

P3041.2

Manufacturing: production and sales

The production indices in this statistical release have been rebased to 1995=100 and are based on an updated weighting system. Furthermore, the indices have been bench-marked using the results of the latest available manufacturing census. A new standard industrial classification was used to classify establishments.

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MANUFACTURING PRODUCTION DECREASES

Manufacturing production for the last three months up to August 1997 shows a decrease of 0,7% after seasonal adjustment compared with the previous three months. Decreases in production were reported by 14 of the 27 manufacturing divisions. This downturn in activity is also reported by other sectors of the economy such as electricity production, real retail sales and the transport of goods.

The main contributors to the decrease of 0,7% were the basic iron and steel products industry (-0,3 of a percentage point), followed by the paper, chemical products and metal products industries (each contributing -0,2 of a percentage point).

The seasonally adjusted value of sales of manufactured products for the last three months up to August 1997 increased by 0,9% (R801 million) compared with the previous three months. Large increases were reported by the food (+R311 million), machinery (+R201 million) and furniture industries (+R168 million).

SUMMARY - TOTAL MANUFACTURING

Period				Production indices 1995 = 100	Sales R mill.	Percentage change of:	
						Production indices	Sales
Actual							
Jun.	1997 -	Aug.	1997	106,6	91 080,3	+3,0	+8,0
Jun.	1996 -	Aug.	1996	103,4	84 311,3		
Seasonally adjusted							
Jun.	1997 -	Aug.	1997	104,7	89 985,3	-0,7	+0,9
Mar.	1997 -	May	1997	105,5	89 184,4		

NOTES

1. This statistical release shows revised indices of the physical volume of manufacturing production and the value of sales and unfilled orders, **after benchmarking**, according to manufacturing major groups. Furthermore, in accordance with international practice, the indices were recalculated on the basis of 1995=100. Both actual and seasonally adjusted figures are shown. **The former TBVC states are included.**

2. New weights for production indices

An updated weighting system for the production indices is being used (see table 2).

The weighting factors for the combining of the production indices for the manufacturing divisions to those for total manufacturing were calculated on the basis of the net output data obtained from the 1993 Manufacturing Census.

In order to improve timeliness, some information for the current month may have been estimated due to late response. These estimates will be revised in the next issue(s) as soon as better information is available.

3. Standard Industrial Classification

The industrial classification of this statistical release is based on the **Standard Industrial Classification of all**

Economic Activities (SIC), Fifth edition 1993. The major and subgroup classifications of this edition differs in some cases from the classification of the previous edition that was used for this statistical release up to July 1997.

The above-mentioned classification is obtainable from the CSS, free of charge.

Although the implementation of the new SIC had a minimal effect on the production and sales of most groups, two reclassifications of subgroups need to be mentioned, viz.

- (i) Metal furniture which was previously included in the major group Metal Products, is included in the Division: Furniture and
- (ii) Knitted and crocheted fabrics and articles which was previously included in the major group Textiles is included in the Division: Wearing Apparel.

4. 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 by using appropriate sub-indices of the Production Price Index (PPI). The value of the manufactured products is obtained from a monthly sample survey of manufacturing establishments in the private and public sectors.

5. The results of the 1991 and 1993 Manufacturing Censuses were used to adjust the level of the indices and the value of sales.

This process is known as benchmarking. The total value of gross output of the manufacturing major groups (which represents the total value of work done by the establishments in these groups) as obtained from the respective manufacturing censuses, was deflated with appropriate subindices of the Production Price Index in order to calculate the real gross output. The latter served as benchmarks to verify or adjust the level of the monthly volume indices.

The level adjustments were done on the volume indices for January of the relevant census year (e.g. the 1993 census year covers the period 1 July 1992 to 30 June 1993 and therefore the benchmarking was done using the index of January 1993 as reference point).

6. The 1988 Manufacturing Census provided the framework for the selection of a revised sample implemented as from January 1995. A stratified systematic sample design based on gross output was used. Establishments which commenced operations after the census have also been taken into account.
7. Businesses in the former TBVC states are included in the survey as from January 1995. The 1991 and 1993 manufacturing censuses as well as the sample survey (before 1995) did not include information of the former TBVC states. Published and unpublished information was obtained from statistical offices of the former TBVC states and has been incorporated in the information before January 1995 to ensure a comparable time

series. The sample data before January 1995 do not reflect the influence of the cyclic movement of the establishments in the former TBVC states.

8. Production indices for the various manufacturing subgroups, that were previously published in the **Bulletin of Statistics**, were discontinued as from the indices for January 1993. The production indices on a subgroup basis can be obtained through approximation by deflating the value of sales according to manufacturing subgroups (as published in Chapter 6 of the Bulletin of Statistics) by the production price indices for the relevant manufacturing subgroups (statistical release P0142.1, entitled **Production Price Index**).
9. More comprehensive detail on the method of calculation and historical data in respect of the production indices according to manufacturing major groups and the value of sales for the period January 1990 to July 1997 will be published shortly in statistical releases P3041.3 (entitled **Manufacturing statistics: Indices of the physical volume of manufacturing production, Base: 1995=100, January 1990 to July 1997**) and P3041.4 (entitled **Manufacturing statistics: Value of sales, January 1990 to July 1997**).

TABLE 1 - INDICES OF THE PHYSICAL VOLUME OF MANUFACTURING PRODUCTION - TOTAL
 HISTORICAL TABLE
 BASE 1995 = 100

Month	1993	1994	1995	1996	1997
ACTUAL INDICES					
J	74,9	74,5	80,4	83,2	90,8
F	89,8	88,9	97,6	96,8	103,9
M	96,6	97,5	104,8	101,4	103,1
A	83,4	85,0	91,5	94,0	105,2
M	86,4	85,3	99,9	101,9	106,0
J	91,4	92,7	103,3	101,6	104,9
J	91,0	93,9	100,7	103,0	108,3
A	92,5	94,6	104,3	105,5	106,6 1/
S	94,4	101,1	105,7	103,7	
O	98,8	104,1	111,2	113,5	
N	101,3	108,1	111,2	113,7	
D	82,1	86,6	89,6	84,8	
SEASONALLY ADJUSTED INDICES					
J	90,3	90,1	97,4	100,9	110,0
F	90,8	90,1	99,3	98,8	106,1
M	91,4	92,3	99,4	96,4	97,8
A	89,3	91,3	98,3	101,0	112,7
M	88,4	86,8	101,0	102,4	105,9
J	90,5	91,8	102,3	100,6	103,5
J	90,1	92,8	99,3	101,5	106,8
A	89,9	92,1	101,6	102,8	103,8
S	89,6	95,9	100,4	98,5	
O	89,7	94,3	100,8	102,9	
N	90,5	96,7	99,7	102,0	
D	91,9	96,7	100,0	94,7	
YEAR	90,2	92,7	100,0	100,3	

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TABLE 2 - INDICES OF THE PHYSICAL VOLUME OF MANUFACTURING PRODUCTION - DIVISIONS

BASE 1995 = 100

Manufacturing Divisions	Weights	Year	Actual indices			Seasonally adjusted indices				
			1996	August 1/	July	August	August	July	August	
				1997		1996		1997		1996
TOTAL	100,0	100,3	106,6	108,3	105,5	103,8	106,8	102,8		
Food and food products	13,6	105,9	107,5	109,4	110,8	103,9	110,9	107,7		
Beverages	5,2	99,5	102,8	89,9	101,0	108,6	103,2	107,1		
Textiles	3,3	97,7	115,5	113,3	103,5	109,8	106,1	98,5		
Wearing apparel	3,7	90,7	88,8	98,8	97,5	80,2	98,9	87,8		
Tanning and dressing of leather	0,4	101,5	100,6	98,9	118,5	95,9	98,8	112,4		
Footwear	1,1	84,3	94,5	99,7	90,2	85,1	93,5	80,7		
Wood and products of wood	1,8	102,4	114,5	123,2	103,5	109,0	117,4	97,8		
Paper and paper products	4,9	88,5	84,5	91,4	90,8	79,6	87,4	85,2		
Publishing and printing	3,9	94,9	101,9	102,4	99,2	101,2	102,9	98,5		
Coke and refined petroleum products	6,0	100,5	103,0	105,9	109,0	105,1	106,9	111,1		
Basic chemicals	4,4	107,6	111,1	108,7	105,3	106,4	112,8	100,9		
Other chemical products	7,0	104,9	112,8	118,1	105,8	113,6	120,7	106,7		
Rubber products	1,5	95,1	100,7	103,3	84,4	98,2	101,1	82,2		
Plastic products	2,9	99,9	97,2	102,8	102,9	94,1	97,7	99,5		
Glass and glass products	0,9	95,7	114,4	92,5	103,3	110,2	91,4	100,0		
Other non-metallic mineral products	3,3	101,8	107,8	116,9	107,4	101,1	112,6	100,7		
Basic iron and steel products	5,8	94,4	96,8	99,2	88,8	95,7	110,7	90,2		
Basic precious and non-ferrous metal products	1,9	133,5	132,7	131,7	164,3	130,3	130,6	161,8		
Fabricated metal products	6,6	102,3	107,5	114,7	106,1	105,7	112,7	104,1		
General and special purpose machinery and apparatus	6,1	105,0	123,5	117,4	118,0	114,8	114,8	110,2		
Electrical machinery and apparatus	3,2	97,6	111,6	110,0	109,5	103,5	103,8	101,6		
Radio, television and communication apparatus	1,2	90,5	122,0	96,9	84,1	123,1	105,2	84,4		
Professional equipment	0,5	96,9	105,4	106,1	97,8	101,8	100,3	94,1		
Motor vehicles, trailers parts and accessories	6,5	95,6	101,8	101,0	104,0	96,8	98,5	98,5		
Other transport equipment	1,0	129,2	127,6	128,1	137,4	120,9	120,1	129,8		
Furniture	1,8	103,0	119,9	138,5	108,9	110,9	137,2	100,6		
Other manufacturing industries	1,5	107,0	113,8	131,5	100,9	117,5	126,5	103,3		

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TABLE 3 - VALUE OF SALES - MANUFACTURING - TOTAL - HISTORICAL TABLE
R1 000

Month	1993	1994	1995	1996	1997
ACTUAL VALUES					
J	15 283 444	16 177 039	18 939 693	21 416 829	24 867 223
F	18 625 513	19 657 533	24 029 003	25 710 681	29 191 018
M	20 443 384	21 844 966	26 256 366	27 639 783	29 274 077
A	17 591 052	18 974 797	22 525 020	25 705 818	29 759 775
M	18 334 323	19 522 173	25 302 470	27 686 140	29 960 307
J	19 574 559	21 829 547	25 722 122	27 642 844	29 935 185
J	19 562 540	22 007 829	25 181 192	27 742 223	30 529 194
A	20 356 737	21 685 797	26 595 046	28 926 216	30 615 892 1/
S	20 753 653	23 616 883	27 214 146	28 938 501	
O	21 521 450	24 863 125	28 775 075	32 316 218	
N	22 045 197	25 849 446	29 255 420	32 297 557	
D	17 813 165	20 399 433	23 589 466	25 834 868	
YEAR	231 905 017	256 428 568	303 385 019	331 857 678	
SEASONALLY ADJUSTED VALUES					
J	18 678 745	19 891 243	23 402 517	26 540 256	30 843 896
F	18 873 648	19 944 131	24 448 573	26 188 957	29 741 736
M	19 148 110	20 445 759	24 593 363	25 932 297	27 512 090
A	18 841 516	20 350 075	24 132 728	27 512 432	31 810 421
M	18 611 606	19 726 651	25 417 713	27 683 375	29 861 919
J	19 361 298	21 611 579	25 461 543	27 392 210	29 709 966
J	19 435 104	21 878 658	25 029 993	27 604 148	30 428 282
A	19 704 989	21 058 872	25 871 084	28 171 698	29 847 064
S	19 681 465	22 371 650	25 835 054	27 465 284	
O	19 490 693	22 447 863	25 938 454	29 125 571	
N	19 749 426	23 125 288	26 142 729	28 834 441	
D	20 100 325	22 971 787	26 572 800	29 117 022	

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TABLE 4 - VALUE OF SALES - MANUFACTURING DIVISIONS

R1 000

Manufacturing Divisions	Year	Actual values			Seasonally adjusted values		
		August 1/	July	August	August	July	August
		1997		1996	1997		1996
TOTAL	331 857 678	30 615 892	30 529 194	28 926 216	29 847 064	30 428 282	28 171 698
Food and food products	51 306 023	4 581 619	4 616 365	4 483 364	4 500 324	4 626 802	4 416 604
Beverages	16 247 507	1 526 364	1 362 773	1 383 102	1 604 721	1 539 697	1 459 321
Textiles	9 064 196	906 503	904 501	827 548	853 620	857 854	781 049
Wearing apparel	7 383 526	712 191	667 704	660 639	648 620	697 574	597 745
Tanning and dressing of leather	1 644 701	128 104	140 384	154 132	124 794	139 196	149 039
Footwear	2 292 311	203 786	200 015	207 304	197 966	196 077	201 910
Wood and products of wood	5 264 529	531 332	542 810	458 394	498 616	518 003	427 686
Paper and paper products	16 179 528	1 347 690	1 429 795	1 393 536	1 275 756	1 381 007	1 313 410
Publishing and printing	9 429 976	883 482	862 064	804 592	890 964	884 817	810 336
Coke and refined petroleum products	18 555 078	1 714 561	1 748 238	1 650 901	1 637 265	1 707 487	1 568 723
Basic chemicals	15 552 192	1 350 273	1 397 743	1 278 336	1 298 259	1 454 983	1 227 997
Other chemical products	19 310 251	1 861 753	1 818 568	1 623 277	1 863 000	1 847 183	1 626 594
Rubber products	3 963 194	377 448	368 843	297 299	359 537	366 242	283 358
Plastic products	8 883 465	815 729	823 668	797 761	776 989	794 109	759 816
Glass and glass products							
Other non-metallic mineral products	8 453 571	799 321	817 136	766 088	747 039	772 427	714 699
Basic iron and steel products	22 279 348	2 078 118	1 949 239	1 818 026	2 013 699	2 048 428	1 753 126
Basic precious and non-ferrous metal products	10 841 732	1 012 549	910 169	1 119 077	998 509	942 710	1 105 541
Fabricated metal products	19 689 343	1 812 227	1 874 064	1 652 574	1 786 556	1 862 770	1 625 245
General and special purpose machinery and apparatus	18 337 078	1 874 436	1 628 166	1 633 048	1 755 305	1 654 339	1 534 321
Electrical machinery and apparatus	9 600 176	942 276	961 508	852 132	884 764	896 719	798 481
Radio, television and communication apparatus	2 902 572	311 949	241 722	266 368	297 741	264 034	254 350
Professional equipment	1 056 380	102 739	101 065	92 465	98 692	99 759	88 747
Motor vehicles, trailers parts and accessories	34 158 403	2 840 317	3 049 494	2 967 313	2 771 956	2 953 828	2 875 657
Other transport equipment	1 842 495	153 075	219 207	201 365	133 166	218 891	176 798
Furniture	4 905 148	503 921	539 949	441 565	464 182	538 160	406 561
Other manufacturing industries	8 805 162	872 877	977 400	746 630	870 291	937 130	740 224

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