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**Manufacturing: financial  
statistics  
September 1997**

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**Statistical release P3042.1**

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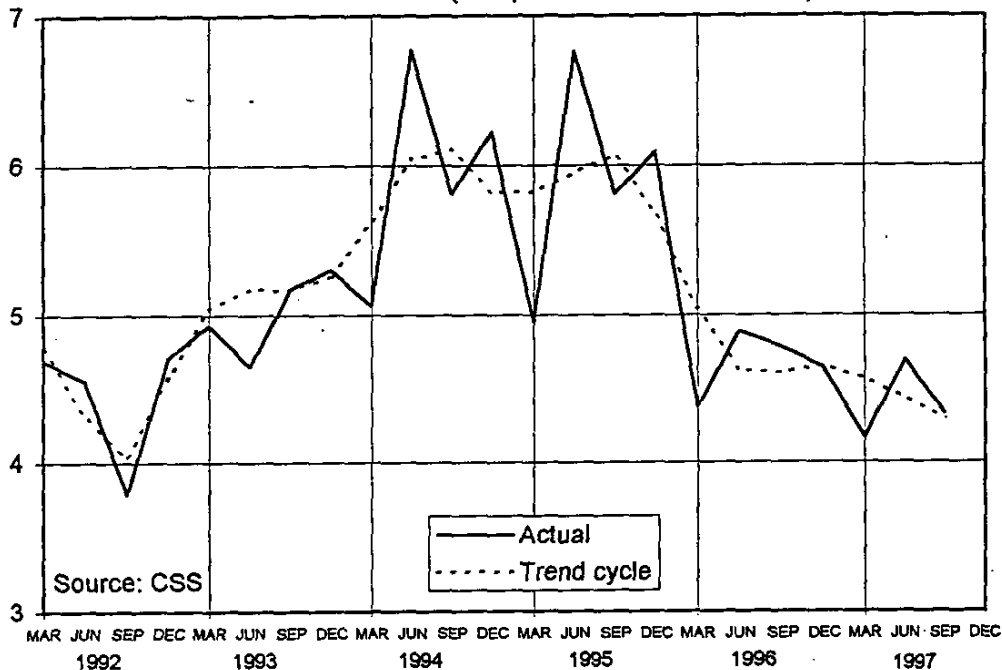
## PROFITABILITY OF FACTORIES DECREASES IN THE THIRD QUARTER OF 1997

The profitability ratio (net profit after tax/turnover) of the manufacturing sector for the third quarter of 1997 (4,32%) decreased by 0,37 of a percentage point compared with the second quarter of 1997 (4,69%) and is 0,46 of a percentage point lower than the 4,78% reported for the third quarter of 1996.

The 0,46 of a percentage point decrease between the third quarters of 1996 and 1997 is mainly due to decreases reported in the paper, industrial chemical, motor vehicle and transport equipment industries. Opposed to this, the food and metal products industries reported higher profitability ratios during this period.

The relative ratio of interest paid to turnover increased slightly in the third quarter of 1997 to 2,47%, and is 16,5% higher than for September 1996. The relative ratio of net profit to turnover decreased by 4,7% between the third quarter of 1996 and the third quarter of 1997. During the same period the relative ratio of stocks to turnover decreased by 1,2% from 64,97% to 64,2%.

### MANUFACTURING PROFITABILITY RATIO (Nett profit after tax / Turnover)



pp  
  
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**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			
	SEP. 1997	JUN.* 1997	MAR. 1997	SEP. 1996
	JUN. 1997	MAR. 1997	DEC. 1996	JUN. 1996
Net profit	-1,9	16,0	-18,5	2,9
Interest paid	5,5	3,3	6,1	-8,3
Capital expenditure on new assets	-6,4	-11,3	2,1	-14,6
Selected assets -				
Stocks	2,4	1,7	3,4	8,3
Bills and shortterm notes; trade debtors 1/	3,3	0,3	0,7	3,7

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 SEP. 1997 / Twelve months ended SEP. 1996	Twelve months ended JUN. 1997* / Twelve months ended JUN. 1996

TABLE 1.2.1 - SELECTED INCOME AND EXPENDITURE ITEMS

Turnover	8,3	9,8
Interest received	8,8	12,9
Interest paid	13,5	11,4
Rent paid -		
Land and buildings	21,7	19,6
Machinery, vehicles and other equipment	31,9	24,5
Depreciation	15,0	17,0
Net profit	-1,6	-3,2
Dividends paid	6,3	25,1
Income tax and company tax brought into account	4,5	1,7

TABLE 1.2.2 - CAPITAL EXPENDITURE

New assets :		
Total	8,9	10,4
Buildings, improvements and construction works	-31,7	0,7
Plant, machinery, furniture, fittings and other equipment	19,0	12,9
Vehicles	-10,2	2,3
Used assets :	-4,5	14,2

TABLE 1.2.3 - VALUE OF SELECTED ASSETS

Book value of land, buildings, machinery, furniture, fittings and other equipment	9,2	11,0
Stocks	2,4	8,3
Bills and short-term notes; trade debtors 1/	6,7	7,0
Call money and demand deposits and cash on hand 2/	0,8	1,3

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

2/ Excluding savings and term deposits.

TABLE 2.1 - SELECTED OPERATING RATIOS  
- MANUFACTURING

Item	Ratios			
	SEP. 1997	JUN. 1997*	SEP. 1996	1996
Turnover ratios :				
Turnover/Fixed assets	0,77	0,76	0,81	3,05
Debtors collection period (Debtors x period/ Turnover)	53 days	52 days	52 days	54 days
Profitability ratios :				
Net profit after tax/ Turnover	4,32%	4,69%	4,78%	4,68%
Net profit after tax/ Fixed Assets	3,33%	3,56%	3,89%	14,24%
Other ratios :				
Dividends paid/ Net profit after tax				0,32
Tax/Net profit				0,32

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

Item	Ratios			
	SEP. 1997	JUN. 1997	SEP. 1996	1996
Total manufacturing	4,32%	4,69%	4,78%	4,68%
Food, beverages and tobacco	4,65%	4,72%	4,05%	5,10%
Textiles, clothing, leather and footwear	3,90%	4,04%	3,91%	2,78%
Wood, paper and printing and publishing	7,33%	7,07%	8,13%	6,29%
Chemical products, petro- leum, rubber and plastic	6,41%	6,78%	6,49%	6,52%
Basic metals and fabricated metal products	10,39%	5,90%	5,15%	4,98%
Machinery, electrical machi- nery and transport equipment	-0,24%	0,39%	2,21%	1,97%
Other industries	3,55%	4,21%	4,31%	4,15%

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

Item	Per cent			
	SEP. 1997	JUN. 1997 *	SEP. 1996	1996

TABLE 3.1 - SELECTED INCOME  
AND EXPENDITURE ITEMS

Credits				
Interest received	1,14	1,20	1,16	1,20
Dividends received	0,13	0,45	0,24	0,30
Royalties received	0,01	0,01	0,01	0,01
Rent received				
Land and buildings	0,06	0,06	0,06	0,07
Machinery, vehicles and other equipment	0,12	0,12	0,08	0,09
Profit on assets sold or revalued	0,12	0,18	0,59	0,25
Debits				
Interest paid	2,47	2,40	2,12	2,26
Royalties paid	0,44	0,45	0,43	0,43
Rent paid				
Land and buildings	0,42	0,44	0,36	0,36
Machinery, vehicles and other equipment	0,29	0,29	0,21	0,24
Depreciation	2,64	2,77	2,42	2,50
Losses on assets sold or revalued	0,03	0,51	0,09	0,07
Net profit	6,54	6,81	6,86	6,84

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

Dividends paid	1,63	1,33	1,80	1,50
Income tax and company tax brought into account	2,22	2,12	2,08	2,17

TABLE 3.3 - CAPITAL EXPENDITURE

New assets:				
Total	4,62	5,04	4,77	5,22
Buildings and improvements				
Residential buildings	..	..	0,01	0,01
Non-residential buildings	..	..	0,53	0,52
Construction works	0,22	0,38	0,38	0,40
Plant, machinery, furniture, fittings and other equipment	4,24	4,44	3,53	3,96
Vehicles	0,17	0,23	0,31	0,33
Used assets	0,08	0,05	0,16	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	129,47	131,65	122,89	32,83
Stocks	64,20	64,06	64,97	15,83
Bills and short-term notes; trade debtors 1/ Call money and demand deposits and cash on hand 2/	58,01	57,36	56,36	14,75
Goodwill, patents and trade marks etc.	12,85	14,74	13,21	3,23
	3,17	3,14	3,44	0,80

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

\* Revised