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Manufacturing: financial statistics

March 1999

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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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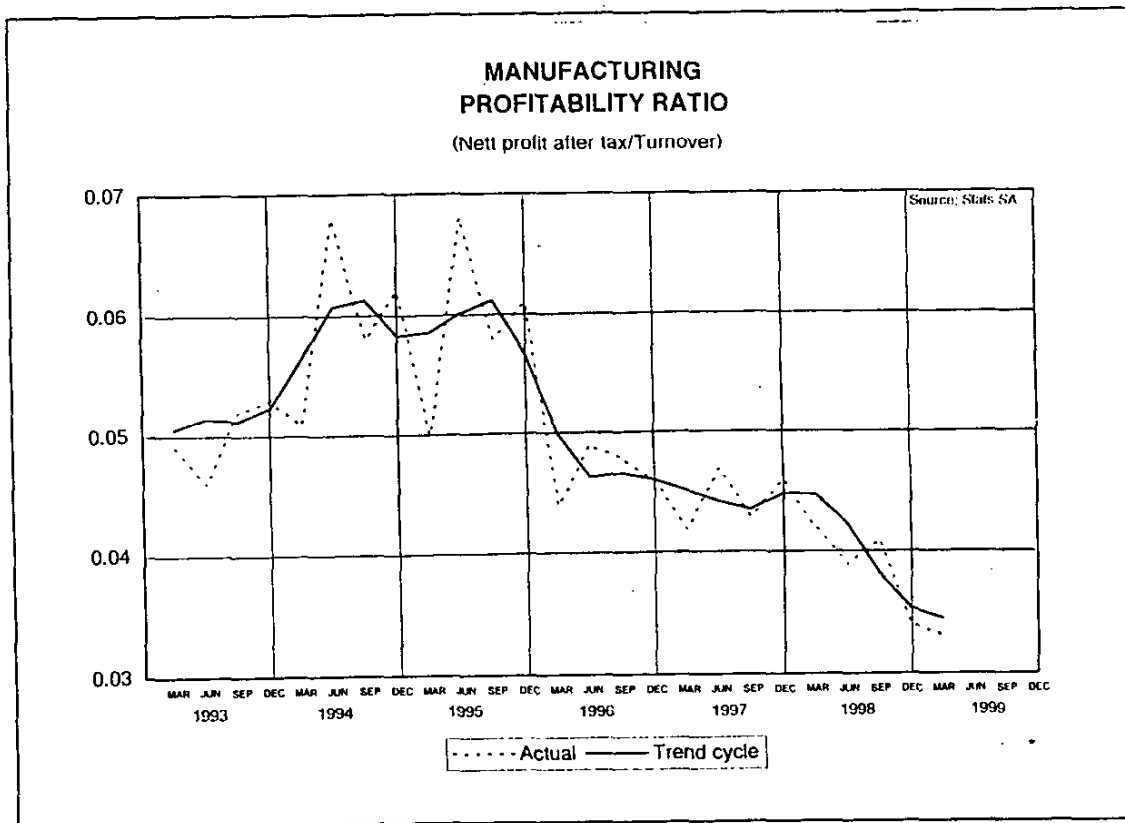


PROFITABILITY OF MANUFACTURING SECTOR CONTINUES TO DECLINE

The profitability ratio (net profit after tax on turnover) of the manufacturing sector for March 1999 (3,3%) was 0,9 of a percentage point lower than a year ago (4,2%). However, the profitability ratio remained on the same level after seasonal adjustment between the fourth quarter of 1998 and the first quarter of 1999 (3,4% for December 1998 to 3,5% for March 1999).

Profitability ratios for the food and beverage industries, the textile, clothing, leather and footwear industries, wood, paper and printing industries, the chemical products industries as well as the machinery and electrical machinery industries were lower in March 1999 than in March 1998. The basic metal industries showed a noteworthy increase during the same period (3,0% to 5,7%).

The ratio of interest paid to turnover increased from 2,5% for the first quarter of 1998 to 3,0% for the first quarter of 1999. The ratio of capital expenditure to turnover fell from 6,9% in December 1998 to 4,5% in March 1999. This decrease was the result of large capital projects finalised during the last quarter of 1998.



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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

Item	Per cent			
	Percentage change since previous quarter			
	MAR. 1999	DEC. 1998	SEP. 1998	MAR. 1998
	DEC. 1998	SEP. 1998	JUN. 1998	DEC. 1997
Net profit	-20,1	-9,5	8,4	-11,6
Interest paid	-4,2	8,4	5,4	-1,2
Capital expenditure on new assets	-41,1	34,7	4,9	-6,2
Selected assets -				
Stocks	1,3	2,1	-2,8	3,2

TABLE 1.2 - ANNUAL PERCENTAGE CHANGE IN SELECTED ITEMS

- MANUFACTURING

Per cent

Item	Percentage change since previous twelve months	
	Twelve months ended MAR. 1999 / Twelve months ended MAR. 1997	Twelve months ended DEC. 1998 / Twelve months ended DEC. 1997

TABLE 1.2.1 - SELECTED INCOME AND EXPENDITURE ITEMS

Turnover	3,8	3,7
Interest received	26,9	30,4
Interest paid	17,7	14,4
Rent paid -		
Land and buildings	15,9	14,4
Machinery, vehicles and other equipment	-2,3	-1,0
Depreciation	7,6	7,5
Net profit	-9,4	-3,3
Dividends paid	28,3	38,1
Income tax and company tax brought into account	-0,2	8,6

TABLE 1.2.2 - CAPITAL EXPENDITURE

New assets :		
Total	0,9	4,1
Buildings, improvements and construction works	4,0	59,4
Plant, machinery, furniture, fittings and other equipment	-1,1	-2,3
Vehicles	64,4	68,8
Used assets :	31,9	197,9

TABLE 1.2.3 - VALUE OF SELECTED ASSETS

Book value of land, buildings, machinery, furniture, fittings and other equipment	3,4	5,0
Stocks	-0,6	1,3

TABLE 2.1 - SELECTED OPERATING RATIOS
- MANUFACTURING

Ratios				
Item	MAR. 1999	DEC. 1998	MAR. 1998	1998
Turnover ratios :				
Turnover/Fixed assets	0,720	0,780	0,730	2,999
Profitability ratios :				
Net profit after tax/ Turnover	0,033	0,034	0,042	0,039
Net profit after tax/ Fixed Assets	0,024	0,027	0,031	0,117
Other ratios :				
Dividends paid/ Net profit after tax				0,551
Tax/Net profit				0,362

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

Item	MAR. 1999	DEC. 1998	MAR. 1998	1998
Total manufacturing	0,033	0,034	0,042	-21,43
Food, beverages and tobacco	0,055	0,055	0,061	-10,28
Textiles, clothing, leather and footwear	-0,011	-0,005	0,033	-133,54
Wood, paper, printing and publishing	0,046	-0,023	0,057	-19,29
Chemical products, petroleum rubber and plastic	0,030	0,041	0,049	-38,27
Basic metals and fabricated metal products	0,057	0,018	0,030	+91,92
Machinery, electrical machinery and transport equipment	-0,005	0,021	0,013	-136,36
Other industries	0,030	0,034	0,048	-38,50

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

Item	Per cent			
	MAR. 1999	DEC. 1998	MAR. 1998	1998

TABLE 3.1 - SELECTED INCOME
AND EXPENDITURE ITEMS

Credits				
Interest received	1,48	1,71	1,42	1,43
Dividends received	0,13	0,32	0,57	0,36
Royalties received	0,02	0,02	0,09	0,04
Rent received				
Land and buildings	0,08	0,07	0,07	0,07
Machinery, vehicles and other equipment	0,07	0,08	0,09	0,09
Profit on assets sold or revalued	0,17	0,23	1,68	0,79
Debits				
Interest paid	2,98	2,83	2,52	2,65
Royalties paid	0,38	0,47	0,44	0,45
Rent paid				
Land and buildings	0,54	0,50	0,48	0,48
Machinery, vehicles and other equipment	0,27	0,26	0,30	0,29
Depreciation	3,10	2,79	3,03	2,92
Losses on assets sold or revalued	0,23	0,47	0,38	0,38
Net profit	4,97	5,67	6,36	6,12

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

Dividends paid	2,03	2,08	2,39	2,16
Income tax and company tax brought into account	1,68	2,25	2,19	2,22

TABLE 3.3 - CAPITAL EXPENDITURE

New assets:				
Total	4,46	6,91	5,39	5,66
Buildings, improvements and construction works	0,63	0,95	1,02	0,01
Plant, machinery, furniture, fittings and other equipment	3,60	5,51	4,11	4,48
Vehicles	0,20	0,45	0,26	0,38
Used assets	0,11	0,07	0,26	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	138,66	127,85	136,40	33,35
Stocks	66,57	59,92	68,12	15,63

* Revised