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for Local Government

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Tax

COUGHING UP AND BEING SHORT-CHANGED

The State will continue to collect a growing chunk of GDP.

South Africa in the last five years has seen a 52% rise in the number of individuals registered to pay income tax, a 94% rise in the number of companies so registered, and a 51% rise in the number of trusts so registered.

There are now more than seven million individual and institutional income tax payers. For each of the 5.2 million individuals there are more than 2.4 recipients of social grants and 4.5 registered voters.

The State's tax take as shown in the tables beginning on page 6 of this edition of *Fast Facts* has risen from 25.2% of GDP to 29.1%. An even bigger chunk of GDP will be extracted in the years ahead as the renewed budget deficit will have to be financed, along with the State's growing welfare commitments and other freebies. Though the South African Revenue Service has caught more and more people in the tax net, the days of revenue overruns are over. As corporate income and employment shrink, personal income tax rates are bound to rise again. Any rise in VAT would be vetoed by the Congress of South African Trade Unions (Cosatu).

The tables reflect only overt taxes at national, provincial, and local level. These are income and sales taxes, VAT, customs and excise, and fuel levies at national level; gambling and licence taxes at provincial level; and rates at local level. There are plenty of

other taxes, of course.

Levies to finance sector education and training authorities (Setas) are another tax collected nationally. Unable or unwilling to collect their debt — R24bn is owed to the six metros alone — local authorities are forever looking at ways of extracting additional taxes, sometimes called 'improvement levies', often to finance things already paid for via rates or service charges.

Millions of people pay for things twice over, first via tax and then via private providers, notably in health care, education, and policing. Health officials sometimes express outrage that the State is spending 'only' x on public health care while supposedly pampered individuals spend 2x or 3x on private health care. Their argument is spurious. Taxpayers finance the lot: public health with their taxes, private health out of after-tax income. So also with education and security.

The State's growing welfare commitments mean that more and more redistribution will take place via the tax system, with a growing number of black taxpayers contributing to the exchequer. Notwithstanding the incompetence that plagues government at all levels, vast amounts of money do seem to reach their intended beneficiaries. But it would be interesting to know how much is lost, stolen, abandoned, or squandered along the way.

— John Kane-Berman

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Childish contempt for the public as hot-air politicians play games with statistics and the rule of law

Nelson Mandela once said ‘good riddance’ to South Africans who emigrated because of crime. Jacob Zuma strikes a more sympathetic note, which is progress of a sort. But, writes John Kane-Berman, the Government is out of its depth in the fight against crime.

The Government is once again fooling around with crime statistics, so much so that it seems as if the reason they are being withheld is the childish one of cocking a snook at all those who are demanding their release.

Quarterly publication of crime statistics was stopped in 2000 by the then minister, Mr Steve Tshwete. His successor, Mr Charles Nqakula, later said that the police had better things to do than lick pens to compile crime statistics. The implication that they had stopped compiling statistics was probably nonsense. Unless the figures published each year are pure fiction — unlikely, though with our police force anything is possible — the police have all along continued to compile them for annual publication. The minister was just too arrogant to disclose them to the public. Either that, or he thought we’d all feel a lot better if we were kept in the dark.

Now we have a spokesman for the Ministry of Safety and Security claiming that if the latest data were released before the election on 22nd April, opposition parties would accuse the African National Congress (ANC) of politicking because the figures would reveal a decrease in crime.

Coyness

Such coyness is out of character for a government which has never previously been bothered about what opposition parties might say on crime or anything else. It is also out of character for a government happy to brag about how many houses or lavatories it has built or jobs it has created. This is also probably the

first time since the invention of democracy back in ancient Greece that a government has not wanted to blow its own trumpet at election time. (Of course, if the figures did show the promised decrease the Government would be entitled to blow its own trumpet.)

In December 2007, in apparent response to public demands from various quarters, Mr Nqakula said crime figures would be released every six months instead of only once a year. The last set was published in June 2008, which means the next set were due out a few months ago. Now a ministry spokesman says, impertinently, that they will be released in September, when everybody will supposedly be sober-minded. So the new minister, Mr Nathi Mthethwa, breaks the promises of his predecessor.

Ironically, the ministry’s spokesman may well be right that the data will show a decrease in crime — or at least in certain types thereof. The last set of figures (published in the July 2008 issue of *Fast Facts* and in the 2007/2008 edition of the *South Africa Survey*) show that the crime rate dropped by 18.5% between 1994/95 and 2007/2008. The promised decrease would thus be a continuation of an established trend.

The overall data, which are based on reported crimes, cover altogether 21 crimes. In some categories of crime, notably aggravated robbery, there has been an increase — 13% in the rate and 40% in the absolute number (from 85 000 to 118 000). The increase in these crimes — which are usually accompanied by violence against their victims — is what accounts for the public

perception that crime is worsening even though the overall rate is dropping.

The stats can be interpreted in numerous different ways, especially if they are selectively presented. The Institute presents them as fully as possible, which is why our annual report on the police figures embraces five pages of *Fast Facts* and 25 of the *Survey*, which has space for much more detail (including provincial breakdowns). But the point is that presentation of all the data enables the reader to see all the trends in all types of crime, and to be aware of the many contradictory patterns.

The crime rate refers to crimes per 100 000 of population. In 1994/95 the rate was 5 214. It rose to 5 790 in 2002/03 before dropping to 4 251 last year. Why did the crime rate peak in 2002/2003? Was it because the unemployment level peaked at about that time? Is there a connection between the fall in more recent years and the increase in the number of social grants? Are the police becoming more effective? To what extent are ups and downs affected by changes in reporting rates?

A pity

There are no easy answers to these questions. What a pity then that the Government, instead of entering into a public debate about them, continues to play juvenile games with statistics. The year before last it looked for a moment as if the police were willing to enter into debate and address public concerns. They published an analysis of crime statistics which

caused the Institute, normally highly critical of the police, to praise them for at least being willing to place their arguments in the public domain so they could be debated (*Business Day*, 2nd August 2007).

Crime statistics are not the only instance of political games. Politicians, among them Mr Jacob Zuma, are also playing games with the rule of law.

To be fair, Mr Zuma has acknowledged public anxiety, which his predecessor did not always do. 'Everywhere I went the issue of crime was raised... When the people talk to me I can see the fear in their eyes and hear the desperation in their voices...'

Unfortunately, he also stoops to populist rhetoric. 'We cannot allow criminals to live among us on the basis of technicalities. We must consider this issue of the rights of criminals...' Worse, he last year backed the reckless comments of the then deputy minister of safety and security, Susan Shabangu, when she told police that they had 'permission to kill these criminals' and that they 'must not worry about the regulations'.

Zuma was, as usual, careful to hedge his bets and say the police should act within the law. Though Mr Mthethwa also talks of the need for balance between a human rights culture and an effective police force, he says as well that the police cannot not 'flash some human rights charter' at criminals. If necessary, the law has to be changed.

Been there, done that

But we have been there, done that. Legislation prescribing minimum sentences was passed ten years ago, and legislation making it more difficult to obtain bail in 1997. Possibly the crime rate would have been even higher had these tougher measures not been implemented, but this is as difficult to prove as the contrary.

Overall, however, the return on anti-crime investment is poor. According to the Institute for Security Studies (ISS), between 1995/96 and 2005/06 the average

annual real increase in public spending to combat crime was 5.7%. Even so, crime numbers climbed by 5% a year. The ISS also showed that the per capita budget for our criminal justice system is twice that of the rest of the world.

Between 1995 and 2007, according to the Department of Correctional Services, the proportion of prisoners serving sentences longer than five years rose from 8.6% to 66%. Thanks to minimum sentence requirements and tougher bail laws, our prison population grew by 38% between 1996 and 2007. The extent of overcrowding in prisons rose from 25% in 1996 to 71% in 2000, and then dropped to 43% in 2007.

Among countries with more than 4 million people, we have the 7th highest incarceration rate in the world after the US, Cuba, Kazakhstan, Georgia, Russia, and Belarus. In 2006/07, our murder rate was 41 per 100 000 of population, the next worst being Belize at 33.

Some of these figures, though the latest available, may be out of date. International comparisons don't always use the same methodology, while not all countries are included.

Subject to these riders, there is nevertheless a clear conclusion: despite the fact that we are cramming people into jail for longer and longer, we manage simultaneously to have both one of the highest murder rates and one of the highest prison populations in the world. This situation obtains despite a 27% increase in the number of sworn police officials in the past 12 years and a 167% increase in the number of officers employed by private security companies. It obtains also despite the fact that thanks to the tougher bail laws, there has been a 480% increase in the number of people in prison awaiting trial for longer than three months.

Bleeding hearts

Tougher bail laws may be a violation of the right to be presumed innocent. Minimum sentencing may violate the independence of the Judiciary. Keeping people in over-

crowded jails for longer and longer with the ever-present threat of rape and AIDS may be a violation of the rights of prisoners to humane treatment. No doubt the vast majority of South Africans would say only bleeding-heart liberals worry about such things at a time like this. Given the choice, most would no doubt vote to bring back the gallows.

But the practical objection to all the tough stuff is that it does not work. The daily prison population has risen from 118 000 to 163 000. Are we catching and jailing more criminals? No, we are just keeping the few we do catch in jail for longer.

Some of the tough talk with which angry people are now being entertained is dangerous in that it encourages lawlessness on the part of policemen. Some is mainly populist hot air. 'Fight fire with fire,' urges Mr Mthethwa. That headline was in the *Sowetan* ten years ago. 'We are going to take extraordinary measures to make the lives of criminals miserable,' he promises. Ten years ago it was Mr Tshwete promising to give them hell. These promises are fulfilled mainly in that the criminals we do manage to catch stay in jail for longer and are therefore more likely to be raped and die of AIDS.

Most of this populist tough talk will do no more to combat crime than taxing the bonuses of American bankers will do to fix the American banking system.

Potentially more useful in combating crime than tougher bail and sentencing laws is draft legislation enabling the police to tap into the driving licence fingerprint database and that of the Department of Home Affairs. But this presupposes that the police will actually search for fingerprints at crime scenes. It further presupposes that fingerprints on these other databases cannot be made to disappear, along with police dockets.

The plain truth is that the Government is out of its depth in the fight against crime. What then should be done? See the next article.*

From hot air to hot pursuit

The fight against crime is ham-fisted and half-baked. Here a list of some of the kinds of things that need to be done.

Once the election is over, the Government, it is to be hoped, will pay considered attention to dealing with crime.

Of the four components of the criminal justice system — the police, the prosecution service, the courts, and correctional services — the one requiring most reform is the police. This involves attitude, policy, and operational issues. But reducing crime also requires attention to wider questions, notably the culture of our society and its main building block, the family.

Problems go all the way through the criminal justice system. Two policemen are murdered daily. Of all the crimes reported, about a third are referred to court, while somewhere between 10% and 15% result in guilty verdicts.

Why are so many reported crimes not prosecuted? Complaints might be withdrawn, there might be no identifiable suspects or witnesses. What about pressure on prosecutors? To what extent does bribery enter the picture?

When cases get to court they may be struck from the roll for lack of evidence, lost dockets, or failure of witnesses or accused to show up. To what extent are cases compromised by poor statement-taking, poor forensic work, botched investigation, or violations of due process?

To answer these questions, we need better and more regular published data — not only quarterly crime figures but better figures following crimes through to conclusion.

Escapes

In some respects competence has improved: escapes from police custody have dropped from 2 206 a few years ago to 980 last year. But incompetence and corruption are pervasive. Dedicated and incorruptible policemen and women are betrayed by colleagues, superiors, and politicians who are lazy or who condone or practise corruption.

The Anti-Corruption Unit (closed in 2002) needs to be reinstated. Military-style discipline must be enforced. Lawless behaviour, including unlawful killing by policemen, needs to be stamped out, not condoned or encouraged by politicians.

The Independent Complaints Directorate (ICD) was established in 1997 to improve police conduct. Its recommendations are largely ignored by the police. The ICD should be removed from the Department of Safety and Security, required to report directly to Parliament, and given more teeth.

Corruption and incompetence in other departments also has to be eradicated. Parliament has been busy with legislation to enable fingerprints collected at crime scenes to be matched to those kept by other departments for driving licence, ID book, and passport purposes. These departments are all suspect. The obvious risk is that fingerprints can be tampered with or deleted. This means that the fight against crime needs also to be a fight against criminality within the civil service and the Government.

We also need to see more policemen around doing useful things, such as patrolling the neighbourhood. Why are they wasted standing guard at voter registration sites, checking the IDs of visitors to Parliament, or swearing affidavits? These functions can be outsourced or transferred.

Another wasteful practice that should be stopped is racial gerrymandering via the police's employment equity plan. By 2010, for example, African managers have to rise from 50% to 80%, and white managers drop from 35% to 10%.

Skills have been lost along the way. Presumably more will be sacrificed to get the racial numbers right. Presumably also, continued implementation of racial targeting will reduce the pool of skills from which the police can recruit.

Employment equity policies — seeking to make workplaces and workforces demographically representative — are one of the reasons why South Africa is so short of detectives and forensic experts. Here too, racial quotas and targeting should be abandoned so that the skills in place can be retained and the pool from which new skills are recruited can be as wide as possible.

The Detective Services division must be re-built. A quarter of detectives are said not to have had proper training, and the shortage reportedly stands at more than 3 000. The Criminal Record and Forensic Science Services division is also very short of skills. It too must be adequately staffed.

'Lamentable neglect'

Interviewed after his recent appointment to the Constitutional Court, Judge Edwin Cameron said, 'Every judge in every division of the High Court of South Africa knows that from about 1995 the detective services in the police started to be lamentably neglected and mismanaged, and now there is an extreme paucity of competent detective work in the police. And without that you can't begin to have crime prevention and detection.'

At the end of last year, the deputy minister of justice, Mr Johnny de Lange, was quoted as saying that probably 50% of scenes of violent crime were never visited by a specialist crime scene investigator. When visits do take place, evidence collection is often poor. One study by the Centre for the Study of Violence and Reconciliation (CSVR) showed that descriptions of rape suspects were missing from three quarters of statements taken.

An ISS researcher, Ms Bilkis Omar, said there was insufficient training of forensic field workers, as well as poor evidence collection by police detectives, healthcare practitioners, and district surgeons who collect DNA samples from victims.

A shortage of prosecutors has long been a problem. The National Prosecuting Authority has a 28% vacancy rate among state advocates.

As far as the Bench is concerned, judges who do not hand down timeous decisions should be disciplined. But the key issue that needs to be addressed is the quality of appointments. At least two judges of appeal have recently criticised the quality of some of the judgments emanating from the High Court. Referring to comments made by Judge Carole Lewis of the Supreme Court of Appeal at an Institute function last year, Judge Cameron said, 'I think she rightly signalled a widely held concern.' Questioned by the *Sunday Times*, Judge Cameron said there was a 'tension between racial and gender transformation and technical ability' and that 'more attention has to be paid to the tough technical and personal capabilities required of a judge'.

More effective detectives, forensics, and prosecutions will result in more convictions. As a last resort more prisons might have to be built, though it would be far better to repeal the legislation that leads to longer sentences. These might indulge the public's justified desire for retribution, but it does not deter crime.

Convictions

Official statistics on prosecutions and convictions are difficult to interpret. But it appears that while the conviction rate in cases finalised with a verdict rose from 83.5% to 85.9% between 2003/04 and 2007/08, the actual number of cases resulting in guilty verdicts dropped from some 331 108 to some 254 827 — by 23%. Over the same period the number of new cases prosecuted dropped from 1 117 488 to 1 037 538, thanks to 'better screening'. If guilty verdicts are measured not against cases finalised but against cases set down for trial, the success rate drops from 29.6% to 24.6%. Effective punishment of crime requires more convictions — which is why the retention and

development of detective, forensic, and prosecution skills is vital.

Ways of reducing the number of first-time minor offenders in prison — once described as 'finishing schools' for criminals — must also be found. Offering them the choice of corporal punishment rather than time in jail, for example. Or more community service opportunities. The process of eradicating corruption in the prison system, started six years ago, must be brought to a successful conclusion.

Some of these are operational issues. Some, such as not subordinating the fight against crime to racial ideology, are policy matters. Some involve changing police culture, which is a question of courageous leadership plus discipline plus proper command structures.

But the culture of the country's political leadership also needs to change. Restoring probity in the lower ranks will be even more difficult if top policemen, ministers, the ruling party, bosses of parastatals, parliamentarians, and even some judges continue to set so poor an example. The ruling party will not reform itself. Preventing a further descent down the spiral towards a kleptocratic state will require extraordinary courage and never-ending vigilance on the part of the media, civil society, academia, and opposition parties.

Two wider issues also need attention. Most violent crimes are committed by young men. Given the various barriers that limit their chances of finding jobs, we need to remove the rigidities in our labour market. Is there scope for establishing youth brigades which offer military discipline, uniforms and esprit de corps, vocational training, and public works employment at low wages?

The family

The other wider issue is the family as the key institution for socialisation and the transmission of values.

A third of young women become pregnant in their teens. Fewer than

40% of African children and teenagers live in households with both their parents. Among coloured children the proportion is less than 60%. More than half of African parents in the urban areas are single parents, according to a Target Group Index (TGI) survey.

The proportion of all children aged 15 years and younger who grow up in homes without fathers (who are dead or absent) has risen from 44% to 57%. Among Africans the figure was 63% in 2002, among coloured people 45%, and among Indians and whites 13%. Among Africans, 70% of women between the ages of 20 and 24 who have given birth have never married. Among coloured women the figure is 64%. The white figure is 19%, and the Indian 12%.

What has happened to family life in South Africa. Has apartheid — so destructive of family life — simply been replaced by AIDS? What impact do poverty, unemployment, crime, and poor education have on the family? To what extent are teenage pregnancies a consequence of the social grant system?

Is there a connection between our high levels of criminality and the circumstances in which many young men grow up? In the absence of fathers, what role models do boys have?

Not only must discipline be restored throughout the schooling system — including among teachers — but schools must be made safe.

Politicians talk cheaply about moral regeneration. But where are the transmission belts? Parents? Schools? Youth clubs? Sports clubs? Religious organisations?

The paucity of official data about families in South Africa itself suggests that they are not regarded as important.

Repairing the criminal justice system is one component of a serious anti-crime strategy. Changing the culture of the country's political leadership is a second. A third has to be re-building family life, supplemented by ensuring that our society has sufficient transmission belts for value systems.

— **John Kane-Berman**

Overt taxation at all three levels of Government

ALL TAX REVENUES

Total tax revenue, 2002/03–2007/08

	<i>National</i>	<i>Provincial</i>	<i>Local</i>	<i>Total</i>
	<i>Rbn</i>			
2002/03	282.21	2.77	17.06	302.05
2003/04	302.51	3.31	18.96	324.78
2004/05	354.98	3.53	23.40	381.91
2005/06	417.33	4.31	25.00	446.65
2006/07	495.52	4.82	18.91	519.24
2007/08	572.87	4.90	21.58	599.35
Change	103.0%	76.9%	26.5%	98.4%
<i>Proportion of total tax revenue</i>				
2002/03	93.4%	0.9%	5.6%	100.0%
2003/04	93.1%	1.0%	5.8%	100.0%
2004/05	92.9%	0.9%	6.1%	100.0%
2005/06	93.4%	1.0%	5.6%	100.0%
2006/07	95.4%	0.9%	3.6%	100.0%
2007/08	95.6%	0.8%	3.6%	100.0%
Change	2.4%	-11.1%	-35.7%	–
<i>Proportion of GDP</i>				
2002/03	23.5%	0.2%	1.4%	25.2%
2003/04	23.5%	0.3%	1.5%	25.2%
2004/05	24.9%	0.2%	1.6%	26.8%
2005/06	26.3%	0.3%	1.6%	28.2%
2006/07	27.4%	0.3%	1.0%	28.7%
2007/08	27.8%	0.2%	1.0%	29.1%
Change	18.3%	0.0%	-28.6%	15.5%

Source: SARS Tax statistics 2008, p2

NATIONAL REVENUES

Tax revenue by main source, 1994/95 and 2007/08

	<i>1994/95</i>	<i>2007/08</i>	<i>Change</i>
	<i>Rbn</i>	<i>Rbn</i>	
Personal income tax (PIT)	44.97	168.77	275.3%
Corporate income tax (CIT)	11.96	140.12	1 071.6%
Secondary tax on companies (STC)	1.30	20.59	1 483.8%
Value added tax (VAT)	29.29	150.44	413.6%
Fuel levy	8.35	23.74	184.3%
Customs	5.61	27.08	382.7%
Specific excise duties	5.43	18.22	235.5%
Other	6.86	23.91	248.5%
Total	113.77	572.87	403.5%
<i>Proportional breakdown</i>			
Personal income tax (PIT)	39.5%	29.5%	-25.3%
Corporate income tax (CIT)	10.5%	24.5%	133.3%
Secondary tax on companies (STC)	1.1%	3.6%	227.3%
Value added tax (VAT)	25.7%	26.3%	2.3%
Fuel levy	7.3%	4.1%	-43.8%
Customs	4.9%	4.7%	-4.1%
Specific excise duties	4.8%	3.2%	-33.3%
Other	6.0%	4.2%	-30.0%
Total	100.0%	100.0%	–

Source: SARS Tax statistics 2008, p16

Tax revenue by main source as proportion of GDP, 1994/95 and 2007/08

	1994/95	2007/08	Change
Personal income tax (PIT)	9.0%	8.2%	-8.9%
Corporate income tax (CIT)	2.4%	6.8%	183.3%
Secondary tax on companies (STC)	0.3%	1.0%	233.3%
Value added tax (VAT)	5.9%	7.3%	23.7%
Fuel levy	1.7%	1.2%	-29.4%
Customs	1.1%	1.3%	18.2%
Specific excise duties	1.1%	0.9%	-18.2%
Other	1.4%	1.2%	-14.3%
Total tax revenue	22.9%	27.8%	21.4%

Source: SARS Tax statistics 2008, p17

Number of registered taxpayers, 2002/03–2007/08

	Individuals	Companies	Trusts	PAYE	VAT
2002/03	3 415 432	814 894	254 593	252 589	506 098
2003/04	3 777 005	817 381	283 825	274 764	536 281
2004/05	4 115 293	933 136	318 967	302 880	578 138
2005/06	4 476 261	1 054 969	344 882	330 194	633 703
2006/07	4 764 105	1 218 905	374 411	349 077	677 153
2007/08	5 204 805	1 584 002	384 747	379 675	745 487
Change	52.4%	94.4%	51.1%	50.3%	47.3%

Source: SARS 2008 Tax Statistics, p3

Maximum marginal tax rates, 2002/03–2007/08

	PIT ^a	CIT ^b	STC ^c	VAT ^d	RFT ^e
01 Apr 2002–28 Feb 2003	40.0%	30.0%	12.5%	14.0%	25.0%
01 Mar 2003–31 Mar 2003	40.0%	30.0%	12.5%	14.0%	18.0%
01 Apr 2003–31 Mar 2004	40.0%	30.0%	12.5%	14.0%	18.0%
01 Apr 2004–31 Mar 2005	40.0%	30.0%	12.5%	14.0%	18.0%
01 Apr 2005–28 Feb 2006	40.0%	29.0%	12.5%	14.0%	18.0%
01 Mar 2006–31 Mar 2006	40.0%	29.0%	12.5%	14.0%	9.0%
01 Apr 2006–28 Feb 2007	40.0%	29.0%	12.5%	14.0%	9.0%
01 Mar 2007–30 Sep 2007	40.0%	29.0%	12.5%	14.0%	0.0%
01 Oct 2007–31 Mar 2008	40.0%	29.0%	10.0%	14.0%	0.0%

Source: SARS Tax statistics 2008, p27

- a Personal income tax.
- b Corporate income tax.
- c Secondary tax on companies.
- d Value added tax.
- e Tax on retirement funds.

INDIVIDUAL TAXPAYERS

Number of taxpayers, 2002/03–2007/08

	<i>Registered</i>	<i>Liable to submit returns</i>	<i>Assessed</i>	<i>Proportion assessed</i>
2002/03	3 628 263	3 526 339	3 352 190	95.1%
2003/04	3 991 236	3 836 422	3 542 006	92.3%
2004/05	4 321 354	4 145 746	3 605 378	87.0%
2005/06	4 683 821	4 530 820	3 215 192	71.0%
2006/07	5 005 807	4 866 117	N/A ^a	N/A ^a
2007/08	5 318 441	N/A ^a	N/A ^a	N/A ^a

a Not available.

Summary of taxable income and tax assessed, 2002–2005/06

	<i>Number of taxpayers assessed</i>	<i>Taxable income Rbn</i>	<i>Tax assessed Rbn</i>	<i>Tax assessed as a proportion of taxable income</i>
2002/03	3 352 190	332.80	79.35	23.8%
2003/04	3 542 006	381.46	82.64	21.7%
2004/05	3 605 378	424.81	92.05	21.7%
2005/06	3 215 192	415.55	86.21	20.7%

Source: SARS 2008 Tax Statistics, p31

Taxable income and tax assessed by income group (numbers), 2003 and 2006

<i>Taxable income group^a</i>	<i>2003 (95.1% assessed)</i>			<i>2006 (71.0% assessed)</i>		
	<i>Number of taxpayers</i>	<i>Taxable income Rbn</i>	<i>Tax assessed Rbn</i>	<i>Number of taxpayers</i>	<i>Taxable income Rbn</i>	<i>Tax assessed Rbn</i>
< 0	74 707	-12.47	0.00	55 196	-6.77	0.00
= 0	218 166	–	0.00	159 256	–	0.00
1–20 000	202 610	2.15	0.01	133 340	1.36	0.00
20 001–30 000	185 207	4.73	0.03	85 390	2.17	0.00
30 001–40 000	186 651	6.54	0.26	129 486	4.57	0.04
40 001–50 000	182 254	8.21	0.60	133 638	6.02	0.21
50 001–60 000	191 898	10.61	1.14	138 782	7.66	0.43
60 001–70 000	257 774	16.73	2.18	171 296	11.17	0.86
70 001–80 000	257 884	19.37	2.84	213 165	16.03	1.48
80 001–90 000	237 400	20.15	3.26	207 824	17.63	1.88
90 001–100 000	213 830	20.30	3.58	216 214	20.60	2.53
100 001–110 000	170 040	17.81	3.34	195 482	20.47	2.75
110 001–120 000	139 059	15.97	3.19	169 750	19.53	2.83
120 001–130 000	107 302	13.39	2.82	164 358	20.51	3.14
130 001–140 000	84 395	11.38	2.51	125 791	16.96	2.75
140 001–150 000	73 240	10.61	2.44	106 277	15.40	2.64
150 001–200 000	235 044	40.42	10.06	315 506	54.33	10.42
200 001–300 000	190 318	45.84	13.06	268 125	64.71	15.20
300 001–400 000	67 457	23.10	7.28	104 764	35.99	9.95
400 001–500 000	29 430	13.06	4.34	48 452	21.52	6.47
500 001–750 000	27 269	16.34	5.66	43 714	26.11	8.40
750 001–1 000 000	9 093	7.79	2.81	13 888	11.89	4.04
1 000 001–2 000 000	8 573	11.40	4.24	12 261	16.21	5.78
2 000 001–5 000 000	2 221	6.29	2.43	2 817	7.85	2.97
5 000 001+	368	3.07	1.27	420	3.63	1.42
Total	3 352 190	332.80	79.35	3 215 192	415.55	86.21

Source: SARS 2008 Tax Statistics, p36

a Excludes standard income tax on employees (SITE)-only taxpayers (those with taxable income below R60 000 per year). SITE-only taxpayers do not have to register with the SARS and are not required to file annual tax returns. Although larger in number, their contribution to total PIT revenues is small.

Taxable income and tax assessed by income group (proportions), 2003 and 2006

Taxable income group ^a	2003 (95.1% assessed)			2006 (71.0% assessed)		
	Number of taxpayers	Taxable income	Tax assessed	Number of taxpayers	Taxable income	Tax assessed
< 0	2.2%	-3.7%	0.0%	1.7%	-1.6%	0.0%
= 0	6.5%	0.0%	0.0%	5.0%	0.0%	0.0%
1–20 000	6.0%	0.6%	0.0%	4.1%	0.3%	0.0%
20 001–30 000	5.5%	1.4%	0.0%	2.7%	0.5%	0.0%
30 001–40 000	5.6%	2.0%	0.3%	4.0%	1.1%	0.0%
40 001–50 000	5.4%	2.5%	0.8%	4.2%	1.4%	0.2%
50 001–60 000	5.7%	3.2%	1.4%	4.3%	1.8%	0.5%
60 001–70 000	7.7%	5.0%	2.7%	5.3%	2.7%	1.0%
70 001–80 000	7.7%	5.8%	3.6%	6.6%	3.9%	1.7%
80 001–90 000	7.1%	6.1%	4.1%	6.5%	4.2%	2.2%
90 001–100 000	6.4%	6.1%	4.5%	6.7%	5.0%	2.9%
100 001–110 000	5.1%	5.4%	4.2%	6.1%	4.9%	3.2%
110 001–120 000	4.1%	4.8%	4.0%	5.3%	4.7%	3.3%
120 001–130 000	3.2%	4.0%	3.6%	5.1%	4.9%	3.6%
130 001–140 000	2.5%	3.4%	3.2%	3.9%	4.1%	3.2%
140 001–150 000	2.2%	3.2%	3.1%	3.3%	3.7%	3.1%
150 001–200 000	7.0%	12.1%	12.7%	9.8%	13.1%	12.1%
200 001–300 000	5.7%	13.8%	16.5%	8.3%	15.6%	17.6%
300 001–400 000	2.0%	6.9%	9.2%	3.3%	8.7%	11.5%
400 001–500 000	0.9%	3.9%	5.5%	1.5%	5.2%	7.5%
500 001–750 000	0.8%	4.9%	7.1%	1.4%	6.3%	9.7%
750 001–1 000 000	0.3%	2.3%	3.5%	0.4%	2.9%	4.7%
1 000 001–2 000 000	0.3%	3.4%	5.3%	0.4%	3.9%	6.7%
2 000 001–5 000 000	0.1%	1.9%	3.1%	0.1%	1.9%	3.4%
5 000 001+	0.0%	0.9%	1.6%	0.0%	0.9%	1.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: SARS 2008 Tax Statistics, p37

a Excludes standard income tax on employees (SITE)-only taxpayers (those with taxable income below R60 000 per year). SITE-only taxpayers do not have to register with the SARS and are not required to file annual tax returns. Although larger in number, their contribution to total PIT revenues is small.

Taxable income and tax assessed by age group, and sex, 2003 and 2006

Age group	2003 (95.1% assessed)			2006 (71.0% assessed)		
	Number of taxpayers	Taxable income Rbn	Tax assessed Rbn	Number of taxpayers	Taxable income Rbn	Tax assessed Rbn
> 18	12 267	0.34	0.04	11 198	0.43	0.06
18–24	27 897	0.88	0.11	89 097	6.34	0.83
25–34	578 325	49.97	10.26	715 025	89.10	16.91
35–44	1 012 499	108.78	25.60	956 055	136.83	28.95
45–54	838 603	94.77	23.96	748 054	108.75	24.14
55–64	480 151	50.51	13.41	399 860	51.44	11.69
65 and older	402 448	27.57	5.98	295 903	22.65	3.64
Total	3 352 190	332.80	79.35	3 215 192	415.55	86.21
<i>Proportion of total</i>						
> 18	0.4%	0.1%	0.1%	0.3%	0.1%	0.1%
18–24	0.8%	0.3%	0.1%	2.8%	1.5%	1.0%
25–34	17.3%	15.0%	12.9%	22.2%	21.4%	19.6%
35–44	30.2%	32.7%	32.3%	29.7%	32.9%	33.6%
45–54	25.0%	28.5%	30.2%	23.3%	26.2%	28.0%
55–64	14.3%	15.2%	16.9%	12.4%	12.4%	13.6%
65 and older	12.0%	8.3%	7.5%	9.2%	5.5%	4.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sex</i>						
Male	1 981 727	224.32	57.80	1 797 954	267.58	60.44
Female	1 370 463	108.49	21.55	1 417 238	147.97	25.77
Total	3 352 190	332.80	79.35	3 215 192	415.55	86.21
<i>Proportion of total</i>						
Male	59.1%	67.4%	72.8%	55.9%	64.4%	70.1%
Female	40.9%	32.6%	27.2%	44.1%	35.6%	29.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Source: SARS 2008 Tax Statistics, p39						

Tax assessed by economic activity, 2003 and 2006

	—2003 (95.1% assessed)—		—2006 (71.0% assessed)—	
	Number of taxpayers	Tax assessed Rbn	Number of taxpayers	Tax assessed Rbn
Primary sector				
<u>Agriculture, forestry, and fishing</u>	61 257	1.21	49 953	1.35
<u>Mining and quarrying</u>	74 663	3.30	64 187	3.39
Secondary sector				
<u>Manufacturing</u>	279 225	8.81	261 458	9.29
— Bricks, ceramic, glass, cement, and similar products	6 527	0.17	5 717	0.21
— Chemicals and chemical, rubber, and plastic products	18 669	0.67	16 665	0.70
— Clothing and footwear	7 186	0.17	8 105	0.19
— Coal and petroleum products	21 630	1.09	19 679	1.14
— Food, drink, and tobacco	36 690	1.23	30 057	1.19
— Leather, leather goods, and fur ^a	813	0.02	1 117	0.03
— Machinery, and related items	12 628	0.38	13 217	0.46
— Metal	33 047	1.05	34 794	1.19
— Paper, printing, and publishing	25 277	0.79	23 584	0.80
— Scientific and similar equipment	2 925	0.10	2 373	0.10
— Textiles	4 841	0.12	4 596	0.12
— Transport equipment	3 094	0.09	4 175	0.14
— Wood, wood products, and furniture	6 574	0.13	5 825	0.14
— Other manufacturing industries	99 324	2.84	91 554	2.89
<u>Electricity, gas, and water</u>	49 350	1.41	36 725	1.38
<u>Construction</u>	31 919	0.69	34 609	1.05
Tertiary sector				
<u>Wholesale and retail trade, catering, and accommodation</u>	178 240	3.71	452 455	10.69
— Catering and accommodation	13 365	0.20	13 543	0.26
— Specialised repair services	6 576	0.09	9 998	0.22
— Retail trade	97 656	1.79	377 725	8.46
— Vehicles, parts, and accessories	44 718	1.21	37 785	1.30
— Wholesale trade	15 925	0.43	13 404	0.45
<u>Transport, storage, and communications</u>	148 268	4.10	113 137	3.37
<u>Financial, intermediation, insurance, real-estate, and business services</u>	1 431 597	32.52	1 331 500	32.60
— Agencies and other services	461 790	9.32	369 465	9.29
— Financing, insurance, real estate, and business services	545 024	15.40	674 769	16.99
— Long term insurance	412 790	7.52	278 005	5.98
— Research and scientific institutes	11 993	0.29	9 261	0.35
<u>Community social and personal services</u>	502 055	8.93	449 368	9.17
— Educational services	274 700	4.70	247 721	4.62
— Medical, dental, and other health, and veterinary services	117 993	2.71	123 538	3.29
— Personal and household services	40 506	0.14	27 636	0.13
— Recreation and cultural services	20 615	0.52	13 256	0.37
— Social and related community services	48 241	0.86	37 217	0.76
<u>Other^b</u>	595 616	14.67	421 800	13.92
TOTAL	3 352 190	79.35	3 215 192	86.21

Source: SARS 2008 Tax Statistics, p42

a Excluding footwear and clothing.

b Source of income was indicated as Other or where the source of income was left blank on return.



Tax assessed by source of income (proportion of total), 2003–2006

<i>Source of income</i>	<i>2003 (95.1% assessed)</i>		<i>2006 (71.0% assessed)</i>	
	<i>Number of taxpayers</i>	<i>Tax assessed</i>	<i>Number of taxpayers</i>	<i>Tax assessed</i>
Agencies and other services	13.8%	11.7%	11.5%	10.8%
Agriculture, forestry and fishing	1.8%	1.5%	1.6%	1.6%
Bricks, ceramic, glass, cement and similar products	0.2%	0.2%	0.2%	0.2%
Catering and accommodation	0.4%	0.3%	0.4%	0.3%
Chemicals and chemical, rubber, and plastic products	0.6%	0.8%	0.5%	0.8%
Clothing and footwear	0.2%	0.2%	0.3%	0.2%
Coal and petroleum products	0.6%	1.4%	0.6%	1.3%
Construction	1.0%	0.9%	1.1%	1.2%
Educational services	8.2%	5.9%	7.7%	5.4%
Electricity, gas, and water	1.5%	1.8%	1.1%	1.6%
Financing, insurance, real estate, and business services	16.3%	19.4%	21.0%	19.7%
Food, drink, and tobacco	1.1%	1.5%	0.9%	1.4%
Leather, leather goods, and fur^a	0.0%	0.0%	0.0%	0.0%
Long term insurance	12.3%	9.5%	8.6%	6.9%
Machinery, and related items	0.4%	0.5%	0.4%	0.5%
Medical, dental, and other health, and veterinary services	3.5%	3.4%	3.8%	3.8%
Metal	1.0%	1.3%	1.1%	1.4%
Mining and quarrying	2.2%	4.2%	2.0%	3.9%
Other manufacturing industries	3.0%	3.6%	2.8%	3.3%
Paper, printing, and publishing	0.8%	1.0%	0.7%	0.9%
Personal and household services	1.2%	0.2%	0.9%	0.1%
Recreation and cultural services	0.6%	0.7%	0.4%	0.4%
Research and scientific institutes	0.4%	0.4%	0.3%	0.4%
Retail trade	2.9%	2.3%	11.7%	9.8%
Scientific and similar equipment	0.1%	0.1%	0.1%	0.1%
Social and related community services	1.4%	1.1%	1.2%	0.9%
Specialised repair services	0.2%	0.1%	0.3%	0.3%
Textiles	0.1%	0.2%	0.1%	0.1%
Transport equipment	0.1%	0.1%	0.1%	0.2%
Transport, storage, and communications	4.4%	5.2%	3.5%	3.9%
Vehicles, parts, and accessories	1.3%	1.5%	1.2%	1.5%
Wholesale trade	0.5%	0.5%	0.4%	0.5%
Wood, wood products, and furniture	0.2%	0.2%	0.2%	0.2%
Other	17.8%	18.5%	13.1%	16.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: SARS 2008 Tax Statistics, p41
a Excluding footwear and clothing.

Taxable income and tax assessed by province, 2003 and 2006

Province ^a	2003 (95.1% assessed)			2006 (71.0% assessed)		
	Number of taxpayers	Taxable income Rbn	Tax assessed Rbn	Number of taxpayers	Taxable income Rbn	Tax assessed Rbn
Eastern Cape	278 011	22.39	4.57	267 888	27.56	4.69
Free State	171 511	12.01	2.72	158 423	15.29	2.75
Gauteng	1 257 949	151.72	38.50	1 186 399	183.38	41.54
KwaZulu-Natal	505 970	45.14	9.98	491 877	58.00	11.30
Limpopo	96 028	7.62	1.50	98 022	10.69	1.79
Mpumalanga	289 281	25.48	5.84	293 711	35.82	7.06
North West	102 588	8.20	1.83	97 594	10.53	2.00
Northern Cape	66 786	4.75	1.06	64 831	6.66	1.20
Western Cape	575 364	54.74	13.15	551 520	67.32	13.81
Other ^b	8 702	0.77	0.20	4 927	0.31	0.07
Total	3 352 190	332.80	79.35	3 215 192	415.55	86.21
<i>Proportion of total</i>						
Eastern Cape	8.3%	6.7%	5.8%	8.3%	6.6%	5.4%
Free State	5.1%	3.6%	3.4%	4.9%	3.7%	3.2%
Gauteng	37.5%	45.6%	48.5%	36.9%	44.1%	48.2%
KwaZulu-Natal	15.1%	13.6%	12.6%	15.3%	14.0%	13.1%
Limpopo	2.9%	2.3%	1.9%	3.0%	2.6%	2.1%
Mpumalanga	8.6%	7.7%	7.4%	9.1%	8.6%	8.2%
North West	3.1%	2.5%	2.3%	3.0%	2.5%	2.3%
Northern Cape	2.0%	1.4%	1.3%	2.0%	1.6%	1.4%
Western Cape	17.2%	16.4%	16.6%	17.2%	16.2%	16.0%
Other ^b	0.3%	0.2%	0.3%	0.2%	0.1%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Source: SARS 2008 Tax Statistics, p38						
a Based where the taxpayer is registered and not necessarily the province where the taxpayer resides.						
b Other includes VIPs and the parliamentary unit.						

CORPORATE TAXPAYERS

Taxable income and tax assessed by sector and economic activity, 2003 and 2006

	2003 (66.8% assessed)			2006 (29.0% assessed)		
	Number of taxpayers	Taxable income Rbn	Tax assessed Rbn	Number of taxpayers	Taxable income Rbn	Tax assessed Rbn
Primary sector						
<u>Agriculture, forestry, and fishing</u>	12 217	-5.67	0.76	6 248	-2.39	0.28
<u>Mining and quarrying</u>	836	-3.63	3.62	320	0.87	0.43
Secondary sector						
<u>Manufacturing</u>	42 402	7.84	12.35	18 514	4.47	3.18
— Bricks, ceramic, glass, cement, and similar products	1 536	1.76	0.74	733	0.34	0.16
— Chemicals and chemical, rubber, and plastic products	3 331	0.21	1.45	1 220	0.78	0.34
— Clothing and footwear	2 228	-0.01	0.20	789	0.09	0.06
— Coal and petroleum products	482	1.17	0.66	197	2.04	0.60
— Food, drink, and tobacco	3 857	5.49	2.82	1 580	-0.25	0.22
— Leather, leather goods, and fur ^a	261	-0.28	0.05	108	0.02	0.01
— Machinery, and related items	7 579	1.55	1.30	2 803	1.18	0.46
— Metal	6 035	-1.12	2.21	2 500	1.34	0.51
— Paper, printing, and publishing	4 025	1.33	1.01	1 649	0.22	0.17
— Scientific and similar equipment	626	-0.03	0.06	264	0.07	0.03
— Textiles	1 135	-1.71	0.10	431	-0.08	0.05
— Transport equipment	479	-0.42	0.06	208	0.06	0.04
— Wood, wood products, and furniture	2 386	-0.53	0.17	1 086	0.13	0.08
— Other manufacturing industries	8 442	0.41	1.52	4 946	1.49	0.46
<u>Electricity, gas, and water</u>	1 324	-1.04	0.37	1 071	0.18	0.07
<u>Construction</u>	27 209	-0.80	0.84	19 839	0.70	0.65
Tertiary sector						
<u>Wholesale and retail trade, catering, and accomodation</u>	93 774	6.08	7.89	52 828	3.34	2.74
— Catering and accommodation	10 809	-1.76	0.51	5 892	-0.66	0.14
— Specialised repair services	4 696	0.03	0.10	2 429	-1.01	0.08
— Retail trade	58 104	2.27	3.06	33 867	2.29	1.30
— Vehicles, parts, and accessories	5 272	1.66	1.72	2 156	0.60	0.29
— Wholesale trade	14 893	3.88	2.50	8 484	2.12	0.94
<u>Transport, storage, and communications</u>	14 781	-14.31	1.77	7 953	15.21	4.81
<u>Financial, intermediation, insurance, real-estate, and business services</u>	277 152	1.93	20.70	173 988	9.17	7.56
— Agencies and other services	85 435	-1.85	1.88	71 327	2.60	2.06
— Employment (director of company/member of CC)	531	0.01	0.02	261	0.03	0.01
— Financing, insurance, real estate, and business services	190 360	3.38	17.50	102 011	6.89	5.48
— Long term insurance	214	0.70	1.25	45	0.00	0.00
— Research and scientific institutes	612	-0.30	0.05	344	-0.34	0.01
<u>Community social and personal services</u>	32 455	1.34	2.20	16 341	2.35	1.22
— Educational services	3 653	-0.53	0.06	2 175	-0.01	0.03
— Medical, dental, and other health, and veterinary services	5 510	0.91	0.82	2 416	1.00	0.34
— Personal and household services	5 254	-0.15	0.06	2 659	-0.04	0.03
— Recreation and cultural services	5 435	1.50	1.23	1 835	1.39	0.80
— Social and related community services	12 603	-0.38	0.03	7 256	0.02	0.02
<u>Other^b</u>	3 334	1.34	0.62	679	0.17	0.07
TOTAL	505 484	N/A	51.12	297 781	N/A	21.02

Source: SARS 2008 Tax Statistics, pp90-91

a Excluding footwear and clothing.

b Source of income was indicated as Other or where the source of income was left blank on return.

Tax assessments, 2002/03–2007/08

	<i>Registered companies</i>	<i>Liable to submit returns</i>	<i>Assessed</i>	<i>Proportion assessed</i>
2002/03	1 221 273	756 680	505 484	66.8%
2003/04	1 283 155	855 683	496 522	58.0%
2004/05	1 438 539	993 761	471 513	47.4%
2005/06	1 629 288	1 025 871	297 781	29.0%
2006/07	1 830 147	1 248 936	N/A	N/A
2007/08	2 182 638	N/A	N/A	N/A

Source: SARS 2008 Tax Statistics, p78

PROVINCIAL AND LOCAL REVENUES**Provincial and local government tax revenue, 2002/03-2007/08**

<i>Provinces</i>	<i>2002/03 Rm</i>	<i>2003/04 Rm</i>	<i>2004/05 Rm</i>	<i>2005/06 Rm</i>	<i>2006/07 Rm</i>	<i>2007/08 Rm</i>	<i>Change</i>
Casino taxes	534	651	723	896	1 065	1 102	106.3%
Horse racing taxes	104	103	90	97	125	117	13.1%
Liquor licences	15	14	18	19	20	37	150.7%
Motor vehicle licences	2 121	2 538	2 695	3 300	3 606	3 640	71.6%
Total provincial tax revenue	2 773	3 307	3 526	4 311	4 815	4 896	76.5%
<i>Proportion of total provincial tax revenue</i>							
Casino taxes	19.3%	19.7%	20.5%	20.8%	22.1%	22.5%	16.9%
Horse racing taxes	3.7%	3.1%	2.5%	2.2%	2.6%	2.4%	-35.1%
Liquor licences	0.5%	0.4%	0.5%	0.4%	0.4%	0.8%	60.0%
Motor vehicle licences	76.5%	76.8%	76.4%	76.5%	74.9%	74.3%	-2.9%
Total provincial tax revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	–
<i>Local government</i>							
Property rates	12 603	13 980	16 396	17 401	18 521	21 486	70.5%
Regional service levies ^a	4 460	4 983	7 009	7 604	386	95	-97.9%
Total local government revenue	17 063	18 964	23 405	25 005	18 907	21 581	26.5%
<i>Proportion of total local government tax revenue</i>							
Property rates	73.9%	73.7%	70.1%	69.6%	98.0%	99.6%	34.8%
Regional service levies	26.1%	26.3%	29.9%	30.4%	2.0%	0.4%	-98.5%
Total local government revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	–

Source: SARS 2008 Tax Statistics, p15

a Regional service levies were abolished in 2006/07

Fast stats

PROPERTY PAGE

<i>House Price Index (nominal) Feb</i>	down 1.3%	compared to Feb 2008	Absa
<i>House Price Index (real) Jan</i>	down 8.3%	compared to Jan 2008	Absa
<i>Mortgage advances Feb</i>	up 11.9%	compared to Feb 2008	SARB
House price trends (nominal) (average) 4Q 2008			
<i>Affordable houses (40–79m² priced at under R400 000)</i>	up 6.0%	compared to 4Q 2007	Absa
<i>Small houses (80–140m²/R675 724) (average price)</i>	up 0.3%		Absa
<i>Medium houses (141–220m²/R958 568)</i>	up 1.4%		Absa
<i>Large houses (221–400m²/R1 384 663)</i>	up 0.4%		Absa
<i>All houses (80–400m²/R969 497)</i>	up 1.0%		Absa
<i>Luxury housing (costing more than R2.9m)</i>	up 7.0%		Absa
<i>Greater Johannesburg (80–400m²/R1 027 583)</i>	down 1.8%		Absa
<i>Cape Town metro (80–400m²/R1 077 944)</i>	down 2.6%		Absa
<i>Durban metro (80–400m²/R1 026 711)</i>	up 2.9%		Absa
<i>PE/Uitenhage metro (80–400m²/R905 139)</i>	up 1.4%		Absa
<i>Cost of building a new house (average)</i>	up 8.7%		Absa
CBD office vacancy rate 4Q 2008			
<i>Johannesburg</i>	8.2%	nine months before: 11.8%	SAPOA ^a
<i>Sandton</i>	5.7%	3.0%	SAPOA
<i>Cape Town</i>	5.2%	4.3%	SAPOA
<i>Durban</i>	15.9%	15.9%	SAPOA
<i>Pretoria</i>	4.5%	3.7%	SAPOA
CBD office rental rate (A-grade) R/m² 4Q 2008			
<i>Johannesburg</i>	up 15.9%	compared to 4Q 2007	R&A ^b
<i>Sandton</i>	up 9.1%		R&A
<i>Cape Town</i>	up 7.4%		R&A
<i>Durban</i>	up 21.7%		R&A
<i>Pretoria</i>	up 18.4%		R&A
Industrial rental rates R/m² for 1 000m² 4Q 2008			
<i>Central Wits</i>	up 12.0%	compared to 4Q 2007	R&A
<i>Durban</i>	up 19.7%		R&A
<i>Cape Peninsula</i>	up 12.9%		R&A
<i>Port Elizabeth</i>	up 0.6%		R&A
Shopping centre rental index 2008			
<i>Regional</i>	up 8.0%	compared to 2007	R&A

a South African Property Owners' Association

b Rode and Associates

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Fast stats

BUSINESS INDICATORS

<i>Use of manufacturing production capacity 2008</i>	84.5%	2007: 86.2%	Stats SA
<i>Manufacturing production (volume) (Jan)</i>	down 8.0%	on same period previous year	Stats SA
<i>Total vehicles sold (this year to Feb): 65 529</i>	down 36.2%	on same period previous year	NAAMSA
<i>Vehicles exported (this year to Feb): 25 664</i>	down 20.2%	on same period previous year	NAAMSA
<i>Tractors sold (this year to Feb): 1 245</i>	up 1.7%	on same period previous year	SAAMA
<i>Electricity consumed (Jan)</i>	down 7.0%	on same period previous year	Stats SA
<i>Total building plans passed (value) (Jan)</i>	down 52.4%	on same period previous year	Stats SA
<i>Total buildings completed (value) (Jan)</i>	up 6.8%	on same period previous year	Stats SA
<i>All building costs (average) 1Q 2009</i>	down 0.7%	on same period previous year	BER
<i>Mining production (volume) (Jan)</i>	down 8.7%	on same period previous year	Stats SA
<i>Cement sales (tonnes) (this year to Feb)</i>	down 11.1%	on same period previous year	CCI
<i>Retail sales (value) (Jan)</i>	down 1.0%	on same period previous year	Stats SA
<i>Current adspend (Jan): R1.4bn</i>	down 0.6%	on same period previous year	A C Nielsen
<i>Number of liquidations (this year to Feb): 661</i>	up 69.5%	on same period previous year	Stats SA
<i>Judgements for debt (Jan): 49 769</i>	down 1.5%	on same period previous year	Stats SA
<i>Tourism accommodation occupancy rate (Jan)</i>	43.4%	Jan 2008: 48.9%	Stats SA
<i>Arrival foreign travellers 2008: 9 728 860</i>	up 5.7%	compared to 2007	Stats SA

SOCIO-ECONOMIC AND LABOUR INDICATORS

<i>Total population (mid 2008 estimates) (average)</i>	48.69m	2007: 47.85m	Stats SA
<i>GDP per head 2008</i>	R46 507	current prices	SARB
<i>Real growth in GDP per head 2008</i>	1.9%	2007: 3.8%	SARB
<i>Household saving to disposable income 2008</i>	-0.4%	2007: -0.6%	SARB
<i>Household debt to disposable income 2008</i>	76.7%	2007: 76.9%	SARB
<i>Average wage settlements 2008^a</i>	9.8%	2007: 7.3%	Andrew Levy
<i>Number of strike mandays lost 2008</i>	991 000	2007: 12.9m	Andrew Levy
<i>Unemployment rate 4Q 2008 (strict definition)^b</i>	21.9%	3Q 2008: 23.2%	Number: 3.9 million
<i>Unemployment rate 4Q 2008 (wide definition)^b</i>	26.7%	3Q 2008: 27.6%	Number: 5.0 million
<i>Increase in total employment^b</i>	189 000	3Q 2008 vs 4Q 2008	Stats SA/QLFS
<i>Employees in enterprises registered for income tax^c</i>	up 1.2%	Dec 2007 vs Dec 2008	Stats SA/QES
<i>Number of such employees^c</i>	up 103 000	to 8 513 000	Stats SA/QES
<i>Nominal wages per worker 3Q 2008^c</i>	up 13.5%	compared to 3Q 2007	SARB
<i>Real wages per worker 3Q 2008^c</i>	down 0.2%	compared to 3Q 2007	SARB
<i>Labour productivity 3Q 2008^c</i>	up 0.8%	compared to 3Q 2007	SARB
<i>Nominal unit labour costs 3Q 2008^c</i>	up 12.5%	compared to 3Q 2007	SARB
<i>Average monthly earnings Nov 2008^c</i>	R9 509	Nov 2007: R8 752	Stats SA/QES
<i>Houses built smaller than 81m² (Jan)</i>	up 123.3%	on same period last year	Stats SA
<i>Houses built/being built (government subsidy)^d</i>	2 568 062	Apr 1994–Mar 2008	up 10.7% from Apr 2007
<i>Government housing delivery (Apr 2007–Mar 2008)^d</i>	248 850	down 8.2%	on same period previous year

a Excluding farms and homes b Stats SA. All sectors. *Quarterly Labour Force Survey* c Non Agricultural formal sector. *Quarterly Employment Statistics* d Housing Dept.

Fast stats

INVESTMENT INDEX

<i>Real gross fixed capital formation (GFCF) 2008</i>	R284.80bn	up 10.2% compared to 2007	
<i>GFCF ÷ GDP 2008 (annualised, adjusted)</i>	23.2%	2007: 21.1%	(Target: 25%)
<i>Gross domestic saving ÷ GDP 2008</i>	15.4%	2007: 14.6%	
<i>Real GFCF by public authorities</i>	up 9.7%	2008 vs 2007	
<i>by public corporations</i>	up 30.5%		
<i>by private business</i>	up 6.5%		
<i>Real GFCF in mining and quarrying</i>	up 3.8%		
<i>in manufacturing</i>	up 9.9%		
<i>in electricity, gas and water</i>	up 42.6%		
<i>in transport and communication</i>	up 17.4%		
<i>in finance etc</i>	down 3.2%		
<i>in community, social and personal services</i>	up 7.9%		
<i>Real GFCF in residential buildings</i>	down 5.7%		
<i>in non-residential buildings</i>	up 12.4%		
<i>in construction works</i>	up 24.2%		
<i>in transport equipment</i>	down 1.6%		
<i>in machinery and equipment</i>	up 13.3%		
<i>Foreign investment into SA 2008</i>			
<i>direct (FDI)</i>	R74.34bn	2007: R40.12bn	
<i>portfolio</i>	-R68.19bn	R97.49bn	
<i>other</i>	R53.89bn	R58.71bn	
<i>SA investment abroad 2008</i>			
<i>direct</i>	R29.16bn	-R20.90bn	
<i>portfolio</i>	-R63.33bn	-R24.03bn	
<i>other</i>	R77.83bn	R2.12bn	
<i>Balance on financial account 2008</i>	R103.70bn	R153.51bn	

CONFIDENCE COUNT

<i>RMB/BER business confidence index 1Q 2009</i>	down 6 points	to 27 since 4Q 2008	(scale 0–100)
<i>BER/DTI manufacturing confidence index 1Q 2009</i>	down 15 points	to 16 since 4Q 2008	(scale 0–100)
<i>BER building contractors confidence index 1Q 2009</i>	down 9 points	to 33 since 4Q 2008	(scale 0–100)
<i>FNB/BER consumer confidence index 4Q 2008</i>	down 3 points	to -4 since 3Q 2008	(scale minus 100–100)
— <i>black consumer confidence index 4Q 2008</i>	down 3 points	to 0 since 3Q 2008	(scale minus 100–100)
— <i>white consumer confidence index 4Q 2008</i>	down 5 points	to -9 since 3Q 2008	(scale minus 100–100)
— <i>high-income household confidence index 4Q 2008</i>	down 9 points	to -3 since 3Q 2008	(scale minus 100–100)
— <i>low-income household confidence index 4Q 2008</i>	up 3 points	to -1 since 3Q 2008	(scale minus 100–100)
<i>Investec purchasing managers index (PMI) (Feb)</i>	down 1.5 points	to 39.2 since Jan 2008	(2000 = 100) BER
<i>Sacci business confidence index (Feb)</i>	up 2.1 points	to 84.5 since Jan 2008	(2005 = 100) Sacci
<i>Vehicle sales confidence indicator 1Q 2009</i>	down 0.3 points	to 4.4 since 3Q 2008	(scale 1–10) WesBank
<i>Agricultural business confidence index 1Q 2009</i>	down 34.01 points	to 78.06 from 1Q 2008	(2001=100) ABC/IDC

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ECONOMIC BAROMETER

GDP 2008 (basic prices)	R2 053.49bn		
GDP growth at market prices 2008	3.1%	2007: 5.1%	
<i>Agriculture (3.3% of GDP)</i>	18.8%	<i>Trade etc (12.7%)</i>	0.5%
<i>Mining (9.5%)</i>	-6.5%	<i>Transport and communication (8.1%)</i>	4.0%
<i>Manufacturing (18.8%)</i>	1.2%	<i>Finance etc (21.7%)</i>	5.0%
<i>Electricity and water (2.3%)</i>	-1.2%	<i>Community services (5.7%)</i>	4.1%
<i>Construction (3.1%)</i>	13.9%	<i>Government (14.8%)</i>	3.9%
<i>Non-farm growth</i>	2.8%	2007: 5.2%	
<i>Exports (Jan)</i>	R36.25bn	down 7.8% compared to Jan 2008	
<i>Imports (Jan)</i>	R53.63bn	up 8.2% compared to Jan 2008	
<i>Trade balance (Jan)</i>	-R17.38bn	Jan 2008: -R10.23bn	
<i>Gold and forex reserves (Jan)</i>	R343.79bn	Jan 2008: R249.43bn	
<i>Reserves/imports (Jan)</i>	6.4 to 1	Jan 2008: 5.0 to 1	
<i>Current account deficit 2008</i>	R169.15bn	2007: R147.08bn	
<i>— as proportion of GDP</i>	7.4%	2007: 7.3%	
<i>Capital account surplus 2008</i>	R195.22bn	2007: R193.89bn	
<i>Gold price per ounce (average)(Feb)</i>	\$941.46	Feb 2008: \$923.27	
<i>Crude oil price (dated Brent/barrel) 31/3/09</i>	\$47.26	year ago: \$100.30	(Decrease: 52.9%)
<i>Petrol (premium pump price per litre Gauteng) 1/4/09</i>	R 7.38	year ago: R8.91	(Decrease: 17.2%)
<i>Prime overdraft rate (average) 31/3/09</i>	13.0%	year ago: 14.5%	
<i>Real prime overdraft rate (average) (Feb)</i>	4.93%	(based on headline inflation)	
<i>Repo rate (average) 31/3/09</i>	9.5%	year ago: 11.0%	
<i>€/R 0.0779 £/R 0.0722 \$/R 0.1024 ¥/R 9.92 €/\$ 0.7607 ¥/\$ 96.92</i>	at 31/3/09		
<i>R/€ 12.840 R/£ 13.857 R/\$ 9.768 R/¥ 0.1008 \$/€ 1.3145 \$/¥ 0.0103</i>	at 31/3/09		
<i>Appreciation of rand against euro last 12 months</i>	0.38%	(Lowest: R/€ 14.65	Highest: R/€ 1.80)
<i>Depreciation of rand against dollar last 12 months</i>	18.53%	(Lowest: R/\$ 13.00	Highest: R/\$ 0.67)
<i>Depreciation of rand against basket last 12 months</i>	3.20%		

INFLATION INDEX

<i>Headline inflation rate (Feb 2009 vs Feb 2008)</i>	8.6%	
<i>— Housing and utilities (22.56%)*</i>	9.1%	
<i>— Transport (18.80%)*</i>	1.5%	
<i>— Food and non-alcoholic beverages (15.68%)*</i>	15.8%	
<i>— Insurance and other services (13.56%)*</i>	11.7%	
<i>— Household contents and services (5.86%)*</i>	7.0%	
<i>— Alcohol and tobacco (5.58%)*</i>	10.1%	
<i>— Recreation and culture (4.19%)*</i>	9.7%	
<i>— Clothing and footwear (4.11%)*</i>	4.6%	
<i>— Communication (3.22%)*</i>	0.7%	
<i>— Restaurants and hotels (2.78%)*</i>	13.4%	
<i>— Education (2.19%)*</i>	7.0%	
<i>— Health (1.47%)*</i>	9.2%	
<i>Rise in administered (non-market) prices</i>	2.8%	
<i>Producer price rise (PPI)</i>	7.3%	2008 11.2%
<i>Imported producer inflation</i>	-8.8%	15.9%

* Weight

Fast stats

LATEST FORECASTS

GDP growth 2009	1.0% Standard Bank: no change
	0.5% Barnard Jacobs Mellet: revised downwards from 1.1%
	-1.0% FNB: revised downwards from 0.4%
Headline inflation rate (CPI) 2009 (average)	6.7% Barnard Jacobs Mellet: revised upwards from 6%
	6.3% Nedcor: revised upwards from 5.4%; Absa
	5.0% FNB: revised downwards from 5.5%
Expected CPI (business) 2009 (average)	9.4% BER: no change
	(trade unions) 9.4% BER: revised upwards from 9.2%
Producer price inflation 2009 (average)	5.8% Standard Bank: no change
	4.7% Barnard Jacobs Mellet: revised downwards from 5.1%
Imported producer inflation 2009 (average)	2.3% Absa: revised downwards from 9.5%
Gross fixed capital formation 2009	up 6.9% Standard Bank: no change
	up 1.0% FNB: revised downwards from 5%
Final consumption expenditure by households 2009	up 0.9% Barnard Jacobs Mellet: revised downwards from 1.1%
	down 0.4% Standard Bank: no change
Government consumption expenditure 2009	up 5.0% FNB: no change
	up 4.0% Barnard Jacobs Mellet: no change
Gross domestic expenditure 2009	up 1.2% Absa: revised downwards from 1.6%
	up 0.9% Nedcor: revised downwards from 1%
Exports 2009	down 0.3% Barnard Jacobs Mellet: revised downwards from 1.5%
	down 10.0% FNB: revised downwards from -6%
Imports 2009	up 3.8% Barnard Jacobs Mellet: revised upwards from 3.4%
	down 5.0% FNB: revised downwards from -2%
Current account deficit 2009	R164.9bn BER: revised downwards from R177.6bn
	R159.7bn Nedcor: no change
— as proportion of GDP 2009	7.0% Standard Bank: no change; FNB
	5.2% Absa: revised upwards from 3.5%
Capital account surplus 2009	R190.0bn Nedcor: no change
Prime overdraft rate 2009 (year end)	10.5% Barnard Jacobs Mellet: no change; FNB
	10.0% Nedcor: revised downwards from 10.5%
R/€ exchange rate 2009 (average)	13.39 Absa: revised from 14.31
	12.50 FNB: revised from 12.00
R/\$ exchange rate 2009 (average)	10.11 Absa: revised from 10.43
	9.89 Nedcor: revised from 9.70
Gold price per ounce 2009 (average)	\$934 Barnard Jacobs Mellet: no change
	\$840 Absa: revised upwards from \$747
Nominal wage rise 2009	8.2% BER: revised downwards from 9.9%

These forecasts contain the highest and lowest estimates available to us.

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