



Quarterly employment statistics

September 2005

Part 1: Estimation of number of employees and their earnings

The Quarterly Employment Statistics (QES) survey replaces the Survey of Employment and Earnings (SEE), which was discontinued as from June 2005.

The SEE covered both employing and non-employing value-added tax (VAT) registered businesses with an annual turnover of R300 000 or more. The QES survey covers employing enterprises registered for income tax (IT). This results in better coverage of small businesses that were not necessarily registered for VAT. The omission of non-employing businesses for the calculation of average monthly earnings is in accordance with the International Labour Organisation (ILO) definitions and concepts.

Estimates for average monthly earnings were published for the first time in October 2005.

Information regarding employers, employees and the self-employed can be obtained from the six-monthly Labour Force Survey (LFS), conducted among 30 000 households countrywide.

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Key estimates

Table A – Number of employees as at the end of September 2005 and gross earnings for the quarter ended September 2005

Main estimates	Quarter ended June 2005	Quarter ended September 2005	Percentage change between the quarters ended June 2005 and September 2005
Number of employees ('000)	7 078*	7 177	1,4
Gross earnings (R'000)	151 650 000*	155 960 000	2,8

*Revised estimates

Key findings for the quarter ended September 2005

Employment in the formal non-agricultural business sector increased between the quarters ended June 2005 and September 2005.

The September 2005 Quarterly Employment Statistics (QES) survey showed that the number of persons employed in the formal non-agricultural business sector of the South African economy increased by about 99 000 persons or 1,4% from June 2005 (an estimated 7 078 000 employees) to September 2005 (an estimated 7 177 000 employees).

Gross earnings paid to employees in the formal non-agricultural business sector increased between the quarters ended June 2005 and September 2005.

According to the September 2005 Quarterly Employment Statistics (QES) survey gross earnings paid to employees during the quarter ended September 2005 (July 2005 to September 2005) amounted to R155 960 million. This represents a quarterly increase of R4 310 million or 2,8% compared with the quarter ended June 2005.

Table B – Estimates of number of employees and gross earnings within 95% confidence limits

Quarter	Number of employees			RSE	Gross earnings (R'000)			RSE
	Lower limit	Estimate	Upper limit		Lower limit	Estimate	Upper limit	
June 2005*	6 935 116	7 077 915	7 220 714	1,0	149 886 594	151 648 629	153 410 665	0,6
September 2005	7 018 747	7 176 983	7 335 219	1,1	154 079 635	155 960 556	157 841 477	0,6

*Revised estimates

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Forthcoming issues**Issue****Expected release date**

December 2005

28 March 2006

Purpose of the survey

The Quarterly Employment Statistics (QES) survey is a quarterly survey covering a sample of approximately 24 000 private and public enterprises in the formal non-agricultural business sector of the South African economy. The information received is used to estimate key economic statistics on employment and gross earnings, and is used as an input to the Gross Domestic Product (GDP).

Response rates

The percentage response for September 2005 was 90,1%.

Table 1 – Number of employees: All formal non-agricultural industries

Industry	Quarter ended June 2005*	Quarter ended September 2005	Change in number of employees between quarters ended June 2005 and September 2005	Percentage change between quarters ended June 2005 and September 2005
Mining and quarrying	444 000	444 000	0	0,0
Manufacturing	1 182 000	1 195 000	13 000	1,1
Electricity, gas and water supply	44 000	45 000	1 000	2,3
Construction	432 000	443 000	11 000	2,5
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants	1 373 000	1 397 000	24 000	1,7
Transport, storage and communication	320 000	333 000	13 000	4,1
Financial intermediation, insurance, real estate and business services	1 478 000	1 494 000	16 000	1,1
Community, social and personal services	1 805 000	1 826 000	21 000	1,2
Total	7 078 000	7 177 000	99 000	1,4

*Revised estimates

Quarterly changes in the level of employment at September 2005

The *mining and quarrying industry* reported no change in employment at September 2005 compared with June 2005. Data obtained from Department of Minerals and Energy (DME). See explanatory notes: paragraph 5.

The *manufacturing industry* reported a quarterly increase of 13 000 employees (or +1,1%) at September 2005 compared with June 2005. This increase may be due to appointments in manufacturing of other food products; paper and paper products; other chemical products; non-metallic mineral products; structural metal products, tanks, reservoirs and steam generators; and insulated wire and cables.

The *electricity, gas and water supply industry* reported a quarterly increase of 1 000 employees (or +2,3%) at September 2005 compared with June 2005.

The *construction industry* reported a quarterly increase of 11 000 employees (or +2,5%) at September 2005 compared with June 2005. This increase may be due to appointments in building of complete constructions or part thereof (civil engineering); and the building installation divisions of this industry.

The *wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants industry* reported a quarterly increase of 24 000 employees (or +1,7%) at September 2005 compared with June 2005. This increase may be due to appointments in retail trade, except of motor vehicles and motor cycles; sale, maintenance and repair of motor vehicles and motor cycles; retail trade in automotive fuel; and hotels and restaurants.

The *transport, storage and communication industry* reported a quarterly increase of 13 000 employees (or +4,1%) at September 2005 compared with June 2005. This increase may be due to appointments in supporting and auxiliary transport activities; and activities of travel agencies.

The *financial intermediation, insurance, real estate and business services industry* reported a quarterly increase of 16 000 employees (or +1,1%) at September 2005 compared with June 2005. This increase may be due to appointments in financial intermediation, except insurance and pension funding; renting of machinery and equipment, without operator; computer and related activities; legal, accounting, bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not elsewhere classified.

The *community, social and personal services industry* reported a quarterly increase of 21 000 employees (or +1,2%) at September 2005 compared with June 2005. This increase may be due to appointments in government departments, provincial administrations and local governments; institutions for higher education; health and social work; and other services activities.

Table 2 – Gross earnings: All formal non-agricultural industries

Industry	Quarter ended June 2005*	Quarter ended September 2005	Change in gross earnings between quarters ended June 2005 and September 2005	Percentage change between quarters ended June 2005 and September 2005
	(R'000)	(R'000)	(R'000)	
Mining and quarrying	8 450 000	9 098 000	648 000	7,7
Manufacturing	22 940 000	24 027 000	1 087 000	4,7
Electricity, gas and water supply	2 700 000	1 943 000	-757 000	-28,0
Construction	5 619 000	5 874 000	255 000	4,5
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants	19 748 000	21 030 000	1 282 000	6,5
Transport, storage and communication	10 233 000	10 358 000	125 000	1,2
Financial intermediation, insurance, real estate and business services	34 331 000	35 410 000	1 079 000	3,1
Community, social and personal services	47 629 000	48 220 000	591 000	1,2
Total	151 650 000	155 960 000	4 310 000	2,8

*Revised estimates

Quarterly changes in gross earnings paid to employees for the quarter ended September 2005.

Gross earnings paid to employees in the *mining and quarrying industry* reflected a quarterly increase of R648 million (or +7,7%) for the quarter ended September 2005 compared with the quarter ended June 2005.

Data obtained from Department of Minerals and Energy (DME). See explanatory notes: paragraph 5.

Gross earnings paid to employees in the *manufacturing industry* reflected a quarterly increase of R1 087 million (or +4,7%) for the quarter ended September 2005 compared with the quarter ended June 2005. This increase may be due to annual salary increases, performance bonuses and overtime payments paid during the quarter ended September 2005.

Gross earnings paid to employees in the *electricity, gas and water supply industry* reflected a quarterly decrease of R757 million (or -28,0%) for the quarter ended September 2005 compared with the quarter ended June 2005. This decrease may be due to performance bonuses paid during the quarter ended June 2005.

Gross earnings paid to employees in the *construction industry* reflected a quarterly increase of R255 million (or +4,5%) for the quarter ended September 2005 compared with the quarter ended June 2005. This increase may be due to annual salary increases, performance bonuses and overtime payments paid during the quarter ended September 2005.

Gross earnings paid to employees in the *wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants industry* reflected a quarterly increase of R1 282 million (or +6,5%) for the quarter ended September 2005 compared with the quarter ended June 2005. This increase may be due to annual salary increases, performance bonuses and overtime payments paid during the quarter ended September 2005.

Gross earnings paid to employees in the *transport, storage and communication industry* reflected a quarterly increase of R125 million (or +1,2%) for the quarter ended September 2005 compared with the quarter ended June 2005. This increase may be due to annual salary increases, performance bonuses and overtime payments paid during the quarter ended September 2005.

Gross earnings paid to employees in the *financial intermediation, insurance, real estate and business services industry* reflected a quarterly increase of R1 079 million (or +3,1%) for the quarter ended September 2005 compared with the quarter ended June 2005. This increase may be due to annual salary increases, performance bonuses and overtime payments paid during the September 2005 quarter.

Gross earnings paid to employees in the *community, social and personal services industry* reflected a quarterly increase of R591 million (or +1,2%) for the quarter ended September 2005 compared with the quarter ended June 2005. This increase may be due to annual salary increases, annual and performance bonuses and overtime payments paid during the quarter ended September 2005.

Technical notes**1) Confidence intervals**

The estimated population value will be contained within the interval between the lower and upper 95% confidence limits.

The 95% confidence intervals of a population parameter (gross salaries and wages) 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)

$$1.1) \text{ Standard Error (SE)} = \frac{\text{upper limit} - \text{lower limit}}{2 \times 1,96}$$

$$1.2) \text{ Relative Standard Error (RSE)} = \frac{\text{SE (estimate)}}{\text{estimate}} \times 100$$

Table C: Estimates of number of employees by industry within 95% confidence limits

Industry	Quarter ended June 2005*				Quarter ended September 2005			
	Lower limit	Estimate	Upper limit	RSE	Lower limit	Estimate	Upper limit	RSE
Mining and quarrying	443 790	443 790	443 790	**	444 162	444 162	444 162	**
Manufacturing	1 150 837	1 182 056	1 213 275	1,3	1 161 791	1 195 266	1 228 741	1,4
Electricity, gas and water supply	41 569	43 698	45 827	2,5	42 251	44 867	47 483	3,0
Construction	366 854	431 842	496 829	7,7	375 866	442 787	509 709	7,7
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants	1 313 863	1 373 337	1 432 810	2,2	1 332 092	1 396 859	1 461 627	2,4
Transport, storage and communication	294 850	320 398	345 945	4,1	297 475	333 314	369 152	5,5
Financial intermediation, insurance, real estate and business services	1 375 722	1 478 210	1 580 698	3,5	1 378 494	1 493 582	1 608 669	3,9
Community, social and personal services	1 772 893	1 804 584	1 836 275	0,9	1 791 145	1 826 146	1 861 147	1,0
Total	6 935 116	7 077 915	7 220 714	1,0	7 018 747	7 176 983	7 335 219	1,1

*Revised estimates

**Data obtained from the Minerals Bureau, Department of Minerals and Energy (see explanatory notes: paragraph 5)

Table D: Estimates of gross earnings (R'000) by industry within 95% confidence limits

Industry	Quarter ended June 2005*				Quarter ended September 2005			
	Lower limit	Estimate	Upper limit	RSE	Lower limit	Estimate	Upper limit	RSE
Mining and quarrying	8 449 690	8 449 690	8 449 690	**	9 097 812	9 097 812	9 097 812	**
Manufacturing	22 613 532	22 939 651	23 265 770	0,7	23 656 812	24 027 486	24 398 160	0,8
Electricity, gas and water supply	2 688 568	2 700 310	2 712 053	0,2	1 923 571	1 943 023	1 962 476	0,5
Construction	4 932 118	5 618 730	6 305 342	6,2	5 034 983	5 874 171	6 713 360	7,3
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants	18 913 119	19 747 941	20 582 763	2,2	20 081 892	21 030 329	21 978 765	2,3
Transport, storage and communication	9 779 660	10 233 011	10 686 363	2,3	9 825 064	10 358 364	10 891 664	2,6
Financial intermediation, insurance, real estate and business services	33 171 708	34 330 679	35 489 649	1,7	34 301 765	35 409 583	36 517 400	1,6
Community, social and personal services	47 020 819	47 628 616	48 236 413	0,7	47 609 096	48 219 788	48 830 480	0,6
Total	149 886 594	151 648 629	153 410 665	0,6	154 079 635	155 960 556	157 841 477	0,6

*Revised estimates

**Data obtained from the Minerals Bureau, Department of Minerals and Energy (see explanatory notes: paragraph 5)

Explanatory notes

Introduction		This publication contains results of the quarterly employment statistics survey of enterprises in the formal non-agricultural business sector of the South African economy. The survey is designed to obtain information regarding: the number of persons employed in the business as at the end of the reference quarter; and gross earnings paid; bonuses paid; overtime payments; and severance, termination and redundancy payments paid to employees during the reference quarter.
Scope of the survey	1	<p>This survey covers employment statistics of the following industries according to the Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993:</p> <ul style="list-style-type: none"> • mining and quarrying industry; • manufacturing industry; • electricity, gas and water supply industry; • construction industry; • wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants industry; • transport, storage and communication industry; • financial intermediation, insurance, real estate and business services industry; and • community, social and personal services industry.
Classification	2	<p>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 the SIC major division (one digit) level. Each enterprise is classified to the industry, which reflects the predominant activity of the enterprise.</p>
Statistical unit	3	<p>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.</p>
	4	<p>This survey is conducted by mail each quarter from a sample of approximately 24 000 private businesses and public institutions.</p>
	5	<p>Stats SA receives information regarding the mining and quarrying industry from the Minerals Bureau, Department of Minerals and Energy. The information for the latest quarter is preliminary and will be revised by the Minerals Bureau as soon as they receive more information from the different mines.</p>
Reliability of estimates	6	<p>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 reduce non-sampling errors to a minimum by designing the questionnaire carefully, undertaking pilot studies, editing the data and efficient operating procedures. Fluctuations may occur in consecutive quarters as a result of seasonal and economic factors.</p>
Standard errors	7	<p>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.</p>

- Revised figures** **8** Figures for the quarters published in this release are preliminary and may be revised in subsequent publications.
- Related publications** **9** Users may also wish to refer to the following publications which are available from Stats SA:
- Bulletin of Statistics.*
Labour Force Survey.
SA Statistics.
Quarterly employment statistics (Estimation of average monthly earnings).
- Pre-release policy** **10** Stats SA’s pre-release policy may be inspected at its website, www.statssa.gov.za.

Abbreviations and symbols

BSF	Business Sampling Frame
GDP	Gross Domestic Product
IBR	Integrated Business Register
ILO	International Labour Organisation
IT	Income Tax
LFS	Labour Force Survey
QES	Quarterly Employment Statistics
RSE	Relative Standard Error
SARS	South African Revenue Services
SE	Standard Error
SEE	Survey of Employment and Earnings
SIC	Standard Industrial Classification of all Economic Activities
SNA	System of National Accounts
Stats SA	Statistics South Africa
VAT	Value Added Tax
*	Revised figures

Glossary

Casual employees	Casual employees are employees who fall neither within the 'permanent employee' category nor within that of a 'temporary employee'. Such employees are typically daily or hourly. Employers can dispense with their services at a very short notice, usually not exceeding a period of one week. Casual employees are not entitled to benefits such as paid leave and medical aid contributions paid by employers.
Enterprises	Enterprises are legal units, or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.
Formal sector	The formal sector includes all employing businesses that are registered in any way.
Full-time employees	Full-time employees are those permanent, temporary and casual employees who normally work the agreed number of hours in their particular occupation or, if the agreed number of hours does not apply, who normally work 40 hours or more per week. This excludes the self-employed and working proprietors. (Refer to notes on number of employees below.)
Gross earnings	Gross earnings are payments for ordinary-time, standard or agreed hours during the reference period for all permanent, temporary, casual, executive and managerial employees before taxation and other deductions for the three months. This includes salaries and wages; commission if a retainer, wage or salary was also paid; employer's contribution to pension, provident, medical aid, sick pay and other funds; allowances; etc., but excludes earnings of sole proprietors or partners of unincorporated businesses; commission where a retainer, wage or salary was not paid; payments to subcontractors and consultants who are not part of the enterprise; performance and other bonuses; overtime payments; and severance, termination and redundancy payments. Gross earnings are the total sum of the earnings for the three months of the reference quarter (e.g. gross earnings of quarter ended September is the sum of total earnings of July, August and September).
Industries	Industries consist of groups of enterprises engaged in the same or similar kind of activity. The definition of industries is based on the System of National Accounts (SNA) and is in line with that in the Standard Industrial Classification of all Economic Activities, Fifth Edition, and Report No. 09-09-02 of January 1993 (SIC).
Informal sector	The informal sector consists of those businesses that are not registered in any way. They are generally small in nature, and are seldom run from business premises. Instead, they are generally run from homes, street pavements and other informal arrangements.
Number of employees	The number of employees is the number of people employed by the business, who received payment (in salaries; wages; commission, in addition to a retainer, salary or wage; piece rates; or payments in kind) for any part of the reference period. This excludes independent contractors and consultants; working proprietors; sole and joint owners; and employees paid on a commission basis where a retainer, salary or wage was not paid. Number of employees refers to the number of people employed at the end of the reference period (e.g. number of employees as at the quarter ended December refers to the number of employees as at the end of the month of December).

Ordinary-time hours	Ordinary-time hours are those hours actually worked during normal periods of work. These hours include hours of paid leave taken during the reference period (e.g. sick leave, annual leave) and hours of normal shift work. Ordinary-time hours paid for exclude overtime hours worked, hours relating to payment in advance and hours relating to back pay.
Overtime hours paid for	Overtime hours paid for are those hours worked in excess of ordinary-time hours, standard or agreed hours of work that were paid for in the reference period.
Overtime payment	Overtime payment refers to payment for hours worked and paid for in excess of ordinary-time hours, standard or agreed hours worked for the reference period. Penalty payments that relate to overtime are also included.
Part-time employees	Part-time employees are those permanent, temporary or casual employees who are not full-time employees as defined above or who normally work less than 40 hours per week. This excludes the self-employed at work or with an enterprise but temporarily not at work.
Performance and other bonuses	<p>Performance and other bonuses cover seasonal, end-of-year and one-time bonuses and additional payments supplementary to normal payments.</p> <p>Performance and other bonuses include profit sharing bonuses, merit bonuses, incentive bonuses, total amounts of payments that were paid during the reference period but relate to other pay periods, e.g. annual leave, thirteenth cheques. Performance and other bonuses exclude reimbursements for expenses incurred whilst conducting employer's business.</p>
Permanent employees	Permanent employees are employees appointed on an open-ended contract with no stipulated termination date, and who are entitled to benefits such as paid leave and medical aid contributions paid by employers. This excludes the self-employed at work.
Quarterly percentage change	A quarterly percentage change is the change in the employment or the gross earnings of the given quarter compared with the employment or the gross earnings of the previous quarter expressed as a percentage.
Reference quarter/period	Reference quarter/period for this survey refers to the three months up to the end of March, June, September or December.
Severance, termination and redundancy payments	Severance, termination and redundancy payments include payments of accumulated leave made to employees who finished work during the reference quarter as well as payments intended to compensate for loss of employment.
Temporary employees	Temporary employees are employees appointed on a short-term contract basis for periods normally not exceeding one year. Such contract would typically stipulate a termination date, but could be renewed by mutual agreement between the employer and the employee. This excludes the self-employed with an enterprise but temporarily not at work.

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