

Manufacturing: Production and sales

May 2005

**Embargoed until:
12 July 2005
13:00**

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

Estimates	May 2005	% change between May 2004 and May 2005	% change between March to May 2004 and March to May 2005	% change between January to May 2004 and January to May 2005
Physical volume of manufacturing production index (2000=100)	112,8	+1,2	+3,4	+3,3
Total value of sales of manufactured products (R million)	71 357	+6,9	+6,5	+5,8

Seasonally adjusted estimates	May 2005	% change between April and May 2005	% change between December 2004 to February 2005 and March to May 2005
Physical volume of manufacturing production index (2000=100)	112,2	-2,6	+1,7
Total value of sales of manufactured products (R million)	70 792	-0,4	+3,8

Key findings regarding manufacturing production and sales for May 2005

Manufacturing production increases

The estimated manufacturing production for the three months ended May 2005 increased by 1,7% 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 1,7% in total manufacturing production for the three months ended May 2005 compared with the previous three months was the petroleum, chemical products, rubber and plastic products division (contributing +1,0 percentage point to total manufacturing production), followed by the food and beverages division (contributing +0,8 of a percentage point), basic iron and steel, non-ferrous metal products, metal products and machinery division (contributing +0,8 of a percentage point), wood and wood products, paper, publishing and printing (contributing +0,3 of a percentage point) and the glass and non-metallic mineral products division (contributing +0,1 of a percentage point). However, these increases were counteracted by decreases reported by the furniture and ‘other’ manufacturing division (contributing -0,8 of a percentage point), the textiles, clothing, leather and footwear division (contributing -0,2 of a percentage point) and the motor vehicles, parts and accessories and other transport equipment 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 May 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

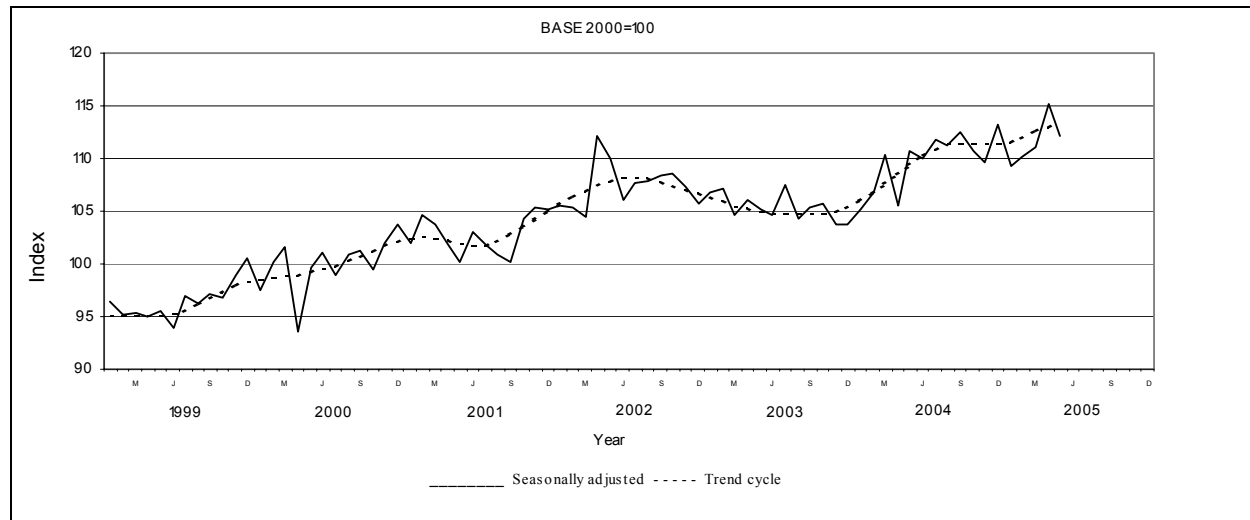


Table B - Contribution of manufacturing divisions to total manufacturing production (Base 2000=100)

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 December 2004 to February 2005	Average seasonally adjusted production index for March to May 2005	Quarterly percentage change of March to May 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	113,8	119,1	+4,7	+0,8
Textiles, clothing, leather and footwear	5,4	104,1	100,7	-3,3	-0,2
Wood and wood products, paper, publishing and printing	11,0	104,3	106,9	+2,5	+0,3
Petroleum, chemical products, rubber and plastic products	22,5	108,1	112,7	+4,3	+1,0
Glass and non-metallic mineral products	3,9	114,6	117,4	+2,4	+0,1
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	112,6	116,8	+3,7	+0,8
Electrical machinery	2,7	97,9	98,0	+0,1	+0,0
Radio, television and communication apparatus and professional equipment	1,3	106,1	107,2	+1,0	+0,0
Motor vehicles, parts and accessories and other transport equipment	8,6	121,2	118,9	-1,9	-0,2
Furniture and other manufacturing divisions	5,8	114,9	98,7	-14,1	-0,8
Total	100,0	110,9	112,8	+1,7	+1,7

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 May 2005 increased by 3,8% (+R7 572 million), after seasonal adjustment, compared with the previous three months. Higher manufacturing sales were reported by nine 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 May 2005 was 6,5% higher than for the three months ended May 2004 (see table D).

The seasonally adjusted increase of 3,8% in the total value of sales of manufactured products at current prices for the three months ended May 2005 compared with the previous three months was mainly due to increases reported for glass and non-metallic mineral products (+8,0% or +R444 million), petroleum, chemical products, rubber and plastic products (+7,1% or +R2 757 million), motor vehicles, parts and accessories and other transport equipment (+5,0% or +R1 495 million), wood and wood products, paper, publishing and printing (+3,8% or +R667 million), basic iron and steel, non-ferrous metal products, metal products and machinery (+3,1% or +R1 348 million) and food and beverages (+2,2% or +R851 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 December 2004 to February 2005	Seasonally adjusted sales March to May 2005	Percentage change between December 2004 to February 2005 and March to May 2005	Difference in seasonally adjusted sales of manufacturing divisions between December 2004 to February 2005 and March to May 2005
	R'000	R'000		R'000
Food and beverages	37 914 433	38 765 912	+2,2	851 479
Textiles, clothing, leather and footwear	10 756 945	10 379 847	-3,5	-377 098
Wood and wood products, paper, publishing and printing	17 682 668	18 350 077	+3,8	667 409
Petroleum, chemical products, rubber and plastic products	39 049 339	41 805 929	+7,1	2 756 590
Glass and non-metallic mineral products	5 579 628	6 023 640	+8,0	444 012
Basic iron and steel, non-ferrous metal products, metal products and machinery	43 356 436	44 703 993	+3,1	1 347 557
Electrical machinery	5 129 989	5 234 341	+2,0	104 352
Radio, television and communication apparatus and professional equipment	2 708 883	2 741 953	+1,2	33 070
Motor vehicles, parts and accessories and other transport equipment	30 055 646	31 550 766	+5,0	1 495 120
Furniture and other manufacturing divisions	9 422 441	9 672 288	+2,7	249 847
Total	201 656 409	209 228 747	+3,8	7 572 338

The major contributors to the increase of 6,5% in sales of manufactured products at current prices for the three months ended May 2005 compared with the three months ended May 2004 were the petroleum chemical products, rubber and plastic products (+1,8 percentage points or +R3 469 million), motor vehicles, parts and accessories and other transport equipment (+1,5 percentage points or +R2 976 million), basic iron and steel, non-ferrous metal products, metal products and machinery (+1,2 percentage points or +R2 313 million), food and beverages (+0,9 of a percentage point or +R1 780 million), wood and wood products, paper, publishing and printing (+0,5 of a percentage point or +R909 million), furniture and 'other' manufacturing (+0,5 of a percentage point or +R907 million) and glass and non-metallic mineral products (+0,3 of a percentage point or +R551 million) (see table D).

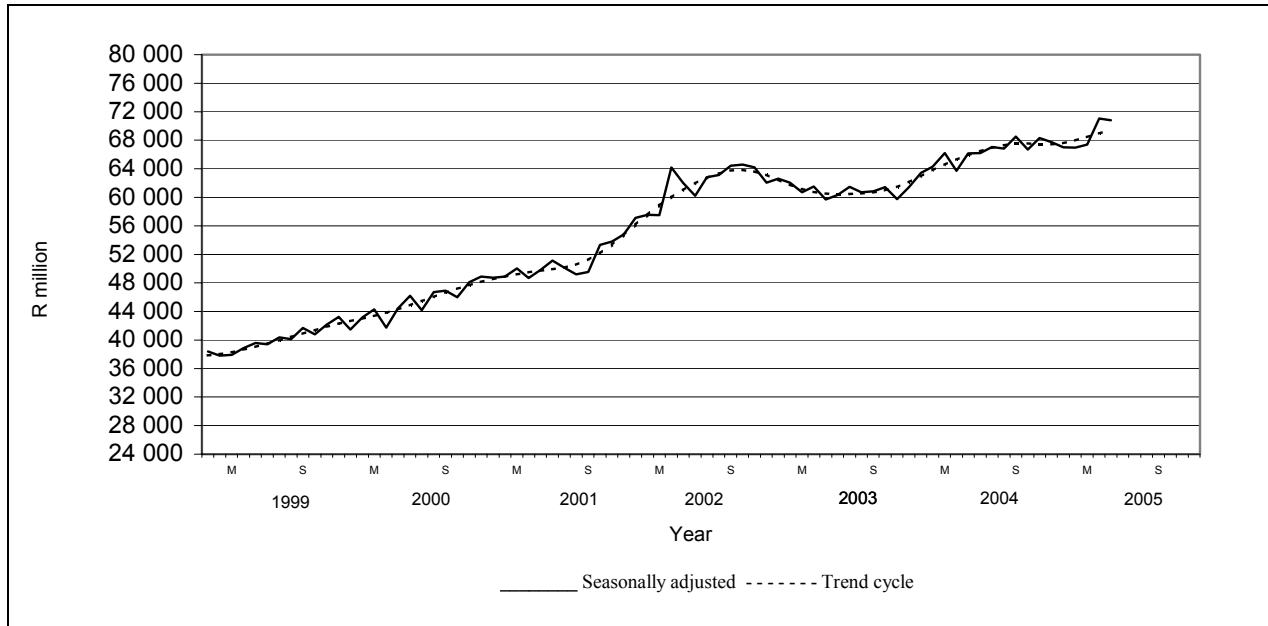
Table D - Contribution of the manufacturing divisions to total value of sales of manufactured products

Manufacturing divisions	Percentage contribution to total value of sales of manufactured products March to May 2004	Percentage change between March to May 2004 and March to May 2005	Contribution (percentage points) to the percentage change in the total value of sales of manufactured products 1/	Difference in sales of manufacturing divisions between March to May 2004 and March to May 2005
Food and beverages	18,6	+4,9	+0,9	1 779 819
Textiles, clothing, leather and footwear	5,4	-0,5	-0,0	-56 089
Wood and wood products, paper, publishing and printing	8,8	+5,3	+0,5	909 275
Petroleum, chemical products, rubber and plastic products	19,5	+9,1	+1,8	3 468 674
Glass and non-metallic mineral products	2,7	+10,3	+0,3	550 651
Basic iron and steel, non-ferrous metal products, metal products and machinery	21,7	+5,4	+1,2	2 313 011
Electrical machinery	2,6	+3,4	+0,1	172 920
Radio, television and communication apparatus and professional equipment	1,5	-8,2	-0,1	-245 625
Motor vehicles, parts and accessories and other transport equipment	14,6	+10,4	+1,5	2 975 529
Furniture and other manufacturing divisions	4,3	+10,7	+0,5	907 001
Total	100,0	+6,5	+6,5	12 775 166

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 May 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

Contents

	Page
Notes	7
Detailed tables	
Table 1 Indices of the physical volume of manufacturing production: Total.....	8
Table 2 Percentage change in the index of the physical volume of manufacturing production: Total	8
Table 3 Indices of the physical volume of manufacturing production by manufacturing division ..	9
Table 4 Total of estimated sales of the manufacturing industry (R'000)	10
Table 5 Percentage change in the value of sales of the manufacturing industry: Total	10
Table 6 Sales of manufactured products by manufacturing division (R'000).....	11
Table 7 Percentage change between current quarter and corresponding quarter of the previous year in the physical volume of manufacturing production and sales by manufacturing division	12
Explanatory notes	13
Glossary	16
Table E - Weights according to manufacturing divisions	18
General information	19

Notes

Forthcoming issues	Issue	Expected release date
	June 2005	10 August 2005
Purpose of the survey	The results of the monthly manufacturing production and sales survey are used to calculate indices of the physical volume of manufacturing production. These indices provide an indicator of the real level of manufacturing activity in the economy. They are used in monitoring the state of the economy and formulation of economic policy. They are also important inputs to estimation of the Gross Domestic Product (GDP).	
Special Data Dissemination Standard of the IMF	The data in this statistical release 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/ 106,5
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	
J	98,3	100,1	102,8	108,8	108,7	112,9	
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	102,6	105,7	106,8	105,2	109,2
F	94,5	99,7	105,0	105,8	107,2	106,7	110,2
M	94,4	101,0	103,7	104,6	104,7	110,3	111,1
A	96,6	94,7	101,3	111,5	106,0	105,6	115,2
M	96,4	100,0	100,0	110,1	105,1	110,8	112,2
J	94,0	101,2	103,1	105,9	104,7	110,0	
J	97,3	99,1	101,8	107,6	107,5	111,7	
A	96,9	101,2	101,0	107,8	104,3	111,3	
S	97,1	101,1	100,1	108,3	105,4	112,5	
O	97,3	99,6	104,4	108,5	105,8	110,8	
N	98,2	101,5	105,3	107,4	103,7	109,7	
D	99,6	103,1	105,1	105,6	103,8	113,3	

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	+2,8
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	
J	.	+1,8	+2,7	+5,8	-0,1	+3,9	
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		
			May 2004	April 2005	May 1/ 2005	May 2004	April 2005	May 2005
			Food and beverages	16,4	111,8	110,0	111,1	112,5
Textiles, clothing, leather and footwear	5,4	100,4	101,4	99,5	100,6	99,0	103,4	99,0
Wood and wood products, paper, publishing and printing	11,0	104,0	103,9	103,2	110,2	102,3	108,0	108,4
Petroleum, chemical products, rubber and plastic products	22,5	110,7	116,0	114,2	113,3	115,8	115,2	113,1
Glass and non-metallic mineral products	3,9	113,1	115,0	115,5	119,8	113,1	120,7	118,0
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	113,9	115,3	109,5	115,9	115,6	118,3	116,3
Electrical machinery	2,7	98,6	99,9	93,5	99,4	98,1	98,1	97,7
Radio, television and communication apparatus and professional equipment	1,3	111,3	109,2	101,7	111,4	114,1	102,8	117,3
Motor vehicles, parts and accessories and other transport equipment	8,6	115,4	119,4	118,4	125,2	114,0	122,3	120,1
Furniture and other manufacturing divisions	5,8	101,0	99,7	93,0	100,2	96,8	106,6	97,3
Total	100,0	109,9	111,5	109,1	112,8	110,8	115,2	112,2

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

Manufacturing divisions	Weights	Year 2004	Indices			Seasonally adjusted indices		
			May 2004	May 2005	Percentage difference between May 2004 and May 2005	April 2005	May 2005	Percentage difference between April and May 2005
			Food and beverages	16,4	111,8	110,0	112,5	+2,3
Textiles, clothing, leather and footwear	5,4	100,4	101,4	100,6	-0,8	103,4	99,0	-4,3
Wood and wood products, paper, publishing and printing	11,0	104,0	103,9	110,2	+6,1	108,0	108,4	+0,4
Petroleum, chemical products, rubber and plastic products	22,5	110,7	116,0	113,3	-2,3	115,2	113,1	-1,8
Glass and non-metallic mineral products	3,9	113,1	115,0	119,8	+4,2	120,7	118,0	-2,2
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	113,9	115,3	115,9	+0,5	118,3	116,3	-1,7
Electrical machinery	2,7	98,6	99,9	99,4	-0,5	98,1	97,7	-0,4
Radio, television and communication apparatus and professional equipment	1,3	111,3	109,2	111,4	+2,0	102,8	117,3	+14,1
Motor vehicles, parts and accessories and other transport equipment	8,6	115,4	119,4	125,2	+4,9	122,3	120,1	-1,8
Furniture and other manufacturing divisions	5,8	101,0	99,7	100,2	+0,5	106,6	97,3	-8,7
Total	100,0	109,9	111,5	112,8	+1,2	115,2	112,2	-2,6

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/ 56 357 310
F	36 780 094	42 065 366	47 630 261	56 200 264	60 485 281	62 603 113	1/ 65 120 620
M	39 575 843	46 300 045	52 194 339	59 871 135	62 637 848	67 981 939	1/ 69 051 877
A	36 769 193	39 384 857	45 883 170	60 294 761	58 615 159	61 151 048	1/ 68 277 961
M	39 561 905	44 639 157	50 164 812	62 579 978	60 277 805	66 779 109	1/ 71 357 424
J	40 068 157	47 091 414	52 019 977	61 105 492	60 885 020	66 559 330	
J	40 275 610	44 033 012	49 979 263	62 721 938	61 445 221	67 215 037	
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	38 424 081	41 477 653	48 775 570	57 150 278	62 618 415	63 424 963	66 987 916
F	37 824 255	43 198 552	48 936 244	57 656 611	62 069 896	64 318 408	66 958 816
M	37 952 694	44 342 444	50 109 861	57 719 547	60 694 390	66 212 504	67 381 926
A	38 816 254	41 636 059	48 531 828	63 785 232	61 504 005	63 701 854	71 054 842
M	39 572 057	44 459 935	49 837 898	62 107 634	59 714 903	66 143 938	70 791 979
J	39 393 110	46 188 278	51 111 016	60 199 138	60 314 237	66 183 083	
J	40 393 125	44 182 222	50 140 014	62 807 613	61 486 581	67 054 599	
A	40 120 063	46 698 563	49 174 003	63 079 267	60 698 973	66 836 319	
S	41 687 935	46 916 446	49 482 835	64 365 896	60 831 413	68 504 020	
O	40 801 803	45 953 895	53 258 414	64 503 564	61 416 317	66 698 337	
N	42 137 134	48 095 555	53 801 887	64 318 565	59 751 449	68 295 890	
D	43 242 951	48 882 363	54 794 077	62 053 940	61 415 507	67 709 677	

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	+4,0
M	..	+17,0	+12,7	+14,7	+4,6	+8,5	+1,6
A	..	+7,1	+16,5	+31,4	-2,8	+4,3	+11,7
M	..	+12,8	+12,4	+24,7	-3,7	+10,8	+6,9
J	..	+17,5	+10,5	+17,5	-0,4	+9,3	
J	..	+9,3	+13,5	+25,5	-2,0	+9,4	
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					
		May		April		May 1/		May		April		May	
		2004		2005		2005		2004		2005		2005	
Food and beverages	150 794 199	12 256 245	12 790 675	12 448 532	12 488 823	13 271 125	12 690 842						
Textiles, clothing, leather and footwear	41 695 164	3 577 537	3 495 521	3 497 162	3 471 170	3 567 532	3 422 789						
Wood and wood products, paper, publishing and printing	70 228 139	5 992 597	5 897 101	6 243 479	5 846 575	6 301 472	6 095 194						
Petroleum, chemical products, rubber and plastic products	156 215 360	13 066 604	13 575 677	15 092 463	13 022 374	13 699 852	15 047 897						
Glass and non-metallic mineral products	22 153 630	1 891 511	1 930 345	2 071 621	1 858 654	2 058 038	2 033 221						
Basic iron and steel, non-ferrous metal products, metal products and machinery	169 868 082	14 479 237	14 532 454	14 973 924	14 362 655	15 191 903	14 885 985						
Electrical machinery	20 602 189	1 779 509	1 714 487	1 787 978	1 732 811	1 772 204	1 739 650						
Radio, television and communication apparatus and professional equipment	11 370 745	929 687	877 082	946 321	953 515	889 887	979 908						
Motor vehicles, parts and accessories and other transport equipment	117 742 616	9 936 894	10 214 154	10 965 604	9 652 254	10 918 263	10 680 456						
Furniture and other manufacturing divisions	35 056 571	2 869 288	3 250 465	3 330 340	2 755 105	3 384 566	3 216 037						
Total	795 726 695	66 779 109	68 277 961	71 357 424	66 143 938	71 054 842	70 791 979						

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

Manufacturing divisions	Year	Value of sales				Seasonally adjusted value of sales			
		May		Percentage change between		April		Percentage change between	
		2004		May 2004 and May 2005		2005		April 2005 and May 2005	
Food and beverages	150 794 199	12 256 245	12 448 532	+1,6	13 271 125	12 690 842	-4,4		
Textiles, clothing, leather and footwear	41 695 164	3 577 537	3 497 162	-2,2	3 567 532	3 422 789	-4,1		
Wood and wood products, paper, publishing and printing	70 228 139	5 992 597	6 243 479	+4,2	6 301 472	6 095 194	-3,3		
Petroleum, chemical products, rubber and plastic products	156 215 360	13 066 604	15 092 463	+15,5	13 699 852	15 047 897	+9,8		
Glass and non-metallic mineral products	22 153 630	1 891 511	2 071 621	+9,5	2 058 038	2 033 221	-1,2		
Basic iron and steel, non-ferrous metal products, metal products and machinery	169 868 082	14 479 237	14 973 924	+3,4	15 191 903	14 885 985	-2,0		
Electrical machinery	20 602 189	1 779 509	1 787 978	+0,5	1 772 204	1 739 650	-1,8		
Radio, television and communication apparatus and professional equipment	11 370 745	929 687	946 321	+1,8	889 887	979 908	+10,1		
Motor vehicles, parts and accessories and other transport equipment	117 742 616	9 936 894	10 965 604	+10,4	10 918 263	10 680 456	-2,2		
Furniture and other manufacturing divisions	35 056 571	2 869 288	3 330 340	+16,1	3 384 566	3 216 037	-5,0		
Total	795 726 695	66 779 109	71 357 424	+6,9	71 054 842	70 791 979	-0,4		

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)		
		March to May 2004	March to May 2005	Annual percentage change between March to May 2004 and March to May 2005	March to May 2004	March to May 2005	Annual percentage change between March to May 2004 and March to May 2005
Food and beverages	16,4	107,7	115,7	+7,4	36 420 966	38 200 785	+4,9
Textiles, clothing, leather and footwear	5,4	100,9	102,0	+1,1	10 620 256	10 564 167	-0,5
Wood and wood products, paper, publishing and printing	11,0	102,0	106,8	+4,7	17 312 669	18 221 944	+5,3
Petroleum, chemical products, rubber and plastic products	22,5	112,9	113,5	+0,5	38 277 361	41 746 035	+9,1
Glass and non-metallic mineral products	3,9	110,4	116,1	+5,2	5 342 179	5 892 830	+10,3
Basic iron and steel, non-ferrous metal products, metal products and machinery	22,4	113,9	116,2	+2,0	42 603 875	44 916 886	+5,4
Electrical machinery	2,7	97,9	98,0	+0,1	5 127 185	5 300 105	+3,4
Radio, television and communication apparatus and professional equipment	1,3	116,0	107,0	-7,8	3 010 089	2 764 464	-8,2
Motor vehicles, parts and accessories and other transport equipment	8,6	110,7	121,2	+9,5	28 690 349	31 665 878	+10,4
Furniture and other manufacturing divisions	5,8	93,0	94,4	+1,5	8 507 167	9 414 168	+10,7
Total	100,0	108,6	112,3	+3,4	195 912 096	208 687 262	+6,5

Explanatory notes

- | | |
|------------------------------|--|
| Introduction | <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 estimated 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 units registered for value-added tax (VAT) and income tax, obtained from the South African Revenue Service (SARS), which replaced the previous business register.</p> |
| Scope of the survey | <p>5 This survey covers manufacturing enterprises, i.e. those conducting activities in -</p> <ul style="list-style-type: none"> • the manufacturing, processing, making or packing of products; • the slaughtering of animals, including poultry; and • installation, assembly, completion, repair and related work. |
| Classification | <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> |
| Statistical unit | <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> |
| Weighting methodology | <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 www.statssa.gov.za/publications/publicationsearch.asp.</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 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).</p> |

Survey methodology and design	<p>10 The survey is conducted monthly. Questionnaires are sent to a sample of 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>11 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>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.</p> <p>13 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>
Seasonal adjustment	<p>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.</p>
Trend cycle	<p>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.</p>
Reliability of estimates	<p>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.</p> <p>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. Fluctuations may occur in consecutive months as a result of seasonal and economic factors.</p>
Revised figures	<p>18 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.
- 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

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

For the purpose of this publication, the statistical unit in the monthly manufacturing: production and sales survey is the enterprise.

Turnover

Turnover refers to -

- the value of sales 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.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data wherever they process, apply, utilise, publish or distribute the data; and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data.

Advance release calendar

An advance release calendar is disseminated on www.statssa.gov.za

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Nelspruit
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data are available via on-line services, diskette and computer printouts. For more details about our electronic data services, contact (012) 310 8600/8390/8351/4892/8496/8095.

You can visit us on the Internet at: www.statssa.gov.za

Enquiries

Telephone number: (012) 310 8600/8390/8351/4892/8496/8095 (user information services)
(012) 310 8233/8249 (technical enquiries)
(012) 310 8161 (orders)
(012) 310 8490 (library)

Fax number: (012) 310 8332 (technical enquiries)

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

Postal address: Private Bag X44, Pretoria, 0001

Produced by Stats SA