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**Manufacturing: financial  
statistics  
June 1997**



**Statistical release P3042.1**

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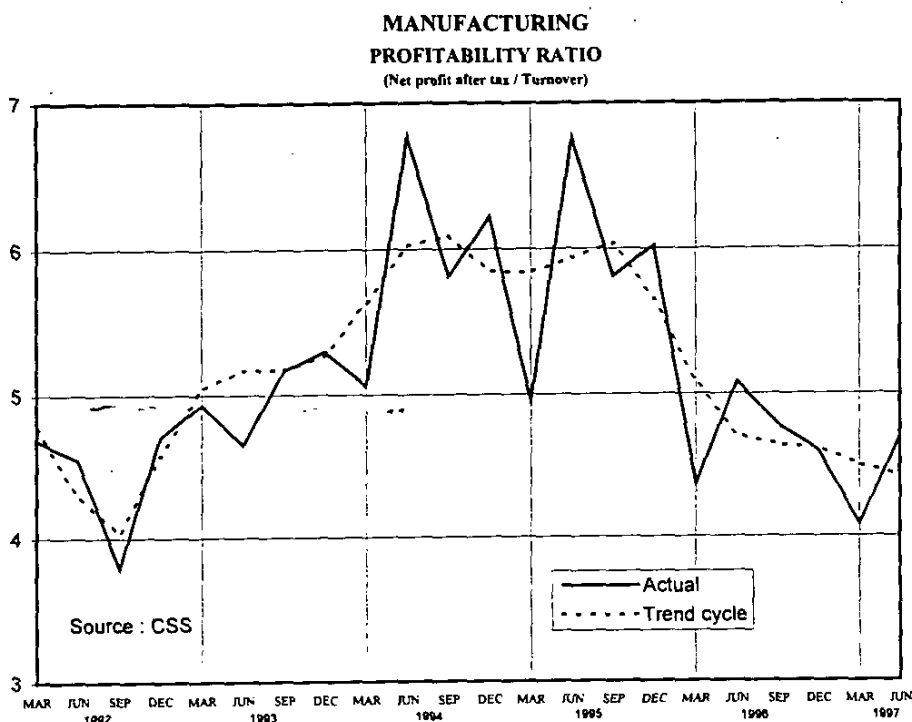
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## PROFITABILITY OF FACTORIES INCREASES SLIGHTLY IN SECOND QUARTER

The profitability ratio (net profit after tax/turnover) of the manufacturing sector for the second quarter (4,69%) increased compared with the first quarter of 1997 (4,08%), however, it is still one percentage point lower than the 5,08% for the second quarter of 1996.

The increase of 0,6 of a percentage point between the first and second quarters of 1997 is mainly due to increases reported in the industrial chemical, the metal products and the electrical machinery industries.

The relative ratio of capital expenditure on new assets to turnover reached a peak in the first quarter of 1997 (5,89%) but decreased to 4,36% in the second quarter after the completion of some large new projects in the first quarter of 1997. The relative ratio for interest paid to turnover also reflects a downward trend and decreased from 2,40% to 2,36% during this period.



pp   
**Dr F M Orkin**  
 Head: Central Statistical Service

### ENQUIRIES:

Tel. (012) 310-8095/310-8040  
 (012) 310-8351/310-8390  
 (012) 310-8249 (technical enquiries)  
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 E-mail: [info@css.pwv.gov.za](mailto:info@css.pwv.gov.za)  
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## 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

Percent - Per cent

| Item  | Percentage change since previous quarter |                |               |              |
|---|--|----------------|---------------|--------------|
|   | JUN.<br>1997                             | * MAR.<br>1997 | DEC.<br>1996  | JUN.<br>1996 |
|   | MAR.<br>1997                             | DEC.<br>1996   | SEPT.<br>1996 | MAR.<br>1996 |
| Net profit  | 15,8                                     | -19,2          | 5,9           | 16,7         |
| Interest paid                                     | 1,7                                      | 6,1            | 4,4           | 9,1          |
| Capital expenditure<br>on new assets              | -23,3                                    | 2,1            | 18,4          | 27,5         |
| Selected assets -                                 |  |                |               |              |
| Stocks  | 1,5                                      | 3,4            | -4,9          | 1,3          |
| Bills and<br>shortterm notes;<br>trade debtors 1/ | 1,8                                      | 0,7            | 2,2           | 5,9          |

1/ Excluding mortgage and other long- and short-term loans.

TABLE 1.2 - ANNUAL PERCENTAGE CHANGE IN SELECTED ITEMS

- MANUFACTURING

Per cent

| Item | Percentage change since previous twelve months                |   |
|------|---|---|
|      | Twelve months ended JUN. 1997 / Twelve months ended JUN. 1996 | Twelve months ended * MAR. 1997 / Twelve months ended MAR. 1996 |

TABLE 1.2.1 - SELECTED INCOME AND EXPENDITURE ITEMS

|   |      |      |
|---|------|------|
| Turnover  | 9,8  | 10,9 |
| Interest received                               | 12,3 | 19,8 |
| Interest paid                                   | 10,9 | 14,4 |
| Rent paid -                                     |      |      |
| Land and buildings                              | 19,8 | 11,7 |
| Machinery, vehicles and other equipment         | 26,3 | 25,6 |
| Depreciation                                    | 17,5 | 16,7 |
| Net profit                                      | -4,4 | -7,4 |
| Dividends paid                                  | 25,9 | 46,4 |
| Income tax and company tax brought into account | 0,3  | 0,3  |

TABLE 1.2.2 - CAPITAL EXPENDITURE

|   |       |       |
|---|-------|-------|
| New assets :  |       |       |
| Total   | 6,8   | 23,7  |
| Buildings and improvements                                |       |       |
| Construction works  | 102,5 | 115,6 |
| Plant, machinery, furniture, fittings and other equipment | 8,5   | 22,9  |
| Vehicles  | 0,3   | 8,4   |
| Used assets :   | 13,9  | 240,1 |

TABLE 1.2.3 - VALUE OF SELECTED ASSETS

|   |     |      |
|---|-----|------|
| Book value of land, buildings, machinery, furniture, fittings and other equipment | 9,1 | 12,4 |
| Stocks  | 8,2 | 7,9  |
| Bills and short-term notes; trade debtors 1/                                      | 8,7 | 13,1 |
| Call money and demand deposits and cash on hand 2/                                | 0,6 | 3,8  |

1/ Excluding mortgage and other long- and short-term loans.

2/ Excluding savings and term deposits.

TABLE 2 - SELECTED OPERATING RATIOS  
- MANUFACTURING

| Item   | Ratios       |                |              |         |
|--|--------------|----------------|--------------|---------|
|  | JUN.<br>1997 | * MAR.<br>1997 | JUN.<br>1996 | 1996    |
| Turnover ratios :  |              |                |              |         |
| Turnover/Fixed assets  | 0,77         | 0,75           | 0,79         | 3,05    |
| Debtors collection period<br>(Debtors x period/<br>Turnover) | 53 days      | 54 days        | 52 days      | 54 days |
| Profitability ratios :                                       |              |                |              |         |
| Net profit after tax/<br>Turnover                            | 4,69%        | 4,08%          | 5,08%        | 4,71%   |
| Net profit after tax/<br>Fixed Assets                        | 3,63%        | 3,08%          | 4,02%        | 14,35%  |
| Other ratios :   |              |                |              |         |
| Dividends paid/<br>Net profit after tax                      |              |                |              | 0,32    |
| Tax/Net profit   |              |                |              | 0,31    |

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

| Item | Per cent     |                |              |      |
|------|--------------|----------------|--------------|------|
|      | JUN.<br>1997 | * MAR.<br>1997 | JUN.<br>1996 | 1996 |

TABLE 3.1 - SELECTED INCOME  
AND EXPENDITURE ITEMS

|  |      |      |      |      |
|--|------|------|------|------|
| Credits                                    |      |      |      |      |
| Interest received                          | 1,18 | 1,25 | 1,27 | 1,20 |
| Dividends received                         | 0,44 | 0,12 | 0,53 | 0,30 |
| Royalties received                         | 0,01 | 0,01 | 0,01 | 0,01 |
| Rent received                              |      |      |      |      |
| Land and buildings                         | 0,05 | 0,05 | 0,07 | 0,07 |
| Machinery, vehicles<br>and other equipment | 0,12 | 0,08 | 0,11 | 0,09 |
| Profit on assets sold or<br>revalued       | 0,16 | 0,27 | 0,14 | 0,25 |
| Debits                                     |      |      |      |      |
| Interest paid                              | 2,36 | 2,40 | 2,43 | 2,26 |
| Royalties paid                             | 0,45 | 0,40 | 0,43 | 0,43 |
| Rent paid                                  |      |      |      |      |
| Land and buildings                         | 0,44 | 0,45 | 0,35 | 0,36 |
| Machinery, vehicles<br>and other equipment | 0,30 | 0,30 | 0,25 | 0,24 |
| Depreciation                               | 2,81 | 2,97 | 2,53 | 2,50 |
| Losses on assets sold or<br>revalued       | 0,50 | 0,31 | 0,13 | 0,07 |
| Net profit                                 | 6,71 | 5,99 | 7,19 | 6,87 |

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

|  |      |      |      |      |
|--|------|------|------|------|
| Dividends paid                                     | 1,36 | 2,16 | 1,63 | 1,50 |
| Income tax and company tax<br>brought into account | 2,01 | 1,91 | 2,11 | 2,17 |

TABLE 3.3 - CAPITAL EXPENDITURE

|   |      |      |      |      |
|---|------|------|------|------|
| New assets:   |      |      |      |      |
| Total   | 4,36 | 5,89 | 5,86 | 5,22 |
| Buildings and<br>improvements                                   |      |      |      |      |
| Residential buildings   | ..   | ..   | 0,04 | 0,01 |
| Non-residential<br>buildings                                    | ..   | ..   | 0,53 | 0,52 |
| Construction works  | 0,38 | 0,55 | 0,35 | 0,40 |
| Plant, machinery,<br>furniture, fittings<br>and other equipment | 3,78 | 5,07 | 4,61 | 3,96 |
| Vehicles  | 0,21 | 0,27 | 0,34 | 0,33 |
| Used assets   | 0,04 | 0,05 | 0,57 | 0,42 |

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

|  |        |        |        |       |
|--|--------|--------|--------|-------|
| Book value of land,<br>buildings, machinery,<br>furniture, vehicles and<br>other equipment | 129,36 | 132,69 | 126,31 | 32,83 |
| Stocks   | 63,96  | 65,22  | 63,00  | 15,83 |
| Bills and short-term<br>notes; trade debtors 1/  | 58,23  | 59,24  | 57,09  | 14,75 |
| Call money and demand<br>deposits and cash on<br>hand 2/                                   | 14,63  | 14,50  | 15,50  | 3,23  |
| Goodwill, patents and<br>trade marks etc.  | 3,13   | 3,13   | 3,48   | 0,80  |

1/ Excluding mortgage and other long- and short-term loans.

2/ Excluding savings and term deposits.

\* Revised