



# Quarterly financial statistics

**December 2003**

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## Key findings for the quarter ended December 2003

*The total turnover of all the industries for the fourth quarter of 2003 was estimated at R705 780 million, reflecting an increase of 1,2% compared with the third quarter of 2003 (ended September 2003), for which the revised estimated value was R697 080 million.*

Four of the seven industries covered in the survey reflected increases in turnover for the fourth quarter of 2003 compared with the third quarter of 2003. The largest percentage increase in turnover was recorded in the mining industry (8,2%), followed by the community, social and personal services industry, excluding government institutions (3,7%), the manufacturing industry (2,1%) and the trade industry (2,0%). The construction industry reported a decrease of 4,5% between the third and the fourth quarters of 2003, followed by the transport, storage and communication industry (-2,7%) and the real estate and other business services industry, excluding financial intermediation and insurance (-1,2%).

Interest paid by all industries for the fourth quarter of 2003 was estimated at R19 361 million, reflecting an increase of 1,4% compared with the third quarter of 2003. Increases in interest paid were reported in the construction industry (22,2%), the transport, storage and communication industry (10,0%) and the manufacturing industry (4,4%). The community, social and personal services industry, excluding government institutions, reported the largest decrease in interest paid of 25,4%, followed by the mining and quarrying industry (-3,5%), the trade industry (-1,8%) and the real estate and other business services industry, excluding financial intermediation and insurance (-0,3%).

Tax and company tax brought into account was estimated at R12 325 million for all industries for the fourth quarter of 2003, reflecting an increase of 18,2% compared with the third quarter of 2003. The largest increase was reported in the trade industry (29,3%), followed by the transport, storage and communication industry (26,0%), the real estate and other business services industry, excluding financial intermediation and insurance (19,9%), the mining and quarrying industry (16,7%), the construction industry (16,5%) and the manufacturing industry (13,2%). The community, social and personal services industry, excluding government institutions reported a decrease of 7,0%.

Net profit before providing for company tax and dividends was estimated at R51 701 million for all industries during the fourth quarter of 2003, reflecting an increase of 7,9% compared with the third quarter of 2003. The largest increase was reported in the construction industry (121,1%), followed by the transport, storage and communication industry (95,4%), the mining and quarrying industry (40,2%), the community, social and personal services industry, excluding government institutions (26,7%), the trade industry (21,7%) and the manufacturing industry (7,2%). During the same period a decrease in net profit of 39,7% was reported in the real estate and other business services industry, excluding financial intermediation and insurance.

Capital expenditure on new assets, which was estimated at R24 971 million for all industries for the fourth quarter of 2003, increased by 12,8% compared with the third quarter of 2003 (R22 129 million). Increases in capital expenditure on new assets were reported in the community, social and personal services industry, excluding government institutions (104,9%), followed by the trade industry (58,1%), the transport, storage and communication industry (30,5%) and the manufacturing industry (17,2%). The largest decrease was reported by the real estate and other business services industry, excluding financial intermediation and insurance (-40,7%), followed by the construction industry (-26,6%) and the mining and quarrying industry (-3,9%).

Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the fourth quarter of 2003 was estimated at R594 466 million, reflecting a decrease of 2,6% compared with the third quarter of 2003. Increases were reported in book value of land, buildings, machinery, furniture, vehicles and other equipment by the trade industry (3,1%) and the transport, storage and communication industry (2,3%). All other industries recorded decreases in book value, with the real estate and other business services industry, excluding financial intermediation and insurance reporting the largest decrease (-8,6%) between the third and fourth quarters of 2003, followed by the construction industry (-7,7%), the community, social and personal services industry, excluding government institutions (-5,1%), the manufacturing industry (-4,7%) and the mining and quarrying industry (-2,2%).

Inventories as at the end of the fourth quarter of 2003 were R217 038 million. This reflected an increase of 8,3% compared with the third quarter of 2003. The manufacturing industry reported the largest increase in inventories (15,0%), followed by the community, social and personal services industry, excluding government institutions (14,2%), the real estate and other business services industry, excluding financial intermediation and insurance (12,8%) and the trade industry (7,4%). However, the transport industry reported the largest decrease in inventories (-28,3%), followed by the construction industry (-6,7%) and mining and quarrying industry (-3,5%).

**Increases or decreases in the estimated quarterly financial statistics of the surveyed private sector industries may have been due to:**

- seasonal fluctuations in economic activity are largely responsible for seasonal variations in economic performance of different sectors;
- foreign exchange rate fluctuations and their resultant impact on export earnings and profits for the manufacturing and mining industries.

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## Notes

### Fourthcoming issues

**Issue**

March 2004

**Expected release date**

30 June 2004

### Purpose of the survey

The Quarterly Financial Statistics (QFS) survey is a survey covering a sample of private enterprises operating in the formal non-agricultural business sector of the South African economy, excluding electricity, gas and water supply, 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 develop and monitor government policy. These statistics are also used by the private sector in analyses of comparative business and industry performance. The results are published quarterly in Statistical Release P8042: *Quarterly Financial Statistics*.

### Response rates

The percentage response for September 2003 was 80,1%.  
The percentage response for December 2003 was 81,6%.

**Table 1 – Selected income and expenditure items: All industries** <sup>1/</sup>

Item	December 2002 R million	March 2003 R million	June 2003 R million	September 2003* R million	December 2003 R million	Change between the quarter ended September 2003 and the quarter ended December 2003 %
Turnover	709 863	660 959	670 994*	697 080	705 780	1,2
Interest paid	19 041	18 789	19 023*	19 100	19 361	1,4
Tax and company tax brought into account	13 165	10 813	9 300*	10 424	12 325	18,2
Net profit or loss before providing for company tax and dividends	58 764	47 223	45 931*	47 895	51 701	7,9
Capital expenditure on new assets						
Buildings, improvements and construction works	4 038	3 458	2 633	2 820	5 027	78,3
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	19 550	16 573	17 546	14 875	16 533	11,1
Vehicles	6 032*	7 254*	3 739*	4 434	3 411	-23,1
Total capital expenditure on new assets	29 501*	26 751*	23 702*	22 129	24 971	12,8
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	551 392	557 376	569 695	610 495	594 466	-2,6
Inventories						
Work in progress	35 384	38 459	40 706*	39 816	43 481	9,2
Other stocks	150 183*	141 413*	146 554*	160 585	173 557	8,1
Total inventories	184 674*	179 872*	187 260*	200 401	217 038	8,3

<sup>1/</sup> All industries in the South African economy, excluding agriculture, electricity, gas and water supply, financial intermediation, insurance and government institutions

**Table 2 - Selected income and expenditure items: Mining and quarrying industry**

Item	December 2002 R million	March 2003 R million	June 2003 R million	September 2003* R million	December 2003 R million	Change between the quarter ended September 2003 and the quarter ended December 2003 %
Turnover	37 914	31 509	30 080	33 290	36 020	8,2
Interest paid	1 419	1 412	1 584	1 452	1 401	-3,5
Tax and company tax brought into account	2 792	2 006	1 690	1 639	1 913	16,7
Net profit or loss before providing for company tax and dividends	8 563	6 850	4 686	4 322	6 060	40,2
Capital expenditure on new assets						
Buildings, improvements and construction works	1 484	652	687	561	1 569	179,7
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	5 485	5 806	4 392	3 355	2 288	-31,8
Vehicles	168	321	456	166	65	-60,8
Total capital expenditure on new assets	7 137	6 779	5 535	4 082	3 922	-3,9
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	110 620	113 498	117 726	120 932	118 224	-2,2
Inventories						
Work in progress	3 533	3 410	4 372	5 009	4 709	-6,0
Other stocks	6 669	6 434	6 811	6 946	6 830	-1,7
Total inventories	10 202	9 844	11 183	11 955	11 539	-3,5

**Table 3 - Selected income and expenditure items: Manufacturing industry**

Item	December 2002 R million	March 2003 R million	June 2003 R million	September 2003* R million	December 2003 R million	Change between the quarter ended September 2003 and the quarter ended December 2003 %
Turnover	233 731	212 328	211 067	216 921	221 461	2,1
Interest paid	4 856	4 818	5 200*	4 780	4 990	4,4
Tax and company tax brought into account	5 763	4 132	3 503	4 086	4 625	13,2
Net profit or loss before providing for company tax and dividends	25 236	19 959	19 801*	17 393	18 644	7,2
Capital expenditure on new assets						
Buildings, improvements and construction works	783	669	328	797	1 046	31,2
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	7 862	5 852	6 441	6 195	7 411	19,6
Vehicles	376	429	619	602	442	-26,6
Total capital expenditure on new assets	9 021	6 950	7 388	7 594	8 899	17,2
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	164 939	165 172	170 999*	170 311	162 244	-4,7
Inventories						
Work in progress	18 355	19 071	19 071*	18 181	19 561	7,6
Other stocks	61 234*	59 625*	63 670*	65 394	76 582	17,1
Total inventories	78 696*	78 696*	82 741*	83 575	96 143	15,0



Table 4 - Selected income and expenditure items: Construction industry

Item	December 2002 R million	March 2003 R million	June 2003 R million	September 2003* R million	December 2003 R million	Change between the quarter ended September 2003 and the quarter ended December 2003 %
Turnover	23 178	23 881	24 421	26 247	25 077	-4,5
Interest paid	404	653	474	591	722	22,2
Tax and company tax brought into account	119	191	67	79	92	16,5
Net profit or loss before providing for company tax and dividends	937	1 016	1 364*	717	1 585	121,1
Capital expenditure on new assets						
Buildings, improvements and construction works	228	314	72	311	251	-19,3
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	473	817	592	239	272	13,8
Vehicles	161	217	231*	282	88	-68,8
Total capital expenditure on new assets	862	1 348	895	832	611	-26,6
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	17 100	17 287	18 791	19 216	17 739	-7,7
Inventories						
Work in progress	6 028	6 417	6 491	7 628	7 604	-0,3
Other stocks	1 661	1 802	1 682	1 930	1 310	-32,1
Total inventories	7 689	8 219	8 173	9 558	8 914	-6,7

**Table 5 - Selected income and expenditure items: Trade industry**

<b>Item</b>	<b>December 2002 R million</b>	<b>March 2003 R million</b>	<b>June 2003 R million</b>	<b>September 2003* R million</b>	<b>December 2003 R million</b>	<b>Change between the quarter ended September 2003 and the quarter ended December 2003 %</b>
Turnover	243 145	225 765	231 799*	240 397	245 293	2,0
Interest paid	3 369	3 982	3 960*	3 768	3 700	-1,8
Tax and company tax brought into account	1 809	1 643	1 758	1 831	2 367	29,3
Net profit or loss before providing for company tax and dividends	8 974	8 079	8 602*	11 799	14 365	21,7
Capital expenditure on new assets						
Buildings, improvements and construction works	213	445	314	452	1 340	196,5
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	1 895	1 482	1 561	1 282	1 498	16,8
Vehicles	395	485	635	363	477	31,4
Total capital expenditure on new assets	2 503	2 412	2 510	2 097	3 315	58,1
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	46 960	47 547	48 066*	48 695	50 219	3,1
Inventories						
Work in progress	3 995	4 546	5 213*	4 901	7 496	52,9
Other stocks	69 604*	66 338*	65 066*	69 873	72 781	4,2
Total inventories	73 599*	70 884*	70 279*	74 774	80 277	7,4

**Table 6 - Selected income and expenditure items: Transport, storage and communication industry**

Item	December 2002	March 2003	June 2003	September 2003*	December 2003	Change between the quarter ended September 2003 and the quarter ended December 2003 %
	R million	R million	R million	R million	R million	
Turnover	61 516	59 283	64 022	66 811	65 035	-2,7
Interest paid	2 225	2 094	1 999	1 708	1 878	10,0
Tax and company tax brought into account	1 258	970	896	1 011	1 274	26,0
Net profit or loss before providing for company tax and dividends	4 055	- 1 221	1 656	1 248	2 438	95,4
Capital expenditure on new assets						
Buildings, improvements and construction works	348	620	159	275	404	46,9
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	2 697	1 384	3 332	2 777	3 787	36,4
Vehicles	4 442	5 139	1 438	1 460	1 699	16,4
Total capital expenditure on new assets	7 487	7 143	4 929	4 512	5 890	30,5
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	108 805	113 251*	113 507	145 781	149 076	2,3
Inventories						
Work in progress	905	808	823	864	856	-0,9
Other stocks	4 882	4 199	6 276*	6 497	4 425	-31,9
Total inventories	5 787	5 007*	7 099*	7 361	5 281	-28,3

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

Item	December 2002 R million	March 2003 R million	June 2003 R million	September 2003* R million	December 2003 R million	Change between the quarter ended September 2003 and the quarter ended December 2003 %
Turnover	94 928	92 430	93 936	96 042	94 881	-1,2
Interest paid	6 308	5 384	5 330*	6 348	6 332	-0,3
Tax and company tax brought into account	1 199	1 663	1 243	1 491	1 787	19,9
Net profit or loss before providing for company tax and dividends	9 148	10 400	8 866*	10 733	6 476	-39,7
Capital expenditure on new assets						
Buildings, improvements and construction works	967	703	1 046	404	361	-10,6
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	1 002	685	939	856	924	7,9
Vehicles	354	116	71	1 390	287	-79,4
Total capital expenditure on new assets	2 323	1 504	2 055	2 650	1 572	-40,7
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	89 099	86 470	87 048*	90 815	82 965	-8,6
Inventories						
Work in progress	2 342*	3 828	4 380	3 037	2 824	-7,0
Other stocks	8 606*	5 336*	6 432*	8 527	10 217	19,8
Total inventories	10 948*	9 164*	10 812*	11 564	13 041	12,8

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

Item	December 2002 R million	March 2003 R million	June 2003 R million	September 2003 R million	December 2003 R million	Change between the quarter ended September 2003 and the quarter ended December 2003 %
Turnover	15 451	15 763	15 669	17 372*	18 013	3,7
Interest paid	460	446	476	453*	338	-25,4
Tax and company tax brought into account	225	208	143	287*	267	-7,0
Net profit or loss before providing for company tax and dividends	1 851	2 140	956*	1 683*	2 133	26,7
Capital expenditure on new assets						
Buildings, improvements and construction works	15	55	27	20	56	180,0
Plant, machinery, furniture, fittings and other equipment as at the end of the quarter	136	547	289	171	353	106,4
Vehicles	17	13	74	15	13	-13,3
Total capital expenditure on new assets	168	615	390	206	422	104,9
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	13 869	14 151	13 558	14 745*	13 999	-5,1
Inventories						
Work in progress	226	379	356	196	431	119,9
Other stocks	1 060*	1 089*	989*	1 418*	1 412	-0,4
Total inventories	1 286*	1 468*	1 345*	1 614*	1 843	14,2

## 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)** =  $\frac{\text{SE(estimate)}*100}{\text{estimate}}$

**Table A - Estimates of turnover by industry within 95% confidence limits - September 2003**

Industry	Lower limit R million	Estimate R million	Upper limit R million	Relative standard error (RSE)
Mining and quarrying industry	32 063	33 290	34 517	1,9
Manufacturing industry	209 319	216 921	224 522	1,8
Construction industry	21 076	26 247	31 419	10,1
Trade industry	212 127	240 397	268 667	6,0
Transport, storage and communication industry	61 221	66 811	72 401	4,3
Real estate and other business services industry, excluding financial intermediation and insurance	69 474	96 042	122 611	13,9
Community, social and personal services industry, excluding government institutions	13 594	17 372	21 151	11,1

**Table B - Estimates of turnover by industry within 95% confidence limits – December 2003**

<b>Industry</b>	<b>Lower limit R million</b>	<b>Estimate R million</b>	<b>Upper limit R million</b>	<b>Relative standard error (RSE)</b>
Mining and quarrying industry	34 279	36 020	37 760	2,5
Manufacturing industry	214 648	221 461	228 274	1,6
Construction industry	19 614	25 077	30 539	11,1
Trade industry	219 283	245 293	271 303	5,4
Transport, storage and communication industry	61 163	65 035	68 906	3,0
Real estate and other business services industry, excluding financial intermediation and insurance	72 114	94 881	117 649	12,2
Community, social and personal services industry, excluding government institutions	13 509	18 013	22 517	12,8

**Table C – Differences in turnover by industry between September 2003 and December 2003**

<b>Industry</b>	<b>Turnover for September 2003 R million</b>	<b>Turnover for December 2003 R million</b>	<b>Difference %</b>
Mining and quarrying industry	33 290	36 020	8,2
Manufacturing industry	216 921	221 461	2,1
Construction industry	26 247	25 077	-4,5
Trade industry	240 397	245 293	2,0
Transport, storage and communication industry	66 811	65 035	-2,7
Real estate and other business services industry, excluding financial intermediation and insurance	96 042	94 881	-1,2
Community, social and personal services industry, excluding government institutions	17 372	18 013	3,7



## Explanatory notes

- Introduction**
1. Statistics South Africa (Stats SA) conducts a quarterly financial statistics sample survey of enterprises in industries in the formal non-agricultural business sector of the South African economy, excluding electricity, gas and water supply, financial intermediation, insurance and government enterprises. The statistical release contains information regarding –
    - Turnover, which includes the value of sales, amounts receivable for work done and services rendered, rent and or lease payments received for land and buildings, and rent, leasing and hiring received for machinery, vehicles and other equipment;
    - interest paid;
    - tax and company tax brought into account;
    - capital expenditure on new assets;
    - book value of land, buildings, machinery, furniture, vehicles and other equipment at the end of the quarter; and
    - inventories as at the end of the quarter.
  2. In order to improve timeliness of the publication, some information for the current quarter may have been estimated due to late submission by respondents. These estimates will be revised in the next statistical release(s) as soon as actual information is available.
- Background**
3. Statistics South Africa (Stats SA) developed a new Business Sampling Frame in 2001, based on the value-added tax (VAT) database obtained from the South African 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 considered for sampling for the Quarterly Financial Statistics (QFS) survey. A sample of 3 273 enterprises was drawn from a population of enterprises that contributed approximately 95% to the total turnover per industry. All enterprises are stratified by type of enterprise according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993* and measure of size, where measure of size is turnover. All large enterprises were completely enumerated and simple random sampling was applied for medium and small enterprises. The results of the sample were weighted in order to represent all enterprises covered in the population.
  4. This statistical release presents a selection of key findings and tables from Stats SA's QFS survey, conducted in December 2002, March 2003, June 2003, September 2003 and December 2003, which examines book value of land, buildings, machinery, furniture, vehicles and other equipment, inventories and selected income and expenditure items in the formal non-agricultural business sector in South Africa, excluding electricity, gas and water supply, financial intermediation, insurance and government institutions.

- Scope of the survey**
5. This survey covers financial statistics of the following industries according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993* –
- mining and quarrying industry;
  - manufacturing industry;
  - construction industry;
  - trade industry;
  - transport, storage and communication industry;
  - real estate and business services industry, excluding financial intermediation and insurance; and
  - community, social and personal services industry, excluding government institutions.
- Classification**
6. The 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993*, 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 only presented at SIC major division (one digit) level. Each enterprise is classified to an industry which reflects the predominant activity of the enterprise.
- Statistical unit**
7. The statistical unit for the collection of 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.
- Survey methodology and design**
8. The survey is conducted by mail on a quarterly basis. Questionnaires are sent to a sample of 3 273 enterprises. Questionnaires have to be returned to Stats SA within four weeks after the end of the quarter concerned. Fax and telephone reminders are used to follow up non-respondents.
9. A sample of 3 273 enterprises was drawn from a population of enterprises that contributed approximately 95% to the total turnover per industry. Three size groups per industry were used. All enterprises are stratified by type of enterprise according to the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993* and measure of size, where measure of size is turnover. All large enterprises (size group one cases), which comprise 49% of the number of enterprises in the sample, are completely enumerated. Simple random sampling was applied for size-group two (medium sized enterprises) and size-group three (small enterprises). The results of the sample survey are weighted to the total population.
- Reliability of estimates**
10. Data presented in this publication are based on information obtained from a sample of enterprises and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all enterprises in the different industries in South Africa.

- 11.** Inaccuracies may occur because of imperfections in reporting by enterprises and errors made with 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 designing the questionnaire carefully, conducting pilot studies, editing of data and the implementation of efficient operating procedures. Figures for the latest quarter are preliminary. Fluctuations may occur in consecutive quarters as a result of seasonal and economic factors.
- Standard errors**      **12.** The estimates in this publication are based on a sample drawn from units in the surveyed population. As a result of the entire population not being surveyed, the published estimates are subject to sampling error. The most common way of quantifying such sampling error is to calculate the standard error for the published estimate or statistic.
- Revised figures**      **13.** The revised figures are due to respondents reporting revisions or corrections in their figures and late submissions of their data to Stats SA. Figures for the latest quarter are preliminary. Data are edited at individual enterprise level.
- Reference period**      **14.** The reference period is the four quarters ending March, June, September and December of each year.
- Related publications**      **15.** Users may also wish to refer to the following publications which are available from Stats SA -
- *Bulletin of Statistics* issued quarterly.
  - *South African Statistics* issued annually.
- Rounding-off of figures**      **16.** The figures in the tables have, where necessary, been rounded off to the nearest digit shown.
- Symbols and abbreviations**      **17.**
- |          |   |
|----------|---|
| CD       | Compact Disc  |
| GDP      | Gross Domestic Product  |
| ISIC     | International Standard Industrial Classification              |
| m        | Million   |
| RSE      | Relative Standard Error                                       |
| SE       | Standard Error  |
| SIC      | Standard Industrial Classification of all Economic Activities |
| SARS     | South African Revenue Service                                 |
| Stats SA | Statistics South Africa                                       |
| VAT      | Value-added tax   |
| *        | Revised   |

## Glossary

<b>Capital expenditure on new assets</b>	<p>Capital expenditure on new assets includes -</p> <ul style="list-style-type: none"> <li>• the erection of new buildings and works, additions to and alterations of existing buildings and works, whether payments were made to outside contractors or concerns, or work done by the enterprise itself;</li> <li>• work in progress capitalised;</li> <li>• new plant and machinery, vehicles and equipment; and</li> <li>• used plant and machinery, which was imported by or on behalf of the enterprise.</li> </ul>
<b>Enterprise</b>	<p>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.</p>
<b>Industry</b>	<p>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>.</p>
<b>Inventories</b>	<p>Inventories consist of –</p> <ul style="list-style-type: none"> <li>• stocks of outputs that are still held by the enterprise that produced them prior to their being further processed, sold, delivered to other units or used in other ways; and</li> <li>• stocks of products acquired from other enterprises that are intended to be used for intermediate consumption or for resale without further processing (factored goods).</li> <li>• Work in progress: Goods in the process of manufacturing or work that has been partially done, but which has not yet been completed at the end of the quarter.</li> <li>• Other stocks: Raw materials, components for processing, packing materials, fuel, consumable and maintenance stores, own manufactures and factored goods that have not been sold at the end of the quarter.</li> </ul>
<b>Net profit or loss</b>	<p>Net profit or loss is the difference between total income and total expenditure before drawings by proprietors or partners, company tax paid or provided for and dividends paid or provided for are taken into account. In the tables where net profit or loss is shown, it is the amount arrived at after total losses of individual enterprises were deducted from total profits of individual enterprises.</p>
<b>Statistical unit</b>	<p>A statistical unit is a 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.</p>

For the purpose of this publication, the statistical unit in the Quarterly Financial Statistics Survey is the enterprise. An enterprise is defined as a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.

**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.

**Turnover**

Turnover refers to –

- 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.

## **General information**

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