

Economic activity survey 2001, 2002 and 2003

**Embargoed until:
23 November 2004
11:00**

Contents	Page
Key findings	3
Notes	13
Table 1a Selected income and expenditure items: Mining and quarrying industry.....	14
Table 1b Selected operating ratios: Mining and quarrying industry.....	14
Table 2a Selected income and expenditure items: Manufacturing industry.....	15
Table 2b Selected operating ratios: Manufacturing industry.....	15
Table 3a Selected income and expenditure items: Electricity, gas and water supply industry....	16
Table 3b Selected operating ratios: Electricity, gas and water supply industry.....	16
Table 4a Selected income and expenditure items: Construction industry.....	17
Table 4b Selected operating ratios: Construction industry.....	17
Table 5a Selected income and expenditure items: Trade industry.....	18
Table 5b Selected operating ratios: Trade industry.....	18
Table 6a Selected income and expenditure items: Transport, storage and communication industry.....	19
Table 6b Selected operating ratios: Transport, storage and communication industry.....	19
Table 7a Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance)	20
Table 7b Selected operating ratios: Real estate and other business services industry (excluding financial intermediation and insurance).....	20
Table 8a Selected income and expenditure items: Community, social and personal services industry (excluding government institutions).....	21
Table 8b Selected operating ratios: Community, social and personal services industry (excluding government institutions).....	21
Technical notes	22
Table A Estimates of turnover by industry within 95% confidence limits: 2001, 2002 and 2003.....	23
Table B Comparison of operating ratios between 2001, 2002 and 2003	24
Table C Turnover by industry for 2001, 2002 and 2003	25
Table D Standard Industrial Classification of All Economic Activities (SIC)	26
Explanatory notes	28
Table E Cut-off points for the various size groups by industry.....	31
Table F Comparison of estimates of the large sample surveys of motor trade and transport industries regarding total income with estimates from the EAS 2002.....	32
Glossary	34
General information	37

Description of the Economic Activity Survey

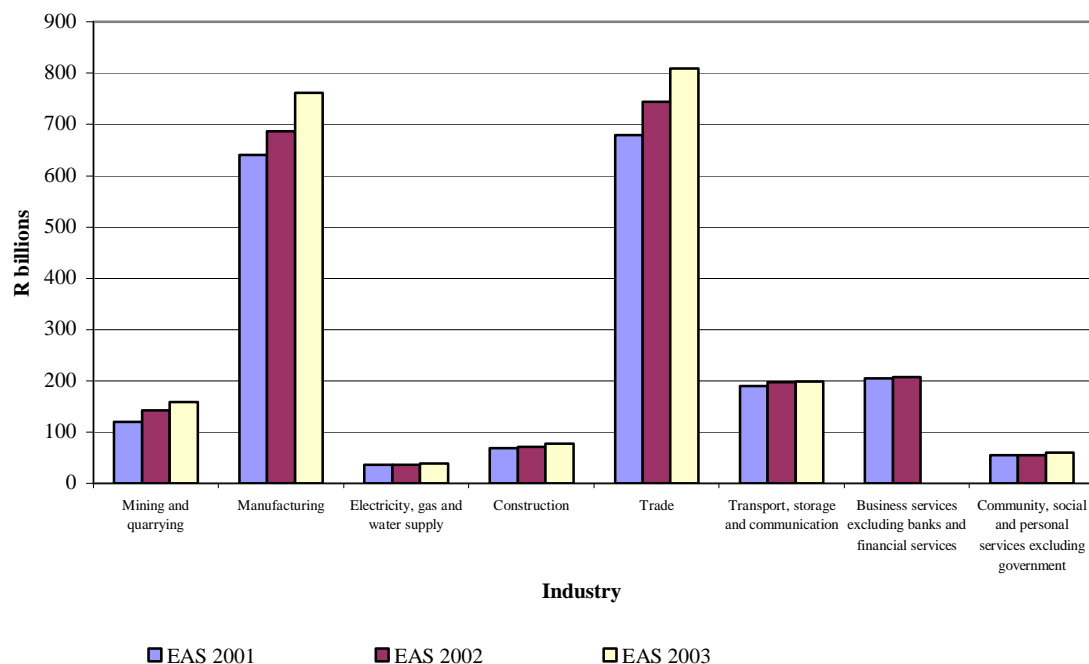
The Economic Activity Survey (EAS) is an annual survey, which measures overall activity in the South African economy. It is based on a sample of private and public enterprises operating in the formal non-agricultural business sector of the economy, excluding financial intermediation, insurance and government institutions. The survey is designed to provide information on selected income and expenditure items and the consolidated balance sheet. Information is collected for the financial years of enterprises that ended on any date between 1 July of one year and 30 June of the following year. The results are used within Statistics South Africa (Stats SA) for compiling the annual national accounts. Other users will include the South African Reserve Bank, government organisations, researchers and academics.

Note: Exclusion of business services in EAS 2003

A large sample survey of businesses classified to the business services industry was undertaken in 2003. In order to minimise respondent burden, this industry was excluded from the EAS 2003 with the intent to insert the results of the large sample survey with the other estimates. Unfortunately, the results from the large sample survey are not yet available and the 2003 EAS excludes business services from the estimates. Once the results from the large sample survey are available there will be a re-issue of this publication with business services included. In 2002, business services income amounted to R221 996 million, while total expenditure and profit before tax were R201 326 million and R21 722 million respectively.

Key findings

Figure 1 - Turnover per industry per year at current prices¹



Turnover by industry

The total turnover of the *mining and quarrying* industry was estimated to be R158 829 million for 2003 (at current prices), following estimates of R142 502 million for 2002 and R120 758 million for 2001.

- This reflects an increase of 11,5% in turnover for 2003 compared with 2002, which is mainly due to higher turnover reported by large enterprises active in the mining of metal ores other than gold and uranium.
- The increase in turnover between 2001 and 2002 is mainly due to higher reported turnover by large enterprises active in gold and uranium ore mining activities.

The total turnover of the *manufacturing industry* was estimated to be R761 475 million for 2003 (at current prices), following estimates of R686 339 million for 2002 and R640 610 million for 2001.

- This reflects an increase of 10,9% in turnover for 2003 compared with 2002, which is mainly due to increased activity in the manufacture of transport equipment, basic metals, fabricated metal products, machinery and equipment, accounting and computing machinery.
- The increase in turnover between 2001 and 2002 is mainly due to higher reported turnover by manufacturers of coke, refined petroleum products and nuclear fuel.

The total turnover of the *electricity, gas and water supply industry* was estimated to be R39 011 million for 2003 (at current prices), following estimates of R35 929 million for 2002 and R36 145 million for 2001.

¹ Please note that the 2003 estimates exclude business services. See note on page 2.

- This reflects an increase of 8,6% in turnover for 2003 compared with 2002, which is due to higher turnover reported by large enterprises in this industry.

The total turnover of the *construction industry* was estimated to be R77 215 million for 2003 (at current prices), following estimates of R71 230 million for 2002 and R68 547 million for 2001, which reflects increases of 8,4% in turnover for 2003 compared with 2002 and 3,9% for 2002 compared with 2001.

- The increases in turnovers between 2001, 2002 and 2003 are mainly due to higher reported turnover by enterprises active in construction projects and civil engineering activities.

The total turnover of the *trade industry* was estimated to be R809 298 million for 2003 (at current prices), following estimates of R744 145 million for 2002 and R679 178 million for 2001, which reflects increases of 8,8% in turnover for 2003 compared with 2002 and 9,6% for 2002 compared with 2001.

- The increases in turnovers between 2001, 2002 and 2003 are mainly due to higher turnover reported by enterprises in retail trade of food, beverages and tobacco in specialized and non-specialized retail stores.

The total turnover of the *transport, storage and communication industry* was estimated to be R198 970 million for 2003 (at current prices), following estimates of R197 483 million for 2002 and R190 039 million for 2001, which reflects slight increases between survey periods.

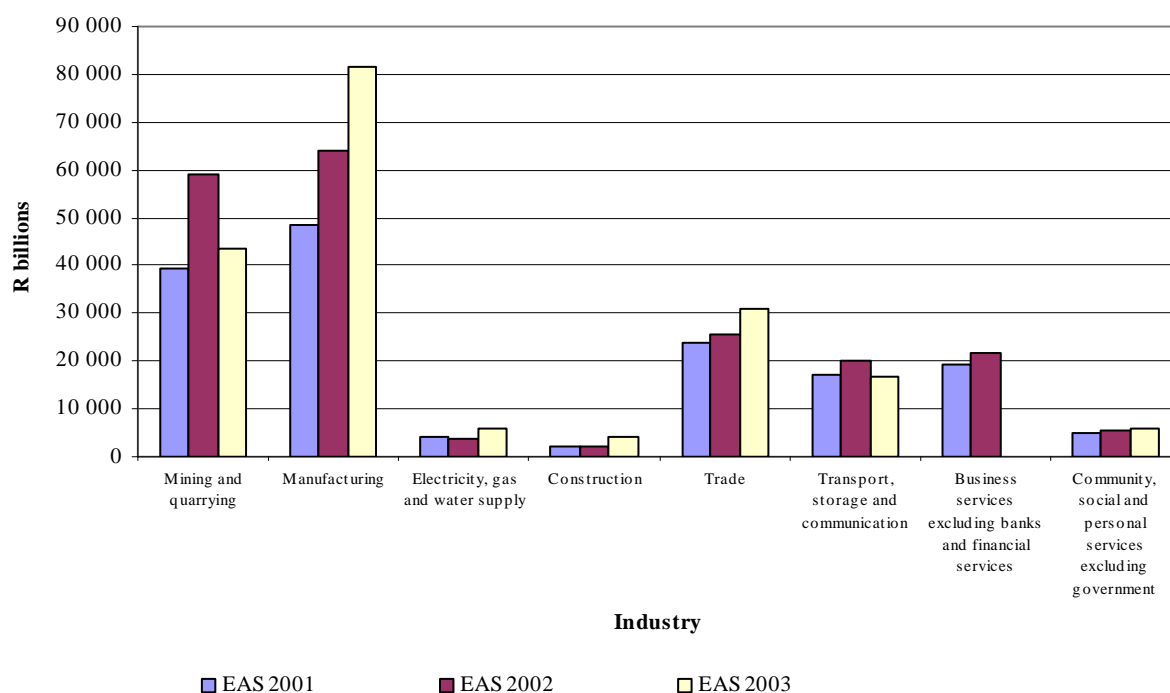
The total turnover of the *real estate and other business services industry (excluding financial intermediation and insurance)*¹, for only two years (2001 and 2002), was estimated to be R207 097 million for 2002 and R204 813 million for 2001 (at current prices), which reflects a slight increase of 1,1% in turnover for 2002 compared with 2001.

The total turnover of the *community, social and personal services industry (excluding government institutions)* was estimated to be R59 946 million for 2003 (at current prices), following estimates of R55 157 million for 2002 and R54 875 million for 2001, reflecting an increase of 8,7% in turnover for 2003 compared with 2002.

- The increase in turnover between 2002 and 2003 is mainly due to higher turnover reported by enterprises in recreational, cultural and sporting activities.

1 Please note that the 2003 estimates exclude business services. See note on page 2.

Figure 2 - Net profit before providing for company tax and dividends by industry at current prices¹



Net profit before providing for company tax and dividends by industry

Net profit before providing for company tax and dividends in the *mining and quarrying* industry was estimated to be R43 396 million for 2003, following estimates of R59 110 million for 2002 and R39 262 million for 2001, reflecting a decrease of 26,6% for 2003 compared with 2002, which is mainly due to the strengthening of the rand against major currencies.

- The increase in net profit before providing for company tax and dividends between 2001 and 2002 is mainly due to the effect of structural changes of enterprises in the mining industry.

Net profit before providing for company tax and dividends in the *manufacturing* industry was estimated to be R81 666 million for 2003, following estimates of R64 232 million for 2002 and R48 440 million for 2001, reflecting an increase of 27,1% for 2003 compared with 2002. Large enterprises in the coke, refined petroleum products and nuclear fuel manufacturing activities reported higher profits.

- The increase in net profit before providing for company tax and dividends between 2001 and 2002 is mainly due to increases in the profits of enterprises in the manufacture of basic metal and fabricated metal products, machinery and equipment division.

Net profit before providing for company tax and dividends in the *electricity, gas and water supply* industry was estimated to be R6 012 million for 2003, following estimates of R3 967 million for 2002 and R4 081 million for 2001, which reflects an increase of 51,6% for 2003 compared with 2002, mainly due to increases in the profits of enterprises in this industry.

1 Please note that the 2003 estimates exclude business services. See note on page 2.

Net profit before providing for company tax and dividends in the *construction* industry was estimated to be R4 241 million for 2003, following estimates of R2 246 million for 2002 and R2 277 million for 2001, reflecting an increase of 88,8% for 2003 compared with 2002. The increase in net profit before tax between 2002 and 2003 is mainly due to higher profits reported by enterprises active in the construction and completion of buildings.

Net profit before providing for company tax and dividends in the *trade* industry was estimated to be R31 126 million for 2003, following estimates of R25 663 million for 2002 and R24 067 million for 2001, reflecting an increase of 21,3% for 2003 compared with 2002. Large traders reported higher profits.

Net profit before providing for company tax and dividends in the *transport, storage and communication* industry was estimated to be R16 828 million for 2003, following estimates of R20 017 million for 2002 and R17 230 million for 2001, reflecting a decrease of 15,9% for 2003 compared with 2002, which is mainly due to lower profits reported by land transport enterprises.

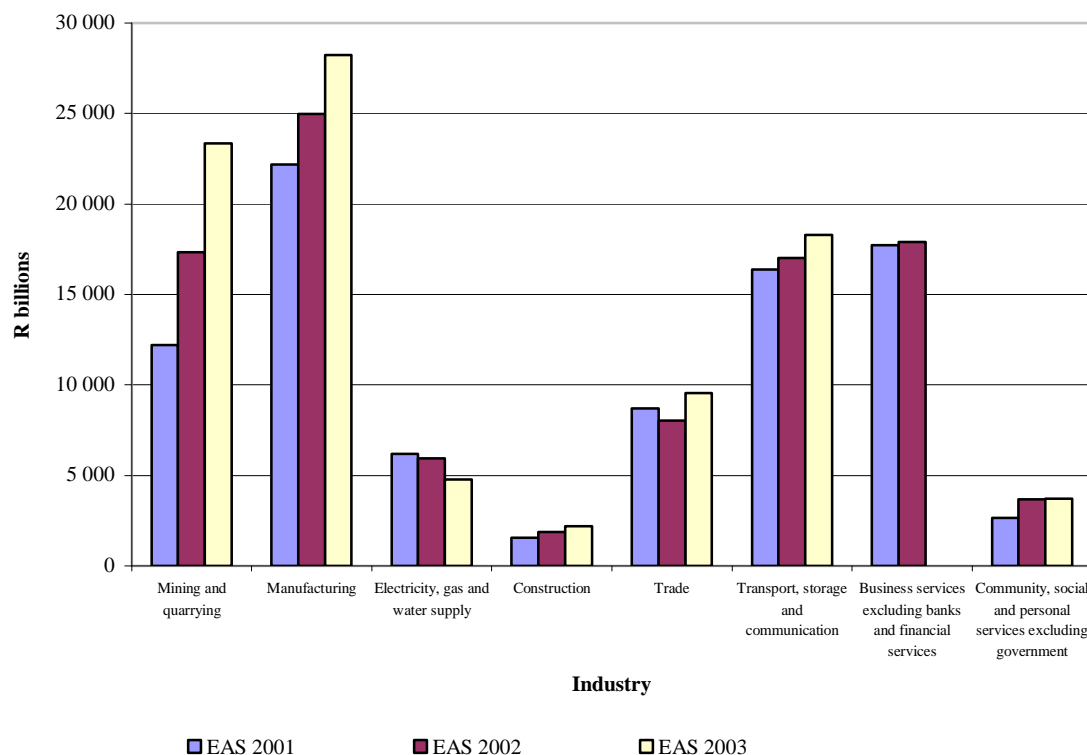
- The increase in net profit before providing for company tax and dividends between 2001 and 2002 is mainly due to higher profits reported by enterprises in supporting and auxiliary transport activities, travel agencies and post and telecommunication divisions.

Net profit before providing for company tax and dividends in the *real estate and other business services industry (excluding financial intermediation and insurance)*¹, for only two years (2001 and 2002), was estimated to be R21 722 million for 2002 and R19 107 million for 2001, reflecting an increase of 13,7% for 2003 compared with 2002. The increase in net profit before tax between 2001 and 2002 is mainly due to real estate activities.

Net profit before providing for company tax and dividends in the *community, social and personal services industry (excluding government institutions)* was estimated to be R5 906 million for 2003, following estimates of R5 567 million for 2002 and R5 115 million for 2001, which reflects an increase of 6,1% for 2003 compared with 2002. The increase in net profit before tax between 2002 and 2003 is mainly due to increases reported by enterprises in the health and social work division.

1 Please note that the 2003 estimates exclude business services. See note on page 2.

Figure 3 - Capital expenditure on new assets by industry at current prices¹



Capital expenditure on new assets by industry

Capital expenditure on new assets in the *mining and quarrying* industry was estimated to be R23 338 million for 2003, following estimates of R17 328 million for 2002 and R12 197 million for 2001, reflecting increases of 34,7% for 2003 compared with 2002 and 42,1% for 2002 compared with 2001.

- The increases in capital expenditure on new assets between 2001, 2002 and 2003 are mainly due to new projects undertaken by enterprises in this industry.

Capital expenditure on new assets in the *manufacturing* industry was estimated to be R28 208 million for 2003, following estimates of R24 956 million for 2002 and R22 177 million for 2001, reflecting increases of 13,0% for 2003 compared with 2002 and 12,5% for 2002 compared with 2001.

- The increases in capital expenditure on new assets between 2001, 2002 and 2003 are mainly due to increased spending reported by manufacturers of coke, refined petroleum products and nuclear fuel.

Capital expenditure on new assets in the *electricity, gas and water supply* industry was estimated to be R4 782 million for 2003, following estimates of R5 963 million for 2002 and R6 204 million for 2001, reflecting decreases of 19,8% for 2003 compared with 2002 and 3,9% between 2002 and 2001, which is mainly due to decreased spending by large enterprises in this industry.

¹ Please note that the 2003 estimates exclude business services. See note on page 2.

Capital expenditure on new assets in the *construction* industry was estimated to be R2 216 million for 2003, following estimates of R1 872 million for 2002 and R1 569 million for 2001, reflecting increases of 18,4% for 2003 compared with 2002 and 19,3% for 2002 compared with 2001.

- The increases in capital expenditure on new assets between 2001, 2002 and 2003 are mainly due to increases in construction activities.

Capital expenditure on new assets in the *trade* industry was estimated to be R9 572 million for 2003, following estimates of R8 022 million for 2002 and R8 700 million for 2001, reflecting an increase of 19,3% for 2003 compared with 2002, which is mainly due to refurbishment reported by enterprises in this industry.

Capital expenditure on new assets in the *transport, storage and communication* industry was estimated to be R18 289 million for 2003, following estimates of R17 029 million for 2002 and R16 369 million for 2001, reflecting an increase of 7,4% for 2003 compared with 2002.

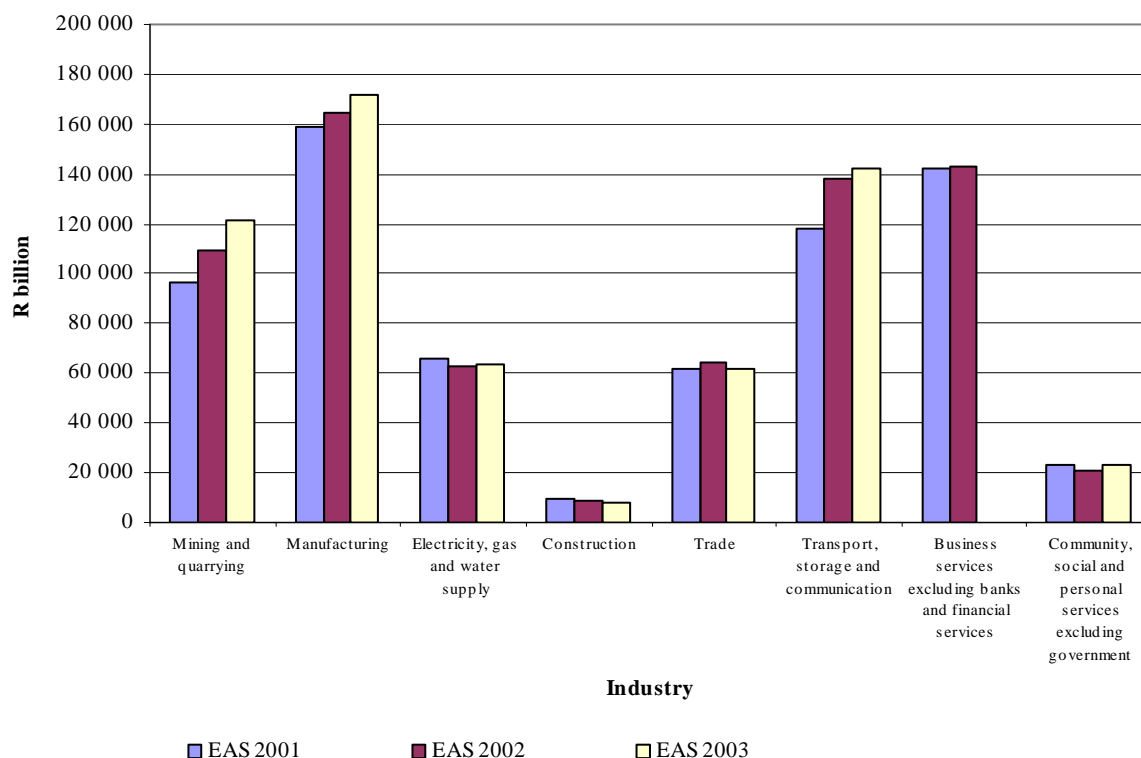
- The increase in capital expenditure on new assets between 2002 and 2003 is mainly due to the acquisition of land transport equipment by large enterprises.

Capital expenditure on new assets in the *real estate and other business services industry (excluding financial intermediation and insurance)*¹, for only two years (2001 and 2002), was estimated to be R17 891 million for 2002 and R17 712 million for 2001, reflecting an increase of 1,0% for 2002 compared with 2001.

Capital expenditure on new assets in *community, social and personal services industry (excluding government institutions)* was estimated to be R3 738 million for 2003, following estimates of R3 687 million for 2002 and R2 667 million for 2001, reflecting a slight increase of 1,4% for 2003 compared with 2002.

1 Please note that the 2003 estimates exclude business services. See note on page 2.

Figure 4 - Book value of non-current assets by industry at current prices¹



Book value of non-current assets by industry

Book value of non-current assets for the *mining and quarrying* industry as at the end of the 2003 financial year was estimated to be R121 339 million, following estimates of R108 938 million for 2002 and R96 783 million for 2001, reflecting increases of 11,4% for 2003 compared with 2002 and 12,6% for 2002 compared with 2001.

Book value of non-current assets for the *manufacturing* industry as at the end of the 2003 financial year was estimated to be R171 598 million, following estimates of R164 934 million for 2002 and R158 948 million for 2001, reflecting slight increases of 4,0% and 3,8% respectively between survey periods.

Book value of non-current assets for the *electricity, gas and water supply* industry as at the end of the 2003 financial year was estimated to be R63 155 million, following estimates of R62 257 million for 2002 and R65 784 million for 2001, reflecting a slight increase of 1,4% for 2003 compared with 2002.

Book value of non-current assets for the *construction* industry as at the end of the 2003 financial year was estimated to be R7 896 million, following estimates of R8 691 million for 2002 and R9 237 million for 2001, reflecting a decrease of 9,1% for 2003 compared with 2002.

Book value of non-current assets for the *trade* industry as at the end of the 2003 financial year was estimated to be R61 969 million, following estimates of R63 910 million for 2002 and R62 214 million for 2001, reflecting a slight decrease of 3,0% for 2003 compared with 2002.

Book value of non-current assets for the *transport, storage and communication* industry as at the

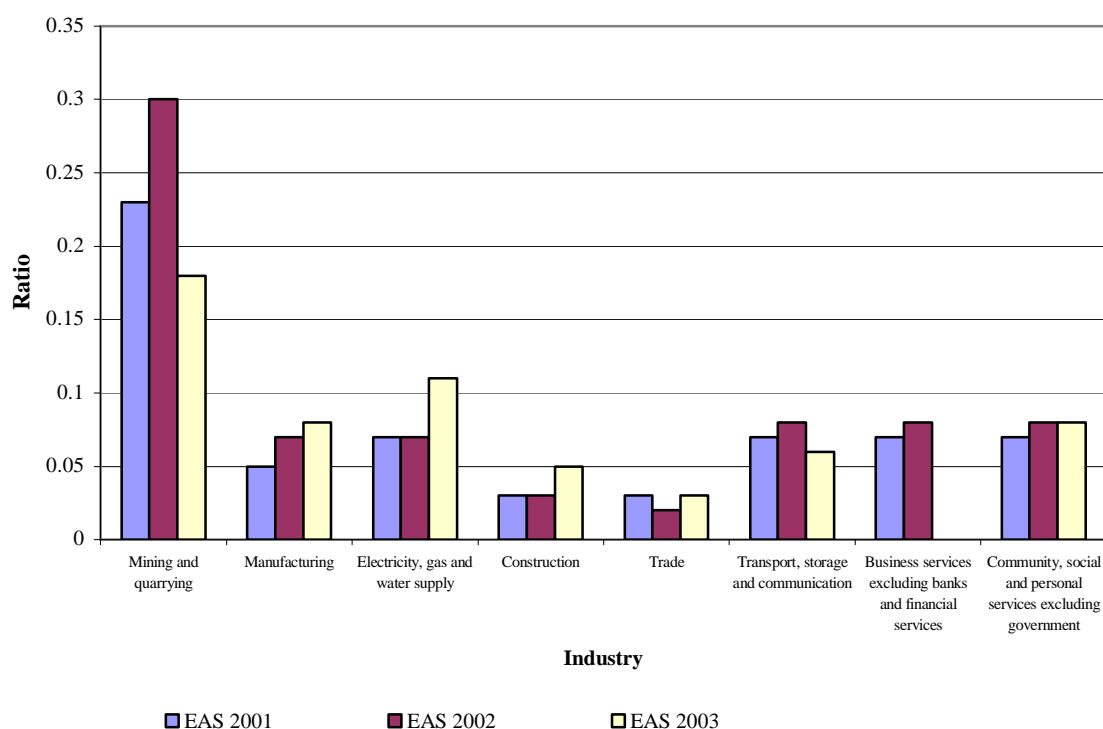
1 Please note that the 2003 estimates exclude business services. See note on page 2.

end of the 2003 financial year was estimated to be R141 992 million, following estimates of R138 205 million for 2002 and R118 473 million for 2001. This reflects an increase of 2,7% for 2003 compared with 2002.

Book value of non-current assets for the *real estate and other business services industry (excluding financial intermediation and insurance)*¹, for only two years (2001 and 2002), as at the end of the 2002 financial year was estimated to be R142 838 and R142 262 million for 2001, reflecting a slight increase 0,4% for 2002 compared with 2001.

Book value of non-current assets for the *community, social and personal services industry (excluding government institutions)* as at the end of the 2003 financial year was estimated to be R22 952 million, following estimates of R20 829 million for 2002 and R23 488 million for 2001. This reflects an increase of 10,2% for 2003 compared with 2002.

Figure 5 - The profitability ratio (net profit after tax to turnover) by industry¹



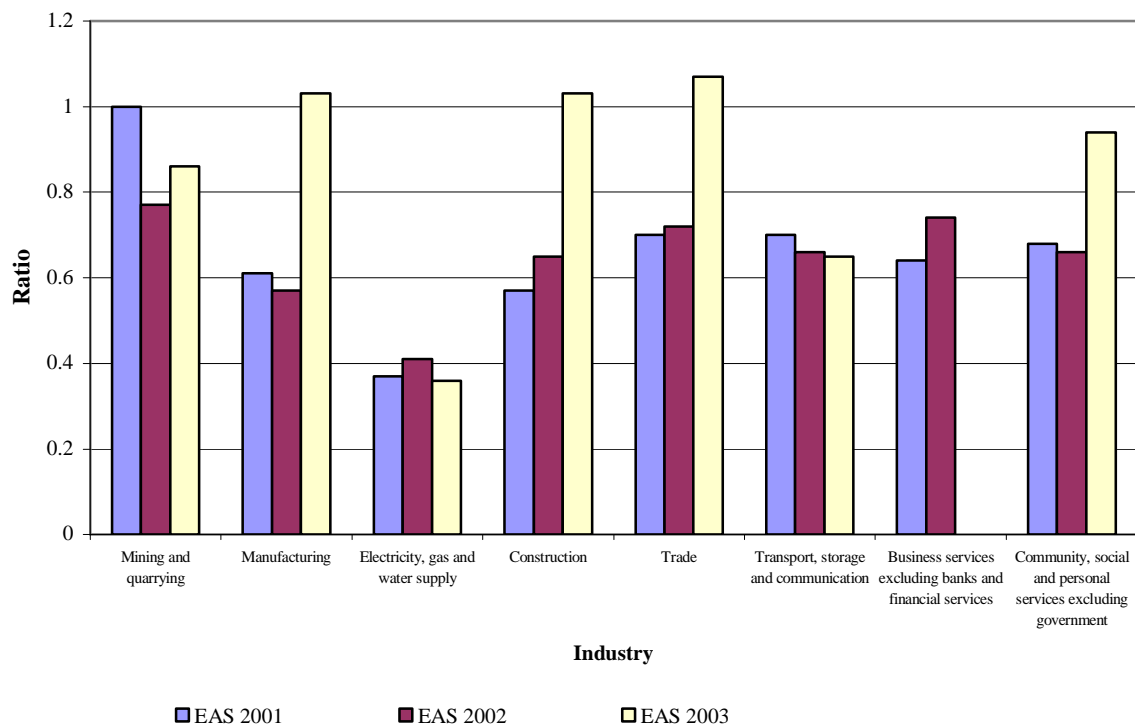
The profitability ratio by industry

The profitability ratio (net profit after tax to turnover) for –

- the *mining and quarrying* industry decreased from 0,30 in 2002 to 0,18 in 2003;
- the *manufacturing* industry increased from 0,07 in 2002 to 0,08 in 2003;
- the *electricity, gas and water supply* industry increased from 0,07 in 2002 to 0,11 in 2003;
- the *construction* industry increased from 0,03 in 2002 to 0,05 in 2003;
- the *trade* industry increased from 0,02 in 2002 to 0,03 in 2003;
- the *transport, storage and communication* industry decreased from 0,08 in 2002 to 0,06 in 2003;
- the *real estate and other business services industry (excluding financial intermediation and insurance)*¹ increased from 0,07 in 2001 to 0,08 in 2002; and
- the *community, social and personal services industry (excluding government institutions)* remained unchanged at 0,08 in 2002 and 2003.

1 Please note that the 2003 estimates exclude business services. See note on page 2.

Figure 6 - The current ratio (current assets to current liabilities) by industry¹



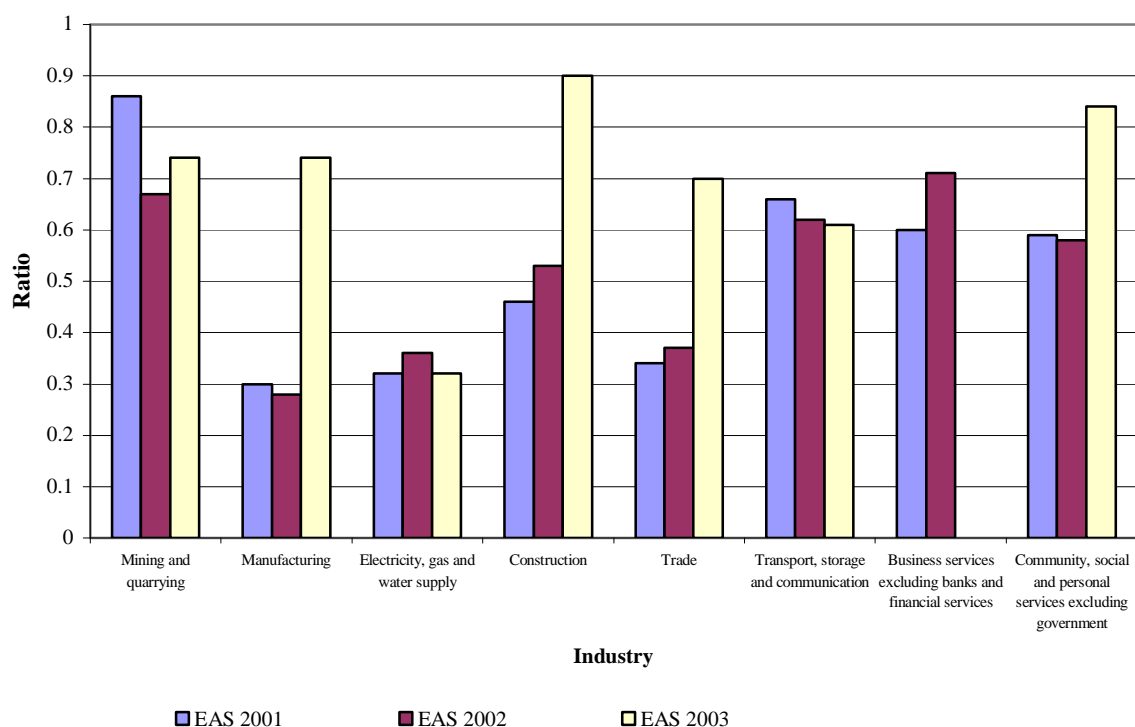
The current ratio by industry

The current ratio (current assets to current liabilities) for -

- the *mining and quarrying* industry increased from 0,77 in 2002 to 0,86 in 2003;
- the *manufacturing* industry increased from 0,57 in 2002 to 1,03 in 2003;
- the *electricity, gas and water supply* industry decreased from 0,41 in 2002 to 0,36 in 2003;
- the *construction* industry increased from 0,65 in 2002 to 1,03 in 2003;
- the *trade* industry increased from 0,72 in 2002 to 1,07 in 2003;
- the *transport, storage and communication* industry decreased from 0,66 in 2002 to 0,65 in 2003;
- the *real estate and other business services industry (excluding financial intermediation and insurance)*¹ increased from 0,64 in 2001 to 0,74 in 2002; and
- the *community, social and personal services industry (excluding government institutions)* increased from 0,66 in 2002 to 0,94 in 2003.

1 Please note that the 2003 estimates exclude business services. See note on page 2.

Figure 7 - The acid test ratio (current assets minus closing value of inventories to current liabilities) by industry¹



The acid test ratio by industry

The acid test ratio (current assets minus closing value of inventories to current liabilities) for -

- the *mining and quarrying* industry increased from 0,67 in 2002 to 0,74 in 2003;
- the *manufacturing* industry increased from 0,28 in 2002 to 0,74 in 2003;
- the *electricity, gas and water supply* industry decreased from 0,36 in 2002 to 0,32 in 2003;
- the *construction* industry increased from 0,53 in 2002 to 0,90 in 2003;
- the *trade* industry increased from 0,37 in 2002 to 0,70 in 2003;
- the *transport, storage and communication* industry decreased from 0,62 in 2002 to 0,61 in 2003;
- the *real estate and other business services industry (excluding financial intermediation and insurance)*¹ increased from 0,60 in 2001 to 0,71 in 2002; and
- the *community, social and personal services industry (excluding government institutions)* increased from 0,58 in 2002 to 0,84 in 2003.

The increases and decreases between 2001, 2002 and 2003 in the various industries, relating to total turnover, net profit before tax, capital expenditure on new assets and book value of non-current assets, are also due to the sampling methodology used and enterprises not consistently present in the sampling frames for the different survey periods.

1 Please note that the 2003 estimates exclude business services. See note on page 2.

**PP
P J Lehohla
Statistician-General**

Notes

Forthcoming issues	Issue Economic Activity Survey 2004	Expected publication date 29 September 2005
Purpose of the survey	The Economic Activity Survey (EAS) covers a sample of private and public enterprises operating in the formal non-agricultural business sector of the South African economy, excluding financial intermediation, insurance and government institutions. Results of the survey are used to compile estimates of the Gross Domestic Product (GDP) and its components, which are used to monitor and develop government policy. These statistics are also used by the private sector in analyses of comparative business and industry performance. Selected operating ratios are also published in this statistical release.	
Future changes to the publication	With regard to future changes, consideration will be given for inclusion of data currently not presented in this publication.	

Table 1a – Selected income and expenditure items: Mining and quarrying industry

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	120 758	142 502	158 829	18,0	11,5
Interest received	2 357	3 453	3 947	46,5	14,3
Other income	9 199	24 686	8 838	168,4	-64,2
Total income items	132 314	170 641	171 614	29,0	0,6
Current assets	73 272	85 788	91 526	17,1	6,7
Inventories					
Opening value	10 835	10 733	11 452	-0,9	6,7
Closing value	10 420	11 103	13 034	6,6	17,4
Current liabilities	73 496	111 275	106 649	51,4	-4,2
Expenditure items					
Purchases	33 307	33 995	35 933	2,1	5,7
Gross salaries and wages	26 829	29 996	33 366	11,8	11,2
Financial expenditure	3 883	4 409	6 160	13,5	39,7
Rental of land, buildings and other structures, including water and electricity payments	1 065	1 272	1 280	19,4	0,6
Other expenditure	27 552	42 230	53 061	53,3	25,6
Total expenditure	92 636	111 902	129 800	20,8	16,0
Net profit before providing for company tax and dividends	39 262	59 110	43 396	50,6	-26,6
Company tax paid or provided for during the financial year	11 105	15 693	14 799	41,3	-5,7
Dividends paid or provided for during the financial year	14 865	36 317	21 582	144,3	-40,6
Net profit after tax	28 157	43 417	28 597	54,2	-34,1
Capital expenditure on new assets	12 197	17 328	23 338	42,1	34,7
Book value of non-current assets at the end of the financial year	96 783	108 938	121 339	12,6	11,4

Table 1b - Selected operating ratios: Mining and quarrying industry

Ratio	2001	2002	2003
Turnover / Non-current assets	1,25	1,31	1,31
Profit before tax / Turnover	0,33	0,41	0,27
Profitability ratio	0,23	0,30	0,18
Current ratio	1,00	0,77	0,86
Acid test ratio	0,86	0,67	0,74

Table 2a – Selected income and expenditure items: Manufacturing industry

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	640 610	686 339	761 475	7,1	10,9
Interest received	5 842	6 052	6 728	3,6	11,2
Other income	24 298	26 393	37 050	8,6	40,4
Total income items	670 750	718 783	805 253	7,2	12,0
Current assets	162 263	171 089	337 228	5,4	97,1
Inventories					
Opening value	74 687	77 773	83 439	4,1	7,3
Closing value	84 282	87 792	95 967	4,2	9,3
Current liabilities	264 275	301 602	327 855	14,1	8,7
Expenditure items					
Purchases	404 043	423 848	466 275	4,9	10,0
Gross salaries and wages	86 667	86 412	84 106	-0,3	-2,7
Financial expenditure	18 873	20 468	20 730	8,5	1,3
Rental of land, buildings and other structures, including water and electricity payments	8 943	8 463	8 251	-5,4	-2,5
Other expenditure	113 380	125 380	156 751	10,6	25,0
Total expenditure	631 905	664 570	736 116	5,2	10,8
Net profit before providing for company tax and dividends	48 440	64 232	81 666	32,6	27,1
Company tax paid or provided for during the financial year	15 968	17 024	19 629	-0,9	15,3
Dividends paid or provided for during the financial year	21 544	21 990	23 608	2,1	7,4
Net profit after tax	32 472	47 208	62 033	45,4	31,4
Capital expenditure on new assets	22 177	24 956	28 208	12,5	13,0
Book value of non-current assets at the end of the financial year	158 948	164 934	171 598	3,8	4,0

Table 2b - Selected operating ratios: Manufacturing industry

Ratio	2001	2002	2003
Turnover / Non-current assets	4,03	4,16	4,44
Profit before tax / Turnover	0,08	0,09	0,11
Profitability ratio	0,05	0,07	0,08
Current ratio	0,61	0,57	1,03
Acid test ratio	0,30	0,28	0,74

Table 3a – Selected income and expenditure items: Electricity, gas and water supply industry

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	36 145	35 929	39 011	-0,6	8,6
Interest received	2 095	2 795	4 190	33,4	49,9
Other income	146	178	197	21,9	10,7
Total income items	38 386	38 902	43 398	1,3	11,6
Current assets	21 314	21 898	20 123	2,7	-8,1
Inventories					
Opening value	2 593	2 572	2 333	-0,8	-9,3
Closing value	2 737	2 488	2 314	-9,1	-7,0
Current liabilities	57 214	53 332	56 221	-6,7	5,4
Expenditure items					
Purchases	5 180	5 314	4 965	2,6	-6,6
Gross salaries and wages	7 048	6 701	7 918	-4,9	18,2
Financial expenditure	6 214	6 647	7 749	7,0	16,6
Rental of land, buildings and other structures, including water and electricity payments	435	406	431	-6,7	6,2
Other expenditure	15 572	15 782	16 305	1,3	3,3
Total expenditure	34 449	34 850	37 368	1,2	7,2
Net profit before providing for company tax and dividends	4 081	3 967	6 012	-2,8	51,6
Company tax paid or provided for during the financial year	1 582	1 620	1 804	2,4	11,4
Dividends paid or provided for during the financial year	1	1	1	0,0	0,0
Net profit after tax	2 499	2 347	4 208	-6,1	79,3
Capital expenditure on new assets	6 204	5 963	4 782	-3,9	-19,8
Book value of non-current assets at the end of the financial year	65 784	62 257	63 155	-5,4	1,4

Table 3b - Selected operating ratios: Electricity, gas and water supply industry

Ratio	2001	2002	2003
Turnover / Non-current assets	0,55	0,58	0,62
Profit before tax / Turnover	0,11	0,11	0,15
Profitability ratio	0,07	0,07	0,11
Current ratio	0,37	0,41	0,36
Acid test ratio	0,32	0,36	0,32

Table 4a – Selected income and expenditure items: Construction industry

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	68 547	71 230	77 215	3,9	8,4
Interest received	603	590	632	-2,2	7,1
Other income	1 413	1 351	1 372	-4,4	1,6
Total income items	70 563	73 171	79 219	3,7	8,3
Current assets	12 248	15 097	23 173	23,3	53,5
Inventories					
Opening value	2 537	2 409	2 145	-5,0	-11,0
Closing value	2 410	2 788	2 954	15,7	6,0
Current liabilities	21 484	23 064	22 460	7,4	-2,6
Expenditure items					
Purchases	38 487	40 290	44 125	4,7	9,5
Gross salaries and wages	12 653	13 701	13 449	8,3	-1,8
Financial expenditure	1 634	1 655	1 706	1,3	3,1
Rental of land, buildings and other structures, including water and electricity payments	673	783	781	16,3	-0,3
Other expenditure	14 713	14 875	15 725	1,1	5,7
Total expenditure	68 160	71 304	75 786	4,6	6,3
Net profit before providing for company tax and dividends	2 277	2 246	4 241	-1,4	88,8
Company tax paid or provided for during the financial year	439	440	689	0,2	56,6
Dividends paid or provided for during the financial year	302	335	343	10,9	2,4
Net profit after tax	1 838	1 806	3 555	-1,7	96,8
Capital expenditure on new assets	1 569	1 872	2 216	19,3	18,4
Book value of non-current assets at the end of the financial year	9 237	8 691	7 896	-5,9	-9,1

Table 4b - Selected operating ratios: Construction industry

Ratio	2001	2002	2003
Turnover / Non-current assets	7,42	8,20	9,78
Profit before tax / Turnover	0,03	0,03	0,05
Profitability ratio	0,03	0,03	0,05
Current ratio	0,57	0,65	1,03
Acid test ratio	0,46	0,53	0,90

Table 5a – Selected income and expenditure items: Trade industry

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	679 178	744 145	809 298	9,6	8,8
Interest received	4 986	4 907	5 787	-1,6	17,9
Other income	12 089	15 231	16 608	26,0	9,0
Total income items	696 253	764 283	831 693	9,8	8,8
Current assets	127 485	141 642	202 569	11,1	43,0
Inventories					
Opening value	57 860	60 848	59 921	5,2	-1,5
Closing value	66 092	69 338	70 751	4,9	2,0
Current liabilities	180 992	196 446	188 498	8,5	-4,0
Expenditure items					
Purchases	497 241	553 602	613 605	11,3	10,8
Gross salaries and wages	62 269	63 221	64 824	1,5	2,5
Financial expenditure	11 864	14 858	15 178	25,2	2,2
Rental of land, buildings and other structures, including water and electricity payments	14 045	14 676	14 415	4,5	-1,8
Other expenditure	94 998	100 754	103 376	6,1	2,6
Total expenditure	680 417	747 111	811 398	9,8	8,6
Net profit before providing for company tax and dividends	24 067	25 663	31 126	6,6	21,3
Company tax paid or provided for during the financial year	6 048	7 330	8 989	21,2	22,6
Dividends paid or provided for during the financial year	3 596	3 978	7 204	10,6	81,1
Net profit after tax	18 019	18 333	22 137	1,7	20,7
Capital expenditure on new assets	8 700	8 022	9 572	-7,8	19,3
Book value of non-current assets at the end of the financial year	62 214	63 910	61 969	2,7	-3,0

Table 5b - Selected operating ratios: Trade industry

Ratio	2001	2002	2003
Turnover / Non-current assets	10,92	11,64	13,06
Profit before tax / Turnover	0,04	0,03	0,04
Profitability ratio	0,03	0,02	0,03
Current ratio	0,70	0,72	1,07
Acid test ratio	0,34	0,37	0,70

Table 6a – Selected income and expenditure items: Transport, storage and communication industry

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	190 039	197 483	198 970	3,9	0,8
Interest received	3 921	4 054	3 439	3,4	-15,2
Other income	14 482	13 016	12 013	-10,1	-7,7
Total income items	208 442	214 553	214 422	2,9	-0,1
Current assets	76 483	90 334	86 753	18,1	-4,0
Inventories					
Opening value	4 667	3 926	4 237	-15,9	7,9
Closing value	4 258	4 487	5 280	5,4	17,7
Current liabilities	109 429	137 379	134 439	25,5	-2,1
Expenditure items					
Purchases	50 400	56 067	44 757	11,2	-20,2
Gross salaries and wages	35 800	35 006	36 476	-2,2	4,2
Financial expenditure	11 940	12 612	14 436	5,6	14,5
Rental of land, buildings and other structures, including water and electricity payments	8 359	8 495	9 860	1,6	16,1
Other expenditure	84 304	82 917	93 109	-1,6	12,3
Total expenditure	190 803	195 097	198 638	2,3	1,8
Net profit before providing for company tax and dividends	17 230	20 017	16 828	16,2	-15,9
Company tax paid or provided for during the financial year	3 859	5 011	4 622	29,9	-7,8
Dividends paid or provided for during the financial year	3 964	4 033	4 138	1,7	2,6
Net profit after tax	13 371	15 006	12 206	12,2	-18,7
Capital expenditure on new assets	16 369	17 029	18 289	4,0	7,4
Book value of non-current assets at the end of the financial year	118 473	138 205	141 992	16,7	2,7

Table 6b - Selected operating ratios: Transport, storage and communication industry

Ratio	2001	2002	2003
Turnover / Non-current assets	1,60	1,43	1,40
Profit before tax / Turnover	0,09	0,10	0,08
Profitability ratio	0,07	0,08	0,06
Current ratio	0,70	0,66	0,65
Acid test ratio	0,66	0,62	0,61

Table 7a – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance) ¹

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	204 813	207 097	..	1,1	..
Interest received	4 921	5 147	..	4,6	..
Other income	9 392	9 752	..	3,8	..
Total income items	219 126	221 996	..	1,3	..
Current assets	123 678	144 716	..	17,0	..
Inventories					
Opening value	5 549	4 494	..	-19,0	..
Closing value	6 605	5 546	..	-16,0	..
Current liabilities	193 796	196 496	..	1,4	..
Expenditure items					
Purchases	66 834	63 088	..	-5,6	..
Gross salaries and wages	51 558	53 473	..	3,7	..
Financial expenditure	14 995	14 680	..	-2,1	..
Rental of land, buildings and other structures, including water and electricity payments	7 167	6 771	..	-5,5	..
Other expenditure	60 521	63 314	..	4,6	..
Total expenditure	201 075	201 326	..	0,1	..
Net profit before providing for company tax and dividends	19 107	21 722	..	13,7	..
Company tax paid or provided for during the financial year	3 773	4 279	..	13,4	..
Dividends paid or provided for during the financial year	3 453	3 749	..	8,6	..
Net profit after tax	15 334	17 443	..	13,8	..
Capital expenditure on new assets	17 712	17 891	..	1,0	..
Book value of non-current assets at the end of the financial year	142 262	142 838	..	0,4	..

Table 7b - Selected operating ratios: Real estate and other business services industry (excluding financial intermediation and insurance) ¹

Ratio	2001	2002	2003
Turnover / Non-current assets	1,44	1,45	..
Profit before tax / Turnover	0,09	0,10	..
Profitability ratio	0,07	0,08	..
Current ratio	0,64	0,74	..
Acid test ratio	0,60	0,71	..

¹ Please note that the 2003 estimates exclude business services. See note on page 2.

Table 8a – Selected income and expenditure items: Community, social and personal services industry (excluding government institutions)

Item	2001 R millions	2002 R millions	2003 R millions	Percentage change between 2001 and 2002	Percentage change between 2002 and 2003
Income items					
Turnover	54 875	55 157	59 946	0,5	8,7
Interest received	1 080	1 295	1 220	19,9	-5,8
Other income	5 501	5 643	5 659	2,6	0,3
Total income items	61 456	62 095	66 825	1,0	7,6
Current assets	15 274	16 885	22 539	5,5	33,5
Inventories					
Opening value	1 896	1 930	2 174	1,8	12,6
Closing value	2 054	1 979	2 352	-3,7	18,8
Current liabilities	22 477	25 642	24 078	14,1	-6,1
Expenditure items					
Purchases	16 021	15 983	16 196	-0,2	1,3
Gross salaries and wages	14 910	14 344	15 464	-3,8	7,8
Financial expenditure	2 142	2 240	2 330	4,6	4,0
Rental of land, buildings and other structures, including water and electricity payments	2 369	2 359	2 496	-0,4	5,8
Other expenditure	21 059	21 651	24 612	3,6	12,9
Total expenditure	56 501	56 577	61 098	0,4	7,7
Net profit before providing for company tax and dividends	5 115	5 567	5 906	8,8	6,1
Company tax paid or provided for during the financial year	1 112	1 263	1 398	13,6	10,7
Dividends paid or provided for during the financial year	525	500	576	-4,8	15,2
Net profit after tax	4 003	4 304	4 512	7,5	4,8
Capital expenditure on new assets	2 667	3 687	3 738	38,2	1,4
Book value of non-current assets at the end of the financial year	23 488	20 829	22 952	-11,3	10,2

Table 8b - Selected operating ratios: Community, social and personal services industry (excluding government institutions)

Ratio	2001	2002	2003
Turnover / Non-current assets	2,34	2,65	2,61
Profit before tax / Turnover	0,09	0,10	0,10
Profitability ratio	0,07	0,08	0,08
Current ratio	0,68	0,66	0,94
Acid test ratio	0,59	0,58	0,84

Technical notes

Confidence intervals The 95% confidence intervals of a population parameter (turnover) is obtained as follows:

Lower limit

= lower 95% confidence limit of a population parameter
 = estimate – 1,96* standard error (estimate);

and

Upper limit

= upper 95% confidence limit of a population parameter
 = estimate + 1,96* standard error (estimate).

Standard error (SE) Standard error =
$$\frac{\text{Upper limit (R million)} - \text{Lower limit (R million)}}{2 * 1,96}$$

Relative standard error (RSE) =
$$\frac{\text{SE (estimate)} * 100}{\text{estimate}}$$

Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability. That is, they may differ from the figures that would have been produced if all units had been included in the survey.

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 units was included. The relative standard error (RSE) provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to refer to the size of the estimate.

Table A - Estimates of turnover by industry within 95% confidence limits – 2001, 2002 and 2003

Industry	2001				2002				2003			
	Lower limit R mil	Estimate R mil	Upper limit R mil	RSE	Lower limit R mil	Estimate R mil	Upper limit R mil	RSE	Lower limit R mil	Estimate R mil	Upper limit R mil	RSE
Mining and quarrying industry	113 610	120 758	127 906	3,0	140 627	142 502	144 378	0,7	156 816	158 829	160 843	0,6
Manufacturing industry	629 926	640 610	651 293	0,9	669 856	686 339	702 822	1,2	747 632	761 475	775 317	0,9
Electricity and water supply	35 552	36 145	36 737	0,8	35 731	35 929	36 126	0,3	37 993	39 011	40 030	1,3
Construction industry	65 015	68 547	72 078	2,6	68 175	71 230	74 286	2,2	72 849	77 215	81 581	2,9
Trade industry	661 600	679 178	696 756	1,3	715 922	744 145	772 368	1,9	776 807	809 298	841 790	2,0
Transport, storage and communication industry	176 690	190 039	203 388	3,6	181 064	197 483	213 902	4,2	194 764	198 970	203 175	1,1
Real estate and other business services industry, excluding financial intermediation and insurance	180 101	204 813	229 525	6,2	190 073	207 097	224 120	4,2
Community, social and personal services industry, excluding government institutions	52 465	54 875	57 284	2,2	51 165	55 157	59 149	3,7	54 848	59 946	65 043	4,3

Table B – Comparison of operating ratios between 2001, 2002 and 2003

Industry	Turnover / Fixed assets			Profit / Turnover			Profitability ratio			Current ratio			Acid test ratio		
	2001	2002	2003	2001	2002	2003	2001	2002	2003	2001	2002	2003	2001	2002	2003
Mining and quarrying industry	1,25	1,31	1,31	0,33	0,41	0,27	0,23	0,30	0,18	1,00	0,77	0,86	0,86	0,67	0,74
Manufacturing industry	4,03	4,16	4,44	0,08	0,09	0,11	0,05	0,07	0,08	0,61	0,57	1,03	0,30	0,28	0,74
Electricity and water supply	0,55	0,58	0,62	0,11	0,11	0,15	0,07	0,07	0,11	0,37	0,41	0,36	0,32	0,36	0,32
Construction industry	7,42	8,20	9,78	0,03	0,03	0,05	0,03	0,03	0,05	0,57	0,65	1,03	0,46	0,53	0,90
Trade industry	10,92	11,64	13,06	0,04	0,03	0,04	0,03	0,02	0,03	0,70	0,72	1,07	0,34	0,37	0,70
Transport, storage and communication industry	1,60	1,43	1,40	0,09	0,10	0,08	0,07	0,08	0,06	0,70	0,66	0,65	0,66	0,62	0,61
Real estate and other business services industry, excluding financial intermediation and insurance	1,44	1,45	..	0,09	0,10	..	0,07	0,08	..	0,64	0,74	..	0,60	0,71	..
Community, social and personal services industry, excluding government institutions	2,34	2,65	2,61	0,09	0,10	0,10	0,07	0,08	0,08	0,68	0,66	0,94	0,59	0,58	0,84

Table C –Turnover by industry for 2001, 2002 and 2003

Industry	Turnover for 2001 R million	Turnover for 2002 R million	Turnover for 2003 R million	Difference between 2001 and 2002 %	Difference between 2002 and 2003 %
Mining and quarrying	120 758	142 502	158 829	18,0	11,5
Manufacturing	640 610	686 339	761 475	7,1	10,9
Electricity and water supply	36 145	35 929	39 011	-0,6	8,6
Construction	68 547	71 230	77 215	3,9	8,4
Trade	679 178	744 145	809 298	9,6	8,8
Transport, storage and communication	190 039	197 483	198 970	3,9	0,8
Real estate and other business services (excluding financial intermediation and insurance)	204 813	207 097	..	1,1	..
Community, social and personal services (excluding government institutions)	54 875	55 157	59 946	0,5	8,7

Classification of industries

The industries covered in this publication were classified according to the Standard Industrial Classification of all Economic Activities (SIC), fifth edition (see Table D). It is based on the third revision of the International Standard Industrial Classification of all Economic Activities (ISIC), with suitable adaptations for local conditions. For the convenience of users, the SIC is duplicated in this statistical release for easy reference.

Table D - Standard Industrial Classification of All Economic Activities (SIC)

Title of category	Major division	Division
Mining and quarrying Mining of coal and lignite Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying Mining of gold and uranium ore Mining of metal ores, except gold and uranium Other mining and quarrying Services activities incidental to mining of minerals	2	21 22 23 24 25 29
Manufacturing Manufacture of food products, beverages and tobacco products Manufacture of textiles, clothing and leather goods Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials; manufacture of paper and paper products; publishing, printing and reproduction of recorded media Manufacture of coke, refined petroleum products and nuclear fuel; manufacture of chemicals and chemical products; manufacture of rubber and plastic products Manufacture of other non-metallic mineral products Manufacture of basic metals, fabricated metal products, machinery and equipment and of office, accounting and computing machinery Manufacture of electrical machinery and apparatus n.e.c. Manufacture of radio, television and communication equipment and apparatus and of medical, precision and optical instruments, watches and clocks Manufacture of transport equipment Manufacture of furniture; manufacturing n.e.c; recycling	3	30 31 32 33 34 35 36 37 38 39
Electricity, gas and water supply Electricity, gas, steam and hot water supply Collection, purification and distribution of water	4	41 42
Construction	5	
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; catering and accommodation Wholesale and commission trade, except of motor vehicles and motor cycles Retail trade, except of motor vehicles and motor cycles; repair of personal household goods Sale, maintenance and repair of motor vehicles and motor cycles; retail trade in automotive fuel Catering and accommodation	6	61 62 63 64

Table D - Standard Industrial Classification of All Economic Activities (SIC) (concluded)

Title of category	Major division	Division
Transport, storage and communication Land transport; transport via pipelines Water transport Air transport Supporting and auxiliary transport activities; activities of travel agencies Post and telecommunications	7	71 72 73 74 75
Financial intermediation, insurance, real estate and business services Real estate activities Renting of machinery and equipment, without operator, and of personal and household goods Computer and related activities Research and development Other business activities	8	84 85 86 87 88
Community, social and personal services Health and social work Other community, social and personal service activities Activities of membership organisations n.e.c. Recreational, cultural and sporting activities Other service activities	9	93 94 95 96 99

Explanatory notes

Introduction Statistics South Africa (Stats SA) conducts an annual financial statistics sample survey of enterprises in industries in the formal non-agricultural business sector of the South African economy, excluding financial intermediation, insurance and government enterprises. The statistical release contains information regarding:

- income and expenditure items;
- inventories;
- net profit before providing for company tax and dividends;
- company tax paid or provided for during the financial year;
- dividends paid or provided for during the financial year;
- current assets;
- current liabilities;
- net profit after tax;
- capital expenditure on new assets;
- book value of assets at the end of the financial year ; and
- selected operating ratios.

The Economic Activity Survey (EAS) is an annual survey, which measures overall activity in the South African economy. It is based on a sample of private and public enterprises operating in the formal non-agricultural business sector of the economy, excluding financial intermediation, insurance and government institutions. The survey is designed to give information on selected income and expenditure items and the consolidated balance sheet. Information is collected for the financial years of enterprises that ended on any date between 1 July of one year and 30 June of the following year. The results are used within Statistics South Africa (Stats SA) for compiling the annual national accounts. Other users will include the South African Reserve Bank, government organisations, researchers and academics.

The annual EAS was introduced on an experimental basis for the following years: 1998, 1999 and 2000. Due mainly to limitations in the business sampling frame, the information for those years was not published. However, the discussion document on the EAS published in 2003 provided users with selected operating ratios for 2001 and 2002.

Using an improved business sampling frame for 2001, 2002 and 2003, this publication presents the levels and year-to-year changes of selected items of economic activity in South Africa in the formal non-agricultural business sector (excluding financial intermediation, insurance and government institutions)

Purpose of the survey The purpose of the EAS is to derive a set of measures of industry performance based on information available from the financial accounts of enterprises. Results of the survey are used to compile estimates of the annual Gross Domestic Product (GDP) and its components. The statistics from the EAS can also be used by government departments and the private sector in analyses of the comparative performance of industries. Enterprises can assess their own performance against that of their industry and size group, in terms of a range of operating ratios. The results of the *Economic Activity Survey* will be published annually.

Scope of the survey The 2001, 2002 and 2003 EAS collected financial statistics for the following industries according to the *Standard Industrial Classification of all Economic*

Activities (SIC), Fifth edition, January 1993:

- mining and quarrying;
- manufacturing;
- electricity, gas and water supply;
- construction;
- trade;
- transport, storage and communication;
- real estate and business services (excluding financial intermediation and insurance); and
- community, social and personal services (excluding government institutions).

A large sample survey of businesses classified to the business services industry was undertaken in 2003. In order to minimise respondent burden, this industry was excluded from the EAS 2003 with the intent to insert the results of the large sample survey with the other estimates. Unfortunately, the results from the large sample survey are not yet available and the 2003 EAS excludes business services from the estimates. Once the results from the large sample survey are available there will be a re-issue of this publication with business services included.

**Business
Sampling
Frame**

Stats SA developed a new Business Sampling Frame (BSF) in 2001, based on the value-added tax (VAT) database obtained from the South Africa Revenue Service (SARS), which replaced the previous sampling frame. All enterprises are legally bound to register for VAT when their turnover for a period of twelve months equals or exceeds R300 000. Enterprises that conform to these criteria were eligible for selection in the 2001 and 2002 EAS. For 2003 and further EAS samples a new sampling frame has been created, which comprises not only of businesses registered for VAT, but also businesses from the Income Tax (IT) system. The EAS 2003 was based on such a sampling frame. The impact of the units from the Income Tax (IT) system to the total turnover estimates is less than 5%.

Classification

The 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*, was used to classify the enterprises 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 only presented at SIC major division (one digit) level. Classification of enterprises into industries is based on the current BSF.

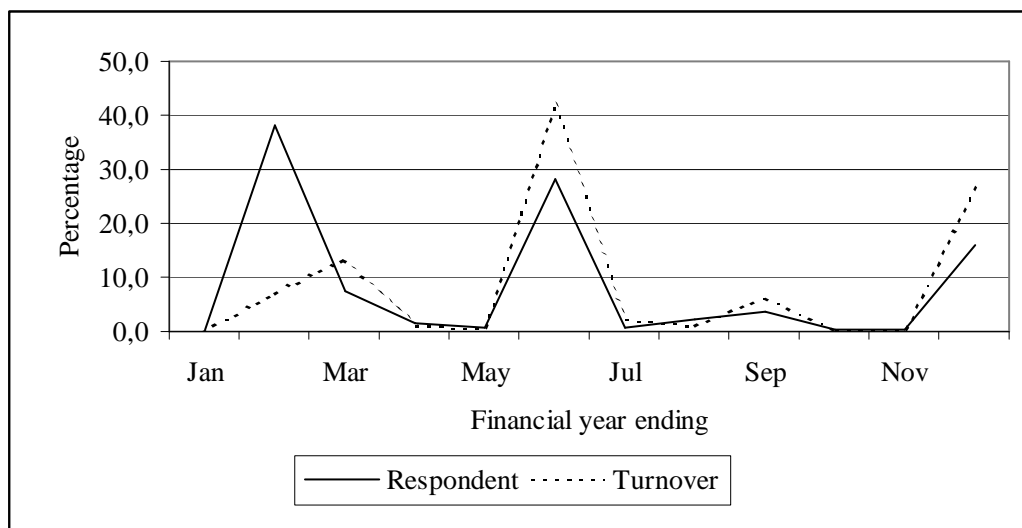
**Statistical
unit**

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

**Reference
period**

The EAS results are based on the financial information held in the records of enterprises. For 2001, 2002 and 2003, enterprises were asked to provide data in respect of their financial years ending on any date between 1 July 2000 and 30 June 2001, 1 July 2001 and 30 June 2002, and 1 July 2002 and 30 June 2003. Figure A reflects the distribution of the different periods of financial years covered by the respondents for the EAS.

Figure A – Distribution of the different periods of financial year coverage reported by responding businesses based on turnover



Approximately 42% of the total turnover was reported for the financial year ended in June, 26% for December and 13% for March.

Survey methodology and design

The survey is conducted annually by mail, fax and telephone. For the 2001, 2002 and 2003 surveys, questionnaires were sent to a sample of 10 078, 7 312 and 12 271 enterprises respectively. Fax reminders and telephone calls are used to follow up non-respondents.

A stratified random sample design, based on business turnover as recorded on the BSF, was used for the EAS. All enterprises are first stratified by the predominant type of activity according to the SIC, and then by size using turnover as measure of size. Four size groups were specified for each industry. All enterprises in the size group representing the largest enterprises according to turnover were selected. These large enterprises accounted for about 47% of the total sample in 2001, 64% in 2002 and 56% in 2003. For medium and small enterprises, samples were drawn by randomly selecting the allocated number of enterprises within the other size groups and each industry.

Main reasons for fluctuations

Stats SA used a Business Sampling Frame (BSF) in 2001 and an updated BSF in 2002, based on the value-added tax (VAT) database obtained from the South Africa Revenue Service (SARS). For 2003 a BSF, which comprises not only of businesses registered for VAT, but also businesses from the Income Tax (IT) system, was used. The impact of the units from the Income Tax (IT) system to the total turnover estimates is less than 5%. Differences can occur due to the different sampling frames used and resulting inconsistencies in Standard Industrial Classification of All Economic Activities (SIC) coding on the Business Sampling Frame (BSF).

The 2001 and 2002 estimates have been revised due to additional information from respondents. Small changes occur from ratios published in the *Discussion document, Economic activity survey, Selected ratios, 2001 and 2002*.

Differences in accounting policy and practices across businesses and industries can also lead to some inconsistencies in the data used to compile the estimates. While

much of the accounting process is subject to standards, there remains a great deal of flexibility available to businesses in the accounting policies and practices they adopt.

Differences may occur due to different sampling frames used for 2001, 2002 and 2003, and differences in the structures of the samples.

The imprecision due to sampling variability, which is measured by the standard error, is not to be confused with inaccuracies that may occur because of inadequacies in available sources from which the population frame was compiled, imperfections in reporting by providers, errors made in collection such as recording and coding data, and errors made in processing data. Inaccuracies of this kind are collectively referred to as non-sampling error and they may occur in any enumeration, whether it be a full count or a sample.

While it is not possible to quantify non-sampling error, every effort is made to complete and to assist businesses to report accurately. Efficient and effective operating procedures and systems are used to compile the statistics.

The above limitations are not meant to imply that analysis based on this data should be avoided, only that they should be borne in mind when interpreting the data presented in this publication.

DTI cut-off points

Table E – Cut-off points for the various size groups by industry

Industry	Large enterprises	Medium enterprises	Small enterprises
Mining and quarrying	Turnover >R 39 mill	Turnover > R 10 mill, Turnover ≤ R 39 mill	Turnover ≤ R 10 mill
Manufacturing	Turnover >R 51 mill	Turnover > R 13 mill, Turnover ≤ R 51 mill	Turnover ≤ R 13 mill
Electricity, gas and water supply	Turnover >R 51 mill	Turnover > R 13 mill, Turnover ≤ R 51 mill	Turnover ≤ R 13 mill
Construction	Turnover >R 26 mill	Turnover > R 6 mill, Turnover ≤ R 26 mill	Turnover ≤ R 6 mill
Wholesale trade	Turnover >R 64 mill	Turnover > R 32 mill, Turnover ≤ R 64 mill	Turnover ≤ R 32 mill
Retail and motor trade	Turnover >R 39 mill	Turnover > R 19 mill, Turnover ≤ R 39 mill	Turnover ≤ R 19 mill
Accommodation and catering trade	Turnover >R 13 mill	Turnover > R 6 mill, Turnover ≤ R 13 mill	Turnover ≤ R 6 mill
Transport, storage and communication	Turnover >R 26 mill	Turnover > R 13 mill, Turnover ≤ R 26 mill	Turnover ≤ R 13 mill
Real estate and other business services (excluding financial intermediation and insurance)	Turnover >R 26 mill	Turnover > R 13 mill, Turnover ≤ R 26 mill	Turnover ≤ R 13 mill
Community, social and personal services (excluding government institutions)	Turnover >R 13 mill	Turnover > R 6 mill, Turnover ≤ R 13 mill	Turnover ≤ R 6 mill

Source: National Small Business Amendment Bill - DTI 2003

Aspects covered

In designing the questionnaire for the EAS, Stats SA consulted widely with potential users, as the EAS was seen as an important new survey for collecting annual financial information of enterprises across the economy. Previously such information was only collected through periodic censuses held every three to six years and in some cases, even less frequently. The EAS collects information on selected income and expenditure items and the consolidated balance sheet. Data about the levels of activity in the items collected from the 2001, 2002 and 2003 EAS are published in this statistical release.

Comparison with results of other surveys

The findings of total income of the large sample survey of the motor trade and transport industries are broadly consistent with the findings of the economic activity survey 2002. Table F shows total income estimates for the economic activity survey 2002 of the motor trade and transport industries at the division level. All surveys are based on the new business register.

Table F – Comparison of estimates of the large sample surveys of motor trade and transport industries regarding total income with estimates from the EAS 2002

	Economic activity survey R million	Large sample survey R million
Motor trade	150 275	150 624
Transport	214 552	218 033
Total	364 829	368 657

Operating ratios

Ratios are included for each industry at the 1 digit SIC level, as identified under *Scope of this survey* above.

The following ratios are included:

Turnover ratios:

Turnover / book value of non-current assets at the end of the financial year
 Profit before tax / turnover

Profitability ratio:

Net profit after tax / turnover

Acid test ratio:

(Current assets minus closing value of inventories) / Current liabilities

Current ratio:

Current assets / Current liabilities

Rounding

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals. Published percentages and ratios are calculated prior to rounding of figures and therefore some discrepancies may occur between those percentages and those that could be calculated from rounded figures.

Symbols and abbreviations

BSF	Business Sampling Frame
EAS	Economic Activity Survey
GDP	Gross Domestic Product
IT	Income Tax
ISIC	International Standard Industrial Classification
SARS	South Africa Revenue Services
SIC	Standard Industrial Classification of all Economic Activities
Stats SA	Statistics South Africa
VAT	Value-added tax
n.e.c	Not elsewhere classified
..	Data not available

Glossary

Capital expenditure on new assets	Capital expenditure on new assets includes – <ul style="list-style-type: none">• the erection of new buildings and works, additions to and alterations of existing buildings and works;• capital work in progress capitalised;• new plant and machinery, vehicles and equipment; and• used plant and machinery, which was imported by or on behalf of the enterprise whether paid to outside contractors/concerns, or which was done by the enterprise itself.
Current assets	Current assets include debtors, cash, shares and closing values of inventories.
Current liabilities	Current liabilities are liabilities that exclude owners' equity or shareholders' funds.
Dividends paid	Dividends paid include cash dividends and other dividends such as capitalisation issues or scrip dividends or capitalisation shares.
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.
Financial expenditure	Financial expenditure is bad debts, interest paid, bank charges and insurance premiums.
Non-current assets	Non-current assets are fixed assets and intangible assets valued at the book value at the end of the financial year according to the balance sheet.
Industry	An industry consists of a group of enterprises engaged in the same or similar kinds of economic activity, and is classified according to the <i>Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993</i> .
Inventories	Inventories at year end include – <ul style="list-style-type: none">• raw materials or materials for processing, packaging materials, fuel and consumable and maintenance stores;• work in progress (partially completed); and• finished goods (own manufactures) and finished goods not produced by the enterprise but purchased for resale.
Net profit after tax	Net profit after tax is net profit or loss <i>less</i> company tax paid or provided for during the financial year.
Net profit before providing for company tax and dividends	Net profit before providing for company tax and dividends is calculated as total income <i>less</i> total expenditure <i>less</i> opening stocks <i>plus</i> closing stocks.

Purchases

Purchases include –

- raw materials, components used in production;
- containers and packaging materials;
- fuels for off-road vehicles;
- spare parts and building materials; and
- purchases and transfers-in of factored goods, intermediate products and partially completed goods from related enterprises.

Tax and company tax brought into account

Tax and company tax brought into account consist of taxes on incomes, profits and capital gains, excluding value-added tax (VAT). They are assessed on the actual or presumed incomes of enterprises and exclude employees' taxes and compulsory loan levies.

Total income

Total income includes –

- sales of goods and income from services rendered;
- income from mineral rights leases;
- income from rental and leasing of land, buildings and other structures;
- income from leasing and hiring of plant, machinery;
- income from leasing and hiring of motor vehicles;
- interest received;
- dividends received;
- royalties, franchise fees, copyright, trade names and trade-and patent rights received;
- subsidies and incentives received from government; and
- other income.

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; and
- 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.

Turnover for only South African-based activities of the enterprise is reflected in this publication, i.e. turnover derived for activities conducted within South African geographical borders was collected.

Total expenditure

Total expenditure includes –

- purchases;
- salaries and wages;
- severance, termination and redundancy payments;
- insurance premiums paid;
- interest paid;
- royalties, franchise fees, copyright, trade names and trade and patent rights paid;
- paper, printing and stationery ;
- communication;
- travelling, accommodation and entertainment expenditure;
- rental of land, buildings and other structures, including water and electricity services;
- rent, leasing and hiring of plant, machinery, equipment and vehicles;
- bank charges;
- security services;
- excise and customs duty;
- depreciation;
- losses on assets; and
- other expenditure, which includes advertising, donations, bursaries and sponsorship, motor vehicle running expenses, payments to outside organisations for staff training, railage and transport-out, subcontract and commission expenses, audit and other professional business services, regional service council levies and repair and maintenance expenditure.

General information

Language

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

Copyright

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data wherever they process, apply, utilise, publish or distribute the data, and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data.

Advance release calendar

An advance release calendar is disseminated on www.statssa.gov.za

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Nelspruit
Central Reference Collection, Kimberley
Central Reference Library, Mafikeng

Stats SA also provides a subscription service.

Electronic services

A large range of data is available via on-line services, diskette, CD and computer printouts. For more details about our electronic data services, contact (012) 310 8600/8390/8351/4892/ 8496/8095.

You can visit us on the Internet at: www.statssa.gov.za

Enquiries

Telephone number: (012)310 8600/8390/8351/4892/8496/8095(user information services)
(012) 310 8522/8071 (technical enquiries)
(012) 310 8161 (orders)
(012) 310 8490 (library)

Fax number: (012) 310 2129 (technical enquiries)

email: Renschap@statssa.gov.za (technical enquiries)
info@statssa.gov.za (user information services)
distribution@statssa.gov.za (orders)

Postal address: Private Bag X44, Pretoria, 0001