

# **Manufacturing: Production and sales**

## **December 2004**

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**Table A - Selected key figures regarding manufacturing production and sales for December 2004**

<b>Actual estimates</b>	<b>December 2004</b>	<b>% change between December 2003 and December 2004</b>	<b>% change between October to December 2003 and October to December 2004</b>	<b>% change between January to December 2003 and January to December 2004</b>
Physical volume of manufacturing production index (2000=100)	98,5	+7,8	+6,1	+4,0
Total value of sales of manufactured products (R million)	61 283	+10,1	+12,1	+8,6

<b>Seasonally adjusted estimates</b>	<b>December 2004</b>	<b>% change between November and December 2004</b>	<b>% change between July to September 2004 and October to December 2004</b>
Physical volume of manufacturing production index (2000=100)	113,1	+3,1	0,0
Total value of sales of manufactured products (R million)	67 104	-0,1	+1,2

**Key findings regarding manufacturing production and sales for the year 2004**

**Manufacturing production increases**

*Manufacturing production for 2004 reflected an increase of 4,0% compared with 2003. Higher production was reported by nine of the ten manufacturing divisions.*

The major contributor to the annual increase of 4,0% was the food and beverages division (contributing +1,3 percentage points to total manufacturing production), followed by the petroleum, chemical products, rubber and plastic products division (contributing +0,8 of a percentage point), the wood and wood products, paper, publishing and printing division (contributing +0,5 of a percentage point), motor vehicles, parts and accessories and other transport equipment division (contributing +0,5 of a percentage point), glass and non-metallic mineral products division (contributing +0,4 of a percentage point), textiles, clothing, leather and footwear division (contributing +0,2 of a percentage point) and basic iron and steel, non-ferrous metal products, metal products and machinery division (contributing +0,2 of a percentage point) (see table B).

**Sales of manufactured products increase**

*The total value of sales of manufactured products at current prices for 2004 increased by 8,6% (+R61 787 million) compared with 2003. Increases in manufacturing sales were reported by nine of the ten manufacturing divisions.*

The largest increases were reported by motor vehicles, parts and accessories and other transport equipment (+11,1% or +R11 423 million), basic iron and steel, non-ferrous metal products, metal products and machinery (+10,1% or +R15 687 million), food and beverages (+9,6% or +R11 991 million) and petroleum, chemical products, rubber and plastic products (+8,5% or +R12 533 million) divisions (see table B).

**Table B – Annual percentage change in the indices of the physical volume of manufacturing production and sales by manufacturing division**

Manufacturing divisions	Weights	Actual indices (base 2000=100)				Actual sales (R million)			
		Year 2003	Year 2004	Annual percentage change between 2003 and 2004	Contribution (percentage points) to the total manufacturing production	Year 2003	Year 2004	Annual percentage change between 2003 and 2004	Difference in sales of manufacturing divisions between 2003 and 2004
Food and beverages	16,4	103,6	111,8	+7,9	+1,3	124 772	136 763	+9,6	+11 991
Textiles, clothing, leather and footwear	5,4	95,7	100,1	+4,6	+0,2	35 506	36 595	+3,1	+1 090
Wood and wood products, paper, publishing and printing	11,0	100,5	104,9	+4,4	+0,5	65 416	67 713	+3,5	+2 297
Petroleum, chemical products, rubber and plastic products	22,5	106,6	110,4	+3,6	+0,8	148 181	160 713	+8,5	+12 533
Glass and non-metallic mineral products	3,9	104,5	114,4	+9,5	+0,4	20 136	23 844	+18,4	+3 708
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	111,5	112,6	+1,0	+0,2	154 880	170 566	+10,1	+15 687
Electrical machinery	2,7	102,7	99,2	-3,4	-0,1	20 906	20 766	-0,7	-141
Radio, television and communication apparatus and professional equipment	1,3	101,2	107,7	+6,4	+0,1	11 116	11 256	+1,3	+140
Motor vehicles, parts and accessories and other transport equipment	8,6	108,1	115,0	+6,4	+0,5	102 514	113 937	+11,1	+11 423
Furniture and other manufacturing divisions	5,8	97,8	99,3	+1,6	+0,1	33 682	36 741	+9,1	+3 059
<b>Total</b>	<b>100,0</b>	<b>105,3</b>	<b>109,5</b>	<b>+4,0</b>	<b>+4,0</b>	<b>717 110</b>	<b>778 897</b>	<b>+8,6</b>	<b>+61 787</b>

**Key findings regarding manufacturing production and sales for December 2004**

**Manufacturing production remained on the same level as the previous quarter**

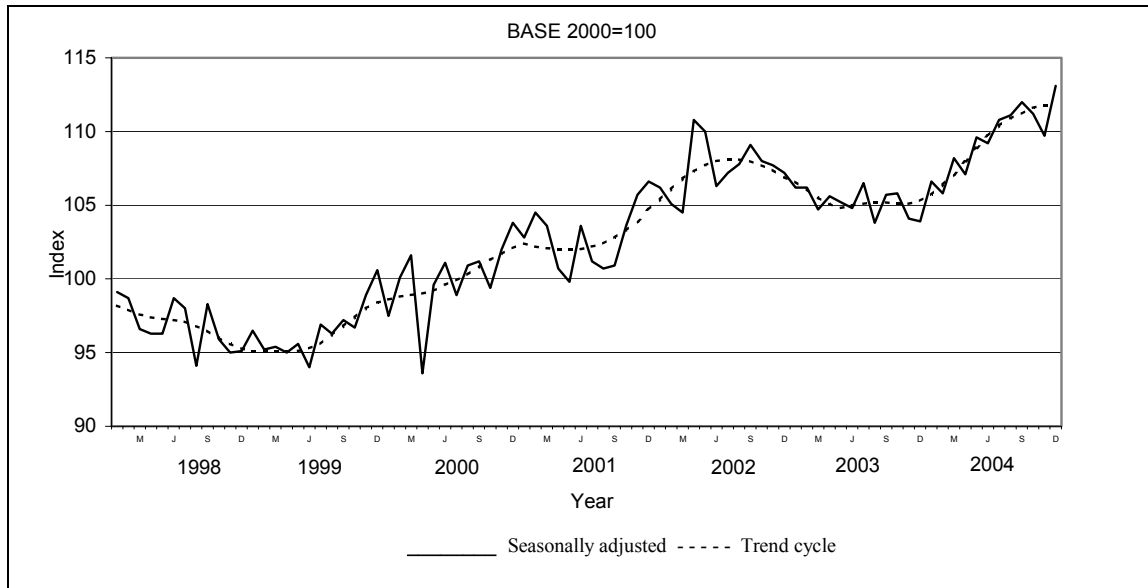
*Manufacturing production for the fourth quarter of 2004 after seasonal adjustment, remained on the same level, as for the third quarter of 2004. Higher production was reported by five of the ten manufacturing divisions.*

Increases were recorded for the textiles, clothing, leather and footwear division, the wood products, paper, publishing and printing division and the basic iron and steel, non-ferrous metal products, metal products and machinery division (each contributing +0,2 of a percentage point to total manufacturing production). However, these increases were counteracted by decreases reported by the petroleum, chemical products, rubber and plastic products division (contributing -0,2 of a percentage point) and food and beverages, glass and non-metallic

mineral products, the motor vehicles, parts and accessories and other transport equipment and furniture and the 'other' manufacturing divisions (each contributing -0,1 of a percentage point) (see table C).

Figure 1 shows the seasonally adjusted and trend series for the volume index of manufacturing production between January 1998 and December 2004. The trend series has been rising since mid-2003.

**Figure 1 – Index of the physical volume of manufacturing production**



**Table C - 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 large sample survey of the manufacturing industry, 2001	Average seasonally adjusted production index for October to December 2004	Quarterly percentage change of October to December 2004 compared with the preceding three months	Contribution (percentage points) to the seasonally adjusted quarterly percentage change in total manufacturing production
Food and beverages	16,4	115,7	-0,3	-0,1
Textiles, clothing, leather and footwear	5,4	103,5	+2,9	+0,2
Wood and wood products, paper, publishing and printing	11,0	107,7	+1,5	+0,2
Petroleum, chemical products, rubber and plastic products	22,5	110,6	-0,7	-0,2
Glass and non-metallic mineral products	3,9	117,1	-1,1	-0,1
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	113,1	+0,7	+0,2
Electrical machinery	2,7	99,8	+0,1	0,0
Radio, television and communication apparatus and professional equipment	1,3	103,4	+1,7	0,0
Motor vehicles, parts and accessories and other transport equipment	8,6	119,4	-1,2	-0,1
Furniture and other manufacturing divisions	5,8	100,1	-2,2	-0,1
<b>Total</b>	<b>100,0</b>	<b>111,3</b>	<b>0,0</b>	<b>0,0</b>

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 fourth quarter of 2004 increased by 1,2% (+R2 472 million), after seasonal adjustment, compared with the third quarter of 2004. Higher manufacturing sales were reported by eight of the ten manufacturing divisions during this period (see table D). Furthermore, the actual value of sales of manufactured products at current prices for the fourth quarter of 2004 was 12,1% higher than for the fourth quarter of 2003 (see table E).*

The seasonally adjusted increase of 1,2% in the total value of sales of manufactured products at current prices for the fourth quarter of 2004 was mainly due to large increases reported for petroleum, chemical products, rubber and plastic products (+4,7% or +R1 887 million), wood and wood products, paper, publishing and printing division (+2,1% or +R350 million) and food and beverages (+1,3% or +R468 million) (see table D).

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

Manufacturing Divisions	Seasonally adjusted sales July to September 2004	Seasonally adjusted sales October to December 2004	Percentage change between July to September 2004 and October to December 2004	Difference in seasonally adjusted sales of manufacturing divisions between July to September 2004 and October to December 2004
	R'000	R'000		R'000
Food and beverages	34 708 827	35 176 471	+1,3	467 644
Textiles, clothing, leather and footwear	9 068 471	9 175 459	+1,2	106 988
Wood and wood products, paper, publishing and printing	16 911 171	17 260 566	+2,1	349 395
Petroleum, chemical products, rubber and plastic products	40 138 395	42 025 412	+4,7	1 887 017
Glass and non-metallic mineral products	6 111 797	6 143 418	+0,5	31 621
Basic iron and steel, non-ferrous metal products, metal products and machinery	44 202 515	43 905 940	-0,7	-296 575
Electrical machinery	5 236 427	5 366 307	+2,5	129 880
Radio, television and communication apparatus and professional equipment	2 674 715	2 809 837	+5,1	135 122
Motor vehicles, parts and accessories and other transport equipment	29 610 063	29 141 219	-1,6	-468 844
Furniture and other manufacturing divisions	9 372 915	9 502 657	+1,4	129 742
<b>Total</b>	<b>198 035 297</b>	<b>200 507 283</b>	<b>+1,2</b>	<b>2 471 986</b>

The major contributors to the increase of 12,1% in sales of manufactured products at current prices for the fourth quarter of 2004 compared with the fourth quarter of 2003 were petroleum, chemical products, rubber and plastic products (+3,1 percentage points or +R5 773 million), basic iron and steel, non-ferrous metal products, metal products and machinery (+2,7 percentage points or +R5 036 million), and food and beverages (+2,5 percentage points or +R4 653 million) and motor vehicles, parts and accessories and other transport equipment (+2,0 percentage points or +R3 766 million) (see table E).

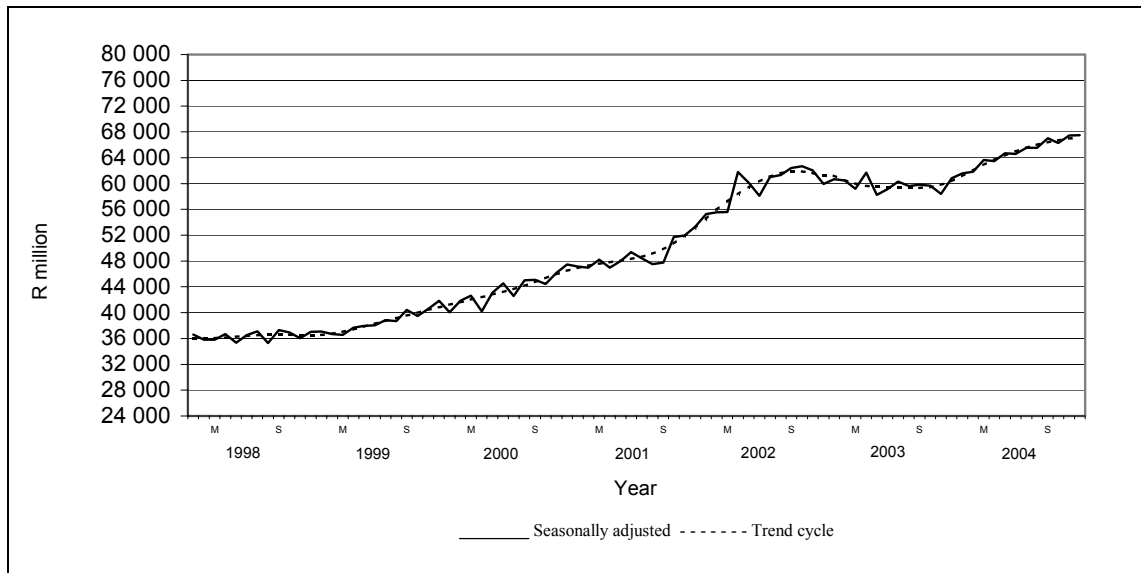
**Table E - Contribution of the manufacturing divisions to total value of sales of manufactured products**

Manufacturing divisions	Percentage contribution to total value of sales of manufactured products October to December 2003	Percentage change between October to December 2003 and October to December 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 October to December 2003 and October to December 2004
				R'000
Food and beverages	18,0	13,9	2,5	4 652 943
Textiles, clothing, leather and footwear	4,9	6,4	0,3	583 892
Wood and wood products, paper, publishing and printing	9,3	3,9	0,4	667 640
Petroleum, chemical products, rubber and plastic products	20,4	15,2	3,1	5 773 264
Glass and non-metallic mineral products	2,9	16,9	0,5	911 193
Basic iron and steel, non-ferrous metal products, metal products and machinery	21,4	12,7	2,7	5 035 936
Electrical machinery	2,8	3,6	0,1	192 375
Radio, television and communication apparatus and professional equipment	1,6	-5,1	-0,1	-149 947
Motor vehicles, parts and accessories and other transport equipment	13,6	14,9	2,0	3 765 955
Furniture and other manufacturing divisions	5,0	10,3	0,5	956 621
<b>Total</b>	<b>100,0</b>	<b>12,1</b>	<b>12,1</b>	<b>22 389 872</b>

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 in 2003, divided by 100.

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

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



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**Notes**

<b>Forthcoming issues</b>	<b>Issue</b>	<b>Expected release date</b>
	January 2005	10 March 2005
<b>Purpose of the survey</b>	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).	
<b>Special Data Dissemination Standard of the IMF</b>	The data in this statistical release 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.	

**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	90,8	93,7	94,4	94,1
F	97,2	93,7	98,7	102,7	103,6	104,4	104,1
M	98,9	97,9	104,8	106,8	108,2	108,4	111,8
A	92,3	90,7	89,0	95,3	104,4	99,9	101,6
M	96,9	95,9	99,9	100,2	110,3	105,4	109,9
J	99,6	94,8	102,1	104,0	106,7	105,3	109,4
J	100,0	98,3	100,1	102,8	108,8	108,5	112,5
A	95,6	97,7	102,5	102,3	109,8	106,0	113,2
S	102,3	100,9	104,8	103,1	111,4	108,4	115,0
O	106,9	107,3	109,8	114,9	119,6	116,7	123,1
N	105,5	109,9	113,6	117,6	119,8	115,0	121,3
D	81,8	86,3	89,5	92,5	92,7	91,4	1/ 98,5
Year	96,9	96,4	100,0	102,8	107,4	105,3	109,5
Seasonally adjusted indices							
J	99,0	96,5	97,5	102,9	106,2	107,2	106,6
F	98,7	95,2	100,1	104,5	105,1	106,1	105,8
M	96,7	95,5	101,7	103,6	104,4	104,6	108,2
A	96,3	95,0	93,7	100,7	110,7	105,4	107,1
M	96,3	95,6	99,5	99,9	110,0	105,1	109,6
J	98,7	94,0	101,1	103,6	106,4	104,9	109,2
J	98,0	96,9	98,9	101,1	107,2	106,8	110,8
A	94,1	96,3	100,9	100,5	107,7	103,8	111,1
S	98,2	97,2	101,2	100,6	108,8	105,6	112,0
O	95,9	96,7	99,4	103,7	108,1	105,4	111,2
N	95,0	98,8	102,0	106,2	108,2	104,1	109,7
D	95,0	100,5	103,7	106,5	106,9	104,2	113,1

1/ Preliminary.

**Table 2 - Percentage change in the actual index of the physical volume of manufacturing production: Total**

Month	1998	1999	2000	2001	2002	2003	2004
J	.	-2,6	+1,9	+6,6	+3,2	+0,7	-0,3
F	.	-3,6	+5,3	+4,1	+0,9	+0,8	-0,3
M	.	-1,0	+7,0	+1,9	+1,3	+0,2	+3,1
A	.	-1,7	-1,9	+7,1	+9,5	-4,3	+1,7
M	.	-1,0	+4,2	+0,3	+10,1	-4,4	+4,3
J	.	-4,8	+7,7	+1,9	+2,6	-1,3	+3,9
J	.	-1,7	+1,8	+2,7	+5,8	-0,3	+3,7
A	.	+2,2	+4,9	-0,2	+7,3	-3,5	+6,8
S	.	-1,4	+3,9	-1,6	+8,1	-2,7	+6,1
O	.	+0,4	+2,3	+4,6	+4,1	-2,4	+5,5
N	.	+4,2	+3,4	+3,5	+1,9	-4,0	+5,5
D	.	+5,5	+3,7	+3,4	+0,2	-1,4	+7,8
Year	.	-0,5	+3,7	+2,8	+4,5	-2,0	+4,0

The percentage change is the change in the index of the physical volume of manufacturing production of the relevant year compared with the index of physical volume of manufacturing production of the previous year expressed as a percentage.

**Table 3 - Indices of the physical volume of manufacturing production by manufacturing division**

Base 2000 = 100

Manufacturing divisions	Weights	Year 2004	Actual indices			Seasonally adjusted indices						
			2003	2004	December 1/2003	November 2004	December 2003	November 2004				
									December	November	December	November
									2003	2004	2003	2004
Food and beverages	16,4	111,8	103,1	125,1	123,7	97,6	112,8	118,4				
Textiles, clothing, leather and footwear	5,4	100,1	67,1	117,7	78,8	91,8	100,1	108,4				
Wood and wood products, paper, publishing and printing	11,0	104,9	95,3	115,9	96,1	107,2	104,2	108,0				
Petroleum, chemical products, rubber and plastic products	22,5	110,4	99,2	113,5	106,5	106,5	105,3	116,0				
Glass and non-metallic mineral products	3,9	114,4	89,1	135,2	96,9	107,9	121,2	117,9				
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	112,6	96,1	123,9	96,1	111,9	115,3	112,4				
Electrical machinery	2,7	99,2	79,7	112,4	77,7	99,8	99,2	98,6				
Radio, television and communication apparatus and professional equipment	1,3	107,7	101,5	109,2	97,1	108,1	107,1	104,1				
Motor vehicles, parts and accessories and other transport equipment	8,6	115,0	71,9	134,1	79,2	106,2	121,2	117,8				
Furniture and other manufacturing divisions	5,8	99,3	58,2	123,2	67,4	84,9	96,7	101,4				
<b>Total</b>	<b>100,0</b>	<b>109,5</b>	<b>91,4</b>	<b>121,3</b>	<b>98,5</b>	<b>104,2</b>	<b>109,7</b>	<b>113,1</b>				

**Table 3 - Indices of the physical volume of manufacturing production by manufacturing division (concluded)**

Base 2000 = 100

Manufacturing divisions	Weights	Year 2004	Actual indices			Seasonally adjusted indices					
			2003	2004	Percentage difference between December 2003 and December 2004	November 2004	December 2004	Percentage difference between November and December 2004			
									December	November	December
									2003	2004	2003
Food and beverages	16,4	111,8	103,1	123,7	+20,0	112,8	118,4	+5,0			
Textiles, clothing, leather and footwear	5,4	100,1	67,1	78,8	+17,4	100,1	108,4	+8,3			
Wood and wood products, paper, publishing and printing	11,0	104,9	95,3	96,1	+0,8	104,2	108,0	+3,6			
Petroleum, chemical products, rubber and plastic products	22,5	110,4	99,2	106,5	+7,4	105,3	116,0	+10,2			
Glass and non-metallic mineral products	3,9	114,4	89,1	96,9	+8,8	121,2	117,9	-2,7			
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	112,6	96,1	96,1	-0,0	115,3	112,4	-2,5			
Electrical machinery	2,7	99,2	79,7	77,7	-2,5	99,2	98,6	-0,6			
Radio, television and communication apparatus and professional equipment	1,3	107,7	101,5	97,1	-4,3	107,1	104,1	-2,8			
Motor vehicles, parts and accessories and other transport equipment	8,6	115,0	71,9	79,2	+10,2	121,2	117,8	-2,8			
Furniture and other manufacturing divisions	5,8	99,3	58,2	67,4	+15,8	96,7	101,4	+4,9			
<b>Total</b>	<b>100,0</b>	<b>109,5</b>	<b>91,4</b>	<b>98,5</b>	<b>+7,8</b>	<b>109,7</b>	<b>113,1</b>	<b>+3,1</b>			

1/ Preliminary.

**Table 4 - Total sales of manufacturing industry (R'000)**

Month	1998	1999	2000	2001	2002	2003	2004
Actual values							
J	30 576 822	31 165 950	33 906 711	40 233 251	47 375 894	51 643 823	52 541 243
F	35 498 013	36 217 248	41 487 385	46 701 165	55 226 455	59 099 962	60 406 324
M	38 210 216	38 782 180	45 391 460	51 045 548	58 657 750	61 384 235	65 908 558
A	35 326 061	36 079 564	38 606 833	44 861 167	59 046 008	58 115 074	60 010 965
M	35 971 768	38 617 164	43 799 078	48 988 234	61 240 265	58 700 877	65 290 063
J	37 522 754	39 201 945	46 031 926	50 924 770	59 827 100	59 613 288	64 828 015
J	37 828 313	39 493 231	43 083 506	48 906 488	61 523 700	60 397 962	65 823 059
A	36 464 484	39 882 170	46 347 295	48 882 758	63 111 998	60 566 563	66 600 738
S	39 084 148	42 233 261	47 362 496	50 070 717	65 371 794	61 812 044	69 321 988
O	41 638 502	44 392 235	49 571 166	57 505 396	69 692 230	65 558 708	72 886 164
N	40 834 784	45 966 203	52 246 640	58 662 310	69 910 936	64 569 771	73 996 520
D	33 832 128	38 693 441	43 806 233	49 356 948	55 577 013	55 647 226 1/	61 282 893
Year	442 787 993	470 724 592	531 640 729	596 138 752	726 561 143	717 109 533	778 896 530
Seasonally adjusted values							
J	37 085 934	37 550 397	40 527 850	47 528 100	55 814 761	60 683 883	61 582 003
F	36 359 467	37 107 013	42 432 568	47 825 675	56 446 829	60 462 153	61 833 106
M	36 533 386	37 154 054	43 405 731	48 933 830	56 348 783	59 166 263	63 679 128
A	37 306 082	38 183 024	40 933 845	47 656 256	62 935 371	61 693 153	63 499 257
M	36 058 129	38 628 128	43 631 363	48 679 050	60 743 041	58 255 402	64 699 055
J	36 909 237	38 533 685	45 172 599	50 101 797	59 073 346	59 135 482	64 591 499
J	37 810 029	39 576 732	43 205 162	48 998 180	61 505 848	60 299 312	65 519 998
A	35 851 034	39 258 171	45 656 363	48 095 641	62 027 924	59 591 013	65 499 424
S	37 739 080	40 868 339	45 837 325	48 529 795	63 339 130	59 795 928	67 015 875
O	37 292 154	39 988 782	44 965 387	52 301 392	63 411 394	59 603 685	66 249 015
N	36 689 476	41 312 401	47 049 308	52 845 753	63 154 925	58 414 191	67 154 345
D	37 198 807	42 460 642	47 957 961	53 665 384	60 795 905	60 870 370	67 103 923

\*  
1/ Preliminary.

**Table 5 - Percentage change in the actual value of sales of the manufacturing industry: Total**

Month	1998	1999	2000	2001	2002	2003	2004
J	..	+1,9	+8,8	+18,7	+17,8	+9,0	+1,7
F	..	+2,0	+14,6	+12,6	+18,3	+7,0	+2,2
M	..	+1,5	+17,0	+12,5	+14,9	+4,6	+7,4
A	..	+2,1	+7,0	+16,2	+31,6	-1,6	+3,3
M	..	+7,4	+13,4	+11,8	+25,0	-4,1	+11,2
J	..	+4,5	+17,4	+10,6	+17,5	-0,4	+8,7
J	..	+4,4	+9,1	+13,5	+25,8	-1,8	+9,0
A	..	+9,4	+16,2	+5,5	+29,1	-4,0	+10,0
S	..	+8,1	+12,1	+5,7	+30,6	-5,4	+12,1
O	..	+6,6	+11,7	+16,0	+21,2	-5,9	+11,2
N	..	+12,6	+13,7	+12,3	+19,2	-7,6	+14,6
D	..	+14,4	+13,2	+12,7	+12,6	+0,1	+10,1
Year	.	+6,3	+12,9	+12,1	+21,9	-1,3	+8,6

The percentage change is the change in the sales of the manufacturing industry of the relevant year compared with the sales of the previous year expressed as a percentage.

**Table 6 - Sales of manufactured products by manufacturing division (R'000)**

Manufacturing divisions	Year	Actual values						Seasonally adjusted values					
		December		November		December 1/		December		November		December	
		2004		2003		2004		2003		2004		2004	
Food and beverages	136 762 611	11 727 570	12 478 724	13 430 588	10 449 604	11 567 920	11 989 948						
Textiles, clothing, leather and footwear	36 595 354	2 368 222	3 592 678	2 579 278	2 955 377	2 963 604	3 197 531						
Wood and wood products, paper, publishing and printing	67 713 488	5 333 974	6 306 920	5 257 243	5 879 544	5 624 714	5 811 274						
Petroleum, chemical products, rubber and plastic products	160 713 226	11 261 196	15 507 884	13 256 942	12 329 725	14 074 436	14 505 461						
Glass and non-metallic mineral products	23 844 487	1 502 104	2 398 715	1 610 153	1 880 367	2 111 878	2 031 847						
Basic iron and steel, non-ferrous metal products, metal products and machinery	170 566 418	11 837 385	16 134 001	12 975 271	12 716 262	15 084 312	14 172 876						
Electrical machinery	20 765 745	1 514 170	1 986 207	1 511 439	1 785 631	1 759 269	1 787 878						
Radio, television and communication apparatus and professional equipment	11 256 323	935 654	941 027	911 655	990 889	928 858	971 425						
Motor vehicles, parts and accessories and other transport equipment	113 937 439	6 433 229	11 171 342	6 695 226	8 896 550	10 026 087	9 296 890						
Furniture and other manufacturing divisions	36 741 439	2 733 722	3 479 022	3 055 098	2 986 419	3 013 268	3 338 795						
<b>Total</b>	<b>778 896 530</b>	<b>55 647 226</b>	<b>73 996 520</b>	<b>61 282 893</b>	<b>60 870 370</b>	<b>67 154 345</b>	<b>67 103 923</b>						

**Table 6 - Sales of manufactured products by manufacturing division (R'000) (concluded)**

Manufacturing divisions	Year	Actual values				Seasonally adjusted values			
		December		Percentage		November		Percentage	
		2004		change between December 2003 and December 2004		2004		change between December 2004 and December 2004	
Food and beverages	136 762 611	11 727 570	13 430 588	+14,5	11 567 920	11 989 948	+3,6		
Textiles, clothing, leather and footwear	36 595 354	2 368 222	2 579 278	+8,9	2 963 604	3 197 531	+7,9		
Wood and wood products, paper, publishing and printing	67 713 488	5 333 974	5 257 243	-1,4	5 624 714	5 811 274	+3,3		
Petroleum, chemical products, rubber and plastic products	160 713 226	11 261 196	13 256 942	+17,7	14 074 436	14 505 461	+3,1		
Glass and non-metallic mineral products	23 844 487	1 502 104	1 610 153	+7,2	2 111 878	2 031 847	-3,8		
Basic iron and steel, non-ferrous metal products, metal products and machinery	170 566 418	11 837 385	12 975 271	+9,6	15 084 312	14 172 876	-6,0		
Electrical machinery	20 765 745	1 514 170	1 511 439	-0,2	1 759 269	1 787 878	+1,6		
Radio, television and communication apparatus and professional equipment	11 256 323	935 654	911 655	-2,6	928 858	971 425	+4,6		
Motor vehicles, parts and accessories and other transport equipment	113 937 439	6 433 229	6 695 226	+4,1	10 026 087	9 296 890	-7,3		
Furniture and other manufacturing divisions	36 741 439	2 733 722	3 055 098	+11,8	3 013 268	3 338 795	+10,8		
<b>Total</b>	<b>778 896 530</b>	<b>55 647 226</b>	<b>61 282 893</b>	<b>+10,1</b>	<b>67 154 345</b>	<b>67 103 923</b>	<b>-0,1</b>		

Preliminary.

## Explanatory notes

- |                              |  |
|------------------------------|--|
| <b>Introduction</b>          | <p>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.</p> <p>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.</p> <p>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.</p> <p>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 in the new business register, and hence were given a chance of selection in the new sample for the survey.</p> |
| <b>Scope of the survey</b>   | <p>5 This survey covers manufacturing enterprises, i.e. those conducting activities in -</p> <ul style="list-style-type: none"> <li>• the manufacturing, processing, making or packing of products;</li> <li>• the slaughtering of animals, including poultry; and</li> <li>• installation, assembly, completion, repair and related work.</li> </ul>  |
| <b>Classification</b>        | <p>6 The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities (SIC)</i>, Fifth Edition, Report No. 09-90-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 <i>International Standard Industrial Classification of all Economic Activities (ISIC)</i> 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.</p>  |
| <b>Statistical unit</b>      | <p>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.</p>   |
| <b>Weighting methodology</b> | <p>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 <a href="http://www.statssa.gov.za/publications/publicationsearch.asp">www.statssa.gov.za/publications/publicationsearch.asp</a>.</p> <p>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 or large sample of the manufacturing industry. For the period 1996 to 2000 the weights are based on the 1996 Census of Manufacturing and for the period 2001 to 2004 the weights are based on the 2001 large sample survey of the manufacturing industry. 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 (see table E for the fixed weights which were used for the two periods 1996 to 2000 and 2001 to</p>  |

2004).

- |                                      |           |   |
|--------------------------------------|-----------|---|
| <b>Survey methodology and design</b> | <b>10</b> | 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.  |
|                                      | <b>11</b> | 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. |
|                                      | <b>12</b> | The calculation of the monthly production indices is based on the value of sales 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.  |
|                                      | <b>13</b> | 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).  |
| <b>Seasonal adjustment</b>           | <b>14</b> | 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.  |
| <b>Trend cycle</b>                   | <b>15</b> | 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.   |
| <b>Reliability of estimates</b>      | <b>16</b> | 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.  |
|                                      | <b>17</b> | 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. Fluctuations may occur in consecutive months as a result of seasonal and economic factors.  |



<b>Revised figures</b>	<b>18</b>	Revised figures are due to late submission of data to Stats SA, or to respondents reporting revisions or corrections to their figures. Figures for the latest month are therefore preliminary. Data are edited at the enterprise level.																		
<b>Related publications</b>	<b>19</b>	<p>Users may also wish to refer to the following publications available from Stats SA -</p> <ul style="list-style-type: none"> <li>• <i>Bulletin of Statistics</i> issued quarterly.</li> <li>• <i>SA Statistics</i> issued annually.</li> </ul>																		
<b>Rounding of figures</b>	<b>20</b>	The figures in the tables have, where necessary, been rounded to the nearest digit shown.																		
<b>Pre-release policy</b>	<b>21</b>	Stats SA's pre-release policy may be inspected at its website, <a href="http://www.statssa.gov.za">www.statssa.gov.za</a> .																		
<b>Symbols and abbreviations</b>	<b>22</b>	<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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*	Revised figures																			

## Glossary

<b>Enterprise</b>	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.
<b>Index of physical volume of manufacturing production</b>	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.
<b>Industry</b>	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> .
<b>Intermediate consumption</b>	Intermediate consumption includes - <ul style="list-style-type: none"><li>• purchases and transfers-in of materials;</li><li>• payments to other establishments for work done;</li><li>• other direct factory costs;</li><li>• rent and leasing paid;</li><li>• head office charges;</li><li>• royalties, copyright, trade names and patent rights paid;</li><li>• advertising;</li><li>• insurance premiums;</li><li>• services; and</li><li>• secretarial and administrative fees.</li></ul>
<b>Output</b>	Output is the aggregate value of goods manufactured and work done and includes - <ul style="list-style-type: none"><li>• sales and transfers-out of own manufactures, factory waste and stocks of factored goods;</li><li>• repairs;</li><li>• installation, erection and assembly;</li><li>• sundry trading revenue;</li><li>• sales of factored goods minus purchases of factored goods;</li><li>• rent and leasing received;</li><li>• royalties received;</li><li>• difference between opening value and closing value of work in progress, stocks of own manufactures and stocks of factored goods;</li><li>• head office charges; and</li><li>• other revenue.</li></ul> Output excludes excise and customs duty paid.
<b>Value added</b>	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.
<b>Sales</b>	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.
<b>Statistical unit</b>	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 and transfers out of all own manufactured products/articles;
- amounts received for work done; and
- amounts received for services rendered.

Turnover excludes -

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

**Table F – Weights according to manufacturing divisions**

Manufacturing divisions	Weights according to the 1996 Census of Manufacturing 1996 - 2000	Weights according to the 2001 large sample survey of the manufacturing industry 2001 - 2004
Food and beverages	15,3	16,4
Textiles, clothing, leather and footwear	7,8	5,4
Wood and wood products; paper; publishing and printing	11,4	11,0
Petroleum, chemical products, rubber and plastic products	19,3	22,5
Glass and non-metallic mineral products	4,5	3,9
Basic iron and steel, non-ferrous metal products; metal products and machinery	23,6	22,4
Electrical machinery	3,4	2,7
Radio, television and communication apparatus; professional equipment	1,5	1,3
Motor vehicles, parts and accessories and other transport equipment	9,1	8,6
Furniture and other manufacturing divisions	4,1	5,8
Total	100,0	100,0

### General information

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

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