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Manufacturing: financial statistics

December 1998

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Private Bag X44 • 0001 Pretoria • South Africa • Steyn's Building • Steyn's Arcade • 274 Schoeman Street • Pretoria
Users enquiries Tel: +27(12) 310 8600 • Fax: +27(12) 310 8500
E-mail address: info@statssa.puwv.gov.za • Website: <http://www.statssa.gov.za>



Published by
Statistics South Africa
Private Bag X44
Pretoria
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CONTENTS

Key findings	1
Graphs	
Manufacturing: Profitability ratios	1
Notes	2
Tables	
1. Percentage change in selected financial quantities	
1.1 Quarterly percentage change in selected items - Manufacturing	3
1.2 Annual percentage change in selected items - Manufacturing	4
2.1 Selected operating ratios - Manufacturing	5
2.2 Profitability ratios - Manufacturing major group combinations	5
3. Selected financial quantities expressed as percentage of turnover - Manufacturing	6
3.1 Selected income and expenditure items	6
3.2 Dividends paid, income tax and company tax brought into account	6
3.3 Capital expenditure	6
3.4 Value of selected assets as at end of quarter or year	6

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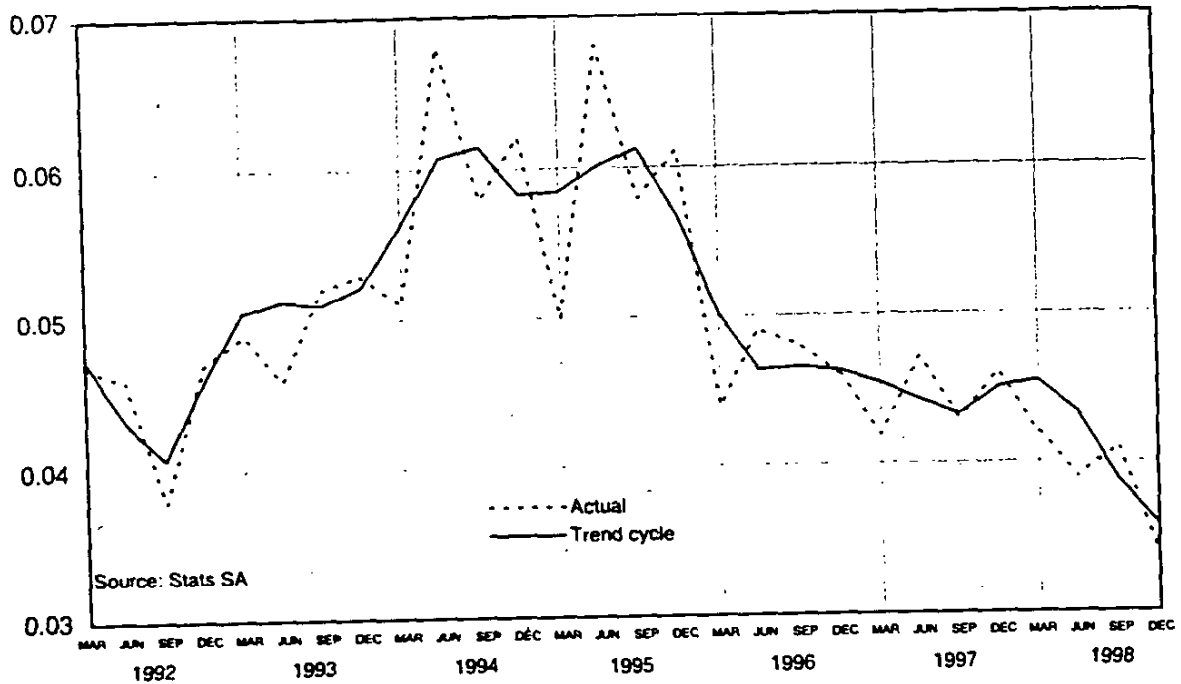
PROFITABILITY IN MANUFACTURING SECTOR LOWER IN 1998

The profitability ratio (net profit after tax/turnover) of the manufacturing sector for 1998 (3,91%) decreased compared with 1997 (4,44%). The profitability ratio has been on the decline since June 1995.

According to the survey results, profitability in all divisions of the manufacturing sector decreased significantly in the fourth quarter of 1998 compared with the corresponding quarter of 1997 (total manufacturing 3,43% compared with 4,58%). Industries worst affected were the food and beverage industries (4,98% compared with 7,07%), textiles (-1,19% compared with 3,96%), chemical and petroleum products (-3,04% compared with 6,12%) and the wood and paper industries (-1,3% compared with 4,88%).

The ratio of capital expenditure on new assets to turnover for the year 1998 (5,50%) nearly equalled that of 1997 (5,66%). The ratio for interest paid to turnover increased from 2,41% in 1997 to 2,77% in 1998.

MANUFACTURING PROFITABILITY RATIO
(Nett profit after tax / Turnover)



pp *Albin*
Dr F M Orkin
Head: Statistics South Africa

NOTES

1. GENERAL

This statistical release contains results of the revised quarterly sample survey which was introduced with effect from March 1995.

Quarterly and annual percentage changes in selected financial quantities are shown in table 1. Table 2 contains selected operating ratios, while table 3 contains information of selected financial quantities expressed as a percentage of the turnover (sales and work done) of the reporting manufacturing firms.

In order to improve timeliness, some information for the current quarter may have been estimated due to late response. These estimates will be revised as soon as better information is available.

2. SAMPLE DESIGN

The 1988 Manufacturing Census provided the frame for the selection of the sample. The sample includes the most important manufacturing firms and covers approximately 80% of the gross output of the firms in the manufacturing sector. Firms, which commenced operations after the census have also been taken into account.

3. EXPLANATORY NOTES

Explanatory notes of the various items are published in the **Bulletin of Statistics**.

TABLE 1 - PERCENTAGE CHANGE IN SELECTED FINANCIAL QUANTITIES

TABLE 1.1 - QUARTERLY PERCENTAGE CHANGE IN SELECTED ITEMS

- MANUFACTURING

Per cent

Item	Percentage change since previous quarter			
	DEC. 1998	SEP. 1998	JUN. 1998	DEC. 1997
	SEP. 1998	JUN. 1998	MAR. 1998	SEP. 1997
Net profit	-8,8	8,4	1,4	4,5
Interest paid	5,6	5,4	9,7	-0,3
Capital expenditure on new assets	22,2	4,9	1,3	-9,4
Selected assets -				
Stocks	0,6	-2,8	-1,1	-2,4

TABLE 1.2 - ANNUAL PERCENTAGE CHANGE IN SELECTED ITEMS

- MANUFACTURING

Item	Per cent	
	Percentage change since previous twelve months	
	Twelve months ended DEC. 1998 / Twelve months ended DEC. 1997	Twelve months ended SEP. 1998 / Twelve months ended SEP. 1997

TABLE 1.2.1 - SELECTED INCOME AND EXPENDITURE ITEMS

Turnover	3,6	2,5
Interest received	21,5	10,8
Interest paid	13,6	11,9
Rent paid - Land and buildings	13,6	13,5
Machinery, vehicles and other equipment	0,7	6,0
Depreciation	8,5	11,1
Net profit	-3,1	-0,7
Dividends paid	34,5	35,1
Income tax and company tax brought into account	9,2	5,1

TABLE 1.2.2 - CAPITAL EXPENDITURE

New assets :		
Total	1,0	-3,9
Buildings, improvements and construction works	65,2	50,8
Plant, machinery, furniture, fittings and other equipment	-5,8	-8,7
Vehicles	53,3	23,1
Used assets :	196,5	-26,6

TABLE 1.2.3 - VALUE OF SELECTED ASSETS

Book value of land, buildings, machinery, furniture, fittings and other equipment	3,6	1,6
Stocks	-0,3	-3,3

TABLE 2.1 - SELECTED OPERATING RATIOS
- MANUFACTURING

Item	DEC. 1998	SEP. 1998	DEC. 1997	1998	Percentage change Dec. 1997- Dec. 1998
Turnover ratios :					
Turnover/Fixed assets	0,790	0,800	0,790	3,037	0,00
Profitability ratios :					
Net profit after tax/ Turnover	0,034	0,041	0,046	0,039	-25,11
Net profit after tax/ Fixed Assets	0,027	0,033	0,036	0,118	-24,72
Other ratios :					
Dividends paid/ Net profit after tax				0,537	
Tax/Net profit				0,364	

TABLE 2.2 - PROFITABILITY RATIOS : NET PROFIT AFTER TAX / TURNOVER
- MANUFACTURING MAJOR GROUP COMBINATIONS

Item	DEC. 1998	SEP. 1998 *	DEC. 1997	1998	Percentage change Dec. 1997- Dec. 1998
Total manufacturing	0,034	0,041	0,046	0,039	-25,11
Food, beverages and tobacco	0,050	0,050	0,071	0,047	-29,56
Textiles, clothing, leather and footwear	-0,012	-0,002	0,040	0,051	-130,05
Wood, paper, printing and publishing	-0,014	0,100	0,049	0,059	-127,87
Chemical products, petroleum, rubber and plastic	-0,030	0,061	0,061	0,033	-149,67
Basic metals and fabricated metal products	0,012	0,051	0,051	0,030	-75,64
Machinery, electrical machinery and transport equipment	0,020	-0,001	0,000	0,015	9700,00
Other industries	0,033	0,034	0,045	0,036	-26,28

TABLE 3 - SELECTED FINANCIAL QUANTITIES
EXPRESSED AS PERCENTAGE OF TURNOVER
- MANUFACTURING

Per cent

Item	DEC. 1998	SEP. 1998 *	DEC. 1997	1998
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TABLE 3.1 - SELECTED INCOME
AND EXPENDITURE ITEMS

Credits				
Interest received	1,34	1,32	1,05	1,34
Dividends received	0,15	0,26	0,16	0,32
Royalties received	0,02	0,02	0,02	0,04
Rent received				
Land and buildings	0,07	0,07	0,07	0,07
Machinery, vehicles and other equipment	0,08	0,09	0,08	0,09
Profit on assets sold or revalued	0,23	0,38	1,61	0,79
Debits				
Interest paid	2,77	2,67	2,39	2,64
Royalties paid	0,47	0,48	0,45	0,45
Rent paid				
Land and buildings	0,49	0,48	0,43	0,48
Machinery, vehicles and other equipment	0,28	0,30	0,30	0,29
Depreciation	2,90	2,89	2,77	2,94
Losses on assets sold or revalued	0,47	0,39	0,06	0,38
Net profit	5,73	6,41	6,74	6,13

TABLE 3.2 - DIVIDENDS PAID, INCOME TAX
AND COMPANY TAX BROUGHT
INTO ACCOUNT

Dividends paid	1,87	2,06	1,35	2,10
Income tax and company tax brought into account	2,31	2,30	2,16	2,23

TABLE 3.3 - CAPITAL EXPENDITURE

New assets:				
Total	6,29	5,24	5,38	5,50
Buildings, improvements and construction works	1,07	0,58	0,79	0,01
Plant, machinery, furniture, fittings and other equipment	4,91	4,23	4,36	4,33
Vehicles	0,31	0,44	0,24	0,34
Used assets	0,06	0,18	0,07	0,19

TABLE 3.4 - VALUE OF SELECTED ASSETS AS
AT END OF QUARTER OR YEAR

Book value of land, buildings, machinery, furniture, vehicles and other equipment	126,53	125,60	127,17	32,92
Stocks	59,18	59,99	61,83	15,40

* Revised