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# Statistical release

## P0044

# Quarterly financial statistics

## June 2006

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### ***Key findings for the quarter ended June 2006***

***The total turnover of all industries<sup>1</sup> for the second quarter of 2006 was estimated at R878 619 million, an increase of 5,2% compared with the revised first quarter of 2006 (R835 153 million).***

Between the first quarter of 2006 and the second quarter of 2006 turnover increased in all of the seven industries covered in the survey. The largest increase was recorded for mining and quarrying (+19,5%), followed by manufacturing (+8,0%), transport, storage and communication (+6,6%), community, social and personal services (excluding government institutions) (+3,8%), construction (+3,6%), trade (+2,2%) and real estate and other business services (excluding financial intermediation and insurance) (+1,1%).

Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment, estimated at R31 160 million for all industries for the second quarter of 2006, decreased by 3,9% compared with the first quarter of 2006. Decreases were reported in transport, storage and communication (-43,6%) and trade (-3,8%). Increases were reported by community, social and personal services (excluding government institutions) (+58,1%), manufacturing (+37,0%), construction (+12,9%), real estate and other business services (excluding financial intermediation and insurance) (+6,2%) and mining and quarrying (+6,0%).

Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the second quarter of 2006 was estimated at R935 281 million, an increase of 0,8% compared with the revised first quarter of 2006 (R927 927 million). Increases were reported by community, social and personal services (excluding government institutions) (+4,5%), transport, storage and communication (+4,3%), manufacturing (+3,7%), construction (+3,5%) and mining and quarrying (+2,6%). Real estate and other business services (excluding financial intermediation and insurance) and trade reported decreases of 4,7% and 3,3% respectively.

Total inventories at the end of the second quarter of 2006 were estimated at R274 901 million, compared with R262 554 million at the revised first quarter of 2006, an increase of 4,7%. The largest increase in inventories was recorded for transport, storage and communication (+8,0%), followed by manufacturing (+7,0%), real estate and other business services (excluding financial intermediation and insurance) (+3,4%), trade (+2,8%), construction (+2,4%) and mining and quarrying (+1,8%). A decrease was reported by community, social and personal services (excluding government institutions) (-5,0%).

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

**PJ Lehohla**  
**Statistician-General**

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

## Notes

### Forthcoming issues

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### Purpose of the survey

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: *Quarterly financial statistics*.

### Response rates

June quarter 2005:	84%
September quarter 2005:	81%
December quarter 2005:	85%
March quarter 2006:	84%
June quarter 2006:	80%

### Reasons for fluctuations in data

The fluctuations in the data can be attributed to:

- revisions to previous quarters 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);
- once-off items reflected in one or more quarters, but not reflected in other quarters;
- seasonal factors; and
- items declared annually and not quarterly.

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

Item	Quarter ended					Change between quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>2</sup>	March 2006 <sup>2</sup>	June 2006 <sup>3</sup>	
	R million					
<b>Income items</b>						
Turnover	782 849	828 249	875 732	835 153	878 619	5,2
Interest received	4 780	4 463	5 147	5 426	5 651	4,1
Dividends received	11 028	6 517	8 375	9 302	13 605	46,3
Royalties, franchise fees, copyright, trade names and trade and patent rights received	290	220	236	277	286	3,2
Income from the rental/leasing of land, buildings and other structures	1 278	1 487	1 576	1 537	1 684	9,6
Income from hiring/leasing of plant, machinery, vehicles and other equipment	526	759	834	837	905	8,1
Profit on assets/investments sold or revalued	2 329	2 965	3 225	3 388	6 624	95,5
Other income	10 556	11 100	11 916	11 909	12 554	5,4
<b>Expenditure items</b>						
Interest paid	13 852	14 091	14 430	14 879	15 245	2,5
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	2 917	2 544	2 744	2 818	2 605	-7,6
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	11 240	11 965	12 082	11 878	12 091	1,8
Hiring/leasing paid for plant, machinery, vehicles and other equipment	4 723	6 540	7 871	6 976	7 136	2,3
Depreciation	18 362	17 976	19 526	20 086	20 138	0,3

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>2</sup>	March 2006 <sup>2</sup>	June 2006 <sup>3</sup>	
	R million					
Losses on assets/investments sold or revalued	3 024	1 454	1 516	2 641	3 658	38,5
<b>Net profit or loss before providing for company tax and dividends</b>	82 409	81 847	85 647	80 583	84 273	4,6
<b>Tax and company tax brought into account</b>	16 106	19 470	19 264	18 582	21 132	13,7
<b>Dividends payable</b>	17 573	23 467	18 156	20 723	10 834	-47,7
<b>Inventories</b>						
Work in progress	43 920	47 832	47 945	47 489	47 107	-0,8
Other inventories	201 318	201 286	207 934	215 065	227 794	5,9
Total inventories	245 238	249 118	255 879	262 554	274 901	4,7
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	765 618	869 333	900 833	927 927	935 281	0,8
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	5 571	5 731	7 171	5 980	5 997	0,3
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	16 060	20 152	22 482	21 473	20 581	-4,2
Vehicles	2 654	4 073	4 328	4 959	4 582	-7,6
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	24 285	29 956	33 981	32 412	31 160	-3,9

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	42 349	41 637	47 873	44 579	53 263	19,5
Interest received	726	724	743	650	706	8,6
Dividends received	4 550	98	117	107	86	-19,6
Royalties, franchise fees, copyright, trade names and trade and patent rights received	7	6	9	10	7	-30,0
Income from the rental/leasing of land, buildings and other structures	36	17	16	17	16	-5,9
Income from hiring/leasing of plant, machinery, vehicles and other equipment	15	19	36	32	31	-3,1
Profit on assets/investments sold or revalued	205	221	237	286	635	122,0
Other income	523	541	512	558	572	2,5
<b>Expenditure items</b>						
Interest paid	1 127	1 048	1 388	1 190	1 782	49,7
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	275	282	296	317	265	-16,4
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	235	230	250	284	282	-0,7
Hiring/leasing paid for plant, machinery, vehicles and other equipment	271	349	329	319	325	1,9
Depreciation	3 178	3 246	3 871	3 671	3 884	5,8

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	1 077	219	142	129	690	434,9
<b>Net profit or loss before providing for company tax and dividends</b>	13 188	8 841	9 008	7 189	8 094	12,6
<b>Tax and company tax brought into account</b>	2 567	2 548	2 618	2 272	3 614	59,1
<b>Dividends payable</b>	3 479	4 010	3 209	3 406	481	-85,9
<b>Inventories</b>						
Work in progress	6 698	7 497	8 063	7 357	7 101	-3,5
Other inventories	8 824	8 634	11 142	11 318	11 901	5,2
Total inventories	15 522	16 131	19 205	18 675	19 002	1,8
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	146 553	149 549	155 717	160 549	164 677	2,6
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	780	651	839	944	1 003	6,3
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	2 472	3 222	2 913	4 182	4 437	6,1
Vehicles	178	108	180	195	198	1,5
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	3 430	3 981	3 932	5 321	5 638	6,0

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	234 426	256 625	260 247	247 045	266 927	8,0
Interest received	1 707	1 624	1 471	2 034	2 195	7,9
Dividends received	502	390	466	382	216	-43,5
Royalties, franchise fees, copyright, trade names and trade and patent rights received	28	60	55	52	50	-3,8
Income from the rental/leasing of land, buildings and other structures	210	283	239	249	252	1,2
Income from hiring/leasing of plant, machinery, vehicles and other equipment	133	85	129	143	142	-0,7
Profit on assets/investments sold or revalued	865	1 026	1 037	840	3 480	314,3
Other income	2 163	1 951	2 175	2 570	3 323	29,3
<b>Expenditure items</b>						
Interest paid	3 712	3 191	3 208	3 478	3 600	3,5
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	1 326	1 043	1 126	1 047	1 026	-2,0
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	2 345	2 849	2 793	2 530	2 743	8,4
Hiring/leasing paid for plant, machinery, vehicles and other equipment	711	855	863	853	955	12,0
Depreciation	5 223	5 497	5 779	5 694	5 807	2,0

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	1 108	528	639	1 766	1 933	9,5
<b>Net profit or loss before providing for company tax and dividends</b>	23 651	25 216	26 852	23 131	28 605	23,7
<b>Tax and company tax brought into account</b>	5 709	7 105	7 439	5 892	7 295	23,8
<b>Dividends payable</b>	6 306	7 112	7 058	6 834	2 907	-57,5
<b>Inventories</b>						
Work in progress	21 173	21 992	22 158	22 201	22 232	0,1
Other inventories	84 482	86 337	87 034	94 791	102 963	8,6
Total inventories	105 655	108 329	109 192	116 992	125 195	7,0
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	173 060	188 926	192 413	200 510	208 018	3,7
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	915	1 037	1 406	565	987	74,7
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	8 080	7 608	9 313	5 829	7 892	35,4
Vehicles	780	613	673	575	669	16,3
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	9 775	9 258	11 392	6 969	9 548	37,0

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	29 402	31 392	32 081	34 356	35 595	3,6
Interest received	145	156	160	165	172	4,2
Dividends received	77	11	11	11	6	-45,5
Royalties, franchise fees, copyright, trade names and trade and patent rights received	1	1	0	0	0	
Income from the rental/leasing of land, buildings and other structures	21	19	24	26	29	11,5
Income from hiring/leasing of plant, machinery, vehicles and other equipment	185	423	413	429	433	0,9
Profit on assets/investments sold or revalued	62	14	51	47	30	-36,2
Other income	427	397	383	341	214	-37,2
<b>Expenditure items</b>						
Interest paid	291	327	330	416	373	-10,3
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	32	19	18	17	18	5,9
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	381	258	245	243	250	2,9
Hiring/leasing paid for plant, machinery, vehicles and other equipment	461	1 338	1 496	1 339	1 362	1,7
Depreciation	395	474	451	485	486	0,2

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	52	12	27	87	54	-37,9
<b>Net profit or loss before providing for company tax and dividends</b>	1 947	2 113	2 161	2 585	2 638	2,1
<b>Tax and company tax brought into account</b>	158	313	367	347	334	-3,7
<b>Dividends payable</b>	172	112	82	701	420	-40,1
<b>Inventories</b>						
Work in progress	8 410	8 162	8 282	7 948	8 110	2,0
Other inventories	1 232	1 423	1 467	1 535	1 602	4,4
Total inventories	9 642	9 585	9 749	9 483	9 712	2,4
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	13 608	15 033	14 199	14 572	15 079	3,5
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	4	4	29	14	78	457,1
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	158	313	304	349	313	-10,3
Vehicles	73	80	173	232	281	21,1
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	235	397	506	595	672	12,9

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	287 530	288 391	323 475	305 303	311 891	2,2
Interest received	1 311	1 126	1 319	1 497	1 497	0,0
Dividends received	243	258	89	276	293	6,2
Royalties, franchise fees, copyright, trade names and trade and patent rights received	151	125	118	142	167	17,6
Income from the rental/leasing of land, buildings and other structures	800	822	919	868	907	4,5
Income from hiring/leasing of plant, machinery, vehicles and other equipment	80	147	158	148	197	33,1
Profit on assets/investments sold or revalued	143	319	260	281	475	69,0
Other income	4 268	3 428	4 444	4 507	4 655	3,3
<b>Expenditure items</b>						
Interest paid	2 387	2 106	2 188	2 115	2 022	-4,4
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	568	479	492	501	459	-8,4
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	4 694	5 033	5 311	5 226	5 254	0,5
Hiring/leasing paid for plant, machinery, vehicles and other equipment	808	697	767	757	796	5,2
Depreciation	2 780	2 388	2 618	2 570	2 519	-2,0

<sup>1</sup> Revised

<sup>2</sup> Preliminary estimates

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

Item	Quarter ended					Change between quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	92	77	108	106	302	184,9
<b>Net profit or loss before providing for company tax and dividends</b>	18 200	17 881	19 349	17 252	20 237	17,3
<b>Tax and company tax brought into account</b>	3 514	3 651	3 835	4 273	4 356	1,9
<b>Dividends payable</b>	1 948	880	466	1 304	2 271	74,2
<b>Inventories</b>						
Work in progress	2 995	3 994	3 511	3 976	3 688	-7,2
Other inventories	90 928	87 953	91 574	92 303	95 293	3,2
Total inventories	93 923	91 947	95 085	96 279	98 981	2,8
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	72 754	70 884	73 220	75 547	73 026	-3,3
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	1 800	1 832	2 058	1 973	1 748	-11,4
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	1 845	2 413	2 476	2 898	2 882	-0,6
Vehicles	444	836	726	860	883	2,7
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	4 089	5 081	5 260	5 731	5 513	-3,8

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	71 432	78 749	82 074	78 667	83 854	6,6
Interest received	660	581	605	877	897	2,3
Dividends received	1 083	2 590	4 106	3 962	296	-92,5
Royalties, franchise fees, copyright, trade names and trade and patent rights received	78	7	7	7	7	0,0
Income from the rental/leasing of land, buildings and other structures	100	254	282	268	382	42,5
Income from hiring/leasing of plant, machinery, vehicles and other equipment	94	56	56	40	55	37,5
Profit on assets/investments sold or revalued	164	109	155	714	672	-5,9
Other income	503	819	581	497	509	2,4
<b>Expenditure items</b>						
Interest paid	1 998	2 098	2 115	2 605	2 306	-11,5
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	30	156	158	317	265	-16,4
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	963	824	784	979	1 019	4,1
Hiring/leasing paid for plant, machinery, vehicles and other equipment	1 651	2 350	3 444	2 680	2 656	-0,9
Depreciation	4 175	3 937	4 279	4 999	4 813	-3,7

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	345	427	432	405	422	4,2
<b>Net profit or loss before providing for company tax and dividends</b>	7 946	12 055	12 688	15 131	6 072	-59,9
<b>Tax and company tax brought into account</b>	2 184	3 583	2 680	3 486	3 223	-7,5
<b>Dividends payable</b>	2 676	6 575	1 400	2 346	1 636	-30,3
<b>Inventories</b>						
Work in progress	1 610	1 708	1 515	1 340	1 381	3,1
Other inventories	5 267	6 603	6 258	5 393	5 891	9,2
Total inventories	6 877	8 311	7 773	6 733	7 272	8,0
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	144 048	143 936	187 563	189 314	197 490	4,3
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	470	423	1 104	886	182	-79,5
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	2 081	2 788	3 818	7 197	3 934	-45,3
Vehicles	939	1 828	1 812	2 232	1 705	-23,6
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	3 490	5 039	6 734	10 315	5 821	-43,6

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover*	97 210	109 541	108 154	105 065	106 182	1,1
Dividends received	4 558	3 131	3 548	4 529	12 683	180,0
Royalties, franchise fees, copyright, trade names and trade and patent rights received	20	16	16	35	26	-25,7
Profit on assets/investments sold or revalued	715	1 165	1 409	1 161	1 272	9,6
Other income	1 960	2 952	2 922	2 449	2 282	-6,8
<b>Expenditure items</b>						
Interest paid	3 309	3 858	3 731	3 821	3 846	0,7
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	341	413	500	494	440	-10,9
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	2 045	2 102	2 032	1 974	1 927	-2,4
Hiring/leasing paid for plant, machinery, vehicles and other equipment	608	701	732	776	803	3,5
Depreciation	1 973	1 763	1 888	1 990	1 957	-1,7

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	311	151	133	123	138	12,2
<b>Net profit or loss before providing for company tax and dividends</b>	14 436	13 068	13 538	13 285	16 737	26,0
<b>Tax and company tax brought into account</b>	1 351	1 735	1 833	1 832	1 842	0,5
<b>Dividends payable</b>	2 808	4 407	5 471	5 733	2 929	-48,9
<b>Inventories</b>						
Work in progress	2 748	4 217	4 153	4 389	4 443	1,2
Other inventories	8 964	8 877	9 302	8 232	8 613	4,6
Total inventories	11 712	13 094	13 455	12 621	13 056	3,4
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	193 730	263 613	246 225	254 367	242 429	-4,7
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	1 436	1 586	1 574	1 452	1 642	13,1
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	918	1 469	954	727	740	1,8
Vehicles	213	506	668	779	759	-2,6
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	2 567	3 561	3 196	2 958	3 141	6,2

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	20 500	21 914	21 828	20 138	20 907	3,8
Interest received	231	252	199	203	184	-9,4
Dividends received	15	39	38	35	25	-28,6
Royalties, franchise fees, copyright, trade names and trade and patent rights received	5	5	31	31	29	-6,5
Income from the rental/leasing of land, buildings and other structures	111	92	96	109	98	-10,1
Income from hiring/leasing of plant, machinery, vehicles and other equipment	19	29	42	45	47	4,4
Profit on assets/investments sold or revalued	175	111	76	59	60	1,7
Other income	712	1 012	899	987	999	1,2
<b>Expenditure items</b>						
Interest paid	1 028	1 463	1 470	1 254	1 316	4,9
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	345	152	154	125	132	5,6
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	577	669	667	642	616	-4,0
Hiring/leasing paid for plant, machinery, vehicles and other equipment	213	250	240	252	239	-5,2
Depreciation	638	671	640	677	672	-0,7

<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 quarters ended March and June 2006 %
	June 2005	September 2005	December 2005 <sup>1</sup>	March 2006 <sup>1</sup>	June 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	39	40	35	25	119	376,0
<b>Net profit or loss before providing for company tax and dividends</b>	3 041	2 673	2 051	2 010	1 890	-6,0
<b>Tax and company tax brought into account</b>	623	535	492	480	468	-2,5
<b>Dividends payable</b>	184	371	470	399	190	-52,4
<b>Inventories</b>						
Work in progress	286	262	263	278	152	-45,3
Other inventories	1 621	1 459	1 157	1 493	1 531	2,5
Total inventories	1 907	1 721	1 420	1 771	1 683	-5,0
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	21 865	37 392	31 496	33 068	34 562	4,5
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	166	198	161	146	357	144,5
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	506	2 339	2 704	291	383	31,6
Vehicles	27	102	96	86	87	1,2
Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment	699	2 639	2 961	523	827	58,1

<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 2006**

Industry	Lower limit	Estimate	Upper limit	Relative standard error
	R million			(RSE)
Mining and quarrying industry	44 085	44 579	45 073	0,6
Manufacturing industry	240 307	247 045	253 783	1,4
Construction industry	28 204	34 356	39 460	8,4
Trade industry	275 981	305 303	334 625	4,9
Transport, storage and communication industry	74 849	78 667	82 485	2,5
Real estate and other business services industry, excluding financial intermediation and insurance	83 750	105 065	126 380	10,4
Community, social and personal services industry, excluding government institutions	17 915	20 138	22 361	5,6

**Table B - Estimates of turnover by industry within 95% confidence limits: June 2006**

Industry	Lower limit	Estimate	Upper limit	Relative standard error
	R million			(RSE)
Mining and quarrying industry	52 648	53 263	53 878	0,6
Manufacturing industry	258 372	266 927	275 482	1,6
Construction industry	29 443	35 595	41 747	8,8
Trade industry	269 712	311 891	354 070	6,9
Transport, storage and communication industry	78 123	83 854	89 585	3,5
Real estate and other business services industry, excluding financial intermediation and insurance	83 256	106 182	129 108	11,0
Community, social and personal services industry, excluding government institutions	18 439	20 907	23 375	6,0

**Table C – Differences in turnover by industry between March 2006 and June 2006**

Industry	Turnover for March 2006	Turnover for June 2006	Difference
	R million		%
Mining and quarrying industry	44 579	53 263	19,5
Manufacturing industry	247 045	266 927	8,0
Construction industry	34 356	35 595	3,6
Trade industry	305 303	311 891	2,2
Transport, storage and communication industry	78 667	83 854	6,6
Real estate and other business services industry, excluding financial intermediation and insurance	105 065	106 182	1,1
Community, social and personal services industry, excluding government institutions	20 138	20 907	3,8
<b>All industries</b>	<b>835 153</b>	<b>878 619</b>	<b>5,2</b>

**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 – Lower 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	50 000 000	20 000 000	4 003 594
Manufacturing	255 000 000	65 000 000	25 000 000	5 189 222
Construction	130 000 000	30 000 000	15 000 000	1 015 266
Wholesale trade	320 000 000	160 000 000	30 000 000	5 084 008
Retail trade	195 000 000	95 000 000	20 000 000	1 774 652
Motor trade	195 000 000	95 000 000	20 000 000	4 728 115
Accommodation and catering	65 000 000	30 000 000	25 500 000	599 320
Transport, storage and communication	130 000 000	65 000 000	15 000 000	2 589 564
Real estate and other business services, excluding financial intermediation and insurance	130 000 000	65 000 000	15 000 000	336 000
Community, social and personal services, excluding government institutions	65 000 000	30 000 000	5 000 000	351 800



## 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;
  - 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; and
  - capital expenditure on new buildings, machinery, furniture, vehicles and other equipment.
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, September and December 2005, March and June 2006, 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 about 4 000 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 2005 Business Sampling Frame (BFS) that contains businesses registered for value-added tax (VAT) and income tax.
9. A sample of about 4 000 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  |
| IFRS     | International Financial Reporting Standards                   |
| 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

### **Book value of fixed assets**

Book value of fixed assets at the end of the quarter includes:

- 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 buildings, machinery, furniture, vehicles and other equipment**

Capital expenditure on buildings, machinery, furniture, vehicles and other equipment includes:

- 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;
- work in progress capitalised;
- new plant and machinery, vehicles and equipment; and
- used plant and machinery, which were imported by or on behalf of the enterprise.

### **Enterprise**

An enterprise is a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.

### **Industry**

An industry consists of a group of enterprises engaged in the same or similar kinds of economic activity, and is classified according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*.

### **Inventories**

Inventories consist of:

- 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
- products acquired from other enterprises that are intended to be used for intermediate consumption or for resale without further processing (factored goods).

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.

Other inventories consist of raw materials, components for processing, packing materials, fuel, consumable and maintenance stores, finished goods (own manufactures) and finished goods not produced by the enterprise but purchased for resale, not sold at the end of the quarter.

<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>Statistical unit</b>	<p>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.</p> <p>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.</p>
<b>Tax and company tax brought into account</b>	<p>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.</p>
<b>Turnover</b>	<p>Turnover refers to the following items for all industries, excluding real estate and other business services (excluding financial intermediation and insurance):</p> <ul style="list-style-type: none"><li>• the value of sales;</li><li>• amounts received for work done; and</li><li>• amounts received for services rendered.</li></ul> <p>Turnover refers to the following items for the real estate and other business services industry (excluding financial intermediation and insurance):</p> <ul style="list-style-type: none"><li>• the value of sales;</li><li>• amounts received for work done;</li><li>• amounts received for services rendered;</li><li>• interest received;</li><li>• rent and or lease payments received for land and buildings; and</li><li>• rent, leasing and hiring received for machinery, vehicles and other equipment.</li></ul> <p>Turnover excludes:</p> <ul style="list-style-type: none"><li>• value-added tax (VAT);</li><li>• net profit or loss on sales or revaluation of fixed assets (including profit or loss on foreign exchange);</li><li>• export freight charges; and</li><li>• excise duty.</li></ul>

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