

# **Manufacturing: Production and sales**

## **June 2004**

**Embargoed until:  
10 August 2004  
13:00**

**Key figures as at the end of June 2004**

<b>Actual estimates</b>	<b>June 2004</b>	<b>% change between June 2003 and June 2004</b>	<b>% change between May and June 2004</b>	<b>% change between April to June 2003 and April to June 2004</b>	<b>% change between January to June 2003 and January to June 2004</b>
Physical volume of manufacturing production index (2000=100)	110,8	+4,9	+0,2	+3,8	+2,4
Total value of sales of manufactured products (R million)	65 277	+9,5	0,0	+8,0	+6,0

<b>Seasonally adjusted estimates</b>	<b>June 2004</b>	<b>% change between June 2003 and June 2004</b>	<b>% change between May and June 2004</b>	<b>% change between January to March 2004 and April to June 2004</b>
Physical volume of manufacturing production index (2000=100)	110,2	+5,1	+0,2	+1,8
Total value of sales of manufactured products (R million)	64 897	+10,0	+0,3	+3,2

**Key findings as at the end of June 2004**

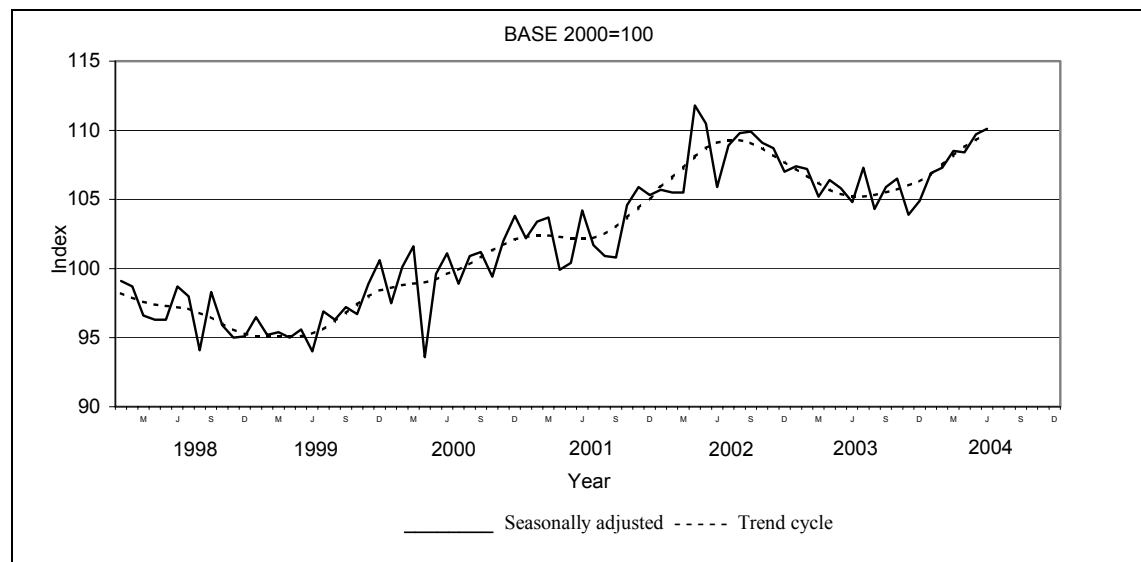
**Manufacturing production increases**

*Manufacturing production for the second quarter of 2004 increased by 1,8%, after seasonal adjustment, compared with the first quarter of 2004. Higher production was reported by 8 of the 10 manufacturing divisions.*

The major contributors to the seasonally adjusted increase of 1,8% in total manufacturing production for the second quarter of 2004 were the petroleum, chemical products, rubber and plastic products division and the basic iron and steel, non-ferrous metal products, metal products and machinery division (each contributing +0,5 of a percentage point to total manufacturing production), followed by the food and beverage division (contributing +0,3 of a percentage point) (see table A).

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

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



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

Manufacturing divisions	Percentage contribution to the total manufacturing production using the weights according to 1996 Census of Manufacturing	Average seasonally adjusted production index for April 2004 to June 2004	Quarterly percentage change of April to June 2004 compared with the preceding three months	Contribution (percentage points) to the seasonally adjusted quarterly percentage change in total manufacturing production 1/
Food and beverages	15,3	111,5	+3,1	+0,3
Textiles, clothing, leather and footwear	7,8	97,5	+0,7	+0,0
Wood and wood products; paper; publishing and printing	11,4	103,8	+0,7	+0,0
Petroleum, chemical products, rubber and plastic products	19,3	112,1	+2,9	+0,5
Glass and non-metallic mineral products	4,5	114,0	+6,4	+0,2
Basic iron and steel; non-ferrous metal products; metal products and machinery	23,6	116,0	+2,2	+0,5
Electrical machinery	3,4	100,5	-0,1	-0,0
Radio, television and communication apparatus; professional equipment	1,5	108,8	+4,6	+0,0
Motor vehicles, parts and accessories; other transport equipment	9,1	109,3	+0,7	+0,0
Furniture and other manufacturing divisions	4,1	95,8	-8,4	-0,3
<b>Total</b>	<b>100,0</b>	<b>109,5</b>	<b>+1,8</b>	<b>+1,8</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 total value of sales of manufactured products at current prices for the second quarter of 2004 increased by 3,2% (+R6 048 million), after seasonal adjustment, compared with the first quarter of 2004. Higher manufacturing sales were reported by 9 of the 10 manufacturing divisions during this period (see table B). Furthermore, the actual value of sales of manufactured products at current prices for the second quarter of 2004 increased by 8,0% compared with the second quarter of 2003 (see table C). Sales of manufactured products at current prices for the first six months of 2004 was 6,0% higher than for the first six months of 2003.*

The seasonally adjusted increase of 3,2% in the total value of sales of manufactured products at current prices for the second quarter of 2004 was mainly due to large increases reported for basic iron and steel, non-ferrous metal products, metal products and machinery (+5,9% or +R2 367 million), petroleum, chemical products, rubber and plastic products (+4,7% or +R1 800 million), motor vehicles, parts and accessories and other transport equipment (+2,4% or +R658 million) and food and beverages (+2,2% or +R716 million) (see table B).

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

Manufacturing divisions	Seasonally adjusted sales April to June 2004 R'000	Percentage change between January to March 2004 and April to June 2004	Difference in seasonally adjusted sales of manufacturing divisions between January to March 2004 and April to June 2004 R'000
Food and beverages	33 645 739	+2,2	716 361
Textiles, clothing, leather and footwear	9 075 042	-2,6	-244 101
Wood and wood products; paper; publishing and printing	16 901 540	+1,6	261 391
Petroleum, chemical products, rubber and plastic products	40 253 203	+4,7	1 800 202
Glass and non-metallic mineral products	5 917 630	+3,3	188 450
Basic iron and steel; non-ferrous metal products; metal products and machinery	42 386 006	+5,9	2 366 617
Electrical machinery	5 137 669	+2,3	117 041
Radio, television and communication apparatus; professional equipment	2 945 656	+2,4	68 465
Motor vehicles, parts and accessories; other transport equipment	27 755 791	+2,4	658 371
Furniture and other manufacturing divisions	9 001 823	+1,3	115 594
<b>Total</b>	<b>193 020 101</b>	<b>+3,2</b>	<b>6 048 396</b>

The major contributors to the increase of 8,0% in sales of manufactured products at current prices for the second quarter of 2004 compared with the second quarter of 2003 were basic iron and steel, non-ferrous metal products, metal products and machinery (+2,1 percentage points or +R3 673 million), petroleum, chemical products, rubber and plastic products (+1,6 percentage points or +R2 912 million), motor vehicles, parts and accessories and other transport equipment (+1,4 percentage points or +R2 477 million) and food and beverages (+1,3 percentage points or +R2 376 million) (see table C).

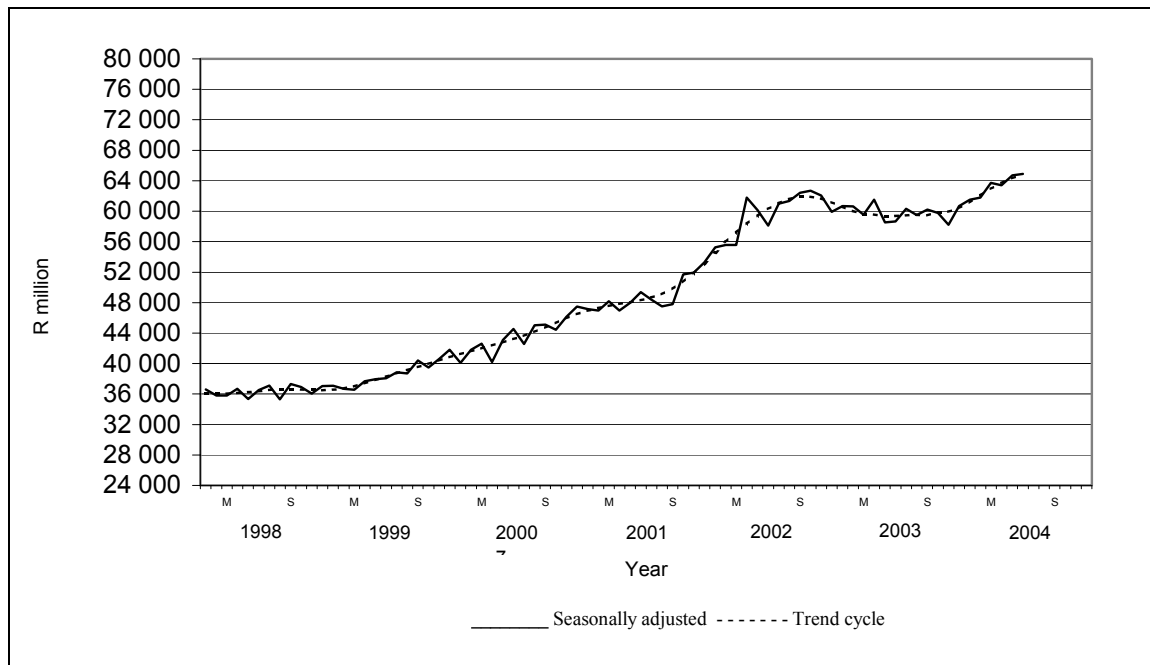
**Table C - Contribution of the manufacturing divisions to total value of sales of manufactured products**

Manufacturing divisions	Percentage contribution of sales of manufactured products April to June 2003	Percentage change between April to June 2003 and April to June 2004	Contribution (percentage points) to the percentage change in the total value of manufactured products 1/	Difference in sales of manufacturing divisions between April to June 2003 and April to June 2004
				R'000
Food and beverages	17,2	7,8	1,3	2 375 941
Textiles, clothing, leather and footwear	5,0	2,3	0,1	204 496
Wood and wood products; paper; publishing and printing	9,1	4,3	0,4	690 536
Petroleum, chemical products, rubber and plastic products	20,8	7,9	1,6	2 911 733
Glass and non-metallic mineral products	2,8	18,6	0,5	923 519
Basic iron and steel, non-ferrous metal products; metal products and machinery	21,7	9,6	2,1	3 673 272
Electrical machinery	3,0	-2,1	-0,1	-112 359
Radio, television and communication apparatus; professional equipment	1,5	8,4	0,1	225 307
Motor vehicles, parts and accessories and other transport equipment	14,2	9,9	1,4	2 477 439
Furniture and other manufacturing divisions	4,6	9,5	0,4	778 604
<b>Total</b>	<b>100,0</b>	<b>8,0</b>	<b>8,0</b>	<b>14 148 488</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, divided by 100.

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

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



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

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**Notes**

<b>Forthcoming issues</b>	<b>Issue</b>	<b>Expected release date</b>
	July 2004	7 September 2004
	August 2004	12 October 2004
	September 2004	9 November 2004
	October 2004	7 December 2004
<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 should adhere to the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF), which sets out standards on: coverage, periodicity and timeliness of data; access by the public; integrity; and quality of the disseminated data.	



**Detailed tables**

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

Base 2000 = 100

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

1/ Preliminary

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

Base 2000 = 100

Manufacturing divisions	Weights	Year	Actual indices			Seasonally adjusted indices			
			2003	June	May	June 1/	June	May	June
				2003	2004		2003	2004	
					2003	2004		2003	2004
Food and beverages	15,3	106,0	104,0	109,7	109,2	105,1	111,9	110,4	
Textiles, clothing, leather and footwear	7,8	94,8	90,1	98,6	96,4	92,9	96,2	99,8	
Wood and wood products; paper; publishing and printing	11,4	101,1	104,4	105,0	107,0	101,6	103,7	104,1	
Petroleum, chemical products, rubber and plastic products	19,3	107,5	106,7	112,4	109,9	108,3	112,9	111,7	
Glass and non-metallic mineral products	4,5	103,6	110,5	116,8	121,2	103,6	115,0	113,7	
Basic iron and steel, non-ferrous metal products; metal products and machinery	23,6	111,8	113,6	116,3	117,6	110,9	116,7	115,2	
Electrical machinery	3,4	104,3	108,2	102,0	108,8	102,9	100,3	103,4	
Radio, television and communication apparatus; professional equipment	1,5	94,6	90,1	105,3	99,4	91,8	116,3	101,4	
Motor vehicles, parts and accessories and other transport equipment	9,1	107,6	102,8	115,5	117,6	102,8	109,2	118,0	
Furniture and other manufacturing divisions	4,1	98,7	98,1	102,5	100,2	97,1	97,0	99,3	
<b>Total</b>	<b>100,0</b>	<b>105,7</b>	<b>105,6</b>	<b>110,6</b>	<b>110,8</b>	<b>104,9</b>	<b>110,0</b>	<b>110,2</b>	

1/ Preliminary

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

Month	1998	1999	2000	2001	2002	2003	2004
Actual values							
J	30 576 822	31 165 950	33 906 711	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	65 276 699 1/
J	37 828 313	39 493 231	43 083 506	48 906 488	61 523 700	60 397 962	
A	36 464 484	39 882 170	46 347 295	48 882 758	63 111 998	60 566 563	
S	39 084 148	42 233 261	47 362 496	50 070 717	65 371 794	61 812 044	
O	41 638 502	44 392 235	49 571 166	57 505 396	69 692 230	65 558 708	
N	40 834 784	45 966 203	52 246 640	58 662 310	69 910 936	64 569 771	
D	33 832 128	38 693 441	43 806 233	49 356 948	55 577 013	55 647 226	
Year	442 787 993	470 724 592	531 640 729	596 138 752	726 561 143	717 109 533	
Seasonally adjusted values							
J	37 082 430	37 538 364	40 504 878	47 493 736	55 789 697	60 607 005	61 500 927
F	36 364 654	37 113 809	42 437 556	47 825 349	56 440 756	60 381 205	61 768 036
M	36 537 093	37 166 248	43 428 251	48 977 910	56 381 614	59 162 643	63 702 742
A	37 291 129	38 161 740	40 908 782	47 615 962	62 854 357	61 577 624	63 408 915
M	36 065 105	38 636 733	43 648 286	48 711 846	60 745 972	58 237 061	64 714 672
J	36 898 134	38 510 165	45 138 285	50 056 467	58 932 945	58 975 586	64 896 514
J	37 832 810	39 606 425	43 233 132	49 062 609	61 726 674	60 671 655	
A	35 865 064	39 296 917	45 695 844	48 105 610	62 054 906	59 572 558	
S	37 737 664	40 882 776	45 872 362	48 606 399	63 591 329	60 170 096	
O	37 296 553	39 994 760	44 983 984	52 297 158	63 481 095	59 703 094	
N	36 664 034	41 273 821	46 985 605	52 716 380	63 025 909	58 220 136	
D	37 189 972	42 456 666	47 940 506	53 596 165	60 754 039	60 760 229	

1/ Preliminary

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

Manufacturing divisions	Year	Actual values						Seasonally adjusted values		
		June	May	June 1/			June	May	June	
		2003	2003	2004			2003	2004		
Food and beverages	124 771 847	10 125 637	11 086 831	10 828 357	10 390 091	11 260 389	11 168 000			
Textiles, clothing, leather and footwear	35 505 661	2 848 463	3 117 252	2 973 284	2 919 061	3 031 976	3 056 239			
Wood and wood products; paper; publishing and printing	65 416 117	5 687 863	5 759 608	5 867 051	5 510 975	5 632 562	5 687 106			
Petroleum, chemical products, rubber and plastic products	148 180 564	11 831 066	13 431 984	13 569 679	12 032 737	13 464 586	13 859 299			
Glass and non-metallic mineral products	20 136 354	1 746 721	2 017 544	2 051 264	1 661 396	2 000 333	1 968 025			
Basic iron and steel, non-ferrous metal products; metal products and machinery	154 879 658	13 494 334	14 547 237	14 630 666	13 001 512	14 452 271	14 171 054			
Electrical machinery	20 906 441	1 812 224	1 747 720	1 813 941	1 721 023	1 709 454	1 724 557			
Radio, television and communication apparatus; professional equipment	11 116 190	854 954	858 328	985 956	824 990	913 426	957 418			
Motor vehicles, parts and accessories and other transport equipment	102 514 318	8 540 329	9 740 096	9 574 188	8 222 911	9 340 102	9 276 911			
Furniture and other manufacturing divisions	33 682 383	2 671 697	2 983 463	2 982 313	2 690 890	2 909 573	3 027 904			
<b>Total</b>	<b>717 109 533</b>	<b>59 613 288</b>	<b>65 290 063</b>	<b>65 276 699</b>	<b>58 975 586</b>	<b>64 714 672</b>	<b>64 896 514</b>			

1/ Preliminary

## Explanatory notes

- Introduction**
- 1 Statistics South Africa (Stats SA) conducts a monthly survey of the manufacturing industry, covering manufacturing enterprises. This statistical release contains the results of a sample drawn from the new business register, with significantly enhanced coverage of South African businesses (see 4 below). The release contains monthly indices of the physical volume of manufacturing production and monthly value of sales of manufactured products by division within manufacturing.
  - 2 In accordance with international practice, the indices are re-based every five years to a new base year. The base period of the index is 2000. Both actual and seasonally adjusted figures are presented.
  - 3 As is usual, information for the latest month has had to be estimated for respondents who have not reported by the cut-off date for production of results. These estimates will be revised in future statistical releases when their reported information becomes available.
  - 4 As indicated earlier, Stats SA developed a new business register, based on the value-added tax (VAT) database obtained from the South African Revenue Service (SARS), which replaced the previous business register. All enterprises are legally bound to register for VAT when their turnover for a period of twelve months equals or exceeds R300 000. Enterprises that conform to these criteria are included in the new business register, and hence were given a chance of selection in the new sample for the survey.
- Scope of the survey**
- 5 This survey covers manufacturing enterprises, i.e. those conducting activities in -
    - the manufacturing, processing, making or packing of products;
    - the slaughtering of animals, including poultry; and
    - installation, assembly, completion, repair and related work.
- Classification**
- 6 The 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC)*, Fifth Edition, Report No. 09-90-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 *International Standard Industrial Classification of all Economic Activities (ISIC)* with suitable adaptations for local conditions. Statistics in this publication are presented at SIC division (two digit) level. Each enterprise is classified to an industry which reflects its predominant activity.
- Statistical unit**
- 7 The statistical unit for which information is compiled and published is the enterprise, defined as a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.
- Weighting methodology**
- 8 For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated stratum to form division estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at [www.statssa.gov.za/publications/publicationsearch.asp](http://www.statssa.gov.za/publications/publicationsearch.asp).
  - 9 For indices, a weight is calculated for every division according to the value added of the division relative to the total value added of the manufacturing industry as a whole, based on the results of the most recent Census of Manufacturing, in this instance the 1996 Census. Weights between census years are fixed. The production indices of all divisions are multiplied by the applicable weights and aggregated to produce the index for the total physical volume of manufacturing production.

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

<b>Revised figures</b>	<b>18</b>	Revised figures are due to respondents reporting revisions or corrections to their figures and late submission of their data to Stats SA. Figures for the latest month are preliminary. Data are edited at the enterprise level.																		
<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> <p>These will, in due course, be revised on the basis of the beekcast series.</p>																		
<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
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																			

## 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> <p>Output excludes excise and customs duty paid.</p>
<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;
- amounts received for work done;
- amounts received for services rendered.

Turnover excludes -

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

**Weight**

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

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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

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