



South Africa

Crime Tracker

May 2019

Bryte, a proactive business risk specialist, today released its **Q4 2018 Crime Tracker**, an indicator of long-term crime trends in South Africa as captured by Bryte's claims records for the period October to December 2018.

The Q4 2018 Bryte Crime Tracker measures the year-on-year change, on a quarterly basis, in crime-related claims (hijacking, robbery, theft and malicious damage) committed against South African businesses. Although the claims data for the period cannot be compared to official crime statistics as they are not available, the index can be considered an indicator of crime trends being recorded and reported.

**CRIME LEVELS
INCREASED
SIGNIFICANTLY IN
Q4 2018 COMPARED
TO THE PREVIOUS
YEAR**

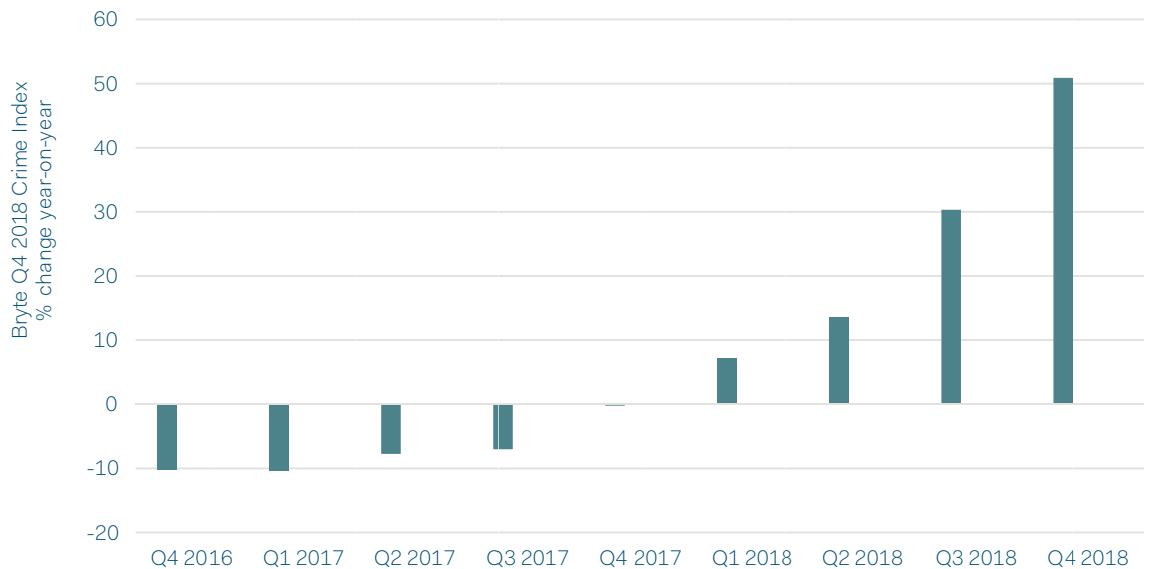
**INCIDENTS OF
THEFT CONTINUE
TO INCREASE**

**HIJACKING FIGURES
ON A SIGNIFICANT
DECLINE**

Bryte Crime Tracker: October to December 2018

Graph 1: Change in Crime-Related Claims Trends

The below graph compares crime-related claims data over a two-year period, based on percentage growth or decline. The Q4 2018 Bryte Crime Tracker data suggests that levels of crime continued to increase at a significant pace year-on-year.



The Bryte Crime Tracker recorded a substantial increase in the total incidents of crime committed against businesses in Q4 2018, rising by as much as 50.89% year-on-year, following the 30.34% increase experienced in Q3 2018.

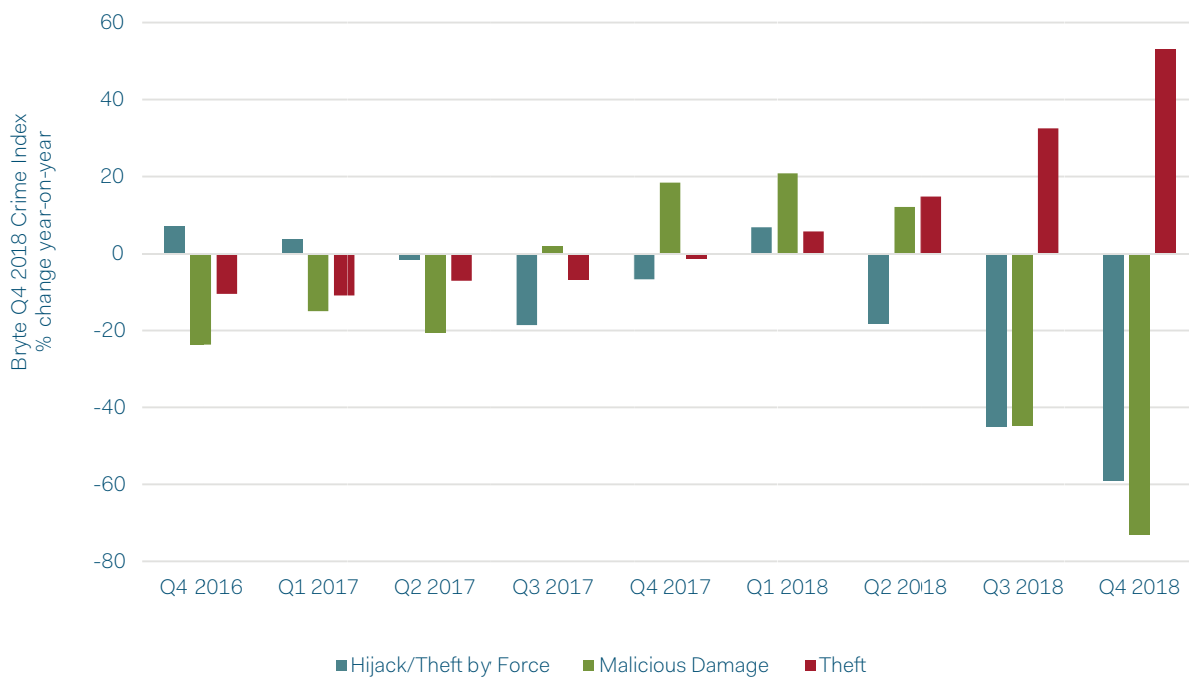
The Q4 2018 increase continues the trend of incremental increases in total crimes committed against businesses since Q4 2017. Heightened criminal opportunism around the festive season, a prolonged period of depressed economic growth, coupled with extremely high levels of unemployment, with official unemployment sitting at 27.1% and youth unemployment at 52.4%¹, are likely contributors to this concerning trend.

Criminal opportunism is a common feature of the festive season, when businesses close or most employees are on leave and the response time of private security firms and law enforcement is slower due to a spike in all types of criminal activity. According to the Institute for Security Studies, most burglaries are perpetrated by organised crime syndicates as well as repeat offenders who then use criminal networks to dispose of stolen goods.

The weak economic environment and the impact it is having on unemployment might also be contributing to the apparent increase in crime levels. The economy expanded by less than 1% in 2018, marking the fourth consecutive year that GDP growth remained under 2%. In addition, a significant number of jobs were shed in Q3 2018; according to the Quarterly Labour Force Survey more than 16,000 jobs were lost in the following major employment sectors: manufacturing, construction, mining, trade and transport.

Graph 2: Contact Crime, Malicious Damage and Theft

The below graph compares business crime-related claims data – specifically Contact Crime (hijack/theft by force), Malicious Damage and Theft. The data extends to just over two years and is based on percentage growth or decline. Malicious damage claims have drastically decreased; however, theft claims continue to increase.



Hijack/Theft by Force (Contact Crime)

A further significant decline in incidents of hijacking/theft by force as reflected by claims data was recorded in Q4 2018. This follows the significant decline noted in Q3 2018. A key contributor to the decline in incidents of hijacking might have been the Police Minister's *high-density stabilisation intervention campaign*. The campaign ensures high visibility of police officers at various crime hotspots. Another potential contributor could be the South African border control services' heightened control measures, which have been effectively disturbing multiple routes that hijacking syndicates would use to send stolen vehicles to other countries in the SADC region. Proof of their success is evident in the 92² stolen vehicles that were recovered.

“We can attribute a great deal of these successes to the mobilisation of the 72-hour Activation Plan. This plan entails the maximum mobilisation of resources including Crime Intelligence, Forensic Experts, the Hawks, seasoned detectives and tactical teams for a 72-hour period to ensure that critical information, intelligence and evidence that ensure a breakthrough in investigations is not lost,” said Police Minister Bheki Cele.

“We commend the remarkable commitment of police officers. This commitment and their increased visibility over the examined period is a large contributor to the reduction of claims from hijacking. The general public is also becoming more sensitised and more vigilant, resulting in the avoidance of hijacking hotspots and more people escaping hijacking attempts”, said Cloud Saungweme, Chief Claims Officer at Bryte.

Theft

Incidents of theft have increased consistently since Q1 2018 to reach their highest level since Q4 2016. According to Bryte claims data, incidents of commercial theft grew by 53.1% in Q4 2018, the highest growth rate on record since 2016. One of the reasons behind this drastic increase is the growing trend of livestock theft in provinces such as the Free State, KwaZulu-Natal and the Eastern Cape, resulting in an estimated loss of R1 billion³.

“It is of the essence that producers act proactively by, for instance, changing the routine on farms to make it more difficult for prospective thieves. It is also vital that the animals are counted regularly,” said Gerhard Schutte, CEO of the Red Meat Producers Organisation.

In the twelve-month period commencing April 2016 and ending March 2017, there were 26,902 incidents of stock theft. In 2018, the number increased to 28,849⁴. In contrast, petty crime such as shoplifting decreased significantly year-on-year (i.e. by 7.8%). There has also been a re-emergence of cable theft. In Pretoria alone, there were more than 36⁵ incidents of cable theft on a daily basis over the quarter in question.

Financial service sector companies, in particular, need to be more proactive and should collaborate with each other

“Deteriorating economic conditions could be a contributing factor to non-violent but impactful crimes such as stock theft and cable theft. We also find that international and national criminal syndicates are getting increasingly more complex and are incorporating evolving technology into their modus operandi. Financial service sector companies, in particular, need to be more proactive and should collaborate with each other by sharing data to improve insights and manage risk proactively”, explained Saungweme.

Malicious Damage

Claims related to malicious damage continued to decline significantly, dropping in Q4 2018 by a further 73.2%. Burglaries at businesses and residential homes also decreased, albeit marginally by 5.3% and 7.3% respectively. A potential driver of the decline in incidents of malicious damage is increased police awareness of planned service delivery protests before they occur, allowing for the deployment of police officials and reduced damages to property.

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"Mr Ramaphosa's ascendancy into the presidency has had a positive impact for South Africa both on the international stage and at grassroots level where sentiment has improved. Insurance claims for 2018 reflect a significant decline in the number of incidents of malicious damage compared to other years preceding elections. However, the future remains uncertain and the outcome of the national elections could lead to heightened unrest if service delivery challenges are not adequately addressed", concluded Saungweme.

Sources:

¹ THE SOUTH AFRICAN

² National Stabilisation Interventions Statement

³ Farmers' Weekly

⁴ BusinessTech

⁵ Pretoria East News



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