

FreeFACTS

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Indicators not positive for SA

The rate of economic growth is a common indicator to show how healthy an economy is. However, if one wants to dig deeper one need to look at other metrics to show the health of an economy.

This edition of *FreeFACTS* looks at a number of these, such as business confidence and the number of vehicles sold each year.

As most people who follow current affairs will know South Africa has suffered from weak economic growth for a number of years but if one examines more granular details it is clear that other indicators reflect this too.

This issue looks at business confidence from two separate sources which shows that this indicator shows how confidence in the economy remains weak. This is partly a legacy of last year's hard lockdown as a result of the Covid-19 pandemic, but business confidence has been soft for some time before the outbreak of the disease.

Other indicators which are also provided in this issue which should also concern South Africans is the decline in the number of companies listed on the JSE as well as the shrinkage in how many enterprises exist in this country. Between 2009 and 2019 the number of enterprises which existed in South Africa declined by 30%, according to Stats SA.

Another chilling statistic is that fewer new cars are sold in South Africa each year than a decade ago, indicating how our economy is declining.

A further statistic which should give pause is the amount of freight sent on our railways – between 2013 and 2020 the total tonnage of railway freight declined by 10%. This is a reflection of how South Africa's infrastructure is becoming increasingly dilapidated with all the consequences that has for the economy.

This serves to underscore the relationship that exists between the government and the private sector must be a mutually beneficial one.

South Africa needs investment from the private sector but it is vital that the government creates an environment where they can do this with confidence. Unfortunately, this seems unlikely to change in the near future.

— **Marius Roodt**

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Business

The Sacci Business Confidence Index^a, 2013-21

Month	2013	2014	2015 ^b	2016	2017	2018	2019	2020	2021
January	108.8	104.5	103.4	92.6	97.7	99.7	95.1	92.2	94.5
February	107.7	106.4	107.4	92.7	95.5	98.9	93.4	92.7	94.3
March	104.7	107.3	103.2	94.0	93.8	97.6	91.8	89.9	94.0
April	106.9	107.2	104.1	95.5	94.9	96.0	93.7	77.8	94.7
May	104.7	102.9	100.6	91.8	93.2	94.0	93.0	70.1	97.0
June	104.4	103.8	97.9	95.1	94.9	93.7	93.3	81.4	96.2
July	105.0	101.8	101.8	96.0	95.3	94.7	92.0	82.8	93.2
August	104.8	103.0	97.6	92.9	89.6	90.5	89.1	85.8	—
September	105.8	103.3	94.5	90.3	93.0	93.3	92.4	85.7	—
October	105.5	102.8	102.3	93.0	92.9	95.8	91.7	92.0	—
November	105.1	105.1	95.1	93.9	95.1	96.1	92.7	93.4	—
December	106.4	102.2	92.2	93.8	96.4	95.2	93.1	94.3	—
Average	105.8	104.2	100.0	93.5	94.4	95.4	92.6	86.5	94.8

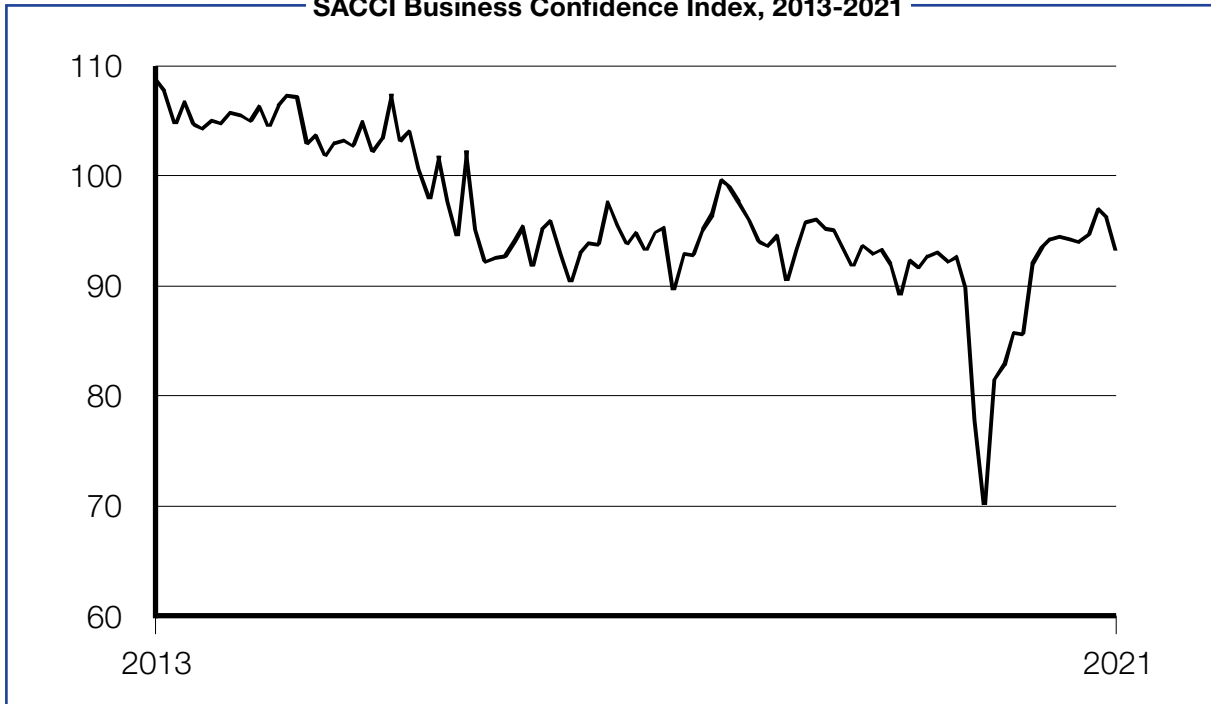
Source: South African Chamber of Commerce and Industry (Sacci), www.sacci.org.za, accessed 1 August 2021

a The Sacci compiles a monthly business confidence index which reflects the business climate and what businesses are doing and experiencing. It is a composite weighted index where the economic and market indicators are used to compile thirteen sub-indices. These include an average monthly exchange rate of the rand against the dollar, the euro, the pound, as well as the volatility of the rand. Other sub-indices include: consumer inflation; the real predominant prime overdraft rate, retail sales volumes, merchandise import and export volumes; new vehicle sales, utility municipal services; volume of manufacturing production, real value of private sector buildings passed, all share price index of the Johannesburg Stock Exchange (JSE); and the average weighted dollar gold and platinum price.

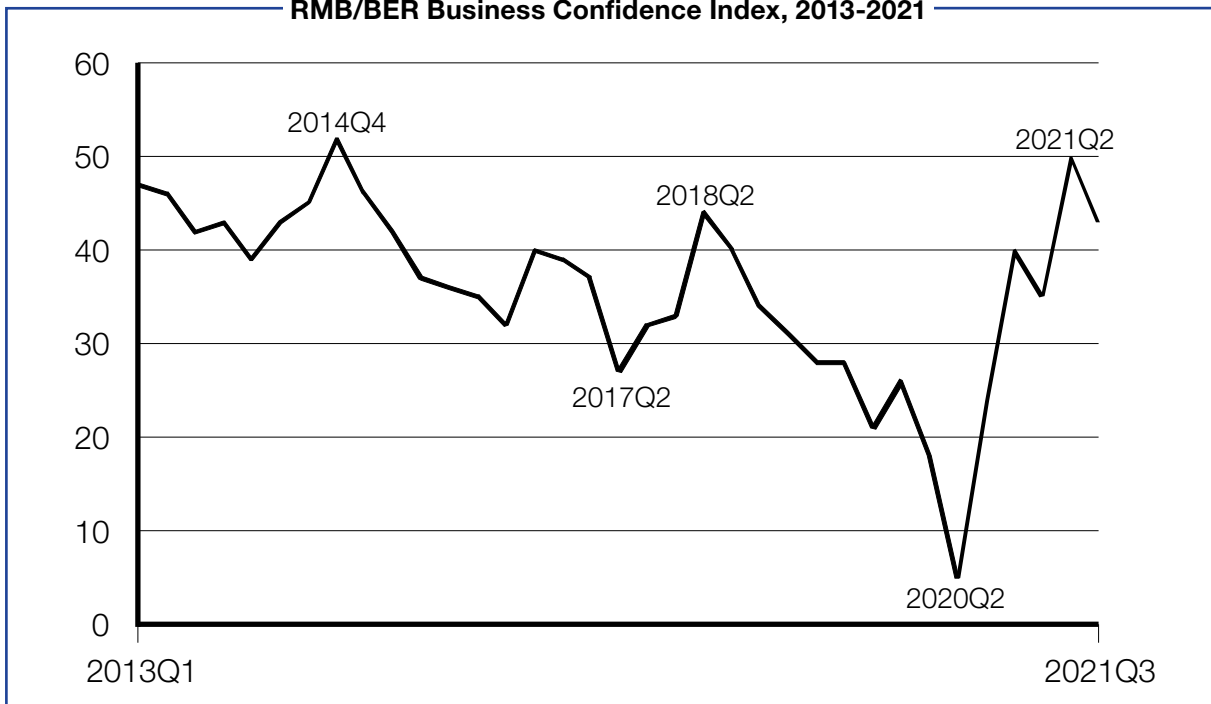
b 2015 was established as the new base year with the value = 100.

Business

SACCI Business Confidence Index, 2013-2021



RMB/BER Business Confidence Index, 2013-2021



Note: The Business Confidence Index takes the percentage of respondents that rates prevailing conditions as satisfactory as indicator or proxy of business confidence. The composite RMB/BER Business Confidence Index (BCI) is the unweighted mean of five sectoral indices, namely that of manufactures, building contractors, retailers, wholesalers and new vehicle dealers. Business confidence can vary between 0 and 100, where 0 indicates an extreme lack of confidence, 50 neutrality and 100 extreme confidence. As can be seen from the chart above business confidence has been broadly negative for sometime.

Business

New vehicle sales, production and exports^a, 2010-2021

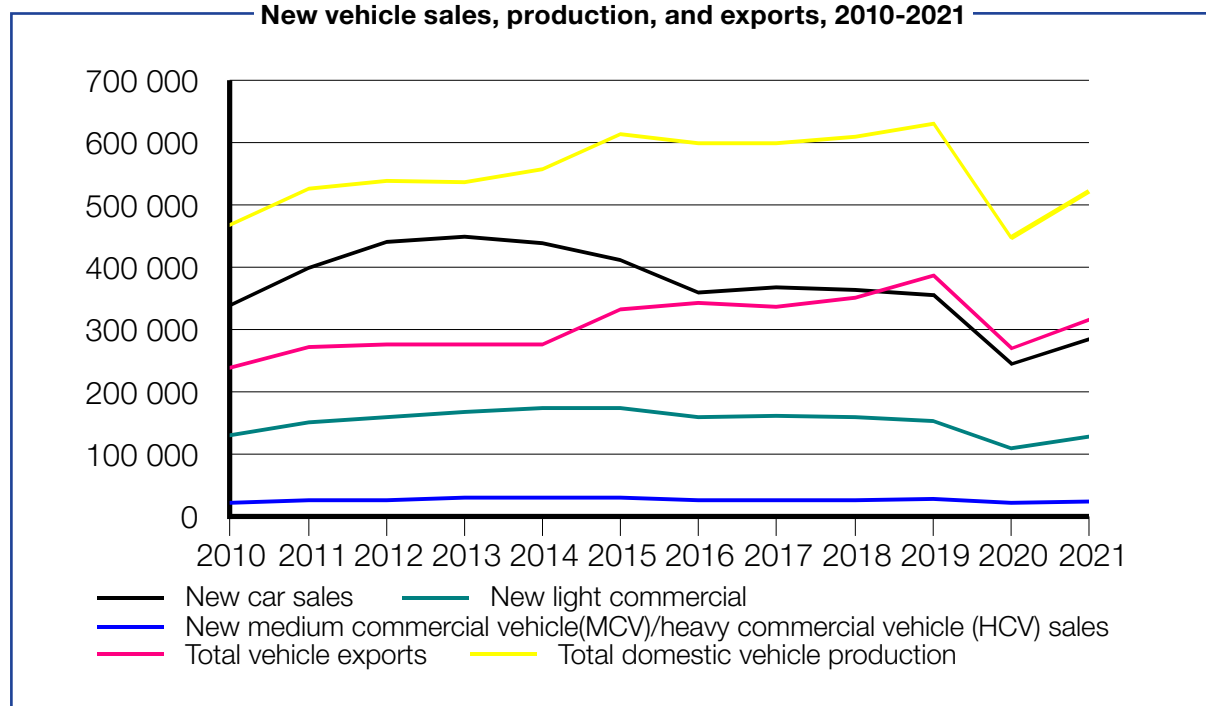
Year	New car sales	New light commercial vehicle (LCV) sales	New medium commercial vehicle (MCV)/heavy commercial vehicle (HCV) sales	Total vehicle exports	Total domestic vehicle production
2010	338 939	131 611	22 245	239 471	469 838
2011	400 433	151 814	26 630	272 469	526 436
2012	442 048	160 654	27 840	277 992	538 600
2013	450 297	167 996	30 924	276 403	537 034
2014	438 937	173 811	31 509	276 936	558 187
2015	412 397	174 812	30 441	333 845	615 444
2016	361 265	159 316	26 971	344 816	599 812
2017	368 114	163 317	26 273	338 095	600 138
2018	365 247	159 525	27 455	351 139	610 060
2019	355 379	153 221	28 012	387 092	631 921
2020	246 541	110 912	22 753	271 288	447 218
2021 ^b	285 000	129 000	24 000	315 700	523 700

Source: National Association of Automobile Manufacturers of South Africa (NAAMSA), *Quarterly review of business conditions: motor vehicle manufacturing industry/automotive sector*, 3rd quarter 2020, accessed 24 August 2021

a Table includes vehicles that have been imported, and South African manufactured vehicles that have been exported for sale.

b NAAMSA projections.

New vehicle sales, production, and exports, 2010-2021



Business

Number of companies listed on the Johannesburg Stock Exchange (JSE), 2004-20

Listing	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
New listings	17	19	37	62	23	10	14	16	14	13
Delistings	39	35	24	40	20	25	17	17	18	26
Foreign listings	21	24	30	37	46	47	47	51	52	56
Domestic listings	383	364	371	385	379	363	360	355	350	333
Total^a	404	388	401	422	425	410	407	406	402	389
Listing	2014	2015	2016	2017	2018	2019	2020	2021*	Change, 2004-2021	
New listings	24	23	18	21	12	6	5	7		
Delistings	22	19	25	32	17	24	20	16		
Foreign listings	62	71	76	75	74	71	69	71		
Domestic listings	329	324	312	302	298	283	270	259		
Total^a	391	395	388	377	372	354	339	330	-18.3%	

Source: Johannesburg Stock Exchange (JSE), *Market Profile* – December 2009-20, accessed 21 August 2021

a Foreign and Domestic listings.

* Year-to-date July.

Business

Enterprises^a by industry (actual numbers), 2009-19

Industry	2009	2010	2012	2014	2015
Forestry and fishing	1 779	1 772	1 676	1 541	1 555
Mining and quarrying	2 297	2 201	2 234	2 247	2 348
Manufacturing	57 239	53 119	49 479	45 405	45 285
Electricity, gas and water supply	1 033	998	507	622	754
Construction	40 660	38 294	36 291	33 735	34 789
Trade	127 962	116 211	110 694	102 989	103 854
Transport, storage and communication	18 832	17 675	16 650	15 691	16 136
Activities auxiliary to financial intermediation, real estate and other business services ^b	213 538	98 385	101 366	97 591	100 308
Community, social and personal services ^c	29 732	26 888	26 480	25 727	26 478
All industries	493 072	355 543	345 377	325 548	331 507

Industry	2016	2017	2018	2019	Change, 2009-2019
Forestry and fishing	1 456	1 405	1 458	1 437	-19,2%
Mining and quarrying	2 447	2 603	2 801	2 824	-22,9%
Manufacturing	45 966	47 438	50 191	49 776	-13,0%
Electricity, gas and water supply	947	1 127	1 296	1 451	40,5%
Construction	35 571	36 479	39 608	39 108	-3,8%
Trade	101 932	101 454	105 308	101 660	-20,6%
Transport, storage and communication	16 243	16 332	17 174	16 748	-11,1%
Activities auxiliary to financial intermediation, real estate and other business services ^b	99 866	100 246	104 176	102 751	-51,9%
Community, social and personal services ^c	26 752	27 478	28 898	28 821	-3,1%
All industries	331 180	334 562	350 911	344 576	-30,1%

Source: Stats SA, *Annual Financial Statistics 2010-2019*, Statistical release P0021/P0021, 17 December 2020

- a An enterprise is a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
- b Excludes financial intermediation, insurance, pension funding and business services not classified elsewhere.
- c Excludes government and educational institutions.

Business

Road and rail transportation payload ^a , 2013-20						
Year	Rail (thousand tons)	Value Rm	Road (thousand tons)	Value Rm	Total (thousand tons)	Value Rm
2013	213 584	32 976	520 793	71 015	734 377	103 992
2014	223 568	36 359	565 265	83 294	788 833	119 654
2015	222 229	37 107	550 372	87 208	772 601	123 315
2016	219 417	37 835	617 413	97 897	836 560	135 732
2017	226 058	41 761	687 894	110 265	913 952	152 026
2018	217 401	42 288	735 110	121 102	970 511	163 389
2019	215 740	44 133	696 972	121 525	912 708	165 656
2020	191 854	39 996	614 945	108 746	806 790	148 742
Change: 2013-2020	-10.2%	21.3%	18.1%	53.1%	9.9%	43.0%

Source: Stats SA, *Land transport survey March 2014*, Statistical release P7162, 19 May 2014, Table 1 p4; *Land transport survey January 2015*, Statistical release P7162, 23 March 2015, Table 1 p4; *Land transport survey March 2016*, Statistical release P7162, 23 May 2016, *Land transport April 2019*, Statistical release P7162, 2 December 2019; *Land transport August 2020*, Statistical release P7162, 2 December 2019, Table 1, p5; *Land transport May 2021*, Statistical release P7162, 19 July 2021, Table 1, p5

a The volume of goods transported, quoted in tons.