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Large sample survey of the manufacturing industry 2001

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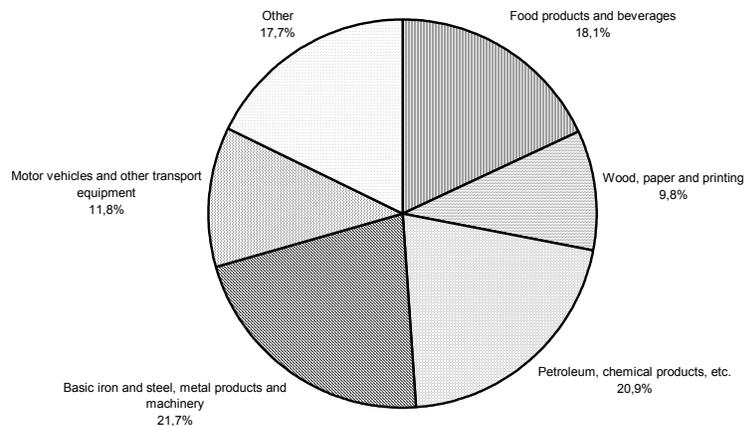
Key findings for the year ended June 2001

According to the 2001 large sample survey of the manufacturing industry there were approximately 34 000 factories with a total output of R602 724 million in the Republic of South Africa. The largest contributor to the total manufacturing output was the basic iron and steel, non-ferrous metal products; metal products and machinery division (R130 646 million or 21,7%), followed by the petroleum, chemical products, rubber and plastic products (R126 235 million or 20,9%) and food products and beverages divisions (R109 191 million or 18,1%). The major group basic iron and steel contributed 32,7% to the output of the basic iron and steel, non-ferrous metal products; metal products and machinery division. Chemicals and chemical products and coke and refined petroleum products contributed 49,8% and 33,2% respectively to the output of the petroleum, chemical products, rubber and plastic products division. Food products contributed 80% to the output of the food products and beverage division.

The profitability ratio (net profit before tax as percentage of output) of manufacturers in 2001 was 8,1%. The total net profit amounted to R48 819 million. Manufacturers of petroleum, chemical products, rubber and plastic products accounted for 33,0% (R16 133 million), manufacturers of basic iron and steel, non-ferrous metal products; metal products and machinery 19,1% (R9 314 million) and food and beverages 15,6% (R7 621 million) of total net profit. The profitability ratios for these three divisions were 12,8%, 7,1% and 7,0% respectively.

Large capital expenditure on new assets in 2001 was reported for the basic iron and steel, non-ferrous metal products; metal products and machinery division (R5 918 million), the petroleum, chemical products, rubber and plastic products division (R4 368 million), the food products and beverages division (R3 004 million) and the motor vehicles, parts and accessories and other transport equipment division (R2 155 million).

Output distribution according to division: 2001



Comparison with results of other surveys

The findings of turnover of the manufacturing industry from this survey are broadly consistent with the findings of other related surveys. Table A1 shows turnover estimates for manufacturing at the division level from the economic activity survey of the manufacturing industry. All three surveys are based on the new business register. The turnover estimates for 2001 from the monthly manufacturing: production and sales survey have been backcast from the results of the survey for 2003. The new results are consistent with those findings (as published in P3041.2), namely that the old monthly manufacturing survey had understated the level of manufacturing turnover by about 17%.

Table A1 - Comparison of surveys covering the manufacturing industry regarding turnover for 2001

Division	Economic activity survey	Large sample survey of the manufacturing industry	Manufacturing: production and sales survey
	R million	R million	R million
Food and beverages	109 431	106 233	95 176
Textiles, clothing, leather and footwear	31 979	32 565	36 011
Wood and wood products; paper; publishing and printing	50 991	50 104	51 261
Petroleum, chemical products, rubber and plastic products	115 940	120 452	119 791
Glass and non-metallic mineral products	17 955	17 867	15 057
Basic iron and steel; non-ferrous metal products; metal products and machinery	122 238	125 458	111 206
Electrical machinery	16 335	13 500	16 971
Radio, television and communication apparatus; professional equipment	12 311	6 626	8 620
Motor vehicles, parts and accessories; other transport equipment	74 010	67 705	79 774
Furniture and other manufacturing divisions	26 545	36 415	31 304
Total	577 735	576 924	565 171

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1. Principal statistics - Manufacturing by divisions and major groups

Division and major group	Number of factories	Intermediate consumption	Output	Value added	Net profit/loss	Stocks at end of the year	Book value of fixed assets at the beginning of the year	Capital expenditure on new assets
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Division - Food products and beverages	3 109	79 657 643	109 190 671	29 533 028	7 621 433	13 463 321	27 416 460	3 003 941
Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats	790	20 890 893	26 592 991	5 702 098	1 105 993	2 574 372	4 776 875	631 933
Dairy products	130	5 343 898	7 285 774	1 941 876	-90 595	706 061	2 086 679	221 861
Grain mill products, starches and starch products and prepared animal feeds	335	12 255 096	14 815 094	2 559 998	554 045	1 535 619	2 740 822	199 621
Other food products	1 430	26 822 294	38 279 351	11 457 057	3 067 943	3 661 897	9 423 816	904 841
Beverages	424	14 345 462	22 217 461	7 871 999	2 984 047	4 985 372	8 388 268	1 045 685
Division - Textiles, clothing, leather and footwear	3 098	24 419 066	34 424 693	10 005 627	421 311	6 257 284	5 086 964	855 685
Spinning, weaving and finishing of textiles	193	5 641 371	7 838 961	2 197 590	75 550	1 689 267	1 591 602	304 383
Other textiles	836	4 691 878	6 802 709	2 110 831	226 052	1 379 698	1 417 969	235 820

1. Principal statistics - Manufacturing by divisions and major groups

Division and major group	Number of factories	Intermediate consumption R'000	Output R'000	Value added R'000	Net profit/loss R'000	Stocks at end of the year R'000	Book value of fixed assets at the beginning of the year R'000	Capital expenditure on new assets R'000
Wearing apparel, dressing and dyeing of fur	1 499	8 848 760	13 179 248	4 330 488	141 647	2 291 813	1 505 195	180 514
Leather and leather products	248	3 116 762	3 701 796	585 034	-19 731	542 920	305 260	98 900
Footwear	322	2 120 295	2 901 979	781 684	-2 207	353 586	266 938	36 068
Division - Wood and wood products; paper; publishing and printing	3 593	39 024 339	59 102 935	20 078 596	5 309 673	4 791 627	21 674 360	2 186 252
Sawmilling and planing of wood	257	2 757 227	4 017 080	1 259 853	219 795	326 881	661 136	257 014
Wood, cork, straw and plaiting material	1 078	4 404 438	6 555 114	2 150 676	293 668	924 863	6 605 764	647 658
Paper and paper products	602	19 261 495	28 013 235	8 751 740	3 411 590	3 203 582	10 658 392	750 411
Publishing, printing and reproduction of recorded media	1 656	12 601 179	20 517 506	7 916 327	1 384 620	336 301	3 749 068	531 169

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		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Division - Petroleum, chemical products, rubber and plastic products	3 549	85 407 838	126 235 145	40 827 307	16 132 826	15 750 665	33 004 809	4 367 821
Coke and refined petroleum products and nuclear fuel	384	25 891 923	41 924 401	16 032 478	10 198 251	3 665 583	15 283 601	1 457 806
Chemicals and chemical products	1 735	45 272 647	62 924 465	17 651 818	5 146 290	9 570 188	12 847 385	2 157 803
Rubber products	279	4 100 362	6 088 173	1 987 811	161 898	941 755	1 423 458	193 606
Plastic products	1 151	10 142 906	15 298 106	5 155 200	626 387	1 573 139	3 450 365	558 606
Division - Glass and non-metallic mineral products	1 375	10 942 603	18 024 566	7 081 963	1 847 649	2 110 226	8 120 444	726 981
Glass and glass products	255	2 266 021	4 151 340	1 885 319	601 583	589 797	1 513 487	200 931
Non-metallic mineral products, not elsewhere classified	1 120	8 676 582	13 873 226	5 196 644	1 246 066	1 520 429	6 606 957	526 050

1. Principal statistics - Manufacturing by divisions and major groups

Division and major group	Number of factories	Intermediate consumption	Output	Value added	Net profit/loss	Stocks at end of the year	Book value of fixed assets at the beginning of the year	Capital expenditure on new assets
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Division - Basic iron and steel, non-ferrous metal products; metal products and machinery	10 976	91 249 981	130 645 917	39 395 936	9 314 107	19 714 836	45 998 843	5 918 114
Basic iron and steel	678	32 710 935	42 756 708	10 045 773	1 411 403	7 858 828	24 970 455	1 434 532
Basic precious and non-ferrous metals and casting of metals	908	13 820 649	21 742 518	7 921 869	4 535 814	3 197 722	11 524 034	3 309 159
Structural metal products, tanks, reservoirs and steam generators	1 163	6 208 540	8 484 476	2 275 936	226 401	851 644	846 352	99 471
Other fabricated metal products; metalwork service activities	3 260	16 176 796	23 460 204	7 283 408	1 249 170	2 672 842	2 825 464	363 054
General purpose machinery	1 958	8 131 369	12 211 835	4 080 466	654 969	1 558 713	1 653 235	269 435
Special purpose machinery	2 140	9 353 360	15 142 190	5 788 830	992 331	2 600 025	2 193 321	366 098
Household, office, accounting and computing machinery	869	4 848 332	6 847 986	1 999 654	244 019	975 062	1 985 982	76 365
	10 976	91 249 981	130 645 917	39 395 936	9 314 107	19 714 836	45 998 843	5 918 114

1. Principal statistics - Manufacturing by divisions and major groups

Division and major group	Number of factories	Intermediate consumption R'000	Output R'000	Value added R'000	Net profit/loss R'000	Stocks at end of the year R'000	Book value of fixed assets at the beginning of the year R'000	Capital expenditure on new assets R'000
Division - Electrical machinery and apparatus	871	9 710 699	14 332 574	4 621 875	1 225 643	1 622 856	1 645 760	453 999
Insulated wire and cable	94	3 125 249	4 484 379	1 359 130	367 264	824 609	501 575	111 718
Accumulators, primary cells and primary batteries	52	589 704	865 212	275 508	23 036	176 947	63 398	43 574
Electric lamps and lighting equipment	77	558 912	831 363	272 451	57 695	104 405	67 145	13 045
Other electrical equipment, not elsewhere classified	648	5 436 834	8 151 620	2 714 786	777 648	516 895	1 013 642	285 662
Division - Radio, television and communication apparatus; professional equipment	902	4 747 197	7 036 739	2 289 542	392 239	1 182 796	1 034 280	83 348
Radio, television and communication equipment and apparatus	261	2 471 612	3 604 846	1 133 234	230 098	704 601	654 389	34 832
Medical, precision and optical instruments, watches and clocks	641	2 275 585	3 431 893	1 156 308	162 141	478 195	379 891	48 516

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Division and major group	Number of factories	Intermediate consumption R'000	Output R'000	Value added R'000	Net profit/loss R'000	Stocks at end of the year R'000	Book value of fixed assets at the beginning of the year R'000	Capital expenditure on new assets R'000
Division - Motor vehicles, parts and accessories and other transport equipment	2 994	56 225 370	71 118 533	14 893 163	4 212 583	11 318 538	8 491 484	2 155 004
Motor vehicles	836	32 969 471	40 169 802	7 200 331	2 668 615	6 267 994	4 295 604	1 348 889
Bodies (coachwork) for motor vehicles, trailers and semi-trailers	213	1 508 612	2 144 481	635 869	75 002	239 529	233 690	21 565
Parts and accessories for motor vehicles and their engines	1 354	17 420 170	22 821 514	5 401 344	1 313 320	3 717 250	3 303 982	692 586
Transport equipment	591	4 327 117	5 982 736	1 655 619	155 646	1 093 765	658 208	91 964
Division - Furniture and other manufacturing divisions	3 176	22 961 231	32 612 052	9 650 821	2 341 352	6 147 275	3 677 449	576 598
Furniture	1 339	6 899 130	9 810 805	2 911 675	288 251	956 912	1 101 802	160 029
Other industries and recycling	1 837	16 062 101	22 801 247	6 739 146	2 053 101	5 190 363	2 575 647	416 569
Manufacturing (Total)	33 643	424 345 967	602 723 825	178 377 858	48 818 816	82 359 424	156 150 853	20 327 743

Explanatory notes

Background

The large sample survey of the manufacturing industry is a five yearly survey, which measures economic activity in the manufacturing sector of the South African economy. It is based on a sample of private and public enterprises operating in the manufacturing industry. The survey is designed to give information on income and expenditure, materials purchased and products sold. These are the first results of a large sample drawn from a new business register with significantly enhanced coverage of South African businesses. Information is collected from enterprises for their financial year which ended on any date between 1 July 2000 and 30 June 2001.

Statistics South Africa (Stats SA) developed a new business register, based on the value-added tax (VAT) database obtained from the South African Revenue Service (SARS), replacing the previous business register. 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 are included on the new business register, and hence were given a chance of selection in the sample for this survey.

Purpose of the survey

Results of the survey are used within Stats SA for compiling South Africa's National Accounts, e.g. the Gross Domestic Product (GDP) and gross fixed capital formation. These statistics are also used by the private sector in analyses of comparative business and industry performance. Other users include the South African Reserve Bank, government organizations, researchers and academics. More detailed results will be published in Report 30-02-01 (2001).

Scope of the survey

This survey covers manufacturing enterprises, i.e. those conducting activities in -

- the manufacturing, processing, making or packing of products;
- the slaughtering of animals, including poultry; and
- installation, assembly, completion, repair and related work.

Classification

The 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC)*, Fifth Edition, Report No. 09-90-02, was used to classify the statistical units in the survey to industry. The SIC is based on the 1990 *International Standard Industrial Classification of all Economic Activities (ISIC)* with suitable adaptations for local conditions. Statistics in this publication are presented at SIC division (two digit) level. Each enterprise is classified to an industry which based on its predominant activity.

Statistical unit

The statistical unit for which information is compiled and published is the enterprise, 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.

Survey methodology and design

The survey was conducted by mail, fax and telephone. Questionnaires were sent to a sample of nearly 6 000 enterprises, drawn in August 2001 from a population then of approximately 33 000 manufacturing enterprises. Each manufacturing division is divided into four size groups. The sample is drawn at the SIC two-digit level. All large enterprises (size group one), were completely enumerated. Simple random sampling was applied for size group two (medium sized) enterprises, and for size groups three and four (small) enterprises. The total value of a variable (e.g. output) for large enterprises (size group one) in a division is added to the weighted totals for size groups two, three and four of that division to reflect the total value of the variable for the division.

Weighting methodology

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

Reliability of estimates

Data presented in this publication are based on information obtained from a sample 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 manufacturing industry in South Africa. Estimates are subject to sampling and non-sampling errors.

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

Net profit

Net profit is shown before tax excluding interest received and dividends paid.

Comparability with previously published information

The information in this statistical release regarding the manufacturing industry and the manufacturing census survey of 1996 are not strictly comparable. The census of manufacturing 1996, was collected from the old business address register of Stats SA, while the Large sample survey of the manufacturing industry 2001, was collected from a sample drawn from the new VAT business register, implemented in 2001. In the new VAT business register smaller enterprises are better covered.

Glossary

Enterprise	The enterprise is a legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.
Industry	An industry is made up of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the <i>System of National Accounts (SNA)</i> in the same way as in the <i>Standard Industrial Classification of all Economic Activities, Fifth Edition, Report No. 09-90-02 of January 1993 (SIC)</i> .
Intermediate consumption	Intermediate consumption includes - <ul style="list-style-type: none"> • purchases and transfers-in of materials; • payments to other establishments for work done; • other direct factory costs; • rent and leasing charges; • head office charges; • royalties, copyright, trade names and patent rights paid; • advertising; • insurance premiums; • services; and • secretarial and administrative fees.
Output	Output is the aggregate value of goods manufactured and work done and includes - <ul style="list-style-type: none"> • sales and transfers-out of own manufactures, factory waste and stocks of factored goods; • repairs; • installation, erection and assembly; • sundry trading revenue; • sales of factored goods minus purchases of factored goods; • rent and leasing received; • royalties received; • difference between opening value and closing value of work in progress, stocks of own manufactures and stocks of factored goods; • head office charges; and • other revenue. <p>Output excludes excise and customs duty paid.</p>
Value added	Value added is the value of output less intermediate consumption. It represents the value added to the cost of the materials used in the process of production.
Statistical unit	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.
Stocks	Stocks include raw materials/ materials for processing, packaging materials, fuel and consumables and maintenance stores, e.g. spares; work in progress (partially completed) and finished goods (own manufacturers).

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