



South Africa

Crime Tracker

October 2019

Bryte, a proactive business risk specialist, today released its **Q1 2019 Crime Tracker**, an indicator of long-term crime trends in South Africa as captured by Bryte's insurance claims records for the period January to March 2019.

The Q1 2019 Bryte Crime Tracker measures the annual 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 which are not available, the data can be considered as indicative of crime trends being recorded and reported.

**INCREASE IN THE
INCIDENCES OF
CRIME COMMITTED
AGAINST
BUSINESSES IN Q1
2019**

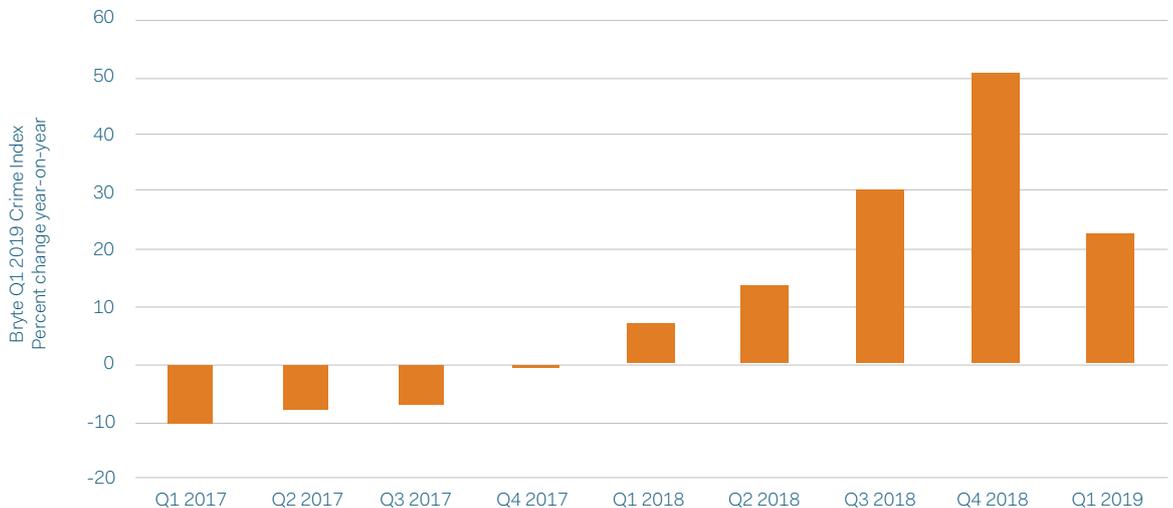
**CLAIMS IN Q1
2019 RELATED
TO MALICIOUS
DAMAGE
CONTINUED
TO DECLINE
SIGNIFICANTLY**

**BRYTE IS AWARE
OF THE IMPACT
OF THE RECENT
VIOLENT PROTESTS
IN JOHANNESBURG,
TSHWANE AND
DURBAN, AND
ANTICIPATES
AN ESCALATION
IN MALICIOUS
DAMAGE AS WELL
AS INCIDENTS
OF THEFT IN
THE FOLLOWING
QUARTERS OF 2019**

Bryte Crime Tracker: January to March 2019

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 Q1 2019 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 drastic increase in the total incidents of crime committed against businesses from Q1 2018 to Q1 2019. This indicates a rise in incidents of crime to 22.76%, on a year-on-year basis. This follows on from an initial level of 7.12% recorded in the Q1 2018 Crime Tracker. It is, however, worth noting that in comparison to the previous quarter, overall crimes committed against businesses in Q1 2019 have decreased by more than 28%.

The increase in crime over Q1 is a trend that's a shift away from the decline that's been evident since Q1 2017. Given that the below graph compares crime-related claims data over a two-year period.

Criminal opportunism as a notable trend spilt over from the 2018 festive season to Q1 2019, including a prolonged period of depressed economic growth, that was characterised by mass retrenchment – with a reported 62,000¹ people losing their jobs in Q1 and unemployment spiking by 0.9% compared to its levels at Q1 2018. These are potentially contributing factors to the alarming trend.

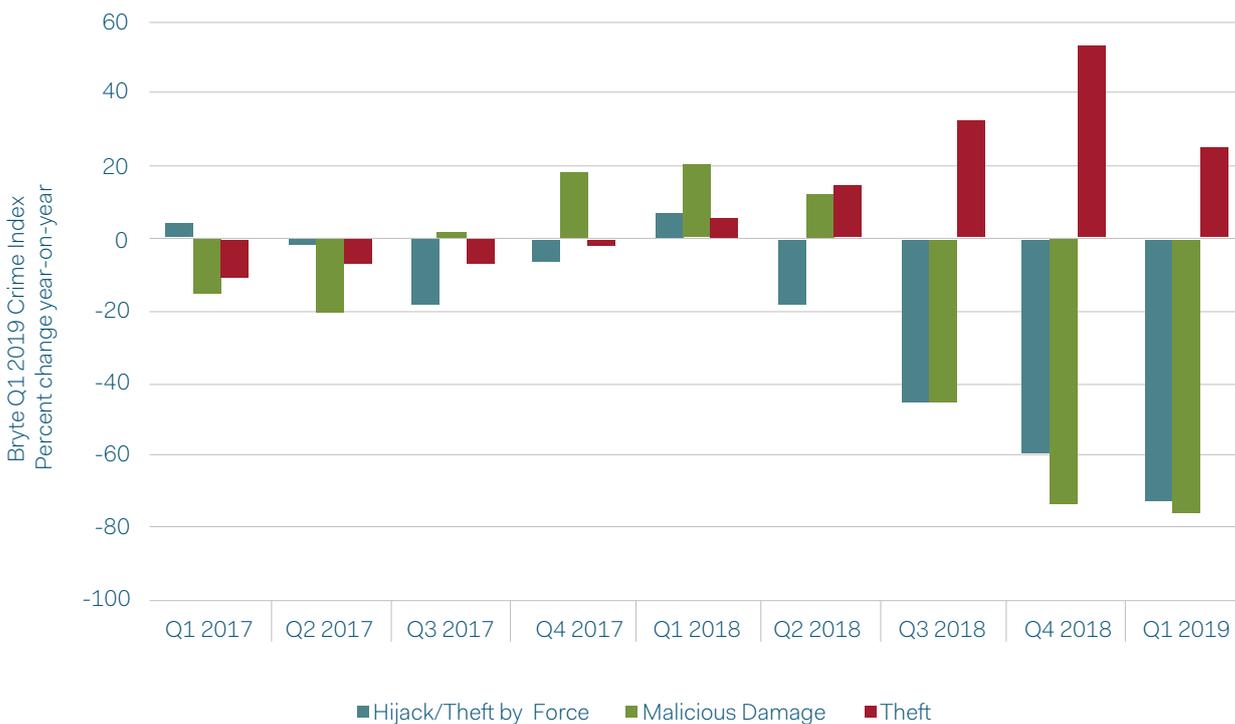
Incidents of smash and grabs, another form of criminal opportunism, peaked in the period Q1 2019 as a result of severe load shedding which resulted in an increase in traffic congestion leaving motorists and businesses vulnerable. Furthermore, the

load shedding and congestion decreased police and private security's tactical teams' response times, thus increasing the frequency of related incidents of petty thefts, explaining the rise of theft.

Of great concern is the violent nature of crimes committed over the period. In March 2019, Fidelity ADT partnered with the National Hijack Prevention Academy (NHPA), to combat the reported increase in violent hijackings in Gauteng.

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 are based on percentage growth or decline. Malicious damage claims have drastically decreased; however, theft claims continue to increase.



Hijack/Theft by Force (Contact Crime)

There was a significant decline in incidents of hijacking/theft by force as reflected by claims data recorded in Q1 2019. Hijacking has recorded a total decline of 65% on a year-on-year basis from Q1 2018 to Q1 2019. A key contributor to the decline in incidents of hijacking has been the ongoing effects of the 72-hour Activation Plan which entails the maximum mobilisation of law enforcement resources including Crime Intelligence.

Another potential contributor could be citizen's commitment towards adopting safety measures, which has seen a 28%² (year end – February 2019) rise in subscription growth for vehicle telematics firm Car Tracker which is in conjunction with the

proliferation of defensive driving courses, indicating that potential victims have become more vigilant and aware of their surroundings and by so doing, increased their ability to avert crime situations.

Furthermore, the technological innovation such as strategically placed surveillance is an element that has been adopted by law enforcement agencies which enables them to bring armed hijackers to book. These are cameras that form part of the Intelligent Transport Systems (ITS) Project and have begun to play a significant role in helping curb the high levels of hijacking, especially in Johannesburg. In early July, two armed hijackers on the N3 northbound were caught by Sanral cameras (which forms part of the ITS project) that immediately alerted Metro Police Johannesburg Metro Police (JMPD) who had surveillance on the movement of the hijackers until they were nabbed.

“The Minister of Police along with the security cluster must be commended for their arduous efforts in tackling contact crime. Moreover, we can also attribute the notable decline in Hijacking to the crackdown mission of the police like the 72-hour plan. The infusing of intelligence in the activities of police investigation has culminated in police pro-actively tracking down hijackers. Society at large is more sensitised and more vigilant, this includes car owners and the media, and as a result there is a lot of media coverage on tips of how to react or avoid a hijacking situation. The defence driving courses taken by car-owners are also playing a factor in the way car-owners are avoiding hijacking hotspots, which sees them avoiding 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 in Q4 2018. Q1 2019 however, saw a sizable decline with incidents of commercial theft decreasing by 28.5%.

In contrast to the three-month period that ended in December 2018, 2019's Q1 statistics indicate a drop of 7.8% in incidents of theft and commercial crimes reported. In addition, petty crime such as shoplifting decreased by 5%³.

According to the latest Bryte claims data, there has been an increase in the incidence of stock theft – in particular within the farming community, a trend that is becoming increasingly persistent. As a result, the issue has led to joint efforts being adopted by members of the police force and those of the farming community. With figures currently being tallied up, official reports indicate that the Q1 2019 figures are somewhat higher than the 29,000⁴ cases of stock theft reported in the last quarter of 2018. Bryte claims data (refer to graph) on the other hand, suggests that these trends are on the decline.

There has been an increase in the incidence of stock theft

Opportunistic crime will continue to be a challenge for South Africa

In addition, incidents of opportunistic theft such as that of metal and copper cabling have sky-rocketed – with an estimated R5 billion⁵ being lost due to this kind of theft annually. The biggest contributor to this category of theft is that of copper cables and metal piping, with adverse implications for the already struggling economy. Businesses that are most affected are in the telecommunications, power supply, transport and hospitality sectors.

Saungweme, explains *“Incidents of theft have intensified due to a myriad of factors, including but not limited to the use of drugs and alcohol; theft for sale and, for survival purposes. With the economy being under so much pressure, opportunistic crime will continue to be a challenge for South Africa as people explore all sorts of ideas to make money. It will be important for businesses to strategically increase their security, especially around high value targets like copper cables and cell phone tower batteries.”*

Malicious Damage

Claims related to malicious damage continued to decline significantly, dropping in Q1 2019 by a further 75.9%, however it is worth noting that nationally, there has been a slight increase.

In stark contrast to the data claims received, malicious damage to property continues to rise largely caused by the prevalent violent protests. The violent protests are due to work-related issues such as labour unrest and unemployment challenges. Trends that have been noted in the Q1 period include the rise in torching of cars, trains and buses during violent protests. In March 2019, one of the violent protests led to 25⁶ cars and several offices burnt in KwaZulu Natal. Since April 2018, more than 40 trucks have been torched on the N3 Mooi River Highway. Another growing trend on the highways is the stoning of cars by pedestrians⁷.

Sources:

1. Stats SA
2. BusinessTech
3. BusinessTech
4. Business Day
5. The Citizen
6. Business Report
7. Business Report

“The Q1 period in terms of malicious damage saw different trends emerging. Although not a national issue, certain areas experienced a number of issues led by disgruntled workers and ordinary community members on wage disagreements and lack of employment. KwaZulu Natal were impacted by a number of these experiences. We remain confident that the law enforcement agencies will proactively look at solutions to curb damage to property during protests,” concluded Cloud Saungweme.



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