

SESSION 14:

VALUE OF QUALITY DATA FOR MARKET INSIGHTS

*Industry utilization of market
analytics and insights*

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Engagement Manager – 71point4



1. Labour market
2. Credit
3. Concluding comments

AVAILABLE DATA TO ANALYSE LABOUR MARKET TRENDS

QLFS

- Household survey covering 30 000 dwellings in South Africa
- Explores all employment activities, across all sectors and includes informal activity
- Data includes details on demographics, nature of employment as well as unemployment
- Raw survey data is available, but small sample sizes can limit analysis

QES

- Survey of VAT registered businesses with an annual turnover of more than R300 000
- **Does not include agricultural workers** or employees of small, unregistered businesses
- No demographic data on employees
- Raw survey data is not available

FORMAL
EMPLOYMENT:

QLFS Q2 2024: **11 467 000**

QES Q1 2024: **10 666 615**

*Excluding agriculture. According to the QLFS, formal employment includes employers and own-account workers registered for VAT or income tax, employees on a payroll of VAT-registered businesses, employees paying income tax and those not paying tax but working in firms with five or more workers

AVAILABLE DATA TO ANALYSE LABOUR MARKET TRENDS

SPATIAL TAX DATA

Based off IRP5/IT3a tax form, which is a submission completed by each Pay-as-you-Earn (PAYE) registered employer for all employees earning more than R2000 per annum.

- Data provided in a series of spreadsheets which include dimensions such as
 - Firm size
 - Industry (to 5 digit SIC code)
 - Location (province and municipality)
 - Income
 - Age (youth / non-youth)

EMPLOYMENT EQUITY DATA

- Based on submissions by employers to the EE Commission in the DoL
- Designated employers employ 50+ people / meet turnover thresholds by industry
- All designated employers must submit an employment equity report which includes the employer's details and the profile of the current workforce as well as workforce movement
 - Occupation level
 - Gender
 - Population group
 - Nationality (SA / foreign)

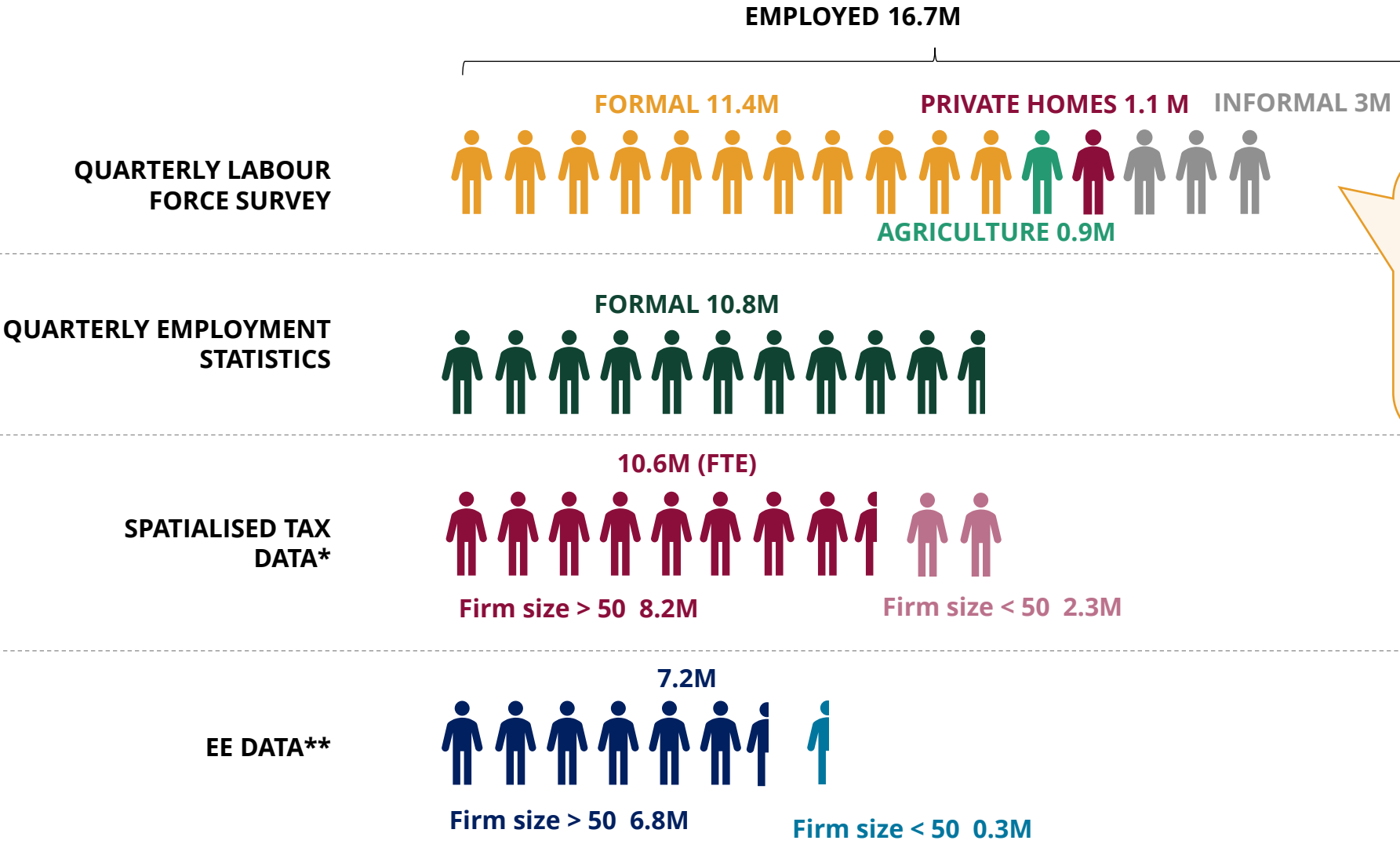
FORMAL
EMPLOYMENT:

TAX DATA 2023: 10 543 574

EE DATA 2022: 7 214 104

*Excluding agriculture. According to the QLFS, formal employment includes employers and own-account workers registered for VAT or income tax, employees on a payroll of VAT-registered businesses, employees paying income tax and those not paying tax but working in firms with five or more workers

According to the QLFS, there are around 16.7 million employed people in South Africa, with 11.2 million in the formal sector



The **formal sector**, as defined by the QLFS, includes businesses and employment arrangements that comply with legal and regulatory frameworks, such as taxation, VAT, and employee benefits. It also includes establishments that employ more than five employees.

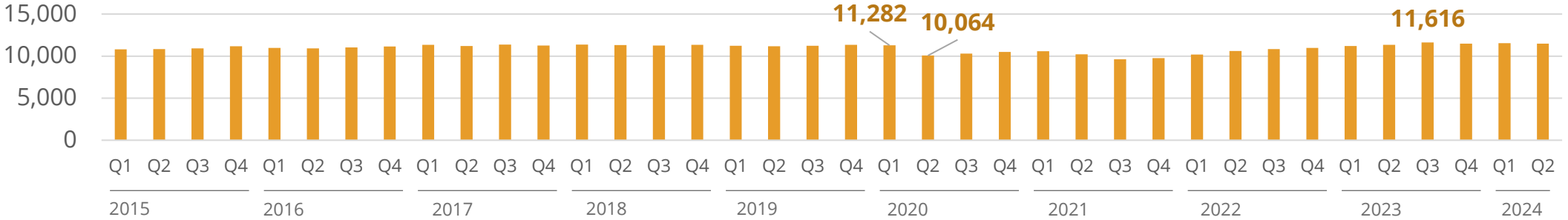
Source: Spatial Tax data, QLFS 2024 Q2 and QES 2024 Q1
 Notes: *Based on the full time equivalent. **The EE data is from 2022

Overall, the formal sector shows limited growth, no matter which data source you look at

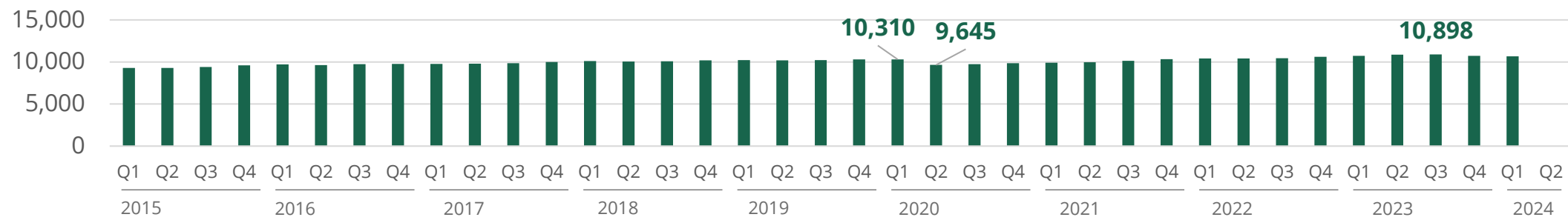
FORMAL SECTOR JOBS IN SOUTH AFRICA

(Thousands of employees)

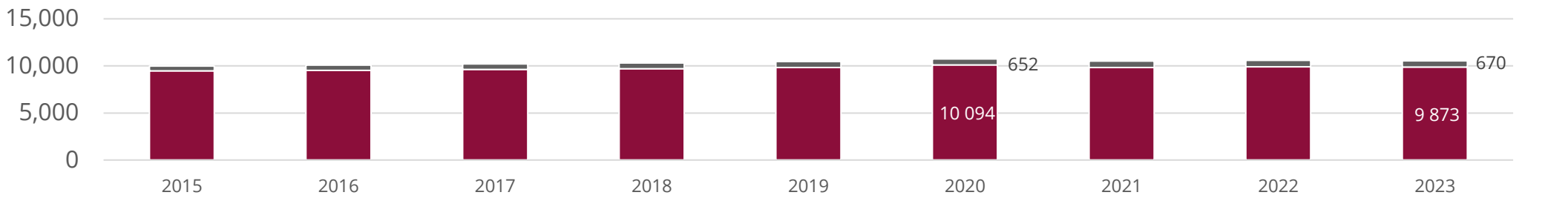
QLFS
(excluding agriculture)



QES
(excluding agriculture)

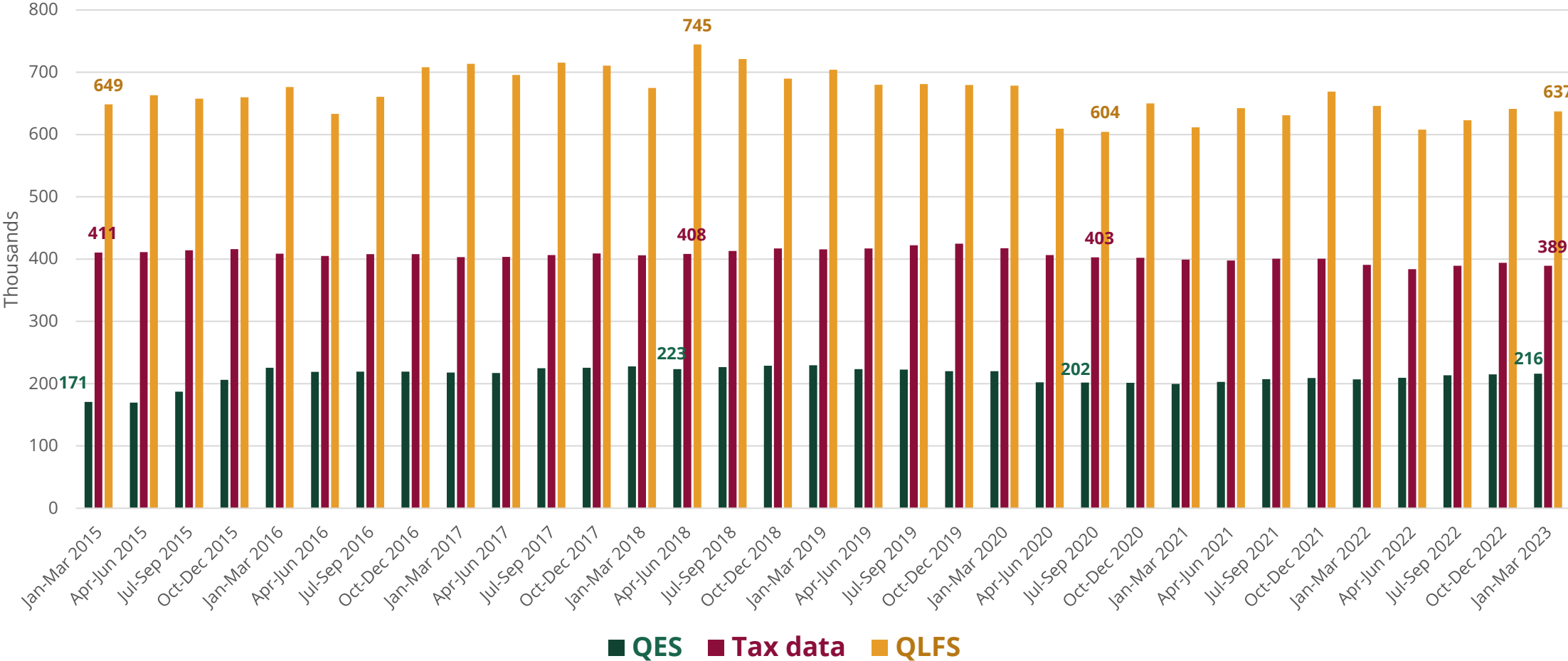


TAX DATA

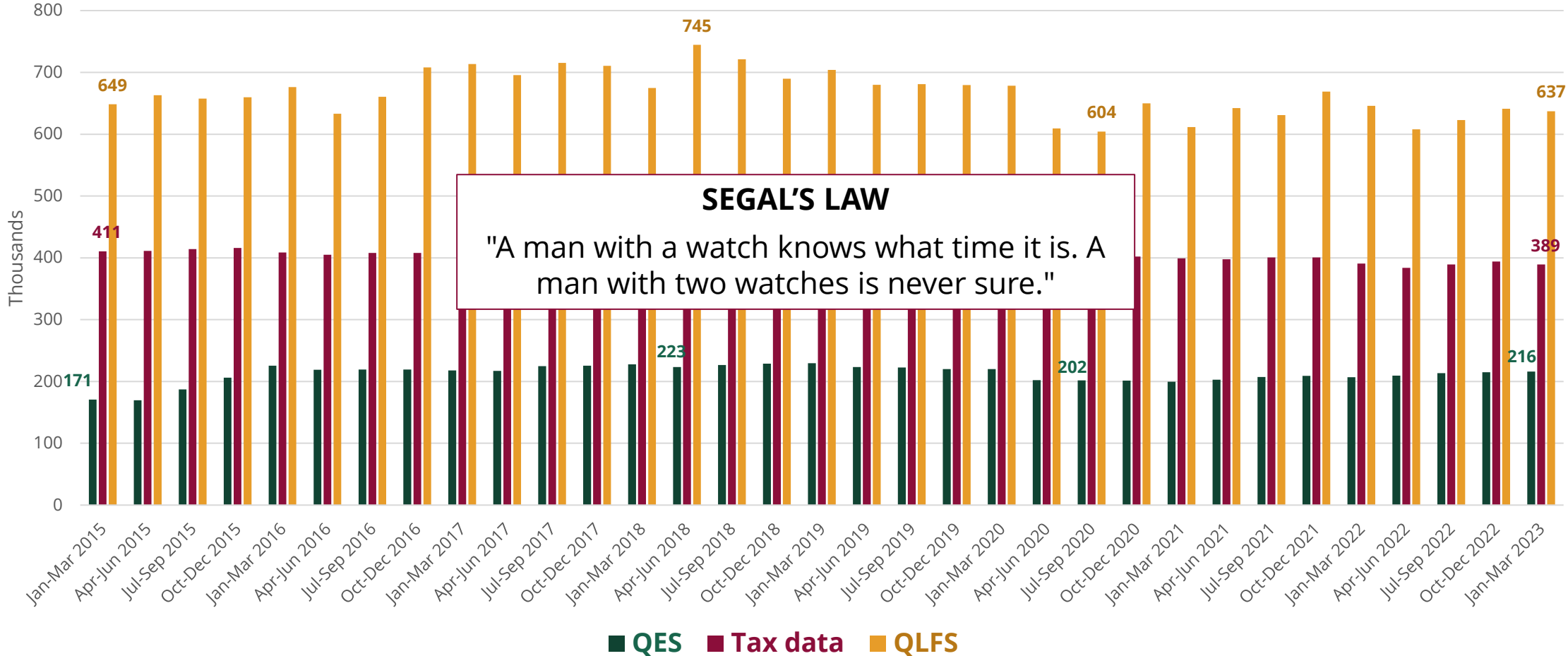


■ Agriculture, Forestry and Fishing

FORMAL TRANSPORT: COMPARISON OF QES, TAX AND QLFS DATA



FORMAL TRANSPORT: COMPARISON OF QES, TAX AND QLFS DATA

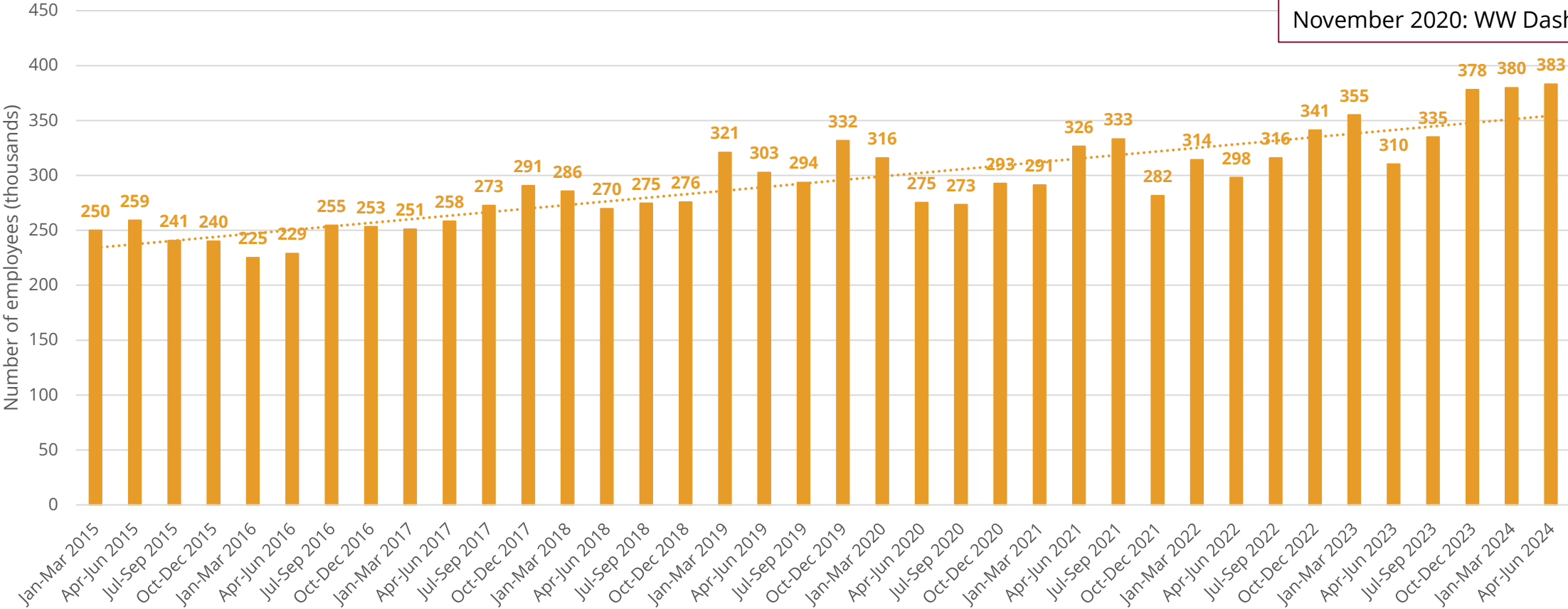


The informal transport sector has grown and now employs over 380 000 people



INFORMAL TRANSPORT SECTOR

March 2013: UBER
 April 2016: Bolt (Taxify)
 November 2019: Sixty60
 November 2020: WW Dash

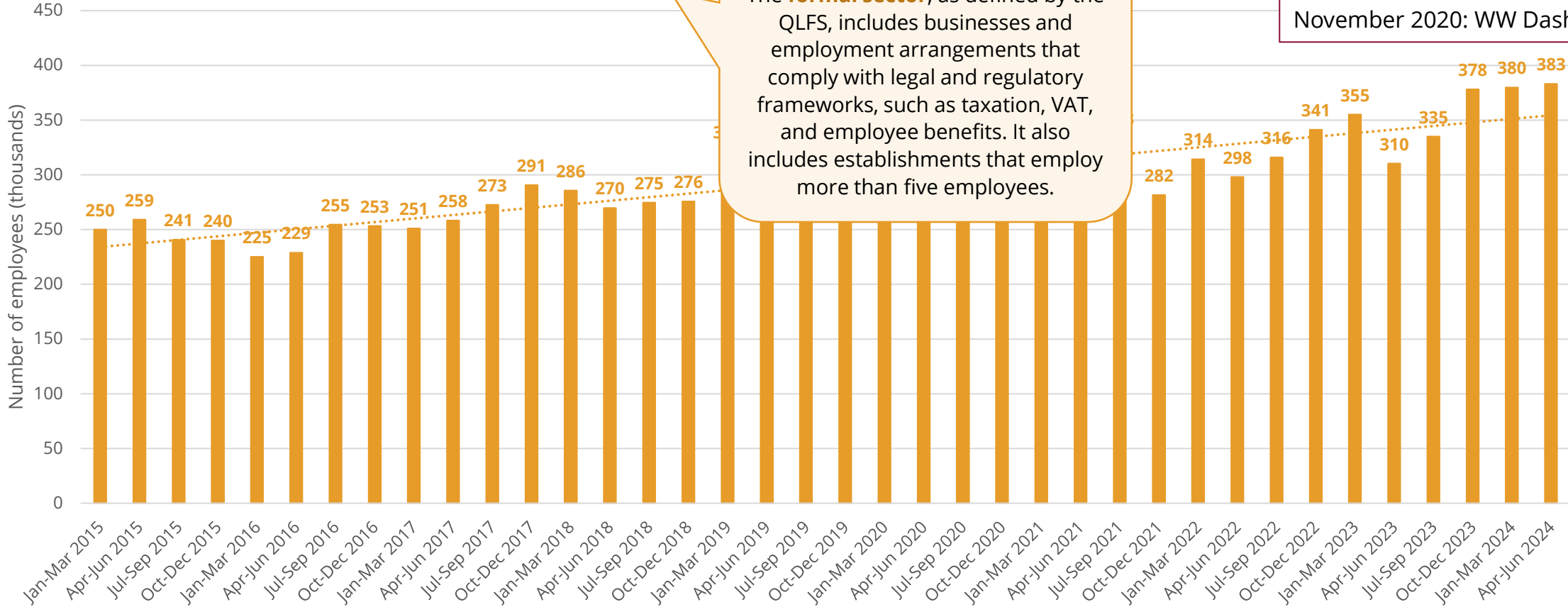


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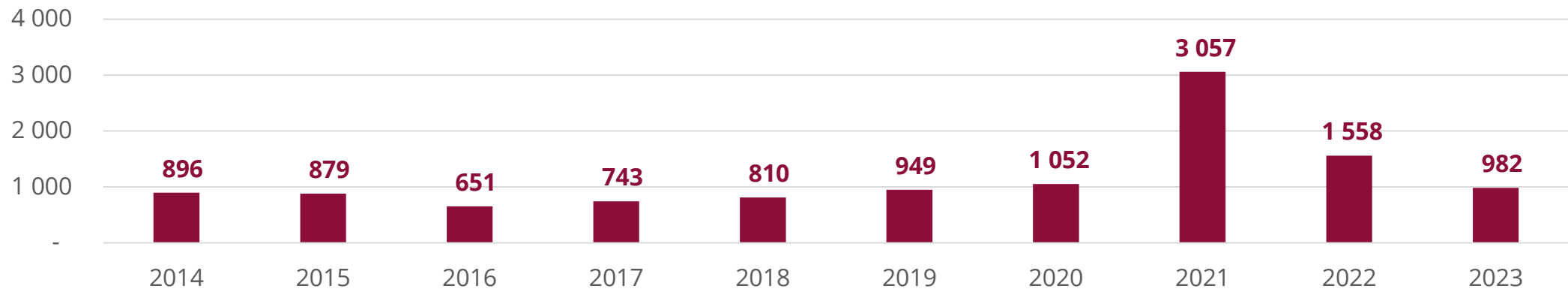


— Taxis

According to the 2013 National Household Survey conducted by Statistics South Africa; taxis are preferred type of road transport. Taxis move sixty eight percent (68 percent) of five point four million passengers (5.4 million) on daily basis and contribute immensely to our economy

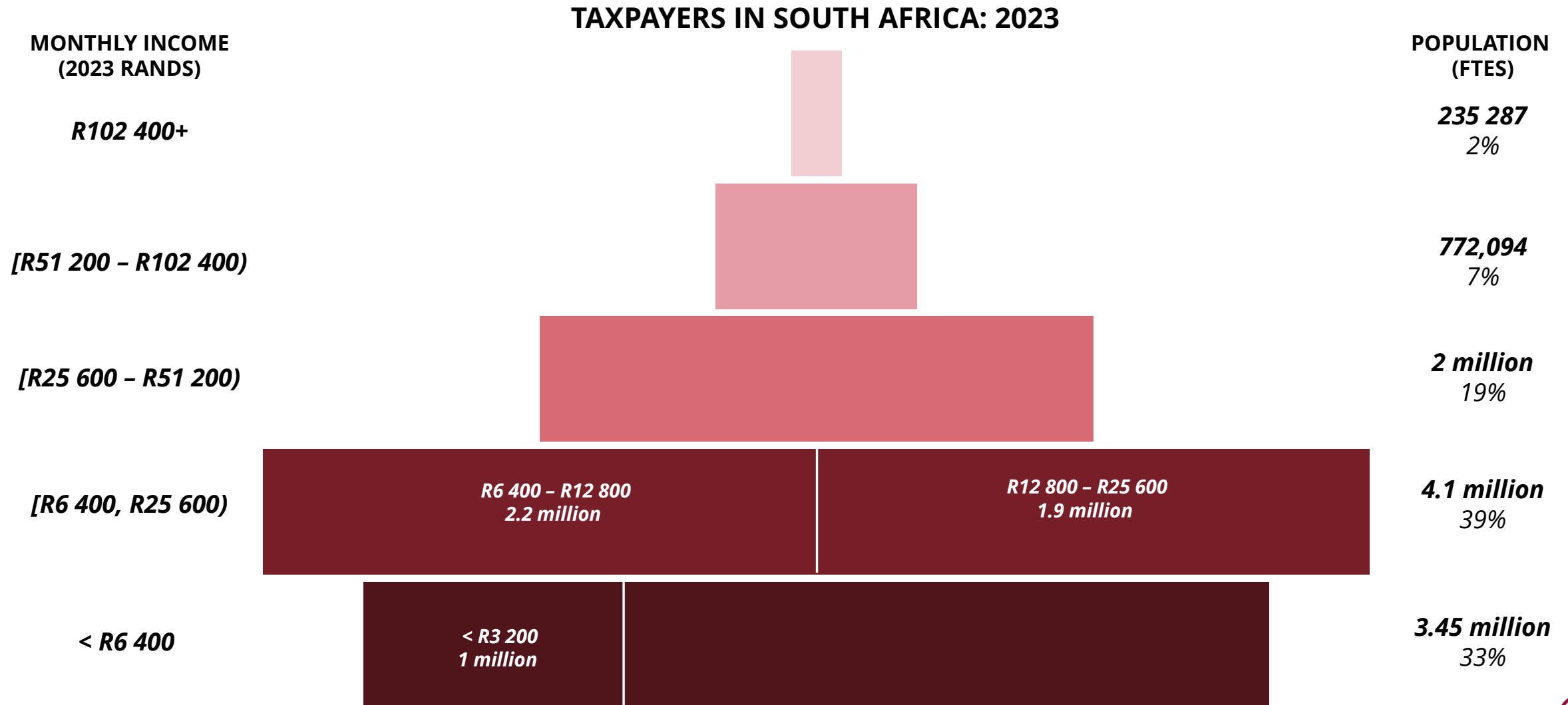
The taxi industry is an over forty billion (R40b) per annum industry, with about 200 000 taxis, that employ approximately 300 000 direct and indirect job opportunities, which includes driver, taxi marshals and administrative support. The Department will be reviewing the Taxi Recapitalisation model to improve its effectiveness and affordability. Expenditure on the review is projected at R188.5 million over the medium term (2015/16 to 2017/18)

MINIBUS TAXI TRANSPORT – FTEs ACCORDING TO TAX DATA



Department of Transport

Spatial tax data includes taxable income. A third of taxpayers earn less than R6 400 per month



There were almost 600 000 additional taxpayers in 2023 compared to 2015, a growth rate of 0.6% per annum

POPULATION
(FTES)

2015
(FTEs: 10 070 753)

Monthly Income
(2023 Rands)

2023
(FTEs: 10 604 113)

POPULATION
(FTES)

215 489
2%

R102 400+

235 287
2%

711 903
7%

[R51 200 – R102 400)

772,094
7%

1.8 million
18%

[R25 600 – R51 200)

2 million
19%

4.1 million
41%

R6 400 – R12 800
2.2 million

R12 800 – R25 600
1.9 million

[R6 400, R25 600)

R6 400 – R12 800
2.2 million

R12 800 – R25 600
1.9 million

4.1 million
39%

3.26 million
33%

< R3 200
1 million

< R6 400

< R3 200
1 million

3.45 million
33%

SOME QUESTIONS

❖ Who came up with the definition of formal / informal employment?

Informal employment, as defined by the QLFS, identifies people in precarious employment situations, irrespective of whether the entity for which they work is in the formal or informal sector. Persons in informal employment therefore comprise all persons in the informal sector, employees in the formal sector and persons working in private households who are not entitled to or receive basic benefits such as pension or medical aid contributions from the employer, and who do not have a written contract of employment

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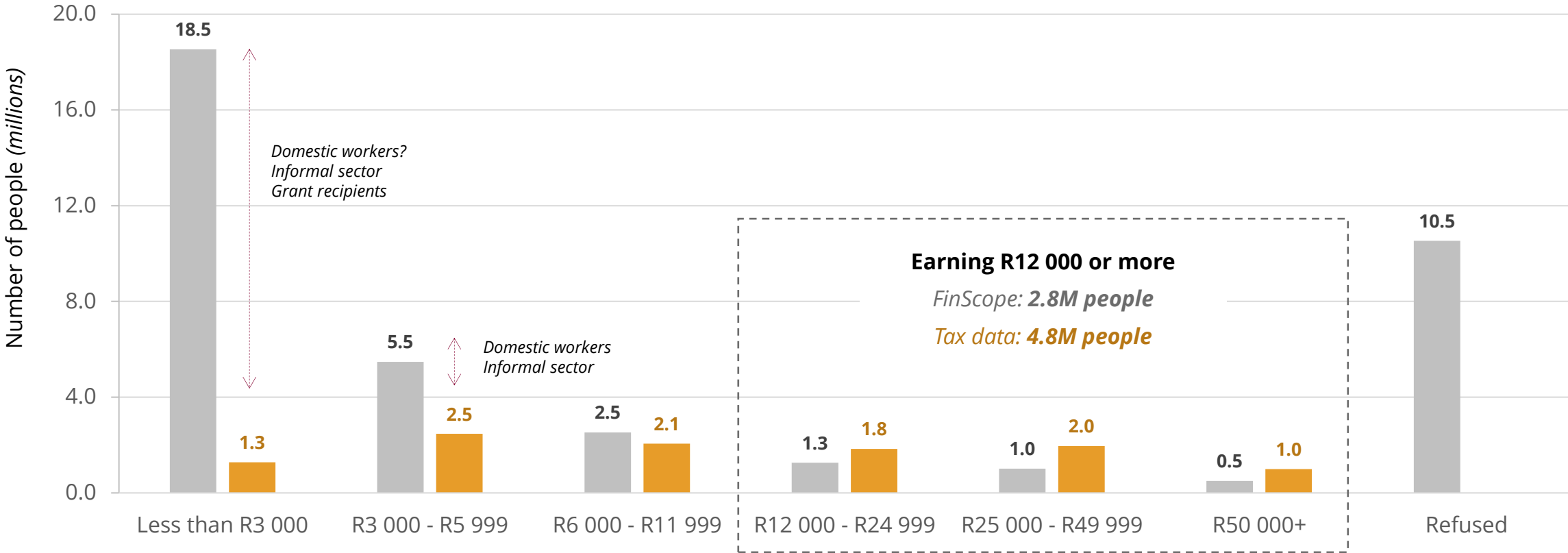
❖ Do they care about the same things we care about?

❖ What do we care about?

PERSONAL MONTHLY INCOME: FINSCOPE COMPARED TO TAX DATA

2021

■ FinScope 2021 ■ Tax data 2021

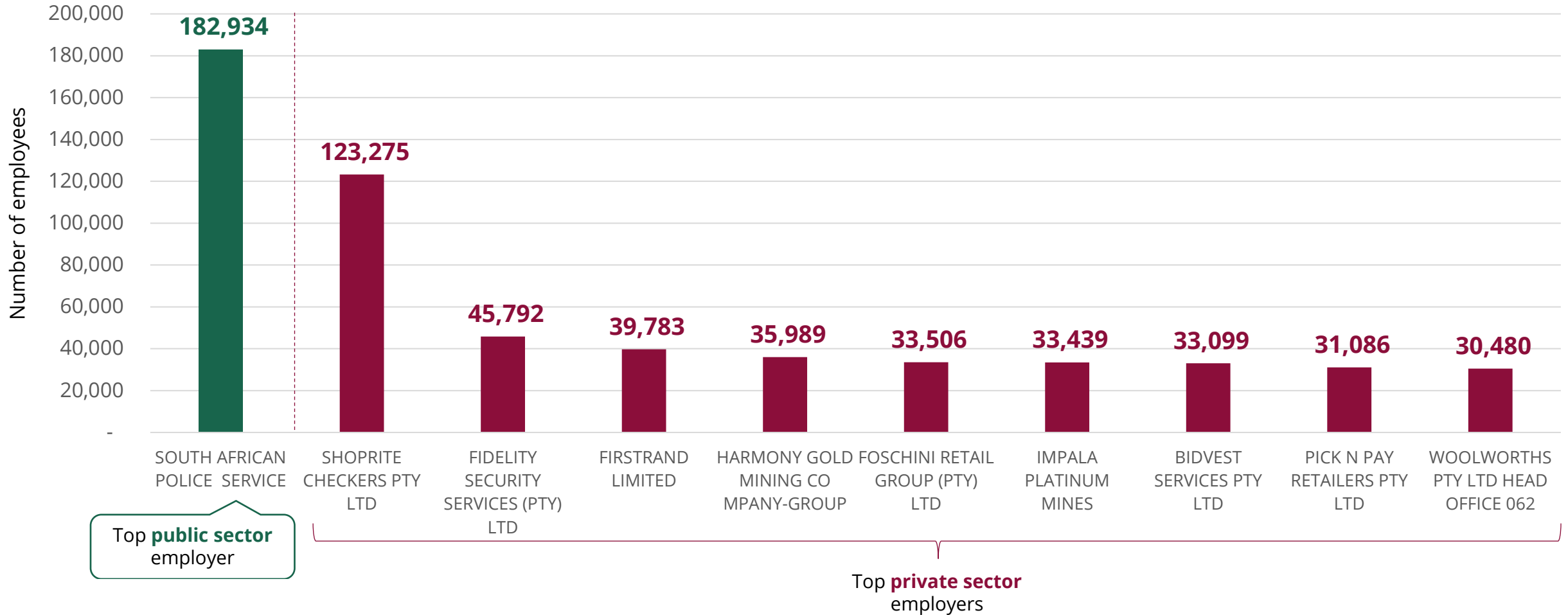


FinScope and SARS income bands do not align. The chart uses FinScope bands. Tax data thresholds that align closest to FinScope are R3200, R6400, R12 800, R25 600 and R51 200

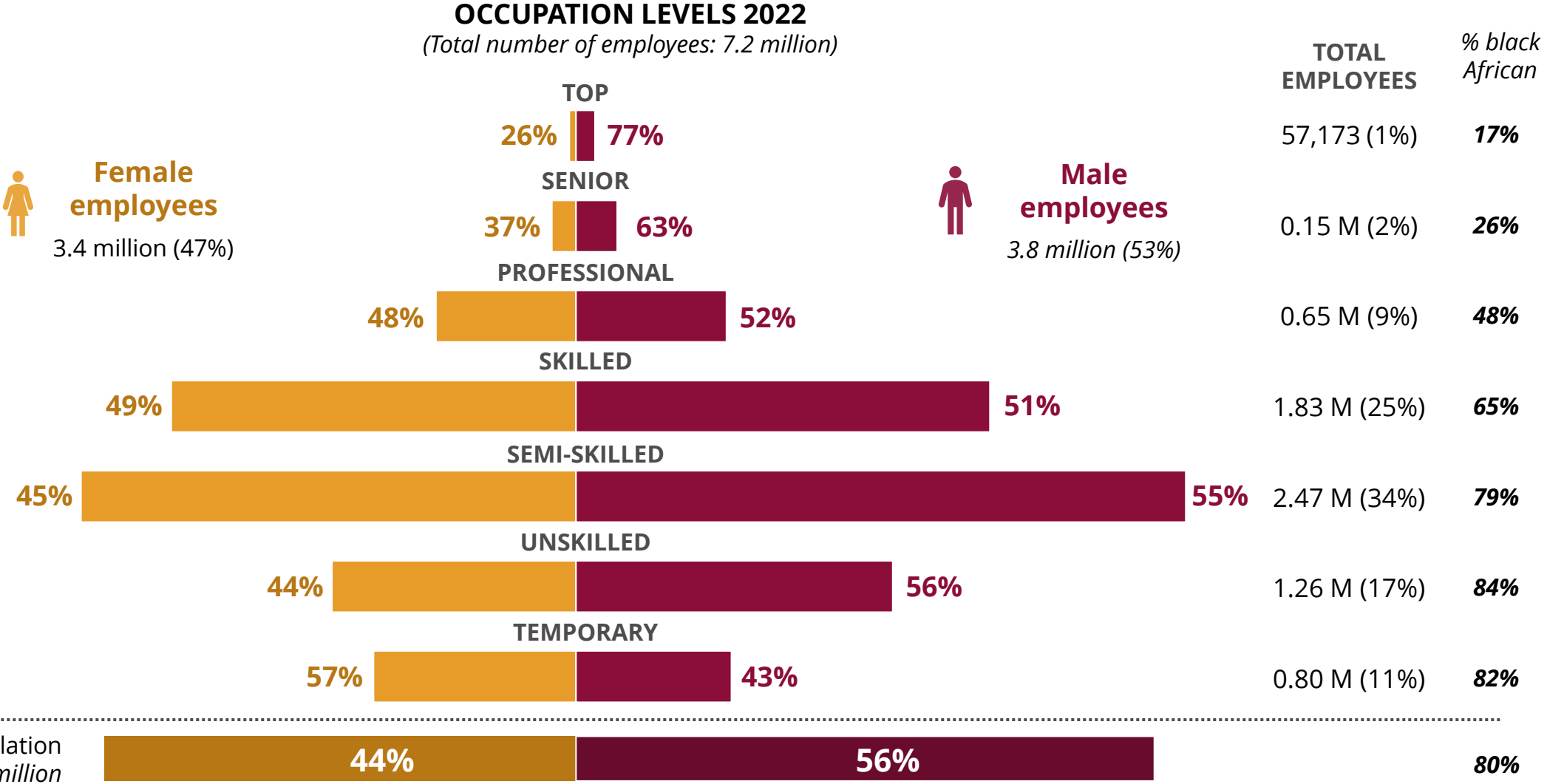
EE data provides insight into employment dynamics at a firm level

NUMBER OF EMPLOYEES FOR TOP EMPLOYERS IN SA

(2022)



It also contains data on race and gender. Compared to the economically active population, women are under-represented, most notably at senior and top levels



Female employees
3.4 million (47%)

Male employees
3.8 million (53%)

There is a stark contrast when comparing the percentage of Black Africans in top and senior management positions between the government and private sector



EMPLOYEES 2022

GOVERNMENT AND SOE (1.24 million employees)

PRIVATE SECTOR (5.26 million employees)

	FEMALE		MALE		Total	% Black African	Total	% Black African
TOP	38%	62%	2 301	71%	52 446	14%		
SENIOR	42%	58%	14 410	73%	123 465	20%		
PROFESSIONAL	55%	45%	177 910	73%	388 821	35%		
SKILLED	59%	41%	498 278	81%	1 125 699	57%		
SEMI-SKILLED	56%	44%	323 614	84%	2 006 668	79%		
UNSKILLED	47%	53%	117 430	88%	1 050 910	83%		
TEMPORARY	76%	24%	104 705	91%	515 239	78%		

Source: Company level EE reports (2022)

Note*: Filtered on firms with business type as one of the following: Private Sector, Local Government, Provincial Government, National Government or SOE. Excluding NPOs and Educational Institutions. The percentages in the chart indicate percentages of the total in the occupation level



Employment Equity Data Dashboard

<https://www.71point4.com/Projects/employment-equity-dashboard/>

Navigate to dashboards...

Firms Snapshot

Employment Snapshot

Employment Trends

Company Snapshot

Company Trends

What is the Employment Equity Data Dashboard?

The Employment Equity Data Dashboard has been created by [71point4](#) to display all the employment equity reports submitted by designated employers to the Department of Labour in South Africa from 2013 to 2022. Subsequent years will be added as the data is published by the DoL. This dashboard can offer insights on employment trends, racial and gender transformation, recruitment and terminations, all at an aggregated level and a firm-level. This firm-level perspective can, in turn, provide insights on the structure of different transformation strategies and how successful they are. No other publicly available dataset allows for such perspectives.

Background to accessing the employment equity data

Between 2018 and 2021, 71point4 engaged with the Department of Labour (DoL) to access EEA2 reports filed by employers in compliance with the Employment Equity Act. These forms are public documents that are submitted to the DoL on an annual basis, providing a detailed breakdown of each employer's workforce by race, gender, and occupation level. Following a lengthy legal process, we managed to liberate this valuable dataset and developed the software needed to transform the raw data into a format suitable for analytics. We created the Employment Equity Data Dashboards to display the raw data in a visually accessible and useful format for the public.

THE SORBET EXPERIENCE (PTY) LTD

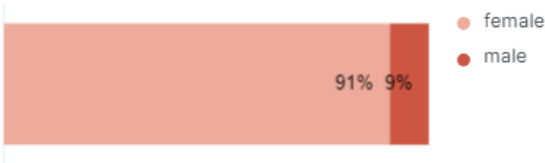
2022

Overall Employment Metrics

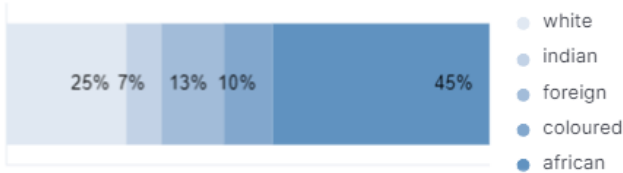
NUMBER OF EMPLOYEES



PERCENTAGE OF EMPLOYEES BY GENDER



PERCENTAGE OF EMPLOYEES BY POPULATION GROUP

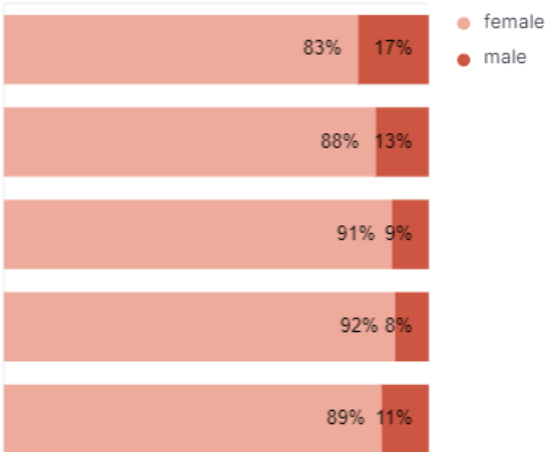


Employment by Occupation Level

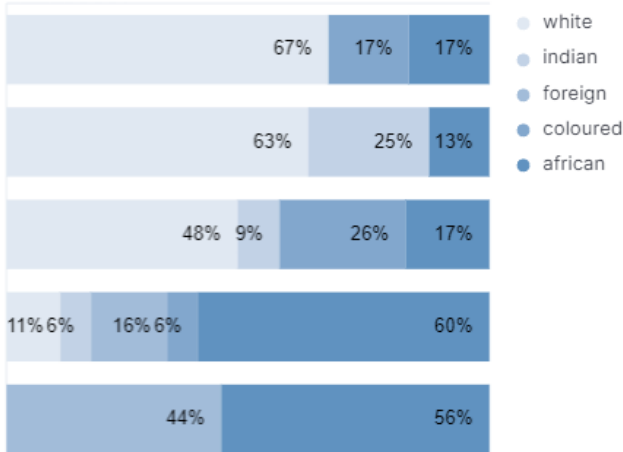
NUMBER OF EMPLOYEES BY OCCUPATION LEVEL



PERCENTAGE OF EMPLOYEES PER OCCUPATION LEVEL BY GEN...

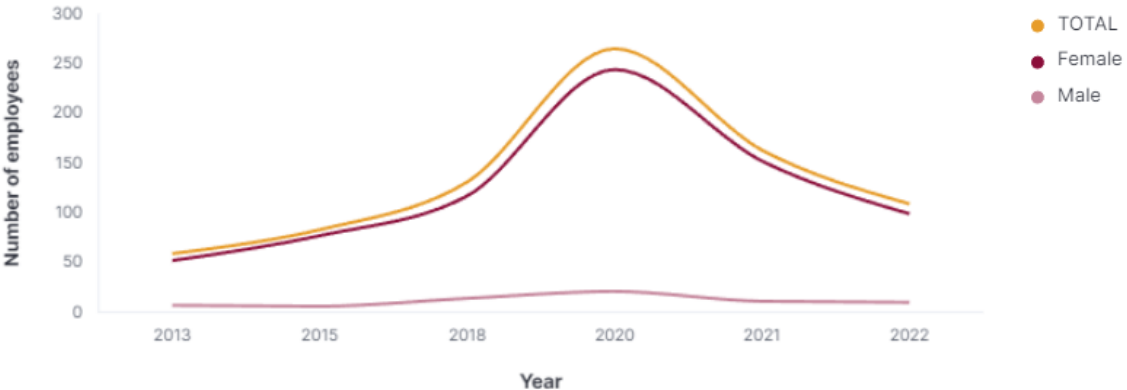


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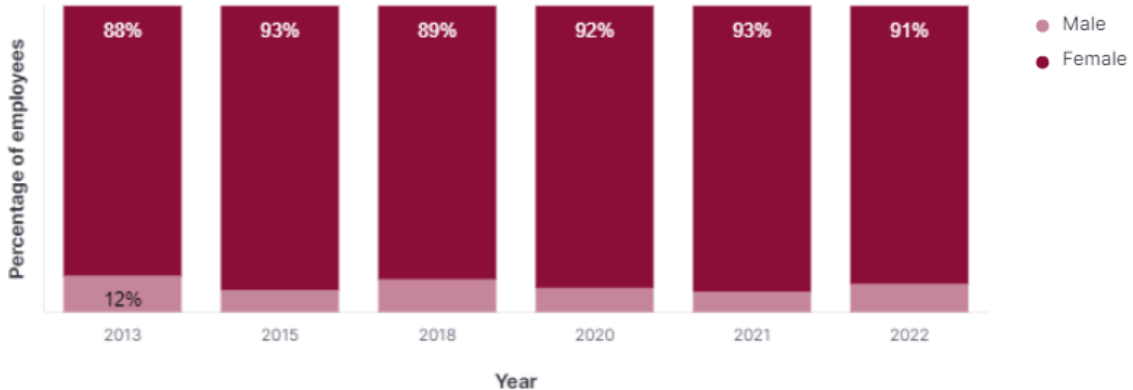


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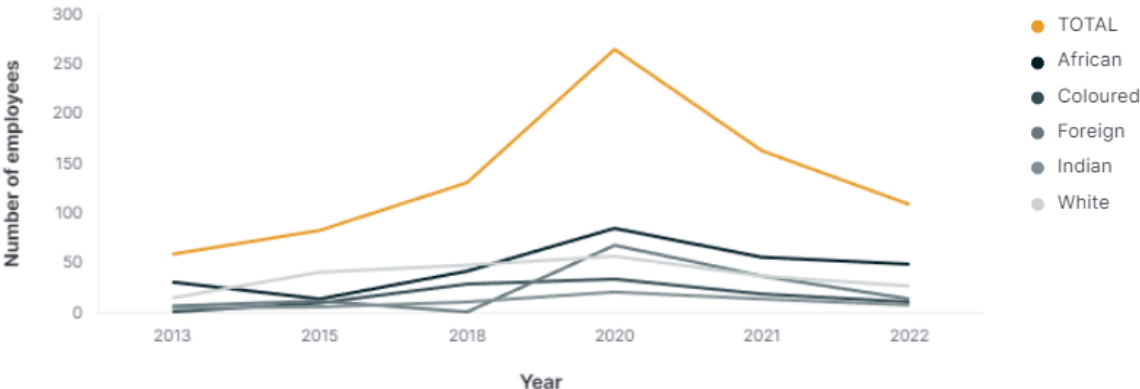
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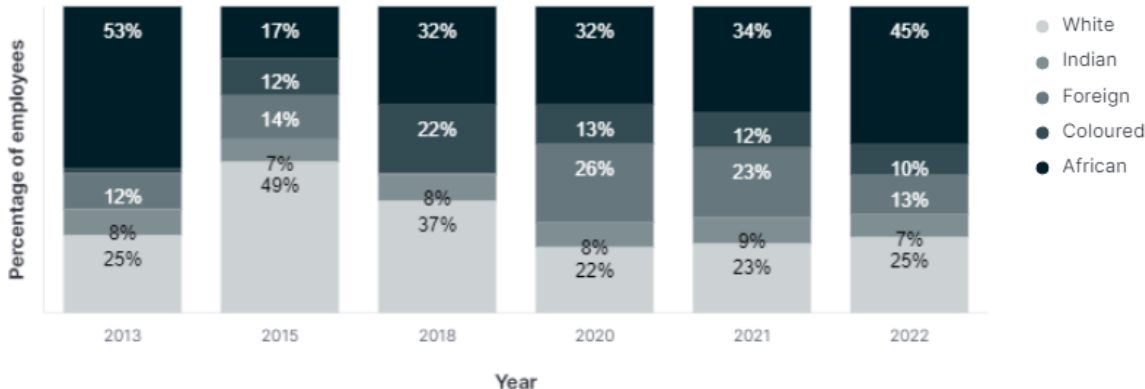
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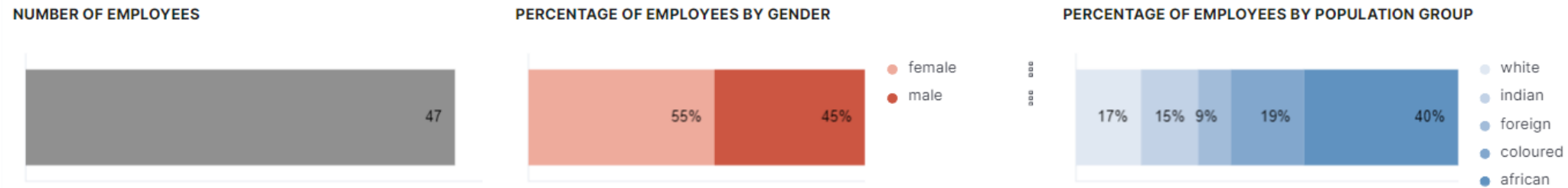
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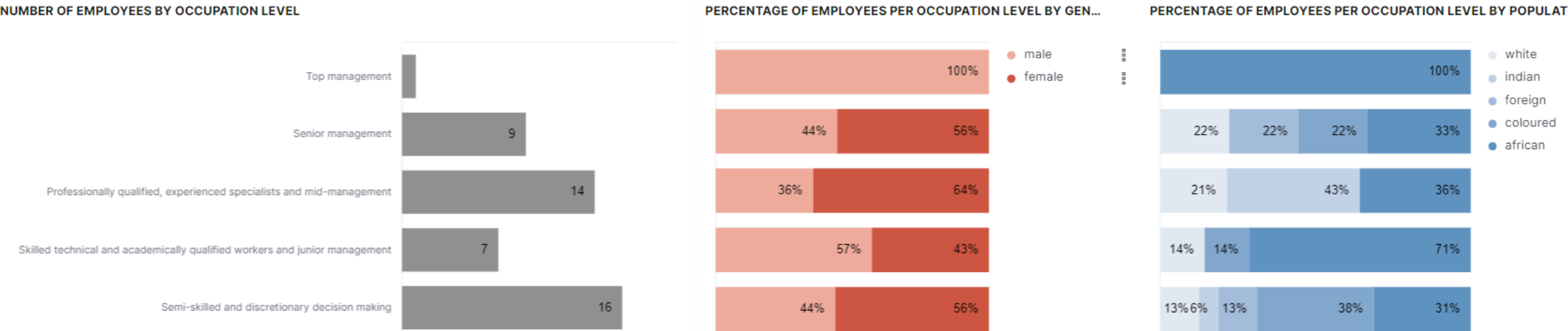
UBER SOUTH AFRICA TECHNOLOGY PROPRIETARY LIMITED

2022

Overall Employment Metrics



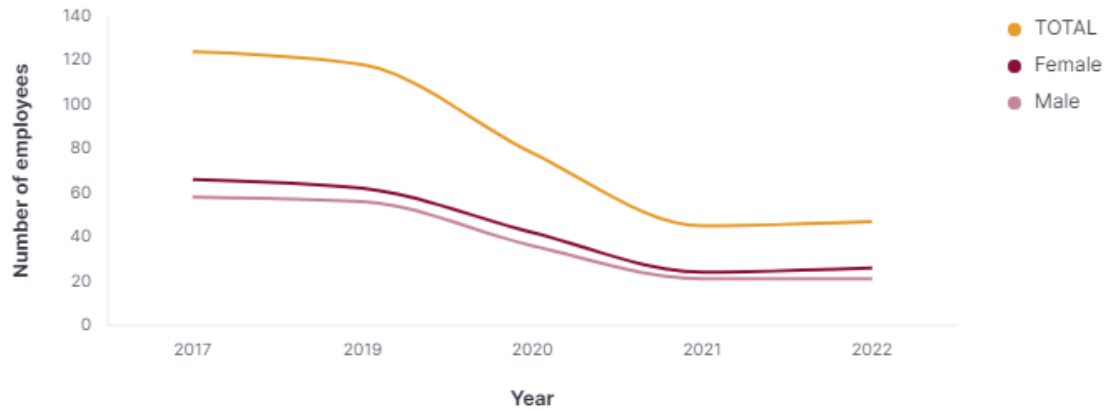
Employment by Occupation Level



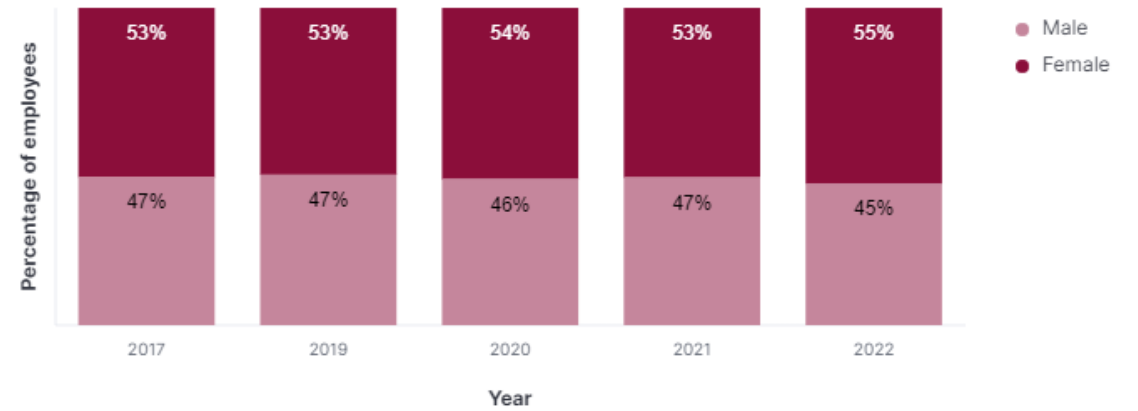
UBER SOUTH AFRICA TECHNOLOGY PROPRIETARY L IMITED



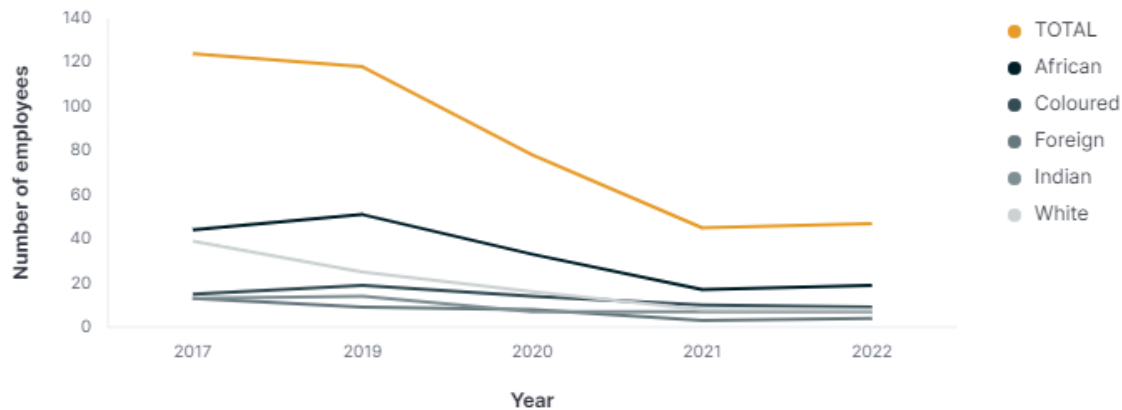
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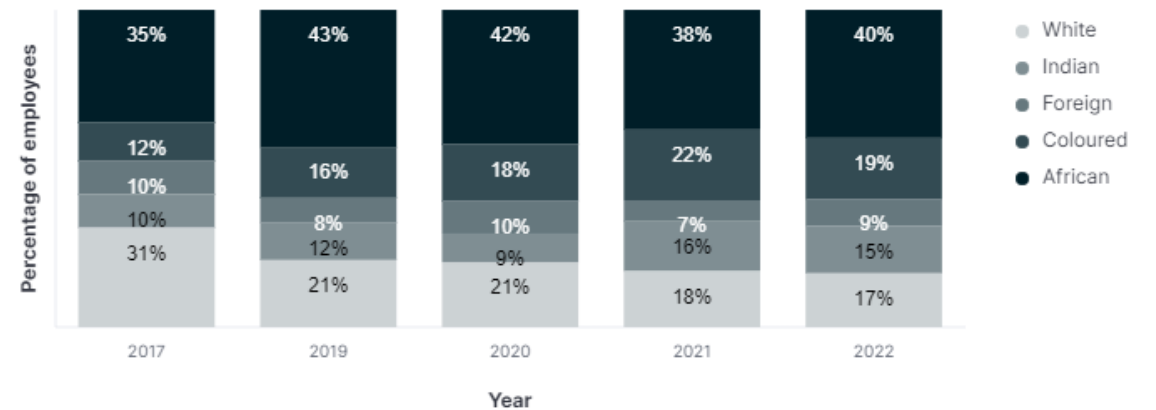
PERCENTAGE OF EMPLOYEES BY GENDER



NUMBER OF EMPLOYEES BY POPULATION GROUP



PERCENTAGE OF EMPLOYEES BY POPULATION GROUP



YOCO TECHNOLOGIES (PTY) LTD

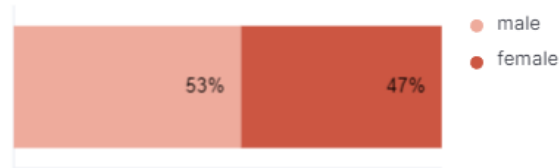
2022

Overall Employment Metrics

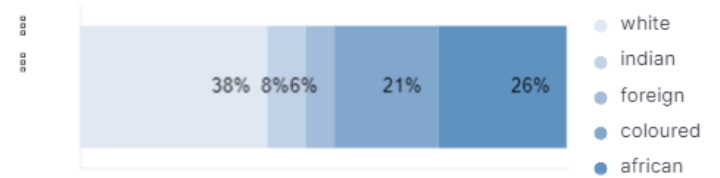
NUMBER OF EMPLOYEES



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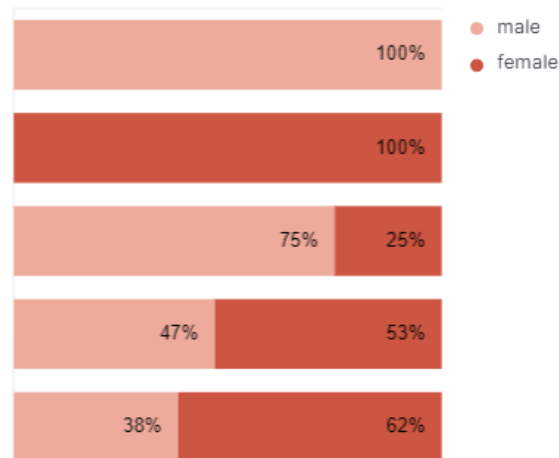


Employment by Occupation Level

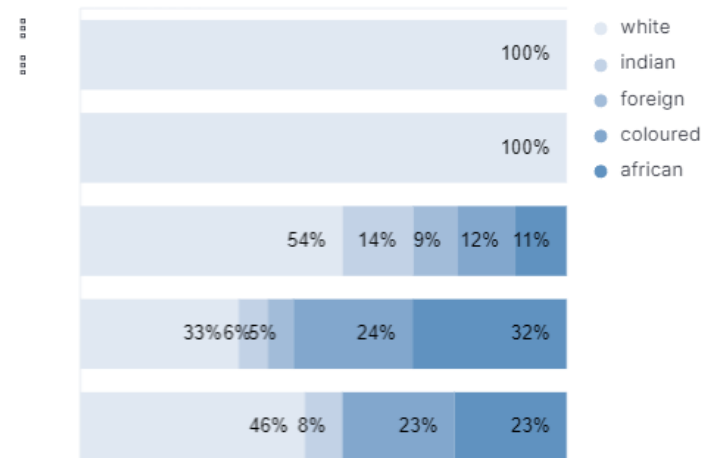
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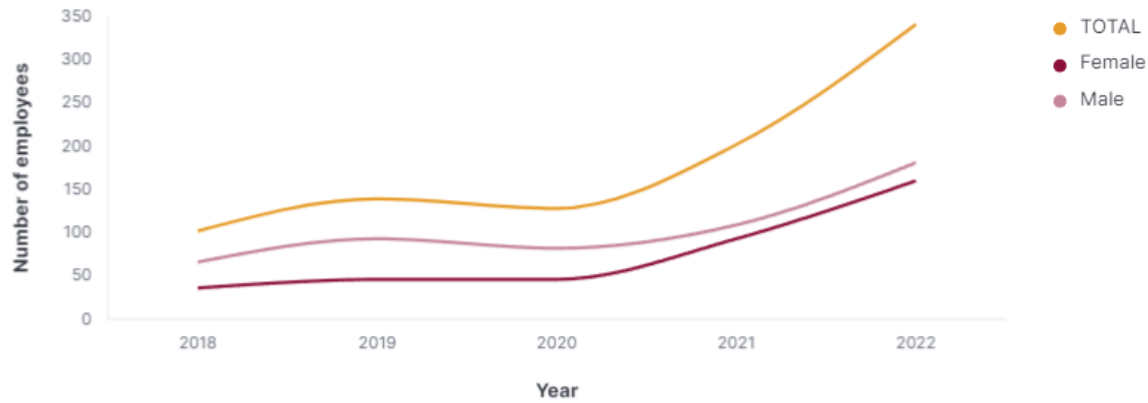


PERCENTAGE OF EMPLOYEES PER OCCUPATION LEVEL BY POPULAT

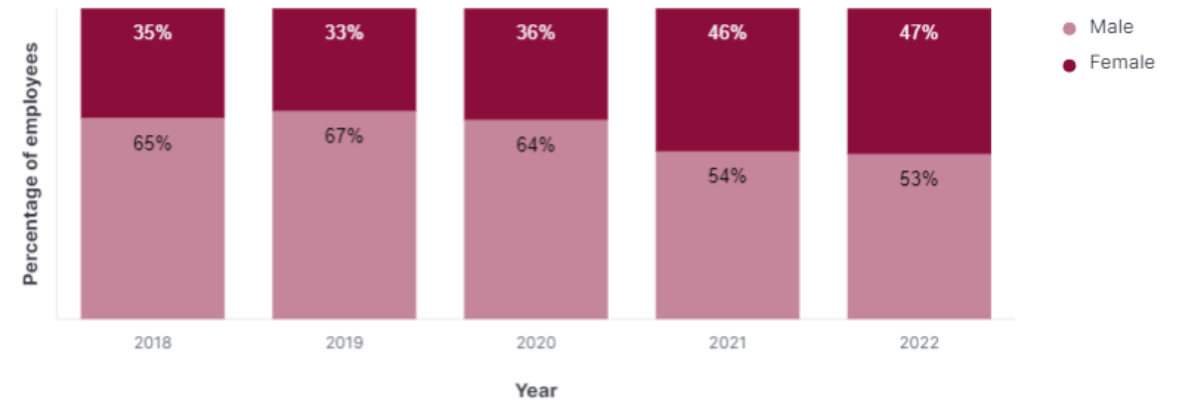


YOCO TECHNOLOGIES (PTY) LTD

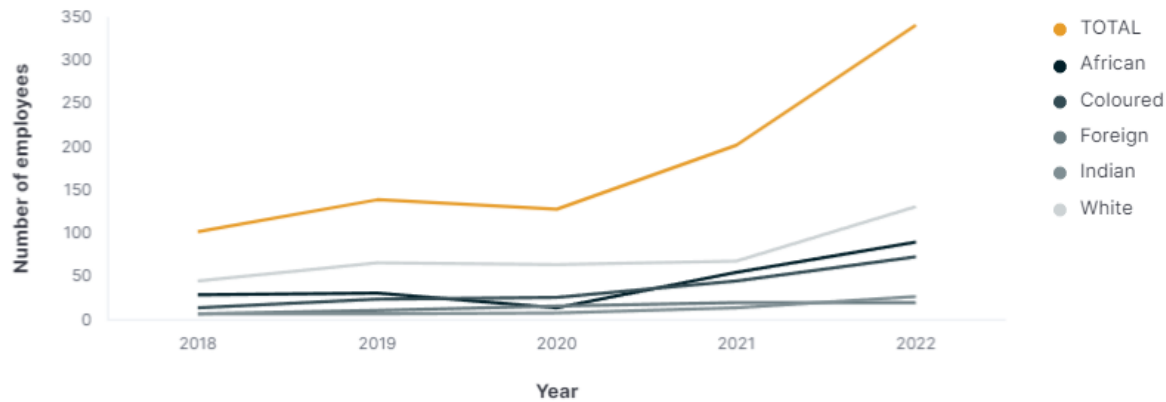
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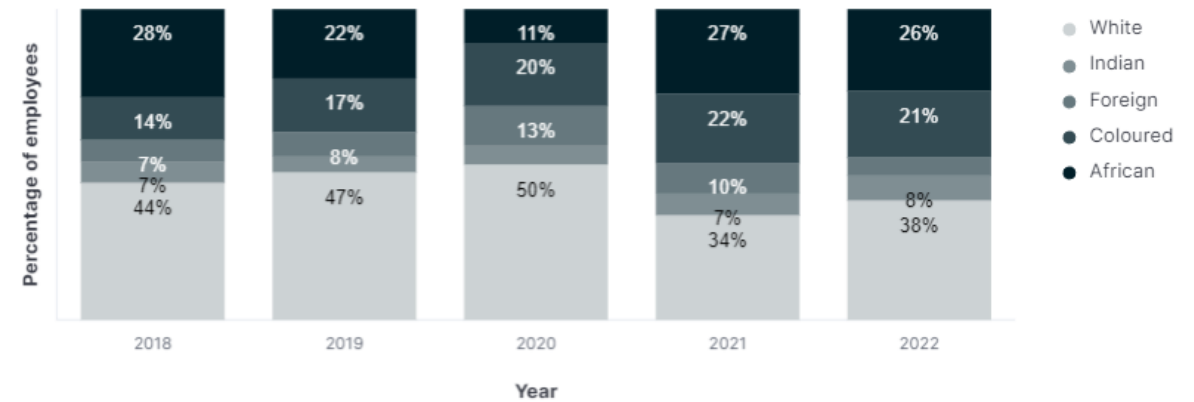
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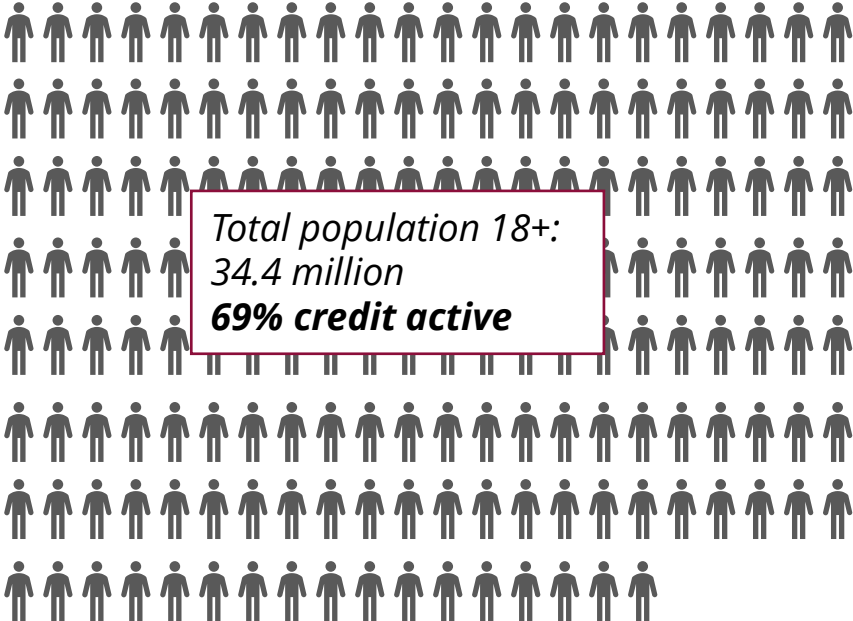


1. Labour market
2. Credit
3. Concluding comments

According to the latest Credit Bureau Monitor there are 27.5 million individuals who are credit active in South Africa

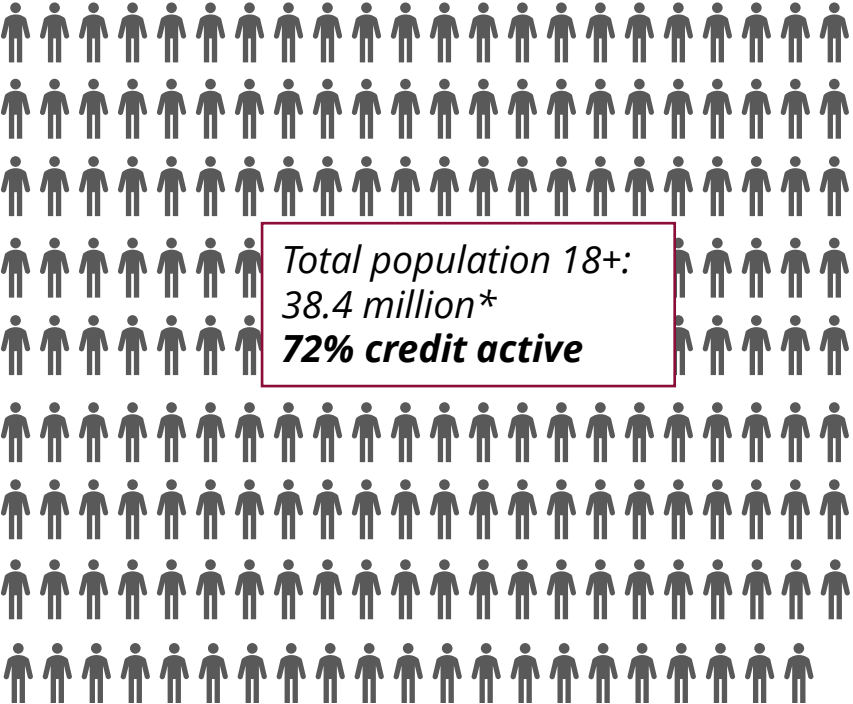
CREDIT STANDING OF CREDIT ACTIVE CONSUMERS

2015 Q4



23.7 MILLION

2023 Q4



27.5 MILLION

Source: NCR, Stats SA mid-year population statistics
Note* 2022 mid-year population statistics. Stats SA did not post 2023
Note: definition of credit active includes any individual who has had some credit activity in the past two years, including closing the account

The number of 'credit active' consumers has increased by 1.9% per annum. If we restrict this to those with open accounts (current to 3+) the number has increased by 2.8% per annum

CREDIT STANDING OF CREDIT ACTIVE CONSUMERS

2015 Q4



23.7 MILLION
(19.1 excluding adverse / judgements)

- CURRENT**
- 1 - 2 MONTHS ARREARS**
- 3+ MONTHS ARREARS**
- ADVERSE LISTINGS**
- JUDGEMENTS AND ADMIN ORDERS**

2023 Q4

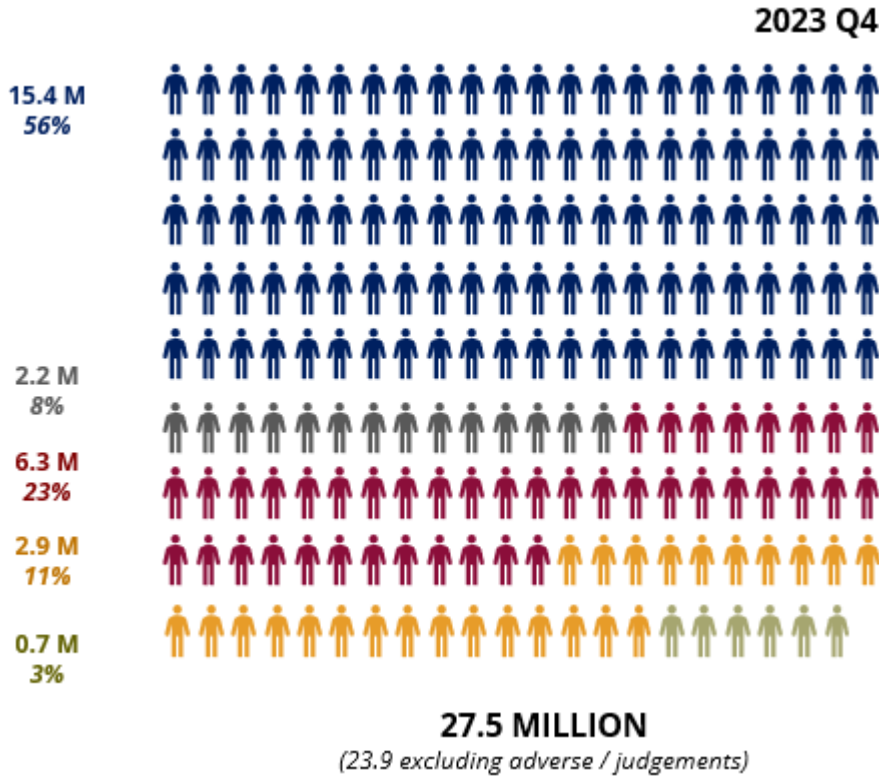
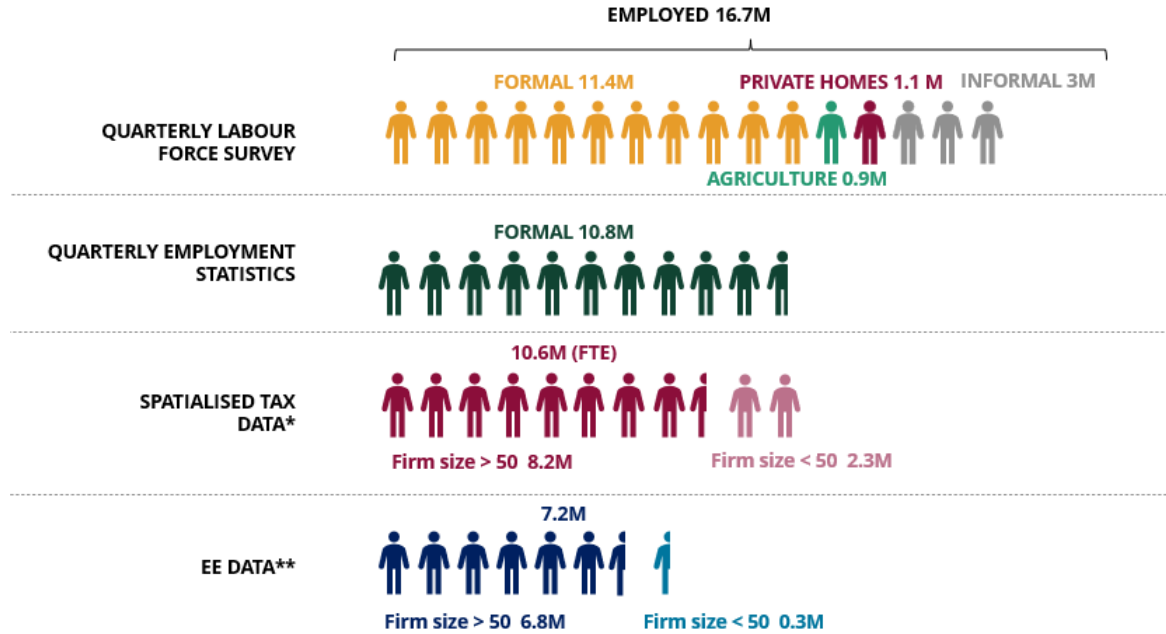


27.5 MILLION
(23.9 excluding adverse / judgements)

THIS

TO

THAT?

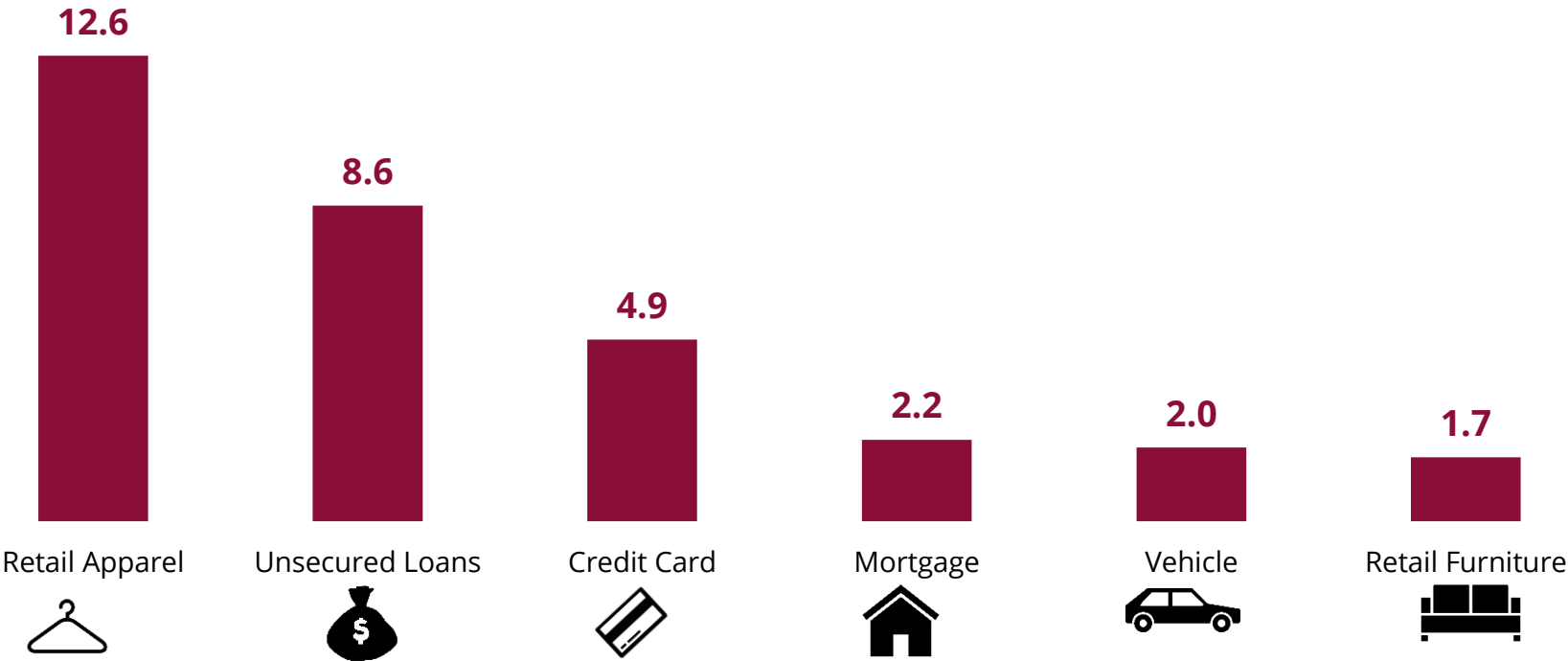


Firstly, THAT could be wrong. According to VCCB data there are around 22.2 million consumers with an open account*, or 51% of the population aged 18 or more



CREDIT CONSUMERS: OPEN ACCOUNTS

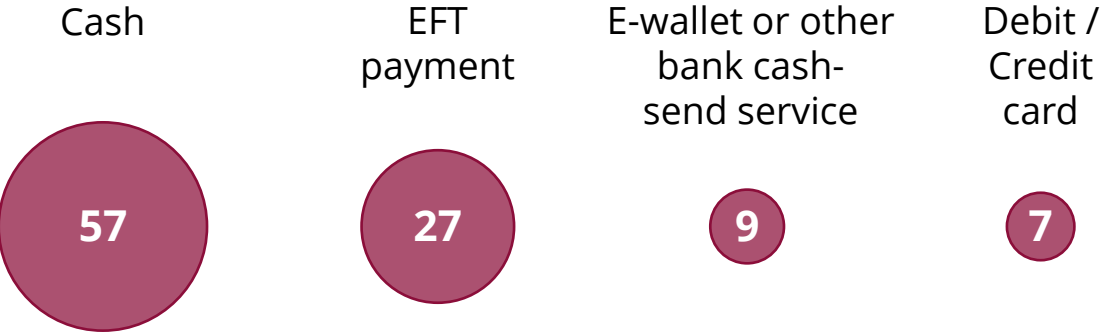
(August 2024, Millions)



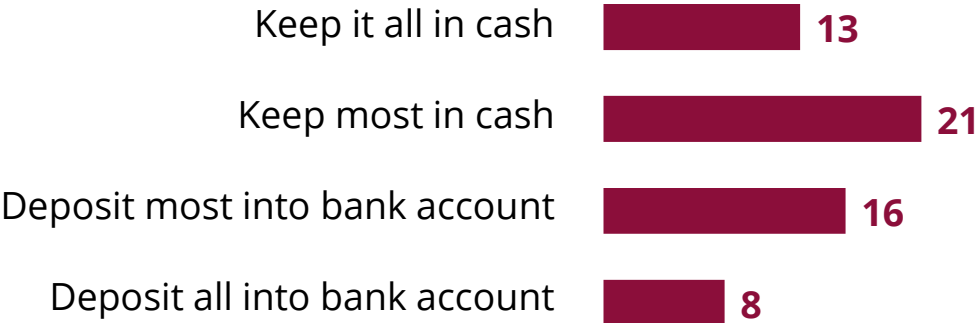
Source: VCCB data
Note: An open account is one that has not been closed and has an outstanding balance

How many informal sector workers are credit active? In a tiny survey we ran with small businesses almost half (45%) only receive payments in cash

In the past 12 months, what were all the ways that you received payments related to your business?



Do you deposit cash earned from the business into a bank account?



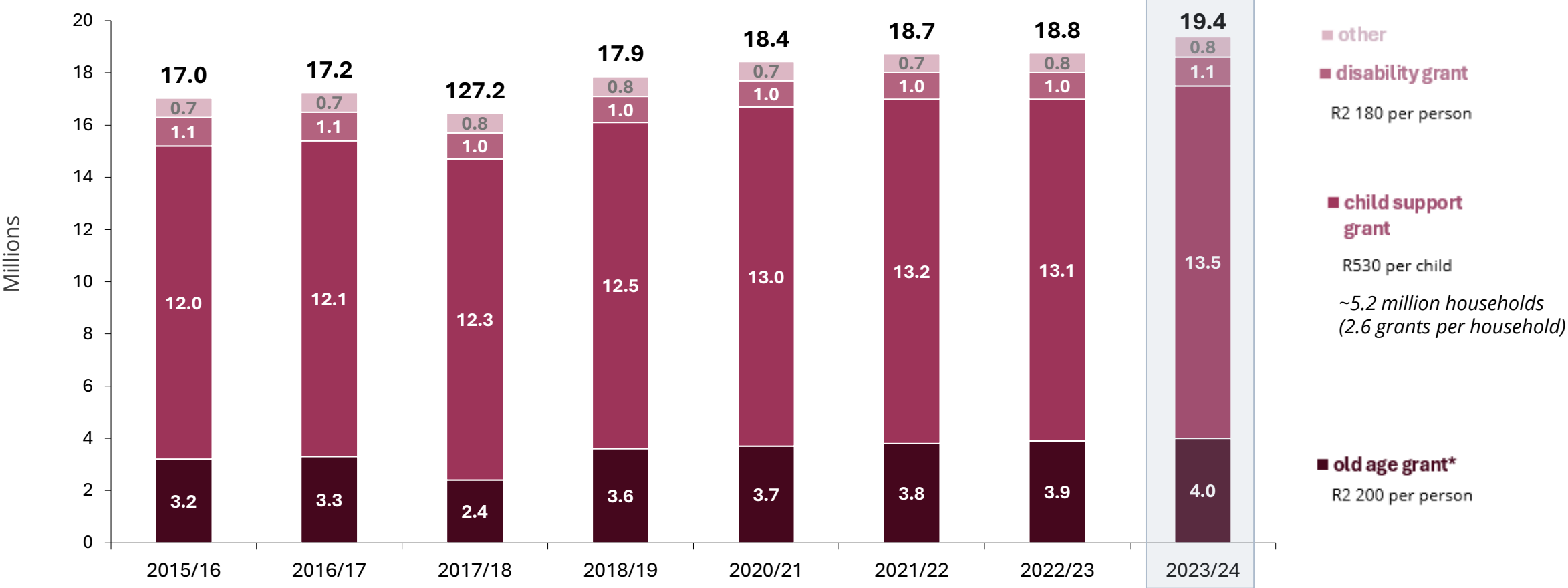
- Cash payments dominate, all business except for one business that operates online receive payments in cash
- 26 businesses ONLY receive payments in cash
- Even for those that do accept non-cash payments, these tend to be the minority of payments received
- While a large number of payments are received in cash 24 respondents (just under half) said that they deposit most or all of their cash into a bank account

Source: IFC Alternative Data study

Many grant recipients are credit active. Perhaps it would be prudent to include only old age grant recipients in the credit addressable market



NUMBER OF GRANT RECIPIENTS
(2015/16 – 2023/24)



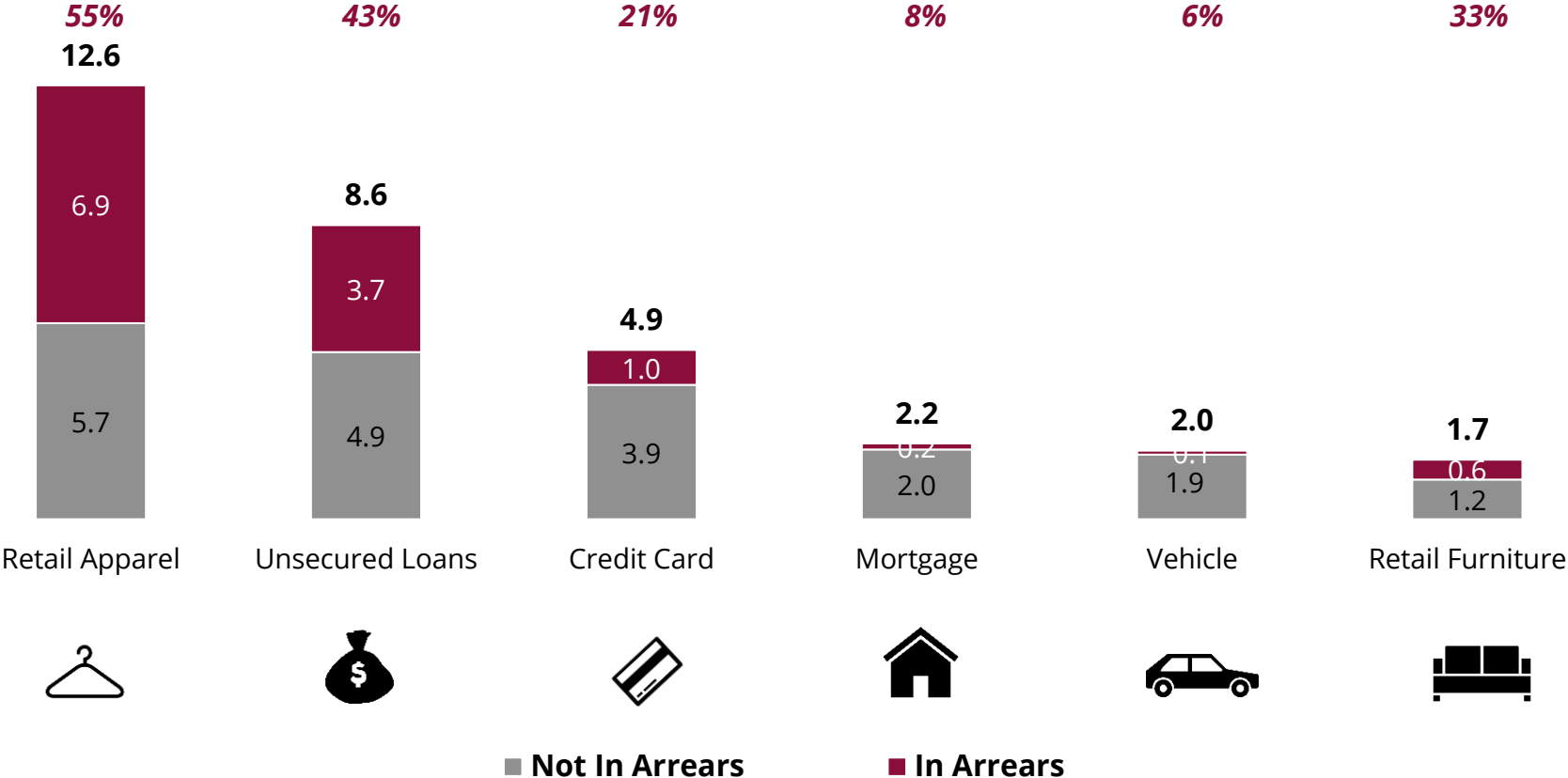
Source: Treasury (Budget 2023, 2020 and 2017: Estimates of National Expenditure; Vote 17 – Social Development Table 19.1. Note: ‘Other’ includes War Veterans, Foster Care, Care Dependency, and Grant-in-aid
 Note: *If older than 75, grant value is R2 180

We also see high levels of arrears in VCCB data. Churn in the labour market could be a factor

CREDIT CONSUMERS: OPEN ACCOUNTS BY STATUS

(August 2024, Millions)

% in arrears
(90+ days)

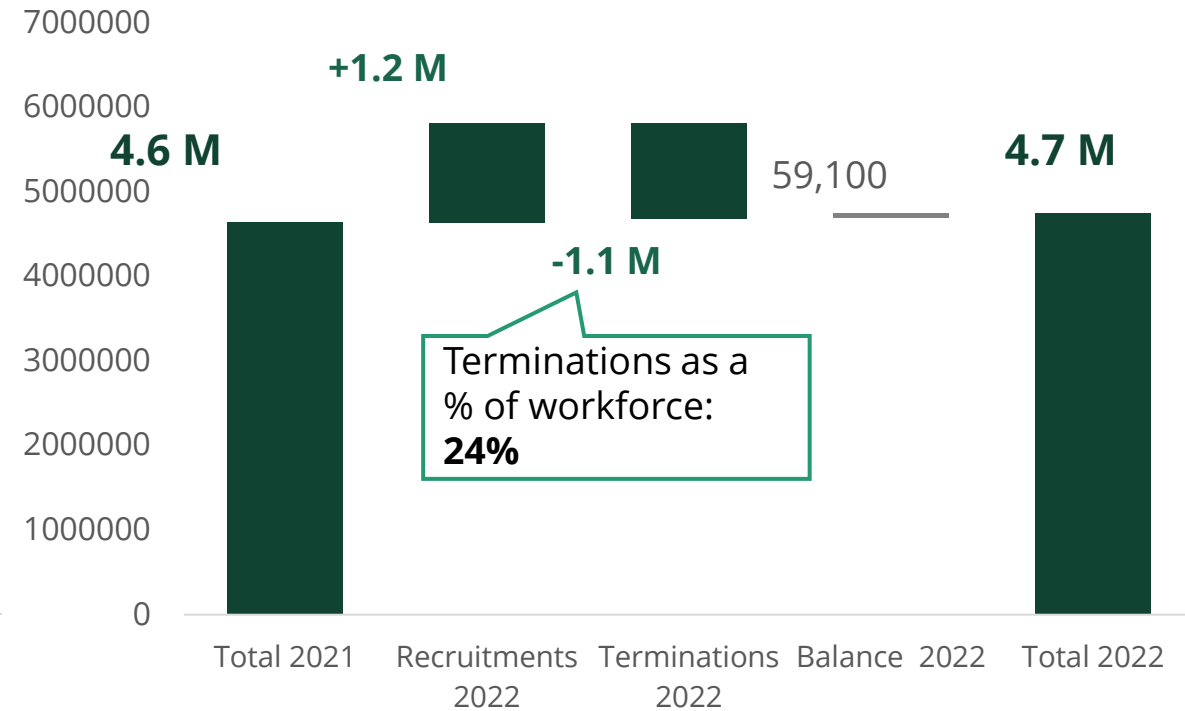
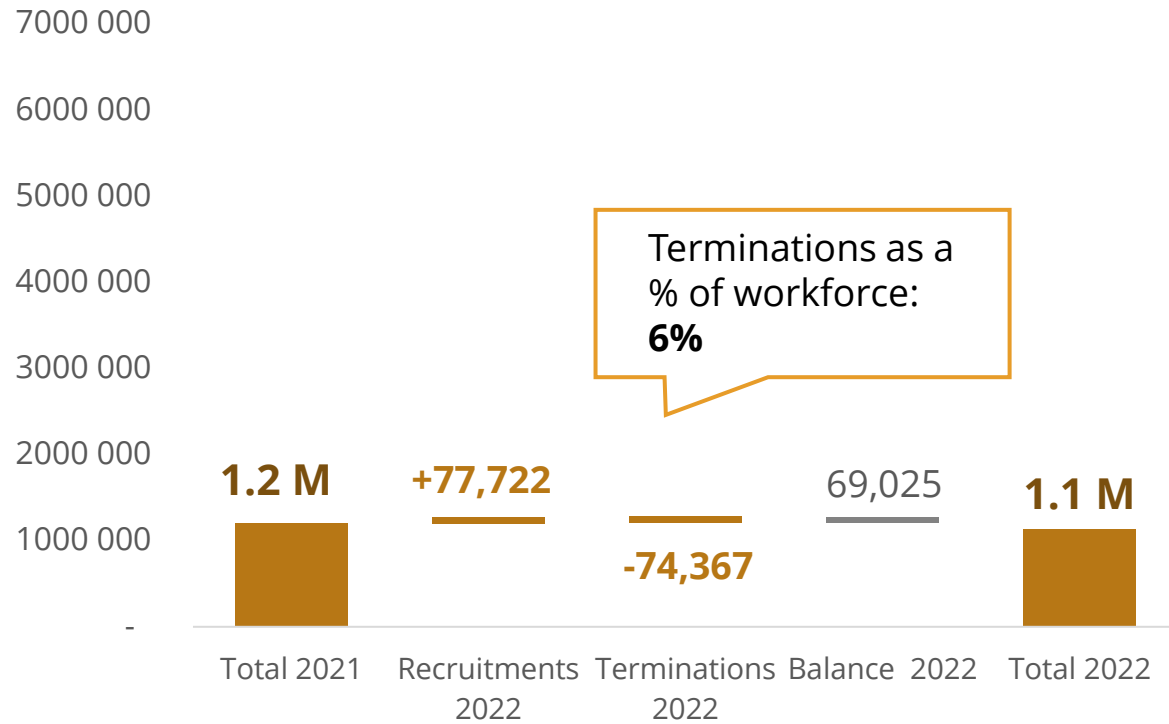


EE data also contains data on recruitment and terminations. In the private sector these are significant

CHANGES IN THE PERMANENT WORKFORCE BETWEEN 2021 AND 2022

GOVERNMENT AND SOE *(Permanent employees)*

PRIVATE SECTOR *(Permanent employees)*

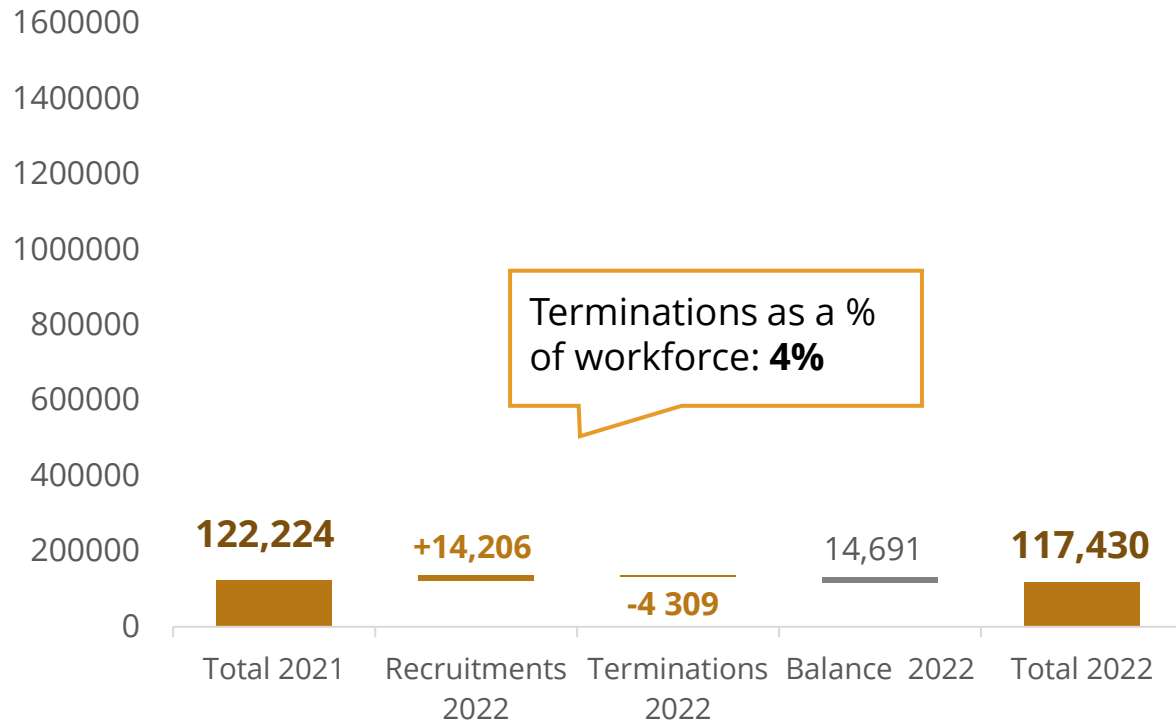


Source: Company level EE reports

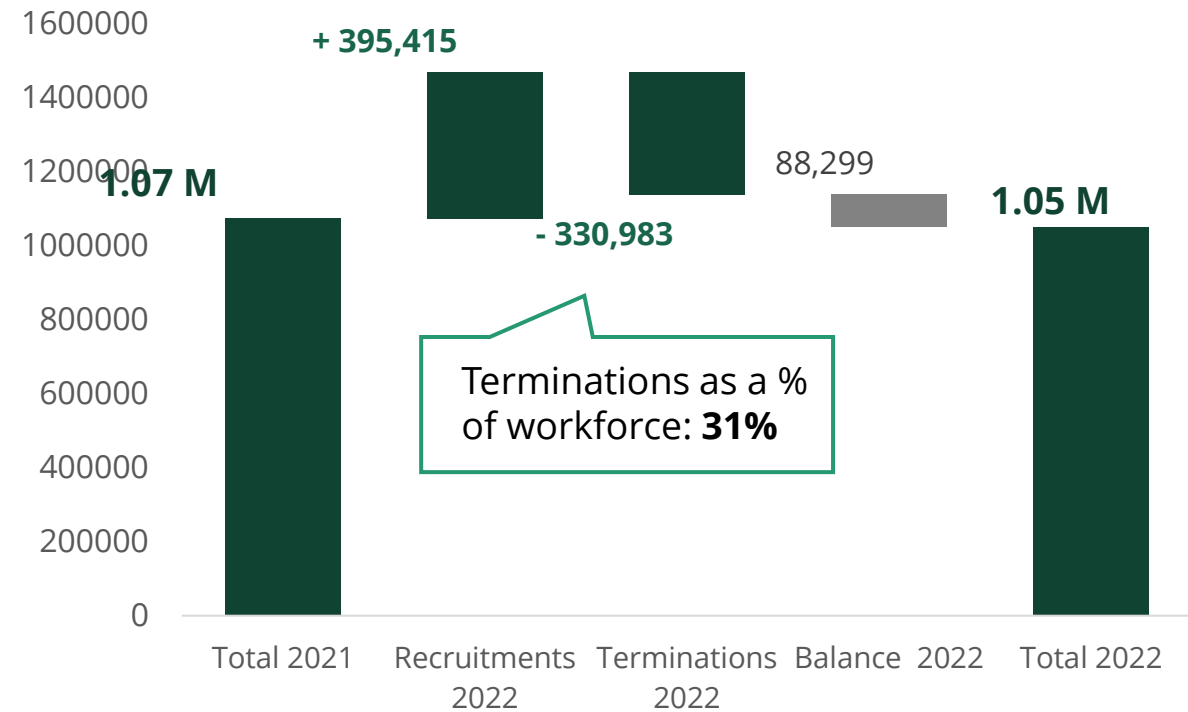
*(Recruitments plus terminations) / total workforce at the start of the year. Note: Filtered on firms with business type as one of the following: Private Sector, Local Government, Provincial Government, National Government or SOE. Excluding NPOs and Educational Institutions.

CHANGES IN THE UNSKILLED WORKFORCE BETWEEN 2021 AND 2022

GOVERNMENT AND SOE *(Unskilled employees)*



PRIVATE SECTOR *(Unskilled employees)*



Source: Company level EE reports

*(Recruitments plus terminations) / total workforce at the start of the year. Note: Filtered on firms with business type as one of the following: Private Sector, Local Government, Provincial Government, National Government or SOE. Excluding NPOs and Educational Institutions.

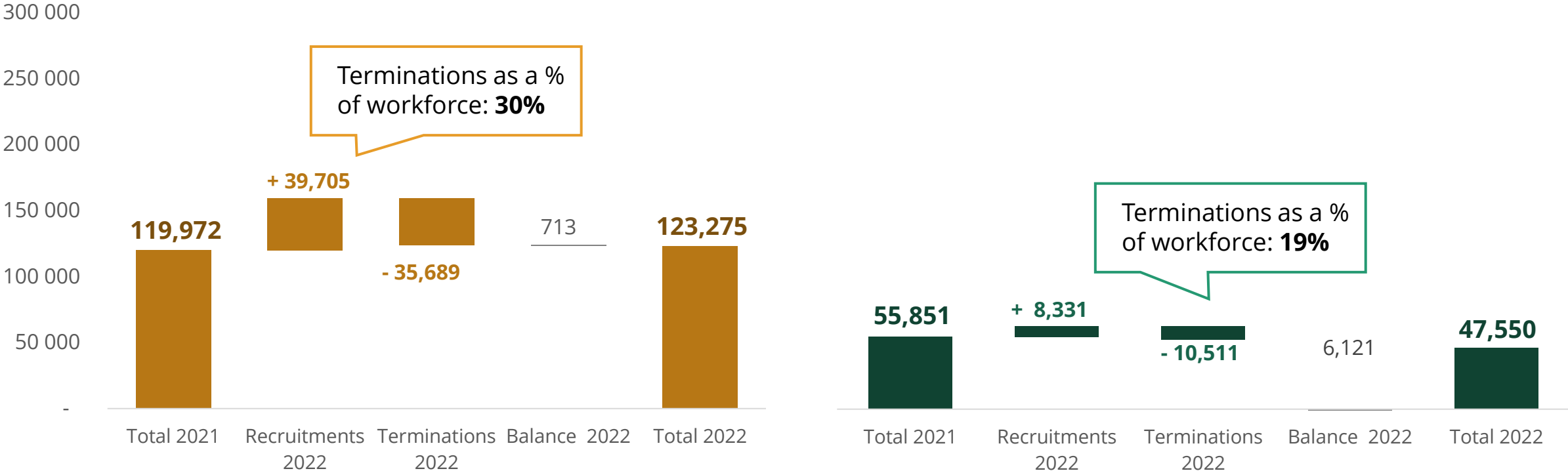
There are noticeable differences in terminations between employers. But sadly we have no insight into the reasons for termination



CHANGES IN THE WORKFORCE BETWEEN 2021 AND 2022

SHOPRITE CHECKERS PTY
(all employees)

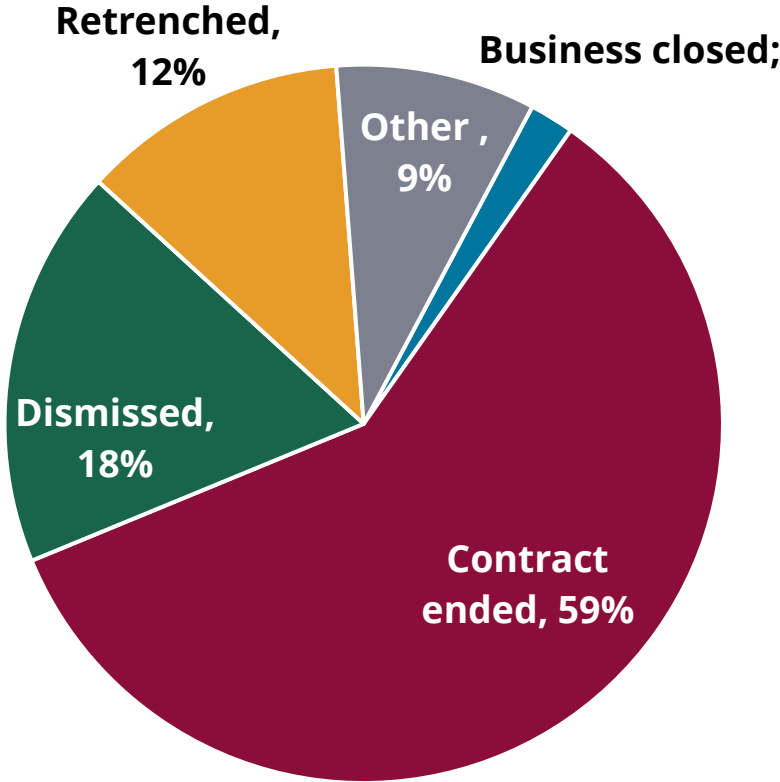
TRANSNET SOC LTD
(all employees)



The Department of Labour publishes some data on unemployment insurance claims. There were over 990 000 applications for ordinary unemployment insurance in 2023

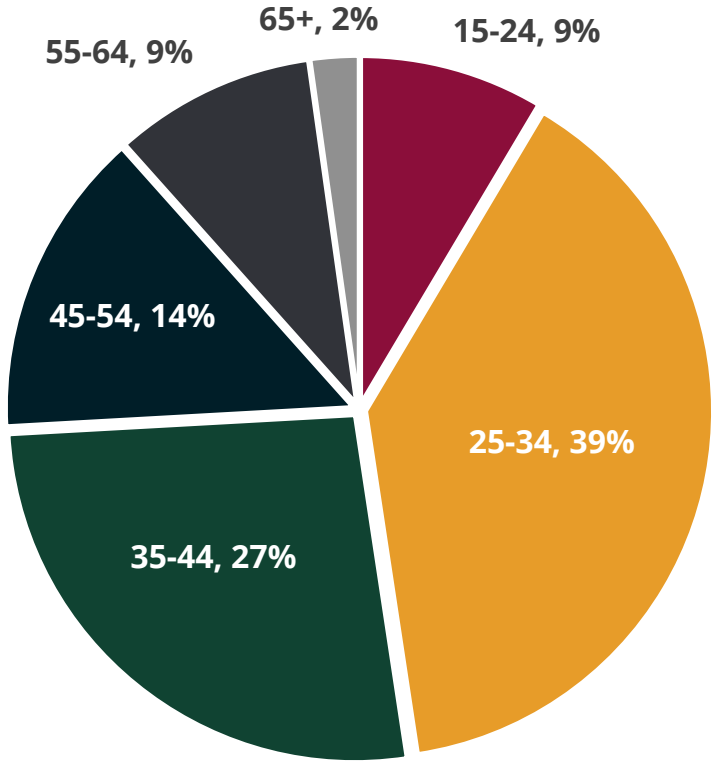
REASONS FOR TERMINATION OF EMPLOYMENT

(Total number of ordinary UI claims: 990 655)



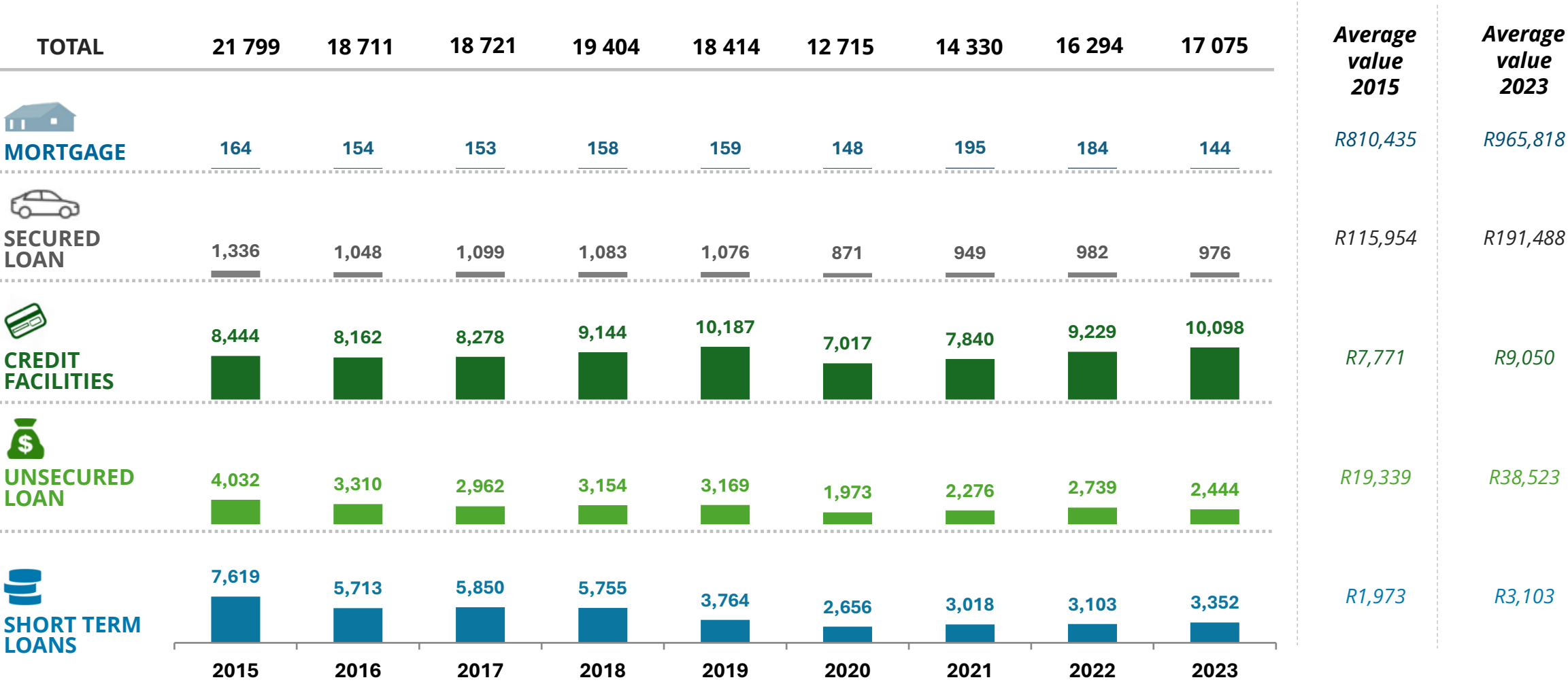
ORDINARY UI CLAIMS RECEIVED BY AGE GROUP

(Total number of ordinary UI claims: 990 655)



How can there be a property-owning middle class if there are no mortgages?

NUMBER OF LOANS GRANTED (THOUSANDS)

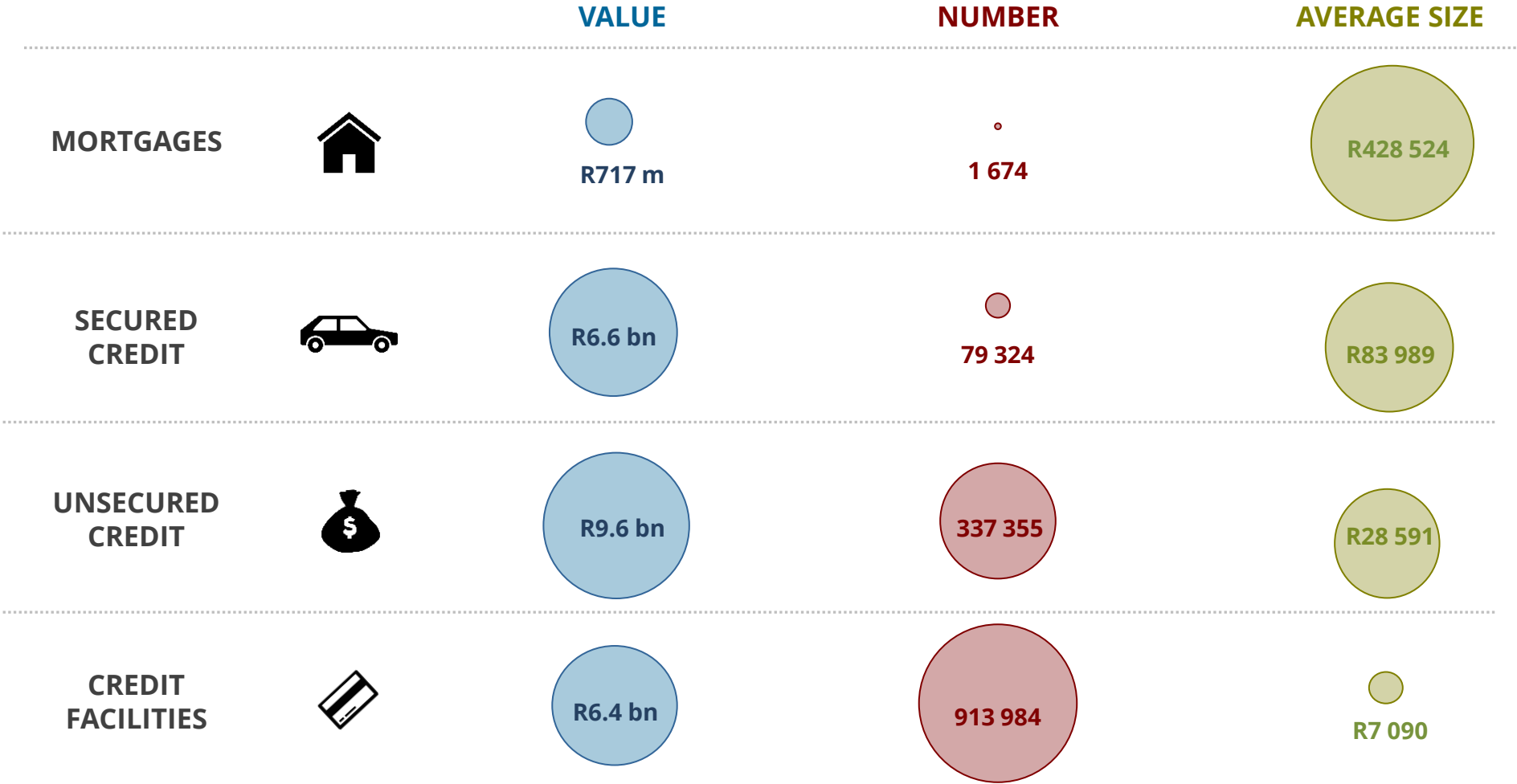


Source: NCR Consumer credit report

Note: Developmental credit – 2015: 204k, 2016: 324k, 2017: 378k, 2018: 110k, 2019: 61k, 2020: 49k, 2021: 52k, 2022: 57k, 2023: 61k

Where are all the mortgages?

CREDIT ORIENTATION FOR INDIVIDUALS EARNING BETWEEN R10 000 AND R15 000 MONTHLY (2023)



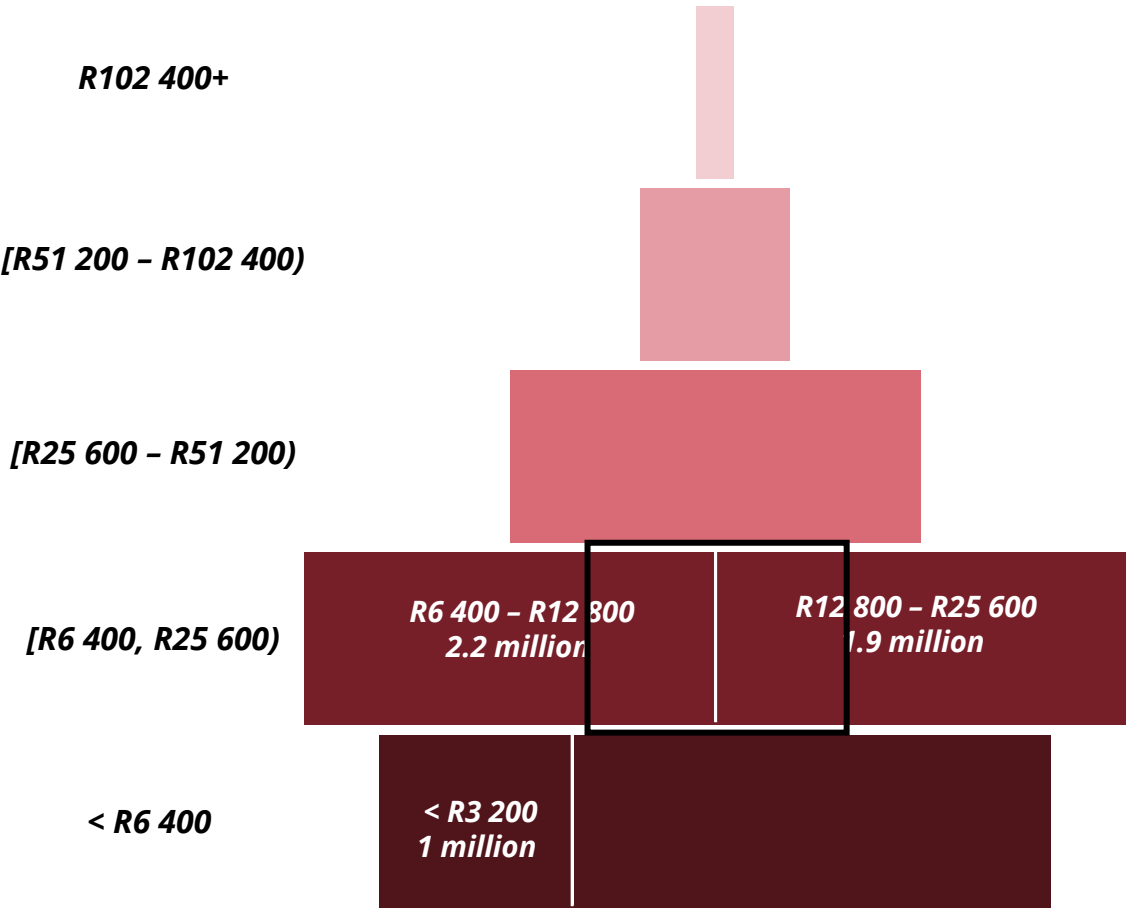
Source: NCR Consumer credit report. Mortgage 13.5%, 240 months, secure (vehicle) 12%, 60 months, unsecured 27.75%, 24 months, facility 20.75%, 12 months

What kind of housing can this part of the middle class afford?

Monthly Income
(2023 Rands)

2023
(FTEs: 10 604 113)

POPULATION
(FTES)



R 300 000

House
Griffiths Mxenge

Sizwe Mlungwana Properties presents this beautiful and neat property in Khayelitsha . It consists of 2bedrooms, open plan ...

107 m²



R 210 000

2 Bedroom House
Khaya

Discover the perfect opportunity to own a cozy and affordable home in the vibrant community of Site B, U Section. This inviting ...

2 90 m²



R 300 000

2 Bedroom House
Delft South

2 Bedroom house for sale in Delft . This property consist of 2bedrooms, open plan lounge /kitchen. It has a big yard for future ...

2 1 144 m²



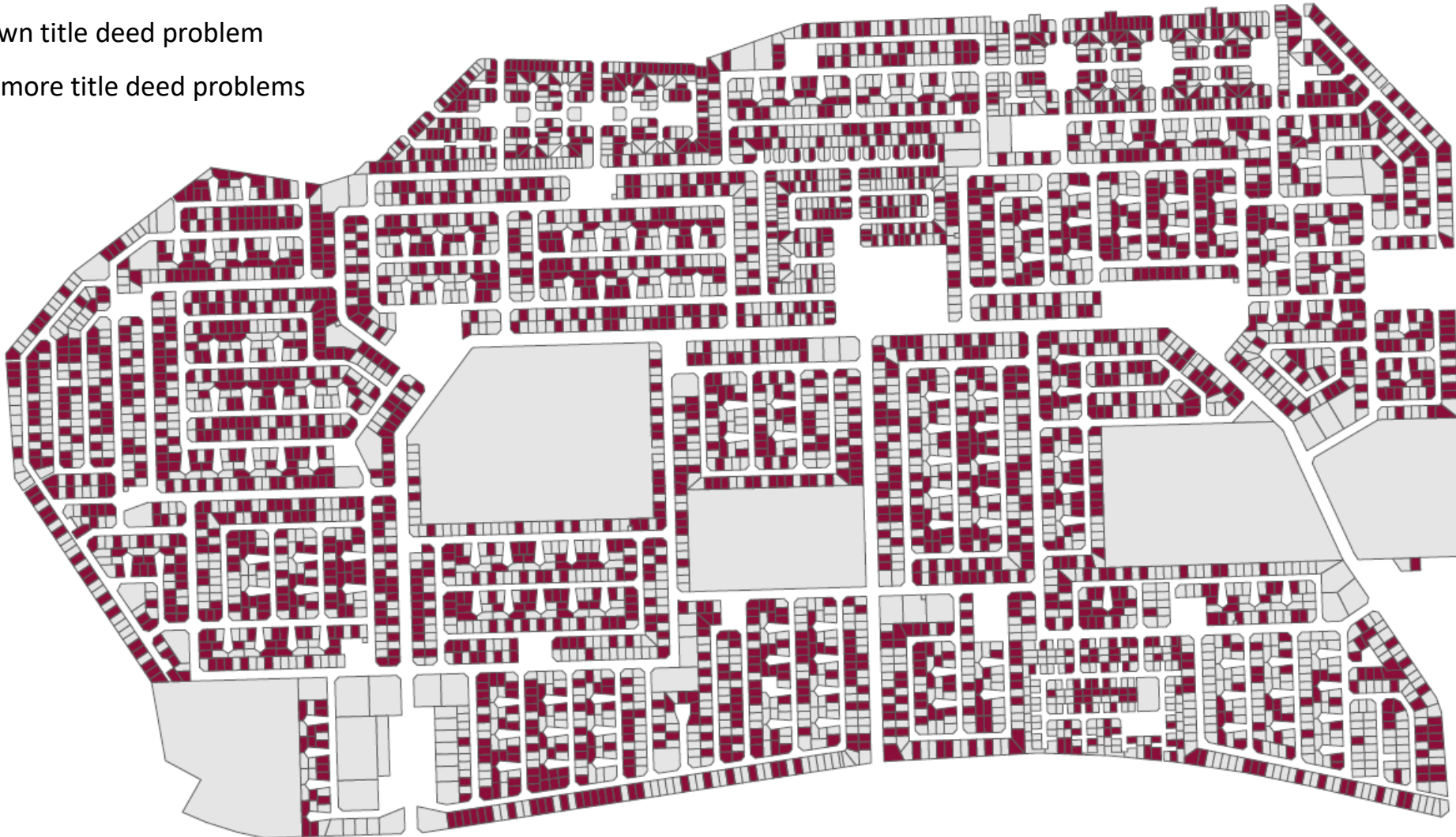
Source: Spatial tax data

Deeds records should reflect property ownership. Of the 5510 properties in Makhaza, north of Govan Mbeki Rd, at least 2472 or **45%** have one or more title deed problems. The value of this dead capital is **R440 million**







COMPROMISED TENURE IN MAKHAZA

- No known title deed problem
- One or more title deed problems

2472 properties
R440 million



1. Labour market
2. Credit
3. Concluding comments

DIMENSION	CONSIDERATIONS
 ACCESS	Who is the data custodian and what are the terms of that custodianship? Who has the right to access the data? What mandates do regulators have? What process is required to get access to the data?
 COVERAGE	Who is represented in the data and where are the gaps?
 ACCURACY	Is the data accurate? How is the data generated, retained and transformed?
 PERIODICITY	How frequently is the data generated / reported?
 GRANULARITY	Can you slice and dice the way you want to?
 IMPACT	Does the data help?

DIMENSION	QLFS	QES	SPATIAL TAX	EE	CREDIT BUREAU	DEEDS
ACCESS	●	●	●	●	◐	○
COVERAGE	●	◐	◐	◐	◑	◐
ACCURACY	◐	●	●	●	●	◐
PERIODICITY	◑	◑	?	◐	●	●
GRANULARITY	●	◐	◐	◑	●	●
IMPACT	HARD TO TELL					



THANK YOU

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