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# **Quarterly financial statistics**

## **March 2006**

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

*The total turnover of all industries<sup>1</sup> for the first quarter of 2006 was estimated at R838 888 million, a decrease of 3,4% compared with the revised fourth quarter of 2005 (R868 477 million).*

Between the fourth quarter of 2005 and the first quarter of 2006 turnover decreased in six of the seven industries covered in the survey. The largest decrease was recorded for trade (-5,3%), followed by transport, storage and communication (-4,3%), mining and quarrying (-3,3%), manufacturing (-2,6%), community, social and personal services (excluding government institutions) (-2,1%) and real estate and other business services (excluding financial intermediation and insurance) (-2,0%). Increase was reported by construction (+4,7%) .

Total capital expenditure on new buildings, machinery, furniture, vehicles and other equipment, estimated at R34 156 million for all industries for the first quarter of 2006, increased by 0,6% compared with the fourth quarter of 2005. The largest increase was reported in transport, storage and communication (+53,3%), followed by mining and quarrying (+43,6%) and construction (+8,2%). Decreases were reported in community, social and personal services (excluding government institutions) (-73,9%), manufacturing (-25,0%), real estate and other business services (excluding financial intermediation and insurance) (-1,2%) and trade (-1,0%).

Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the first quarter of 2006 was estimated at R906 252 million, an increase of 1,1% compared with the revised fourth quarter of 2005 (R896 252 million). Increases were reported by construction (+2,2%), manufacturing (+1,7%), transport, storage and communication (+1,5%), real estate and other business services (excluding financial intermediation and insurance) (+1,3%), mining and quarrying (+0,4%). Decreases were reported in trade (-0,2%) and community, social and personal services (excluding government institutions) (-0,5%).

Total inventories at the end of the first quarter of 2006 were estimated at R257 864 million, compared with R254 562 million at the revised fourth quarter of 2005, an increase of 1,3%. The largest increase in inventories was recorded for real estate and other business services (excluding financial intermediation and insurance) (+4,6%), followed by manufacturing (+3,5%) and trade (+0,2%). Decreases were reported by transport, storage and communication (-11,0%), community, social and personal services (excluding government institutions) (-6,1%), mining and quarrying (-2,0%) and construction (-1,6%).

<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**  
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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

<b>Forthcoming issues</b>	<b>Issue</b> June 2006	<b>Expected release date</b> 28 September 2006
<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% June quarter 2005: 84% September quarter 2005: 81% December quarter 2005: 85% March quarter 2006: 81%	
<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>• restating of previous estimates due to International Financial Reporting Standards (IFRS);</li><li>• once-off items reflected in one or more quarters, but not reflected in other quarters;</li><li>• seasonal factors; 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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>2</sup>	September 2005 <sup>2</sup>	December 2005 <sup>2</sup>	March 2006 <sup>3</sup>	
	R million					
<b>Income items</b>						
Turnover	724 608	782 849	828 249	868 477	838 888	-3,4
Interest received	4 586	4 780	4 463	4 499	4 849	7,8
Dividends received	7 779	11 028	6 517	8 383	9 336	11,4
Royalties, franchise fees, copyright, trade names and trade and patent rights received	254	290	220	215	221	2,8
Income from the rental/leasing of land, buildings and other structures	952	1 278	1 487	1 560	1 591	2,0
Income from hiring/leasing of plant, machinery, vehicles and other equipment	439	526	759	857	859	0,2
Profit on assets/investments sold or revalued	4 345	2 329	2 965	2 928	3 368	15,0
Other income	9 008	10 556	11 100	11 483	11 265	-1,9
<b>Expenditure items</b>						
Interest paid	13 806	13 852	14 091	14 104	14 876	5,5
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	2 842	2 917	2 544	2 743	2 626	-4,3
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	10 656	11 240	11 965	12 009	11 711	-2,5
Hiring/leasing paid for plant, machinery, vehicles and other equipment	4 378	4 723	6 540	8 039	7 118	-11,5
Depreciation	18 084	18 362	17 976	19 392	19 877	2,5

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>2</sup>	September 2005 <sup>2</sup>	December 2005 <sup>2</sup>	March 2006 <sup>3</sup>	
	R million					
Losses on assets/investments sold or revalued	4 792	3 024	1 454	1 509	1 660	10,0
<b>Net profit or loss before providing for company tax and dividends</b>	70 115	82 409	81 847	85 366	80 942	-5,2
<b>Tax and company tax brought into account</b>	15 013	16 106	19 470	18 968	17 803	-6,1
<b>Dividends payable</b>	17 771	17 573	23 467	16 784	20 259	20,7
<b>Inventories</b>						
Work in progress	42 930	43 920	47 832	47 856	48 469	1,3
Other inventories	195 194	201 318	201 286	206 706	209 395	1,3
Total inventories	238 124	245 238	249 118	254 562	257 864	1,3
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	696 327	765 618	869 333	896 252	906 252	1,1
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	4 966	5 571	5 731	7 127	6 301	-11,6
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	15 816	16 060	20 152	22 483	22 915	1,9
Vehicles	3 895	2 654	4 073	4 339	4 940	13,9
Total capital expenditure on new assets	24 677	24 285	29 956	33 949	34 156	0,6
<b>Capital expenditure on land and used assets</b>	821	1 244	1 062	2 529	2 031	-19,7

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	36 226	42 349	41 637	44 058	42 603	-3,3
Interest received	683	726	724	725	688	-5,1
Dividends received	52	4 550	98	105	96	-8,6
Royalties, franchise fees, copyright, trade names and trade and patent rights received	7	7	6	9	9	0,0
Income from the rental/leasing of land, buildings and other structures	24	36	17	17	18	5,9
Income from hiring/leasing of plant, machinery, vehicles and other equipment	14	15	19	36	37	2,8
Profit on assets/investments sold or revalued	225	205	221	236	256	8,5
Other income	510	523	541	536	568	6,0
<b>Expenditure items</b>						
Interest paid	1 163	1 127	1 048	1 028	1 010	-1,8
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	291	275	282	298	310	4,0
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	207	235	230	246	250	1,6
Hiring/leasing paid for plant, machinery, vehicles and other equipment	214	271	349	329	303	-7,9
Depreciation	3 084	3 178	3 246	3 748	3 634	-3,0

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	1 745	1 077	219	142	100	-29,6
<b>Net profit or loss before providing for company tax and dividends</b>	3 781	13 188	8 841	8 924	7 140	-20,0
<b>Tax and company tax brought into account</b>	1 381	2 567	2 548	2 571	2 198	-14,5
<b>Dividends payable</b>	855	3 479	4 010	3 209	4 665	45,4
<b>Inventories</b>						
Work in progress	6 702	6 698	7 497	8 040	7 349	-8,6
Other inventories	8 708	8 824	8 634	8 994	9 341	3,9
Total inventories	15 410	15 522	16 131	17 034	16 690	-2,0
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	141 582	146 553	149 549	149 166	149 817	0,4
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	743	780	651	833	801	-3,8
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	2 268	2 472	3 222	2 895	4 621	59,6
Vehicles	164	178	108	180	188	4,4
Total capital expenditure on new assets	3 175	3 430	3 981	3 908	5 610	43,6
<b>Capital expenditure on land and used assets</b>	54	56	217	200	340	70,0

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	220 986	234 426	256 625	260 310	253 595	-2,6
Interest received	1 690	1 707	1 624	1 485	1 593	7,3
Dividends received	396	502	390	476	410	-13,9
Royalties, franchise fees, copyright, trade names and trade and patent rights received	24	28	60	55	53	-3,6
Income from the rental/leasing of land, buildings and other structures	244	210	283	239	255	6,7
Income from hiring/leasing of plant, machinery, vehicles and other equipment	85	133	85	129	124	-3,9
Profit on assets/investments sold or revalued	583	865	1 026	1 037	863	-16,8
Other income	2 416	2 163	1 951	2 194	2 176	-0,8
<b>Expenditure items</b>						
Interest paid	3 678	3 712	3 191	3 325	3 328	0,1
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	1 332	1 326	1 043	1 119	1 033	-7,7
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	2 154	2 345	2 849	2 791	2 606	-6,6
Hiring/leasing paid for plant, machinery, vehicles and other equipment	704	711	855	848	823	-2,9
Depreciation	5 584	5 223	5 497	5 780	5 659	-2,1

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	1 077	1 108	528	637	889	39,6
<b>Net profit or loss before providing for company tax and dividends</b>	21 795	23 651	25 216	26 862	23 624	-12,1
<b>Tax and company tax brought into account</b>	5 218	5 709	7 105	7 261	5 955	-18,0
<b>Dividends payable</b>	6 522	6 306	7 112	5 759	5 833	1,3
<b>Inventories</b>						
Work in progress	20 312	21 173	21 992	21 898	23 012	5,1
Other inventories	83 602	84 482	86 337	88 622	91 406	3,1
Total inventories	103 914	105 655	108 329	110 520	114 418	3,5
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	178 772	173 060	188 926	193 802	197 065	1,7
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	539	915	1 037	1 406	1 085	-22,8
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	7 014	8 080	7 608	9 348	6 795	-27,3
Vehicles	465	780	613	668	692	3,6
Total capital expenditure on new assets	8 018	9 775	9 258	11 422	8 572	-25,0
<b>Capital expenditure on land and used assets</b>	280	796	407	602	939	56,0

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	27 395	29 402	31 392	32 465	34 004	4,7
Interest received	149	145	156	160	142	-11,3
Dividends received	9	77	11	11	10	-9,1
Royalties, franchise fees, copyright, trade names and trade and patent rights received	0	1	1	0	0	..
Income from the rental/leasing of land, buildings and other structures	22	21	19	25	25	0,0
Income from hiring/leasing of plant, machinery, vehicles and other equipment	178	185	423	436	464	6,4
Profit on assets/investments sold or revalued	179	62	14	51	31	-39,2
Other income	261	427	397	385	347	-9,9
<b>Expenditure items</b>						
Interest paid	313	291	327	338	341	0,9
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	33	32	19	18	19	5,6
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	402	381	258	248	250	0,8
Hiring/leasing paid for plant, machinery, vehicles and other equipment	490	461	1 338	1 598	1 471	-7,9
Depreciation	394	395	474	462	501	8,4

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	9	52	12	27	22	-18,5
<b>Net profit or loss before providing for company tax and dividends</b>	1 377	1 947	2 113	2 077	1 902	-8,4
<b>Tax and company tax brought into account</b>	140	158	313	309	256	-17,2
<b>Dividends payable</b>	94	172	112	82	73	-11,0
<b>Inventories</b>						
Work in progress	9 217	8 410	8 162	8 476	8 257	-2,6
Other inventories	1 330	1 232	1 423	1 481	1 540	4,0
Total inventories	10 547	9 642	9 585	9 957	9 797	-1,6
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	13 465	13 608	15 033	14 676	15 006	2,2
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	16	4	4	29	14	-51,7
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	234	158	313	288	303	5,2
Vehicles	75	73	80	182	223	22,5
Total capital expenditure on new assets	325	235	397	499	540	8,2
<b>Capital expenditure on land and used assets</b>	0	1	4	9	9	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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	263 890	287 530	288 391	320 123	303 281	-5,3
Interest received	1 231	1 311	1 126	1 328	1 348	1,5
Dividends received	652	243	258	89	255	186,5
Royalties, franchise fees, copyright, trade names and trade and patent rights received	130	151	125	118	114	-3,4
Income from the rental/leasing of land, buildings and other structures	475	800	822	901	930	3,2
Income from hiring/leasing of plant, machinery, vehicles and other equipment	75	80	147	158	150	-5,1
Profit on assets/investments sold or revalued	128	143	319	260	238	-8,5
Other income	3 648	4 268	3 428	4 415	4 285	-2,9
<b>Expenditure items</b>						
Interest paid	2 319	2 387	2 106	2 147	2 167	0,9
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	508	568	479	490	484	-1,2
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	4 615	4 694	5 033	5 233	5 025	-4,0
Hiring/leasing paid for plant, machinery, vehicles and other equipment	675	808	697	765	761	-0,5
Depreciation	2 903	2 780	2 388	2 601	2 556	-1,7

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	74	92	77	109	102	-6,4
<b>Net profit or loss before providing for company tax and dividends</b>	15 367	18 200	17 881	19 335	17 893	-7,5
<b>Tax and company tax brought into account</b>	3 610	3 514	3 651	3 829	3 559	-7,1
<b>Dividends payable</b>	1 041	1 948	880	466	1 282	175,1
<b>Inventories</b>						
Work in progress	2 081	2 995	3 994	3 511	3 765	7,2
Other inventories	85 239	90 928	87 953	90 726	90 703	0,0
Total inventories	87 320	93 923	91 947	94 237	94 468	0,2
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	69 578	72 754	70 884	71 157	71 039	-0,2
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	714	1 800	1 832	2 058	1 895	-7,9
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	1 340	1 845	2 413	2 475	2 507	1,3
Vehicles	543	444	836	731	811	10,9
Total capital expenditure on new assets	2 597	4 089	5 081	5 264	5 213	-1,0
<b>Capital expenditure on land and used assets</b>	45	90	83	59	106	79,7

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	69 548	71 432	78 749	82 087	78 572	-4,3
Interest received	600	660	581	606	874	44,2
Dividends received	4 587	1 083	2 590	4 106	3 959	-3,6
Royalties, franchise fees, copyright, trade names and trade and patent rights received	64	78	7	7	7	0,0
Income from the rental/leasing of land, buildings and other structures	75	100	254	282	260	-7,8
Income from hiring/leasing of plant, machinery, vehicles and other equipment	69	94	56	56	40	-28,6
Profit on assets/investments sold or revalued	172	164	109	155	713	360,0
Other income	512	503	819	584	489	-16,3
<b>Expenditure items</b>						
Interest paid	1 991	1 998	2 098	2 114	2 579	22,0
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	29	30	156	158	171	8,2
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	887	963	824	790	893	13,0
Hiring/leasing paid for plant, machinery, vehicles and other equipment	1 502	1 651	2 350	3 451	2 687	-22,1
Depreciation	3 681	4 175	3 937	4 281	4 951	15,7

<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 quarter ended December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	1 290	345	427	431	402	-6,7
<b>Net profit or loss before providing for company tax and dividends</b>	13 614	7 946	12 055	12 701	15 158	19,3
<b>Tax and company tax brought into account</b>	2 586	2 184	3 583	2 682	3 523	31,4
<b>Dividends payable</b>	4 337	2 676	6 575	1 401	2 361	68,5
<b>Inventories</b>						
Work in progress	1 468	1 610	1 708	1 519	1 401	-7,8
Other inventories	4 662	5 267	6 603	6 308	5 566	-11,8
Total inventories	6 130	6 877	8 311	7 827	6 967	-11,0
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	145 765	144 048	143 936	187 653	190 482	1,5
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	987	470	423	1 104	885	-19,8
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	3 699	2 081	2 788	3 822	7 219	88,9
Vehicles	2 165	939	1 828	1 812	2 227	22,9
Total capital expenditure on new assets	6 851	3 490	5 039	6 738	10 331	53,3
<b>Capital expenditure on land and used assets</b>	265	127	133	320	258	-19,4

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover *	87 401	97 210	109 541	108 027	105 868	-2,0
Dividends received	2 073	4 558	3 131	3 558	4 571	28,5
Royalties, franchise fees, copyright, trade names and trade and patent rights received	25	20	16	16	28	75,0
Profit on assets/investments sold or revalued	557	715	1 165	1 113	1 184	6,4
Other income	951	1 960	2 952	2 546	2 519	-1,1
<b>Expenditure items</b>						
Interest paid	3 295	3 309	3 858	3 699	3 951	6,8
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	326	341	413	506	465	-8,1
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	1 813	2 045	2 102	2 035	2 019	-0,8
Hiring/leasing paid for plant, machinery, vehicles and other equipment	572	608	701	805	822	2,1
Depreciation	1 795	1 973	1 763	1 882	1 957	4,0

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	567	311	151	128	128	0,0
<b>Net profit or loss before providing for company tax and dividends</b>	9 304	14 436	13 068	13 417	13 297	-0,9
<b>Tax and company tax brought into account</b>	1 542	1 351	1 735	1 823	1 779	-2,4
<b>Dividends payable</b>	2 498	2 808	4 407	5 397	5 571	3,2
<b>Inventories</b>						
Work in progress	2 871	2 748	4 217	4 159	4 423	6,3
Other inventories	9 998	8 964	8 877	9 429	9 787	3,8
Total inventories	12 869	11 712	13 094	13 588	14 210	4,6
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	123 700	193 730	263 613	243 881	247 088	1,3
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	1 473	1 436	1 586	1 536	1 402	-8,7
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	813	918	1 469	951	1 010	6,2
Vehicles	468	213	506	669	706	5,5
Total capital expenditure on new assets	2 754	2 567	3 561	3 156	3 118	-1,2
<b>Capital expenditure on land and used assets</b>	168	147	183	1 251	366	-70,7

<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)**

Item	Quarter ended					Change between quarter ended December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
<b>Income items</b>						
Turnover	19 162	20 500	21 914	21 407	20 965	-2,1
Interest received	233	231	252	195	204	4,6
Dividends received	10	15	39	38	35	-7,9
Royalties, franchise fees, copyright, trade names and trade and patent rights received	4	5	5	10	10	0,0
Income from the rental/leasing of land, buildings and other structures	112	111	92	96	103	7,3
Income from hiring/leasing of plant, machinery, vehicles and other equipment	18	19	29	42	44	4,8
Profit on assets/investments sold or revalued	2 501	175	111	76	83	9,2
Other income	710	712	1 012	823	881	7,0
<b>Expenditure items</b>						
Interest paid	1 047	1 028	1 463	1 453	1 500	3,2
Royalties, franchise fees, copyright, trade names and trade and patent rights paid	323	345	152	154	144	-6,5
Rental/leasing of land, buildings and other structures, including payments for water and electricity services	578	577	669	666	668	0,3
Hiring/leasing paid for plant, machinery, vehicles and other equipment	221	213	250	243	251	3,3
Depreciation	643	638	671	638	619	-3,0

<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 December 2005 and quarter ended March 2006 %
	March 2005	June 2005 <sup>1</sup>	September 2005 <sup>1</sup>	December 2005 <sup>1</sup>	March 2006 <sup>2</sup>	
	R million					
Losses on assets/investments sold or revalued	30	39	40	35	17	-51,4
<b>Net profit or loss before providing for company tax and dividends</b>	4 877	3 041	2 673	2 050	1 928	-6,0
<b>Tax and company tax brought into account</b>	536	623	535	493	533	8,1
<b>Dividends payable</b>	2 424	184	371	470	474	0,9
<b>Inventories</b>						
Work in progress	279	286	262	253	262	3,6
Other inventories	1 655	1 621	1 459	1 146	1 052	-8,2
Total inventories	1 934	1 907	1 721	1 399	1 314	-6,1
<b>Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter</b>	23 465	21 865	37 392	35 917	35 755	-0,5
<b>Capital expenditure on new buildings, machinery, furniture, vehicles and other equipment</b>						
Buildings, improvements and construction works	494	166	198	161	219	36,0
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	448	506	2 339	2 704	460	-83,0
Vehicles	15	27	102	97	93	-4,1
Total capital expenditure on new assets	957	699	2 639	2 962	772	-73,9
<b>Capital expenditure on land and used assets</b>	9	27	35	88	13	-85,2

<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 - December 2005**

Industry	Lower limit	Estimate	Upper limit	Relative standard error
	R million			(RSE)
Mining and quarrying industry	43 505	44 058	44 611	0,6
Manufacturing industry	254 344	260 310	266 276	1,2
Construction industry	27 671	32 465	37 259	7,5
Trade industry	292 516	320 123	347 730	4,4
Transport, storage and communication industry	78 283	82 087	85 891	2,4
Real estate and other business services industry, excluding financial intermediation and insurance	83 715	108 027	132 339	11,5
Community, social and personal services industry, excluding government institutions	19 035	21 407	23 779	5,7

**Table B - 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	42 011	42 603	43 195	0,7
Manufacturing industry	245 892	253 595	261 298	1,5
Construction industry	28 197	34 004	39 811	8,7
Trade industry	271 182	303 281	335 380	5,4
Transport, storage and communication industry	74 444	78 572	82 700	2,7
Real estate and other business services industry, excluding financial intermediation and insurance	83 312	105 868	128 424	10,9
Community, social and personal services industry, excluding government institutions	18 597	20 965	23 333	5,8

**Table C – Differences in turnover by industry between December 2005 and March 2006**

Industry	Turnover for December 2005	Turnover for March 2006	Difference
	R million		%
Mining and quarrying industry	44 058	42 603	-3,3
Manufacturing industry	260 310	253 595	-2,6
Construction industry	32 465	34 004	4,7
Trade industry	320 123	303 281	-5,3
Transport, storage and communication industry	82 087	78 572	-4,3
Real estate and other business services industry, excluding financial intermediation and insurance	108 027	105 868	-2,0
Community, social and personal services industry, excluding government institutions	21 407	20 965	-2,1
<b>All industries</b>	<b>868 477</b>	<b>838 888</b>	<b>-3,4</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;
    - capital expenditure on new buildings, machinery, furniture, vehicles and other equipment; 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 March 2005, June 2005, September 2005 and December 2005 and March 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

### Capital expenditure on new assets

Capital expenditure on new assets 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.

### Net profit or loss

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.

### 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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