

# Quarterly financial statistics

**June 2003**

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## **Key findings for the quarter ended June 2003**

*Turnover of all industries for the second quarter ended June 2003 was estimated at R668 926 million, reflecting an increase of 1,4% compared with the first quarter of 2003 (ended March 2003), for which the revised estimated value was R659 762 million.*

Five of the seven industries covered reflected increases in turnover for the second quarter of 2003 compared with the first quarter of 2003. The largest increase in turnover was recorded in the trade industry (R8 723 million), followed by the transport, storage and communication industry (R1 069 million), the manufacturing industry (R277 million), the construction industry (R143 million) and the real estate and other business services industry (R36 million). The mining industry reported the largest decrease in turnover (-R994 million), followed by the community, social and personal services industry (-R90 million).

Interest paid by all industries for the second quarter of 2003 was estimated at R18 356 million, reflecting a decrease of 2,1% compared with the first quarter of 2003. The largest decrease in interest paid was reported by the manufacturing industry (-R241 million), followed by the construction industry (-R193 million), the transport, storage and communication industry (-R185 million) and the community, social and personal services industry (-R23 million). Increases in interest paid were reported by the mining and quarrying industry (R174 million), the trade industry (R59 million) and the real estate and other business services industry (R11 million).

Tax and company tax brought into account was estimated at R9 984 million for all industries for the second quarter of 2003, reflecting a decrease of 7,8% compared with the first quarter of 2003. The largest decreases were reflected in the real estate and other business services industry (-R528 million), followed by the mining and quarrying industry (-R486 million), the community, social and personal services industry (-R64 million) and the construction industry (-R60 million). Increases in tax and company tax brought into account were reported by the manufacturing industry (R227 million), the trade industry (R53 million) and the transport, storage and communication industry (R15 million).

Net profit before providing for company tax and dividends was estimated at R46 491 million for all industries during the second quarter of 2003, reflecting an increase of 0,3% compared with the first quarter of 2003. The largest increases were reported in the transport, storage and communication industry (R2 877 million), followed by the manufacturing industry (R780 million) and the construction industry (R235 million). However, significant decreases in net profit were recorded in the mining and quarrying industry (-R1 865 million), the real estate and other business services industry (-R1 126 million), the community, social and personal services industry (-R731 million) and the trade industry (-R11 million).

Capital expenditure on new assets, which was estimated at R23 504 million for all industries for the second quarter of 2003, decreased by 12,2% compared with the first quarter of 2003 (R26 758 million). The largest decrease was reported by the transport, storage and communication industry (-R2 079 million), followed by the mining and quarrying industry (-R852 million), the construction industry (-R540 million), the community, social and personal services industry (-R333 million) and the manufacturing industry (-R129 million). The real estate and other business services industry and the trade industry recorded increases of R633 million and R46 million respectively in capital expenditure on new assets.

Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the second quarter of 2003 was estimated at R563 241 million, reflecting an increase of 1,1% compared with the first quarter of 2003. The manufacturing industry (R167 532 million) reported the highest book value for the second quarter of 2003, followed by the mining and quarrying industry (R115 774 million), the transport, storage and communication industry (R113 017 million), the real estate and other business services industry (R87 778 million), the trade industry (R47 675 million), the construction industry (R17 537 million) and the community, social and personal services industry (R13 928 million).

Stocks (inventories) as at the end of the second quarter of 2003 were R215 908 million. This reflected an increase of 2,8% compared with the first quarter of 2003. The manufacturing industry recorded the highest stock values (R102 049 million) for the second quarter of 2003, followed by the trade industry (R75 632 million), the mining and quarrying industry (R11 247 million), the real estate and other business services industry (R11 158 million), the transport, storage and communication industry (R7 105 million), the construction industry (R6 986 million) and the community, social and personal services industry (R1 731 million).

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

- typical seasonal patterns for the manufacturing, construction, transport, trade and real estate and other business services industries;
- changes in the foreign exchange rate and profits on the revaluation of assets for the manufacturing, mining and transport, storage and communication industries.

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## Notes

<b>Forthcoming issues</b>	<b>Issue</b> September 2003	<b>Expected release date</b> 18 December 2003
<b>Purpose of the survey</b>	<p>The Quarterly Financial Statistics (QFS) survey is a sample 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 enterprises. 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. The results are published quarterly in Statistical Release P8042: <i>Quarterly Financial Statistics</i>.</p>	
<b>Changes in this issue</b>	<p>Consultations with stakeholders have necessitated the introduction of additional items in this release. The June 2003 Quarterly Financial Statistics release contains data on stocks (inventories) and detail regarding capital expenditure on new assets namely buildings, improvements and construction works; plant, machinery, furniture, fittings and other equipment; and vehicles.</p>	
<b>Response rates</b>	<p>The percentage response for March 2003 was 81%. The percentage response for June 2003 was 80%.</p>	

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

Item	June 2002*	September 2002*	December 2002*	March 2003*	June 2003	Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %
	R million	R million	R million	R million	R million	
Turnover	652 202	686 447	709 963	659 762	668 926	1,4
Interest paid	17 126	17 309	19 183	18 754	18 356	-2,1
Tax and company tax brought into account	11 440	13 472	13 182	10 827	9 984	-7,8
Net profit or loss before providing for company tax and dividends	59 889	59 376	58 815	46 332	46 491	0,3
Capital expenditure on new assets						
Buildings, improvements and construction works	2 242	2 411	4 038	3 458	3 161	-8,6
Plant, machinery, furniture, fittings and other equipment	17 552	16 369	19 550	16 579	15 789	-4,8
Vehicles	3 020	1 677	5 913	6 720	4 554	-32,2
Total capital expenditure on new assets	22 814	20 457	29 501	26 758	23 504	-12,2
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	533 744	538 676	552 153	557 055	563 241	1,1
Stocks (inventories)						
Work in progress	37 332	38 150	35 384	38 077	39 116	2,7
Other stocks	168 412	172 382	176 532	171 852	176 792	2,9
Total stocks (inventories)	205 744	210 532	211 916	209 929	215 908	2,8

<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	June 2002*	September 2002*	December 2002*	March 2003*	June 2003	Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %
	R million	R million	R million	R million	R million	
Turnover	36 475	36 455	37 914	31 509	30 515	-3,2
Interest paid	771	995	1 419	1 412	1 586	12,3
Tax and company tax brought into account	3 264	3 687	2 792	2 006	1 520	-24,2
Net profit or loss before providing for company tax and dividends	10 272	10 414	8 563	6 850	4 985	-27,2
Capital expenditure on new assets						
Buildings, improvements and construction works	605	574	1 484	652	861	32,1
Plant, machinery, furniture, fittings and other equipment	5 591	4 179	5 485	5 806	4 608	-20,6
Vehicles	88	77	168	321	458	42,7
Total capital expenditure on new assets	6 284	4 830	7 137	6 779	5 927	-12,6
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	101 960	104 203	110 620	113 498	115 774	2,0
Stocks (inventories)						
Work in progress	3 514	4 109	3 533	3 410	4 386	28,6
Other stocks	6 292	6 502	6 669	6 434	6 861	6,6
Total stocks (inventories)	9 806	10 611	10 202	9 844	11 247	14,3

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

Item	June 2002*	September 2002*	December 2002*	March 2003*	June 2003	Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %
	R million	R million	R million	R million	R million	
Turnover	209 806	223 967	233 731	212 328	212 605	0,1
Interest paid	4 537	4 350	4 856	4 818	4 577	-5,0
Tax and company tax brought into account	4 186	5 632	5 763	4 132	4 359	5,5
Net profit or loss before providing for company tax and dividends	25 382	23 794	25 236	19 932	20 712	3,9
Capital expenditure on new assets						
Buildings, improvements and construction works	532	486	783	669	382	-42,9
Plant, machinery, furniture, fittings and other equipment	5 473	6 400	7 862	5 852	5 835	-0,3
Vehicles	278	387	376	429	604	40,8
Total capital expenditure on new assets	6 283	7 273	9 021	6 950	6 821	-1,9
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	160 098	161 304	164 939	165 027	167 532	1,5
Stocks (inventories)						
Work in progress	18 456	19 472	18 355	19 071	19 405	1,8
Other stocks	76 966	79 954	79 589	78 677	82 644	5,0
Total stocks (inventories)	95 422	99 426	97 944	97 748	102 049	4,4



**Table 4 - Selected income and expenditure items: Construction industry**

Item	June 2002*	September 2002*	December 2002*	March 2003*	June 2003	Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %
	R million	R million	R million	R million	R million	
Turnover	23 935	24 771	23 178	23 881	24 024	0,6
Interest paid	438	462	404	653	460	-29,6
Tax and company tax brought into account	169	143	119	191	131	-31,4
Net profit or loss before providing for company tax and dividends	1 866	2 145	937	1 016	1 251	23,1
Capital expenditure on new assets						
Buildings, improvements and construction works	205	106	228	314	76	-75,8
Plant, machinery, furniture, fittings and other equipment	422	348	473	817	506	-38,1
Vehicles	152	71	161	217	226	4,1
Total capital expenditure on new assets	779	525	862	1 348	808	-40,1
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	16 226	16 640	17 100	17 287	17 537	1,4
Stocks (inventories)						
Work in progress	7 210	6 598	6 028	6 417	5 438	-15,3
Other stocks	1 788	1 877	1 661	1 802	1 548	-14,1
Total stocks (inventories)	8 998	8 475	7 689	8 219	6 986	-15,0

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

Item	June 2002*	September 2002*	December 2002*	March 2003*	June 2003	Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %
	R million	R million	R million	R million	R million	
Turnover	218 681	233 044	243 142	225 771	234 494	3,9
Interest paid	2 986	2 935	3 368	3 963	4 022	1,5
Tax and company tax brought into account	1 381	1 501	1 809	1 657	1 710	3,2
Net profit or loss before providing for company tax and dividends	7 007	8 116	8 974	8 062	8 051	-0,1
Capital expenditure on new assets						
Buildings, improvements and construction works	140	296	213	445	317	-28,8
Plant, machinery, furniture, fittings and other equipment	1 757	1 354	1 895	1 488	1 578	6,0
Vehicles	208	288	395	485	569	17,3
Total capital expenditure on new assets	2 105	1 938	2 503	2 418	2 464	1,9
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	46 873	47 746	46 960	47 551	47 675	0,3
Stocks (inventories)						
Work in progress	4 098	4 219	3 995	4 546	5 123	12,7
Other stocks	69 246	69 918	73 599	70 824	70 509	-0,4
Total stocks (inventories)	73 344	74 137	77 594	75 370	75 632	0,3

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

Item	June	September	December	March	June	Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %
	2002* R million	2002* R million	2002* R million	2003* R million	2003 R million	
Turnover	54 639	58 290	61 516	59 283	60 352	1,8
Interest paid	1 570	2 018	2 225	2 094	1 909	-8,8
Tax and company tax brought into account	1 087	886	1 258	970	985	1,5
Net profit or loss before providing for company tax and dividends	3 695	181	4 055	- 1 221	1 656	235,6
Capital expenditure on new assets						
Buildings, improvements and construction works	478	417	348	620	123	-80,2
Plant, machinery, furniture, fittings and other equipment	3 002	2 549	2 697	1 384	2 337	68,9
Vehicles	2 244	830	4 442	5 139	2 605	-49,3
Total capital expenditure on new assets	5 724	3 796	7 487	7 144	5 065	-29,1
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	103 369	104 058	108 805	113 077	113 017	-0,1
Stocks (inventories)						
Work in progress	1 114	914	905	808	826	2,2
Other stocks	4 642	5 146	5 787	5 007	6 279	25,4
Total stocks (inventories)	5 756	6 060	6 692	5 815	7 105	22,2

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

Item	June 2002*	September 2002*	December 2002*	March 2003*	June 2003	Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %
	R million	R million	R million	R million	R million	
Turnover	92 785	94 025	94 926	91 227	91 263	0,0
Interest paid	6 429	6 187	6 430	5 368	5 379	0,2
Tax and company tax brought into account	1 131	1 373	1 199	1 663	1 135	-31,7
Net profit or loss before providing for company tax and dividends	10 622	12 816	9 148	9 553	8 427	-11,8
Capital expenditure on new assets						
Buildings, improvements and construction works	265	481	967	703	1 375	95,6
Plant, machinery, furniture, fittings and other equipment	1 199	1 330	1 002	685	676	-1,3
Vehicles	48	21	354	116	86	-25,9
Total capital expenditure on new assets	1 512	1 832	2 323	1 504	2 137	42,1
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	89 508	89 228	89 099	86 463	87 778	1,5
Stocks (inventories)						
Work in progress	2 748	2 656	2 342	3 446	3 542	2,8
Other stocks	8 215	7 721	7 948	7 640	7 616	-0,3
Total stocks (inventories)	10 963	10 377	10 290	11 086	11 158	0,6

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

<b>Item</b>	<b>June 2002* R million</b>	<b>September 2002* R million</b>	<b>December 2002* R million</b>	<b>March 2003* R million</b>	<b>June 2003 R million</b>	<b>Percentage change between the quarter ended March 2003 and the quarter ended June 2003 %</b>
Turnover	15 881	15 895	15 556	15 763	15 673	-0,6
Interest paid	395	362	481	446	423	-5,2
Tax and company tax brought into account	222	250	242	208	144	-30,8
Net profit or loss before providing for company tax and dividends	1 045	1 910	1 902	2 140	1 409	-34,2
Capital expenditure on new assets						
Buildings, improvements and construction works	17	51	15	55	27	-50,9
Plant, machinery, furniture, fittings and other equipment	108	209	136	547	249	-54,5
Vehicles	2	3	17	13	6	-53,8
Total capital expenditure on new assets	127	263	168	615	282	-54,1
Book value of land, buildings, machinery, furniture, vehicles and other equipment as at the end of the quarter	15 710	15 497	14 630	14 152	13 928	-1,6
Stocks (inventories)						
Work in progress	192	182	226	379	396	4,5
Other stocks	1 263	1 264	1 279	1 468	1 335	-9,1
Total stocks (inventories)	1 455	1 446	1 505	1 847	1 731	-6,3

## Additional information

### 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 - March 2003**

Industry	Lower limit R million	Estimate R million	Upper limit R million	Relative standard error (RSE)
Mining and quarrying industry	30 607	31 509	32 411	1,5
Manufacturing industry	204 715	212 328	219 941	1,8
Construction industry	18 853	23 881	28 910	10,7
Trade industry	201 035	225 771	250 508	5,6
Transport, storage and communication industry	57 424	59 283	61 142	1,6
Real estate and other business services industry, excluding financial intermediation and insurance	63 469	91 227	118 985	15,5
Community, social and personal services industry, excluding government institutions	11 765	15 763	19 761	12,9

**Table B - Estimates of turnover by industry within 95% confidence limits – June 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	29 708	30 515	31 322	1,3
Manufacturing industry	205 265	212 605	219 945	1,8
Construction industry	19 671	24 024	28 372	9,2
Trade industry	207 592	234 494	261 395	5,9
Transport, storage and communication industry	57 411	60 352	63 292	2,5
Real estate and other business services industry, excluding financial intermediation and insurance	66 811	91 263	115 714	13,7
Community, social and personal services industry, excluding government institutions	12 113	15 673	19 233	11,6

**Table C – Differences in turnover by industry between March 2003 and June 2003**

<b>Industry</b>	<b>Turnover for March 2003 R million</b>	<b>Turnover for June 2003 R million</b>	<b>Difference %</b>	<b>Statistical significance of difference</b>
Mining and quarrying industry	31 509	30 515	-3,2	Not significant
Manufacturing industry	212 328	212 605	0,1	Not significant
Construction industry	23 881	24 024	0,6	Not significant
Trade industry	225 771	234 494	3,9	Not significant
Transport, storage and communication industry	59 283	60 352	1,8	Not significant
Real estate and other business services industry, excluding financial intermediation and insurance	91 227	91 263	0,0	Not significant
Community, social and personal services industry, excluding government institutions	15 763	15 673	-0,6	Not significant

## 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
    - stocks (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 September 2002, December 2002, March 2003 and June 2003, which examines book value of land, buildings, machinery, furniture, vehicles and other equipment, stocks 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. The survey gathered financial information for the June 2002, September 2002, December 2002, March 2003 and June 2003 quarters. Future releases may contain additional variables and other information.



- 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 enterprises.
- 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>Interest paid</b>	<p>Interest paid includes –</p> <ul style="list-style-type: none"> <li>• interest on bank loans;</li> <li>• interest on loans made to the enterprise from related as well as unrelated enterprises;</li> <li>• interest paid in respect of finance leases;</li> <li>• interest paid on loans from partners;</li> <li>• expenses associated with discounted bills;</li> <li>• interest on debentures; and</li> <li>• interest on derivatives.</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> <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.</p>

**Stocks (Inventories)**

Inventories consist of –

- 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
- stocks of products acquired from other enterprises that are intended to be used for intermediate consumption or for resale without further processing (factored goods).

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.

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.

**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.

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