



# Statistical release

## P3002

# Manufacturing industry

2005

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## Key findings for the year 2005

### Income

The total income for the manufacturing industry in 2005 was R 926 513 million. The largest contributors to the total income in the manufacturing industry were 'Petroleum, chemical products, rubber and plastic products' (R 218 982 million or 23,6%), followed by 'Basic iron and steel, non-ferrous metal products, metal products and machinery' (R 188 090 million or 20,3%), 'Food products and beverages' (R 156 693 million or 16,9%) and 'Motor vehicles, parts and accessories and other transport equipment' (R 149 446 million or 16,1%) (see table 1).

Income by enterprise size indicates that the 'large' enterprises contribute 81,3% (or R 753 167 million) of the total income of the manufacturing industry (see table 3).

### Expenditure

The total expenditure for the manufacturing industry in 2005 was R 850 979 million. The largest contributors to the total expenditure in the manufacturing industry were 'Petroleum, chemical products, rubber and plastic products' (R 197 130 million or 23,2%), followed by 'Basic iron and steel, non-ferrous metal products, metal products and machinery' (R 170 729 million or 20,1%), 'Food products and beverages' (R 145 696 million or 17,1%) and 'Motor vehicles, parts and accessories and other transport equipment' (R 141 866 million or 16,7%) (see table 1).

### Employment

The total number of people employed in the manufacturing industry in 2005 was 1 401 262. 'Food products and beverages' employed the largest number of people in the manufacturing industry (282 172 or 20,1%), followed by 'Basic iron and steel, non-ferrous metal products, metal products and machinery' (276 147 or 19,7%), 'Textiles, clothing, leather and footwear' (195 709 or 14,0%) and 'Petroleum, chemical products, rubber and plastic products' (153 211 or 10,9%) (see table 7).

Employment by enterprise size indicates that the 'large' enterprises employed the most people (53,5% or 749 493), followed by 'micro' enterprises (18,5% or 259 002), 'medium' enterprises (16,9% or 237 338) and 'small' enterprises (11,1% or 155 429) (see table 7).

### Salaries and wages

Gross salaries and wages paid to employees in 2005 amounted to R 111 616 million. This account for approximately 13,1% of the total expenditure. Most earnings were paid to people employed in 'Basic iron and steel, non-ferrous metal products, metal products and machinery' (R 26 786 million or 24,0%), followed by 'Petroleum, chemical products, rubber and plastic products' (R 18 911 million or 16,9%), 'Food products and beverages' (R 17 589 million or 15,8%) and 'Wood products, paper, publishing and printing' (R 13 091 million or 11,7%) (see table 4).

**Net profit before tax**

The net profit before tax was R 87 022 million. The largest contributors to the net profit before tax in the manufacturing industry were ‘Petroleum, chemical products, rubber and plastic products’ (R 24 080 million or 27,7%), followed by ‘Basic iron and steel, non-ferrous metal products, metal products and machinery’ (R 20 551 million or 23,6%), ‘Food products and beverages’ (R 12 221 million or 14,0%) and ‘Motor vehicles, parts and accessories and other transport equipment’ (R 11 128 million or 12,8%) (see table 1).

**Profit margin**

The profit margin in the manufacturing industry in 2005 was 7,0%. ‘Glass and non-metallic mineral products division’ had the highest profit margin (11,6%), followed by ‘Wood and wood products, paper, publishing and printing’ (10,2%) and ‘Basic iron and steel, non-ferrous metal products, metal products and machinery’ (8,0%) (see table A).

**Table A – Profit margin in the manufacturing industry: 2005**

Type of manufacturing	Net Profit after Tax	Turnover	Profit Margin
	R million		%
Food products and beverages	9 036	146 881	6,1
Textiles, clothing, leather and footwear	770	37 535	2,0
Wood and wood products, paper, publishing and printing	7 064	69 213	10,2
Petroleum, chemical products, rubber and plastic products	16 581	211 585	7,8
Glass and non-metallic mineral products	3 510	30 160	11,6
Basic iron and steel, non-ferrous metal products, metal products and machinery	14 395	179 047	8,0
Electrical machinery and apparatus	1 170	21 550	5,4
Radio, television and communication apparatus and professional equipment	370	8 483	4,4
Motor vehicles, parts and accessories and other transport equipment	8 280	143 635	5,8
Furniture and other manufacturing divisions	1 182	31 428	3,8
<b>TOTAL</b>	<b>62 358</b>	<b>879 517</b>	<b>7,0</b>

**P J Lehohla**  
**Statistician-General**

**Table 1 - Principal statistics in the manufacturing industry: 2005**

Type of manufacturing	Total income	Total expenditure	Inventory at beginning of the year	Inventory at end of the year	Net profit/loss before tax	Book value of fixed assets at the beginning of the year
<b>R million</b>						
Food products and beverages	156 693	145 696	17 519	18 743	12 221	40 832
Textiles, clothing, leather and footwear	38 337	37 285	6 174	6 403	1 280	6 038
Wood and wood products, paper, publishing and printing	79 143	70 492	6 639	6 871	8 882	28 005
Petroleum, chemical products, rubber and plastic products	218 982	197 130	19 557	21 785	24 080	58 815
Glass and non-metallic mineral products	31 161	26 494	2 799	3 064	4 932	8 106
Basic iron and steel, non-ferrous metal products, metal products and machinery	188 090	170 729	21 343	24 532	20 551	46 134
Electrical machinery and apparatus	23 412	22 042	2 806	3 098	1 662	2 785
Radio, television and communication apparatus and professional equipment	8 716	8 139	1 163	1 121	551	1 160
Motor vehicles, parts and accessories and other transport equipment	149 446	141 866	16 512	20 061	11 128	14 656
Furniture and other manufacturing divisions	32 533	31 106	2 992	3 300	1 735	3 938
<b>TOTAL</b>	<b>926 513</b>	<b>850 979</b>	<b>97 504</b>	<b>108 978</b>	<b>87 022</b>	<b>210 469</b>

**Table 2 - Income in the manufacturing industry: 2005**

Type of manufacturing	Income from sales of goods	Income from services rendered	Sundry trading income relating to manufacturing activity	Income from rental and leasing of land, buildings and other structures	Income from leasing and hiring of plant, machinery and equipment	Income from leasing and hiring of motor vehicles and other transport equipment	Interest received	Dividends received
	<b>R million</b>							
Food products and beverages	146 072	676	352	104	2	27	1 246	964
Textiles, clothing, leather and footwear	35 006	2 506	16	20	2	1	165	2
Wood and wood products, paper, publishing and printing	67 056	2 066	4 773	22	68	1	509	504
Petroleum, chemical products, rubber and plastic products	182 211	28 749	216	549	71	5	1 871	1 288
Glass and non-metallic mineral products	29 814	249	17	33	1	63	154	224
Basic iron and steel, non-ferrous metal products, metal products and machinery	162 050	16 600	174	145	232	20	819	608
Electrical machinery and apparatus	20 624	901	10	24	0	1	153	104
Radio, television and communication apparatus and professional equipment	7 425	1 052	5	3	3	0	63	42
Motor vehicles, parts and accessories and other transport equipment	123 641	19 732	50	182	5	75	1 627	1 389
Furniture and other manufacturing divisions	30 684	737	58	4	2	1	146	95
<b>TOTAL</b>	<b>804 583</b>	<b>73 268</b>	<b>5 671</b>	<b>1 086</b>	<b>386</b>	<b>194</b>	<b>6 753</b>	<b>5 220</b>

**Table 2 - Income in the manufacturing industry: 2005 (concluded)**

Type of manufacturing	Royalties, franchise fees, trade names and patent rights	Net profit on foreign loans	Profit for the redemption, liquidation or revaluation of liabilities	Profit on assets, investments and liabilities sold or revalued	Other income	Total income
<b>R million</b>						
Food products and beverages	40	244	149	495	6 322	<b>156 693</b>
Textiles, clothing, leather and footwear	7	93	7	62	452	<b>38 337</b>
Wood and wood products, paper, publishing and printing	40	54	9	3 366	676	<b>79 143</b>
Petroleum, chemical products, rubber and plastic products	103	506	63	1 385	1 964	<b>218 982</b>
Glass and non-metallic mineral products	55	15	4	44	486	<b>31 161</b>
Basic iron and steel, non-ferrous metal products, metal products and machinery	13	1 611	1 926	153	3 737	<b>188 090</b>
Electrical machinery and apparatus	1	13	7	806	767	<b>23 412</b>
Radio, television and communication apparatus and professional equipment	2	56	2	8	53	<b>8 716</b>
Motor vehicles, parts and accessories and other transport equipment	2	665	9	292	1 778	<b>149 446</b>
Furniture and other manufacturing divisions	2	33	42	10	720	<b>32 533</b>
<b>TOTAL</b>	<b>265</b>	<b>3 290</b>	<b>2 218</b>	<b>6 621</b>	<b>16 955</b>	<b>926 513</b>

**Table 3 - Income by enterprise size in the manufacturing industry: 2005**

Type of manufacturing	Large	Medium	Small	Micro	Total
<b>R million</b>					
Food products and beverages	140 509	10 126	4 312	1 746	<b>156 693</b>
Textiles, clothing, leather and footwear	24 556	6 760	3 365	3 656	<b>38 337</b>
Wood and wood products, paper, publishing and printing	58 742	10 406	4 926	5 069	<b>79 143</b>
Petroleum, chemical products, rubber and plastic products	194 576	15 499	5 792	3 114	<b>218 982</b>
Glass and non-metallic mineral products	24 258	4 143	1 856	904	<b>31 161</b>
Basic iron and steel, non-ferrous metal products, metal products and machinery	133 237	23 813	14 680	16 360	<b>188 090</b>
Electrical machinery and apparatus	16 757	4 147	1 358	1 150	<b>23 412</b>
Radio, television and communication apparatus and professional equipment	5 249	1 456	966	1 045	<b>8 716</b>
Motor vehicles, parts and accessories and other transport equipment	138 725	5 768	3 909	1 043	<b>149 446</b>
Furniture and other manufacturing divisions	16 558	7 654	3 511	4 810	<b>32 533</b>
<b>TOTAL</b>	<b>753 167</b>	<b>89 772</b>	<b>44 675</b>	<b>38 897</b>	<b>926 513</b>

**Table 4 - Expenditure in the manufacturing industry: 2005**

Type of manufacturing	Total purchases	Salaries and wages	Sub contractors paid	Depreciation	Interest paid	Containers and packaging materials	Repair and maintenance	Railage and transport-out	Water and electricity services
R million									
Food products and beverages	84 381	17 589	1 593	4 411	3 002	9 255	2 220	3 219	1 117
Textiles, clothing, leather and footwear	20 134	8 052	427	976	652	374	487	437	394
Wood and wood products, paper, publishing and printing	35 030	13 091	2 468	2 802	1 826	363	1 293	1 129	583
Petroleum, chemical products, rubber and plastic products	118 926	18 911	15 762	5 703	4 400	3 221	4 035	3 096	1 992
Glass and non-metallic mineral products	12 745	4 521	144	1 264	411	461	870	1 488	561
Basic iron and steel, non-ferrous metal products, metal products and machinery	101 271	26 786	2 654	5 225	2 379	515	3 692	2 481	4 524
Electrical machinery and apparatus	12 356	4 239	118	498	186	41	235	102	158
Radio, television and communication apparatus and professional equipment	4 447	1 774	131	188	84	23	57	32	47
Motor vehicles, parts and accessories and other transport equipment	108 377	11 786	695	3 035	1 963	649	948	652	490
Furniture and other manufacturing divisions	19 746	4 867	146	725	368	134	368	544	214
<b>TOTAL</b>	<b>517 413</b>	<b>111 616</b>	<b>24 138</b>	<b>24 827</b>	<b>15 271</b>	<b>15 036</b>	<b>14 205</b>	<b>13 180</b>	<b>10 080</b>

**Table 4 - Expenditure in the manufacturing industry: 2005 (continued)**

Type of manufacturing	Advertising Expenditure	Accommodation Expenditure	Bank charges	Entertainment Expenditure	Excise and customs duty	Insurance premiums paid	Losses from redemption, liquidation or revaluation of liabilities	Losses on assets, investments and liabilities sold or revalued
	<b>R million</b>							
Food products and beverages	2 523	94	156	60	681	500	184	493
Textiles, clothing, leather and footwear	157	17	97	36	138	257	76	206
Wood and wood products, paper, publishing and printing	529	56	102	81	69	383	98	323
Petroleum, chemical products, rubber and plastic products	2 135	232	217	186	829	854	249	489
Glass and non-metallic mineral products	91	53	45	29	26	174	11	38
Basic iron and steel, non-ferrous metal products, metal products and machinery	689	92	251	210	127	1 064	876	223
Electrical machinery and apparatus	61	14	37	35	419	103	12	15
Radio, television and communication apparatus and professional equipment	47	9	54	24	23	56	10	28
Motor vehicles, parts and accessories and other transport equipment	886	34	66	147	622	325	957	94
Furniture and other manufacturing divisions	161	33	82	35	30	194	128	44
<b>TOTAL</b>	<b>7 279</b>	<b>634</b>	<b>1 107</b>	<b>843</b>	<b>2 964</b>	<b>3 910</b>	<b>2 601</b>	<b>1 953</b>

**Table 4 - Expenditure in the manufacturing industry: 2005 (continued)**

Type of manufacturing	Motor vehicle running expenditure	Operational leasing and hiring of plant, machinery, equipment	Paper, printing and stationary	Postal and courier	Property taxes	Regional services council levies	Rental of land, buildings and other structures	Research and development
<b>R million</b>								
Food products and beverages	1 272	772	214	240	96	162	983	36
Textiles, clothing, leather and footwear	202	107	82	71	22	100	480	36
Wood and wood products, paper, publishing and printing	551	598	827	180	52	108	733	119
Petroleum, chemical products, rubber and plastic products	1 062	483	329	189	205	833	1 240	446
Glass and non-metallic mineral products	468	188	53	75	22	64	207	16
Basic iron and steel, non-ferrous metal products, metal products and machinery	1 289	630	265	157	101	276	1 485	266
Electrical machinery and apparatus	203	51	44	45	7	35	183	9
Radio, television and communication apparatus and professional equipment	65	42	25	37	4	16	161	89
Motor vehicles, parts and accessories and other transport equipment	287	186	114	165	50	203	540	239
Furniture and other manufacturing divisions	299	104	58	27	10	57	462	46
<b>TOTAL</b>	<b>5 698</b>	<b>3 161</b>	<b>2 011</b>	<b>1 186</b>	<b>569</b>	<b>1 854</b>	<b>6 474</b>	<b>1 302</b>

**Table 4 - Expenditure in the manufacturing industry: 2005 (concluded)**

Type of manufacturing	Royalties, franchise fees, trade names and patent rights	Security services	Severance termination and redundancy payments	Skill development levy	Staff training	Telecommunication services	Travelling expenditure	Other expenditure	Total expenditure
<b>R million</b>									
Food products and beverages	683	285	324	35	95	181	340	8 500	<b>145 696</b>
Textiles, clothing, leather and footwear	126	75	29	25	20	218	166	2 611	<b>37 285</b>
Wood and wood products, paper, publishing and printing	347	114	67	49	51	274	244	5 951	<b>70 492</b>
Petroleum, chemical products, rubber and plastic products	1 022	194	77	74	106	349	438	8 847	<b>197 130</b>
Glass and non-metallic mineral products	186	81	11	12	14	75	109	1 981	<b>26 494</b>
Basic iron and steel, non-ferrous metal products, metal products and machinery	281	238	73	106	133	657	575	11 137	<b>170 729</b>
Electrical machinery and apparatus	407	47	12	11	568	75	62	1 656	<b>22 042</b>
Radio, television and communication apparatus and professional equipment	46	15	10	8	7	59	60	460	<b>8 139</b>
Motor vehicles, parts and accessories and other transport equipment	1 071	96	34	25	38	155	262	6 675	<b>141 866</b>
Furniture and other manufacturing divisions	101	58	4	20	25	155	89	1 769	<b>31 106</b>
<b>TOTAL</b>	<b>4 270</b>	<b>1 203</b>	<b>641</b>	<b>365</b>	<b>1 057</b>	<b>2 198</b>	<b>2 345</b>	<b>49 587</b>	<b>850 979</b>

**Table 5 - Company tax, dividends, liabilities and owners equity in the manufacturing industry: 2005**

Type of manufacturing	Company tax	Cash dividends	Other dividends	Liabilities	Owners equity
<b>R million</b>					
Food products and beverages	3 185	2 575	388	69 607	42 752
Textiles, clothing, leather and footwear	510	238	5	17 158	6 465
Wood and wood products, paper, publishing and printing	1 818	1 012	2	45 527	25 627
Petroleum, chemical products, rubber and plastic products	7 499	7 520	35	110 609	48 905
Glass and non-metallic mineral products	1 422	1 654	4	11 034	10 230
Basic iron and steel, non-ferrous metal products, metal products and machinery	6 156	4 287	14	77 713	53 923
Electrical machinery and apparatus	492	304	32	7 425	4 128
Radio, television and communication apparatus and professional equipment	181	100	0	3 770	2 065
Motor vehicles, parts and accessories and other transport equipment	2 848	4 082	76	52 564	22 185
Furniture and other manufacturing divisions	553	214	0	11 504	5 573
<b>TOTAL</b>	<b>24 664</b>	<b>21 986</b>	<b>556</b>	<b>406 911</b>	<b>221 853</b>

**Table 6 - Book value at the end of the year of assets by asset type in the manufacturing industry: 2005**

Type of manufacturing	Land	Residential buildings	Non residential buildings	Construction	Computer and IT equipment	Motor vehicles and other transport	Plant, machinery and other office equipment	Intangible fixed assets: Computer software	Intangible fixed assets: other	Intangible non produced assets	Total
<b>R million</b>											
Food products and beverages	829	603	7 947	807	328	2 762	19 928	76	180	11 702	<b>45 163</b>
Textiles, clothing, leather and footwear	229	133	1 013	6	120	430	3 874	10	29	143	<b>5 986</b>
Wood and wood products, paper, publishing and printing	1 116	1 245	1 830	144	240	782	16 958	306	2 504	3 293	<b>28 418</b>
Petroleum, chemical products, rubber and plastic products	1 932	309	3 395	5 280	425	1 376	38 513	396	268	11 318	<b>63 212</b>
Glass and non-metallic mineral products	252	286	807	262	590	768	3 960	927	29	544	<b>8 425</b>
Basic iron and steel, non-ferrous metal products, metal products and machinery	749	1 810	2 179	291	985	2 844	31 642	5 212	992	803	<b>47 507</b>
Electrical machinery and apparatus	120	121	147	77	111	168	1 424	54	171	337	<b>2 731</b>
Radio, television and communication apparatus and professional equipment	62	30	55	2	55	125	347	9	67	421	<b>1 173</b>
Motor vehicles, parts and accessories and other transport equipment	399	648	2 129	576	297	1 400	10 697	78	382	391	<b>16 995</b>
Furniture and other manufacturing divisions	87	20	232	71	77	617	2 282	8	61	261	<b>3 718</b>
<b>TOTAL</b>	<b>5 775</b>	<b>5 205</b>	<b>19 734</b>	<b>7 516</b>	<b>3 228</b>	<b>11 272</b>	<b>129 625</b>	<b>7 076</b>	<b>4 683</b>	<b>29 213</b>	<b>223 328</b>

**Table 7 - Employment by enterprise size in the manufacturing industry: 2005**

Type of manufacturing	Large	Medium	Small	Micro	Total
	Number				
Food products and beverages	229 384	26 181	12 234	14 373	<b>282 172</b>
Textiles, clothing, leather and footwear	74 752	37 194	16 590	67 173	<b>195 709</b>
Wood and wood products, paper, publishing and printing	73 618	28 775	15 453	25 416	<b>143 262</b>
Petroleum, chemical products, rubber and plastic products	94 111	28 586	17 335	13 179	<b>153 211</b>
Glass and non-metallic mineral products	29 373	13 550	9 545	9 631	<b>62 099</b>
Basic iron and steel, non-ferrous metal products, metal products and machinery	109 737	52 652	48 628	65 130	<b>276 147</b>
Electrical machinery and apparatus	26 427	11 170	4 761	8 734	<b>51 092</b>
Radio, television and communication apparatus and professional equipment	6 018	4 093	2 760	4 143	<b>17 014</b>
Motor vehicles, parts and accessories and other transport equipment	84 663	15 956	12 442	19 920	<b>132 981</b>
Furniture and other manufacturing divisions	21 410	19 181	15 681	31 303	<b>87 575</b>
<b>TOTAL</b>	<b>749 493</b>	<b>237 338</b>	<b>155 429</b>	<b>259 002</b>	<b>1 401 262</b>

<b>Background</b>	<p>The results presented in this publication have been derived from the 2005 manufacturing large sample survey. This is a periodic survey, which measures economic activity in the manufacturing industry of the South African economy. This survey is based on a sample of private and public enterprises operating in the manufacturing industry.</p> <p>The sample was drawn from the new business register. The new business register is based mainly on the income tax (IT) and value-added tax (VAT) databases. All enterprises are legally bound to register for either VAT or IT or both. That is, enterprises that are registered for tax are included on the new business register, and hence were given a chance of selection in the sample for the survey.</p> <p>The last survey of the manufacturing industry, namely ‘Large sample survey of the manufacturing industry 2001’ was conducted for the year 2001.</p> <p>All figures exclude value-added tax (VAT).</p>
<b>Reference period</b>	<p>The information was collected from enterprises for their financial year, which ended on any date between 1 July 2004 and 30 June 2005.</p>
<b>Purpose of the survey</b>	<p>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.</p>
<b>Scope and coverage</b>	<p>This survey covers the following income tax registered private and public enterprises that are mainly engaged in manufacturing:</p> <ul style="list-style-type: none"><li>(i) Food products and beverages</li><li>(ii) Textiles, clothing, leather and footwear</li><li>(iii) Wood and wood products, paper, publishing and printing</li><li>(iv) Petroleum, chemical products, rubber and plastic products</li><li>(v) Glass and non-metallic mineral products</li><li>(vi) Basic iron and steel, non-ferrous metal products, metal products and machinery</li><li>(vii) Electrical machinery and apparatus</li><li>(viii) Radio, television and communication apparatus and professional equipment</li><li>(ix) Motor vehicles, parts and accessories and other transport equipment</li><li>(x) Furniture and other manufacturing divisions</li></ul>
<b>Classification by industry</b>	<p>The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities</i> (SIC), Fifth Edition, Report No. 09-09-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 <i>International Standard Industrial Classification of all Economic Activities</i> (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at SIC division (5-digit) level. Each enterprise is classified to an industry, which reflects its predominant activity.</p>
<b>Statistical unit</b>	<p>The statistical unit for the collection of the information is an enterprise. An enterprise is a legal unit (or a combination of legal units) that includes and directly controls all functions necessary to carry out its production activities.</p>

**Size groups**

The enterprises are divided into four size groups according to the value of their 'business register' turnover. Large enterprises are enterprises with an annual 'business register' turnover of R 51 million and more. Table A presents the size groups defined using the Department of Trade and industry (DTI) cut-off points,

**Table A – Size groups for the manufacturing industry**

Size Group	Turnover
Large	Turnover > R 51 000 000
Medium	R 13 000 000 < Turnover < R 51 000 000
Small	R 5 000 000 < Turnover < R 13 000 000
Micro	Turnover < R 5 000 000

**Survey methodology and design**

The survey was conducted by post, e-mail, fax, telephone and personal visits.

A sample of approximately 9 500 enterprises was drawn using stratified simple random sampling. The enterprises were first stratified at 2-digit level according to the SIC and then by size of enterprises. All large enterprises are completely enumerated. 'Business register' turnover was used as the measure of size for stratification.

**Weighting methodology**

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

**Relative standard error**

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.

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

**Table B –Income in the manufacturing industry within 95% confidence limit: 2005**

<b>Division</b>	<b>Lower limit R million</b>	<b>Total income R million</b>	<b>Upper limit R million</b>	<b>Relative standard error (RSE) R million</b>
Food products and beverages	154 728	156 693	158 658	0,6
Textiles, clothing, leather and footwear	36 421	38 337	40 253	2,6
Wood and wood products, paper, publishing and printing	77 004	79 143	81 282	1,4
Petroleum, chemical products, rubber and plastic products	216 576	218 982	221 388	0,6
Glass and non-metallic mineral products	30 483	31 161	31 839	1,1
Basic iron and steel, non-ferrous metal products, metal products and machinery	184 920	188 090	191 260	0,9
Electrical machinery and apparatus	22 725	23 412	24 099	1,5
Radio, television and communication apparatus and professional equipment	8 381	8 716	9 051	2,0
Motor vehicles, parts and accessories and other transport equipment	145 932	149 446	152 960	1,2
Furniture and other manufacturing divisions	30 507	32 533	34 559	3,3
<b>Total</b>	<b>919 771</b>	<b>926 513</b>	<b>933 253</b>	<b>0,4</b>

**Non-sampling errors**

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

**Comparability with previously published information**

The information in this statistical release and previous manufacturing surveys is not strictly comparable. This large sample survey was conducted from a sample drawn from a new business register of **all** enterprises registered for either VAT or IT or both. The new register has better coverage of the small and micro enterprises.

**Rounding-off of figures**

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

**Symbols and abbreviations**

DTI	Department of Trade and Industry
GDP	Gross Domestic Product
ISIC	International Standard Industrial Classification of all Economic Activities
IT	Income tax
RSE	Relative standard error
SARS	South African Revenue Service
SE	Standard error
SIC	Standard Industrial Classification of all Economic Activities
SNA	System of National Accounts
Stats SA	Statistics South Africa
VAT	Value-added tax
0	Nil or less than half the final digit shown

## Glossary

<b>Employees</b>	Employees are those people employed by the business or organisation who received payment (in salaries, wages, commission, piece rates or payments in kind) for the last pay period ended on or before 30 June 2005.
<b>Enterprise</b>	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.
<b>Industry</b>	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> .
<b>Net profit or loss after tax</b>	Net profit or loss after tax is derived as:  Total income <i>plus</i> Closing stocks <i>minus</i> Total expenditure <i>minus</i> Opening stocks <i>minus</i> Company tax
<b>Net profit or loss before tax</b>	Net profit or loss before tax is derived as:  Total income <i>plus</i> Closing stocks <i>minus</i> Total expenditure <i>minus</i> Opening stocks
<b>Other Manufacturing</b>	Also include medium, small and micro units that might be classified within one of the classifications mentioned in 'scope and coverage' because they were only sampled at a 1 digit SIC level.

**Profit margin**

Profit margin is derived as:

Net profit after Tax

*divide* Turnover

*multiply* 100

**Skills development levy**

Refers to the skills development levies payable in terms to the Skills Development Levies Act.

**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.

**Stratum**

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

**Turnover**

Turnover includes:

- The value of sales and/or transfers-out of own manufactured products/articles;
- The value of sales of finished goods not produced by this enterprise and sold without further processing or packing;
- The value of sales of finished goods not produced by this enterprise but packed by this enterprise;
- Amount received for services rendered;
- Rent and lease payments received for land and buildings; and
- Rent, leasing and hiring received for machinery, vehicles and other equipment.

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