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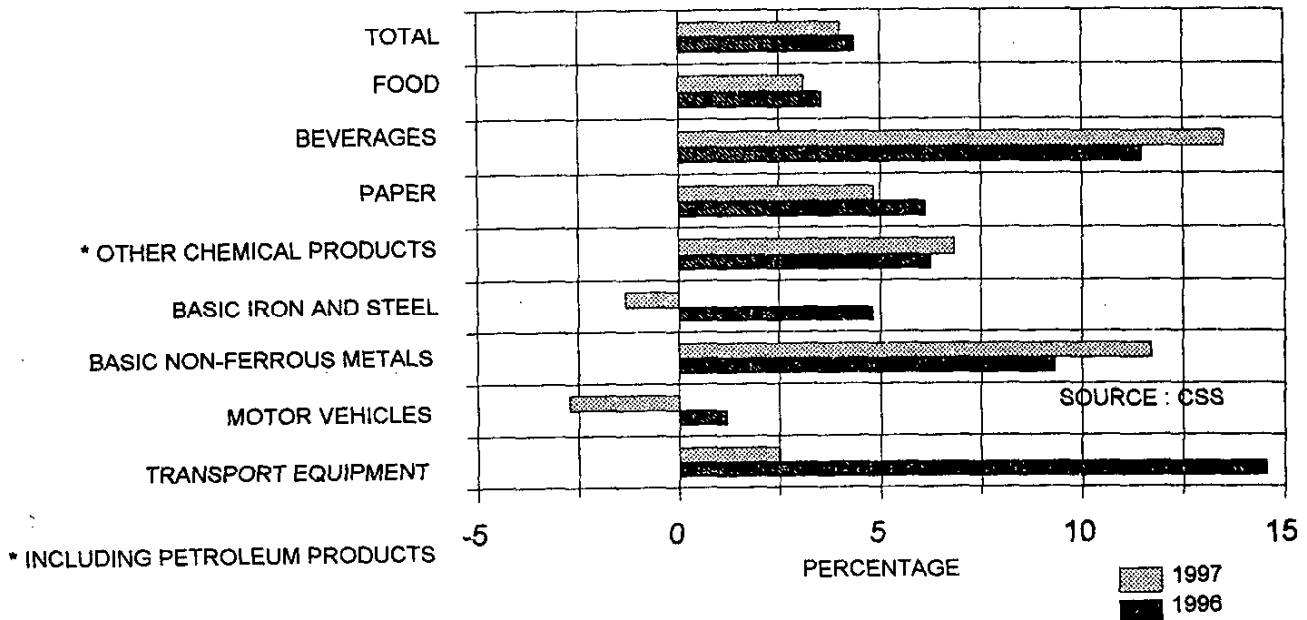
PROFITABILITY OF MANUFACTURING SECTOR REMAINS ON LOW LEVEL

Despite a slight improvement in the first quarter of 1997, the profitability ratio (net profit after tax/turnover) is still lower than a year ago.

During 1996 and the first quarter of 1997 the survey results indicate that the profitability ratio in the manufacturing sector has reached a low level. The largest contributors to the low profitability ratio for the first quarter of 1997 compared with the corresponding period of 1996 were the food, paper, basic iron and steel products, motor vehicle and transport equipment industries. However, the beverage, other chemical products (including petroleum products) and basic non-ferrous metal products industries showed notable increases in profitability during the same period.

The relative ratio of interest paid to turnover increased from 2,06% in the last quarter of 1996 to 2,37% in the first quarter of 1997. During the same period the relative ratio of capital expenditure on new assets to turnover increased from 5,32% to 6,97%. Large capital projects were undertaken by the basic iron and steel industries and large investments in new plant, machinery and equipment were reported.

MANUFACTURING PROFITABILITY RATIO - NET PROFIT AFTER TAX/TURNOVER MARCH 1997 COMPARED WITH MARCH 1996



pp
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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			
	MAR. 1997	DEC. 1996	SEPT. 1996	MAR. 1996
	DEC. 1996	SEPT. 1996	JUN. 1996	DEC. 1995
Net profit	-19,1	5,2	0,2	-25,1
Interest paid	6,3	3,0	-8,3	8,5
Capital expenditure on new assets	21,4	18,4	-14,6	-9,4
Selected assets -				
Stocks	2,4	-5,0	9,0	2,1
Bills and short-term notes; trade debtors 1/	0,3	2,2	3,9	1,2

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 MAR. 1997 / Twelve months ended MAR. 1995	Twelve months ended DEC. 1996 / Twelve months ended DEC. 1995

TABLE 1.2.1 - SELECTED INCOME AND EXPENDITURE ITEMS

Turnover	11,5	12,6
Interest received	14,9	16,7
Interest paid	17,0	18,6
Rent paid -		
land and buildings	10,0	14,3
Machinery, vehicles and other equipment	27,5	34,9
Depreciation	16,6	22,3
Net profit	-7,1	-6,7
Dividends paid	44,3	49,4
Income tax and company tax brought into account	1,2	2,0

TABLE 1.2.2 - CAPITAL EXPENDITURE

New assets :		
Total	30,8	18,3
Buildings and improvements	..	..
Construction works	161,2	97,1
Plant, machinery, furniture, fittings and other equipment	31,7	13,0
Vehicles	7,9	5,6
Used assets :	240,0	223,2

TABLE 1.2.3 - VALUE OF SELECTED ASSETS

Book value of land, buildings, machinery, furniture, fittings and other equipment	11,9	13,5
Stocks	7,2	6,9
Bills and short-term notes; trade debtors 1/	12,8	13,8
Call money and demand deposits and cash on hand 2/	6,2	-15,8

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

2/ Excluding savings and term deposits.

TABLE 2 - SELECTED OPERATING RATIOS
- MANUFACTURING

Ratios				
Item	MAR. 1997	DEC. 1996	MAR. 1996	1996
Turnover ratios :				
Turnover/fixed assets	0,75	0,83	0,77	3,06
Debtors collection period (Debtors x period/ Turnover)	53 days	50 days	52 days	54 days
Profitability ratios :				
Net profit after tax/ Turnover	4,01%	4,60%	4,38%	4,71%
Net profit after tax/ Fixed Assets	3,03%	3,80%	3,37%	14,39%
Other ratios :				
Dividends paid/ Net profit after tax				0,31
Tax/Net profit				0,31

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

Per cent

Item	MAR. 1997	DEC. 1996 *	MAR. 1996	1996
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TABLE 3.1 - SELECTED INCOME
AND EXPENDITURE ITEMS

Credits				
Interest received	1,26	0,96	1,18	1,14
Dividends received	0,10	0,24	0,19	0,30
Royalties received	0,01	0,01	0,01	0,01
Rent received				
Land and buildings	0,05	0,06	0,08	0,07
Machinery, vehicles and other equipment	0,08	0,07	0,10	0,09
Profit on assets sold or revalued	0,26	0,16	0,11	0,25
Debits				
Interest paid	2,37	2,06	2,26	2,21
Royalties paid	0,40	0,48	0,37	0,43
Rent paid				
Land and buildings	0,43	0,43	0,45	0,44
Machinery, vehicles and other equipment	0,31	0,30	0,28	0,28
Depreciation	2,96	2,59	3,03	2,77
Losses on assets sold or revalued	0,30	0,04	0,03	0,07
Net profit	5,98	6,85	6,59	6,86

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

Dividends paid	2,03	0,88	1,69	1,49
Income tax and company tax brought into account	1,96	2,25	2,21	2,16

TABLE 3.3 - CAPITAL EXPENDITURE

New assets:				
Total	6,97	5,32	4,84	5,17
Buildings and improvements				
Residential buildings	..	..	0,03	0,03
Non-residential buildings	..	..	0,61	0,56
Construction works	0,58	0,97	0,24	0,48
Plant, machinery, furniture, fittings and other equipment	6,15	3,97	3,67	3,93
Vehicles	0,25	0,38	0,29	0,33
Used assets	0,05	0,82	0,13	0,42

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	132,45	121,13	130,08	32,71
Stocks	64,28	58,20	65,90	15,72
Bills and short-term notes; trade debtors 1/ Call money and demand deposits and cash on hand 2/	58,79	54,31	57,28	14,66
Goodwill, patents and trade marks etc.	14,76	11,89	15,28	3,21
	3,64	2,93	3,73	0,79

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

2/ Excluding savings and term deposits.

* Revised