



Economic activity survey 2004

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Key findings

The total turnover of all industries for 2004 was estimated at R2 578 540 million, an increase of 6,2% compared with 2003 (R2 428 731 million).

All industries except mining and quarrying reflected an increase in turnover between 2003 and 2004. The largest percentage increase of 19,6% was reported in community, social and personal services (excluding government institutions), followed by electricity, gas and water supply (+10,3%), transport, storage and communication (+10,1%), construction (+8,1%), trade (+6,7%), manufacturing (+5,6%) and real estate and other business services (excluding financial intermediation and insurance) (+2,7%). The mining and quarrying industry reported a decrease of 2,1%.

Capital expenditure on new assets decreased by 5,0% between 2003 and 2004. The largest decrease was reported in community, social and personal services (excluding government institutions) (-24,1%), followed by mining and quarrying (-17,8%), construction (-17,6%), real estate and other business services (excluding financial intermediation and insurance) (-5,7%), manufacturing (-5,6%) and transport, storage and communication (-1,9%). The electricity, gas and water supply and trade industries experienced increases of 40,1% and 11,7% respectively.

Book value of fixed assets and intangible assets amounted to R846 815 million in 2004. The largest increase was reported by community, social and personal services (excluding government institutions) (+17,2%), followed by manufacturing (+13,2%), construction (+12,3%), mining and quarrying (+8,6%), transport, storage and communication (+6,6%), real estate and other business services (excluding financial intermediation and insurance) (+5,4%) and electricity, gas and water supply (+5,0%). The trade industry reported a decrease of 0,8%.

Closing value of inventories amounted to R209 947 million in 2004. The construction industry (+18,4%) showed the largest increase in inventories, followed by real estate and other business services (excluding financial intermediation and insurance) (+12,2%), transport, storage and communication (+8,7%), mining and quarrying (+5,2%), community, social and personal services (excluding government institutions) (+3,2%) and manufacturing (+2,0%). The electricity, gas and water supply industry reported a decrease of 2,0%.

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Notes

Forthcoming issues

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Description of the Economic Activity Survey for 2004

The Economic Activity Survey (EAS) contains financial data for the following industries: mining and quarrying, manufacturing, electricity, water and gas, trade, construction, transport, storage and communication, real estate and other business services (excluding financial intermediation and insurance) and personal services (excluding government institutions).

Estimates in respect of the EAS 2004 surveys for the following industries were based on a smaller sample: manufacturing, electricity, water and gas, wholesale, retail and motor trade, transport, storage and communication and real estate and other business services (excluding financial intermediation and insurance); while data in respect of the following industries were obtained from the large sample surveys: mining and quarrying, construction, accommodation and catering and personal services (excluding government institutions).

Purpose of the survey

The Economic Activity Survey (EAS) is designed to provide information on selected income and expenditure items and the consolidated balance sheet, for only South African based activities of the enterprise. Information is collected for the financial years of enterprises that ended on any date between 1 July of one year and 30 June of the following year. The results are used by Statistics South Africa (Stats SA) for compiling the annual national accounts. Other users will include the South African Reserve Bank, government organisations, researchers and academics.

Improvements to the survey

The Economic Activity Survey (EAS) 2005 will contain financial data for the following industries: forestry and fishing, mining and quarrying, manufacturing, electricity, water and gas, trade, construction, transport, storage and communication, real estate and other business services and personal services (the only industries not covered in the EAS 2005 will be: the purely agriculture sector, financial intermediation, insurance and all government institutions).

Table 1 – Selected income and expenditure items: All industries

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	2 428 731	2 578 540	6,2
Interest received	27 702	27 607	-0,3
Dividends received	10 238	15 179	48,3
Royalties, franchise fees, copyright, trade names and trade and patents rights received	1 266	1 362	7,6
Subsidies and incentives received from government	7 083	7 426	4,8
Other	74 152	72 571	-2,1
Total income items	2 549 171	2 702 686	6,0
Inventories			
Opening value	182 497	203 520	11,5
Closing value	205 553	209 947	2,1
Expenditure items			
Advertising	16 731	16 948	1,3
Bank charges	5 163	5 313	2,9
Depreciation provided for during the financial year	71 282	76 221	6,9
Excise and customs duty	13 773	13 045	-5,3
Insurance premiums paid	13 910	14 051	1,0
Interest paid	73 449	72 364	-1,5
Losses on assets or investment sold or revalued	10 740	10 020	-6,7
Operational leasing and hire of plant, machinery, equipment and vehicles	17 776	17 692	-0,5
Paper, printing and stationery	6 715	6 692	-0,3
Postal, courier and telecommunication services	14 370	14 439	0,5
Purchases	1 358 221	1 441 592	6,1
Railage and transport-out	23 387	24 425	4,4
Rental of land, buildings and other structures	52 547	54 889	4,5
Repair and maintenance	40 557	42 941	5,9
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	8 905	8 992	1,0
Security services	6 896	7 321	6,2
Travelling, accommodation and entertainment	14 121	13 476	-4,6
Other	609 601	662 090	8,6
Total expenditure	2 358 146	2 502 511	6,1
Net profit before providing for company tax and dividends	214 083	206 602	-3,5

¹ Revised

Table 1 – Selected income and expenditure items: All industries (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	55 385	55 153	-0,4
Dividends paid or provided for during the financial year	54 544	51 851	-4,9
Net profit after tax	158 698	151 448	-4,6
Capital expenditure on new assets	126 493	120 186	-5,0
Capital expenditure on land and existing assets	37 198	33 293	-10,5
Book value of fixed assets and intangible assets at the end of the financial year	785 946	846 815	7,7

¹ Revised

Table 2 – Selected income and expenditure items: Mining and quarrying industry

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	155 652	152 315	-2,1
Interest received	2 153	2 235	3,8
Dividends received	3 646	3 839	5,3
Royalties, franchise fees, copyright, trade names and trade and patents rights received	3	3	0,0
Subsidies and incentives received from government	24	26	8,3
Other	15 014	14 540	-3,2
Total income items	176 492	172 958	-2,0
Inventories			
Opening value	12 848	13 959	8,6
Closing value	14 733	15 494	5,2
Expenditure items			
Advertising	1 020	1 071	5,0
Bank charges	163	174	6,7
Depreciation provided for during the financial year	11 829	12 604	6,6
Excise and customs duty	18	19	5,6
Insurance premiums paid	987	1 055	6,9
Interest paid	5 378	5 749	6,9
Losses on assets or investment sold or revalued	1 089	1 079	-0,9
Operational leasing and hire of plant, machinery, equipment and vehicles	644	665	3,3
Paper, printing and stationery	102	102	0,0
Postal, courier and telecommunication services	166	154	-7,2
Purchases	41 929	45 472	8,4
Railage and transport-out	6 367	6 569	3,2
Rental of land, buildings and other structures	4 696	4 905	4,5
Repair and maintenance	5 627	5 918	5,2
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	1 175	1 114	-5,2
Security services	384	410	6,8
Travelling, accommodation and entertainment	264	246	-6,8
Other	64 973	70 618	8,7
Total expenditure	146 811	157 924	7,6
Net profit before providing for company tax and dividends	31 567	16 569	-47,5

¹ Revised

Table 2 – Selected income and expenditure items: Mining and quarrying industry (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	11 681	6 448	-44,8
Dividends paid or provided for during the financial year	19 169	10 180	-46,9
Net profit after tax	19 886	10 121	-49,1
Capital expenditure on new assets	28 640	23 529	-17,8
Capital expenditure on land and existing assets	8 090	7 807	-3,5
Book value of fixed assets and intangible assets at the end of the financial year	137 025	148 779	8,6

¹ Revised

Table 3 – Selected income and expenditure items: Manufacturing industry

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	792 390	837 005	5,6
Interest received	5 922	5 713	-3,5
Dividends received	2 645	3 840	45,2
Royalties, franchise fees, copyright, trade names and trade and patents rights received	332	318	-4,2
Subsidies and incentives received from government	1 129	1 045	-7,4
Other	20 034	21 093	5,3
Total income items	822 452	869 015	5,7
Inventories			
Opening value	86 612	98 884	14,2
Closing value	97 549	99 463	2,0
Expenditure items			
Advertising	4 916	5 649	14,9
Bank charges	933	968	3,8
Depreciation provided for during the financial year	19 165	20 659	7,8
Excise and customs duty	8 034	7 285	-9,3
Insurance premiums paid	3 674	3 778	2,8
Interest paid	16 660	16 475	-1,1
Losses on assets or investment sold or revalued	3 110	2 430	-21,9
Operational leasing and hire of plant, machinery, equipment and vehicles	2 936	2 795	-4,8
Paper, printing and stationery	1 604	1 736	8,2
Postal, courier and telecommunication services	3 009	3 087	2,6
Purchases	489 543	516 442	5,5
Railage and transport-out	10 331	10 847	5,0
Rental of land, buildings and other structures	9 944	9 347	-6,0
Repair and maintenance	12 712	13 066	2,8
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	3 682	3 840	4,3
Security services	1 142	1 239	8,5
Travelling, accommodation and entertainment	3 817	3 742	-2,0
Other	167 469	175 645	4,9
Total expenditure	762 681	799 029	4,8
Net profit before providing for company tax and dividends	70 708	70 565	-0,2

¹ Revised

Table 3 – Selected income and expenditure items: Manufacturing industry (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	20 401	20 890	2,4
Dividends paid or provided for during the financial year	20 181	18 092	-10,4
Net profit after tax	50 307	49 675	-1,3
Capital expenditure on new assets	33 002	31 149	-5,6
Capital expenditure on land and existing assets	6 368	5 770	-9,4
Book value of fixed assets and intangible assets at the end of the financial year	165 291	187 090	13,2

¹ Revised

Table 4 – Selected income and expenditure items: Electricity, gas and water supply industry

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	39 116	43 157	10,3
Interest received	3 088	4 110	33,1
Dividends received	108	212	96,3
Royalties, franchise fees, copyright, trade names and trade and patents rights received	0	0	
Subsidies and incentives received from government	163	163	0,0
Other	1 661	1 564	-5,8
Total income items	44 136	49 206	11,5
Inventories			
Opening value	2 348	2 340	-0,3
Closing value	2 438	2 390	-2,0
Expenditure items			
Advertising	13	14	7,7
Bank charges	7	6	-14,3
Depreciation provided for during the financial year	3 779	4 068	7,6
Excise and customs duty	0	1	
Insurance premiums paid	79	80	1,3
Interest paid	6 796	6 750	-0,7
Losses on assets or investment sold or revalued	1 474	1 613	9,4
Operational leasing and hire of plant, machinery, equipment and vehicles	109	105	-3,7
Paper, printing and stationery	82	84	2,4
Postal, courier and telecommunication services	153	155	1,3
Purchases	11 988	13 955	16,4
Railage and transport-out	475	471	-0,8
Rental of land, buildings and other structures	449	438	-2,4
Repair and maintenance	1 604	3 106	93,6
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	26	26	0,0
Security services	80	85	6,3
Travelling, accommodation and entertainment	135	124	-8,1
Other	11 042	12 046	9,1
Total expenditure	38 291	43 127	12,6
Net profit before providing for company tax and dividends	5 935	6 128	3,3

¹ Revised

Table 4 – Selected income and expenditure items: Electricity, gas and water supply industry (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	1 788	1 982	10,9
Dividends paid or provided for during the financial year	2	550	27 400,0
Net profit after tax	4 147	4 146	0,0
Capital expenditure on new assets	5 286	7 405	40,1
Capital expenditure on land and existing assets	138	45	-67,4
Book value of fixed assets and intangible assets at the end of the financial year	62 643	65 782	5,0

¹ Revised

Table 5 – Selected income and expenditure items: Construction industry

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	90 184	97 459	8,1
Interest received	611	619	1,3
Dividends received	392	409	4,3
Royalties, franchise fees, copyright, trade names and trade and patents rights received	5	8	60,0
Subsidies and incentives received from government	12	189	1 475,0
Other	1 508	1 544	2,4
Total income items	92 712	100 228	8,1
Inventories			
Opening value	3 731	5 481	46,9
Closing value	4 528	5 361	18,4
Expenditure items			
Advertising	312	327	4,8
Bank charges	206	219	6,3
Depreciation provided for during the financial year	1 789	2 012	12,5
Excise and customs duty	16	0	
Insurance premiums paid	795	738	-7,2
Interest paid	1 129	1 168	3,5
Losses on assets or investment sold or revalued	91	88	-3,3
Operational leasing and hire of plant, machinery, equipment and vehicles	2 190	2 325	6,2
Paper, printing and stationery	176	168	-4,5
Postal, courier and telecommunication services	830	761	-8,3
Purchases	47 429	48 715	2,7
Railage and transport-out	235	243	3,4
Rental of land, buildings and other structures	1 016	1 019	0,3
Repair and maintenance	2 025	1 823	-10,0
Security services	99	94	-5,1
Travelling, accommodation and entertainment	552	496	-10,1
Other ²	30 094	35 963	19,5
Total expenditure	88 984	96 159	8,1
Net profit before providing for company tax and dividends	4 525	3 949	-12,7

¹ Revised² Includes royalties, franchise fees, copyright, trade names and trade and patents rights paid

Table 5 – Selected income and expenditure items: Construction industry (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	737	851	15,5
Dividends paid or provided for during the financial year	358	413	15,4
Net profit after tax	3 788	3 098	-18,2
Capital expenditure on new assets	2 710	2 234	-17,6
Capital expenditure on land and existing assets	791	735	-7,1
Book value of fixed assets and intangible assets at the end of the financial year	9 842	11 049	12,3

¹ Revised

Table 6 – Selected income and expenditure items: Trade industry

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	854 181	911 233	6,7
Interest received	5 930	5 506	-7,2
Dividends received	1 453	1 383	-4,8
Royalties, franchise fees, copyright, trade names and trade and patents rights received	303	291	-4,0
Subsidies and incentives received from government	391	381	-2,6
Other	13 832	14 814	7,1
Total income items	876 089	933 608	6,6
Inventories			
Opening value	66 669	71 699	7,5
Closing value	76 178	76 181	0,0
Expenditure items			
Advertising	5 866	5 453	-7,0
Bank charges	2 139	2 163	1,1
Depreciation provided for during the financial year	9 043	8 788	-2,8
Excise and customs duty	3 110	3 205	3,1
Insurance premiums paid	3 200	3 400	6,3
Interest paid	11 065	10 904	-1,5
Losses on assets or investment sold or revalued	2 116	1 888	-10,8
Operational leasing and hire of plant, machinery, equipment and vehicles	1 863	1 772	-4,9
Paper, printing and stationery	1 752	1 701	-2,9
Postal, courier and telecommunication services	4 213	4 292	1,9
Purchases	652 597	691 240	5,9
Railage and transport-out	3 193	3 363	5,3
Rental of land, buildings and other structures	14 938	16 452	10,1
Repair and maintenance	4 251	4 525	6,4
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	1 824	1 740	-4,6
Security services	1 419	1 496	5,4
Travelling, accommodation and entertainment	3 733	3 444	-7,7
Other	124 579	134 989	8,4
Total expenditure	850 903	900 815	5,9
Net profit before providing for company tax and dividends	34 696	37 274	7,4

¹ Revised

Table 6 – Selected income and expenditure items: Trade industry (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	8 676	9 976	15,0
Dividends paid or provided for during the financial year	7 367	5 600	-24,0
Net profit after tax	26 020	27 299	4,9
Capital expenditure on new assets	11 992	13 391	11,7
Capital expenditure on land and existing assets	4 975	4 687	-5,8
Book value of fixed assets and intangible assets at the end of the financial year	67 562	66 989	-0,8

¹ Revised

Table 7 – Selected income and expenditure items: Transport, storage and communication industry

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	213 948	235 568	10,1
Interest received	3 031	2 369	-21,8
Dividends received	1 349	1 386	2,7
Royalties, franchise fees, copyright, trade names and trade and patents rights received	56	52	-7,1
Subsidies and incentives received from government	2 688	2 956	10,0
Other	4 965	3 843	-22,6
Total income items	226 037	246 175	8,9
Inventories			
Opening value	3 349	3 143	-6,2
Closing value	2 588	2 813	8,7
Expenditure items			
Advertising	2 301	1 943	-15,6
Bank charges	235	240	2,1
Depreciation provided for during the financial year	16 761	18 522	10,5
Excise and customs duty	2 528	2 470	-2,3
Insurance premiums paid	1 831	1 761	-3,8
Interest paid	11 330	10 421	-8,0
Losses on assets or investment sold or revalued	1 523	1 401	-8,0
Operational leasing and hire of plant, machinery, equipment and vehicles	7 478	7 382	-1,3
Paper, printing and stationery	489	518	5,9
Postal, courier and telecommunication services	1 722	1 812	5,2
Purchases	63 533	68 476	7,8
Railage and transport-out	2 416	2 426	0,4
Rental of land, buildings and other structures	9 415	10 141	7,7
Repair and maintenance	7 660	8 013	4,6
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	97	104	7,2
Security services	1 572	1 726	9,8
Travelling, accommodation and entertainment	1 758	1 522	-13,4
Other	75 681	86 244	14,0
Total expenditure	208 330	225 121	8,1
Net profit before providing for company tax and dividends	16 946	20 724	22,3

¹ Revised

Table 7 – Selected income and expenditure items: Transport, storage and communication industry (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	4 976	7 531	51,3
Dividends paid or provided for during the financial year	3 972	8 892	123,9
Net profit after tax	11 970	13 192	10,2
Capital expenditure on new assets	25 699	25 212	-1,9
Capital expenditure on land and existing assets	8 968	6 694	-25,4
Book value of fixed assets and intangible assets at the end of the financial year	139 189	148 425	6,6

¹ Revised

Table 8 – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance)

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	219 263	225 235	2,7
Interest received	6 032	6 132	1,7
Dividends received	541	3 997	638,8
Royalties, franchise fees, copyright, trade names and trade and patents rights received	444	461	3,8
Subsidies and incentives received from government	1 561	1 538	-1,5
Other	12 461	12 294	-1,3
Total income items	240 302	249 658	3,9
Inventories			
Opening value	4 881	5 585	14,4
Closing value	5 138	5 765	12,2
Expenditure items			
Advertising	1 680	1 609	-4,2
Bank charges	1 182	1 217	3,0
Depreciation provided for during the financial year	6 869	6 897	0,4
Excise and customs duty	67	65	-3,0
Insurance premiums paid	2 659	2 637	-0,8
Interest paid	19 258	18 970	-1,5
Losses on assets or investment sold or revalued	899	871	-3,1
Operational leasing and hire of plant, machinery, equipment and vehicles	1 684	1 694	0,6
Paper, printing and stationery	1 981	1 820	-8,1
Postal, courier and telecommunication services	3 101	2 956	-4,7
Purchases	32 057	34 675	8,2
Railage and transport-out	312	444	42,3
Rental of land, buildings and other structures	9 626	10 343	7,4
Repair and maintenance	5 618	5 445	-3,1
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	1 178	1 241	5,3
Security services	1 928	1 922	-0,3
Travelling, accommodation and entertainment	3 125	3 556	13,8
Other	104 078	109 022	4,8
Total expenditure	197 302	205 385	4,1
Net profit before providing for company tax and dividends	43 257	44 452	2,8

¹ Revised

Table 8 – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance) (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	5 715	5 958	4,3
Dividends paid or provided for during the financial year	2 598	7 220	177,9
Net profit after tax	37 542	38 494	2,5
Capital expenditure on new assets	14 800	13 954	-5,7
Capital expenditure on land and existing assets	6 842	6 638	-3,0
Book value of fixed assets and intangible assets at the end of the financial year	176 898	186 476	5,4

¹ Revised

Table 9 – Selected income and expenditure items: Community, social and personal services industry (excluding government institutions)

Item	2003 ¹ R million	2004 R million	Percentage change between 2003 and 2004
Income items			
Turnover	63 997	76 568	19,6
Interest received	935	922	-1,4
Dividends received	104	113	8,7
Royalties, franchise fees, copyright, trade names and trade and patents rights received	123	229	86,2
Subsidies and incentives received from government	1 115	1 128	1,2
Other	4 677	2 879	-38,4
Total income items	70 951	81 839	15,3
Inventories			
Opening value	2 059	2 428	17,9
Closing value	2 401	2 479	3,2
Expenditure items			
Advertising	623	881	41,4
Bank charges	298	325	9,1
Depreciation provided for during the financial year	2 047	2 671	30,5
Excise and customs duty	0	0	
Insurance premiums paid	685	602	-12,1
Interest paid	1 833	1 928	5,2
Losses on assets or investment sold or revalued	438	650	48,4
Operational leasing and hire of plant, machinery, equipment and vehicles	872	954	9,4
Paper, printing and stationery	529	562	6,2
Postal, courier and telecommunication services	1 176	1 222	3,9
Purchases	19 145	22 616	18,1
Railage and transport-out	58	62	6,9
Rental of land, buildings and other structures	2 463	2 244	-8,9
Repair and maintenance	1 060	1 045	-1,4
Royalties, franchise fees, copyright, trade names and trade and patents rights paid	923	928	0,5
Security services	272	350	28,7
Travelling, accommodation and entertainment	737	346	-53,1
Other	31 685	37 563	18,6
Total expenditure	64 844	74 949	15,6
Net profit before providing for company tax and dividends	6 449	6 941	7,6

¹ Revised

Table 9 – Selected income and expenditure items: Community, social and personal services industry (excluding government institutions) (concluded)

Item	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Company tax paid or provided for during the financial year	1 411	1 518	7,6
Dividends paid or provided for during the financial year	897	904	0,8
Net profit after tax	5 038	5 423	7,6
Capital expenditure on new assets	4 364	3 313	-24,1
Capital expenditure on land and existing assets	1 026	918	-10,5
Book value of fixed assets and intangible assets at the end of the financial year	27 496	32 226	17,2

¹ Revised

Table 10 – Comparison of operating ratios between 2003 and 2004

Industry	Turnover / Fixed assets ¹		Profit / turnover ²		Profitability ratio ³	
	2003	2004	2003	2004	2003	2004
Mining and quarrying	1,14	1,02	0,20	0,11	0,13	0,07
Manufacturing industry	4,79	4,47	0,09	0,08	0,06	0,06
Electricity, gas and water supply	0,62	0,66	0,15	0,14	0,11	0,10
Construction	9,16	8,82	0,05	0,04	0,04	0,03
Trade	12,64	13,60	0,04	0,04	0,03	0,03
Transport, storage and communication	1,54	1,59	0,08	0,09	0,06	0,06
Real estate and other business services industry, excluding financial intermediation and insurance	1,24	1,21	0,20	0,20	0,17	0,17
Community, social and personal services industry, excluding government institutions	2,33	2,38	0,10	0,09	0,08	0,07

¹ Turnover / book value of fixed assets and intangible assets at the end of the financial year

² Net profit before providing for company tax and dividends / turnover

³ Net profit after tax (Net profit before providing for company tax and dividends *minus* company tax paid or provided for during the financial year) / turnover

Technical notes

Confidence intervals

The 95% confidence intervals of a population parameter (turnover) is obtained as follows:

Lower limit

= lower 95% confidence limit of a population parameter
= estimate – 1,96* standard error (estimate);

and

Upper limit

= upper 95% confidence limit of a population parameter
= estimate + 1,96* standard error (estimate).

Standard error (SE)

Standard error =
$$\frac{\text{Upper limit (R million)} - \text{Lower limit (R million)}}{2 * 1,96}$$

Relative standard error (RSE)

=
$$\frac{\text{SE (estimate)} * 100}{\text{estimate}}$$

Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability. That is, they may differ from the figures that would have been produced if all units had been included in the survey.

One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. The relative standard error (RSE) provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to refer to the size of the estimate.

Neyman optimal allocation

Enterprises on the BSF are placed into strata, since a stratified sample design is used. Each stratum contains two parts of information, viz. the industrial sector (primary stratum) to which an enterprise belongs and the size group (secondary stratum) to which an enterprise is assigned. The industrial sector is derived from the SIC (Standard Industrial Classification) variable and the size group based on the measure of size (turnover). The Neyman optimal allocation formula used to allocate samples to each stratum is given by the formula below:

$$n_h = \frac{N_h S_h}{\sum N_h S_h}$$

where N_h and S_h are the stratum population size and the stratum standard deviation, respectively.

Table A - Estimates of turnover by industry within 95% confidence limits – 2003 and 2004

Industry	2003				2004			
	Lower limit R million	Estimate ¹ R million	Upper limit R million	RSE	Lower limit R million	Estimate R million	Upper limit R million	RSE
Mining and quarrying industry	153 746	155 652	157 558	0,62	152 214	152 315	152 416	0,03
Manufacturing industry	777 277	792 390	807 503	0,97	826 221	837 005	847 789	0,66
Electricity, gas and water supply	37 837	39 116	40 394	1,67	42 931	43 157	43 383	0,27
Construction industry	85 098	90 184	95 270	2,88	97 440	97 459	97 478	0,01
Trade industry	821 118	854 181	887 244	1,97	853 879	911 233	968 587	3,21
Transport, storage and communication industry	198 931	213 948	228 965	3,58	230 962	235 568	240 174	1,00
Real estate and other business services industry, excluding financial intermediation and insurance	218 863	219 263	219 664	0,09	200 376	225 235	250 094	5,63
Community, social and personal services industry, excluding government institutions	58 398	63 997	69 595	4,46	76 437	76 568	76 699	0,09

¹ Revised

Table B – Turnover by industry for 2003 and 2004

Industry	2003¹ R million	2004 R million	Percentage change between 2003 and 2004
Mining and quarrying	155 652	152 315	-2,1
Manufacturing	792 390	837 005	5,6
Electricity, gas and water supply	39 116	43 157	10,3
Construction	90 184	97 459	8,1
Trade	854 181	911 233	6,7
Transport, storage and communication	213 948	235 568	10,1
Real estate and other business services (excluding financial intermediation and insurance)	219 263	225 235	2,7
Community, social and personal services (excluding government institutions)	63 997	76 568	19,6
Total	2 428 731	2 578 540	6,2

¹ Revised

Classification of industries

The industries covered in this publication were classified according to the Standard Industrial Classification of all Economic Activities (SIC), fifth edition (see Table D). It is based on the third revision of the International Standard Industrial Classification of all Economic Activities (ISIC), with suitable adaptations for local conditions. For the convenience of users, the SIC is duplicated in this statistical release for easy reference.

Table C - Standard Industrial Classification of All Economic Activities (SIC)

Title of category	Major division	Division
Mining and quarrying	2	
Mining of coal and lignite		21
Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying		22
Mining of gold and uranium ore		23
Mining of metal ores, except gold and uranium		24
Other mining and quarrying		25
Services activities incidental to mining of minerals		29
Manufacturing	3	
Manufacture of food products, beverages and tobacco products		30
Manufacture of textiles, clothing and leather goods		31
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials; manufacture of paper and paper products; publishing, printing and reproduction of recorded media		32
Manufacture of coke, refined petroleum products and nuclear fuel; manufacture of chemicals and chemical products; manufacture of rubber and plastic products		33
Manufacture of other non-metallic mineral products		34
Manufacture of basic metals, fabricated metal products, machinery and equipment and of office, accounting and computing machinery		35
Manufacture of electrical machinery and apparatus n.e.c.		36
Manufacture of radio, television and communication equipment and apparatus and of medical, precision and optical instruments, watches and clocks		37
Manufacture of transport equipment		38
Manufacture of furniture; manufacturing n.e.c; recycling		39
Electricity, gas and water supply	4	
Electricity, gas, steam and hot water supply		41
Collection, purification and distribution of water		42
Construction	5	
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; catering and accommodation	6	
Wholesale and commission trade, except of motor vehicles and motor cycles		61
Retail trade, except of motor vehicles and motor cycles; repair of personal household goods		62
Sale, maintenance and repair of motor vehicles and motor cycles; retail trade in automotive fuel		63
Catering and accommodation		64

Table C - Standard Industrial Classification of All Economic Activities (SIC) (concluded)

Title of category	Major division	Division
Transport, storage and communication Land transport; transport via pipelines Water transport Air transport Supporting and auxiliary transport activities; activities of travel agencies Post and telecommunications (including cellular service providers)	7	71 72 73 74 75
Financial intermediation, insurance, real estate and business services Real estate activities Renting of machinery and equipment, without operator, and of personal and household goods Computer and related activities Research and development Other business activities	8	84 85 86 87 88
Community, social and personal services Health and social work Other community, social and personal service activities Activities of membership organisations n.e.c. Recreational, cultural and sporting activities Other service activities	9	93 94 95 96 99

Explanatory notes

- Introduction** Stats SA conducted an annual sample survey in 2004 to collect a range of financial statistics in respect of enterprises for the following industries: manufacturing, electricity, water and gas, wholesale, retail and motor trade, transport, storage and communication and real estate and other business services (excluding financial intermediation and insurance). Data were collected via the large sample surveys of businesses classified to the following industries: mining and quarrying, construction, accommodation and catering and personal services (excluding government institutions). The survey is designed to give information on selected income and expenditure items and the consolidated balance sheet. Information is collected for the financial years of enterprises that ended on any date between 1 July 2003 and 30 June 2004. The statistical release contains information regarding:
- income and expenditure items;
 - inventories;
 - net profit before providing for company tax and dividends;
 - company tax paid or provided for during the financial year;
 - dividend received and dividends paid or provided for during the financial year;
 - net profit after tax;
 - capital expenditure on new assets;
 - capital expenditure on land and existing assets;
 - book value of non-current assets at the end of the financial year ; and
 - selected operating ratios.
- Purpose of the survey** The purpose of the EAS is to derive a set of measures of industry performance based on information available from the financial accounts of enterprises. Results of the survey are used to compile estimates of the annual Gross Domestic Product (GDP) and its components. The statistics from the EAS can also be used by government departments and the private sector in analyses of the comparative performance of industries. Enterprises can assess their own performance against that of their industry and size group, in terms of a range of operating ratios. The results of the *Economic Activity Survey* are published annually.
- Scope of the survey** The EAS and large sample surveys cover financial statistics of the following industries according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*:
- mining and quarrying;
 - manufacturing;
 - electricity, gas and water supply;
 - construction;
 - trade;
 - transport, storage and communication;
 - real estate and business services (excluding financial intermediation and insurance); and
 - community, social and personal services (excluding government institutions).
- Classification** The 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*, was used to classify the enterprises in the survey. The SIC is based on the *1990 International Standard Industrial Classification of all Economic Activities (ISIC)* with suitable adaptations for local conditions. Statistics in this publication are only presented at SIC major division (one digit) level.

Statistical unit	The statistical unit for the collection of information in this survey is the enterprise, defined as a legal unit (or combination of legal units) that includes and directly controls all functions necessary to carry out its production activities.
Survey methodology and design	The survey is conducted annually. Fax reminders and telephone calls are used to follow up non-respondents. A stratified random sample design, based on business turnover as recorded on the Business Sampling Frame (BSF) was used and a sample of about 12 000 enterprises was drawn. All enterprises are first stratified by the predominant type of activity according to the SIC, and then by size using turnover as measure of size. Four size groups were specified for each industry. All enterprises in the size group representing the largest enterprises according to turnover were selected. These large enterprises accounted for about 65% of the total sample. For medium and small enterprises, samples were drawn by randomly selecting the allocated number of enterprises within the other size groups and each industry. The data reported by enterprises in the sample are weighted to represent all enterprises in the population.
Main reasons for fluctuations	<p>Differences can occur due to the different sampling frames used, differences in the structures of the samples and improvement in the classification of enterprises to different industries.</p> <p>Differences in accounting policy and practices across businesses and industries can also lead to some inconsistencies in the data used to compile the estimates. While much of the accounting process is subject to standards, there remains a great deal of flexibility available to businesses in the accounting policies and practices they adopt.</p> <p>The imprecision due to sampling variability, which is measured by the standard error, is not to be confused with inaccuracies that may occur because of inadequacies in available sources from which the population frame was compiled, imperfections in reporting by providers, errors made in collection and errors made in processing data. Inaccuracies of this kind are collectively referred to as non-sampling error and they may occur in any enumeration, whether it be a full count or a sample.</p> <p>While it is not possible to quantify non-sampling error, every effort is made to assist businesses to complete questionnaires accurately. Efficient and effective operating procedures and systems are used to compile the statistics.</p> <p>Classification of enterprises are based on the principal or main activity of an economic entity i.e. the activity that contributes most to the value added of the entity or, the activity of which the value added exceeds that of any other activity of the entity.</p> <p>The above limitations are not meant to imply that analysis based on this data should be avoided, only that they should be borne in mind when interpreting the data presented in this publication.</p>

DTI cut-off points

Table D – Cut-off points for the various size groups by industry

Industry	Large enterprises	Medium enterprises	Small enterprises
Mining and quarrying	Turnover >R 39 mill	Turnover > R 10 mill, Turnover ≤ R 39 mill	Turnover ≤ R 10 mill
Manufacturing	Turnover >R 51 mill	Turnover > R 13 mill, Turnover ≤ R 51 mill	Turnover ≤ R 13 mill
Electricity, gas and water supply	Turnover >R 51 mill	Turnover > R 13 mill, Turnover ≤ R 51 mill	Turnover ≤ R 13 mill
Construction	Turnover >R 26 mill	Turnover > R 6 mill, Turnover ≤ R 26 mill	Turnover ≤ R 6 mill
Wholesale trade	Turnover >R 64 mill	Turnover > R 32 mill, Turnover ≤ R 64 mill	Turnover ≤ R 32 mill
Retail and motor trade	Turnover >R 39 mill	Turnover > R 19 mill, Turnover ≤ R 39 mill	Turnover ≤ R 19 mill
Accommodation and catering trade	Turnover >R 13 mill	Turnover > R 6 mill, Turnover ≤ R 13 mill	Turnover ≤ R 6 mill
Transport, storage and communication	Turnover >R 26 mill	Turnover > R 13 mill, Turnover ≤ R 26 mill	Turnover ≤ R 13 mill
Real estate and other business services (excluding financial intermediation and insurance)	Turnover >R 26 mill	Turnover > R 13 mill, Turnover ≤ R 26 mill	Turnover ≤ R 13 mill
Community, social and personal services (excluding government institutions)	Turnover >R 13 mill	Turnover > R 6 mill, Turnover ≤ R 13 mill	Turnover ≤ R 6 mill

Source: National Small Business Amendment Bill - DTI 2003

Comparison of results with other surveys

Comparison with other internal Stats SA surveys may not necessarily be comparable due to:

- Classification differences between surveys periods;
- Restructuring of business; and
- Different sampling frames.

Rounding

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals. Published percentages and ratios are calculated prior to rounding of figures and therefore some discrepancies may occur between those percentages and those that could be calculated from rounded figures.

Symbols and abbreviations

BSF	Business Sampling Frame
EAS	Economic Activity Survey
GDP	Gross Domestic Product
ISIC	International Standard Industrial Classification
SARS	South Africa Revenue Service
SIC	Standard Industrial Classification of all Economic Activities
Stats SA	Statistics South Africa
VAT	Value-added tax
n.e.c	Not elsewhere classified
..	Data not available

Glossary

Capital expenditure on new assets	Capital expenditure on new assets includes: <ul style="list-style-type: none">• the erection of new buildings and works, additions to and alterations of existing buildings and works;• capital work in progress capitalised;• new plant and machinery, vehicles and equipment; and• used plant and machinery, which was imported by or on behalf of the enterprise whether paid to outside contractors/concerns, or which was done by the enterprise itself.
Current assets	Current assets include debtors, cash, shares and closing values of inventories.
Current liabilities	Current liabilities are liabilities that exclude owners' equity or shareholders' funds.
Dividends paid	Dividends paid include cash dividends and other dividends such as capitalisation issues or scrip dividends or capitalisation shares.
Enterprise	An enterprise is a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.
Industry	An industry consists of a group of enterprises engaged in the same or similar kinds of economic activity, and is classified according to the <i>Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993</i> .
Inventories	Inventories at year end include: <ul style="list-style-type: none">• raw materials or materials for processing, packaging materials, fuel and consumable and maintenance stores;• work in progress (partially completed); and• finished goods (own manufactures) and finished goods not produced by the enterprise but purchased for resale.
Net profit after tax	Net profit after tax is net profit or loss <i>less</i> company tax paid or provided for during the financial year.
Net profit before providing for company tax and dividends	Net profit before providing for company tax and dividends is calculated as total income <i>less</i> total expenditure <i>less</i> opening value of inventories <i>plus</i> closing value of inventories.
Non-current assets	Non-current assets are fixed assets and intangible assets valued at the book value at the end of the financial year according to the balance sheet.

Other expenditure

Other expenditure includes:

- audit and other professional business services expenditure;
- containers and packaging materials;
- donations, bursaries and sponsorship;
- losses from redemption, liquidation or revaluation of liabilities;
- motor vehicle running expenses;
- payments for water and electricity services;
- payments to outside organisations for staff training;
- property taxes paid;
- regional service council levies;
- salaries and wages;
- severance, termination and redundancy payments to staff; and
- subcontract and commission expenses.

Purchases

Purchases include:

- raw materials, components used in production;
- fuels for off-road vehicles;
- spare parts and building materials; and
- purchases and transfers-in of factored goods, intermediate products and partially completed goods from related enterprises.

Security services

Security services includes:

- fees paid to contracted security companies;
- electronic security systems such as alarms and surveillance cameras; and
- IT security systems.

Tax and company tax brought into account

Tax and company tax brought into account consist of taxes on incomes, profits and capital gains, excluding value-added tax (VAT). They are assessed on the actual or presumed incomes of enterprises and exclude employees' taxes and compulsory loan levies.

Total income

Total income includes:

- sales of goods and income from services rendered;
- income from mineral rights leases;
- income from rental and leasing of land, buildings and other structures;
- income from leasing and hiring of plant, machinery;
- income from leasing and hiring of motor vehicles;
- interest received;
- dividends received;
- royalties, franchise fees, copyright, trade names and trade-and patent rights received;
- subsidies and incentives received from government; and
- other income.

Turnover

Turnover includes:

- the value of sales;
- amounts received for work done;
- amounts received for services rendered;
- rent and or lease payments received for land and buildings; and
- rent, leasing and hiring received for machinery, vehicles and other equipment.

Turnover excludes:

- value-added tax (VAT);
- net profit or loss on sales or revaluation of fixed assets (including profit or loss on foreign exchange);
- export freight charges;
- interest received; and
- excise duty.

Turnover for only South African-based activities of the enterprise is reflected in this publication, i.e. turnover derived for activities conducted within South African geographical borders was collected.

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