,6	-1,9	1,6
Month-on-month % change, seasonally adjusted	1,9	1,2	-2,1	2,6	-4,1	4,1
3-month % change, seasonally adjusted ^{1/}	-5,7	-2,9	0,1	2,2	-0,3	0,1

^{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

Production in manufacturing decreases

Limpopo is generally known as a province that produces large quantities of vegetables and fruits. Producers of tomatoes consider the province the most suitable for growing tomatoes because of its warm climate. Dürsots – All Joy, one of South Africa's tomato paste producers, has launched a R100 million tomato-processing plant in Modjadjiskloof, Tzaneen on 23 May 2016. The plant is expected to assist in addressing the growing demand for tomato paste in South Africa while at the same time increasing the manufacturing capacity. The increase in manufacturing capacity will boost and ensure business opportunities for at least 15 local commercial farmers in the area. The Minister of Trade and Industry, Rob Davies, echoed the positive contribution the plant will have on job creation, and also the support it will bring to small, medium and micro-sized enterprises (SMMEs) in the Tzaneen area. Presented in this article is a summary of the manufacturing: production and sales statistics for March 2016.

Manufacturing production decreased by 2,0% in March 2016 compared with March 2015 (see **Table C**). This decrease was mainly due to lower production in the following divisions:

- basic iron and steel, non-ferrous metal products, metal products and machinery (-7,4%, contributing -1,5 percentage points);
- furniture and 'other' manufacturing (-21,9%, contributing -0,6 of a percentage point);
- motor vehicles, parts and accessories and other transport equipment (- 6,7%, contributing -0,6 of a percentage point); and
- food and beverages (-1,5%, contributing -0,4 of a percentage point).

Significant positive contributions were made by:

- wood and wood products, paper, publishing and printing division (6,2%, contributing 0,7 of a percentage point); and
- petroleum, chemical products, rubber and plastic products division (2,7%, contributing 0,6 of a percentage point).



Table C – Key growth rates in the volume of manufacturing production for March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Year-on-year % change, unadjusted	-2,3	-1,2	0,5	-2,5	2,2	-2,0
Month-on-month % change, seasonally adjusted	-1,8	-1,3	2,1	-1,8	1,6	-0,3
3-month % change, seasonally adjusted ^{1/}	1,5	0,8	-0,5	-1,0	-0,1	0,1

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

Selected building statistics of the private sector

Value of recorded buildings plans increases

New constructions and renovations of buildings not only enhances and improves a city's landscape but also creates employment; and is also used as a general measure of a country's development. For instance, the Carlson Rezidor Hotel Group (the world's 10th largest hotel operator) aims to build 20 hotels in Africa by 2020. They have announced plans to open three new hotels in South Africa by 2020. Two of these are planned for Cape Town and one in Polokwane. The construction of these hotels will create 1 500 jobs in South Africa and a total of about 3 600 jobs in Africa as a whole. Aside from the jobs that will be created, the construction of these hotels will also form part of the building statistics of the private sector because every stage of the construction, such as the building plans of the hotel and their completion will be accounted for. Presented in this article is a summary of the selected building statistics for March 2016.

The value of recorded building plans passed increased by 18,6% (R4 014,0 million) in the first quarter of 2016 compared with the first quarter of 2015 (see Table D). Non-residential buildings rose by 103,4% (R4 069,3 million). There were large year-on-year increases in plans passed for shopping centre spaces in the following provinces:

- KwaZulu-Natal (R2 090,9 million);
- Western Cape (R824,1 million); and
- Gauteng (R577,4 million).

The largest contributions to the total increase of 18,6% (R4 014,0 million) were made by Gauteng (contributing 10,6 percentage points or R2 287,5

million) and KwaZulu-Natal (contributing 9,6 percentage points or R2 063,2 million).

The value of buildings reported as completed increased by 14,8% (R1 678,1 million) in the first quarter of 2016 compared with the first quarter of 2015. The largest increases were recorded for non-residential buildings (28,3% or R754,9 million) and residential buildings (11,2% or R726,6 million).

Seven provinces reported year-on-year increases in the value of buildings completed in the first quarter of 2016. The largest contributions were recorded for the following provinces:

- Gauteng (contributing 8,1 percentage points or R913,8 million);
- Western Cape (contributing 4,6 percentage points or R521,4 million); and
- KwaZulu-Natal (contributing 2,5 percentage points or R287,5 million).

Table D – Recorded building plans passed by larger municipalities: January to March 2015 versus January to March 2016

Estimates at current prices	January to March 2015	January to March 2016	Difference in value between January to March 2015 and January to March 2016	% change between January to March 2015 and January to March 2016
	1/	1/		
	R'000	R'000	R'000	
Residential buildings	11 407 918	11 986 259	578 341	5,1
-Dwelling houses	7 783 214	8 079 671	296 457	3,8
-Flats and townhouses	3 386 706	3 654 524	267 818	7,9
-Other residential buildings	237 998	252 064	14 066	5,9
Non-residential buildings	3 935 574	8 004 840	4 069 266	103,4
Additions and alterations	6 251 419	5 617 848	-633 571	-10,1
Total	21 594 911	25 608 947	4 014 036	18,6

^{1/} 2015 and 2016 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 and consumption decrease

As winter approaches and temperatures decrease, the month of June is known by South Africans for its cold days. Many households will rely on electrical appliances such as heaters to keep themselves warm. This means the electricity consumption is expected to rise during this period. It is for these reasons that the country's largest energy distributor Eskom had to come up with a winter plan to ensure sufficient electricity capacity to meet the expected demand. Part of the plan includes the upgrades on the planned maintenance at their power stations to ensure plant reliability and sustainability. This plan was formally embarked on 1 April 2016 and will run until the end of August 2016. With the anticipated high electricity demand in winter, South Africans are encouraged to continue using the electricity efficiently. Presented in this article is a summary of the electricity generated and available for distribution statistics for March 2016.

Electricity generation (production) decreased by 4,3% year-on-year in March 2016 (see **Table E**).

Table E – Key growth rates in the volume of electricity generated for March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Year-on-year % change, unadjusted	-3,2	-1,5	-0,3	-2,2	2,8	-4,3
Month-on-month % change, seasonally adjusted	0,0	1,3	0,9	-1,3	1,1	-1,8
3-month % change, seasonally adjusted ^{1/}	-0,7	0,8	1,9	2,0	1,3	-0,1

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

Electricity distribution (consumption) decreased by 5,7% year-on-year in March 2016 (see **Table F**).

Table F – Key growth rates in the volume of electricity distributed for March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Year-on-year % change, unadjusted	-2,7	-2,4	-1,5	-3,2	0,4	-5,7
Month-on-month % change, seasonally adjusted	0,6	0,5	0,2	-1,3	0,2	-0,5
3-month % change, seasonally adjusted ^{1/}	-1,3	0,9	1,7	1,4	0,0	-1,0

^{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

Following the increase in the price of fuel on 1 June 2016, the cost of transporting fresh produce by freight has increased. This increase in transport has been further influenced by the drought condition (which affected the quality and quantity of harvests) experienced in some places in South Africa, which ultimately affected the cost that fruits and vegetables wholesalers incur for producing and transporting their products. The draught also affects meat because grazing lands could become dry causing livestock to suffer from lack of proper grazing. Furthermore, modern agriculture uses oil products to fuel farm machinery, to transport other inputs to the farm, and to transport farm output to the ultimate consumer. Fuel price increases therefore put pressure on agriculture. Although some wholesalers often try to absorb the increase by not increasing the prices of their products, some increase the prices of their products to make up for the extra money that they spend on transporting their products from their farms to retailers. Presented in this article is a summary of the wholesale trade sale for April 2016.

Wholesale trade sales increased by 9,4% in March 2016 compared with March 2015 (**see Table G**). The main contributors to this increase were dealers in:

- machinery, equipment and supplies (23,3% and contributing 4,3 percentage points);
- agricultural raw materials and livestock (57,0%, contributing 3,5 percentage points); and
- food, beverages and tobacco (13,7%, contributing 2,2 percentage points).

Wholesale trade sales increased by 8,7% in the first quarter of 2016 compared with the first quarter of 2015. The main contributors to this increase were dealers in:

- machinery, equipment and supplies (23,4%, contributing 4,1 percentage points);

- agricultural raw materials and livestock (46,2%, contributing 3,0 percentage points); and
- food, beverages and tobacco (10,5%, contributing 1,6 percentage points).

Table G – Key growth rates in wholesale trade sales at current prices for March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Year-on-year % change, unadjusted	2,9	6,6	5,0	4,9	11,6	9,4
Month-on-month % change, seasonally adjusted	1,3	-1,4	0,6	1,7	2,7	3,4
3-month % change, seasonally adjusted ^{1/}	0,5	1,5	1,2	1,3	2,1	4,6

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

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

Retail trade sales

Retail trade sales increase

As a way of making shopping simpler, some retailers have introduced retail applications (apps) to target consumers who prefer to use mobile phones for shopping. These apps can be downloaded by consumers to their mobile devices and give consumers a wide range of shopping options such as paying accounts, locating stores, scanning products, placing an order, etc. Some retailers upload coupons on consumers' apps to redeem them at stores as a way of encouraging them to visit their stores. Presented in this article is a summary of the retail trade sales statistics for March 2016.

Retail trade sales increased by 2,8% year-on-year in March 2016 (see **Table H**). Positive annual growth rates were recorded for retailers in:

- general dealers (6,0%);
- textiles, clothing, footwear and leather goods (4,9%);
- food, beverages and tobacco in specialised stores (0,3%); and
- pharmaceuticals and medical goods, cosmetics and toiletries (0,3%).

The main contributors to the 2,8% increase was general dealers (contributing 2,5 percentage points).



Retail trade sales increased by 3,4% in the first quarter of 2016 compared with the first quarter of 2015. The main contributors to this increase were:

- general dealers (4,5%, contributing 1,8 percentage points); and
- retailers in textiles, clothing, footwear and leather goods (4,0%, contributing 0,8 of a percentage point).

Table H – Key growth rates in retail trade sales for March 2016 at constant 2012 prices

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-	Mar-16
Year-on-year % change, unadjusted	3,4	3,8	4,1	3,6	4,0	2,8
Month-on-month % change, seasonally adjusted	0,0	1,6	0,1	-0,8	0,4	0,2
3-month % change, seasonally adjusted ^{1/}	1,0	0,8	1,1	1,3	0,8	0,2

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

A full release on *Retail trade sales* (Statistical release P6242.1) is available on the Stats SA website:

www.statssa.gov.za

Motor trade sales

Motor trade sales decrease

South Africa is the leading African country in the sales of motor vehicles. According to the International Organisation of Motor Vehicle Manufacturers known as the “*Organisation Internationale des Constructeurs d’Automobiles*” (OICA), South Africa’s vehicle sales was estimated at 617 749 in 2015. OICA is a federation of automobile manufacturers which consists of 38 motor trade associations around the world. These motor vehicles are produced by different locally based motor vehicle manufacturers (such as General Motors, Toyota etc.) for domestic and international markets. Motor vehicle manufacturing plants are mainly based in Eastern Cape and Gauteng. This article summarises the March 2016 findings of Motor trade sales.

Motor trade sales decreased by 2,8% year-on-year in March 2016 (**see Table I**). The largest negative annual growth rate was recorded for new vehicle sales (-10,%).

Motor trade sales increased by 0,5% in the first quarter of 2016 compared with the first quarter of 2015. The main positive contributors to this increase were:

- used vehicle sales (6,1%, contributing 1,2 percentage points); and
- sales of accessories (3,3%, contributing 0,6 of a percentage points).

New vehicle sales decreased by 6,% (contributing -1,9 percentage points).

Table I – Key growth rate figures in motor trade sales for March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Year-on-year % change, unadjusted	-3,8	2,2	1,2	-2,4	7,0	-2,8
Month-on-month % change, seasonally adjusted	-1,3	1,1	0,1	-2,4	3,3	-2,1
3-month % change, seasonally adjusted 1/	-0,8	0,1	0,0	0,3	-0,1	-0,5

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

A full release on *Motor trade sales* (Statistical release P6343.2) is available on the Stats SA website: www.statssa.gov.za

Food and beverages

Income for food and beverages increases

The South African Poultry Association (PASA) warned South Africans of the price increase in poultry products which may take effect in the next few months of 2016, if the conditions that were caused by the drought that hit South Africa in 2015 remain unchanged. The majority of South Africans buy and eat chicken meat as a form of protein, and the price of the two kilogram mixed portions bag may increase by almost R7. This will mean that consumers have to spend more on chicken, adding to the other increases that have recently affected other popular food items such as maize, red meat etc. On the other hand, the poultry producers are considering applying for a VAT exemption from government on the two kilogram bag of mixed portions of chicken in order to avoid the possible price increase. Presented in this article is a summary of the food and beverages statistics for March 2016.



The total income generated by the food and beverages industry increased by 0,9% in March 2016 compared with March 2015 (**see Table J**). Positive annual growth rates were recorded for bar sales (2,8%) and food sales (1,2%).

In March 2016, positive annual growth rates were recorded for:

- restaurants and coffee shops (4,4 %, contributing 1,9 percentage points); and
- takeaway and fast food outlets (1,7%, contributing 0,6 of a percentage point).

Total income derived from sales of food and beverages increased by 1,1% in the first quarter of 2016 compared with the first quarter of 2015. Positive contributors to this increase were:

- restaurants and coffee shops (3,7%, contributing 1,6 percentage points); and
- takeaway and fast-food outlets (1,4%, contributing 0,5 of a percentage point).

Table J – Year-on-year percentage change in food and beverages income at constant prices by type of income – March 2016

Type of income	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Food sales	-0,5	0,4	3,1	1,1	1,4	1,2
Bar sales	10,0	6,6	11,3	0,0	7,9	2,8
Other income	-13,3	9,0	-4,3	-14,1	-12,7	-13,9
Total	0,5	1,4	4,0	0,6	1,9	0,9

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 accommodation industry increased

A negative or unfavourable change in season, be it climatic, economic, school or festive seasons, can sometimes have a severe impact on almost all tourism enterprises such as hotels, restaurants, transport services, etc.



Seasonality can cause fluctuations in the number of tourists visiting a destination. This means that at certain times of the year, some destinations will have too many tourists, to an extent that they find it challenging to manage all of them, while at other times they may have too few tourists, resulting in them making less profit than they usually would. In order to deal with this seasonality impact, tourist establishments and service providers usually price their packages in such a way that they attract the right target market for particular seasons, and also offer discounts at times when tourists are less likely to visit their establishments. Presented in this article is a summary of the tourist accommodation statistics for April 2016.

Total income for the tourist accommodation industry increased by 11,9% in March 2016 compared with March 2015 (**see Table K**). Income from accommodation increased by 13,7% year-on-year in March 2016, the result of a 4,0% increase in the number of stay unit nights sold and a 9,4% increase in the average income per stay unit nights sold.

In March 2016, the types of accommodation that recorded the highest year-on-year growths in income from accommodation were:

- caravan parks and camping sites (31,4%);
- 'other' accommodation (18,7%); and
- guest-houses and guest-farms (15,2%).

The main contributors to the 13,7% year-on-year increase in income from accommodation in March 2016 were hotels (contributing 7,4 percentage points) and 'other' accommodation (contributing 4,9 percentage points).

In comparison, income from accommodation increased by 16,1% in the first quarter of 2016 when compared with the first quarter of 2015. The main contributors to this increase were hotels (14,2% which contributed 9,3 percentage points) and 'other' accommodation (22,8%, which contributed 5,9 percentage points).



Table K– Year-on-year percentage change in tourist accommodation statistics for March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Stay units available	0,8	0,8	0,8	0,1	0,3	0,6
Stay unit nights sold	-4,8	-0,6 -	1,0	1,2	5,1	4,0
Average income per stay unit nights sold	11,7	12,1	18,6	15,7	12,1	9,4
Income from accommodation	6,4	11,4	17,4	17,1	17,8	13,7
Total income ^{1/}	7,7	7,1	13,5	12,9	14,6	11,9

A full release on *Tourist accommodation* (Statistical release P6410) is available on the Stats SA website: www.statssa.gov.za

Tourism and migration

Over 3 million travellers pass through South Africa's ports of entry

According to World Economic Forum's (WEF) 2015 Travel and Tourism Competitiveness report, South Africa leads the Eastern and Southern Africa regional rankings (ranked 48th in global ranking) in travel and tourism industry. This is driven by its rich natural and cultural resources, a positive business environment and good infrastructure compared to the neighbouring countries (such as Botswana, Lesotho, Mozambique, Namibia and Swaziland). The WEF cited South Africa's wildlife, World Heritage sites and forestry attractions as the main points that attract international tourists to visit South Africa. However, the WEF advises that more efforts should be made to protect coastlines, biodiversity and land in order to preserve them and attract more tourists. Other aspects that require attention in order to attract tourists are the development of security, health and labour market stability as these are the main challenges to the tourism industry. Presented in this article is a summary of the tourism and migration statistics for March 2016.

In March 2016, a total of 3 759 322 travellers (arrivals, departures and transits) passed through South African ports of entry (see **Table L**). These travellers were made up of 936 112 South African residents and 2 823 210 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 450 637 arrivals, 484 750 departures and 725 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 435 879; 1 326 244 and 61 087 respectively.



A comparison between the movements in March 2015 and March 2016 indicates that the volume of arrivals and departures increased for both South African residents and foreign travellers, while the volume of transits decreased for South African residents but increased for foreign travellers. For South African residents, the volume of arrivals increased by 17,1% (from 384 922 in March 2015 to 450 637 in March 2016), departures increased by 18,4% (from 409 260 in March 2015 to 484 750 in March 2016), and transits decreased by 1,4% (from 735 in March 2015 to 725 in March 2016). For foreign travellers, arrivals increased by 16,2% (from 1 235 571 in March 2015 to 1 435 879 in March 2016), departures increased by 17,6% (from 1 127 979 in March 2015 to 1 326 244 in March 2016), and transits increased by 3,0% (from 59 287 in March 2015 to 61 087 in March 2016).

A comparison between the movements in February 2016 and March 2016 indicates that the volume of arrivals, departures and transits increased for both South African residents and foreign travellers. The volume of arrivals for South African residents increased by 36,2% (from 330 895 in February 2016 to 450 637 in March 2016), departures increased by 44,2% (from 336 167 in February 2016 to 484 750 in March 2016) and transits increased by 17,3% (from 618 in February 2016 to 725 in March 2016). For foreign travellers, the volume of arrivals increased by 11,7% (from 1 285 698 in February 2016 to 1 435 879 in March 2016), departures increased by 16,4% (from 1 139 669 in February 2016 to 1 326 244 in March 2016), and transits increased by 19,3% (from 51 211 in February 2016 to 61 087 in March 2016).

In March 2016, road transport was the most common mode of travel used by 2 758 499 (73,4%) of the 3 759 322 travellers. The total number of travellers who used air transport was 989 994 (26,3%). Compared to travellers who used air and land transport, a much smaller number of travellers, (10 829 or 0,3%) used sea transport. The arrivals data for South African residents show that 154 553 (34,3%) arrived by air transport, 295 335 (65,5%) came by road and 749 (0,2%) arrived by sea. For departures, 168 878 (34,8%) used air, 315 502 (65,1%) used road and 370 (0,1%) left by sea transport. All travellers in transit (725) used air transport.

In the case of foreign travellers, 295 386 (20,6%) arrived by air transport, 1 135 579 (79,1%) came by road and 4 914 (0,3%) arrived by sea. When



departing South Africa, 309 365 (23,3%) foreign travellers left by air, 1 012 083 (76,3%) left by road and 4 796 (0,4%) left by sea. All travellers in transit (61 087) used air transport.

In March 2016, the majority of tourists, 878 168 (97,1%), reported that they were in South Africa for holidays compared to 21 213 (2,3%) and 5 213 (0,6%) who were in South Africa for business and for study purposes respectively. A detailed analysis reveals that of all the tourists from each of the overseas regions, more than 90,0% came to South Africa for holidays. A total of 9 920 (97,8%) tourists from Australasia, 4 617 (97,5%); from Central and South America, 35 574 (97,1%) from North America, 148 955 (97,1%) from Europe, 5 022 (95,2%) from the Middle East and 24 012 (94,3%) from Asia were in South Africa for holidays. Asia had the highest proportion of tourists who came to South Africa for business purposes (5,1% or 1 303) while the Middle East had the highest proportion who came for study purposes (0,6% or 32) compared to other overseas regions.

A breakdown by gender of the visitors showed that in March 2016, there were 500 174 (55,3%) male and 404 420 (44,7%) female tourists. Overseas tourists were made up of 125 042 (53,1%) male tourists and 110 598 (46,9%) female tourists. There were 365 254 (55,9%) male and 288 344 (44,1%) female tourists from SADC countries. Tourists from 'other' African countries were made up of 9 329 (64,7%) male and 5 093 (35,3%) female tourists.

The ages of the tourists were categorised into three broad groups: those younger than 15 years, those aged 15 to 64 years, and 65 years and older. The overall results show that 50 994 (5,6%) tourists were aged less than 15 years; 804 132 (88,9%) were aged between 15 and 64 years; and 49 468 (5,5%) were aged 65 years and older.



Table L – Number of South African residents and foreign travellers by travel direction: March 2016

Travel direction	March 2015	February 2016	March 2016	% change between February – March 2016	% change between March 2015 – March 2016
Total	3 217 754	3 144 258	3 759 322	19,6%	16,8%
South African residents	794 917	667 680	936 112	40,2%	17,8%
Arrivals	384 922	330 895	450 637	36,2%	17,1%
Departures	409 260	336 167	484 750	44,2%	18,4%
Transit	735	618	725	17,3%	-1,4%
Foreign travellers	2 422 837	2 476 578	2 823 210	14,0%	16,5%
Arrivals	1 235 571	1 285 698	1 435 879	11,7%	16,2%
Departures	1 127 979	1 139 669	1 326 244	16,4%	17,6%
Transit	59 287	51 211	61 087	19,3%	3,0%
Foreign arrivals	1 235 571	1 285 698	1 435 879	11,7%	16,2%
Non-visitors	85 931	78 123	90 792	16,2%	5,7%
Visitors	1 149 640	1 207 575	1 345 087	11,4%	17,0%
Visitors	1 149 640	1 207 575	1 345 087	11,4%	17,0%
Arrivals only	265 068	313 823	324 319	3,3%	22,4%
Single trips	439 257	436 533	486 761	11,5%	10,8%
Multiple trips	445 315	457 219	534 007	16,8%	19,9%
Visitors	1 149 640	1 207 575	1 345 087	11,4%	17,0%
Same-day	416 399	403 805	440 493	9,1%	5,8%
Tourists	733 241	803 770	904 594	12,5%	23,4%

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



Statistics on civil cases for debt

Number of civil judgements for debt decreases

The National Treasury introduced tax-free savings accounts in the 2012 Budget Review to encourage individuals to save and also to reduce their vulnerability and reliance on debt. Individuals who choose to open savings and investment accounts, may minimise their chances of falling into debt when there are unexpected changes to their normal income or when sudden large expenditures are required. Instead of getting a loan (which they would have to repay with interest), they can use their savings for any emergency. In response to the tax-free savings initiative in 2012, the Tax-free Savings and Investments Accounts Regulations under section 12T (8) of the Income Tax Act, 1962, which became effective on 1 March 2015, were promulgated. However, the tax-free savings initiative is not an unlimited offer; a limit has been set where individuals may make a deposit of up to R30 000 per year in a tax-free savings and investments account. Presented in this article is a summary of the statistics of civil cases for debt for February 2016.

The number of civil summonses issued for debt

The total number of civil summonses issued for debt decreased by 13,4% in the first quarter (January – March) of 2016 compared with the first quarter of 2015 (**see Table M**).

The largest contributions to the 13,4% decrease were civil summonses relating to:

- money lent (contributing -7,6 percentage points);
- 'other' debts (contributing -3,1 percentage points); and
- services (contributing -1,3 percentage points).

The number of civil judgements recorded for debt

The total number of civil judgements recorded for debt decreased by 11,2% in the first quarter(January – March) of 2016 compared with the first quarter of 2015.

The largest contributions to the 11,2% decrease were civil judgements relating to:

- money lent (contributing -6,5 percentage points);
- services (contributing -1,8 percentage points); and

- promissory notes (contributing -1,5 percentage points).

The value of civil judgements recorded for debt

The total value of civil judgements recorded for debt decreased by 5,8% in the first quarter (January – March) of 2016 compared with the first quarter of 2015.

The largest negative contributions to the 5,8% decrease were the value of judgements relating to:

- 'other' debts (contributing -4,6 percentage points);
- promissory notes (contributing -1,6 percentage points); and
- goods sold (contributing -1,1 percentage points).

In March 2016, about 22 418 civil judgements for debt amounting to R362,0 million were recorded.

The largest contributors to the total value of judgements were:

- money lent (R107,2 million or 29,6%);
- 'other' debts (R84,8 million or 23,4%); and
- services (R65,6 million or 18,1%).

Table M – Key figures for civil summonses and judgements for March 2016

Actual estimates	March 2016	% change between March 2015 and March 2016	% change between January – March 2015 and January – March 2016
Number of civil summonses issued for debt	52 328	-22,0	-13,4
Number of civil judgements recorded for debt	22 418	-15,8	-11,2
Value of civil judgements recorded for debt (R million)	362,0	-14,9	-5,8

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

Number of liquidations decrease while insolvencies increase

Sub-Saharan African countries are currently experiencing slow growth rates in the economy. This is partly due to the drought and a decline in commodity prices such as the price of oil. The slow growth has had a negative impact on most countries and companies in sub-Saharan Africa to an extent that some companies had to be liquidated. In Botswana for instance, KFC is currently undergoing provisional liquidations of all its 12 outlets in the country. The food chain said it had been trying to sell the restaurant chain for the past year without success and the only option left was to close its 12 stores, thus cutting 400 jobs. Thus, when the economic growth is slow, many companies, no matter how big or small, run the risk of being liquidated. Presented in this article is a summary of the liquidations and insolvencies statistics for April 2016.

Liquidations decreased by 5,0% in the three months ended in April 2016 compared with the three months ended in April 2015 (**see Table N**). There was a year-on-year decrease of 9,0% (14 fewer cases) in April 2016. Voluntary liquidations decreased by 31 cases, while compulsory liquidations increased by 17 cases.

The number of liquidations decreased by 4,1% in the first four months of 2016 compared with the first four months of 2015. Company liquidations decreased by 1,8% (from 330 to 324) and close corporation liquidations decreased by 6,4% (from 327 to 306) during this period.

Table N – Total number of liquidations for April 2016

Number of liquidations April 2016	% change between April 2015 and April 2016	% change between February to April 2015 and February to April 2016	% change between January to April 2015 and January to April 2016
141	-9,0	-5,0	-4,1

The estimated number of insolvencies increased by 1,4% year-on-year in March 2016 (**see Table O**). A 0,8% increase was estimated in the first quarter of 2016 compared with the first quarter of 2015.

Table O – Total number of insolvencies for March 2016

Number of insolvencies March 2016	% change between March 2015 and March 2016	% change between January 2015 to March 2016 and January to March 2016
297	1,4	0,8

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

Many South Africans rely on public transportation every day to get to work, school and other places. The City of Ekurhuleni officially opened its Transport Management Centre (TMC) on 23 March 2016 in Kempton Park. The centre is meant to support the public transport system that connects various places in the city, by providing additional buses with special routes, managing the traffic flow and enhancing the safety and security in the metro. The City's Executive Mayor, Mondli Gungubele, said during the opening that the TMC would be monitoring all the existing bus services to form part of the Integrated Rapid Public Transport Network (IRPTN) which is an initiative by government to make public transport convenient, cost-effective and safe to use. Presented in this article is a summary of the land transport survey results for March 2016.

The volume of goods transported (payload) decreased by 4,9% in March 2016 compared with March 2015 (**see Table P**). The corresponding income decreased by 2,0% over the same period.

Income from freight transportation decreased by 5,2% in the first quarter (January – March) of 2016 compared with the first quarter of 2015. The main contributor to this decrease was primary mining and quarrying products (-8,6%, contributing -3,0 percentage points).

Table P – Year-on-year percentage change in freight transportation: March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Freight payload	-6,2	-4,8	-2,2	-14,0	-6,7	-4,9
Freight income	-2,7	-4,4	-0,3	-9,5	-4,3	-2,0

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 17,4% in March 2016 compared with March 2015 (see **Table Q**). The corresponding income increased by 2,9% over the same period.

Table Q – Year-on-year percentage change in passenger transportation: March 2016

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Passenger journeys	-12,3	-8,6	-13,3	-13,5	-12,3	-17,4
Passenger income	-3,1	-0,4	0,6	0,5	3,2	2,9

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 at 7,0% in April 2016

The producer price index (PPI) is used for a variety of different purposes. Firstly, PPI is used by the public who have an interest in knowing the extent to which the prices of goods and services have risen. Secondly, whereas the consumer price index (CPI) is used to adjust levels of wages, pensions, and payments, the PPI can be used in long-term contracts to make adjustments for changes in material costs supplied by producers. This can have financial implications for both those who will be making and receiving the payments. It is for these reasons that each country has one official statistical agency that is entrusted with the responsibility of compiling the PPI to ensure credibility and reliability. Presented in this article is a summary of the producer price index for April 2016.

Final manufactured goods – headline PPI

The annual percentage change in the PPI for final manufactured goods was 7,0% in April 2016 (compared with 7,1% in March 2016) (**see Table R**). From March 2016 to April 2016 the PPI for final manufactured goods increased by 0,8%. The main contributors to the annual rate of 7,0% were:

- food products, beverages and tobacco products (3,2 percentage points);
- metals, machinery, equipment and computing equipment (1,0 percentage point); and
- transport equipment (0,8 of a percentage point).

The main contributor to the monthly increase of 0,8% was coke, petroleum, rubber and plastic products (0,7 of a percentage point).

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 7,1% in April 2016 (compared with 5,3% in March 2016) (**see Table R**). From March 2016 to April 2016 the PPI for intermediate manufactured goods increased by 1,0%. The main contributors to the annual rate of 7,1% were:



- chemicals, rubber and plastic products (2,8 percentage points);
- sawmilling and wood (2,2 percentage points); and
- basic and fabricated metals (1,2 percentage points).

The main contributor to the monthly increase of 1,0% was sawmilling and wood (0,6 of a percentage point).

Electricity and water

The annual percentage change in the PPI for electricity and water was 12,3% in April 2016 (compared with 11,6% in March 2016) (see **Table R**). From March 2016 to April 2016, the PPI for electricity and water increased by 5,4%. The contributors to the annual rate of 12,3% were electricity (10,3 percentage points) and water (1,9 percentage points).

The contributors to the monthly increase of 5,4% were electricity (5,0 percentage points) and water (0,5 of a percentage point).

Mining

The annual percentage change in the PPI for mining was 10,3% in April 2016 (compared with 8,2% in March 2016) (see **Table R**). From March 2016 to April 2016 the PPI for mining increased by 0,9%. The main contributors to the annual rate of 10,3% were gold and other metal ores (8,5 percentage points) and stone quarrying, clay and diamonds (3,9 percentage points). The main contributors to the monthly increase of 0,9% were gold and other metal ores (0,6 of a percentage point) and coal and gas (0,4 of a percentage point).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 16,9% in April 2016 (compared with 20,9% in March 2016) (see **Table R**). From March 2016 to April 2016 the PPI for agriculture, forestry and fishing decreased by 1,7%. The contributors to the annual rate of 16,9% were:

- agriculture (14,5 percentage points);
- forestry (1,2 percentage points); and
- fishing (1,2 percentage points).

The contributor to the monthly decrease of 1,7% was agriculture (-2,8 percentage points).

Table R – Key PPI figures for April 2016

Product	Weight	Index (2012=100)			% change	
		April 2015	March 2016	April 2016	April vs. March 2016	April 2016 vs. April 2015
Final manufactured goods	100,00	117,2	124,4	125,4	0,8	7,0
Intermediate manufactured goods	100,00	116,3	123,3	124,5	1,0	7,1
Electricity and water	100,00	119,3	127,1	134,0	5,4	12,3
Mining	100,00	104,7	114,5	115,5	0,9	10,3
Agriculture, forestry and fishing	100,00	112,1	133,2	131,0	-1,7	16,9

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

Headline CPI at 6,2%

The severe drought conditions that hit parts of South Africa in late 2015 is one of the factors that caused an increase in food prices. The effects of the drought have had a significant impact on the agricultural areas for cultivation and production, which affected the output quantity. Farmers/producers also had to cut down on the production due to the drought. Maize is one of the agricultural foods that have decreased in quantity in the aftermath of the drought, as alluded to by the Deputy Governor of the South African Reserve Bank (SARB), Kuben Naidoo, in his speech at the JP Morgan Investor Seminar that maize will have to be imported in order to meet annual domestic and commercial consumption. Already South Africa has imported over 70 000 tons of maize from the United States, Mexico and Zambia, according to South Africa's Grain Information Services (SAGIS) data. Presented in this article is the CPI for March 2016.



Annual consumer price inflation was 6,2% in April 2016, down from 6,3% in March 2016 (**see Table S**). The consumer price index increased by 0,8% month-on-month in April 2016.

The following contributed to the headline annual consumer price inflation:

- Food and non-alcoholic beverages increased from 1,5 percentage points in March to 1,7 percentage points in April 2016. The index increased by 11,0% year-on-year.
- Alcoholic beverages and tobacco decreased from 0,4 of a percentage point in March to 0,3 of a percentage point in April 2016. The index increased by 5,9% year-on-year.
- Transport decreased from 0,7 of a percentage point in March to 0,4 of a percentage point in April 2016. The index increased by 2,7% year-on-year.

The following contributed to monthly consumer price inflation:

- Food and non-alcoholic beverages contributed 0,3 of a percentage point in April 2016. The index increased by 1,9% month-on-month. The items with the highest monthly rates were vegetables (6,0%), fruit (5,8%), milk, cheese and eggs (2,1%), other food (2,1%) and hot beverages (2,0%).
- Alcohol beverages and tobacco contributed 0,1% of a percentage point in April 2016. The index increased by 0,9% month-on-month.
- Transport contributed 0,4 of a percentage point in April 2016. The index increased by 2,6% month-on-month mainly due to the 88 cents per litre increase in the petrol price.
- Miscellaneous goods and services contributed 0,1 of a percentage point in April. The index increased by 0,6% month-on-month.

In April the CPI for goods increased by 6,7% year-on-year (down from 6,9% in March), and the CPI for services increased by 5,7% year-on-year (unchanged from March).

Provincial annual inflation rates ranged from 4,8% in Northern Cape to 8,2% in Limpopo.



Table S – Consumer price index: Index numbers and year-on-year rates
Base year: 2012 = 100

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg ^{1/}
2010	Index	86,4	87,0	87,7	87,8	88,0	88,0	88,6	88,6	88,7	88,9	89,0	89,2	88,2
	Rate	6,2	5,7	5,1	4,8	4,6	4,2	3,7	3,5	3,2	3,4	3,6	3,5	4,3
2011	Index	89,6	90,2	91,3	91,6	92,0	92,4	93,2	93,4	93,8	94,2	94,5	94,6	92,6
	Rate	3,7	3,7	4,1	4,2	4,5	5,0	5,3	5,3	5,7	6,0	6,1	6,1	5,0
2012	Index	95,2	95,7	96,8	97,2	97,2	97,5	97,8	98,0	98,9	99,5	99,8	100,0	97,8
	Rate	6,3	6,1	6,0	6,1	5,7	5,5	4,9	5,0	5,5	5,6	5,6	5,7	5,6
2013	Index	100,3	101,3	102,5	102,9	102,6	102,9	104,0	104,3	104,8	105,0	105,1	105,4	103,4
	Rate	5,4	5,9	5,9	5,9	5,6	5,5	6,3	6,4	6,0	5,5	5,3	5,4	5,7
2014	Index	106,1	107,3	108,7	109,2	109,4	109,7	110,6	111,0	111,0	111,2	111,2	111,0	109,7
	Rate	5,8	5,9	6,0	6,1	6,6	6,6	6,3	6,4	5,9	5,9	5,8	5,3	6,1
2015	Index	110,8	111,5	113,1	114,1	114,4	114,9	116,1	116,1	116,1	116,4	116,5	116,8	114,7
	Rate	4,4	3,9	4,0	4,5	4,6	4,7	5,0	4,6	4,6	4,7	4,8	5,2	4,6
2016	Index	117,7	119,3	120,2	121,2	..	..	..	..	..	..	..	..	..
	Rate	6,2	7,0	6,3	6,2	..	..	..	..	..	..	..	..	..



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.

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.

Enterprise: a legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its sales activities.

Foreign traveller: a person who resides outside South Africa and visits the country temporarily.

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.

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.

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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