

Manufacturing: Production and sales

April 2004

**Embargoed until:
8 June 2004
13:00**

Key figures as at the end of April 2004

Actual estimates

	April 2004	% change between April 2003 and April 2004	% change between March and April 2004	% change between February to April 2003 and February to April 2004	% change between January to April 2003 and January to April 2004
Physical volume of manufacturing production index (2000=100)	103,6	+2,9	-8,1	+2,0	+1,5
Total value of sales of manufactured products (R million)	60 918	+4,8	-7,6	+4,8	+4,1

Seasonally adjusted estimates

	April 2004	% change between April 2003 and April 2004	% change between March and April 2004	% change between November 2003 to January 2004 and February to April 2004
Physical volume of manufacturing production index (2000=100)	109,0	+2,6	+0,5	+2,9
Total value of sales of manufactured products (R million)	64 017	+4,5	+0,5	+5,0

Key findings as at the end of April 2004

Manufacturing production increases

Manufacturing production for the three months ended April 2004 increased by 2,9%, after seasonal adjustment, compared with the previous three months. Higher production was reported by 8 of the 10 manufacturing divisions.

The major contributor to the seasonally adjusted increase of 2,9% in total manufacturing production for the three months ended April 2004 was the food and beverage division (contributing +0,8 of a percentage point to total manufacturing production), followed by textiles, clothing, leather and footwear, and petroleum, chemical products, rubber and plastic products (each contributing +0,6 of a percentage point) and basic iron and steel, non-ferrous metal products, metal products and machinery (+0,5 of a percentage point) (see table A).

Figure 1 shows the seasonally adjusted and trend series for the volume index of manufacturing production between January 1998 and April 2004. While the trend series has been rising since mid 2003, it is still below the peak reached at September 2002.

Figure 1 – Index of the physical volume of manufacturing production

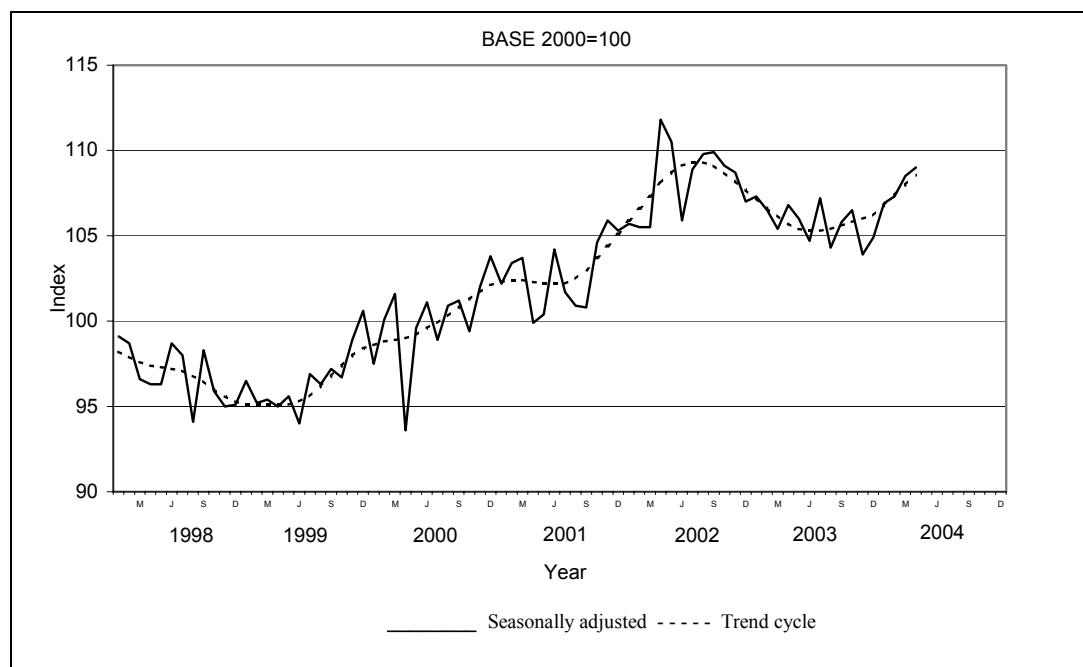


Table A - Contribution of manufacturing divisions to total manufacturing production (Base 2000=100)

Manufacturing divisions	Percentage contribution to the total manufacturing production using the weights according to 1996 Census of Manufacturing	Average seasonally adjusted production index for February 2004 to April 2004	Quarterly percentage change of February to April 2004 compared with the preceding three months	Contribution (percentage points) to the seasonally adjusted quarterly percentage change in total manufacturing production 1/
Food and beverages	15,3	109,9	+7,0	+0,8
Textiles, clothing, leather and footwear	7,8	97,9	+7,8	+0,6
Wood and wood products; paper; publishing and printing	11,4	103,3	-1,5	-0,1
Petroleum, chemical products, rubber and plastic products	19,3	110,4	+3,2	+0,6
Glass and non-metallic mineral products	4,5	106,5	+0,5	+0,0
Basic iron and steel; non-ferrous metal products; metal products and machinery	23,6	114,6	+2,2	+0,5
Electrical machinery	3,4	101,4	-0,0	-0,0
Radio, television and communication apparatus; professional equipment	1,5	105,6	+1,3	+0,0
Motor vehicles, parts and accessories; other transport equipment	9,1	108,0	+2,7	+0,2
Furniture and other manufacturing divisions	4,1	97,3	+0,2	+0,0
Total	100,0	108,2	+2,9	+2,9

1/ The contribution is calculated by multiplying the quarterly percentage change of each manufacturing division with its corresponding weight in the base year, divided by 100.

Sales of manufactured products increase

The total value of sales of manufactured products at current prices for the three months ended April 2004 increased by 5,0% (+R9 047 million), after seasonal adjustment, compared with the previous three months. Higher manufacturing sales were reported by 8 of the 10 manufacturing divisions during this period (see table B). Furthermore, the actual value of sales of manufactured products at current prices for the three months ended April 2004 was 4,8 % higher compared with the three months ended April 2003 (see table C). Sales of manufactured products at current prices for the first four months of 2004 was 4,1% higher than for the first four months of 2003.

The seasonally adjusted increase of 5,0% in the total value of sales of manufactured products at current prices for the three months ended April 2004 was mainly due to large increases reported for basic iron and steel, non-ferrous metal products, metal products and machinery (+7,6% or +R2 979 million), food and beverage (+7,0% or +R2 165 million), petroleum, chemical products, rubber and plastic products (+6,4% or +R2 346 million) and motor vehicles, parts and accessories (+4,2% or +R1 096 million) (see table B).

Table B - Contribution of the manufacturing divisions to the total value of seasonally adjusted sales of manufactured products

Manufacturing divisions	Seasonally adjusted sales February to April 2004 R'000	Percentage change between November 2003 to January 2004 and February 2004 to April 2004	Difference in seasonally adjusted sales of manufacturing divisions between November 2003 to January 2004 and February to April 2004 R'000
Food and beverages	33 162 428	+7,0	2 165 340
Textiles, clothing, leather and footwear	9 197 272	+3,5	313 299
Wood and wood products; paper; publishing and printing	16 571 756	-1,4	-236 297
Petroleum, chemical products, rubber and plastic products	38 884 943	+6,4	2 346 476
Glass and non-metallic mineral products	5 714 157	+6,0	323 237
Basic iron and steel; non-ferrous metal products; metal products and machinery	41 959 587	+7,6	2 979 277
Electrical machinery	4 940 089	-6,3	-330 460
Radio, television and communication apparatus; professional equipment	3 133 406	+4,0	120 277
Motor vehicles, parts and accessories; other transport equipment	26 991 204	+4,2	1 096 075
Furniture and other manufacturing divisions	9 032 463	+3,1	270 273
Total	189 587 306	+5,0	9 047 498

The major contributors to the increase of 4,8% in sales of manufactured products at current prices for the three months ended April 2004 compared with the three months ended April 2003 were basic iron and steel, non-ferrous metal products, metal products and machinery (1,8 percentage points or R3 265 million), motor vehicles, parts and accessories (0,7 of a percentage point or R1 309 million) and food and beverages (0,6 of a percentage point or R1 149 million) (see table C).

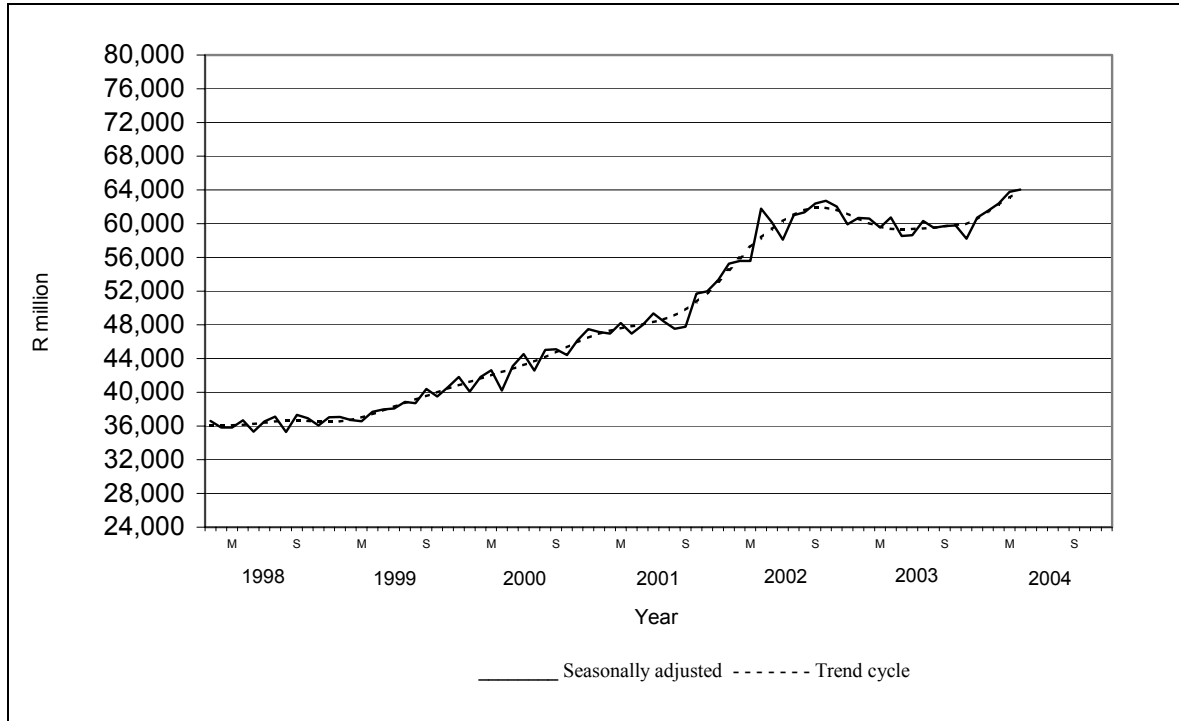
Table C - Contribution of the manufacturing divisions to total value of sales of manufactured products

Manufacturing divisions	Percentage contribution of sales of manufactured products to April 2003	Percentage change between February and April 2004	Contribution (percentage points) to the percentage change in the total value of sales of manufactured products 1/	Difference in sales of manufacturing divisions between February and April 2003 and February to April 2004
Food and beverages	17,3	3,7	0,6	1 149 079
Textiles, clothing, leather and footwear	5,0	2,2	0,1	199 498
Wood and wood products; paper; publishing and printing	8,7	3,3	0,3	515 982
Petroleum, chemical products, rubber and plastic products	21,1	1,8	0,4	679 859
Glass and non-metallic mineral products	2,6	17,7	0,5	820 789
Basic iron and steel, non-ferrous metal products; metal products and machinery	21,5	8,5	1,8	3 265 366
Electrical machinery	3,0	-5,5	-0,2	-287 470
Radio, television and communication apparatus; professional equipment	1,7	10,8	0,2	331 605
Motor vehicles, parts and accessories and other transport equipment	14,6	5,0	0,7	1 309 370
Furniture and other manufacturing divisions	4,5	8,1	0,4	649 671
Total	100,0	4,8	4,8	8 633 749

1/ The contribution (percentage points) is calculated by multiplying the percentage change of each manufacturing division with the percentage contribution of the same division during corresponding period, divided by 100.

Figure 2 shows the seasonally adjusted and trend series for sales of manufactured products between January 1998 and April 2004. After peaking in September 2002, the series declined until June 2003, before resuming its upward movement.

Figure 2 - Total value of sales of manufactured products at current prices



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Notes

Forthcoming issues	Issue	Expected release date
	May 2004	6 July 2004
	June 2004	10 August 2004
	July 2004	7 September 2004
	August 2004	12 October 2004
	September 2004	9 November 2004
	October 2004	7 December 2004
Purpose of the survey	The results of the monthly Manufacturing Production and Sales survey are used to calculate indices of the physical volume of manufacturing production. These indices provide an indicator of the real level of manufacturing activity in the economy. They are used in monitoring the state of the economy and formulation of economic policy. They are also important inputs to estimation of the Gross Domestic Product (GDP).	
Special Data Dissemination Standard of the IMF	The data in this statistical release should adhere to the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF), which sets out standards on: coverage, periodicity and timeliness of data; access by the public; integrity; and quality of the disseminated data. In this case there has been a delay, but this is not expected to recur.	

Article : New monthly indicator series – feasibility of seasonal adjustment

As indicated in earlier discussions, since the beginning of 2003, Stats SA has been conducting its monthly indicator surveys (manufacturing, wholesale trade, retail trade, motor trade and land freight) using fresh samples of businesses drawn from its new business register, in parallel with the continued conduct of the surveys based on the established sample of businesses drawn from the old business address register. The parallel operation was designed to ensure that the new samples were well established, and that estimates could be constructed for an overlap period of one year between the old and new samples, to provide users with a comparability bridge of a reasonable number of observations on both the old and new bases.

The inadequacy of the old business register to accurately capture and represent the true business population across the economy is mainly due to the fact that the register could not be updated regularly or consistently across industry sectors. This has been rectified through access to information about VAT registrations from the South African Revenue Service. This source has been used to construct Stats SA's new business register.

Manufacturing was the most frequently updated sector in the old business address register, through special efforts to build up coverage for reasonably regular censuses of the sector, which in turn provided information for updating the business population for the sector, particularly for ceased businesses and changes in activity. Accordingly the industry structure of the sector was relatively well captured by the old business register, even though it under covered the number of businesses involved, mainly smaller businesses. The movements of the new manufacturing series track that of the old series very closely for 2003, and seasonal adjustment of the new series, including its backcast component, was found to be feasible using the seasonal factors from the old manufacturing series carried over to the new one.

The **wholesale** and **motor** industries remained relatively stable in structure in the old and new registers, and activities were dominated by the large enterprises, even though the old register under covered smaller enterprises. Again, the movements of the new series tracked that of the old series very closely for 2003, and seasonal adjustment of the new series using the seasonal factors from the old series, including their backcast components, produced seasonally adjusted series which were reasonably consistent with the pattern of the seasonally adjusted series from the old surveys. The addition of wholesale on a commission or fee basis in the wholesale survey and the expansion of coverage to wholesale activities in the motor trade survey, contributed to some of the differences noted in the monthly movements.

The situation for **retail trade** was found to be more complicated. It is the sector where, on the one hand, the structure changed most frequently in terms of business starts, cessations, mergers and acquisitions, so that frequent updating of the business register to reflect these changes was the most important. On the other hand, the inadequacies of the old business register were greatest in this sector, and the sample drawn from it for the monthly retail trade survey was accordingly the most deficient for capturing both the level and movements in activity. While the movements of the new series track that of the old series reasonably well over most months of 2003, the growth shown from November to December 2003 differs quite significantly between the old and new series (the old series showed a current price growth of 40,7% whilst the new series shows a growth of 30,4%). It is the view of Stats SA that the growth from the new survey is more reliable.

Retail trade is more strongly characterised by strong seasonal fluctuations than other industry sectors. The seasonal factors from the old survey were built up over many years for that survey based on the performance of that series, which in turn was influenced by the long-standing inadequacies in the old business frame and sample. When those seasonal factors were applied to the new series, including its backcast component, it was found that the resulting seasonally adjusted series did not behave plausibly.

Stats SA has concluded that there is no option for retail trade but to stop publishing a seasonally adjusted series until enough data points are available to derive seasonal adjustment factors informed by the behaviour of the new series. Usually at least 36 data points are needed, and currently there are 15. However, Stats SA will show an estimated trend line through the original series.

Detailed tables

Table 1 - Indices of the physical volume of manufacturing production: Total

Base 2000 = 100

Month	1998	1999	2000	2001	2002	2003	2004
Actual indices							
J	85,8	83,6	85,2	89,5	92,7	94,1	94,0
F	97,2	93,7	98,7	102,0	104,5	105,5	105,5
M	98,9	97,9	104,8	107,3	109,6	109,4	112,7
A	92,3	90,7	89,0	94,6	105,2	100,7	103,6 1/
M	96,9	95,9	99,9	100,8	110,7	106,1	
J	99,6	94,8	102,1	105,0	106,7	105,6	
J	100,0	98,3	100,1	102,7	109,9	107,9	
A	95,6	97,7	102,5	102,6	111,9	106,3	
S	102,3	100,9	104,8	104,0	113,0	108,9	
O	106,9	107,3	109,8	115,5	120,6	117,7	
N	105,5	109,9	113,6	118,1	121,1	115,2	
D	81,8	86,3	89,5	91,3	92,6	91,3	
Year	96,9	96,4	100,0	102,8	108,2	105,7	
Seasonally adjusted indices							
J	99,1	96,4	97,5	102,1	105,7	107,3	106,9
F	98,7	95,2	100,1	103,6	105,9	107,2	107,2
M	96,7	95,5	101,7	103,7	105,4	105,2	108,5
A	96,3	95,0	93,6	99,9	111,5	106,2	109,0
M	96,3	95,6	99,6	100,5	110,6	106,1	
J	98,8	94,1	101,1	104,2	105,9	104,8	
J	98,0	96,9	98,9	101,7	108,9	107,3	
A	94,1	96,3	100,9	100,9	109,8	104,3	
S	98,3	97,2	101,2	100,7	109,8	105,8	
O	95,9	96,7	99,4	104,5	109,1	106,5	
N	95,0	98,8	102,0	106,0	108,7	103,8	
D	95,0	100,6	103,7	105,3	106,9	104,8	

1/ Preliminary

Table 2 - Indices of the physical volume of manufacturing production by manufacturing division

Manufacturing divisions	Weights	Year	Actual indices			Seasonally adjusted indices			
			2003	April	March	April 1/	April	March	April
				2003	2004		2003	2004	
Food and beverages	15,3	105,9	97,2	115,0	102,0	104,5	111,1	109,9	
Textiles, clothing, leather and footwear	7,8	94,5	89,9	103,1	94,8	93,6	97,4	98,4	
Wood and wood products; paper; publishing and printing	11,4	101,1	94,6	105,3	99,5	99,7	101,9	104,8	
Petroleum, chemical products, rubber and plastic products	19,3	107,5	105,0	113,2	109,2	108,0	110,8	111,8	
Glass and non-metallic mineral products	4,5	103,6	100,0	105,9	104,0	105,2	106,1	109,3	
Basic iron and steel, non-ferrous metal products; metal products and machinery	23,6	111,8	105,3	119,5	108,9	113,3	113,5	116,9	
Electrical machinery	3,4	104,3	104,7	107,8	97,2	107,3	103,8	99,9	
Radio, television and communication apparatus; professional equipment	1,5	97,3	85,5	113,8	99,2	90,6	104,2	105,4	
Motor vehicles, parts and accessories and other transport equipment	9,1	107,6	105,7	117,7	105,9	108,8	109,1	108,2	
Furniture and other manufacturing divisions	4,1	98,7	95,3	100,7	82,9	105,1	104,5	89,8	
Total	100,0	105,7	100,7	112,7	103,6	106,2	108,5	109,0	

1/ Preliminary

Table 3 - Total sales of manufacturing industry: (R'000)

Month	1998	1999	2000	2001	2002	2003	2004
Actual values							
J	30 576 822	31 165 950	33 906 707	40 233 252	47 375 894	51 643 823	52 541 243
F	35 498 014	36 217 248	41 487 387	46 701 165	55 226 454	59 099 962	60 406 324
M	38 210 214	38 782 183	45 391 462	51 045 545	58 657 747	61 384 235	65 908 558
A	35 326 060	36 079 560	38 606 835	44 861 164	59 046 007	58 115 074	60 918 138 1/
M	35 971 769	38 617 165	43 799 078	48 988 235	61 240 265	58 700 877	
J	37 522 757	39 201 946	46 031 928	50 924 770	59 827 102	59 613 288	
J	37 828 313	39 493 229	43 083 503	48 906 488	61 523 701	60 397 962	
A	36 464 484	39 882 171	46 347 295	48 882 757	63 112 001	60 566 563	
S	39 084 149	42 233 261	47 362 496	50 070 716	65 371 793	61 812 044	
O	41 638 504	44 392 236	49 571 164	57 505 395	69 692 228	65 558 708	
N	40 834 783	45 966 203	52 246 642	58 662 308	69 910 938	64 569 771	
D	33 832 123	38 693 443	43 806 229	49 356 949	55 577 011	55 647 226	
Year	442 787 992	470 724 595	531 640 726	596 138 744	726 561 141	717 109 533	
Seasonally adjusted values							
J	37 086 747	37 550 958	40 532 405	47 557 256	55 871 620	60 715 820	61 653 226
F	36 364 853	37 114 553	42 436 898	47 853 879	56 477 659	60 479 840	61 887 397
M	36 531 660	37 152 881	43 407 621	48 962 152	56 367 511	59 153 605	63 682 627
A	37 283 324	38 145 798	40 884 286	47 540 808	62 640 829	61 281 454	64 017 282
M	36 065 499	38 641 596	43 659 833	48 723 627	60 926 710	58 483 671	
J	36 877 415	38 480 107	45 103 957	49 950 003	58 844 883	58 790 276	
J	37 839 311	39 618 818	43 253 816	49 106 545	61 774 682	60 749 733	
A	35 868 995	39 303 703	45 702 857	48 128 155	62 067 511	59 597 692	
S	37 736 903	40 881 922	45 874 165	48 626 901	63 614 129	60 210 471	
O	37 304 148	40 004 291	44 991 561	52 308 035	63 476 580	59 710 533	
N	36 677 455	41 295 408	47 017 914	52 757 393	63 082 867	58 272 793	
D	37 191 485	42 447 914	47 906 179	53 492 573	60 619 419	60 613 789	

1/ Preliminary

Table 4 - Sales of manufactured products by manufacturing division (R'000)

Manufacturing divisions	Year	Actual values						Seasonally adjusted values					
		2003	April	March	April	1/	2003	April	March	April			
			2003	2004				2004					
Food and beverages	124 771 847	10 021 472	10 892 644	10 599 005		10 448 437	10 842 624	11 075 489					
Textiles, clothing, leather and footwear	35 505 661	2 898 711	3 282 137	2 923 775		2 996 629	3 089 331	3 023 116					
Wood and wood products; paper; publishing and printing	65 416 117	4 995 258	5 575 272	5 291 798		5 333 847	5 443 335	5 631 755					
Petroleum, chemical products, rubber and plastic products	148 180 564	12 938 678	13 314 843	12 746 696		13 227 115	13 146 940	12 991 552					
Glass and non-metallic mineral products	20 136 354	1 560 418	1 950 245	1 809 489		1 678 319	1 950 570	1 946 775					
Basic iron and steel, non-ferrous metal products; metal products and machinery	154 879 658	12 225 069	15 518 323	13 321 380		13 164 114	14 464 921	14 209 223					
Electrical machinery	20 906 441	1 732 679	1 759 825	1 648 069		1 817 106	1 672 819	1 721 546					
Radio, television and communication apparatus; professional equipment	11 116 190	924 353	1 143 498	1 055 034		952 276	1 020 460	1 082 235					
Motor vehicles, parts and accessories and other transport equipment	102 514 318	8 072 671	9 874 038	8 539 379		8 806 029	9 007 414	9 239 046					
Furniture and other manufacturing divisions	33 682 383	2 745 765	2 597 733	2 983 513		2 857 582	3 044 213	3 096 543					
Total	717 109 533	58 115 074	65 908 558	60 918 138		61 281 454	63 682 627	64 017 282					

1/ Preliminary

Explanatory notes

- Introduction**
- 1 Statistics South Africa (Stats SA) conducts a monthly survey of the manufacturing industry, covering manufacturing enterprises. This statistical release contains the results of a sample drawn from the new business register, with significantly enhanced coverage of South African businesses (see 4 below). The release contains monthly indices of the physical volume of manufacturing production and monthly value of sales of manufactured products by division within manufacturing.
 - 2 In accordance with international practice, the indices are re-based every five years to a new base year. The base period of the index is 2000. Both actual and seasonally adjusted figures are presented.
 - 3 As is usual, information for the latest month has had to be estimated for respondents who have not reported by the cut-off date for production of results. These estimates will be revised in future statistical releases when their reported information becomes available.
 - 4 As indicated earlier, Stats SA developed a new business register, based on the value-added tax (VAT) database obtained from the South African Revenue Service (SARS), which replaced the previous business register. All enterprises are legally bound to register for VAT when their turnover for a period of twelve months equals or exceeds R300 000. Enterprises that conform to these criteria are included on the new business register, and hence were given a chance of selection in the new sample for the survey.
- Scope of the survey**
- 5 This survey covers manufacturing enterprises, i.e. those conducting activities in -
 - the manufacturing, processing, making or packing of products;
 - the slaughtering of animals, including poultry; and
 - installation, assembly, completion, repair and related work.
- Classification**
- 6 The 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC)*, Fifth Edition, Report No. 09-90-02, 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 presented at SIC division (two digit) level. Each enterprise is classified to an industry which reflects its predominant activity.
- Statistical unit**
- 7 The statistical unit for which information is compiled and published is the enterprise, 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.
- Weighting methodology**
- 8 For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated stratum to form division estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at <http://www.statssa.gov.za/publications/publicationsearch.asp>.
 - 9 For indices, a weight is calculated for every division according to the value added of the division relative to the total value added of the manufacturing industry as a whole, based on the results of the most recent Census of Manufacturing, in this instance the 1996 Census. Weights between census years are fixed. The production indices of all divisions are multiplied by the applicable weights and aggregated to produce the index for the total physical volume of manufacturing production.

- Survey methodology and design**
- 10** The survey is conducted by mail on a monthly basis. Questionnaires are sent to a sample of just over 3 000 enterprises. Completed questionnaires are required to be returned to Stats SA within 10 days after the end of the reference month. Fax and telephone reminders are used to follow up non-respondents.
- 11** The value of sales of manufactured products is obtained monthly from the sample of just over 3 000 enterprises, which was drawn in January 2003 from a population then of approximately 31 000 manufacturing enterprises. Each manufacturing division is divided into four size groups. The sample is drawn at the SIC two-digit level. All large enterprises (size group one), which comprise about one third of the enterprises in the current sample, are completely enumerated. Simple random sampling is applied for size group two (medium sized) enterprises, and for size groups three and four (small) enterprises. The total value of sales of manufactured products of large enterprises (size group one) in a division is added to the weighted totals of size groups two, three and four of that division to reflect the total value of sales of the division.
- 12** The calculation of the monthly production indices is based on the value of products and articles manufactured, after the effect of price changes has been eliminated through deflation using appropriate indices of the Production Price Index (PPI). For six of the ten SIC divisions in manufacturing, the value of production is calculated from the value of sales and stocks of manufactured products obtained from the monthly survey of manufacturing enterprises.
- 13** More direct indicators are used for the production of coke and refined petroleum products, basic iron and steel products, basic precious and non-ferrous metal products, motor vehicles, bodies for motor vehicles, and parts and accessories for motor vehicles and other transport equipment. The volume indices for these major groups are calculated on the basis of physical quantities. This method is used by the national statistical agencies of many other countries for petroleum products as the results are considered more satisfactory (mainly because these commodities are relatively homogeneous).
- Seasonal adjustment**
- 14** Seasonally adjusted estimates of all divisions are generated each month, using the X-11 Seasonal Adjustment Program developed by the US Bureau of the Census, 1968. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be more clearly recognised. Seasonal adjustment does not aim to remove irregular or non-seasonal influences which may be present in any particular month. Influences that are volatile or unsystematic can still make it difficult to interpret the movement of the series even after adjustment for seasonal variations. Therefore the month-to-month movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour.
- Trend cycle**
- 15** The trend is the long-term pattern or movement of a time series. The X-11 Seasonal Adjustment Program is used for smoothing seasonally adjusted estimates to estimates of the underlying trend cycle.
- Reliability of estimates**
- 16** Data presented in this publication are based on information obtained from a sample 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 manufacturing industry in South Africa. Estimates are subject to sampling and non-sampling errors. Figures for the latest month are preliminary.
- 17** Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in 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 careful design of questionnaires, testing them in pilot studies, editing reported data and implementing efficient operating procedures. Figures for the latest month are preliminary. Fluctuations may occur in consecutive months as a result of seasonal and economic factors.

Revised figures	18	Revised figures are due to respondents reporting revisions or corrections to their figures and late submission of their data to Stats SA. Figures for the latest month are preliminary. Data are edited at the enterprise level.																		
Related publications	19	<p>Users may also wish to refer to the following publications available from Stats SA -</p> <ul style="list-style-type: none"> • <i>Bulletin of Statistics</i> issued quarterly. • <i>SA Statistics</i> issued annually. <p>These will, in due course, be revised on the basis of the beckcast series.</p>																		
Rounding of figures	20	The figures in the tables have, where necessary, been rounded to the nearest digit shown.																		
Pre-release policy	21	Stats SA's pre-release policy may be inspected at its Website, www.statssa.gov.za .																		
Symbols and abbreviations	22	<table border="0"> <tr> <td>GDP</td> <td>Gross Domestic Product</td> </tr> <tr> <td>ISIC</td> <td>International Standard Industrial Classification</td> </tr> <tr> <td>m</td> <td>Million</td> </tr> <tr> <td>SIC</td> <td>Standard Industrial Classification of all Economic Activities</td> </tr> <tr> <td>SARS</td> <td>South African Revenue Service</td> </tr> <tr> <td>Stats SA</td> <td>Statistics South Africa</td> </tr> <tr> <td>VAT</td> <td>Value-added tax</td> </tr> <tr> <td>1/</td> <td>Preliminary figures</td> </tr> <tr> <td>*</td> <td>Revised figures</td> </tr> </table>	GDP	Gross Domestic Product	ISIC	International Standard Industrial Classification	m	Million	SIC	Standard Industrial Classification of all Economic Activities	SARS	South African Revenue Service	Stats SA	Statistics South Africa	VAT	Value-added tax	1/	Preliminary figures	*	Revised figures
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Comparability with previously published information	23	The levels of sales of manufactured products based on the new sample, are about 17% higher than the levels based on the old sample. The first results of the new sample was published on 18 May 2004.																		
	24	<p>The higher values of manufacturers' sales from the new sample can mainly be attributed to the following:</p> <ul style="list-style-type: none"> • The greater currency of the frame now being used compared to the frame drawn from the previous business register; and • The improved coverage particularly for smaller enterprises as a result of access to VAT registrations to update the new business register. <p>As indicated earlier, for the majority of divisions within manufacturing, the calculation of the monthly production indices is based on the values of sales and stocks of manufactured products after the effect of price changes has been taken into account by deflation using appropriate indices of the Production Price Index (PPI). The level of the manufacturing production indices for past periods was not be affected by the greater currency and increased coverage of the new business register, as the previously published data were revised by a constant factor to allow the indices to remain consistent with those previously published.</p>																		

Glossary

Enterprise	The enterprise is a legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.
Index of physical volume of manufacturing production	The index of physical volume of manufacturing production, also known as a production index, is a statistical measure of the change in the volume of production. The production index of a division is the ratio between the volume of production of a division in a given period and the volume of production of the same division in the base period. The base period is 2000. The production in the base period is set at 100.
Industry	An industry is made up of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the <i>System of National Accounts (SNA)</i> in the same way as in the <i>Standard Industrial Classification of all Economic Activities, Fifth Edition, Report No. 09-90-02 of January 1993 (SIC)</i> .
Intermediate consumption	Intermediate consumption includes - <ul style="list-style-type: none">• purchases and transfers-in of materials;• payments to other establishments for work done;• other direct factory costs;• rent and leasing paid;• head office charges;• royalties, copyright, trade names and patent rights paid;• advertising;• insurance premiums;• services; and• secretarial and administrative fees.
Output	Output is the aggregate value of goods manufactured and work done and includes - <ul style="list-style-type: none">• sales and transfers-out of own manufactures, factory waste and stocks of factored goods;• repairs;• installation, erection and assembly;• sundry trading revenue;• sales of factored goods minus purchases of factored goods;• rent and leasing received;• royalties received;• difference between opening value and closing value of work in progress, stocks of own manufactures and stocks of factored goods;• head office charges; and• other revenue. Output excludes excise and customs duty paid.
Value added	Value added is the value of output less intermediate consumption. It represents the value added to the cost of the materials used in the process of production.
Sales	Sales are the total value of sales and transfers-out of all own manufactured products/articles and the amounts received for installation, erection or assembly or other services rendered.
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 monthly Manufacturing: Production and Sales survey is the enterprise.

Turnover

Turnover refers to -

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

Turnover excludes -

- value added tax (VAT);
- export freight charges;
- excise duty.

Weight

The weight of a division of manufacturing in the overall index for manufacturing is the ratio of the value added of the division (i.e. output of a division minus intermediate consumption) to the total value added of the manufacturing industry. The weight reflects the importance of the division in the total. The ratios change over time due to changes in the relative performance of industries, due to factors such as quality changes, changes in relative prices, and changes in customer preferences. New weights need to be calculated from time to time.

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