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# **Quarterly financial statistics**

## **June 2005**

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## **Key findings for the quarter ended June 2005**

*The total turnover of all industries for the second quarter of 2005 was estimated at R776 364 million, an increase of 5,9% compared with the first quarter of 2005 (R732 857 million).*

Between the first quarter of 2005 and the second quarter of 2005, turnover increased in all the industries covered in the survey. The largest increase of 15,8% was recorded for mining and quarrying, followed by manufacturing (+8,1%), construction (+7,5%), real estate and other business services (excluding financial intermediation and insurance) (+5,9%), transport, storage and communication (+5,1%), community, social and personal services (excluding government institutions) (+5,0%) and trade (+2,8%).

Total capital expenditure on new non-current assets, estimated at R21 589 million for all industries for the second quarter of 2005, decreased by 10,0% compared with the first quarter of 2005. The largest decrease was reported in the transport, storage and communication industry (-45,0%), followed by community, social and personal services (which excludes government institutions) (-7,5%), trade (-6,5%), construction (-5,3%) and mining and quarrying (-0,7%). Increases were reported in manufacturing (+11,3%) and real estate and other business services (excluding financial intermediation and insurance) (+3,6%).

Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the second quarter of 2005 was estimated at R714 205 million, an increase of 1,4% compared with the first quarter of 2005. Increases in book value were recorded for real estate and other business services (excluding financial intermediation and insurance) (+6,9%), trade (+1,1%), mining and quarrying (+1,0%), construction (+0,5%), manufacturing (+0,3%) and community, social and personal services (excluding government institutions) (+0,2%). Transport, storage and communication experienced a decrease of 0,9%.

Total inventories at the end of the second quarter of 2005 were estimated at R241 480 million, compared with R241 490 million at the first quarter of 2005. Decreases in inventories were recorded for construction (-7,7%), real estate and other business services (excluding financial intermediation and insurance) (-6,3%) and trade (-2,1%). This was counteracted by increases in inventories which were recorded for transport, storage and communication (+9,3%), manufacturing (+2,7%), community, social and personal services (excluding government institutions) (+2,5%) and mining and quarrying (+0,4%).

**PJ Lehohla**  
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## Notes

<b>Forthcoming issues</b>	<b>Issue</b> September 2005	<b>Expected release date</b> 15 December 2005
<b>Purpose of the survey</b>	The quarterly financial statistics (QFS) survey covers a sample of non-government enterprises operating in the formal non-agricultural business sector of the South African economy, excluding electricity, gas and water supply, financial intermediation, insurance and government institutions. Results of the survey are used in compiling estimates of the Gross Domestic Product (GDP) and its components, used to develop and monitor government policy. These statistics are also used by the private sector in analyses of comparative business and industry performance. The results are published quarterly in statistical release P0044: <i>Quarterly financial statistics</i> .	
<b>Response rates</b>	March quarter 2005: 80,0 %. June quarter 2005: 83,8%	
<b>Reasons for fluctuations in data</b>	The fluctuations in the data can be attributed to: <ul style="list-style-type: none"><li>• revisions to previous quarters made in the event of new or revised information being furnished by the respondents;</li><li>• restructuring of large businesses;</li><li>• exchange rate changes;</li><li>• once-off items reflected in one or more quarters, but not reflected in other quarters; and</li><li>• items declared annually and not quarterly.</li></ul>	

**Table 1 – Selected income and expenditure items: All industries<sup>1</sup>**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>2</sup>	March 2005 <sup>2</sup>	June 2005 <sup>3</sup>	
	R million					
<b>Income items</b>						
Turnover	699 749	724 525	763 427	732 857	776 364	5,9
Interest received	5 001	4 714	4 227	4 604	4 576	-0,6
Dividends received	1 853	4 180	1 762	7 770	7 928	2,0
Royalties, franchise fees, copyright, trade names and trade and patent rights received	197	124	249	251	252	0,4
Income from the rental/leasing of land, buildings and other structures	603	863	906	951	994	4,5
Income from hiring/leasing of plant, machinery, vehicles and other equipment	883	870	394	440	439	-0,2
Profit on assets/investments sold or revalued	3 648	2 113	1 915	1 917	1 669	-12,9
Other income	5 001	4 714	11 110	9 075	9 455	4,2
<b>Expenditure items</b>						
Interest paid	18 025	16 651	13 356	13 973	13 781	-1,4
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	3 051	3 298	2 890	2 902	3 019	4,0
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	8 550	8 902	9 648	10 684	10 581	-1,0
Hiring/leasing paid for plant, machinery, vehicles and other equipment	4 823	4 383	4 533	4 485	4 665	4,0
Depreciation	19 202	18 523	18 267	18 263	18 450	1,0

<sup>1</sup> All industries in the South African economy, excluding agriculture, electricity, gas and water supply, financial intermediation and insurance and government institutions.

<sup>2</sup> Revised

<sup>3</sup> Preliminary estimates

**Table 1 – Selected income and expenditure items: All industries<sup>1</sup> (concluded)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>2</sup>	March 2005 <sup>2</sup>	June 2005 <sup>3</sup>	
	R million					
Losses on assets/investments sold or revalued	4 980	4 474	3 943	5 031	4 119	-18,1
Other expenditure			463 871	467 323	499 122	6,8
<b>Net profit or loss before providing for company tax and dividends</b>	56 188	58 466	71 172	70 539	73 902	4,8
<b>Tax and company tax brought into account</b>	11 790	14 165	16 590	15 008	15 563	3,7
<b>Dividends payable</b>	10 875	10 821	9 648	17 665	15 916	-9,9
<b>Inventories</b>						
Work in progress	34 757	38 811	38 286	42 883	42 703	-0,4
Other stocks	184 194	188 361	194 456	198 607	198 777	0,1
Total inventories	218 951	227 172	232 742	241 490	241 480	0,0
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	635 490	646 084	695 352	704 588	714 205	1,4
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	2 164	2 739	4 215	4 286	3 381	-21,1
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	13 263	15 158	17 424	15 857	15 495	-2,3
Vehicles	2 832	3 512	2 771	3 841	2 713	-29,4
Total capital expenditure on new non-current assets	18 259	21 409	24 410	23 984	21 589	-10,0
<b>Capital expenditure on land and used assets</b>	1 089	1 044	1 715	826	728	-11,9

<sup>1</sup> All industries in the South African economy, excluding agriculture, electricity, gas and water supply, financial intermediation and insurance and government institutions.

<sup>2</sup> Revised

<sup>3</sup> Preliminary estimates

**Table 2 - Selected income and expenditure items: Mining and quarrying industry**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	35 682	33 670	37 959	36 780	42 609	15,8
Interest received	1 315	400	728	684	706	3,2
Dividends received	46	41	65	52	4 550	8650,0
Royalties, franchise fees, copyright, trade names and trade and patent rights received	7	9	10	7	8	14,3
Income from the rental/leasing of land, buildings and other structures	49	55	43	24	23	-4,2
Income from hiring/leasing of plant, machinery, vehicles and other equipment	2	0	15	14	14	0,0
Profit on assets/investments sold or revalued	327	41	151	225	126	-44,0
Other income			529	510	524	2,7
<b>Expenditure items</b>						
Interest paid	1 667	939	1 127	1 187	1 120	-5,6
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	522	491	206	291	286	-1,7
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	143	162	207	212	232	9,4
Hiring/leasing paid for plant, machinery, vehicles and other equipment	171	141	211	201	220	9,5
Depreciation	2 942	2 342	2 929	3 228	3 322	2,9

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	128	105	1 014	1 745	1 787	2,4
Other expenditure			27 182	24 280	25 721	5,9
<b>Net profit or loss before providing for company tax and dividends</b>	5 230	6 491	3 060	3 777	11 766	211,5
<b>Tax and company tax brought into account</b>	1 478	1 798	1 305	1 380	2 490	80,4
<b>Dividends payable</b>	2 692	2 843	759	855	2 878	236,6
<b>Inventories</b>						
Work in progress	5 105	5 908	6 191	6 698	6 704	0,1
Other stocks	7 892	7 315	8 685	8 760	8 823	0,7
Total inventories	12 997	13 223	14 876	15 458	15 527	0,4
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	135 209	129 415	148 958	142 227	143 585	1,0
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	795	597	893	743	718	-3,4
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	2 599	1 376	2 636	2 256	2 270	0,6
Vehicles	263	270	466	163	151	-7,4
Total capital expenditure on new non-current assets	3 657	2 243	3 995	3 162	3 139	-0,7
<b>Capital expenditure on land and used assets</b>	123	24	127	53	54	1,9

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates



**Table 3 - Selected income and expenditure items: Manufacturing industry**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	220 066	233 497	250 017	227 365	245 777	8,1
Interest received	1 315	1 682	1 631	1 678	1 697	1,1
Dividends received	514	2 368	845	396	408	3,0
Royalties, franchise fees, copyright, trade names and trade and patent rights received	60	39	43	35	38	8,6
Income from the rental/leasing of land, buildings and other structures	225	235	322	257	256	-0,4
Income from hiring/leasing of plant, machinery, vehicles and other equipment	71	75	79	86	87	1,2
Profit on assets/investments sold or revalued	1 704	356	684	578	538	-6,9
Other income			2 511	2 424	2 586	6,7
<b>Expenditure items</b>						
Interest paid	3 597	3 712	3 883	3 739	3 958	5,9
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	1 082	1 289	1 296	1 396	1 443	3,4
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	1 762	1 891	2 191	2 128	2 195	3,1
Hiring/leasing paid for plant, machinery, vehicles and other equipment	960	977	781	705	775	9,9
Depreciation	5 564	5 673	5 462	5 557	5 312	-4,4

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	2 493	2 608	1 260	1 090	1 040	-4,6
Other expenditure			148 546	137 997	149 017	8,0
<b>Net profit or loss before providing for company tax and dividends</b>	19 824	21 608	25 563	21 845	23 377	7,0
<b>Tax and company tax brought into account</b>	4 717	5 625	7 344	5 252	5 754	9,6
<b>Dividends payable</b>	4 932	5 690	6 113	6 537	5 961	-8,8
<b>Inventories</b>						
Work in progress	16 700	19 343	18 686	20 437	21 143	3,5
Other stocks	83 968	85 178	82 897	83 705	85 783	2,5
Total inventories	100 668	104 521	101 583	104 142	106 926	2,7
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	169 321	172 929	182 046	181 248	181 774	0,3
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	450	895	648	546	557	2,0
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	6 470	8 313	9 069	7 027	7 884	12,2
Vehicles	368	316	399	465	505	8,6
Total capital expenditure on new non-current assets	7 288	9 524	10 116	8 038	8 946	11,3
<b>Capital expenditure on land and used assets</b>	125	382	337	285	284	-0,4

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 4 - Selected income and expenditure items: Construction industry**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	25 536	27 478	29 812	27 116	29 147	7,5
Interest received	137	165	120	144	139	-3,5
Dividends received	10	17	7	9	77	755,6
Royalties, franchise fees, copyright, trade names and trade and patent rights received	0	0	1	0	2	
Income from the rental/leasing of land, buildings and other structures	29	40	17	20	18	-10,0
Income from hiring/leasing of plant, machinery, vehicles and other equipment	233	230	162	175	166	-5,1
Profit on assets/investments sold or revalued	67	42	69	175	61	-65,1
Other income			223	259	418	61,4
<b>Expenditure items</b>						
Interest paid	591	550	321	306	320	4,6
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	16	17	23	33	32	-3,0
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	180	182	296	401	382	-4,7
Hiring/leasing paid for plant, machinery, vehicles and other equipment	564	481	446	492	464	-5,7
Depreciation	566	585	381	385	389	1,0

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 4 - Selected income and expenditure items: Construction industry (concluded)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	1	4	3	9	52	477,8
Other expenditure			23 846	23 201	23 452	1,1
<b>Net profit or loss before providing for company tax and dividends</b>	1 259	1 553	1 677	1 350	1 828	35,4
<b>Tax and company tax brought into account</b>	109	92	123	145	156	7,6
<b>Dividends payable</b>	29	17	1	48	114	137,5
<b>Inventories</b>						
Work in progress	6 897	7 506	7 895	8 945	8 213	-8,2
Other stocks	1 994	1 839	1 459	1 265	1 206	-4,7
Total inventories	8 891	9 345	9 354	10 210	9 419	-7,7
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	19 227	20 482	12 654	13 385	13 455	0,5
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	234	145	56	16	15	-6,3
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	307	376	239	232	216	-6,9
Vehicles	79	378	81	74	74	0,0
Total capital expenditure on new non-current assets	620	899	376	322	305	-5,3
<b>Capital expenditure on land and used assets</b>	91	443	47	0	3	0,0

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 5 - Selected income and expenditure items: Trade industry**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	245 155	247 013	268 096	259 868	267 130	2,8
Interest received	1 334	1 220	1 129	1 248	1 183	-5,2
Dividends received	198	265	230	649	257	-60,4
Royalties, franchise fees, copyright, trade names and trade and patent rights received	38	37	128	116	120	3,4
Income from the rental/leasing of land, buildings and other structures	198	429	419	456	493	8,1
Income from hiring/leasing of plant, machinery, vehicles and other equipment	136	136	70	76	79	3,9
Profit on assets/investments sold or revalued	347	339	492	125	128	2,4
Other income			5 968	3 689	3 689	0,0
<b>Expenditure items</b>						
Interest paid	2 972	2 519	2 357	2 298	2 285	-0,6
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	383	408	642	509	554	8,8
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	3 855	4 166	4 097	4 604	4 413	-4,1
Hiring/leasing paid for plant, machinery, vehicles and other equipment	610	580	573	690	735	6,5
Depreciation	2 570	2 790	2 696	2 786	2 708	-2,8

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 5 - Selected income and expenditure items: Trade industry (concluded)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	1 293	960	189	73	75	2,7
Other expenditure			159 543	170 254	183 599	7,8
<b>Net profit or loss before providing for company tax and dividends</b>	13 163	10 507	18 183	15 395	16 203	5,2
<b>Tax and company tax brought into account</b>	2 240	2 552	3 528	3 596	2 839	-21,1
<b>Dividends payable</b>	1 343	845	909	963	1 436	49,1
<b>Inventories</b>						
Work in progress	3 652	3 519	2 168	1 933	1 902	-1,6
Other stocks	72 518	75 329	85 621	88 184	86 365	-2,1
Total inventories	76 170	78 848	87 789	90 117	88 267	-2,1
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	59 738	64 543	64 620	64 862	65 582	1,1
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	308	546	776	713	478	-33,0
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	1 290	1 950	1 708	1 334	1 389	4,1
Vehicles	556	183	530	537	548	2,0
Total capital expenditure on new non-current assets	2 154	2 679	3 014	2 584	2 415	-6,5
<b>Capital expenditure on land and used assets</b>	270	124	239	45	42	-6,7

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 6 - Selected income and expenditure items: Transport, storage and communication industry**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	65 656	69 357	76 420	73 353	77 103	5,1
Interest received	615	611	406	608	609	0,2
Dividends received	93	915	175	4 587	2 110	-54,0
Royalties, franchise fees, copyright, trade names and trade and patent rights received	5	8	24	64	53	-17,2
Income from the rental/leasing of land, buildings and other structures	65	65	51	77	77	0,0
Income from hiring/leasing of plant, machinery, vehicles and other equipment	72	76	52	71	76	7,0
Profit on assets/investments sold or revalued	887	685	71	175	171	-2,3
Other income			448	514	586	14,0
<b>Expenditure items</b>						
Interest paid	2 598	2 443	1 442	2 002	2 019	0,8
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	22	23	30	29	30	3,4
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	542	627	633	893	945	5,8
Hiring/leasing paid for plant, machinery, vehicles and other equipment	1 935	1 687	1 658	1 506	1 640	8,9
Depreciation	5 226	4 999	4 466	3 718	4 245	14,2

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 6 - Selected income and expenditure items: Transport, storage and communication industry (concluded)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	910	710	447	1 361	433	-68,2
Other expenditure			43 312	45 906	49 746	8,4
<b>Net profit or loss before providing for company tax and dividends</b>	4 957	6 827	12 126	13 764	8 375	-39,2
<b>Tax and company tax brought into account</b>	1 409	1 795	2 073	2 641	2 357	-10,8
<b>Dividends payable</b>	786	327	107	4 337	2 721	-37,3
<b>Inventories</b>						
Work in progress	624	791	1 172	1 468	1 429	-2,7
Other stocks	6 559	7 485	4 693	4 725	5 340	13,0
Total inventories	7 183	8 276	5 865	6 193	6 769	9,3
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	148 711	145 598	142 649	145 659	144 326	-0,9
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	141	339	503	988	466	-52,8
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	1 487	2 160	2 668	3 708	2 350	-36,6
Vehicles	1 012	1 892	833	2 170	959	-55,8
Total capital expenditure on new non-current assets	2 640	4 391	4 004	6 866	3 775	-45,0
<b>Capital expenditure on land and used assets</b>	56	54	742	266	134	-49,6

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates



**Table 7 - Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover*	90 458	95 895	82 783	88 497	93 727	5,9
Dividends received	986	574	439	2 067	512	-75,2
Royalties, franchise fees, copyright, trade names and trade and patent rights received	87	31	35	25	26	4,0
Profit on assets/investments sold or revalued	312	622	416	591	594	0,5
Other income			867	980	933	-4,8
<b>Expenditure items</b>						
Interest paid	6 304	6 193	3 320	3 364	3 079	-8,5
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	506	525	349	323	334	3,4
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	1 515	1 386	1 726	1 853	1 814	-2,1
Hiring/leasing paid for plant, machinery, vehicles and other equipment	472	431	690	658	616	-6,4
Depreciation	1 721	1 558	1 630	1 829	1 724	-5,7

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

\* Includes: interest, rent/leasing and hiring – see p. 27 for more detail

**Table 7 - Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance) (concluded)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	127	83	986	648	618	-4,6
Other expenditure			49 164	53 048	53 995	1,8
<b>Net profit or loss before providing for company tax and dividends</b>	9 640	9 367	8 253	9 216	9 211	-0,1
<b>Tax and company tax brought into account</b>	1 483	1 954	1 774	1 453	1 428	-1,7
<b>Dividends payable</b>	899	857	1 482	2 501	2 566	2,6
<b>Inventories</b>						
Work in progress	1 612	1 594	1 920	3 122	3 033	-2,9
Other stocks	10 083	9 758	9 581	10 312	9 555	-7,3
Total inventories	11 695	11 352	11 501	13 434	12 588	-6,3
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	89 447	97 682	106 788	118 836	127 019	6,9
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	230	179	964	785	787	0,3
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	832	655	639	821	858	4,5
Vehicles	541	466	438	402	435	8,2
Total capital expenditure on new non-current assets	1 603	1 300	2 041	2 008	2 080	3,6
<b>Capital expenditure on land and used assets</b>	413	7	209	168	165	-1,8

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 8 - Selected income and expenditure items: Community, social and personal services industry (excluding government institutions)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	17 196	17 615	18 340	19 878	20 871	5,0
Interest received	285	636	213	242	242	0,0
Dividends received	6	0	1	10	14	40,0
Royalties, franchise fees, copyright, trade names and trade and patent rights received	0	0	8	4	5	25,0
Income from the rental/leasing of land, buildings and other structures	37	39	54	117	127	8,5
Income from hiring/leasing of plant, machinery, vehicles and other equipment	369	353	16	18	17	-5,6
Profit on assets/investments sold or revalued	4	28	32	48	51	6,3
Other income			564	699	719	2,9
<b>Expenditure items</b>						
Interest paid	296	295	906	1 077	1 000	-7,1
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	520	545	344	321	340	5,9
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	553	488	498	593	600	1,2
Hiring/leasing paid for plant, machinery, vehicles and other equipment	111	86	174	233	215	-7,7
Depreciation	613	576	703	760	750	-1,3

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

**Table 8 - Selected income and expenditure items: Community, social and personal services industry (excluding government institutions) (concluded)**

Item	Quarter ended					Change between quarter ended March 2005 and quarter ended June 2005 %
	June 2004	September 2004	December 2004 <sup>1</sup>	March 2005 <sup>1</sup>	June 2005 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	28	4	44	105	114	8,6
Other expenditure			12 278	12 637	13 592	7,6
<b>Net profit or loss before providing for company tax and dividends</b>	2 115	2 113	2 310	5 192	3 142	-39,5
<b>Tax and company tax brought into account</b>	354	349	443	541	539	-0,4
<b>Dividends payable</b>	194	242	277	2 424	240	-90,1
<b>Inventories</b>						
Work in progress	167	150	254	280	279	-0,4
Other stocks	1 180	1 457	1 520	1 656	1 705	3,0
Total inventories	1 347	1 607	1 774	1 936	1 984	2,5
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	13 837	15 435	37 637	38 371	38 464	0,2
<b>Capital expenditure on new non-current assets</b>						
Buildings, improvements and construction works	6	38	375	495	360	-27,3
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	278	328	465	479	528	10,2
Vehicles	13	7	24	30	41	36,7
Total capital expenditure on new non-current assets	297	373	864	1 004	929	-7,5
<b>Capital expenditure on land and used assets</b>	11	10	14	9	46	411,1

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

**Table A - Estimates of turnover by industry within 95% confidence limits - March 2005**

Industry	Lower limit	Estimate	Upper limit	Relative standard error
	R million			(RSE)
Mining and quarrying industry	36 674	36 780	36 886	0,1
Manufacturing industry	221 489	227 365	233 241	1,3
Construction industry	21 330	27 116	32 902	10,9
Trade industry	228 798	259 868	290 938	6,1
Transport, storage and communication industry	70 797	73 353	75 909	1,8
Real estate and other business services industry, excluding financial intermediation and insurance	71 643	88 497	105 351	9,7
Community, social and personal services industry, excluding government institutions	16 889	19 878	22 867	7,7

**Table B - Estimates of turnover by industry within 95% confidence limits – June 2005**

Industry	Lower limit	Estimate	Upper limit	Relative standard error
	R million			(RSE)
Mining and quarrying industry	42 427	42 609	42 791	0,2
Manufacturing industry	239 172	245 777	252 382	1,4
Construction industry	23 006	29 147	35 288	10,7
Trade industry	236 762	267 130	297 498	5,8
Transport, storage and communication industry	74 545	77 103	79 661	1,7
Real estate and other business services industry, excluding financial intermediation and insurance	74 311	93 727	113 143	10,6
Community, social and personal services industry, excluding government institutions	17 719	20 871	24 023	7,7

**Table C – Differences in turnover by industry between March 2005 and June 2005**

Industry	Turnover for March 2005	Turnover for June 2005	Difference
	R million		%
Mining and quarrying industry	36 780	42 609	15,8
Manufacturing industry	227 365	245 777	8,1
Construction industry	27 116	29 147	7,5
Trade industry	259 868	267 130	2,8
Transport, storage and communication industry	73 353	77 103	5,1
Real estate and other business services industry, excluding financial intermediation and insurance	88 497	93 727	5,9
Community, social and personal services industry, excluding government institutions	19 878	20 871	5,0

**Neyman Optimal allocation**

Before drawing samples in each of the surveys the population of enterprises on the Business Sampling Frame (BSF) was stratified. Strata were formed using a combination of the standard industrial classification variable and the measure of size variable for enterprises. The Neyman optimal allocation formula used to allocate samples to each stratum is given by a 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 variance, respectively.

**Table D - Class limits**

Industry	Enterprise size			
	Large (Size-group 1) Lower limits Rand	Medium (Size-group 2) Lower limits Rand	Small (Size-group 3) Lower limits Rand	Very small (Size-group 4) Lower limits Rand
Mining and quarrying	195 000 000	76 093 563	..	..
Manufacturing	255 000 000	65 000 000	25 000 000	5 891 613
Construction	130 000 000	30 000 000	15 000 000	1 094 117
Wholesale trade	320 000 000	160 000 000	30 000 000	5 195 502
Retail trade	195 000 000	95 000 000	20 000 000	1 565 984
Motor trade	195 000 000	95 000 000	20 000 000	3 908 496
Accommodation and catering	65 000 000	30 000 000	25 500 000	584 637
Transport, storage and communication	130 000 000	65 000 000	15 000 000	7 036 413
Real estate and other business services, excluding financial intermediation and insurance	130 000 000	65 000 000	15 000 000	387 077
Community, social and personal services, excluding government institutions	65 000 000	30 000 000	5 000 000	567 230

## Explanatory notes

- Introduction**
1. Statistics South Africa (Stats SA) conducts a quarterly sample survey to collect a range of financial statistics in respect of enterprises in the formal non-agricultural business sector of the South African economy, excluding electricity, gas and water supply, financial intermediation and insurance and government institutions. The statistical release contains information regarding:
    - turnover;
    - interest received and paid;
    - dividends received and dividends payable;
    - royalties, franchise fees, copyright, trade names and trade and patent rights received and paid;
    - income and expenditure in respect of rental/leasing of land, buildings and other structures, including payments for water and electricity services;
    - income and expenditure in respect of hiring/leasing of plant, machinery, vehicles and other equipment;
    - profit and losses on assets/investments sold or revalued;
    - depreciation provided for;
    - other income and other expenditure;
    - net profit or loss before providing for company tax and dividends;
    - tax and company tax brought into account;
    - book value of land, buildings, machinery, furniture, vehicles and other equipment at the end of the quarter;
    - inventories as at the end of the quarter;
    - capital expenditure on new non-current assets; and
    - capital expenditure on land and used assets.
  2. In order to improve timeliness of the publication, some information for the current quarter may have been estimated due to late and or non-submission by respondents. These estimates are revised as soon as actual information is available.
  3. This statistical release presents a selection of key findings and tables from Stats SA's QFS survey, conducted in June 2004, September 2004, December 2004, March 2005 and June 2005, which examines book value of land, buildings, machinery, furniture, vehicles and other equipment, inventories and selected income and expenditure items in the formal non-agricultural business sector in South Africa, excluding electricity, gas and water supply, financial intermediation and insurance and government institutions.
- Scope of the survey**
4. This survey covers financial statistics of the following industries according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*:
    - mining and quarrying industry;
    - manufacturing industry;



- construction industry;
- trade industry;
- transport, storage and communication industry;
- real estate and business services industry, excluding financial intermediation and insurance; and
- community, social and personal services industry, excluding government institutions.

- Classification**      5.    The 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*, was used to classify the statistical units 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. Each enterprise is classified to an industry which reflects the predominant activity of the enterprise.
- Statistical unit**      6.    The statistical unit for the collection of information is an 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.
- Survey methodology and design**      7.    The survey is conducted on a quarterly basis. Questionnaires are sent to a sample of 3 700 enterprises. Questionnaires have to be returned to Stats SA within four weeks after the end of the quarter concerned. Fax and telephone reminders are used to follow up non-respondents.
8.    The sample was drawn from the 2004 Business Sampling Frame (BFS) that contains businesses registered for value-added tax (VAT) and income tax.
9.    A sample of 3 700 enterprises was drawn from a population of enterprises that contributed approximately 95% to the total turnover per industry. Adjustments to the estimates to account for enterprises contributing less than 5% of the total turnover are made within each industry. Four size groups per industry were used. All large enterprises (size-group one cases), which comprise 50% of the number of enterprises in the sample, are completely enumerated. Simple random sampling is applied for size-group two (medium sized enterprises), size-group three (small enterprises) and size-group four (very small enterprises). All enterprises are stratified by type of enterprise according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993* and measure of size, where measure of size is turnover. The data reported by the enterprises in the sample are weighted to represent all enterprises in the population.
- Reliability of estimates**      10.    Data presented in this publication are based on information obtained from a sample of enterprises and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all enterprises in the different industries in South Africa.

- 11.** Inaccuracies may occur because of imperfections in reporting by enterprises and errors made with the collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to minimise non-sampling errors by designing the questionnaire carefully, conducting pilot studies, editing of data and the implementation of efficient operating procedures. Preliminary figures are indicated in the relevant tables. Fluctuations may occur in consecutive quarters as a result of seasonal and economic factors.
- Standard error** **12.** The estimates in this publication are based on a sample drawn from units in the surveyed population. As a result of the entire population not being surveyed, the published estimates are subject to sampling error. The most common way of quantifying such sampling error is to calculate the standard error for the published estimate or statistic.
- Revised figures** **13.** The revised figures are due to respondents reporting revisions or corrections in their figures and late submissions of their data to Stats SA. Data are edited at individual enterprise level.
- Reference period** **14.** The reference period is the four quarters ending March, June, September and December of each year.
- Related publications** **15.** Users may also wish to refer to the following publications which are available from Stats SA:
- *Bulletin of Statistics* issued quarterly
  - *South African Statistics* issued annually.
- Rounding-off of figures** **16.** The figures in the tables have, where necessary, been rounded off to the nearest digit shown.
- Symbols and abbreviations** **17.**
- |          |   |
|----------|---|
| BSF      | Business Sampling Frame                                       |
| GDP      | Gross Domestic Product  |
| ISIC     | International Standard Industrial Classification              |
| m        | million   |
| RSE      | Relative Standard Error                                       |
| SARS     | South African Revenue Services                                |
| SE       | Standard Error  |
| SIC      | Standard Industrial Classification of all Economic Activities |
| Stats SA | Statistics South Africa                                       |
| VAT      | Value-added tax   |
| ..       | Data not available  |

## Glossary

<b>Capital expenditure on new assets</b>	<p>Capital expenditure on new non-current assets includes:</p> <ul style="list-style-type: none"><li>• the erection of new buildings and works, additions to and alterations of existing buildings and works, whether payments were made to outside contractors or concerns, or work done by the enterprise itself;</li><li>• work in progress capitalised;</li><li>• new plant and machinery, vehicles and equipment; and</li><li>• used plant and machinery, which were imported by or on behalf of the enterprise.</li></ul>
<b>Enterprise</b>	<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>
<b>Industry</b>	<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>
<b>Inventories</b>	<p>Inventories consist of:</p> <ul style="list-style-type: none"><li>• outputs that are still held by the enterprise that produced them prior to their being further processed, sold, delivered to other units or used in other ways; and</li><li>• products acquired from other enterprises that are intended to be used for intermediate consumption or for resale without further processing (factored goods).</li></ul> <p>Work in progress consists of goods in the process of manufacturing or work that has been partially done, but which has not yet been completed at the end of the quarter.</p> <p>Other stocks consist of raw materials, components for processing, packing materials, fuel, consumable and maintenance stores, own manufactures and factored goods that have not been sold at the end of the quarter.</p>
<b>Net profit or loss</b>	<p>Net profit or loss is the difference between total income and total expenditure before drawings by proprietors or partners, company tax paid or provided for and dividends paid or provided for are taken into account. In the tables where net profit or loss is shown, it is the amount arrived at after total losses of individual enterprises were deducted from total profits of individual enterprises.</p>
<b>Other expenditure</b>	<p>Other expenditure includes:</p> <ul style="list-style-type: none"><li>• purchases;</li><li>• salaries and wages;</li><li>• insurance premiums paid;</li></ul>

- paper, printing and stationery ;
- communication;
- travelling, accommodation and entertainment expenditure;
- bank charges;
- security services;
- excise and customs duty;
- advertising;
- motor vehicle running expenses;
- railage and transport-out;
- regional service council levies;
- repair and maintenance; and
- other expenditure, which includes donations, bursaries and sponsorship, payments to outside organisations for staff training, severance, termination and redundancy payments to staff, subcontract and commission expenses and audit and other professional business services expenditure.

**Statistical unit**

A statistical unit is a unit about which statistics are tabulated, compiled or published. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.

For the purpose of this publication, the statistical unit in the quarterly financial statistics survey is the enterprise. An enterprise is defined as a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.

**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.

**Turnover**

Turnover refers to the following items for all industries, excluding real estate and other business services (excluding financial intermediation and insurance):

- the value of sales;
- amounts received for work done; and
- amounts received for services rendered.

Turnover refers to the following items for the real estate and other business services industry (excluding financial intermediation and insurance):

- the value of sales;
- amounts received for work done;
- amounts received for services rendered;
- interest received;
- 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; and
- excise duty.

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