

# Statistical release

## P3002

### Manufacturing industry, 2008 (Preliminary)

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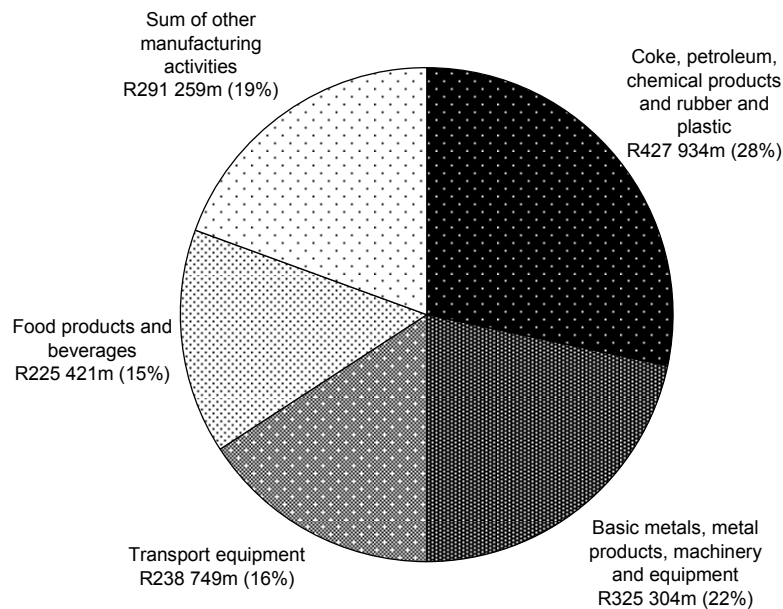
# 1. Summary of findings for the year 2008

## 1.1.1 Income

The total income for the manufacturing industry in 2008 was R1 508 667 million (Figure 1 and Table 1). The largest contributor to the total income was 'Coke, petroleum, chemical products, rubber and plastic' (R427 934 million or 28%), followed by 'Basic metals, metal products, machinery and equipment' (R325 304 million or 22%) and 'Transport equipment' (R238 749 million or 16%).

The total income represents an increase of 16,5% per annum over the income reported in the corresponding survey of 2005 (R953 916 million) (*Statistical report 30-02-02(2005)*).

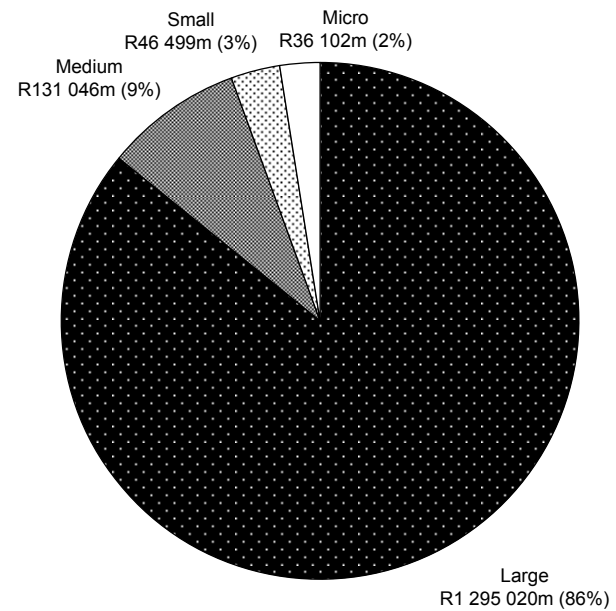
**Figure 1. Breakdown of income by type of manufacturing in 2008**



## 1.1.2 Income by enterprise size

Analysis of income by enterprise size in the manufacturing industry in 2008 indicates that large enterprises (those with turnover equal to or greater than R51 million) earned 86% (R1 295 020 million) of the total income (Figure 2 and Table 4).

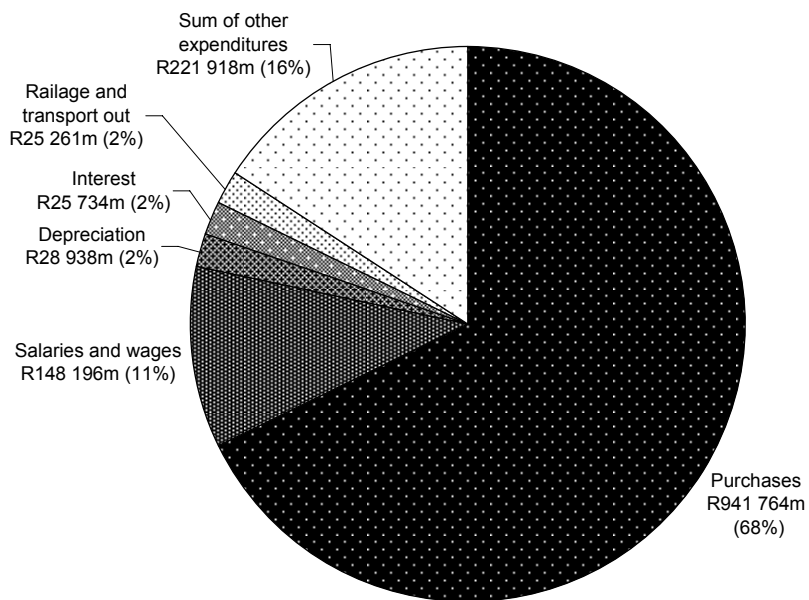
**Figure 2. Breakdown of income by enterprise size in the manufacturing industry, 2008**



### 1.2 Expenditure

Expenditure in the manufacturing industry in 2008 amounted to R1 391 811 million (Figure 3 and Table 5). The expenditure consisted primarily of purchases (R941 764 million or 68%), followed by salaries and wages (R148 196 million or 11%) and depreciation (R28 938 million or 2%).

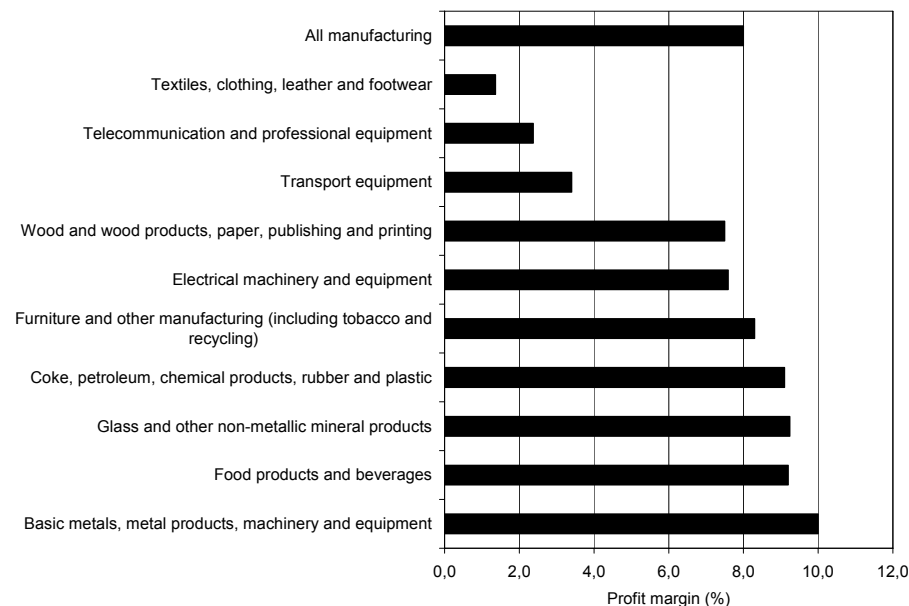
**Figure 3. Composition of expenditure in the manufacturing industry, 2008**



### 1.3 Profit margin

The profit margin (net profit after tax as a percentage of turnover) for the manufacturing industry was 8% (Figure 4 and Table 2). Profit margins by type of manufacturing ranged from 1,4% for 'Textiles, clothing, leather and footwear' to 10% for 'Basic metals, metal products, machinery and equipment'.

**Figure 4. Profit margins in the manufacturing industry, 2008**

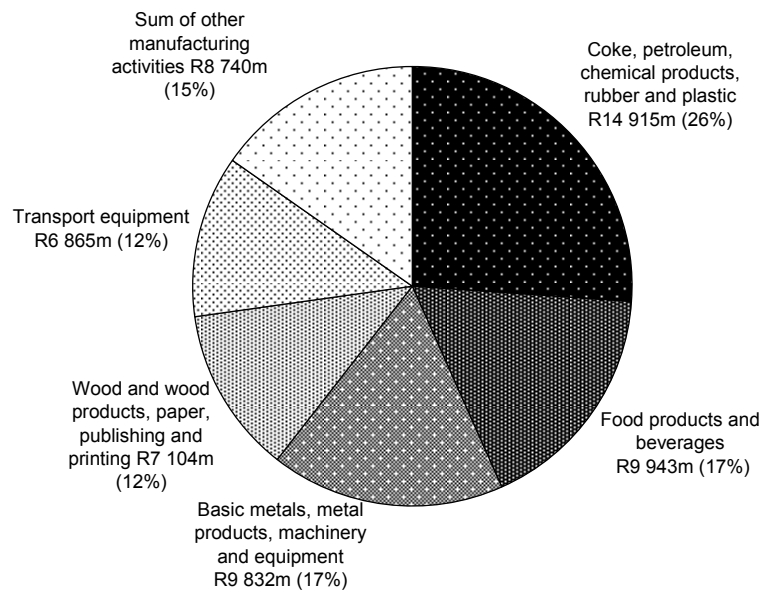


### 1.4 Capital expenditure on new property, plant and equipment

Capital expenditure on new property, plant and equipment in the manufacturing industry in 2008 amounted to R57 399 million (Figure 5 and Table 1). The greatest capital expenditure on new property, plant and equipment was by 'Coke, petroleum, chemical products, rubber and plastic' (R14 915 million or 26%), followed by 'Food products and beverages' (R9 943 million or 17%) and 'Basic metals, metal products, machinery and equipment' (R9 832 million or 17%).

Capital expenditure on new property, plant and equipment in the manufacturing industry increased by 12% per annum compared to the corresponding survey of 2005 (R41 263 million) (*Statistical report 30-02-02 (2005)*).

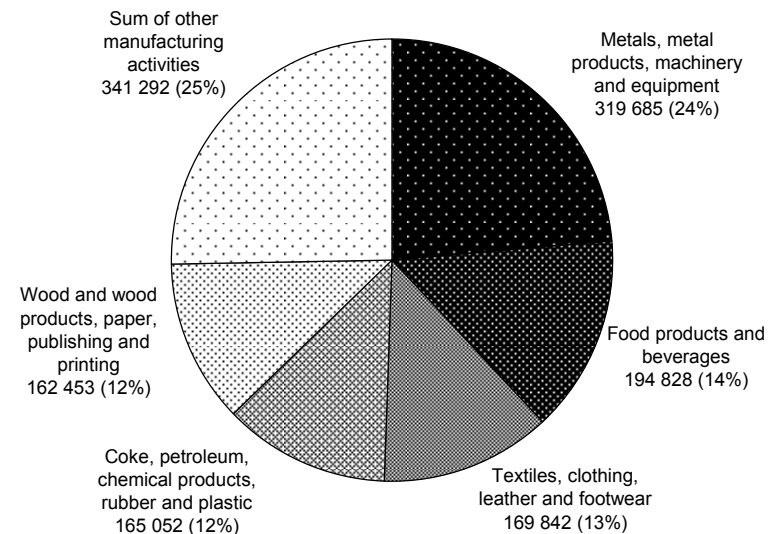
**Figure 5. Breakdown of capital expenditure on new property, plant and equipment by type of manufacturing in 2008**



### 1.5.1 Employment

The total number of persons employed in the manufacturing industry at the end of June 2008 was 1 353 152 (Figure 6 and Table 6). 'Basic metals, metal products, machinery and equipment' employed the largest number of persons (319 685 or 24%), followed by 'Food products and beverages' (194 828 or 14%) and 'Textiles, clothing, leather and footwear' (169 842 or 13%).

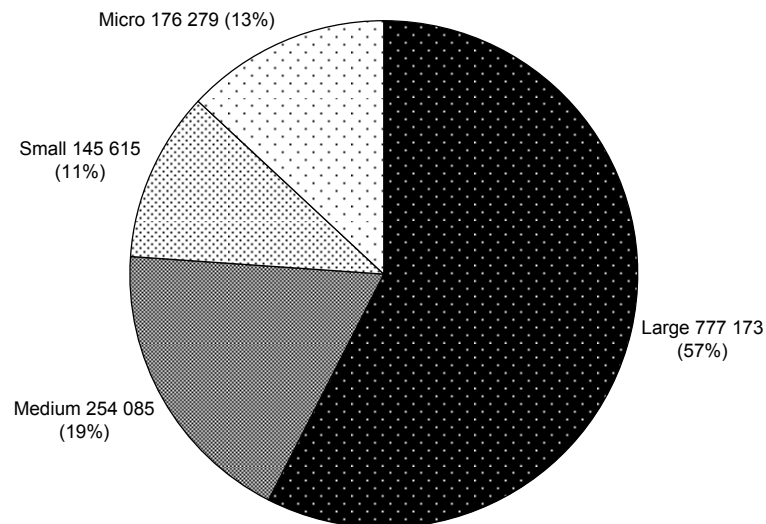
**Figure 6. Breakdown of employment by type of manufacturing in 2008**



### 1.5.2 Employment by enterprise size

The proportional contribution of the medium, small and micro enterprises with respect to employment was greater than their contribution to total income. Small, medium and micro enterprises (those with turnover less than R51 million) employed 43% (575 979) of the workers in the manufacturing industry (Figure 7 and Table 7).

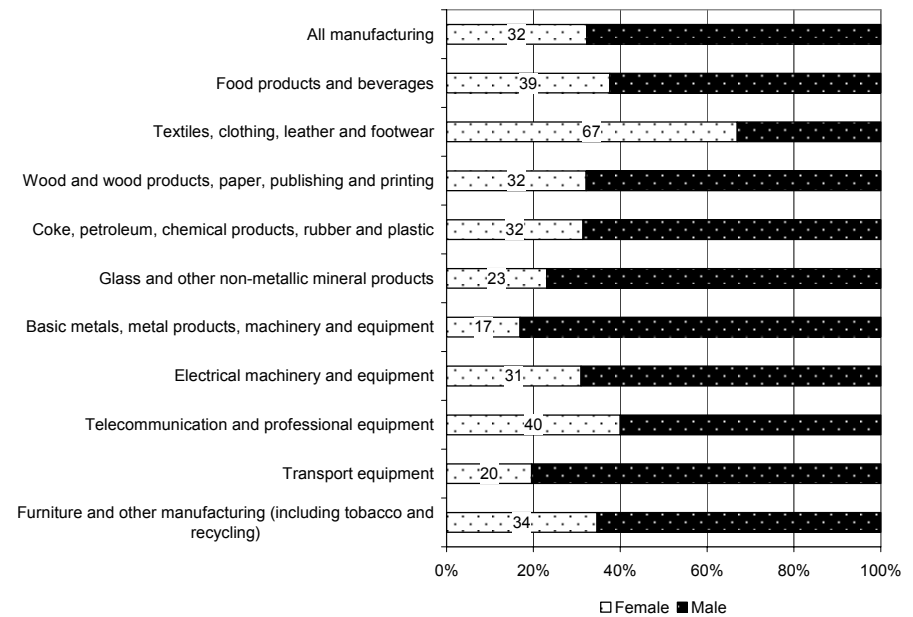
**Figure 7. Breakdown of employment by enterprise size in the manufacturing industry in 2008**



### 1.5.3 Employment by gender

The proportion of females in the work force was 32%. The proportion of females by type of manufacturing ranged from 17% in 'Basic metals, metal products, machinery and equipment' to 67% in 'Textiles, clothing, leather and footwear' (Figure 8 and Table 6).

**Figure 8. Gender ratios by type of manufacturing in the manufacturing industry in 2008.**



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2. Tables

Table 1 – Principal statistics in the manufacturing industry, 2008

Type of manufacturing	Total income	Total expenditure	Net profit before tax	Value of opening inventories	Value of closing inventories	Opening value of property, plant and equipment	Closing value of property, plant and equipment	Capital expenditure on new property, plant and equipment
	R million							
Division 30 – Food products and beverages	225 421	204 801	25 888	21 267	26 535	55 554	61 380	9 943
Division 31 – Textiles, clothing, leather and footwear	41 550	41 183	1 126	6 624	7 383	6 609	6 868	1 080
Division 32 – Wood and wood products, paper, publishing and printing	101 905	93 407	9 642	8 933	10 077	39 372	46 417	7 104
Division 33 – Coke, petroleum, chemical products, rubber and plastic	427 934	390 546	52 331	37 573	52 516	76 236	88 470	14 915
Division 34 – Glass and other non-metallic mineral products	46 924	41 465	5 873	4 722	5 136	31 082	34 351	3 378
Division 35 – Basic metals, metal products, machinery and equipment	325 304	289 670	42 377	41 997	48 740	58 562	61 777	9 832
Division 36 – Electrical machinery and equipment	32 324	29 521	3 456	3 852	4 505	3 798	4 650	1 344
Division 37 – Telecommunication and professional equipment	11 306	11 108	437	1 553	1 792	2 074	2 105	330
Division 38 – Transport equipment	238 749	238 632	11 333	29 398	40 614	25 158	27 741	6 865
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	57 250	51 478	6 848	6 635	7 711	10 114	11 421	2 608
<b>Total</b>	<b>1 508 667</b>	<b>1 391 811</b>	<b>159 311</b>	<b>162 554</b>	<b>205 009</b>	<b>308 559</b>	<b>345 180</b>	<b>57 399</b>

**Table 2 – Intermediate consumption, output, value added and profit margin in the manufacturing industry, 2008**

Type of manufacturing	Intermediate consumption	Output	Value added	Profit margin
	R million			%
Division 30 – Food products and beverages	157 189	203 659	46 470	9,2
Division 31 – Textiles, clothing, leather and footwear	29 526	39 386	9 860	1,4
Division 32 – Wood and wood products, paper, publishing and printing	67 116	95 925	28 809	7,5
Division 33 – Coke, petroleum, chemical products, rubber and plastic	334 958	410 009	75 051	9,1
Division 34 – Glass and other non-metallic mineral products	29 015	44 619	15 604	9,2
Division 35 – Basic metals, metal products, machinery and equipment	229 071	309 325	80 254	10,0
Division 36 – Electrical machinery and equipment	22 204	31 112	8 908	7,6
Division 37 – Telecommunication and professional equipment	7 817	10 672	2 855	2,4
Division 38 – Transport equipment	176 915	196 559	19 644	3,4
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	39 235	55 395	16 160	8,3
<b>Total</b>	<b>1 093 046</b>	<b>1 396 661</b>	<b>303 615</b>	<b>8,0</b>



**Table 3 – Income in the manufacturing industry, 2008**

Type of manufacturing	Sales of own manufactured goods	Other sales of goods	Services	Sundry trading income	Interest	Other income	Total income
	R million						
Division 30 – Food products and beverages	204 302	8 790	2 034	359	2 014	7 922	225 421
Division 31 – Textiles, clothing, leather and footwear	37 961	2 072	557	60	316	584	41 550
Division 32 – Wood and wood products, paper, publishing and printing	86 841	3 384	3 588	2 859	1 441	3 792	101 905
Division 33 – Coke, petroleum, chemical products, rubber and plastic	387 324	18 572	7 094	6 128	2 279	6 537	427 934
Division 34 – Glass and other non-metallic mineral products	41 387	2 503	731	41	499	1 763	46 924
Division 35 – Basic metals, metal products, machinery and equipment	287 715	7 694	16 620	522	2 319	10 434	325 304
Division 36 – Electrical machinery and equipment	29 218	1 113	1 124	20	487	362	32 324
Division 37 – Telecommunication and professional equipment	9 295	603	968	4	68	368	11 306
Division 38 – Transport equipment	178 797	41 349	8 179	91	2 672	7 661	238 749
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	53 103	2 314	657	40	457	679	57 250
<b>Total</b>	<b>1 315 943</b>	<b>88 394</b>	<b>41 552</b>	<b>10 124</b>	<b>12 552</b>	<b>40 102</b>	<b>1 508 667</b>

**Table 4 – Income by enterprise size in the manufacturing industry, 2008**

Type of manufacturing	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total income
	R million				
Division 30 – Food products and beverages	204 672	13 280	4 413	3 056	225 421
Division 31 – Textiles, clothing, leather and footwear	27 181	8 146	3 588	2 635	41 550
Division 32 – Wood and wood products, paper, publishing and printing	79 234	12 664	5 626	4 381	101 905
Division 33 – Coke, petroleum, chemical products, rubber and plastic	404 192	17 001	4 557	2 184	427 934
Division 34 – Glass and other non-metallic mineral products	37 820	5 629	1 834	1 641	46 924
Division 35 – Basic metals, metal products, machinery and equipment	244 599	49 048	17 263	14 394	325 304
Division 36 – Electrical machinery and equipment	25 474	4 812	1 151	887	32 324
Division 37 – Telecommunication and professional equipment	7 180	2 415	813	898	11 306
Division 38 – Transport equipment	223 172	10 250	3 132	2 195	238 749
Division 39 – Furniture, tobacco, other manufacturing and recycling	41 496	7 801	4 122	3 831	57 250
<b>Total</b>	<b>1 295 020</b>	<b>131 046</b>	<b>46 499</b>	<b>36 102</b>	<b>1 508 667</b>

**Table 5 – Expenditure in the manufacturing industry, 2008**

Type of manufacturing	Purchases	Salaries and wages	Depreciation	Advertising	Payments to subcontractors	Insurance	Railage and transport out	Rental of land and buildings	Rental of plant, machinery and equipment
	R million								
Division 30 – Food products and beverages	111 684	22 272	4 362	4 977	1 581	686	7 290	1 119	1 310
Division 31 – Textiles, clothing, leather and footwear	24 396	7 725	893	279	510	200	811	642	186
Division 32 – Wood and wood products, paper, publishing and printing	46 420	17 319	3 483	767	2 336	348	3 916	1 003	531
Division 33 – Coke, petroleum, chemical products, rubber and plastic	302 461	24 545	6 353	4 329	1 985	1 102	4 646	1 465	1 046
Division 34 – Glass and other non-metallic mineral products	19 503	6 056	1 560	105	975	144	2 155	274	373
Division 35 – Basic metals, metal products, machinery and equipment	195 469	39 051	6 172	730	3 169	1 309	3 740	2 815	1 024
Division 36 – Electrical machinery and equipment	18 788	5 397	594	134	177	111	231	182	76
Division 37 – Telecommunication and professional equipment	5 948	2 277	271	49	262	50	26	157	46
Division 38 – Transport equipment	185 396	16 616	4 071	1 223	1 307	477	1 077	746	479
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	31 699	6 938	1 179	566	663	229	1 369	661	226
<b>Total</b>	<b>941 764</b>	<b>148 196</b>	<b>28 938</b>	<b>13 159</b>	<b>12 965</b>	<b>4 656</b>	<b>25 261</b>	<b>9 064</b>	<b>5 297</b>

**Table 5 – Expenditure in the manufacturing industry, 2008 (concluded)**

Type of manufacturing	Interest	Maintenance and repairs	Containers and packaging	Tele-communications	Vehicle running costs	Water and electricity	Other expenditure	Total expenditure
	R million							
Division 30 – Food products and beverages	4 292	2 847	13 062	451	1 817	1 590	25 461	204 801
Division 31 – Textiles, clothing, leather and footwear	744	361	327	149	201	330	3 429	41 183
Division 32 – Wood and wood products, paper, publishing and printing	2 557	2 496	835	374	726	865	9 431	93 407
Division 33 – Coke, petroleum, chemical products, rubber and plastic	5 696	5 472	2 052	528	1 031	2 159	25 676	390 546
Division 34 – Glass and other non-metallic mineral products	2 002	732	887	130	418	498	5 653	41 465
Division 35 – Basic metals, metal products, machinery and equipment	4 430	4 993	686	876	1 864	2 712	20 630	289 670
Division 36 – Electrical machinery and equipment	404	367	322	89	279	100	2 270	29 521
Division 37 – Telecommunication and professional equipment	133	160	18	60	72	31	1 548	11 108
Division 38 – Transport equipment	3 635	982	178	300	677	538	20 930	238 632
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	1 841	503	233	205	499	309	4 358	51 478
<b>Total</b>	<b>25 734</b>	<b>18 913</b>	<b>18 600</b>	<b>3 162</b>	<b>7 584</b>	<b>9 132</b>	<b>119 386</b>	<b>1 391 811</b>

**Table 6 – Employment in the manufacturing industry at the end of June 2008**

Type of manufacturing	Female employees	Male employees	Total employees
Division 30 – Food products and beverages	75 065	119 763	194 828
Division 31 – Textiles, clothing, leather and footwear	113 633	56 209	169 842
Division 32 – Wood and wood products, paper, publishing and printing	52 255	110 198	162 453
Division 33 – Coke, petroleum, chemical products, rubber and plastic	52 261	112 791	165 052
Division 34 – Glass and other non-metallic mineral products	13 804	45 969	59 773
Division 35 – Basic metals, metal products, machinery and equipment	54 338	265 347	319 685
Division 36 – Electrical machinery and equipment	13 635	30 350	43 985
Division 37 – Telecommunication and professional equipment	7 293	10 902	18 195
Division 38 – Transport equipment	24 684	101 151	125 835
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	31 734	61 770	93 504
<b>Total</b>	<b>438 702</b>	<b>914 450</b>	<b>1 353 152</b>

**Table 7 – Employment by enterprise size in the manufacturing industry at the end of June 2008**

Type of manufacturing	Number of employees				
	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total employees
Division 30 – Food products and beverages	146 366	25 903	10 831	11 728	194 828
Division 31 – Textiles, clothing, leather and footwear	85 127	29 819	23 068	31 828	169 842
Division 32 – Wood and wood products, paper, publishing and printing	93 464	29 742	18 968	20 279	162 453
Division 33 – Coke, petroleum, chemical products, rubber and plastic	113 065	31 058	10 591	10 338	165 052
Division 34 – Glass and other non-metallic mineral products	34 903	13 250	6 270	5 350	59 773
Division 35 – Basic metals, metal products, machinery and equipment	142 867	69 386	48 434	58 998	319 685
Division 36 – Electrical machinery and equipment	30 593	7 729	2 433	3 230	43 985
Division 37 – Telecommunication and professional equipment	8 168	5 188	2 043	2 796	18 195
Division 38 – Transport equipment	85 527	20 164	8 833	11 311	125 835
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	37 093	21 846	14 144	20 421	93 504
<b>Total</b>	<b>777 173</b>	<b>254 085</b>	<b>145 615</b>	<b>176 279</b>	<b>1 353 152</b>

**Table 8 – Carrying value of selected assets at the end of the year in the manufacturing industry, 2008**

Type of manufacturing	Land and construction	Buildings	Plant, machinery and equipment	Vehicles	Computers, software and other IT equipment	Goodwill	Patents and copyright	Other assets	Total carrying value
	R million								
Division 30 – Food products and beverages	1 859	9 765	24 503	2 840	979	12 723	5 595	3 116	61 380
Division 31 – Textiles, clothing, leather and footwear	215	1 493	4 284	484	75	237	2	78	6 868
Division 32 – Wood and wood products, paper, publishing and printing	4 695	5 068	29 867	1 325	300	2 622	68	2 472	46 417
Division 33 – Coke, petroleum, chemical products, rubber and plastic	4 149	6 658	64 772	2 101	789	6 862	539	2 600	88 470
Division 34 – Glass and other non-metallic mineral products	420	1 786	10 482	612	171	18 029	1 984	867	34 351
Division 35 – Basic metals, metal products, machinery and equipment	5 041	5 211	43 811	3 480	916	2 134	197	987	61 777
Division 36 – Electrical machinery and equipment	445	390	2 225	311	456	515	140	168	4 650
Division 37 – Tele-communication, medical and optical equipment and watches and clocks	21	373	768	139	43	665	10	86	2 105
Division 38 – Transport equipment	1 042	5 231	18 566	1 037	408	421	100	936	27 741
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	498	733	5 685	819	108	2 862	66	650	11 421
<b>Total</b>	<b>18 385</b>	<b>36 708</b>	<b>204 963</b>	<b>13 148</b>	<b>4 245</b>	<b>47 070</b>	<b>8 701</b>	<b>11 960</b>	<b>345 180</b>

**Table 9 – Company tax, dividends, assets, owners’ equity and liabilities in the manufacturing industry, 2008**

Type of manufacturing	Company tax	Dividends	Non-current assets	Current assets	Total assets	Owners' equity	Non-current liabilities	Current liabilities	Total liabilities and owners' equity
	R million								
Division 30 – Food products and beverages	6 086	8 852	75 219	64 268	139 487	49 843	27 454	62 190	139 487
Division 31 – Textiles, clothing, leather and footwear	570	230	8 196	17 082	25 278	8 572	5 861	10 845	25 278
Division 32 – Wood and wood products, paper, publishing and printing	2 615	3 266	62 831	44 396	107 227	41 274	30 331	35 622	107 227
Division 33 – Coke, petroleum, chemical products, rubber and plastic	14 798	17 726	103 482	143 269	246 751	89 705	65 467	91 579	246 751
Division 34 – Glass and other non-metallic mineral products	1 744	1 653	38 607	15 665	54 272	15 006	15 669	23 597	54 272
Division 35 – Basic metals, metal products, machinery and equipment	11 099	12 473	82 079	130 800	212 879	79 919	49 957	83 003	212 879
Division 36 – Electrical machinery and equipment	1 066	552	7 001	14 108	21 109	10 231	3 669	7 209	21 109
Division 37 – Telecommunication and professional equipment	178	40	2 578	5 667	8 245	2 948	1 260	4 037	8 245
Division 38 – Transport equipment	3 540	567	49 364	82 405	131 769	43 773	35 810	52 186	131 769
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	2 184	2 601	13 451	23 671	37 122	1 352	10 959	24 811	37 122
<b>Total</b>	<b>43 880</b>	<b>47 960</b>	<b>442 808</b>	<b>541 331</b>	<b>984 139</b>	<b>342 623</b>	<b>246 437</b>	<b>395 079</b>	<b>984 139</b>



**3. Tables at four-digit level SIC classification**

Tables containing the same financial variables as the above at the more detailed four-digit (group) level of SIC classification are available at [www.statssa.gov.za](http://www.statssa.gov.za).

**4. Explanatory notes**

**Background**

The results presented in this publication have been derived from the 2008 Large Sample Survey of Manufacturing. This is a periodic survey which measures economic activity in the manufacturing sector of the South African economy. The survey is based on a sample of private and public enterprises operating in the manufacturing industry.

This publication summarises the financial data of the manufacturing industry. Details of products will be published in a subsequent report.

The sample was drawn from Stats SA's Business Register. The Business Register is based mainly on the income tax (IT) and value added tax (VAT) databases of the South African Revenue Service (SARS). All enterprises are legally bound to register for either VAT or IT or both. Enterprises registered in the taxation system are included on the Business Register, and hence were given a chance of selection in the sample for the survey.

The last large sample survey of the manufacturing industry was conducted for the year 2005 (Statistical release P3002 Manufacturing industry 2005).

**Value added tax (VAT)**

All figures exclude value added tax (VAT).

**Reference period**

The information was collected from enterprises for their financial year, which ended on any date between 1 July 2007 and 30 June 2008.

**Purpose of the survey**

Results of the survey are used within Stats SA for compiling the Gross Domestic Product (GDP) and its components. These statistics are also used by government policy advisers in monitoring the performance and contribution of individual industries to the South African economy and the effectiveness of industry policies, and by private-sector users in analyses of comparative business and industry performance.

**Scope and coverage**

This survey covers enterprises registered in the taxation system that are mainly engaged in manufacturing. It includes the following groups within its scope:

- (i) Manufacture of food products and beverages
- (ii) Manufacture of textiles, clothing, leather and footwear
- (iii) Manufacture of wood and wood products, paper, publishing and printing
- (iv) Manufacture of coke, petroleum, chemical products, rubber and plastic
- (v) Manufacture of glass and other non-metallic mineral products
- (vi) Manufacture of basic metals, metal products, machinery and equipment
- (vii) Manufacture of electrical machinery and equipment
- (viii) Manufacture of telecommunication and professional equipment
- (ix) Manufacture of transport equipment
- (x) Manufacture of furniture and other manufacturing (including tobacco and recycling)

*Including*

- South African-based activities of enterprises which operate in multiple countries.

*Excluding*

- Activities of South African-based companies in other countries.

**Classification by industry**

The 1993 edition of the *Standard Industrial Classification of all Economic Activities* (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 *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 reflects its predominant activity.

**Statistical unit**

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.

**Size groups**

The enterprises are divided into four size groups according to the value of turnover recorded for them on the Stats SA Business Register. Large enterprises are those with an annual recorded turnover of R51 million and above. Table 10 presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points.

**Table 10 – Size groups for the manufacturing industry**

Size group	Turnover
Large	Turnover ≥ R51 000 000
Medium	R13 000 000 ≤ Turnover < R51 000 000
Small	R5 000 000 ≤ Turnover < R13 000 000
Micro	Turnover < R5 000 000

**Survey methodology and design**

The survey was conducted by post, email, fax, telephone and personal visits.

A sample of 10 725 enterprises was drawn from a frame of 56 553 using stratified simple random sampling. Enterprises were first stratified at four-digit level according to the SIC and then by size of enterprise. All large enterprises are completely enumerated. Turnover as recorded on the Business Register was used as the measure of size for stratification. The response rate was 80%.

**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.

**Relative standard error**

Figures presented in this publication are estimated from a sample and are, therefore, subject to sampling variability; that is, figures may differ from those that would have been produced if all enterprises in the manufacturing industry in South Africa had been included.

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 as a result of sampling, and thus avoids the need to refer to the size of the estimate.

**Table 11 – Income in the manufacturing industry within 95% confidence limits 2008**

Type of manufacturing	Lower limit	Total income	Upper limit	Relative standard error
	R million			%
Division 30 – Food products and beverages	223 654	225 421	227 189	0,4
Division 31 – Textiles, clothing, leather and footwear	40 002	41 550	43 097	1,9
Division 32 – Wood and wood products, paper, publishing and printing	100 109	101 905	103 704	0,6
Division 33 – Coke, petroleum, chemical products, rubber and plastic	426 256	427 934	429 611	0,2
Division 34 – Glass and other non-metallic mineral products	45 820	46 924	48 027	1,2
Division 35 – Basic metals, metal products, machinery and equipment	303 625	325 304	346 982	3,4
Division 36 – Electrical machinery and equipment	31 817	32 324	32 830	0,8
Division 37 – Telecommunication and professional equipment	10 884	11 306	11 727	1,9
Division 38 – Transport equipment	236 877	238 749	240 620	0,4
Division 39 – Furniture and other manufacturing (including tobacco and recycling)	55 790	57 250	58 707	1,6
<b>All Manufacturing</b>	<b>1 487 968</b>	<b>1 508 667</b>	<b>1 529 365</b>	<b>0,7</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 publication is comparable with the information published from the manufacturing large sample survey of 2005 (*P3002* and *Report 30-02-01*), the short-term manufacturing survey (*Manufacturing: Production and sales P3041.2*) and with the manufacturing sector from the *Annual Financial Statistics 2007 (P0021)*.

**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 and the totals shown.

**Abbreviations**

BR	Business Register
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

## 5. Glossary

<b>Permanent employees</b>	Employees appointed on an open-ended contract with no stipulated termination date, and who are entitled to benefits such as paid leave and medical aid contributions.
<b>Temporary employees</b>	Employees appointed on a short-term contract basis for periods normally not exceeding one year.
<b>Casual employees</b>	Employees who fall neither within the 'permanent employee' category nor within that of a 'temporary employee'. Such employees are typically working daily or hourly.
<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 2008.
<b>Enterprise</b>	A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.

**Intermediate consumption** Intermediate consumption is derived as:

- Expenditure on purchases of raw materials
- plus** expenditure on purchases of fuel and gas
- plus** expenditure on purchases of materials used in maintenance
- plus** expenditure on accommodation
- plus** expenditure on advertising
- plus** expenditure on bank charges
- plus** expenditure on purchases of containers and packaging material
- plus** expenditure on entertainment
- plus** expenditure on service fees on insurance premiums
- plus** motor vehicle running expenditure
- plus** expenditure on leasing and hiring of plant, machinery and equipment
- plus** expenditure on paper, printing and stationery
- plus** expenditure on postal and courier services
- plus** expenditure on railage and transport out
- plus** expenditure on rental of land and buildings
- plus** expenditure on repairs and maintenance
- plus** expenditure on research and development
- plus** expenditure on royalties and copyright
- plus** expenditure on security services
- plus** expenditure on staff training
- plus** expenditure on payments to subcontractors
- plus** expenditure on telecommunications
- plus** expenditure on travelling
- plus** expenditure on water and electricity
- plus** expenditure on bursaries
- plus** expenditure on subscriptions
- plus** other expenditure
- plus** value of closing inventories: raw materials
- minus** value of opening inventories: raw materials
- plus** valuation adjustment on differences in inventories

**Industry** An industry consists of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the System of National Accounts (SNA) in the same way as in the *Standard Industrial Classification of all Economic Activities*, Fifth Edition, Report No. 09-90-02 of January 1993 (SIC).

**Net profit or loss before tax**

Net profit or loss before tax is derived as:

Total income  
**plus** closing inventories  
**minus** total expenditure  
**minus** opening inventories

**Output**

Output at basic prices is derived as:

Income from sales of own manufactured goods  
**plus** income from services rendered  
**plus** value of closing inventories: work in progress  
**minus** value of opening inventories: work in progress  
**plus** value of closing inventories: finished goods produced  
**minus** value of opening inventories: finished goods produced  
**plus** income from sales of goods not produced  
**minus** expenditure on purchases of finished goods for resale  
**plus** value of closing inventories: finished goods not produced  
**minus** value of opening inventories: finished goods not produced  
**plus** income from rental of land and buildings  
**plus** income from leasing and hiring of plant, machinery, equipment and vehicles  
**plus** sundry trading income  
**plus** income from royalties and copyright  
**plus** other income  
**minus** expenditure on customs and excise duty  
**plus** valuation adjustment on differences in inventories

**Profit margin**

Profit margin is derived as:

Net profit or loss after tax  
**divided by** turnover  
**multiplied by** 100

**Statistical unit**

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  
amounts received for work done  
amounts received for services rendered  
rent and/or lease payments received for land and buildings  
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

**Value added**

Value added is derived as:

Output at basic prices  
**minus** intermediate consumption

## 6. General information

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

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