

Economic activity survey 2005

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Key findings

The total turnover of all industries for 2005 was estimated at R2 934 622 million, an increase of 7,8% compared with 2004 (R2 721 914 million).

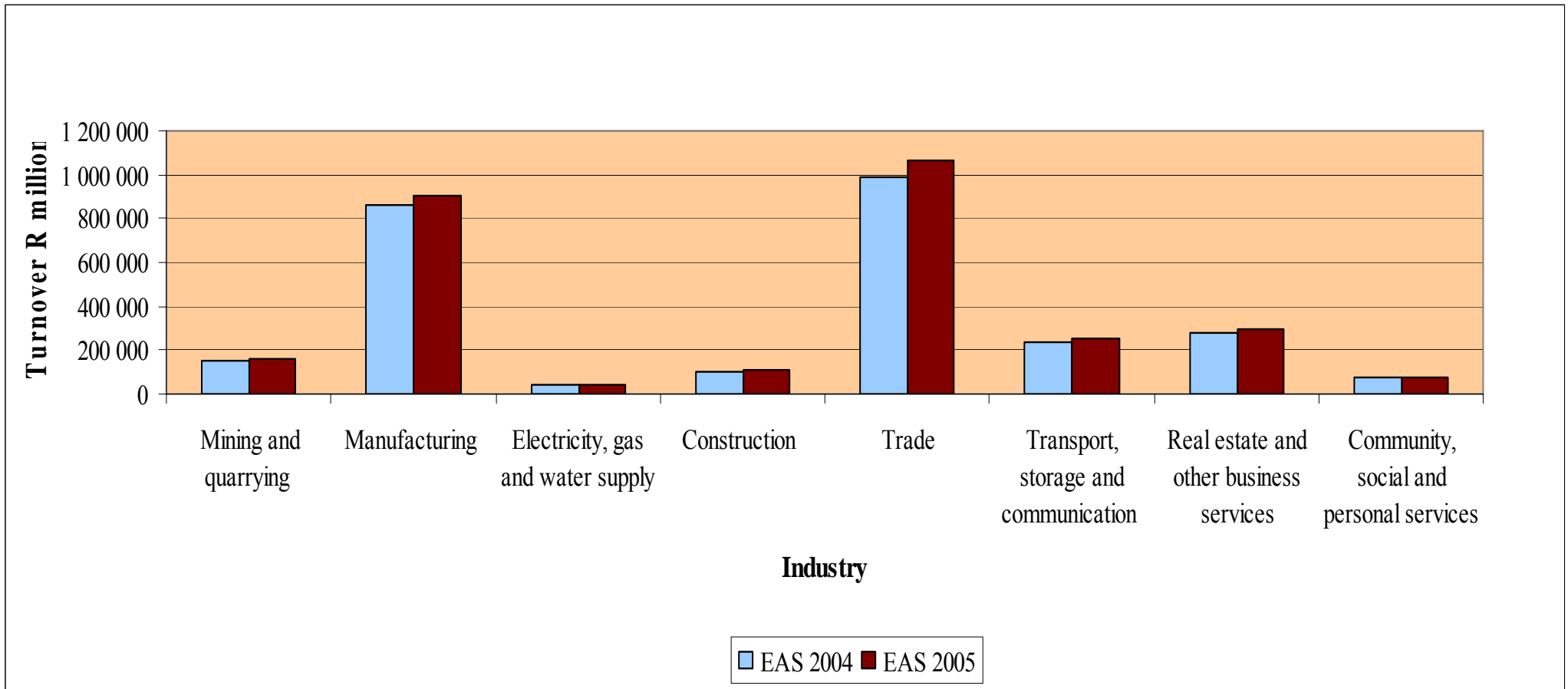
All industries reflected an increase in turnover between 2004 and 2005. The largest percentage increase of 14,2% was reported in construction, followed by mining and quarrying (+9,0%), real estate and other business services (excluding financial intermediation and insurance, but including activities auxiliary to financial intermediation) (+8,7%), trade (+8,4%), transport, storage and communication (+8,4%), electricity, gas and water supply (+8,0%), manufacturing (+5,1%) and community, social and personal services (excluding government institutions) (+3,3%).

Capital expenditure on new assets amounted to R144 336 million in 2005, an increase of 3,7% between 2004 and 2005. The largest increase was reported in construction (+79,5%), followed by electricity, gas and water supply (+19,1%), mining and quarrying (+8,8%), transport, storage and communication (+5,1%), community, social and personal services (excluding government institutions) (+0,8%) and manufacturing (+0,6%). Real estate and other business services (excluding financial intermediation and insurance, but including activities auxiliary to financial intermediation) and trade industries reported decreases of 14,1% and 1,7% respectively.

Book value of fixed assets and intangible assets amounted to R987 780 million in 2005, an increase of 7,1% compared with 2004. The largest increase was reported by construction (+43,7%), followed by mining and quarrying (+15,9%), electricity, gas and water supply (+11,4%), manufacturing (+5,5%), community, social and personal services (excluding government institutions) (+4,5%), transport, storage and communication (+4,3%) and real estate and other business services (excluding financial intermediation and insurance, but including activities auxiliary to financial intermediation) (+4,3%). Trade industry reported a decrease of 2,7%.

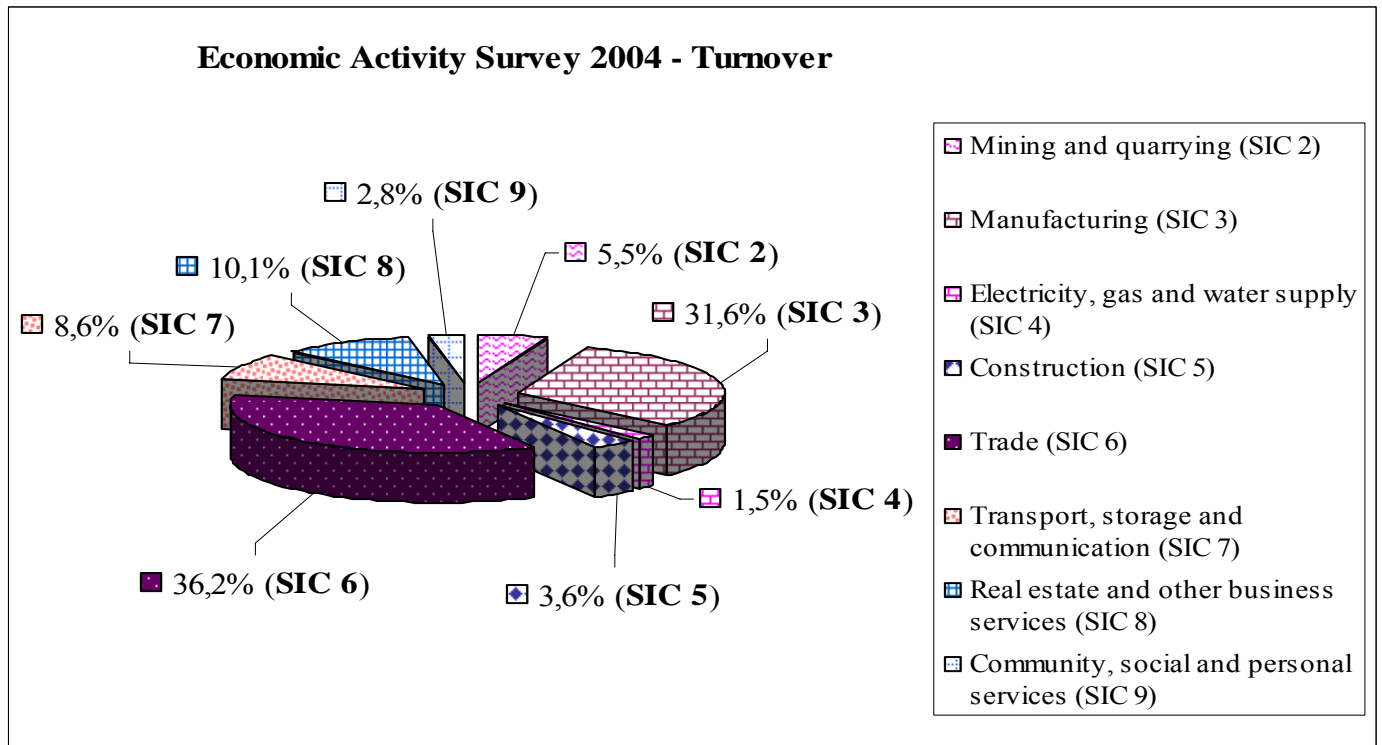
Closing value of inventories amounted to R251 479 million in 2005, an increase of 12,8% compared with 2004. Transport, storage and communication reported the largest increase of 31,7% followed by mining and quarrying (+20,2%), trade (+19,2%), electricity, gas and water supply (+17,8%), construction (+9,7%), manufacturing (+7,1%) and real estate and other business services (excluding financial intermediation and insurance, but including activities auxiliary to financial intermediation) (+3,2%). Community, social and personal services (excluding government institutions) reported a decrease of 17,1%.

Comparison of Turnover¹ between EAS 2004 and EAS 2005



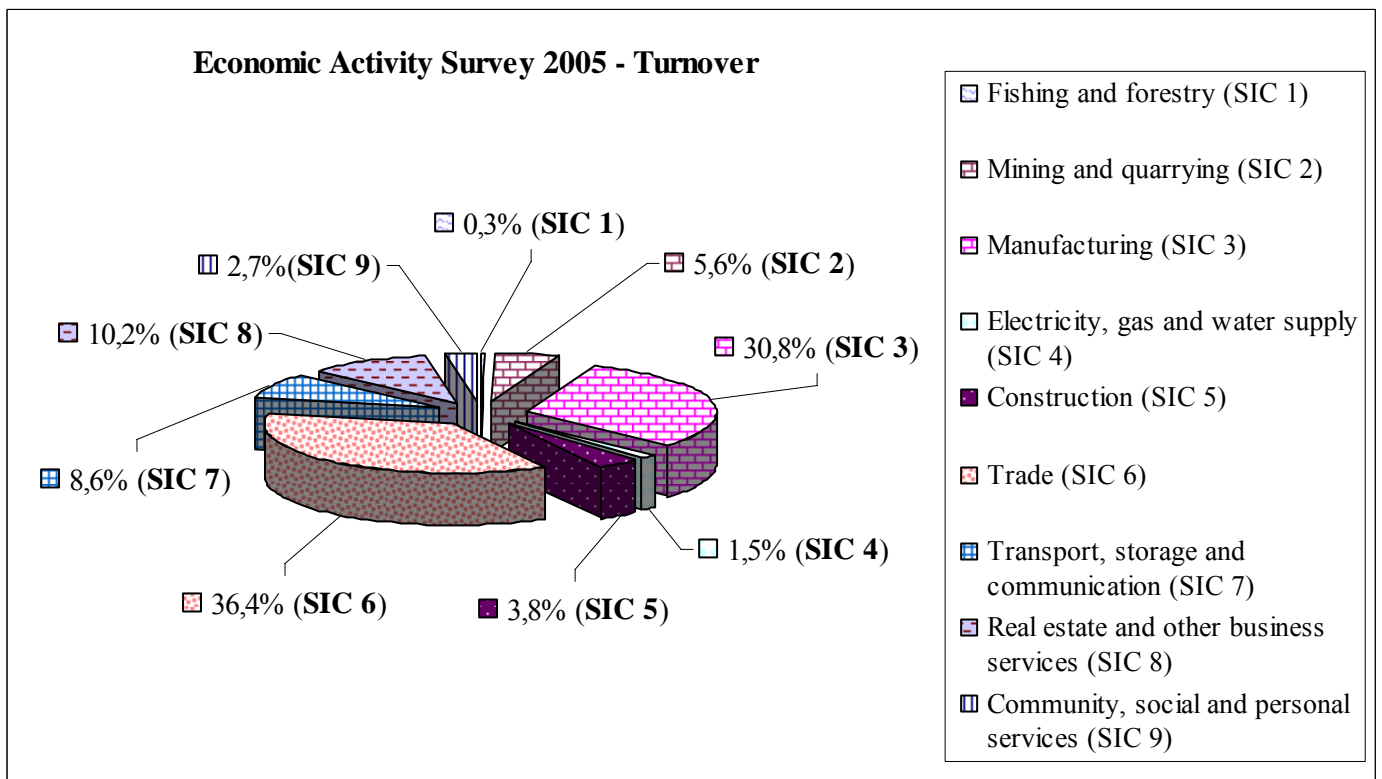
¹ Comparable figure not available for forestry and fishing, therefore excluded.

Economic Activity Survey 2004 – Contribution per industry to total turnover¹



¹Total turnover excludes forestry and fishing

Economic Activity Survey 2005 - Contribution per industry to total turnover²



² Total turnover includes forestry and fishing

P J Lehohla
Statistician-General

Notes

Forthcoming issues	Issue	Expected publication date
	Economic Activity Survey, 2006	31 October 2007
Description of the Economic Activity Survey (EAS) for 2005	<p>The EAS for 2005 contains estimates of financial data for the following industries: Forestry and fishing, mining and quarrying, manufacturing, electricity, gas and water supply, trade, construction, transport, storage and communication, real estate and other business services (excluding financial intermediation and insurance, but including activities auxiliary to financial intermediation) and community, social and personal services (excluding government institutions).</p>	
Purpose of the survey	<p>The EAS is designed to provide information on selected income and expenditure items, capital expenditure on new assets and existing assets and the book value of fixed and intangible assets at the end of the financial year, for the 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.</p>	
Improvements to this survey	<p>The EAS 2005 contains financial data for the following industries: forestry and fishing, mining and quarrying, manufacturing, electricity, water and gas supply, trade, construction, transport, storage and communication, real estate and other business services (excluding financial intermediation and insurance, but including activities auxiliary to financial intermediation) and community, social and personal services (excluding government institutions). The only industries not covered in the EAS 2005 are the purely agricultural sector, financial intermediation, insurance and all government institutions.</p> <p>Other improvements include additional variables which were collected and published for this survey, but previously not separately collected.</p>	
Reasons for fluctuations in data (see also page 39)	<p>The fluctuations in the data can be attributed to:</p> <ul style="list-style-type: none"> • revisions to previous years made in the event of new or revised information being furnished by the respondents; • restructuring of large businesses; • exchange rate changes; • restating of previous estimates due to International Financial Reporting Standards (IFRS); and • reclassification of enterprises. 	

Table 1 – Selected income and expenditure items: All industries¹

Item	All industries		
	2004 ² R million	2005 ³ R million	Percentage change
Income items			
Turnover	2 721 914	2 934 622	7,8
Interest received	32 396	31 454	-2,9
Dividends received	17 923	23 356	30,3
Royalties, franchise fees, copyright, trade names and trade and patents rights received	1 395	1 463	4,9
Subsidies and incentives received from government	6 663	7 177	7,7
Profit from redemption, liquidation or revaluation of liabilities, at a value lower than the book value	1 149	3 459	201,0
Profit from the sale or realisation for cash or revaluation of assets	12 418	21 093	69,9
Other	64 413	67 919	5,4
Total income items	(A) 2 858 271	3 090 543	8,1
Inventories			
Opening value	(B) 214 740	222 070	3,4
Closing value	(C) 222 855	251 479	12,8

¹ All industries in the South African economy, excluding agriculture, financial intermediation and insurance and government institutions.

² Revised

³ Includes forestry and fishing industry

Table 1 – Selected income and expenditure items: All industries¹ (continued)

Item	All industries		
	2004 ² R million	2005 ³ R million	Percentage change
Expenditure items			
Purchases	1 543 408	1 668 663	8,1
Salaries and wages	392 572	422 818	7,7
Advertising	19 946	21 094	5,8
Bank charges	5 163	5 537	7,2
Containers and packaging materials	8 094	9 046	11,8
Depreciation provided for during the financial year	78 161	81 546	4,3
Excise and customs duty	13 202	14 339	8,6
Insurance premiums	15 022	15 852	5,5
Interest	76 293	73 503	-3,7
Losses from the redemption, liquidation or revaluation of liabilities	9 915	9 959	0,4
Losses on assets or investments sold or revalued	17 091	10 169	-40,5
Operational leasing and hire of plant, machinery, equipment and vehicles	18 209	17 465	-4,1
Paper, printing and stationery	6 540	6 525	-0,2
Postal, courier and telecommunication services	14 562	14 374	-1,3
Property taxes	2 919	3 138	7,5
Railage and transport-out	26 699	27 652	3,6
Regional services council levies	3 911	4 114	5,2
Rental of land, buildings and other structures including water and electricity services	59 145	61 867	4,6
Repair and maintenance	43 840	45 734	4,3

¹ All industries in the South African economy, excluding agriculture, financial intermediation and insurance and government institutions

² Revised

³ Includes forestry and fishing industry

Table 1 – Selected income and expenditure items: All industries¹ (concluded)

Item	All industries		
	2004 ² R million	2005 ³ R million	Percentage change
Security services	7 267	7 283	0,2
Travelling, accommodation and entertainment	13 544	13 530	-0,1
Other	279 529	304 858	9,1
Total expenditure	(D) 2 655 032	2 839 066	6,9
Net profit before providing for company tax and dividends	(E)⁴ 211 354	280 886	32,9
Company tax paid or provided for during the financial year	56 222	69 429	23,5
Net profit after tax	155 132	211 457	36,3
Dividends paid or provided for during the financial year	53 205	59 159	11,2
Net profit after dividends paid	101 927	152 298	49,4
Capital expenditure on new assets	139 125	144 336	3,7
Capital expenditure on land and existing assets	30 820	33 078	7,3
Book value of fixed assets and intangible assets at the end of the financial year	921 957	987 780	7,1

¹ All industries in the South African economy, excluding agriculture, financial intermediation and insurance and government institutions

² Revised

³ Includes forestry and fishing industry

⁴ E=A-B+C-D

Table 1A – All industries: Book value of fixed assets and intangible assets - 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	59 461	..	2 085	4 123	..	65 669
Residential buildings	31 688	3 248	805	1 803	798	36 746
Non-residential buildings	185 994	9 484	4 070	-5 900	5 275	188 373
Construction works, roads and parking areas	74 764	20 523	1 305	-16 298	3 611	76 683
Computers and other IT equipment	43 808	6 846	3 260	-1 470	10 255	42 189
Motor vehicles and other transport equipment	86 851	24 170	5 424	-3 822	17 303	95 320
Plant, machinery and other office equipment	339 106	67 522	12 808	-387	49 843	369 206
Intangible fixed assets						
Computer software	6 063	1 481	818	-256	1 994	6 112
Mineral exploration	2 133	311	12	-81	122	2 253
Other	38 578	2 893	1 105	-194	1 615	40 767
Intangible non-produced assets	58 937	7 858	1 386	238	3 957	64 462
Total	927 383	144 336	33 078	-22 244	94 773	987 780

Table 2 – Selected income and expenditure items: Forestry and fishing industry, mining and quarrying industry and manufacturing industry

Item	Forestry and fishing industry	Mining and quarrying industry			Manufacturing industry		
	2005 R million	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Income items							
Turnover	8 781	151 001	164 636	9,0	860 789	904 654	5,1
Interest received	90	2 573	2 661	3,4	6 826	6 707	-1,7
Dividends received	95	3 836	2 144	-44,1	3 662	6 278	71,4
Royalties, franchise fees, copyright, trade names and trade and patents rights received	0	6	4	-33,3	326	331	1,5
Subsidies and incentives received from government	1	24	35	45,8	1 097	1 174	7,0
Profit from redemption, liquidation or revaluation of liabilities, at a value lower than the book value	0	338	323	-4,4	340	1 962	477,1
Profit from the sale or realisation for cash or revaluation of assets	128	1 295	572	-55,8	1 899	8 905	368,9
Other	782	10 380	7 311	-29,6	17 012	16 834	-1,0
Total income items (A)	9 877	169 453	177 686	4,9	891 951	946 845	6,2
Inventories							
Opening value (B)	529	13 584	15 664	15,3	100 091	97 839	-2,2
Closing value (C)	550	14 976	17 996	20,2	100 980	108 106	7,1

¹Revised

Table 2 – Selected income and expenditure items: Forestry and fishing industry, mining and quarrying industry and manufacturing industry (continued)

Item	Forestry and fishing industry	Mining and quarrying industry			Manufacturing industry		
	2005 R million	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Expenditure items							
Purchases	4 165	47 062	49 599	5,4	519 456	549 227	5,7
Salaries and wages	1 656	39 755	40 352	1,5	109 934	114 337	4,0
Advertising	10	1 071	772	-27,9	7 457	7 667	2,8
Bank charges	14	174	176	1,1	1 015	1 039	2,4
Containers and packaging materials	25	67	70	4,5	5 682	6 306	11,0
Depreciation provided for during the financial year	274	12 417	13 897	11,9	21 614	22 546	4,3
Excise and customs duty	23	19	20	5,3	7 597	7 655	0,8
Insurance premiums	130	1 035	1 110	7,2	3 955	3 940	-0,4
Interest	199	5 574	5 394	-3,2	17 858	15 797	-11,5
Losses from the redemption, liquidation or revaluation of liabilities	4	3 688	3 685	-0,1	2 314	2 551	10,2
Losses on assets or investments sold or revalued	41	1 078	1 507	39,8	2 505	2 492	-0,5
Operational leasing and hire of plant, machinery, equipment and vehicles	169	652	687	5,4	2 963	3 216	8,5
Paper, printing and stationery	16	99	95	-4,0	1 885	1 901	0,8
Postal, courier and telecommunication service	51	153	159	3,9	3 404	3 396	-0,2
Property taxes	2	68	65	-4,4	490	530	8,2
Railage and transport-out	117	5 783	5 765	-0,3	13 664	14 274	4,5
Regional services council levies	20	205	206	0,5	1 151	1 223	6,3
Rental of land, buildings and other structures including water and electricity services	80	4 895	5 004	2,2	14 228	15 216	6,9
Repair and maintenance	341	5 528	5 533	0,1	14 537	14 953	2,9

¹Revised

Table 2 – Selected income and expenditure items: Forestry and fishing industry, mining and quarrying industry and manufacturing industry (concluded)

Item	Forestry and fishing industry	Mining and quarrying industry			Manufacturing industry		
	2005 R million	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Security services	20	403	401	-0,5	1 290	1 306	1,2
Travelling, accommodation and entertainment	25	233	243	4,3	3 717	3 761	1,2
Other	1 368	24 863	26 815	7,9	65 798	69 232	5,2
Total expenditure (D)	8 750	154 822	161 555	4,3	822 514	862 565	4,9
Net profit before providing for company tax and dividends (E)²	1 148	16 023	18 463	15,2	70 326	94 547	34,4
Company tax paid or provided for during the financial year	289	6 281	6 422	2,2	21 341	25 231	18,2
Net profit after tax	859	9 742	12 041	23,6	48 985	69 316	41,5
Dividends paid or provided for during the financial year	98	10 179	9 706	-4,6	19 537	24 628	26,1
Net profit after dividends paid	761	-437	2 335	634,3	29 448	44 688	51,8
Capital expenditure on new assets	521	23 365	25 419	8,8	45 755	46 020	0,6
Capital expenditure on land and existing assets	29	7 726	7 909	2,4	5 582	6 135	9,9
Book value of fixed assets and intangible assets at the end of the financial year	2 356	148 328	171 853	15,9	208 570	220 133	5,5

¹ Revised

² E=A-B+C-D

Table 2A – Forestry and fishing: Book value of fixed assets and intangible assets – 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	149	..	1	0	..	150
Residential buildings	50	7	0	-4	2	51
Non-residential buildings	608	45	3	-3	27	626
Construction works, roads and parking areas	85	16	0	-16	8	77
Computers and other IT equipment	17	6	0	-1	8	14
Motor vehicles and other transport equipment	573	270	4	-85	152	610
Plant, machinery and other office equipment	639	166	21	-53	114	659
Intangible fixed assets						
Computer software	2	4	0	0	3	3
Mineral exploration	0	0	0	0	0	0
Other	116	7	0	31	4	150
Intangible non-produced assets	17	0	0	0	1	16
Total	2 256	521	29	-131	319	2 356

Table 2A – Mining and quarrying industry: Book value of fixed assets and intangible assets – 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	807	..	93	-15	..	885
Residential buildings	1 465	253	4	-23	106	1 593
Non-residential buildings	27 042	1 284	106	-10 321	1 700	16 411
Construction works, roads and parking areas	10 438	2 896	62	-1 220	2 138	10 038
Computers and other IT equipment	617	83	26	-96	221	409
Motor vehicles and other transport equipment	7 673	1 159	68	-3 261	1 093	4 546
Plant, machinery and other office equipment	92 486	19 134	6 885	5 596	10 113	113 988
Intangible fixed assets						
Computer software	96	12	1	-5	25	79
Mineral exploration	1 795	154	9	-80	55	1 823
Other	5 565	361	640	-258	182	6 126
Intangible non-produced assets	16 004	83	15	219	366	15 955
Total	163 988	25 419	7 909	-9 464	15 999	171 853

Table 2A – Manufacturing industry: Book value of fixed assets and intangible assets – 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	6 173	..	430	-620	..	5 983
Residential buildings	2 652	468	82	-156	165	2 881
Non-residential buildings	23 965	2 644	580	-1 173	864	25 152
Construction works, roads and parking areas	5 678	6 394	384	-2 770	131	9 555
Computers and other IT equipment	3 931	1 177	171	-592	1 277	3 410
Motor vehicles and other transport equipment	13 603	7 110	1 033	-1 120	3 153	17 473
Plant, machinery and other office equipment	123 115	23 010	3 009	-1 200	18 188	129 746
Intangible fixed assets						
Computer software	833	174	51	-223	230	605
Mineral exploration	268	129	0	0	45	352
Other	1 428	717	67	-444	288	1 480
Intangible non-produced assets	20 753	4 197	328	-572	1 210	23 496
Total	202 399	46 020	6 135	-8 870	25 551	220 133

Table 3 – Selected income and expenditure items: Electricity, gas and water supply industry and construction industry

Item	Electricity, gas and water supply industry			Construction industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Income items						
Turnover	40 500	43 723	8,0	97 723	111 624	14,2
Interest received	3 983	3 464	-13,0	620	643	3,7
Dividends received	212	183	-13,7	283	249	-12,0
Royalties, franchise fees, copyright, trade names and trade and patents rights received	0	0		8	44	450,0
Subsidies and incentives received from government	80	89	11,3	188	99	-47,3
Profit from redemption, liquidation or revaluation of liabilities, at a value lower than the book value	0	0		102	833	716,7
Profit from the sale or realisation for cash or revaluation of assets	100	132	32,0	323	547	69,3
Other	7 577	9 361	23,5	1 190	916	-23,0
Total income items (A)	52 452	56 952	8,6	100 437	114 955	14,5
Inventories						
Opening value (B)	2 320	2 404	3,6	6 048	5 271	-12,8
Closing value (C)	2 404	2 832	17,8	5 976	6 558	9,7

¹ Revised

Table 3 – Selected income and expenditure items: Electricity, gas and water supply industry and construction industry (continued)

Item	Electricity, gas and water supply industry			Construction industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Expenditure items						
Purchases	13 685	14 816	8,3	48 770	57 293	17,5
Salaries and wages	8 969	8 654	-3,5	16 172	19 612	21,3
Advertising	14	14	0,0	327	333	1,8
Bank charges	48	50	4,2	218	221	1,4
Containers and packaging materials	0	0			36	
Depreciation provided for during the financial year	4 333	6 270	44,7	2 028	2 754	35,8
Excise and customs duty	0	0			15	
Insurance premiums	87	84	-3,4	741	821	10,8
Interest	6 501	6 574	1,1	1 170	1 563	33,6
Losses from the redemption, liquidation or revaluation of liabilities	1	0	-100,0	84	115	36,9
Losses on assets or investments sold or revalued	1 474	360	-75,6	89	165	85,4
Operational leasing and hire of plant, machinery, equipment and vehicles	108	117	8,3	2 325	1 685	-27,5
Paper, printing and stationery	81	79	-2,5	168	179	6,5
Postal, courier and telecommunication service	144	125	-13,2	762	782	2,6
Property taxes	2	3	50,0	26	144	453,8
Railage and transport-out	478	547	14,4	133	114	-14,3
Regional services council levies	11	11	0,0	147	145	-1,4
Rental of land, buildings and other structures including water and electricity services	562	574	2,1	1 025	1 038	1,3
Repair and maintenance	3 062	3 041	-0,7	1 831	3 130	70,9

¹ Revised

Table 3 – Selected income and expenditure items: Electricity, gas and water supply industry and construction industry (concluded)

Item	Electricity, gas and water supply industry			Construction industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Security services	81	94	16,0	95	97	2,1
Travelling, accommodation and entertainment	110	93	-15,5	506	555	9,7
Other	6 711	9 216	37,3	19 779	18 757	-5,2
Total expenditure (D)	46 462	50 722	9,2	96 396	109 554	13,6
Net profit before providing for company tax and dividends (E)²	6 074	6 658	9,6	3 969	6 688	68,5
Company tax paid or provided for during the financial year	1 966	2 232	13,5	857	1 363	59,0
Net profit after tax	4 108	4 426	7,7	3 112	5 325	71,1
Dividends paid or provided for during the financial year	554	592	6,9	452	366	-19,0
Net profit after dividends paid	3 554	3 834	7,9	2 660	4 959	86,4
Capital expenditure on new assets	9 196	10 956	19,1	2 252	4 042	79,5
Capital expenditure on land and existing assets	50	168	236,0	740	1 322	78,6
Book value of fixed assets and intangible assets at the end of the financial year	67 289	74 960	11,4	11 049	15 873	43,7

¹ Revised

² E=A-B+C-D

Table 3A – Electricity, gas and water supply industry: Book value of fixed assets and intangible assets - 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	436	..	29	-23	..	442
Residential buildings	27	3	0	-1	2	27
Non-residential buildings	2 022	205	32	-88	151	2 020
Construction works, roads and parking areas	9 563	1 567	28	-559	125	10 474
Computers and other IT equipment	17	17	0	8	9	33
Motor vehicles and other transport equipment	1 157	838	10	-3	590	1 412
Plant, machinery and other office equipment	54 823	7 269	69	-53	4 725	57 383
Intangible fixed assets						
Computer software	412	358	0	-2	299	469
Mineral exploration	2	1	0	-2	0	1
Other	2 792	692	0	-623	382	2 479
Intangible non-produced assets	224	6	0	1	11	220
Total	71 475	10 956	168	-1 345	6 294	74 960

Table 3A – Construction industry: Book value of fixed assets and intangible assets - 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	662	..	40	82	..	784
Residential buildings	605	946	9	903	0	2 463
Non-residential buildings	741	61	124	-76	23	827
Construction works, roads and parking areas	1 992	312	774	-938	43	2 097
Computers and other IT equipment	202	123	12	-32	96	209
Motor vehicles and other transport equipment	3 309	950	86	-214	883	3 248
Plant, machinery and other office equipment	5 099	1 564	266	214	1 743	5 400
Intangible fixed assets						
Computer software	22	2	2	36	9	53
Mineral exploration	0	0	0	8	0	8
Other	546	4	9	-347	3	209
Intangible non-produced assets	569	80	0	-2	72	575
Total	13 747	4 042	1 322	-366	2 872	15 873

Table 4 – Selected income and expenditure items: Trade industry and transport, storage and communication industry

Item	Trade industry			Transport, storage and communication industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Income items						
Turnover	984 753	1 067 921	8,4	234 158	253 744	8,4
Interest received	5 751	5 588	-2,8	2 617	2 603	-0,5
Dividends received	874	1 264	44,6	4 794	5 616	17,1
Royalties, franchise fees, copyright, trade names and trade and patents rights received	314	328	4,5	52	53	1,9
Subsidies and incentives received from government	268	269	0,4	2 376	2 688	13,1
Profit from redemption, liquidation or revaluation of liabilities, at a value lower than the book value	153	156	2,0	115	82	-28,7
Profit from the sale or realisation for cash or revaluation of assets	1 005	1 314	30,7	2 549	623	-75,6
Other	11 758	11 795	0,3	7 889	11 212	42,1
Total income items (A)	1 004 876	1 088 635	8,3	254 550	276 621	8,7
Inventories						
Opening value (B)	76 575	84 355	10,2	4 662	5 696	22,2
Closing value (C)	80 903	96 429	19,2	4 685	6 171	31,7

¹ Revised

Table 4 – Selected income and expenditure items: Trade industry and transport, storage and communication industry (continued)

Item	Trade industry			Transport, storage and communication industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Expenditure items						
Purchases	742 576	802 484	8,1	75 406	83 965	11,4
Salaries and wages	79 689	84 455	6,0	41 883	43 872	4,7
Advertising	6 171	7 106	15,2	2 410	2 358	-2,2
Bank charges	2 196	2 410	9,7	304	381	25,3
Containers and packaging materials	1 418	1 663	17,3	421	418	-0,7
Depreciation provided for during the financial year	10 533	10 132	-3,8	16 747	15 389	-8,1
Excise and customs duty	3 975	4 920	23,8	1 554	1 639	5,5
Insurance premiums	3 466	4 017	15,9	2 099	2 263	7,8
Interest	11 349	11 045	-2,7	8 932	7 916	-11,4
Losses from the redemption, liquidation or revaluation of liabilities	667	656	-1,6	2 272	2 086	-8,2
Losses on assets or investments sold or revalued	1 681	2 892	72,0	8 547	923	-89,2
Operational leasing and hire of plant, machinery, equipment and vehicles	1 740	1 785	2,6	7 647	6 925	-9,4
Paper, printing and stationery	1 784	1 766	-1,0	511	537	5,1
Postal, courier and telecommunication service	4 505	4 432	-1,6	1 857	1 660	-10,6
Property taxes	245	253	3,3	162	159	-1,9
Railage and transport-out	3 582	3 572	-0,3	2 573	2 794	8,6
Regional services council levies	1 054	1 114	5,7	646	661	2,3
Rental of land, buildings and other structures including water and electricity services	18 758	20 785	10,8	5 513	5 477	-0,7
Repair and maintenance	4 956	4 697	-5,2	7 630	7 663	0,4

¹ Revised

Table 4 – Selected income and expenditure items: Trade industry and transport, storage and communication industry (concluded)

Item	Trade industry			Transport, storage and communication industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Security services	1 538	1 618	5,2	1 769	1 761	-0,5
Travelling, accommodation and entertainment	3 269	3 140	-3,9	1 707	1 573	-7,9
Other	62 155	72 983	17,4	44 937	48 768	8,5
Total expenditure (D)	967 307	1 047 925	8,3	235 527	239 188	1,6
Net profit before providing for company tax and dividends (E)²	41 897	52 784	26,0	19 046	37 908	99,0
Company tax paid or provided for during the financial year	11 951	14 676	22,8	6 225	9 311	49,6
Net profit after tax	29 946	38 108	27,3	12 821	28 597	123,0
Dividends paid or provided for during the financial year	4 817	9 441	96,0	10 264	6 264	-39,0
Net profit after dividends paid	25 129	28 667	14,1	2 557	22 333	773,4
Capital expenditure on new assets	16 655	16 373	-1,7	23 486	24 692	5,1
Capital expenditure on land and existing assets	5 060	5 376	6,2	4 920	5 051	2,7
Book value of fixed assets and intangible assets at the end of the financial year	73 722	71 749	-2,7	138 038	143 920	4,3

¹ Revised

² E=A-B+C-D

Table 4A – Trade industry: Book value of fixed assets and intangible assets - 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	5 564	..	253	218	..	6 035
Residential buildings	2 107	174	78	57	91	2 325
Non-residential buildings	11 820	1 238	588	-666	474	12 506
Construction works, roads and parking areas	659	511	5	-321	27	827
Computers and other IT equipment	2 391	1 339	279	-288	1 183	2 538
Motor vehicles and other transport equipment	11 706	4 303	1 888	-1 746	2 945	13 206
Plant, machinery and other office equipment	24 703	7 208	1 672	-1 993	6 420	25 170
Intangible fixed assets						
Computer software	229	270	18	-32	126	359
Mineral exploration	20	1	0	-1	5	15
Other	1 437	355	102	-398	204	1 292
Intangible non-produced assets	7 342	974	493	-672	661	7 476
Total	67 978	16 373	5 376	-5 842	12 136	71 749

Table 4A – Transport, storage and communication industry: Book value of fixed assets and intangible assets - 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	2 404	..	34	-6	..	2 432
Residential buildings	2 230	760	10	-5	354	2 641
Non-residential buildings	9 556	413	142	-165	500	9 446
Construction works, roads and parking areas	38 876	7 929	0	-6 741	1 019	39 045
Computers and other IT equipment	32 071	2 545	2 225	-105	5 249	31 487
Motor vehicles and other transport equipment	31 563	7 137	1 675	1 549	4 952	36 972
Plant, machinery and other office equipment	14 369	4 334	201	-1 500	2 584	14 820
Intangible fixed assets						
Computer software	3 852	363	664	7	1 018	3 868
Mineral exploration	9	0	0	-5	1	3
Other	841	316	40	352	73	1 476
Intangible non-produced assets	1 399	895	60	-29	595	1 730
Total	137 170	24 692	5 051	-6 648	16 345	143 920

Table 5 – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance) and community, social and personal services industry (excluding government institutions)

Item	Real estate and other business services industry			Community, social and personal services industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Income items						
Turnover	275 888	299 898	8,7	77 102	79 641	3,3
Interest received	9 098	8 815	-3,1	928	883	-4,8
Dividends received	4 190	7 496	78,9	72	31	-56,9
Royalties, franchise fees, copyright, trade names and trade and patents rights received	460	473	2,8	229	230	0,4
Subsidies and incentives received from government	1 503	1 736	15,5	1 127	1 086	-3,6
Profit from redemption, liquidation or revaluation of liabilities, at a value lower than the book value	82	81	-1,2	19	22	15,8
Profit from the sale or realisation for cash or revaluation of assets	5 077	8 521	67,8	170	351	106,5
Other	5 893	7 071	20,0	2 714	2 637	-2,8
Total income items (A)	302 191	334 091	10,6	82 361	84 881	3,1
Inventories						
Opening value (B)	9 020	8 204	-9,0	2 440	2 108	-13,6
Closing value (C)	10 436	10 768	3,2	2 495	2 069	-17,1

¹Revised

Table 5 – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance) and community, social and personal services industry (excluding government institutions) (continued)

Item	Real estate and other business services industry			Community, social and personal services industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Expenditure items						
Purchases	73 484	83 922	14,2	22 969	23 192	1,0
Salaries and wages	75 001	88 490	18,0	21 169	21 390	1,0
Advertising	1 615	1 952	20,9	881	882	0,1
Bank charges	883	911	3,2	325	335	3,1
Containers and packaging materials	470	491	4,5	36	37	2,8
Depreciation provided for during the financial year	7 836	7 717	-1,5	2 653	2 567	-3,2
Excise and customs duty	57	61	7,0	0	6	
Insurance premiums	3 057	2 971	-2,8	582	516	-11,3
Interest	22 976	23 398	1,8	1 933	1 617	-16,3
Losses from the redemption, liquidation or revaluation of liabilities	758	768	1,3	131	94	-28,2
Losses on assets or investments sold or revalued	1 170	1 200	2,6	547	589	7,7
Operational leasing and hire of plant, machinery, equipment and vehicles	1 818	1 965	8,1	956	916	-4,2
Paper, printing and stationery	1 449	1 410	-2,7	563	542	-3,7
Postal, courier and telecommunication service	2 512	2 782	10,7	1 225	987	-19,4
Property taxes	1 812	1 861	2,7	114	121	6,1
Railage and transport-out	424	400	-5,7	62	69	11,3
Regional services council levies	588	611	3,9	109	123	12,8
Rental of land, buildings and other structures including water and electricity services	11 201	10 995	-1,8	2 963	2 698	-8,9
Repair and maintenance	5 241	5 310	1,3	1 055	1 066	1,0

¹Revised

Table 5 – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance) and community, social and personal services industry (excluding government institutions) (concluded)

Item	Real estate and other business services industry			Community, social and personal services industry		
	2004 ¹ R million	2005 R million	Percentage change	2004 ¹ R million	2005 R million	Percentage change
Security services	1 741	1 656	-4,9	350	330	-5,7
Travelling, accommodation and entertainment	3 656	3 643	-0,4	346	497	43,6
Other	39 389	41 371	5,0	15 897	16 348	2,8
Total expenditure (D)	257 138	283 885	10,4	74 866	74 922	0,1
Net profit before providing for company tax and dividends (E)²	46 469	52 770	13,6	7 550	9 920	31,4
Company tax paid or provided for during the financial year	6 083	7 816	28,5	1 518	2 089	37,6
Net profit after tax	40 386	44 954	11,3	6 032	7 831	29,8
Dividends paid or provided for during the financial year	6 498	7 166	10,3	904	898	-0,7
Net profit after dividends paid	33 888	37 788	11,5	5 128	6 933	35,2
Capital expenditure on new assets	15 105	12 974	-14,1	3 311	3 339	0,8
Capital expenditure on land and existing assets	5 825	6 176	6,0	917	912	-0,5
Book value of fixed assets and intangible assets at the end of the financial year	242 553	253 063	4,3	32 408	33 873	4,5

¹ Revised

² E=A-B+C-D

Table 5A – Real estate and other business services industry (excluding financial intermediation and insurance): Book value of fixed assets and intangible assets - 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	37 147	..	1 057	4 414	..	42 618
Residential buildings	20 443	545	583	1 097	41	22 627
Non-residential buildings	99 224	2 775	2 434	6 355	1 278	109 510
Construction works, roads and parking areas	7 237	716	52	-3 600	119	4 286
Computers and other IT equipment	4 089	1 355	413	-344	1 966	3 547
Motor vehicles and other transport equipment	14 961	2 167	371	1 224	2 956	15 767
Plant, machinery and other office equipment	17 962	3 218	557	-1 154	4 433	16 150
Intangible fixed assets						
Computer software	536	281	23	-37	253	550
Mineral exploration	31	26	0	0	14	43
Other	25 323	389	245	1 514	425	27 046
Intangible non-produced assets	8 499	1 502	441	1 269	792	10 919
Total	235 452	12 974	6 176	10 738	12 277	253 063

Table 5A – Community, social and personal services industry (excluding government institutions): Book value of fixed assets and intangible assets - 2005

Type of asset	Book value at the beginning of the financial year	Capital expenditure on new assets	Capital expenditure on land and existing assets	Sales of assets (-), revaluation and other adjustments to book value	Depreciation and amortisation	Book value at the end of the financial year
R million						
Land	6 119	..	148	73	..	6 340
Residential buildings	2 109	92	39	-65	37	2 138
Non-residential buildings	11 016	819	61	237	258	11 875
Construction works, roads and parking areas	236	182	0	-133	1	284
Computers and other IT equipment	473	201	134	-20	246	542
Motor vehicles and other transport equipment	2 306	236	289	-166	579	2 086
Plant, machinery and other office equipment	5 910	1 619	128	-244	1 523	5 890
Intangible fixed assets						
Computer software	81	17	59	0	31	126
Mineral exploration	8	0	3	-1	2	8
Other	530	52	2	-21	54	509
Intangible non-produced assets	4 130	121	49	24	249	4 075
Total	32 918	3 339	912	-316	2 980	33 873

Table 6 - Comparison of operating ratios between 2004 and 2005

Industry	Turnover / Fixed assets ¹		Profit / turnover ²		Profitability ratio ³		Dividends paid / Net profit after tax ⁴		Turnover / Closing inventories ⁵	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Forestry and fishing	..	3,73	..	0,13	..	0,10	..	0,11	..	15,97
Mining and quarrying	1,02	0,96	0,11	0,11	0,06	0,07	1,04	0,81	10,08	9,15
Manufacturing	4,13	4,11	0,08	0,10	0,06	0,08	0,40	0,36	8,52	8,37
Electricity, gas and water supply	0,60	0,58	0,15	0,15	0,10	0,10	0,13	0,13	16,85	15,44
Construction	8,84	7,03	0,04	0,06	0,03	0,05	0,15	0,07	16,35	17,02
Trade	13,36	14,88	0,04	0,05	0,03	0,04	0,16	0,25	12,17	11,07
Transport, storage and communication	1,70	1,76	0,08	0,15	0,05	0,11	0,80	0,22	49,98	41,12
Real estate and other business services, excluding financial intermediation and insurance	1,14	1,19	0,17	0,18	0,15	0,15	0,16	0,16	26,44	27,85
Community, social and personal services, excluding government institutions	2,38	2,35	0,10	0,12	0,08	0,10	0,15	0,11	30,90	38,49
All industries	2,95	2,97	0,08	0,10	0,06	0,07	0,34	0,28	12,21	11,67

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 / turnover

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

⁴ Total dividends paid / Net profit after providing for company tax

⁵ Turnover / closing value of inventories

Table 6 - Comparison of operating ratios between 2004 and 2005 (concluded)

Industry	Net profit before tax / Fixed assets ¹		Net profit after tax / Fixed assets ²		Company tax / Net profit ³		Total capital expenditure / Fixed assets ⁴		Capital expenditure on new assets / Fixed assets ⁵	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Forestry and fishing	..	0,49	..	0,36	..	0,25	..	0,23	..	0,22
Mining and quarrying	0,11	0,11	0,07	0,07	0,39	0,35	0,21	0,19	0,16	0,15
Manufacturing	0,34	0,43	0,23	0,31	0,30	0,27	0,25	0,24	0,22	0,21
Electricity, gas and water supply	0,09	0,09	0,06	0,06	0,32	0,34	0,14	0,15	0,14	0,15
Construction	0,36	0,42	0,28	0,34	0,22	0,20	0,27	0,34	0,20	0,25
Trade	0,57	0,74	0,41	0,53	0,29	0,28	0,29	0,30	0,23	0,23
Transport, storage and communication	0,14	0,26	0,09	0,20	0,33	0,25	0,21	0,21	0,17	0,17
Real estate and other business services, excluding financial intermediation and insurance	0,19	0,21	0,17	0,18	0,13	0,15	0,09	0,08	0,06	0,05
Community, social and personal services, excluding government institutions	0,23	0,29	0,19	0,23	0,20	0,21	0,13	0,13	0,10	0,10
All industries	0,23	0,28	0,17	0,21	0,27	0,25	0,18	0,18	0,15	0,15

¹ Net profit before providing for company tax / book value of fixed assets and intangible assets at the end of the financial year

² Net profit after providing for company tax / book value of fixed assets and intangible assets at the end of the financial year

³ Company tax paid or provided for during the financial year / Net profit before providing for company tax

⁴ Capital expenditure on new and existing assets / book value of fixed assets and intangible assets at the end of the financial year

⁵ Capital expenditure on new assets / book value of fixed assets and intangible assets at the end of the financial year

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)

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

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: 2004 and 2005

Industry	2004				2005			
	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
Forestry and fishing	..	..	..	..	8 318	8 781	9 244	2,70
Mining and quarrying	147 745	151 001	154 257	1,10	163 769	164 636	165 503	0,27
Manufacturing	848 935	860 789	872 643	0,70	891 314	904 654	917 994	0,75
Electricity, gas and water supply	40 275	40 500	40 725	0,28	43 449	43 723	43 997	0,32
Construction	95 826	97 723	99 620	1,00	106 483	111 624	116 765	2,35
Trade	939 505	984 753	1 030 001	2,34	1 020 221	1 067 921	1 115 621	2,28
Transport, storage and communication	224 301	234 158	244 015	2,15	249 170	253 744	258 318	0,92
Real estate and other business services, excluding financial intermediation and insurance	229 135	275 888	322 641	8,65	260 745	299 898	339 051	6,66
Community, social and personal services industry, excluding government institutions	74 231	77 102	79 973	1,90	74 011	79 641	85 271	3,61

¹ Revised

Table B –Turnover by industry for 2004 and 2005

Industry	2004 ¹		2005		Percentage change between EAS 2004 and EAS 2005
	R million	Percentage of total turnover	R million	Percentage of total turnover	
Forestry and fishing	..	..	8 781	0,3	..
Mining and quarrying	151 001	5,5	164 636	5,6	9,0
Manufacturing	860 789	31,6	904 654	30,8	5,1
Electricity, gas and water supply	40 500	1,5	43 723	1,5	8,0
Construction	97 723	3,6	111 624	3,8	14,2
Trade	984 753	36,2	1 067 921	36,4	8,4
Transport, storage and communication	234 158	8,6	253 744	8,6	8,4
Real estate and other business services (excluding financial intermediation and insurance)	275 888	10,1	299 898	10,2	8,7
Community, social and personal services (excluding government institutions)	77 102	2,8	79 641	2,7	3,3
Total	2 721 914	100,0	2 934 622	100,0	7,8

¹Revised

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 C). 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
Forestry and fishing	1	
Forestry, logging and related services		12
Fishing, operation of fish hatcheries and fish farms		13
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 not elsewhere classified		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 not elsewhere classified; 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	7	
Land transport; transport via pipelines		71
Water transport		72
Air transport		73
Supporting and auxiliary transport activities; activities of travel agencies		74
Post and telecommunications (including cellular service providers)		75
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Explanatory notes

- Introduction** Stats SA conducted an annual economic activity survey in 2005 to collect a range of financial statistics in respect of enterprises for the following industries: forestry and fishing, mining and quarrying, manufacturing, electricity, gas and water supply, trade, transport, storage and communication, real estate and other business services (excluding financial intermediation and insurance, but including activities auxiliary to financial intermediation) and community, social and personal services (excluding government institutions). The survey is designed to supply information on selected income and expenditure items, capital expenditure on new assets and existing assets and the book value of fixed and intangible assets at the end of the financial year. Information is collected for the financial years of enterprises that ended on any date between 1 July 2004 and 30 June 2005. 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 fixed and intangible 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 covers financial statistics of the following industries according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*:
- forestry and fishing;
 - 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, but including activities auxiliary to financial intermediation); 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 17 000 enterprises was drawn. All enterprises are first stratified by the predominant type of activity according to the SIC, 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 54% 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. Weights for size groups 2 to 4 can be large due to sample design and non-response.
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>Opening (2005) and closing (2004) values of inventory and book values of fixed and intangible assets do not necessarily correspond due to non-overlapping enterprises selected for size group 2, 3 and 4 in the two samples. Thus, differences in closing 2004 values and opening 2005 values will be reflected in all industries.</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
Forestry and fishing	Turnover >R 5 mill	Turnover > R 3 mill, Turnover ≤ R 5 mill	Turnover ≤ R 3 mill
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 survey periods;
- Restructuring of businesses;
- Different sampling frames;
- Different cut-off points for size groups; and
- Different sampling methodology and sampling specifications.

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
..	Data not available

Glossary

Book value of fixed assets and intangible assets	<p>Book value of fixed assets and intangible assets at the end of the financial year includes:</p> <ul style="list-style-type: none"> • land; • residential buildings and non-residential buildings; • construction works, roads and parking areas; • computers and other IT equipment; • motor vehicles and other transport equipment; • plant, machinery and other office equipment; and • intangible non-produced assets.
Capital expenditure on new assets	<p>Capital expenditure on new assets includes:</p> <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.
Company tax brought into account	<p>Company tax brought into account consists 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.</p>
Dividends paid	<p>Dividends paid include cash dividends and other dividends such as capitalisation issues or scrip dividends or capitalisation shares.</p>
Enterprise	<p>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.</p>
Industry	<p>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>.</p>
Inventories	<p>Inventories at year end include:</p> <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	<p>Net profit after tax is net profit or loss <i>less</i> company tax paid or provided for during the financial year.</p>
Net profit before providing for company tax and dividends	<p>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.</p>

- Other expenditure** Other expenditure includes:
- audit and other professional business services expenditure;
 - royalties, franchise fees, copyright, trade names and trade-and patent rights paid;
 - donations, bursaries and sponsorship;
 - payments to outside organisations for staff training;
 - motor vehicle running expenditure including parts and fuel;
 - severance, termination and redundancy payments to staff; and
 - subcontract and commission expenses.
- Purchases** Purchases include:
- raw materials, components, etc. 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.
- Salaries and wages** Salaries and wages include:
- salaries and/or fees paid to directors, executives and managers;
 - commissions paid;
 - employer's contribution to pension, provident, medical aid, sick pay and other funds;
 - payments made from South Africa to employers or employees based abroad;
 - payments for all types of leave;
 - incentive payments for piecework or profit-sharing schemes;
 - fringe benefits paid in cash, e.g. housing, mortgage and rent subsidies, transport and cell phone allowances;
 - allowances and penalty payments;
 - value of any salary sacrificed;
 - bonuses; and
 - payments that were made during the reference period but relating to other pay periods for which no previous provision was made, e.g. annual leave, thirteenth cheque and leave gratuity payments.
- Security services** Security services includes:
- fees paid to contracted security companies;
 - electronic security systems such as alarms and surveillance cameras; and
 - IT security systems.

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;
- profit from redemption, liquidation or revaluation of liabilities, at a value lower than the book value;
- profit from the sale or realisation for cash or revaluation of assets; 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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