

Statistical release P7000

Transport, post and telecommunication industry

2006

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Summary of findings for the year 2006

Transport

Income

The total income for the transport industry in 2006 was R159 551 million (Table 1). The largest contributor to the total income was 'Air transport' (R33 772 million or 21,2%), followed by 'Freight transport by road' (R29 297 million or 18,4%) and 'Activities of other transport agencies' (R26 752 million or 16,8%). The total income represents an increase of 7,1% per annum over the income reported to the corresponding survey of 2002 (R121 193 million) (Statistical release P7101).

Analysis of income by enterprise size in the transport industry indicates that large enterprises (those with turnover greater than R26 million) earned 85,1% (or R135 722 million) of the total income (Table 3).

Expenditure

The total expenditure for the transport industry in 2006 was R145 618 million (Table 1). The largest contributor to the total expenditure in the transport industry was 'Air transport' (R33 436 million or 23,0%), followed by 'Freight transport by road' (R27 830 million or 19,1%) and 'Activities of other transport agencies' (R25 239 million or 17,3%).

The total expenditure in the transport industry was primarily made up of purchases (R48 684 million or 33,4%), and salaries and wages (R29 992 million or 20,6%) (Table 5).

Net profit before tax

Net profit before tax in the transport industry was R14 114 million (Table 1). The largest contributor to the net profit before tax was 'Other supporting transport activities' (R5 952 million or 42,2%), followed by 'Railway transport' (R1 618 million or 11,5%), and 'Activities of other transport agencies' (R1 536 million or 10,9%).

Profit margin

The profit margin (net profit before tax as a percentage of turnover) for the transport industry was 6,4% (Table 1). 'Transport by pipeline' had the highest profit margin at 26,8%, followed by 'Other supporting transport activities' at 26,2% and 'Travel agencies and related activities' at 12,1%.

Employment

The total number of persons employed in the transport industry at end June 2006 was 235 444 (Table 5). 'Freight transport by road' employed the largest number of persons (63 514 or 27,0%), followed by 'Railway transport' (41 581 or 17,6%), and 'Other supporting transport activities' (31 791 or 13,5%). The total represents an increase of 0,9% per annum over the number of employees reported to the corresponding survey of 2002 (226 939) (Statistical release P7101).

Large enterprises (those with turnover exceeding R26 million) employed 71,8% of the workers in the transport industry (Table 6). The proportion of females in the work force was 22,6%, ranging from 13,2% in 'Other scheduled land transport' to 56,7% in 'Travel agencies and related activities' (Table 5).

Salaries and wages

Gross salaries and wages paid to employees in 2006 amounted to R29 992 million (Table 4). Employees employed in 'Railway transport' accounted for the largest proportion of salaries and wages paid (R6 057 million or 20,2%), followed by 'Freight transport by road' (R5 866 million or 19,6%) and 'Activities of other transport agencies' (R4 580 million or 15,3%).

Post and telecommunication

Income

The total income for the post and telecommunication industry in 2006 was R136 859 million (Table 1). The largest contributor to the total income was 'Telecommunication' (R129 720 million or 94,8%). The total income represents an increase of 10,5% per annum over the income reported to the corresponding large sample survey of 2002 (R91 734 million) (Statistical release P7501).

Analysis of income by enterprise size in the post and telecommunication industry indicates that large enterprises (those with turnover greater than R26 million) earned 99,0% (or R135 508 million) of the total income (Table 3).

Expenditure

The total expenditure for the post and telecommunication industry in 2006 was R111 211 million (Table 1). The largest contributor to the total expenditure was 'Telecommunication' (R104 939 million or 94,4%).

The total expenditure in the post and telecommunication industry was primarily made up of purchases (R46 552 million or 41,9%) and salaries and wages (R15 436 million or 13,9%) (Table 5).

Net profit before tax

Net profit before tax in the post and telecommunication industry was R26 251 million (Table 1). The largest contributor to the net profit before tax was 'Telecommunication' (R25 410 million or 96,8%).

Profit margin

The profit margin (net profit before tax as a percentage of turnover) for the post and telecommunication industry was 14,5% (Table 1). 'Telecommunication' had the highest profit margin at 14,8%.

Employment

The total number of persons employed in the post and telecommunication industry at end June 2006 was 75 570 (Table 5). 'Telecommunication' employed the largest number of persons (50 589 or 66,9%). The total represents a decrease of 5,1% per annum compared to the number of employees reported to the corresponding survey of 2002 (93 429) (Statistical release P7101).

Large enterprises (those with turnover exceeding R26 million) employed 99,0% of the workers in the Post and telecommunication industry (Table 6).

The proportion of females in the work force was 38,5% (Table 5).

Salaries and wages

Gross salaries and wages paid to employees in the post and telecommunication industry in 2006 amounted to R15 436 million (Table 4). Employees employed in 'Telecommunication' accounted for the largest proportion of salaries and wages paid (R12 713 million or 82,4%).

P J Lehohla Statistician-General

Table 1. Principal statistics in the Transport, post and telecommunication industry, 2006

Type of service	Total income	Total expenditure	Net profit before tax	Total value of opening inventory	Total value of closing inventory	Book value of fixed assets: opening	Book value of fixed assets: closing	Profit margin
				R mi	llion			
Railway transport	16 487	15 079	1 618	503	713	20 257	19 509	4,8
Other scheduled passenger land transport	5 354	4 926	503	34	90	2 496	2 492	10,0
Other non-scheduled passenger land transport	947	842	105	3	3	368	421	8,3
Freight transport by road	29 297	27 830	1 436	258	227	9 287	10 354	3,6
Transport by pipeline	1 116	771	299	112	66	3 419	3 508	26,8
Sea and coastal water transport	8 849	8 789	64	78	82	836	1 101	-0,3
Air transport	33 772	33 436	207	1 227	1 098	15 797	13 864	0,2
Cargo handling	6 867	5 698	1 187	86	103	3 931	4 657	11,6
Storage and warehousing	3 961	3 702	262	4	7	1 325	1 435	4,0
Other supporting transport activities	19 081	13 148	5 952	55	74	28 192	32 143	26,2
Travel agencies and related activities	7 068	6 158	945	113	149	885	868	12,1
Activities of other transport agencies	26 752	25 239	1 536	304	327	2 001	5 279	4,3
Total transport	159 551	145 618	14 114	2 777	2 939	88 794	95 631	6,4
National postal activities	4 754	4 016	712	100	74	1 376	1 101	11,6
Courier activities	2 385	2 256	129	0	0	187	256	4,8
Telecommunication	129 720	104 939	25 410	2 752	3 381	52 183	58 536	14,8
Total communication	136 859	111 211	26 251	2 852	3 455	53 746	59 893	14,5

Table 2. Income in the Transport, post and telecommunication industry, 2006

Type of service	Sales	Services	Subsidies	Interest	Rental of land, buildings and equipment	Other	Total income				
	R million										
Railway transport	0	15 352	1 041	13	0	81	16 487				
Other scheduled passenger land transport	67	3 734	1 014	13	8	517	5 354				
Other non-scheduled passenger land transport	0	878	0	4	0	64	947				
Freight transport by road	2 121	26 427	1	73	190	486	29 297				
Transport by pipeline	0	1 061	0	47	1	7	1 116				
Sea and coastal water transport	38	8 627	1	26	1	158	8 849				
Air transport	180	32 330	0	208	423	631	33 772				
Cargo handling	172	6 586	11	41	17	39	6 867				
Storage and warehousing	298	3 568	0	24	30	42	3 961				
Other supporting transport activities	1 027	14 853	45	294	740	2 122	19 081				
Travel agencies and related activities	494	6 244	0	57	1	272	7 068				
Activities of other transport agencies	933	24 437	1	473	145	765	26 752				
Total transport	5 330	144 097	2 114	1 273	1 556	5 184	159 551				
National postal activities	3 993	84	87	284	0	306	4 754				
Courier activities	528	1 824	0	9	1	23	2 385				
Telecommunication	27 510	96 716	51	892	171	4 380	129 720				
Total communication	32 031	98 624	138	1 185	172	4 709	136 859				

Table 3. Income by enterprise size in the Transport, post and telecommunication industry, 2006

Type of service	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total			
	R million							
Railway transport	16 487	0	0	0	16 487			
Other scheduled passenger land transport	3 776	346	679	554	5 355			
Other non-scheduled passenger land transport	524	47	200	176	947			
Freight transport by road	21 545	2 482	3 803	1 468	29 298			
Transport by pipeline	1 114	0	0	3	1 117			
Sea and coastal water transport	8 498	138	136	77	8 849			
Air transport	32 974	409	331	58	33 772			
Cargo handling	6 541	146	166	14	6 867			
Storage and warehousing	2 729	710	430	92	3 961			
Other supporting transport activities	13 568	1 366	1 852	2 294	19 080			
Travel agencies and related activities	4 525	482	1 196	865	7 068			
Activities of other transport agencies	23 441	1 354	1 456	501	26 752			
Total transport	135 722	7 480	10 249	6 102	159 553			
National postal activities	4 577	34	59	83	4 753			
Courier activities	2 263	59	49	14	2 385			
Telecommunication	128 668	337	476	239	129 720			
Total communication	135 508	430	584	336	136 858			

Table 4. Expenditure in the Transport, post and telecommunication industry, 2006

Type of service	Salaries and wages	Purchases	Advertising	Depreciation	Interest	Rental of land and buildings	Vehicle maintenance
				R million			
Railway transport	5 981	1 068	33	743	936	171	0
Other scheduled passenger land transport	1 286	1 000	10	331	127	64	395
Other non-scheduled passenger land transport	171	174	76	53	23	12	36
Freight transport by road	5 866	7 046	38	1 687	563	348	1 366
Transport by pipeline	113	0	1	237	298	1	4
Sea and coastal water transport	465	6 219	3	63	110	22	9
Air transport	4 122	16 981	560	1 416	823	194	130
Cargo handling	1 892	587	14	397	71	461	213
Storage and warehousing	902	1 012	4	165	75	175	245
Other supporting transport activities	3 046	2 401	30	1 502	1 194	131	645
Travel agencies and related activities	1 568	2 548	93	119	45	176	54
Activities of other transport agencies	4 580	9 648	79	386	356	244	162
Total transport	29 992	48 684	941	7 099	4 621	1 999	3 259
National postal activities	2 010	85	77	150	120	128	47
Courier activities	713	284	28	66	29	49	97
Telecommunication	12 713	46 183	2 555	8 742	2 552	1 576	127
Total communication	15 436	46 552	2 660	8 958	2 701	1 753	271

Table 4. Expenditure in the Transport, post and telecommunication industry, 2006 (continued)

Type of service	Railage and transport out	Rental of plant, machinery and equipment	Tele- communication	Repair and maintenance	Travelling	Insurance	Other	Total
				R million				
Railway transport	80	637	224	2 619	79	91	2 435	15 097
Other scheduled passenger land transport	29	98	30	182	10	156	1 208	4 926
Other non-scheduled passenger land transport	0	31	8	52	4	23	179	842
Freight transport by road	322	1 077	267	1 192	146	627	7 285	27 830
Transport by pipeline	1	9	21	26	5	1	54	771
Sea and coastal water transport	0	300	13	92	18	18	1 457	8 789
Air transport	69	3 391	162	457	244	426	4 461	33 436
Cargo handling	86	177	42	376	33	54	1 295	5 698
Storage and warehousing	51	141	31	74	9	41	777	3 702
Other supporting transport activities	236	391	170	534	72	273	2 505	13 130
Travel agencies and related activities	0	46	111	31	36	44	1 287	6 158
Activities of other transport agencies	1 700	298	250	159	140	146	7 091	25 239
Total transport	2 574	6 596	1 329	5 794	796	1 900	30 034	145 618
National postal activities	271	56	103	31	27	26	885	4 016
Courier activities	101	32	75	47	9	33	693	2 256
Telecommunication	5	1 234	417	2 823	237	211	25 564	104 939
Total communication	377	1 322	595	2 901	273	270	27 142	111 211

Table 5. Employment in the Transport, post and telecommunication industry at the end of June, 2006

Type of service	Male employees	Female employees	Total	Workers from labour contractors
Railway transport	35 146	6 436	41 581	3 526
Other scheduled passenger land transport	15 918	2 417	18 336	1 066
Other non-scheduled passenger land transport	1 907	538	2 445	125
Freight transport by road	54 381	9 196	63 514	6 064
Transport by pipeline	371	95	466	0
Sea and coastal water transport	1 903	454	2 357	631
Air transport	10 090	7 419	17 509	609
Cargo handling	9 097	1 744	10 841	1 051
Storage and warehousing	7 806	1 641	9 447	1 199
Other supporting transport activities	25 764	6 027	31 791	1 763
Travel agencies and related activities	6 781	8 892	15 674	236
Activities of other transport agencies	13 149	8 334	21 483	1 283
Total transport	182 313	53 193	235 444	17 553
National postal activities	10 159	6 939	17 098	1 099
Courier activities	5 266	2 526	7 883	307
Telecommunication	30 944	19 645	50 589	1 317
Total communication	46 369	29 110	75 570	2 723

Table 6. Employment by enterprise size in the Transport, post and telecommunication industry at the end of June, 2006

Town of comics	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total
Type of service			Employees		
Railway transport	41 581	0	0	0	41 581
Other scheduled passenger land transport	12 697	1 177	1 833	2 629	18 336
Other non-scheduled passenger land transport	1 019	30	395	1 001	2 445
Freight transport by road	41 349	5 518	9 739	6 908	63 514
Transport by pipeline	448	0	0	18	466
Sea and coastal water transport	1 560	223	336	239	2 358
Air transport	16 687	227	413	182	17 509
Cargo handling	9 929	356	477	79	10 841
Storage and warehousing	4 254	3 132	1 763	299	9 448
Other supporting transport activities	13 061	3 674	6 177	8 878	31 790
Travel agencies and related activities	9 068	943	1 554	4 109	15 674
Activities of other transport agencies	17 386	675	2 005	1 417	21 483
Total transport	169 039	15 955	24 692	25 759	235 445
National postal activities	16 657	113	48	280	17 098
Courier activities	7 223	448	146	66	7 883
Telecommunication	46 893	1 288	1 271	1 137	50 589
Total communication	70 773	1 849	1 465	1 483	75 570

Table 7. Book value of assets at the end of the year in the Transport, post and telecommunication industry, 2006

Type of service	Land	Residential buildings	Non- residential buildings	Construction works	Computers and IT equipment	Motor vehicles and other transport equipment	Plant, machinery and equipment	Fixed assets: computer software	Other intangible fixed assets	Intangible non- produced assets	Total
		R million									
Railway transport	0	0	0	0	0	36	19 473	0	0	0	19 509
Other scheduled passenger land transport	93	3	20	0	3	2 185	104	0	40	11	2 492
Other non- scheduled passenger land transport	6	27	8	0	4	353	17	0	0	6	421
Freight transport by road	289	99	175	2	142	7 918	1 247	33	7	407	10 354
Transport by pipeline	0	0	140	0	0	1	28	9	243	0	3 508
Sea and coastal water transport	1	4	9	54	12	798	69	1	15	118	1 101
Air transport	1 901	15	1 690	826	568	7 502	484	2	0	7	13 864
Cargo handling	40	68	431	1	22	221	2 878	12	3	66	4 657
Storage and warehousing	218	6	259	109	35	284	460	13	8	7	1 435
Other supporting transport activities	1 101	150	6 396	5 157	77	2 055	1 689	125	4 951	605	32 143
Travel agencies and related activities	74	13	5	0	48	246	107	15	0	350	868
Activities of other transport agencies	549	45	1 954	3	159	437	1 394	30	7	666	5 279
Total transport	4 272	430	11 087	6 152	1 070	22 036	27 950	240	5 274	2 243	95 631

Table 7. Book value of assets at the end of the year in the Transport, post and telecommunication industry, 2006 (continued)

Type of service	Land	Residential buildings	Non- residential buildings	Construction works	Computers and IT equipment	Motor vehicles and other transport equipment	Plant, machinery and equipment	Fixed assets: computer software	Other intangible fixed assets	Intangible non- produced assets	Total
		R million									
National postal activities	543	2	0	0	109	220	170	54	0	1	1 101
Courier activities	0	2	2	0	16	126	44	3	0	61	256
Telecommunication	242	826	13 818	2 190	25 445	201	6 459	4 317	3 325	883	58 536
Total communication	785	830	13 820	2 190	25 570	547	6 673	4 374	3 325	945	59 893

Table 8. Company tax, dividends, assets, owners' equity and liabilities in the Transport, post and telecommunication industry, 2006

Type of service	Company tax	Cash dividends	Other dividends	Assets	Owners' equity	Non- current liabilities	Current liabilities	Total liabilities		
	R million									
Railway transport	892	0	0	22 480	9 531	9 538	3 410	12 948		
Other scheduled passenger land transport	123	108	0	4 066	1 162	1 479	1 425	2 904		
Other non-scheduled passenger land transport	32	7	0	672	190	157	325	482		
Freight transport by road	403	137	6	17 633	3 852	6 888	6 893	13 781		
Transport by pipeline	14	198	0	3 766	2 263	1 201	302	1 503		
Sea and coastal water transport	86	192	0	5 137	1 881	1 591	1 665	3 256		
Air transport	149	50	0	23 730	2 636	7 961	13 133	21 094		
Cargo handling	401	814	0	5 870	3 680	676	1 515	2 191		
Storage and warehousing	106	91	0	3 793	703	788	2 302	3 090		
Other supporting transport activities	1 629	461	0	36 594	23 820	6 932	5 841	12 773		
Travel agencies and related activities	128	91	1	4 169	470	1 178	2 521	3 699		
Activities of other transport agencies	450	146	4	34 168	5 816	5 894	22 459	28 353		
Total transport	4 413	2 295	11	162 078	56 004	44 283	61 791	106 074		
National postal activities	240	0	0	5 418	887	704	3 827	4 531		
Courier activities	16	1	0	892	-30	373	549	922		
Telecommunication	7 053	9 464	0	111 685	32 332	29 626	49 726	79 352		
Total communication	7 309	9 465	0	117 995	33 189	30 703	54 102	84 805		

Explanatory notes

Background

The results presented in this publication have been derived from the 2006 Large Sample Survey of Transport, post and telecommunication. This is a periodic survey which measures economic activity in the Transport, post and telecommunication sector of the South African economy. This survey is based on a sample of private and public enterprises operating in the Transport, post and telecommunication industry.

This publication summarises the financial data of the transport, post and telecommunication industry. Operational data, including volume indicators, will be published in a subsequent report.

The sample was drawn from Stats SA's business register. The business register is based mainly on the income tax (IT) and value-added tax (VAT) databases of the South African Revenue Service (SARS). All enterprises are legally bound to register for either VAT or IT or both. Enterprises registered in the taxation system are included on the business register, and hence were given a chance of selection in the sample for the survey.

The last large sample surveys of the transport, post and telecommunication industry were conducted for the year 2002 (Statistical release P7101 The transport industry, 2002 and Statistical release P7501 The post and telecommunication industry, 2002).

Value Added Tax (VAT)
Reference period

All figures exclude Value Added Tax (VAT).

The information was collected from enterprises for their financial year, which ended on any date between 1 July 2005 and 30 June 2006.

Purpose of the survey

Results of the survey are used within Stats SA for compiling the Gross Domestic Product (GDP) and its components. These statistics are also used by government policy advisers in monitoring the performance and contribution of individual industry to the South African economy and the effectiveness of industry policies, and by private-sector users in analyses of comparative business and industry performance.

Scope and coverage

This survey covers enterprises registered in the taxation system that are mainly engaged in Transport, post and telecommunication. It includes the following detailed industry within its scope:

- (i) Railway transport
- (ii) Other scheduled passenger land transport
- (iii) Other non-scheduled passenger land transport
- (iv) Freight transport by road
- (v) Transport via pipelines
- (vi) Water transport
- (vii) Air transport
- (viii) Cargo handling
- (ix) Storage and warehousing
- (x) Other supporting transport activities
- (xi) Travel agencies and related activities
- (xii) Activities of other transport agencies
- (xiii) National postal activities
- (xiv) Courier services
- (xv) Telecommunication

Including

• The South African operations of foreign based airlines were included (they were excluded in the 2002 transport industry survey (Statistical release P7101)).

Excluding

- Most minibus taxi operators were excluded because they are not registered in the taxation system. The taxi recapitalisation programme makes provision for registration, so that once it is completed, the minibus taxi operators will be included in future large sample surveys of the transport, post and telecommunication industry.
- Enterprises for which transport is a secondary activity were excluded. In particular, enterprises whose main activity is retail or wholesale trade and whose secondary activity is freight transport by road were excluded.

Classification by industry

The 1993 edition of the *Standard Industrial Classification of all Economic Activities* (SIC), Fifth Edition, Report No. 09-09-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 *International Standard Industrial Classification of all Economic Activities* (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at SIC division (four-digit) level. Each enterprise is classified to an industry, which reflects its predominant activity.

Statistical unit

The statistical unit for the collection of the information is an enterprise. An enterprise is a legal unit (or a combination of legal units) that includes and directly controls all functions necessary to carry out its production activities.

Size groups

The enterprises are divided into four size groups according to the value of turnover recorded for them on the Stats SA business register. Large enterprises are those with an annual recorded turnover of R26 million and above. Table A presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points,

Table A. Size groups for the Transport, post and communication industry

Size group	Turnover
Large	Turnover > R26 000 000
Medium	R13 000 000 < Turnover < R26 000 000
Small	R6 000 000 < Turnover < R13 000 000
Micro	Turnover < R6 000 000

Survey methodology and design

The survey was conducted by post, email, fax, telephone and personal visits.

A sample of 2 162 enterprises was drawn from a frame of 27 552 using stratified simple random sampling. The enterprises were first stratified at four-digit level according to the SIC and then by size of enterprises. All large enterprises are completely enumerated. Turnover as recorded on the business register was used as the measure of size for stratification.

Weighting methodology

For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated stratum to form division estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website www.statssa.gov.za/publications/publicationsearch.asp.

Relative standard error

Figures presented in this publication are estimated from a sample and are, therefore, subject to sampling variability; that is, figures may differ from those that would have been produced if all enterprises in the transport, post and telecommunication industry in South Africa had been included.

One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of enterprises was used. The relative standard error (RSE) provides an immediate indication of the percentage errors likely to have occurred as a result of sampling, and thus avoids the need to refer to the size of the estimate.

Table B. Income in the Transport, post and telecommunication industry within 95% confidence limits 2006

Type of service	Lower limit	Total income	Upper limit	Relative standard error
	R million			%
Railway transport	16 516	16 746	16 975	0,7
Other scheduled passenger land transport	5 060	5 354	5 647	2,8
Other non-scheduled passenger land transport	657	947	1 236	15,6
Freight transport by road	27 574	29 297	31 019	3,0
Transport by pipeline	1 116	1 116	1 116	0,0
Sea and coastal water transport	8 710	8 849	8 987	0,8
Air transport	33 374	33 772	34 169	0,6
Cargo handling	6 799	6 867	6 934	0,5
Storage and warehousing	3 642	3 961	4 279	4,1
Other supporting transport activities	17 125	18 822	20 518	4,6
Travel agencies and related activities	6 098	7 068	8 037	7,0
Activities of other transport agencies	25 021	26 752	28 482	3,3
Total transport	153 922	159 551	165 179	1,8
National postal activities	4 670	4 754	4 837	0,9
Courier activities	2 366	2 385	2 403	0,4
Telecommunication	129 465	129 720	129 974	0,1
Total communication	136 590	136 859	137 127	0,1

Non-sampling errors

Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in the collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to minimise non-sampling errors by careful design of questionnaires, testing them in pilot studies, editing reported data and implementing efficient operating procedures. Non-sampling errors occur in both sample surveys and censuses.

Comparability with previously published information Rounding of figures

The information in this publication is comparable with the information published from the transport and post and telecommunication large sample surveys of 2002 (with provision for the inclusion of foreign airlines in 2006 and not in 2002).

The figures in the tables have, where necessary, been rounded to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items of the totals shown.

Abbreviations

BR Business register

DTI Department of Trade and Industry

GDP Gross Domestic Product

International Standard Industrial Classification of all

ISIC Economic Activities

IT Income tax

RSE Relative standard error

SARS South African Revenue Service

SE Standard error

SIC Standard Industrial Classification of all Economic Activities

SNA System of National Accounts

Stats

SA Statistics South Africa VAT Value-added tax

Glossary

Permanent employees Employees appointed on an open-ended contract with no stipulated termination date, and who are entitled to benefits such as

paid leave and medical aid contributions.

Temporary employees Casual employees Employees appointed on a short-term contract basis for periods normally not exceeding one year.

Employees who fall neither within the 'permanent employee' category nor within that of a 'temporary employee'. Such

employees are typically working daily or hourly.

Employees Employees are those people employed by the business or organisation who received payment (in salaries, wages,

commission, piece rates or payments in kind) for the last pay period ended on or before 30 June 2006.

Enterprise A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its

production activities.

IndustryAn industry is made up of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the

System of National Accounts (SNA) in the same way as in the Standard Industrial Classification of all Economic Activities. Fifth

Edition, Report No. 09-90-02 of January 1993 (SIC).

Net profit or loss before

tax

Net profit or loss before tax is derived as:

Total income **plus** Closing stocks **minus** Total expenditure **minus** Opening stocks

Profit margin Profit margin is derived as:

Net profit or loss after tax divided by turnover multiplied by 100

Statistical unitA unit about which statistics are tabulated, compiled or published. The statistical units are derived from and linked to the

South African Revenue Service (SARS) administrative data.

Stratum A stratum is constructed by concatenating the SIC classification and size group variables

Turnover Turnover includes:

the value of sales

amounts received for work done

amounts received for services rendered

rent and/or lease payments received for land and buildings

rent, leasing and hiring received for machinery, vehicles and other equipment

Turnover excludes:

value-added tax (VAT)

net profit or loss on sales or revaluation of fixed assets (including profit or loss on foreign exchange)

export freight charges interest received and

excise duty

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