

# **Manufacturing: Production and sales**

## **July 2005**

**Embargoed until:  
8 September 2005  
13:00**

**Table A - Selected key figures regarding manufacturing production and sales for July 2005**

<b>Estimates</b>	<b>July 2005</b>	<b>% change between July 2004 and July 2005</b>	<b>% change between May to July 2004 and May to July 2005</b>	<b>% change between January to July 2004 and January to July 2005</b>
Physical volume of manufacturing production index (2000=100)	115,6	+2,4	+2,1	+3,0
Total value of sales of manufactured products (R million)	71 528	+6,4	+5,9	+5,6

<b>Seasonally adjusted estimates</b>	<b>July 2005</b>	<b>% change between June and July 2005</b>	<b>% change between February to April 2005 and May to July 2005</b>
Physical volume of manufacturing production index (2000=100)	113,7	+0,4	+0,8
Total value of sales of manufactured products (R million)	70 887	+0,1	+2,9

**Key findings regarding manufacturing production and sales for July 2005**

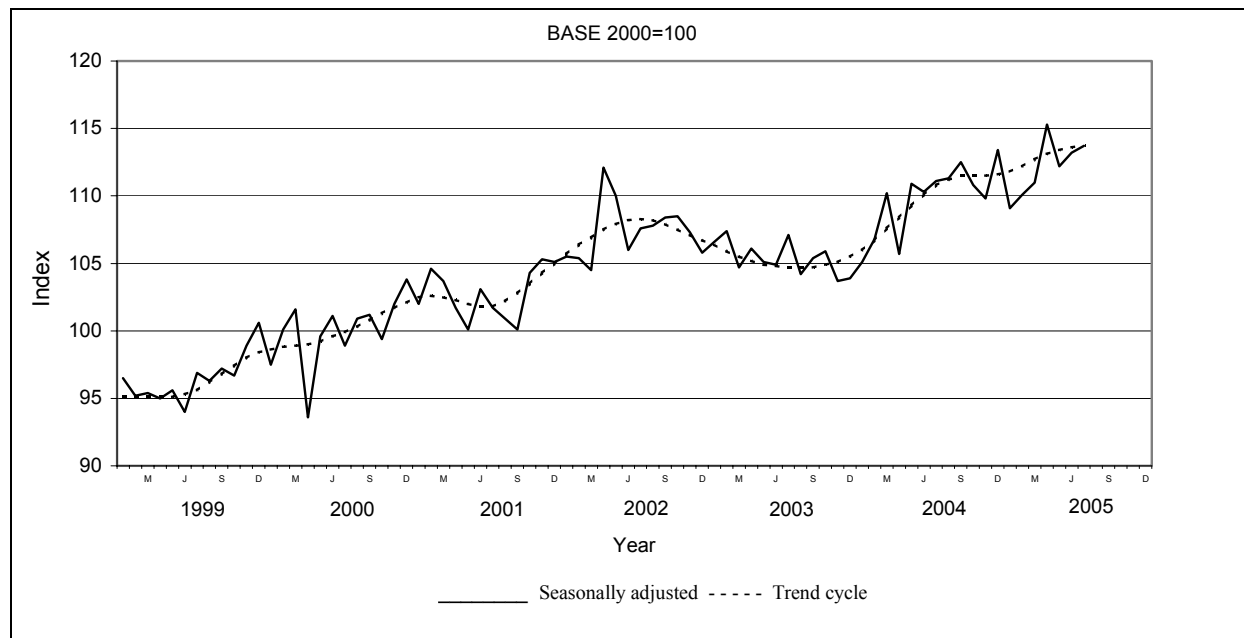
**Manufacturing production increases**

*The estimated manufacturing production for the three months ended July 2005 increased by 0,8% after seasonal adjustment, compared with the previous three months. Higher production was reported by seven of the ten manufacturing divisions.*

The major contributor to the seasonally adjusted increase of 0,8% in total manufacturing production for the three months ended July 2005 compared with the previous three months was the petroleum, chemical products, rubber and plastic products division (contributing +0,9 of a percentage point to the increase in total manufacturing production), followed by the motor vehicles, parts and accessories and other transport equipment division (contributing +0,4 of a percentage point), the wood and wood products, paper, publishing and printing division (contributing +0,2 of a percentage point), the radio, television and communication apparatus and professional equipment division (contributing +0,2 of a percentage point) and the furniture and 'other' manufacturing divisions (contributing +0,1 of a percentage point). However, these increases were counteracted by decreases reported by the basic iron and steel, non-ferrous metal products, metal products and machinery division (contributing -0,6 of a percentage point), the food and beverages division (contributing -0,2 of a percentage point) and the textiles, clothing, leather and footwear division (contributing -0,2 of a percentage point) (see table B).

Figure 1 shows the seasonally adjusted and trend series for the volume index of manufacturing production between January 1999 and July 2005. The trend series has been rising since mid-2003 to September 2004, declining slightly up to December 2004 and resuming its upward trend in 2005.

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



**Table B - 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 February to April 2005	Average seasonally adjusted production index for May to July 2005	Quarterly percentage change of index for May to July 2005 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	120,9	119,1	-1,5	-0,2
Textiles, clothing, leather and footwear	5,4	101,4	97,7	-3,6	-0,2
Wood and wood products, paper, publishing and printing	11,0	106,5	108,2	+1,6	+0,2
Petroleum, chemical products, rubber and plastic products	22,5	110,4	115,1	+4,3	+0,9
Glass and non-metallic mineral products	3,9	117,3	118,7	+1,2	+0,0
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	114,2	111,0	-2,8	-0,6
Electrical machinery	2,7	96,9	98,4	+1,5	+0,0
Radio, television and communication apparatus and professional equipment	1,3	102,3	116,5	+13,9	+0,2
Motor vehicles, parts and accessories and other transport equipment	8,6	119,0	125,1	+5,1	+0,4
Furniture and other manufacturing divisions	5,8	102,3	103,6	+1,3	+0,1
<b>Total</b>	<b>100,0</b>	<b>112,1</b>	<b>113,0</b>	<b>+0,8</b>	<b>+0,8</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 estimated total value of sales of manufactured products at current prices for the three months ended July 2005 increased by 2,9% (+R6 026 million), after seasonal adjustment, compared with the previous three months. Higher manufacturing sales were reported by eight of the ten manufacturing divisions during this period (see table C). The value of sales of manufactured products at current prices for the three months ended July 2005 was 5,9% higher than for the three months ended July 2004 (see table D).*

The seasonally adjusted increase of 2,9% in the total value of sales of manufactured products at current prices for the three months ended July 2005 compared with the previous three months was mainly due to increases reported for the radio, television and communication apparatus and professional equipment (+16,1% or +R428 million), motor vehicles, parts and accessories and other transport equipment (+10,1% or +R3 099 million), petroleum, chemical products, rubber and plastic products (+6,7% or +R2 648 million), furniture and 'other' manufacturing divisions (+4,1% or +R388 million) and wood and wood products, paper, publishing and printing (+1,3% or +R240 million) divisions (see table C).

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

Manufacturing divisions	Seasonally adjusted sales February to April 2005 R'000	Seasonally adjusted sales May to July 2005 R'000	Percentage change between February to April 2005 and July 2005	Difference in seasonally adjusted sales of manufacturing divisions between February to April 2005 and July 2005 R'000
Food and beverages	38 725 713	38 815 191	+0,2	89 478
Textiles, clothing, leather and footwear	10 426 745	10 178 164	-2,4	-248 581
Wood and wood products, paper, publishing and printing	18 258 324	18 498 707	+1,3	240 383
Petroleum, chemical products, rubber and plastic products	39 579 423	42 227 075	+6,7	2 647 652
Glass and non-metallic mineral products	5 941 801	6 037 303	+1,6	95 502
Basic iron and steel, non-ferrous metal products, metal products and machinery	44 105 718	43 260 029	-1,9	-845 689
Electrical machinery	5 219 197	5 351 472	+2,5	132 275
Radio, television and communication apparatus and professional equipment	2 653 798	3 081 809	+16,1	428 011
Motor vehicles, parts and accessories and other transport equipment	30 766 800	33 866 148	+10,1	3 099 348
Furniture and other manufacturing divisions	9 392 493	9 780 411	+4,1	387 918
<b>Total</b>	<b>205 070 013</b>	<b>211 096 309</b>	<b>+2,9</b>	<b>6 026 296</b>

The major contributors to the increase of 5,9% in sales of manufactured products at current prices for the three months ended July 2005 compared with the three months ended July 2004 were the motor vehicles, parts and accessories and other transport equipment (+2,4 percentage points or +R4 753 million), petroleum chemical products, rubber and plastic products (+1,5 percentage points or +R3 005 million), food and beverages (+0,7 of a percentage point or +R1 311 million), furniture and 'other' manufacturing (+0,6 of a percentage point or +R1 208 million), wood and wood products, paper, publishing and printing (+0,5 of a percentage point or +R986 million) and glass and non-metallic mineral products (+0,3 of a percentage point or +R555 million) (see table D).

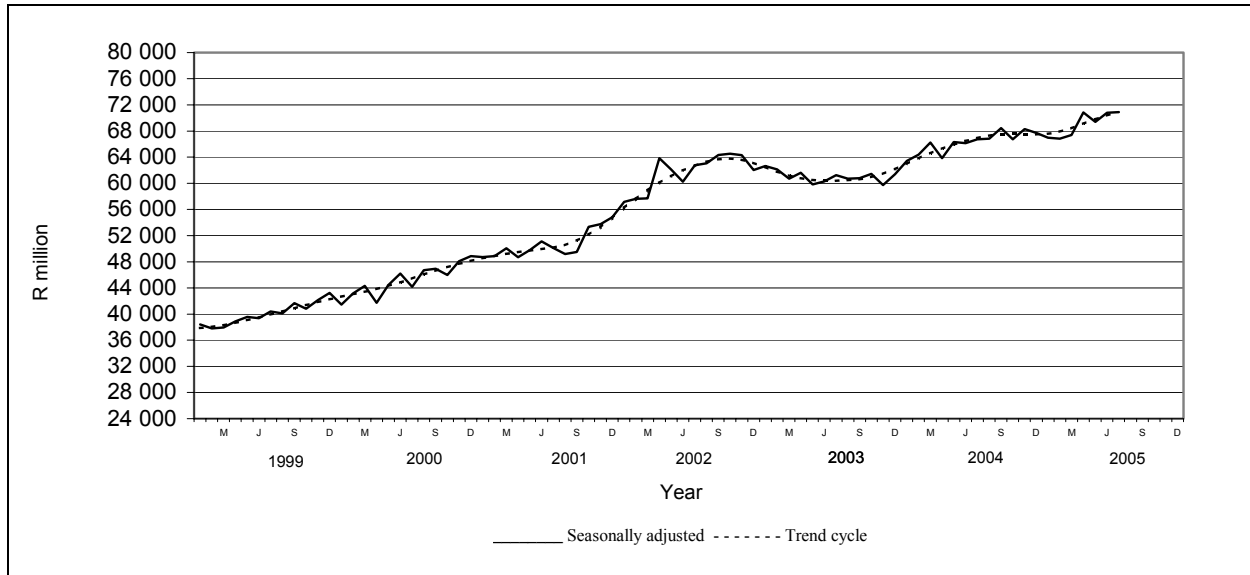
**Table D - Contribution of the manufacturing divisions to total value of sales of manufactured products**

Manufacturing divisions	Percentage contribution of sales of manufactured products May to July 2004	Percentage change between May to July 2004 and May to July 2005	Contribution (percentage points) to the percentage change in the total value of manufactured products 1/	Difference in sales of manufacturing divisions between May to July 2004 and May to July 2005
				R'000
Food and beverages	18,3	+3,6	+0,7	1 310 886
Textiles, clothing, leather and footwear	5,3	-4,1	-0,2	-437 739
Wood and wood products, paper, publishing and printing	8,9	+5,6	+0,5	986 141
Petroleum, chemical products, rubber and plastic products	19,6	+7,7	+1,5	3 004 673
Glass and non-metallic mineral products	2,9	+9,6	+0,3	555 143
Basic iron and steel, non-ferrous metal products, metal products and machinery	21,7	+0,3	+0,1	111 118
Electrical machinery	2,7	+2,8	+0,1	151 775
Radio, television and communication apparatus and professional equipment	1,4	+7,1	+0,1	197 513
Motor vehicles, parts and accessories and other transport equipment	15,0	+15,8	+2,4	4 753 495
Furniture and other manufacturing divisions	4,4	+13,8	+0,6	1 207 974
<b>Total</b>	<b>100,0</b>	<b>+5,9</b>	<b>+5,9</b>	<b>11 840 979</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 2004, divided by 100.

Figure 2 shows the seasonally adjusted and trend series for sales of manufactured products between January 1999 and July 2005. 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**



**P J Lehohla**  
**Statistician-General**

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**Notes**

<b>Forthcoming issues</b>	<b>Issue</b>	<b>Expected release date</b>
	August 2005	12 October 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	1999	2000	2001	2002	2003	2004	2005
Indices							
J	83,6	85,2	91,1	93,7	94,4	93,1	1/ 96,2
F	93,7	98,7	102,7	103,6	104,3	103,6	1/ 106,3
M	97,9	104,8	106,8	108,2	108,4	114,0	1/ 114,9
A	90,7	89,0	95,3	104,4	100,0	100,3	1/ 109,1
M	95,9	99,9	100,2	110,3	105,6	111,5	1/ 112,8
J	94,8	102,1	104,0	106,7	105,3	110,5	1/ 113,2
J	98,3	100,1	102,8	108,8	108,7	112,9	1/ 115,6
A	97,7	102,5	102,3	109,8	106,4	113,6	
S	100,9	104,8	103,1	111,4	108,6	115,9	
O	107,3	109,8	114,9	119,6	116,7	122,4	
N	109,9	113,6	117,6	119,8	115,1	122,2	
D	86,3	89,5	92,5	92,7	91,4	98,9	
Year	96,4	100,0	102,8	107,4	105,4	109,9	
Seasonally adjusted indices							
J	95,5	97,0	102,4	105,6	106,6	105,1	109,1
F	94,6	99,8	105,0	105,8	107,4	106,8	110,1
M	94,4	101,0	103,7	104,5	104,7	110,2	111,0
A	96,6	94,7	101,4	111,6	106,1	105,7	115,3
M	96,4	99,9	100,0	110,1	105,1	110,9	112,2
J	94,0	101,2	103,2	106,1	104,9	110,3	113,2
J	97,3	99,0	101,6	107,5	107,1	111,1	113,7
A	96,8	101,2	100,9	107,8	104,2	111,3	
S	97,2	101,1	100,1	108,3	105,4	112,5	
O	97,3	99,6	104,4	108,5	105,9	110,8	
N	98,2	101,5	105,3	107,4	103,7	109,8	
D	99,5	103,0	105,1	105,7	103,9	113,4	

1/ Preliminary.

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

Month	1999	2000	2001	2002	2003	2004	2005
J	.	+1,9	+6,9	+2,9	+0,7	-1,4	+3,3
F	.	+5,3	+4,1	+0,9	+0,7	-0,7	+2,6
M	.	+7,0	+1,9	+1,3	+0,2	+5,2	+0,8
A	.	-1,9	+7,1	+9,5	-4,2	+0,3	+8,8
M	.	+4,2	+0,3	+10,1	-4,3	+5,6	+1,2
J	.	+7,7	+1,9	+2,6	-1,3	+4,9	+2,4
J	.	+1,8	+2,7	+5,8	-0,1	+3,9	+2,4
A	.	+4,9	-0,2	+7,3	-3,1	+6,8	
S	.	+3,9	-1,6	+8,1	-2,5	+6,7	
O	.	+2,3	+4,6	+4,1	-2,4	+4,9	
N	.	+3,4	+3,5	+1,9	-3,9	+6,2	
D	.	+3,7	+3,4	+0,2	-1,4	+8,2	
Year	.	+3,7	+2,8	+4,5	-1,9	+4,3	

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	Indices			Seasonally adjusted indices		
			July 2004	June 2005	July 1/ 2005	July 2004	June 2005	July 2005
			Food and beverages	16,4	111,8	112,9	118,9	120,0
Textiles, clothing, leather and footwear	5,4	100,4	107,0	97,5	99,8	103,5	99,9	96,5
Wood and wood products, paper, publishing and printing	11,0	104,0	101,3	107,5	108,9	103,5	105,2	111,5
Petroleum, chemical products, rubber and plastic products	22,5	110,7	110,7	112,5	117,0	110,0	114,2	116,5
Glass and non-metallic mineral products	3,9	113,1	117,4	124,5	123,3	112,8	119,1	118,3
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	113,9	118,7	112,1	110,4	115,4	111,4	107,4
Electrical machinery	2,7	98,6	104,4	102,2	100,2	101,9	99,7	97,6
Radio, television and communication apparatus and professional equipment	1,3	111,3	108,5	121,6	111,5	112,3	119,0	116,6
Motor vehicles, parts and accessories and other transport equipment	8,6	115,4	124,1	127,3	135,8	116,2	128,9	126,5
Furniture and other manufacturing divisions	5,8	101,0	112,6	104,3	118,6	102,3	106,8	107,8
<b>Total</b>	<b>100,0</b>	<b>109,9</b>	<b>112,9</b>	<b>113,2</b>	<b>115,6</b>	<b>111,1</b>	<b>113,2</b>	<b>113,7</b>

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

Manufacturing divisions	Weights	Year 2004	Indices			Seasonally adjusted indices		
			July 2004	July 2005	Percentage difference between July 2004 and July 2005	June 2005	July 2005	Percentage difference between June and July 2005
			Food and beverages	16,4	111,8	112,9	120,0	+6,3
Textiles, clothing, leather and footwear	5,4	100,4	107,0	99,8	-6,7	99,9	96,5	-3,4
Wood and wood products, paper, publishing and printing	11,0	104,0	101,3	108,9	+7,5	105,2	111,5	+6,0
Petroleum, chemical products, rubber and plastic products	22,5	110,7	110,7	117,0	+5,7	114,2	116,5	+2,0
Glass and non-metallic mineral products	3,9	113,1	117,4	123,3	+5,0	119,1	118,3	-0,7
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	113,9	118,7	110,4	-7,0	111,4	107,4	-3,6
Electrical machinery	2,7	98,6	104,4	100,2	-4,0	99,7	97,6	-2,1
Radio, television and communication apparatus and professional equipment	1,3	111,3	108,5	111,5	+2,8	119,0	116,6	-2,0
Motor vehicles, parts and accessories and other transport equipment	8,6	115,4	124,1	135,8	+9,4	128,9	126,5	-1,9
Furniture and other manufacturing divisions	5,8	101,0	112,6	118,6	+5,3	106,8	107,8	+0,9
<b>Total</b>	<b>100,0</b>	<b>109,9</b>	<b>112,9</b>	<b>115,6</b>	<b>+2,4</b>	<b>113,2</b>	<b>113,7</b>	<b>+0,4</b>

1/ Preliminary.

**Table 4 – Total of estimated sales of the manufacturing industry (R'000)**

Month	1999	2000	2001	2002	2003	2004	2005
Value of sales							
J	31 728 425	34 497 091	41 025 607	48 138 526	52 765 592	53 523 613	1/ 56 348 983
F	36 780 094	42 065 366	47 630 261	56 200 264	60 485 281	62 603 113	1/ 64 927 559
M	39 575 843	46 300 045	52 194 339	59 871 135	62 637 848	67 981 939	1/ 69 068 789
A	36 769 193	39 384 857	45 883 170	60 294 761	58 615 159	61 151 048	1/ 67 952 589
M	39 561 905	44 639 157	50 164 812	62 579 978	60 277 805	66 779 109	1/ 69 783 541
J	40 068 157	47 091 414	52 019 977	61 105 492	60 885 020	66 559 330	1/ 71 083 048
J	40 275 610	44 033 012	49 979 263	62 721 938	61 445 221	67 215 037	1/ 71 527 866
A	40 781 001	47 401 498	49 935 125	64 085 893	61 595 356	67 870 063	
S	43 163 552	48 549 234	51 116 793	66 502 646	62 956 064	70 971 548	
O	45 331 713	50 693 801	58 606 253	70 929 284	67 574 392	73 472 746	
N	47 027 113	53 570 122	59 946 335	71 452 903	66 409 310	75 751 403	
D	39 465 357	44 728 188	50 549 896	56 892 701	56 065 409	61 847 746	
Year	480 527 963	542 953 785	609 051 831	740 775 521	731 712 457	795 726 695	
Seasonally adjusted values							
J	38 423 090	41 475 360	48 773 615	57 138 555	62 621 608	63 422 817	66 965 297
F	37 831 100	43 214 210	48 965 866	57 686 571	62 140 959	64 406 446	66 843 052
M	37 951 457	44 339 858	50 104 995	57 701 896	60 693 598	66 209 194	67 371 827
A	38 826 112	41 647 193	48 557 541	63 838 145	61 602 784	63 823 720	70 855 134
M	39 576 970	44 469 217	49 850 142	62 144 730	59 816 253	66 307 808	69 408 916
J	39 399 720	46 198 521	51 132 871	60 278 976	60 310 768	66 153 070	70 800 454
J	40 368 777	44 148 805	50 080 366	62 730 320	61 254 463	66 726 247	70 886 939
A	40 112 677	46 685 734	49 159 512	63 044 596	60 682 282	66 814 520	
S	41 684 444	46 908 750	49 462 057	64 299 044	60 773 622	68 432 040	
O	40 806 430	45 959 075	53 271 975	64 515 160	61 454 321	66 745 207	
N	42 136 449	48 095 925	53 798 076	64 298 140	59 749 382	68 295 916	
D	43 239 645	48 872 211	54 774 060	62 020 824	61 390 560	67 681 867	

1/ Preliminary.

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

Month	1999	2000	2001	2002	2003	2004	2005
J	..	+8,7	+18,9	+17,3	+9,6	+1,4	+5,3
F	..	+14,4	+13,2	+18,0	+7,6	+3,5	+3,7
M	..	+17,0	+12,7	+14,7	+4,6	+8,5	+1,6
A	..	+7,1	+16,5	+31,4	-2,8	+4,3	+11,1
M	..	+12,8	+12,4	+24,7	-3,7	+10,8	+4,5
J	..	+17,5	+10,5	+17,5	-0,4	+9,3	+6,8
J	..	+9,3	+13,5	+25,5	-2,0	+9,4	+6,4
A	..	+16,2	+5,3	+28,3	-3,9	+10,2	
S	..	+12,5	+5,3	+30,1	-5,3	+12,7	
O	..	+11,8	+15,6	+21,0	-4,7	+8,7	
N	..	+13,9	+11,9	+19,2	-7,1	+14,1	
D	..	+13,3	+13,0	+12,5	-1,5	+10,3	
Year		+13,0	+12,2	+21,6	-1,2	+8,7	

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	Value of sales						Seasonally adjusted value of sales					
		July		June		July 1/		July		June		July	
		2004		2005		2005		2004		2005		2005	
Food and beverages	150 794 199	12 293 929	12 737 898	12 717 759			12 538 959	13 082 844	12 980 619				
Textiles, clothing, leather and footwear	41 695 164	3 642 116	3 337 714	3 476 277			3 558 482	3 440 437	3 394 934				
Wood and wood products, paper, publishing and printing	70 228 139	5 642 022	6 275 768	6 256 449			5 717 496	6 055 379	6 343 820				
Petroleum, chemical products, rubber and plastic products	156 215 360	13 089 642	13 675 268	14 504 512			12 869 692	13 957 638	14 262 310				
Glass and non-metallic mineral products	22 153 630	1 940 086	2 108 635	2 139 785			1 833 274	2 003 589	2 016 069				
Basic iron and steel, non-ferrous metal products, metal products and machinery	169 868 082	14 469 352	14 963 694	13 930 791			14 654 764	14 558 233	14 097 090				
Electrical machinery	20 602 189	1 821 789	1 919 821	1 816 729			1 755 287	1 859 331	1 754 922				
Radio, television and communication apparatus and professional equipment	11 370 745	842 992	1 081 134	971 470			922 668	1 020 249	1 070 815				
Motor vehicles, parts and accessories and other transport equipment	117 742 616	10 364 510	11 783 553	12 198 187			9 894 105	11 522 926	11 618 843				
Furniture and other manufacturing divisions	35 056 571	3 108 599	3 199 563	3 515 907			2 981 519	3 299 827	3 347 517				
<b>Total</b>	<b>795 726 695</b>	<b>67 215 037</b>	<b>71 083 048</b>	<b>71 527 866</b>			<b>66 726 247</b>	<b>70 800 454</b>	<b>70 886 939</b>				

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

Manufacturing divisions	Year	Value of sales				Seasonally adjusted value of sales			
		July		Percentage change between		July		Percentage change between	
		2004		2005		2005		2005	
Food and beverages	150 794 199	12 293 929	12 717 759	+3,4	13 082 844	12 980 619	-0,8		
Textiles, clothing, leather and footwear	41 695 164	3 642 116	3 476 277	-4,6	3 440 437	3 394 934	-1,3		
Wood and wood products, paper, publishing and printing	70 228 139	5 642 022	6 256 449	+10,9	6 055 379	6 343 820	+4,8		
Petroleum, chemical products, rubber and plastic products	156 215 360	13 089 642	14 504 512	+10,8	13 957 638	14 262 310	+2,2		
Glass and non-metallic mineral products	22 153 630	1 940 086	2 139 785	+10,3	2 003 589	2 016 069	+0,6		
Basic iron and steel, non-ferrous metal products, metal products and machinery	169 868 082	14 469 352	13 930 791	-3,7	14 558 233	14 097 090	-3,2		
Electrical machinery	20 602 189	1 821 789	1 816 729	-0,3	1 859 331	1 754 922	-5,6		
Radio, television and communication apparatus and professional equipment	11 370 745	842 992	971 470	+15,2	1 020 249	1 070 815	+5,0		
Motor vehicles, parts and accessories and other transport equipment	117 742 616	10 364 510	12 198 187	+17,7	11 522 926	11 618 843	+0,8		
Furniture and other manufacturing divisions	35 056 571	3 108 599	3 515 907	+13,1	3 299 827	3 347 517	+1,4		
<b>Total</b>	<b>795 726 695</b>	<b>67 215 037</b>	<b>71 527 866</b>	<b>+6,4</b>	<b>70 800 454</b>	<b>70 886 939</b>	<b>+0,1</b>		

1/ Preliminary.

**Table 7 - Percentage change between the current quarter and the corresponding quarter of the previous year in the physical volume of manufacturing production and sales by manufacturing division**

Manufacturing divisions	Weights	Indices (base 2000=100)			Value of sales (R'000)		
		May to July 2004	May to July 2005	Annual percentage change between May to July 2004 and May to July 2005	May to July 2004	May to July 2005	Annual percentage change between May to July 2004 and May to July 2005
Food and beverages	16,4	111,2	117,9	+6,0	36 619 375	37 930 261	+3,6
Textiles, clothing, leather and footwear	5,4	102,9	98,6	-4,2	10 650 914	10 213 175	-4,1
Wood and wood products, paper, publishing and printing	11,0	104,4	108,5	+3,9	17 760 823	18 746 964	+5,6
Petroleum, chemical products, rubber and plastic products	22,5	112,3	114,6	+2,0	39 210 174	42 214 847	+7,7
Glass and non-metallic mineral products	3,9	116,3	122,6	+5,4	5 754 040	6 309 183	+9,6
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	116,8	112,5	-3,7	43 502 426	43 613 544	+0,3
Electrical machinery	2,7	101,4	100,8	-0,6	5 361 769	5 513 544	+2,8
Radio, television and communication apparatus and professional equipment	1,3	110,0	113,8	+3,5	2 794 732	2 992 245	+7,1
Motor vehicles, parts and accessories and other transport equipment	8,6	119,9	129,1	+7,7	30 167 646	34 921 141	+15,8
Furniture and other manufacturing divisions	5,8	102,1	107,0	+4,8	8 731 577	9 939 551	+13,8
<b>Total</b>	<b>100,0</b>	<b>111,6</b>	<b>113,9</b>	<b>+2,1</b>	<b>200 553 476</b>	<b>212 394 455</b>	<b>+5,9</b>

## Explanatory notes

- |                              |   |   |
|------------------------------|---|---|
| <b>Introduction</b>          | 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 estimated 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 units registered for value-added tax (VAT) and income tax, obtained from the South African Revenue Service (SARS), which replaced the previous business register.  |
| <b>Scope of the survey</b>   | 5 | This survey covers manufacturing enterprises, i.e. those conducting activities in - <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>        | 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.   |
| <b>Statistical unit</b>      | 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.   |
| <b>Weighting methodology</b> | 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> .   |
|                              | 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 2005 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 2005). |

<b>Survey methodology and design</b>	<p><b>10</b> The survey is conducted monthly. Questionnaires are sent to a sample of approximately 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.</p> <p><b>11</b> The value of sales of manufactured products is obtained monthly from the sample of 2 994 enterprises, which was drawn in September 2004 from a population then of 41 009 manufacturing enterprises. Each manufacturing division is divided into four size groups. The sample is drawn at the SIC three-digit level. All large enterprises (size group one), 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.</p> <p><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.</p> <p><b>13</b> More direct indicators are used for the production of tobacco, 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. 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).</p>
<b>Seasonal adjustment</b>	<p><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.</p>
<b>Trend cycle</b>	<p><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.</p>
<b>Reliability of estimates</b>	<p><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.</p> <p><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.</p>
<b>Revised figures</b>	<p><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. Preliminary figures are</p>

indicated in the relevant tables. Data are edited at the enterprise level.

- Related publications**     19     Users may also wish to refer to the following publications available from Stats SA -
- *Bulletin of Statistics* issued quarterly.
  - *SA Statistics* issued annually.
- 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](http://www.statssa.gov.za).
- Symbols and abbreviations**     22     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

**Technical notes**

Neyman optimal allocation

Before drawing samples in each of the surveys the population of enterprises on the BSF was stratified. Strata were formed using a combination of Standard Industrial Classification variable and the measure of size variable for enterprises. The Neyman optimal allocation formula used to allocate samples to each stratum is given by a formula below.

$$n_h = \frac{N_h S_h}{\sum N_h S_h}$$

where  $N_h$  and  $S_h$  are the stratum population size and the stratum variance, respectively.

Class limits: Manufacturing

Enterprise size	Lower limits	Upper limits
Very small	0	5 000 000
Small	5 000 001	13 000 000
Medium	13 000 001	51 000 000
Large	51 000 001	



## 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 E – 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 - 2005
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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**Enquiries**

Telephone number: (012) 310 8600/8390/8351/4892/8496/8095 (user information services)  
(012) 310 8233/8249 (technical enquiries)  
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Fax number: (012) 310 8332 (technical enquiries)

Email address: [Teresam@statssa.gov.za](mailto:Teresam@statssa.gov.za) (technical enquiries)  
[info@statssa.gov.za](mailto:info@statssa.gov.za) (user information services)  
[distribution@statssa.gov.za](mailto:distribution@statssa.gov.za) (orders)

Postal address: Private Bag X44, Pretoria, 0001

*Produced by Stats SA*