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Key findings for the quarter ended December 2017

The total turnover of quarterly financial statistics (QFS) industries¹ in the fourth quarter of 2017 was estimated at R2 511 109 million (R2,51 trillion), an increase of 3,5% compared with the third quarter of 2017 (R2 425 195 million or R2,43 trillion).

Between the third and fourth quarters of 2017, turnover increased in six of the eight industries covered by the survey. The largest percentage increase in turnover was recorded in manufacturing (+5,8%), followed by mining and quarrying (+5,6%), trade (+5,0%), real estate and other business services (excluding financial intermediation and insurance) (+2,1%), transport, storage and communication (+1,8%) and community, social and personal services (excluding government and educational institutions) (+0,4%). Decreases were recorded in electricity, gas and water supply (-14,7%) and construction (-3,8%).

Total closing inventories at the end of the fourth quarter of 2017 were estimated at R908 574 million, an increase of 1,2% compared with R897 920 million at the end of the third quarter of 2017. Increases were recorded in community, social and personal services (excluding government and educational institutions) (+5,6%), trade (+3,5%), electricity, gas and water supply (+2,4%), construction (+1,6%) and real estate and other business services (excluding financial intermediation and insurance) (+0,6%). Decreases were recorded in transport, storage and communication (-9,1%), mining and quarrying (-0,9%) and manufacturing (-0,1%).

Total capital expenditure on property, plant and equipment was estimated at R99 026 million in the fourth quarter of 2017, an increase of 12,2% compared with R88 249 million in the third quarter of 2017. The largest percentage increase was recorded in mining and quarrying (+29,0%), followed by manufacturing (+25,4%), transport, storage and communication (+18,3%), construction (+9,0%) and real estate and other business services (excluding financial intermediation and insurance) (+6,3%). Decreases were recorded in community, social and personal services (excluding government and educational institutions) (-9,5%), electricity, gas and water supply (-6,5%) and trade (-1,4%).

Turnover was estimated at R2 511 109 million in the fourth quarter of 2017, an increase of 8,3% compared with R2 317 840 million in the fourth quarter of 2016. Seven of the eight industries covered by the survey reflected an annual increase. The largest percentage increase in turnover was recorded in manufacturing (+10,7%), followed by transport, storage and communication (+10,4%), real estate and other business services (excluding financial intermediation and insurance) (+10,2%), electricity, gas and water supply (+8,1%), community, social and personal services (excluding government and educational institutions) (+7,7%), mining and quarrying (+7,3%) and trade (+6,9%). A decrease was recorded in construction (-2,1%).

¹All industries in the South African economy, excluding agriculture, financial intermediation, insurance, government and educational institutions.

Risenga Maluleke
Statistician-General

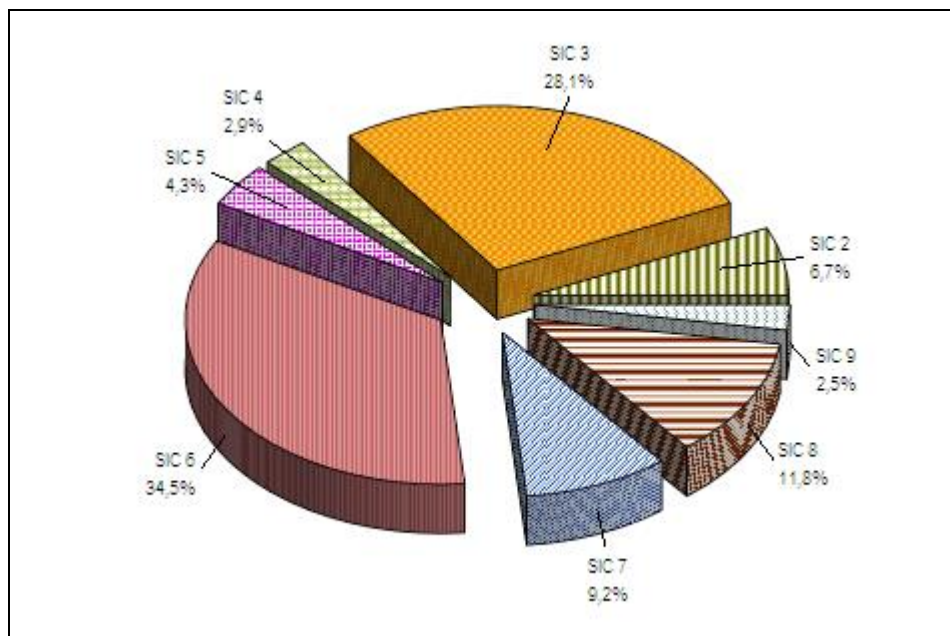
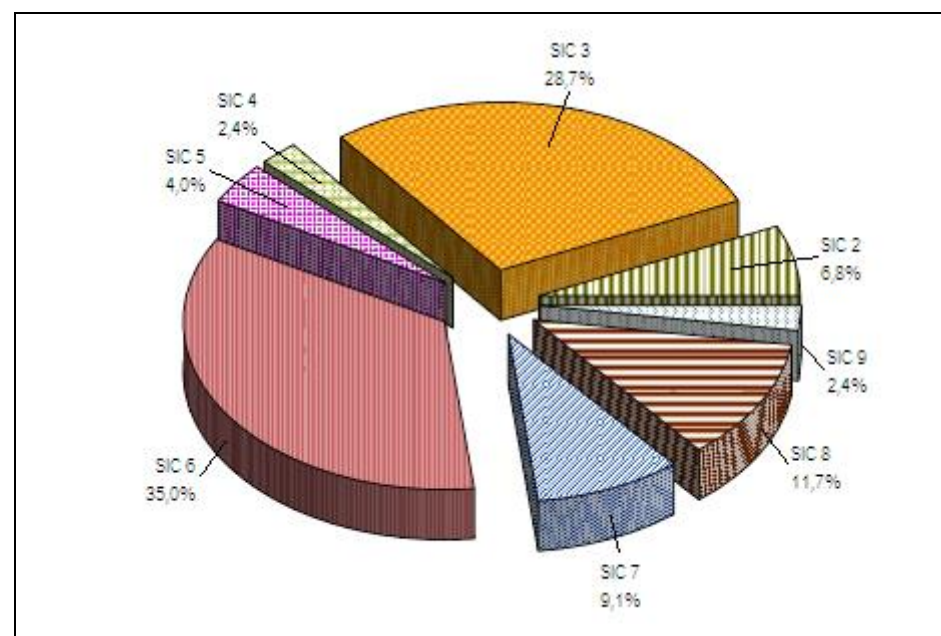
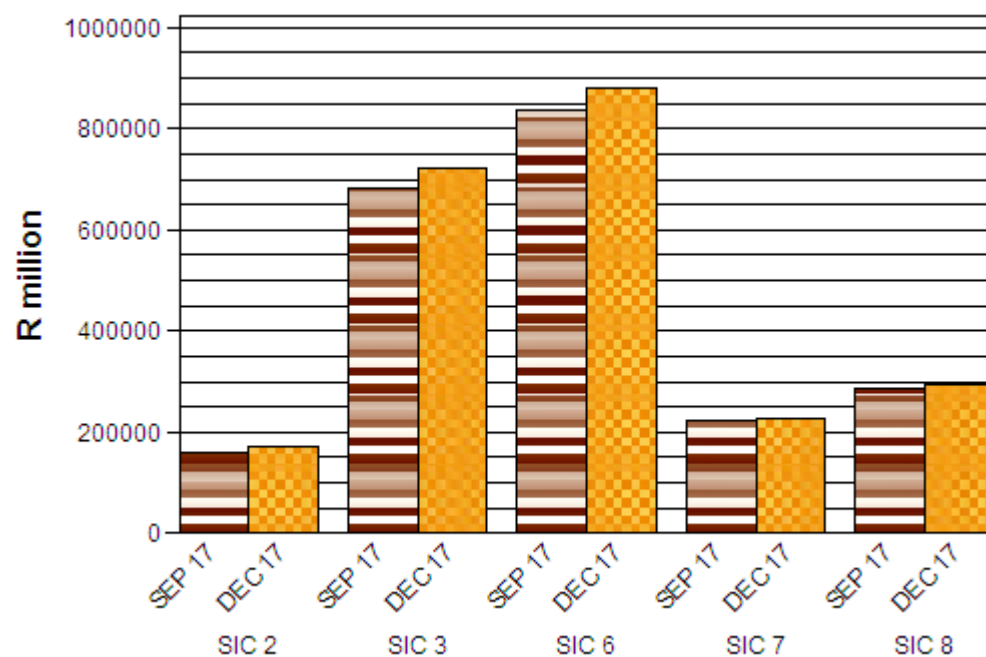
Figure 1 – Percentage contribution to total turnover by industry in the quarters ended September 2017 and December 2017¹**September 2017****December 2017****SIC 2 - Mining and quarrying industry****SIC 3 - Manufacturing industry****SIC 4 - Electricity, gas and water supply industry****SIC 5 - Construction industry****SIC 6 - Trade industry****SIC 7 - Transport, storage and communication industry****SIC 8 - Real estate and other business services industry (excluding financial intermediation and insurance)****SIC 9 - Community, social and personal services industry (excluding government and educational institutions)**¹The aggregates of the SIC contributions may not add up to totals due to rounding-off.

Figure 2 – Comparison of turnover by industry in the quarters ended September 2017 and December 2017

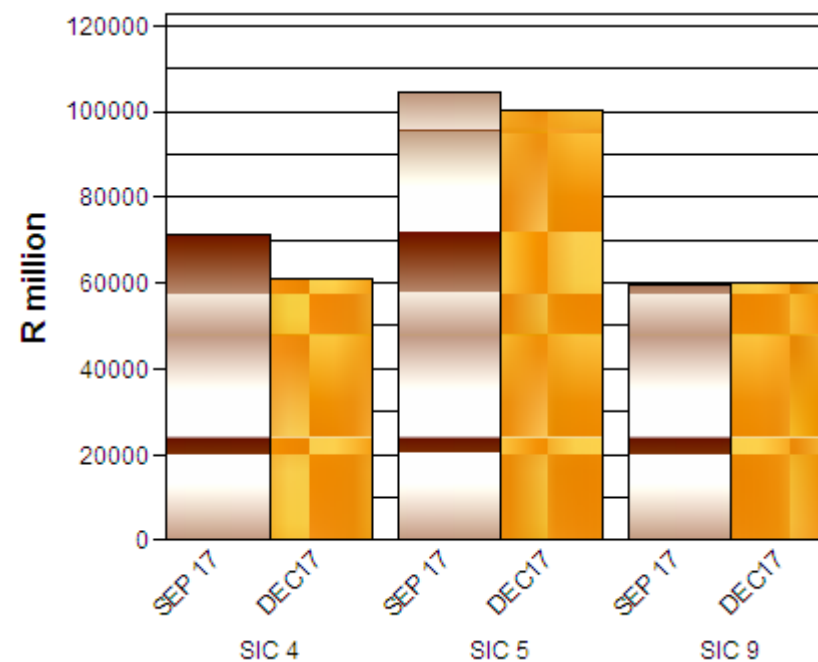
SIC 2 - Mining and quarrying industry

SIC 3 - Manufacturing industry

SIC 6 - Trade industry

SIC 7 - Transport, storage and communication industry

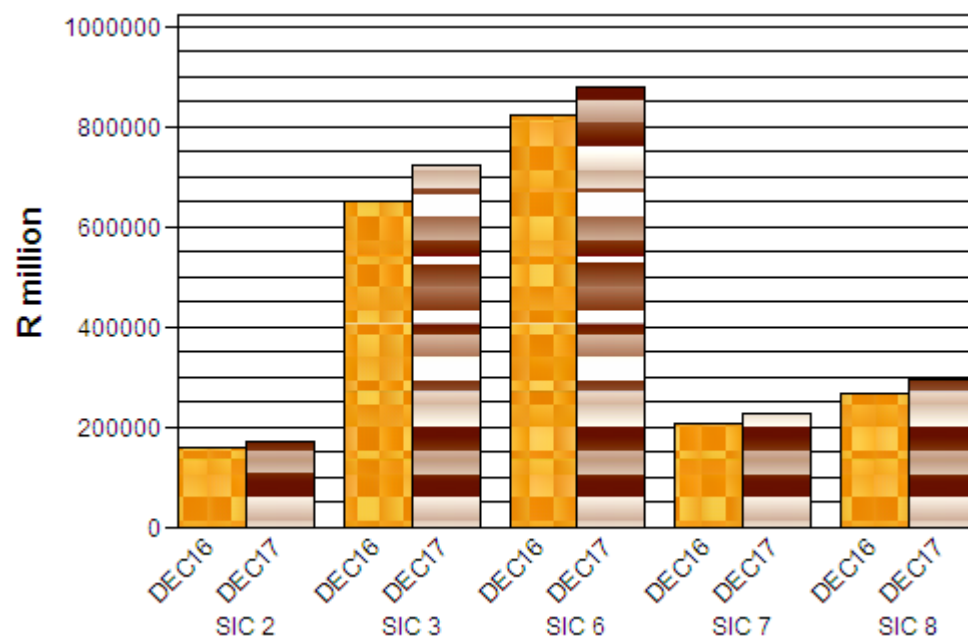
SIC 8 - Real estate and other business services industry (excluding financial intermediation and insurance)



SIC 4 - Electricity, gas and water supply industry

SIC 5 - Construction industry

SIC 9 - Community, social and personal services industry
(excluding government and educational institutions)

Figure 3 – Comparison of turnover by industry in the quarters ended December 2016 and December 2017

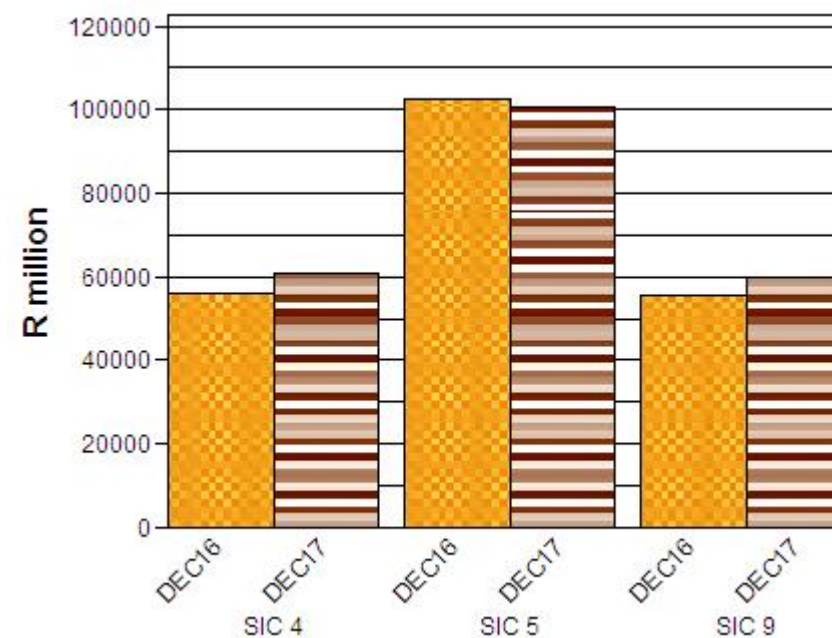
SIC 2 - Mining and quarrying industry

SIC 3 - Manufacturing industry

SIC 6 - Trade industry

SIC 7 - Transport, storage and communication industry

SIC 8 - Real estate and other business services industry (excluding financial intermediation and insurance)



SIC 4 - Electricity, gas and water supply industry

SIC 5 - Construction industry

SIC 9 - Community, social and personal services industry
(excluding government and educational institutions)

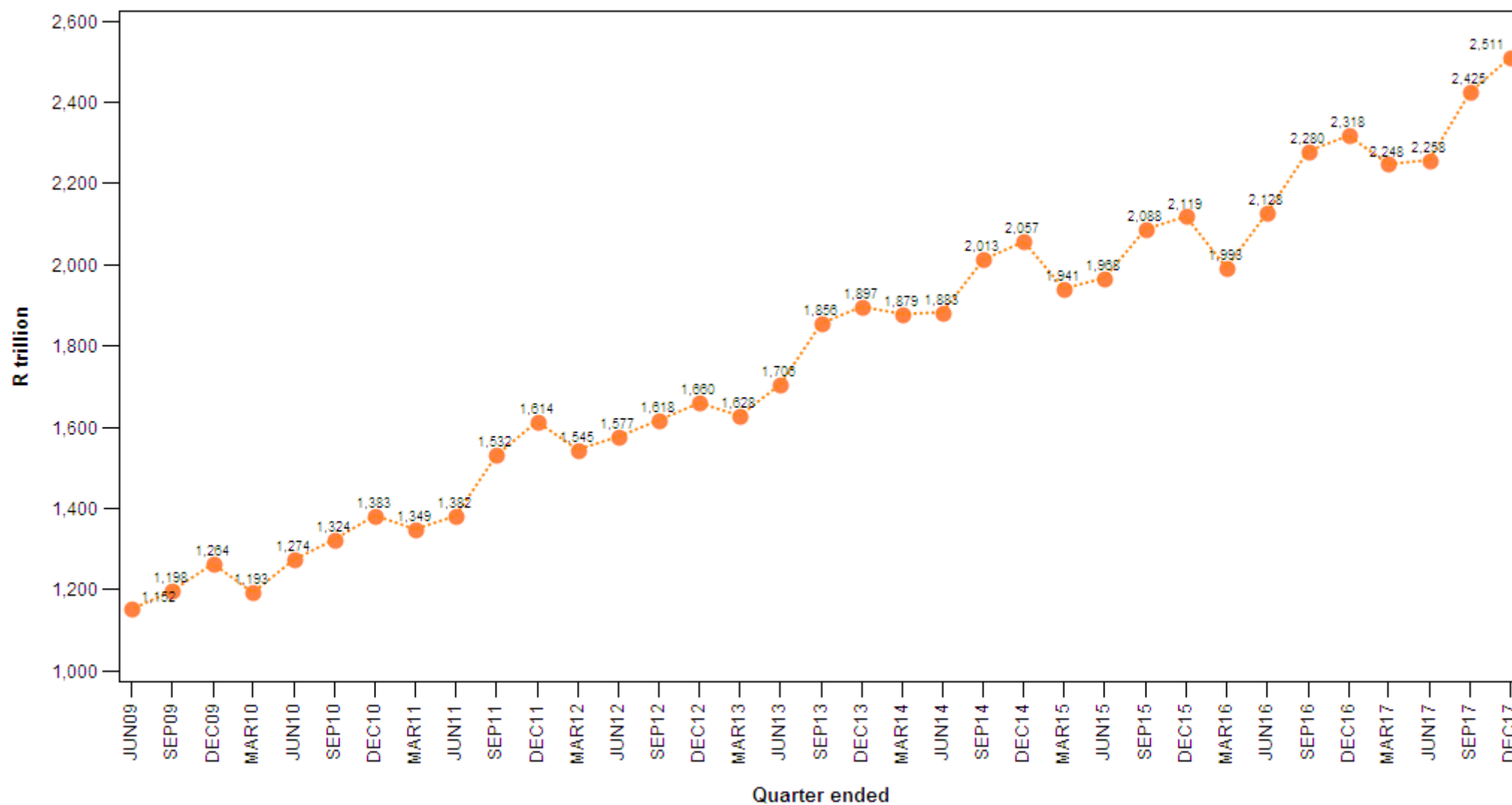
Figure 4 – Quarterly turnover of all industries covered by the quarterly financial statistics (QFS) survey¹ from June 2009 to December 2017¹All industries in the South African economy, excluding agriculture, financial intermediation, insurance, government and educational institutions.

Table 1 – Selected income and expenditure items: All industries covered by the quarterly financial statistics (QFS) survey¹

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ²	December 2017 ³		
Income items						R million	R million
Turnover received	2 317 840	2 248 280	2 258 314	2 425 195	2 511 109	85 914	193 269
Interest received	14 493	14 934	14 965	14 294	14 480	186	-13
Dividends received	14 268	10 903	29 833	11 758	45 540	33 782	31 272
Royalties, franchise fees, copyright, trade names and patent rights received	1 748	1 580	1 196	985	1 173	188	-575
Rental/leasing of land, buildings and other structures received	7 060	6 772	6 746	4 299	4 469	170	-2 591
Hiring/leasing of plant, machinery, vehicles and other equipment received	3 732	4 151	3 952	4 021	4 131	110	399
Profit on assets/investment sold or revalued	26 466	27 459	147 614	30 408	35 165	4 757	8 699
Other income	37 866	63 951	31 618	43 922	48 454	4 532	10 588
Total income (A)	2 423 473	2 378 030	2 494 238	2 534 882	2 664 521	129 639	241 048
Inventories							
Opening value of raw materials	194 810	196 122	201 470	206 321	210 080	3 759	15 270
Opening value of work in progress	87 477	85 984	89 596	93 634	99 724	6 090	12 247
Opening value of finished goods	522 004	558 738	509 088	583 824	587 274	3 450	65 270
Total opening values (B)	804 291	840 844	800 154	883 779	897 078	13 299	92 787
Closing value of raw materials	192 903	202 369	205 917	206 610	213 689	7 079	20 786
Closing value of work in progress	86 510	90 295	93 825	99 350	96 583	-2 767	10 073
Closing value of finished goods	526 306	557 481	523 864	591 960	598 302	6 342	71 996
Total closing values (C)	805 719	850 145	823 606	897 920	908 574	10 654	102 855

¹ All industries in the South African economy, excluding agriculture, financial intermediation, insurance, government and educational institutions.² Revised.³ Preliminary.

Table 1 – Selected income and expenditure items: All industries covered by the quarterly financial statistics (QFS) survey¹ (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ²	December 2017 ³		
Expenditure items						R million	R million
Purchases	1 353 253	1 391 855	1 349 678	1 426 257	1 483 066	56 809	129 813
Employment costs ⁴	323 670	318 685	324 277	336 897	344 067	7 170	20 397
Interest paid	62 625	58 308	59 875	62 113	63 261	1 148	636
Royalties, franchise fees, copyright, trade names and patent rights paid	12 421	8 651	8 654	8 439	10 963	2 524	-1 458
Rental/leasing of land, buildings and other structures paid	55 465	57 435	57 831	66 836	66 632	-204	11 167
Hiring/leasing for plant, machinery, vehicles and other equipment paid	12 672	12 559	12 908	14 246	14 868	622	2 196
Depreciation	58 569	57 974	58 343	59 007	61 780	2 773	3 211
Losses on assets/investments sold or revalued	27 636	25 413	35 126	25 154	29 161	4 007	1 525
Other expenditure	347 312	338 114	343 093	357 234	386 377	29 143	39 065
Total expenditure (D)	2 253 623	2 268 994	2 249 785	2 356 183	2 460 175	103 992	206 552
Net profit or loss before taxation (E) ⁵	171 278	118 337	267 905	192 840	215 842	23 002	44 564
Company tax	31 842	32 016	26 245	33 590	37 571	3 981	5 729
Dividends payable	33 714	43 361	28 713	34 395	31 685	-2 710	-2 029
Carrying value of property, plant and equipment as at the end of quarter	3 034 813	3 084 543	3 087 390	3 172 180	3 215 396	43 216	180 583
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	11 988	9 634	9 495	9 056	11 234	2 178	-754
Plant, machinery, furniture, fittings and other equipment	80 448	72 250	62 224	68 541	76 316	7 775	-4 132
Vehicles and transport equipment	12 107	11 263	8 888	10 652	11 476	824	-631
Total capital expenditure	104 543	93 147	80 607	88 249	99 026	10 777	-5 517

¹ All industries in the South African economy, excluding agriculture, financial intermediation, insurance, government and educational institutions.² Revised.³ Preliminary.⁴ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁵ E=A-B+C-D.

Table 2 – Selected income and expenditure items: Mining and quarrying industry

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received	158 926	144 921	145 848	161 505	170 525	9 020	11 599
Interest received	2 249	1 897	2 193	1 999	2 312	313	63
Dividends received	3 455	2 766	2 007	2 735	680	-2 055	-2 775
Royalties, franchise fees, copyright, trade names and patent rights received	23	37	28	30	51	21	28
Rental/leasing of land, buildings and other structures received	204	189	76	47	156	109	-48
Hiring/leasing of plant, machinery, vehicles and other equipment received	200	159	193	360	377	17	177
Profit on assets/investment sold or revalued	3 536	1 536	1 184	3 120	7 699	4 579	4 163
Other income	2 057	750	725	791	6 489	5 698	4 432
Total income (A)	170 650	152 255	152 254	170 587	188 289	17 702	17 639
Inventories							
Opening value of raw materials	17 040	17 350	17 758	19 044	20 595	1 551	3 555
Opening value of work in progress	23 601	24 709	25 643	26 544	27 211	667	3 610
Opening value of finished goods	24 222	23 536	23 447	33 177	33 235	58	9 013
Total opening values (B)	64 863	65 595	66 848	78 765	81 041	2 276	16 178
Closing value of raw materials	17 370	16 643	17 468	20 602	20 713	111	3 343
Closing value of work in progress	24 721	25 669	27 099	27 209	28 750	1 541	4 029
Closing value of finished goods	23 532	24 614	23 735	33 201	30 833	-2 368	7 301
Total closing values (C)	65 623	66 926	68 302	81 012	80 296	-716	14 673

¹ Revised.² Preliminary.

Table 2 – Selected income and expenditure items: Mining and quarrying industry (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	55 728	52 819	56 869	63 265	68 223	4 958	12 495
Employment costs ³	33 023	32 042	34 556	34 342	34 660	318	1 637
Interest paid	5 389	4 449	4 466	4 264	4 559	295	-830
Royalties, franchise fees, copyright, trade names and patent rights paid	1 445	1 635	1 271	1 678	1 987	309	542
Rental/leasing of land, buildings and other structures paid	4 557	3 939	4 345	5 644	4 431	-1 213	-126
Hiring/leasing for plant, machinery, vehicles and other equipment paid	1 120	1 023	913	1 099	1 068	-31	-52
Depreciation	12 011	11 335	11 912	12 425	13 955	1 530	1 944
Losses on assets/investments sold or revalued	3 477	3 234	19 066	7 218	4 343	-2 875	866
Other expenditure	30 944	29 201	30 100	31 216	43 269	12 053	12 325
Total expenditure (D)	147 694	139 677	163 498	161 151	176 495	15 344	28 801
Net profit or loss before taxation (E) ⁴	23 716	13 909	-9 790	11 683	11 049	-634	-12 667
Company tax	5 826	6 105	3 665	5 010	4 544	-466	-1 282
Dividends payable	1 436	5 382	2 098	5 020	1 400	-3 620	-36
Carrying value of property, plant and equipment as at the end of quarter	475 108	482 176	468 468	487 763	489 897	2 134	14 789
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	2 331	1 969	1 761	1 912	3 305	1 393	974
Plant, machinery, furniture, fittings and other equipment	10 167	8 532	12 959	12 540	15 203	2 663	5 036
Vehicles and transport equipment	348	961	545	273	482	209	134
Total capital expenditure	12 846	11 462	15 265	14 725	18 990	4 265	6 144

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 3 – Selected income and expenditure items: Manufacturing industry

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received	650 843	604 452	631 185	681 049	720 397	39 348	69 554
Interest received	4 065	3 687	3 829	4 145	4 277	132	212
Dividends received	1 973	1 639	10 339	5 181	1 166	-4 015	-807
Royalties, franchise fees, copyright, trade names and patent rights received	221	220	231	153	140	-13	-81
Rental/leasing of land, buildings and other structures received	3 128	2 818	2 868	1 440	1 447	7	-1 681
Hiring/leasing of plant, machinery, vehicles and other equipment received	251	468	471	458	443	-15	192
Profit on assets/investment sold or revalued	10 307	7 634	5 694	9 729	12 532	2 803	2 225
Other income	6 915	7 337	6 270	8 309	7 213	-1 096	298
Total income (A)	677 703	628 255	660 887	710 464	747 615	37 151	69 912
Inventories							
Opening value of raw materials	119 905	118 497	123 781	129 569	132 955	3 386	13 050
Opening value of work in progress	41 947	39 376	42 046	44 249	47 272	3 023	5 325
Opening value of finished goods	183 584	179 250	175 289	191 976	195 536	3 560	11 952
Total opening values (B)	345 436	337 123	341 116	365 794	375 763	9 969	30 327
Closing value of raw materials	117 765	125 299	126 022	130 817	135 864	5 047	18 099
Closing value of work in progress	39 498	42 834	44 635	46 976	44 107	-2 869	4 609
Closing value of finished goods	180 492	173 529	182 843	200 912	198 279	-2 633	17 787
Total closing values (C)	337 755	341 662	353 500	378 705	378 250	-455	40 495

¹ Revised.² Preliminary.

Table 3 – Selected income and expenditure items: Manufacturing industry (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	420 347	416 828	433 121	448 990	461 616	12 626	41 269
Employment costs ³	77 332	71 622	73 860	78 335	80 221	1 886	2 889
Interest paid	12 813	8 985	10 499	10 354	11 036	682	-1 777
Royalties, franchise fees, copyright, trade names and patent rights paid	6 713	2 886	2 943	3 230	5 555	2 325	-1 158
Rental/leasing of land, buildings and other structures paid	10 645	10 801	11 013	13 307	13 181	-126	2 536
Hiring/leasing for plant, machinery, vehicles and other equipment paid	1 538	1 588	1 666	1 602	2 765	1 163	1 227
Depreciation	11 699	12 165	12 155	13 653	14 412	759	2 713
Losses on assets/investments sold or revalued	9 033	6 339	5 199	6 454	10 715	4 261	1 682
Other expenditure	79 373	71 806	76 503	90 855	99 106	8 251	19 733
Total expenditure (D)	629 493	603 020	626 959	666 780	698 607	31 827	69 114
Net profit or loss before taxation (E) ⁴	40 529	29 774	46 312	56 595	51 495	-5 100	10 966
Company tax	9 230	8 998	7 384	9 660	12 498	2 838	3 268
Dividends payable	13 000	10 786	9 543	9 833	6 612	-3 221	-6 388
Carrying value of property, plant and equipment as at the end of quarter	529 922	509 190	469 678	456 387	465 703	9 316	-64 219
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	1 417	1 614	1 175	1 456	1 732	276	315
Plant, machinery, furniture, fittings and other equipment	15 727	12 392	12 201	14 148	17 571	3 423	1 844
Vehicles and transport equipment	1 880	1 227	1 208	1 272	1 860	588	-20
Total capital expenditure	19 024	15 233	14 584	16 876	21 163	4 287	2 139

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 4 – Selected income and expenditure items: Electricity, gas and water supply industry

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received	56 141	55 332	60 420	71 146	60 715	-10 431	4 574
Interest received	1 452	1 160	1 276	831	568	-263	-884
Dividends received	1	1	0	0	82	82	81
Royalties, franchise fees, copyright, trade names and patent rights received	0	0	0	0	0	0	0
Rental/leasing of land, buildings and other structures received	5	4	5	6	6	0	1
Hiring/leasing of plant, machinery, vehicles and other equipment received	62	57	55	61	63	2	1
Profit on assets/investment sold or revalued	130	1 531	76	51	74	23	-56
Other income	397	1 342	296	361	230	-131	-167
Total income (A)	58 188	59 427	62 128	72 456	61 738	-10 718	3 550
Inventories							
Opening value of raw materials	20 907	22 440	22 695	22 817	23 529	712	2 622
Opening value of work in progress	1	2	1	1	1	0	0
Opening value of finished goods	362	368	340	522	546	24	184
Total opening values (B)	21 270	22 810	23 036	23 340	24 076	736	2 806
Closing value of raw materials	22 440	22 694	22 920	23 529	24 019	490	1 579
Closing value of work in progress	2	1	1	1	1	0	-1
Closing value of finished goods	350	340	331	546	626	80	276
Total closing values (C)	22 792	23 035	23 252	24 076	24 646	570	1 854

¹ Revised.² Preliminary.

Table 4 – Selected income and expenditure items: Electricity, gas and water supply industry (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	28 523	29 695	28 843	30 196	30 888	692	2 365
Employment costs ³	7 890	8 879	8 338	6 712	7 727	1 015	-163
Interest paid	6 515	6 937	7 271	8 768	8 844	76	2 329
Royalties, franchise fees, copyright, trade names and patent rights paid	0	0	0	8	8	0	8
Rental/leasing of land, buildings and other structures paid	81	66	59	62	66	4	-15
Hiring/leasing for plant, machinery, vehicles and other equipment paid	105	101	99	93	108	15	3
Depreciation	5 884	6 440	6 321	6 997	7 356	359	1 472
Losses on assets/investments sold or revalued	1 416	176	137	182	1 694	1 512	278
Other expenditure	9 543	12 832	12 902	9 122	8 143	-979	-1 400
Total expenditure (D)	59 957	65 126	63 970	62 140	64 834	2 694	4 877
Net profit or loss before taxation (E) ⁴	-247	-5 474	-1 626	11 052	-2 526	-13 578	-2 279
Company tax	504	485	473	523	472	-51	-32
Dividends payable	556	1 670	681	1 849	650	-1 199	94
Carrying value of property, plant and equipment as at the end of quarter	653 385	676 227	688 011	701 318	710 273	8 955	56 888
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	1 731	1 890	2 034	986	857	-129	-874
Plant, machinery, furniture, fittings and other equipment	20 195	26 348	16 340	16 622	15 565	-1 057	-4 630
Vehicles and transport equipment	266	374	115	87	116	29	-150
Total capital expenditure	22 192	28 612	18 489	17 695	16 538	-1 157	-5 654

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 5 – Selected income and expenditure items: Construction industry

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received	102 560	98 047	105 989	104 377	100 392	-3 985	-2 168
Interest received	569	646	668	857	701	-156	132
Dividends received	315	191	331	110	144	34	-171
Royalties, franchise fees, copyright, trade names and patent rights received	1	1	1	1	1	0	0
Rental/leasing of land, buildings and other structures received	545	403	376	333	360	27	-185
Hiring/leasing of plant, machinery, vehicles and other equipment received	844	724	718	596	567	-29	-277
Profit on assets/investment sold or revalued	501	562	528	931	970	39	469
Other income	1 061	777	716	693	690	-3	-371
Total income (A)	106 396	101 351	109 327	107 898	103 825	-4 073	-2 571
Inventories							
Opening value of raw materials	5 175	5 179	5 350	5 574	5 406	-168	231
Opening value of work in progress	6 541	6 364	6 205	6 024	6 417	393	-124
Opening value of finished goods	5 048	5 281	4 998	4 573	4 441	-132	-607
Total opening values (B)	16 764	16 824	16 553	16 171	16 264	93	-500
Closing value of raw materials	5 296	5 350	5 193	5 406	5 720	314	424
Closing value of work in progress	6 764	6 205	6 381	6 417	6 266	-151	-498
Closing value of finished goods	5 281	4 998	4 612	4 441	4 540	99	-741
Total closing values (C)	17 341	16 553	16 186	16 264	16 526	262	-815

¹ Revised.² Preliminary.

Table 5 – Selected income and expenditure items: Construction industry (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	66 753	61 979	69 172	69 849	65 535	-4 314	-1 218
Employment costs ³	16 971	15 562	17 075	16 290	15 848	-442	-1 123
Interest paid	992	968	981	1 041	990	-51	-2
Royalties, franchise fees, copyright, trade names and patent rights paid	7	192	204	175	216	41	209
Rental/leasing of land, buildings and other structures paid	1 088	1 044	974	724	729	5	-359
Hiring/leasing for plant, machinery, vehicles and other equipment paid	1 813	1 892	2 463	2 469	1 892	-577	79
Depreciation	962	998	1 023	1 108	1 094	-14	132
Losses on assets/investments sold or revalued	360	524	1 581	476	481	5	121
Other expenditure	15 752	16 479	14 620	13 839	14 514	675	-1 238
Total expenditure (D)	104 698	99 638	108 093	105 971	101 299	-4 672	-3 399
Net profit or loss before taxation (E) ⁴	2 275	1 442	867	2 020	2 788	768	513
Company tax	1 209	1 258	589	658	618	-40	-591
Dividends payable	91	2 058	182	99	169	70	78
Carrying value of property, plant and equipment as at the end of quarter	35 387	36 363	36 495	40 219	40 595	376	5 208
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	81	28	31	65	88	23	7
Plant, machinery, furniture, fittings and other equipment	856	875	800	1 004	880	-124	24
Vehicles and transport equipment	170	167	207	101	307	206	137
Total capital expenditure	1 107	1 070	1 038	1 170	1 275	105	168

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 6 – Selected income and expenditure items: Trade industry

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received	821 358	825 388	785 272	836 387	878 168	41 781	56 810
Interest received	3 981	4 525	4 302	3 959	3 916	-43	-65
Dividends received	569	959	438	692	424	-268	-145
Royalties, franchise fees, copyright, trade names and patent rights received	238	240	293	231	271	40	33
Rental/leasing of land, buildings and other structures received	1 019	2 073	2 074	741	765	24	-254
Hiring/leasing of plant, machinery, vehicles and other equipment received	1 639	2 077	1 899	1 978	2 114	136	475
Profit on assets/investment sold or revalued	2 242	8 006	5 745	4 418	4 814	396	2 572
Other income	7 242	35 590	7 342	8 080	8 609	529	1 367
Total income (A)	838 288	878 858	807 365	856 486	899 081	42 595	60 793
Inventories							
Opening value of raw materials	23 186	22 873	22 351	18 804	17 011	-1 793	-6 175
Opening value of work in progress	11 027	10 972	10 934	11 682	13 608	1 926	2 581
Opening value of finished goods	277 557	317 556	273 129	310 499	310 859	360	33 302
Total opening values (B)	311 770	351 401	306 414	340 985	341 478	493	29 708
Closing value of raw materials	20 275	22 782	24 122	16 649	17 504	855	-2 771
Closing value of work in progress	11 031	10 936	11 010	13 532	12 647	-885	1 616
Closing value of finished goods	283 942	322 250	279 319	310 156	322 202	12 046	38 260
Total closing values (C)	315 248	355 968	314 451	340 337	352 353	12 016	37 105

¹ Revised.² Preliminary.

Table 6 – Selected income and expenditure items: Trade industry (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	623 751	678 503	610 876	643 257	679 921	36 664	56 170
Employment costs ³	62 952	66 664	62 608	61 134	63 624	2 490	672
Interest paid	7 893	8 590	7 652	7 251	7 300	49	-593
Royalties, franchise fees, copyright, trade names and patent rights paid	1 844	1 803	1 922	1 270	1 536	266	-308
Rental/leasing of land, buildings and other structures paid	16 394	17 200	17 051	16 260	17 161	901	767
Hiring/leasing for plant, machinery, vehicles and other equipment paid	1 746	1 613	1 584	2 045	1 961	-84	215
Depreciation	5 737	6 539	6 088	5 217	5 366	149	-371
Losses on assets/investments sold or revalued	5 513	11 528	5 296	4 378	4 793	415	-720
Other expenditure	70 476	70 502	66 601	67 690	74 998	7 308	4 522
Total expenditure (D)	796 306	862 942	779 678	808 502	856 660	48 158	60 354
Net profit or loss before taxation (E) ⁴	45 460	20 483	35 724	47 336	53 296	5 960	7 836
Company tax	5 644	5 351	4 453	5 928	6 667	739	1 023
Dividends payable	3 176	3 631	2 369	1 354	3 303	1 949	127
Carrying value of property, plant and equipment as at the end of quarter	247 265	254 090	256 328	246 308	250 374	4 066	3 109
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	1 601	1 333	1 382	812	963	151	-638
Plant, machinery, furniture, fittings and other equipment	5 478	4 741	3 725	5 960	5 628	-332	150
Vehicles and transport equipment	3 657	4 124	1 944	2 673	2 726	53	-931
Total capital expenditure	10 736	10 198	7 051	9 445	9 317	-128	-1 419

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 7 – Selected income and expenditure items: Transport, storage and communication industry

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received	206 510	200 406	206 321	223 972	227 937	3 965	21 427
Interest received	1 565	2 322	1 693	1 712	1 908	196	343
Dividends received	197	113	153	270	99	-171	-98
Royalties, franchise fees, copyright, trade names and patent rights received	7	7	6	30	31	1	24
Rental/leasing of land, buildings and other structures received	1 904	1 030	1 097	1 281	1 238	-43	-666
Hiring/leasing of plant, machinery, vehicles and other equipment received	519	462	429	439	457	18	-62
Profit on assets/investment sold or revalued	2 585	1 927	1 529	6 526	2 432	-4 094	-153
Other income	3 277	3 563	3 148	4 475	4 737	262	1 460
Total income (A)	216 564	209 830	214 376	238 705	238 839	134	22 275
Inventories							
Opening value of raw materials	2 975	3 883	3 371	4 929	5 013	84	2 038
Opening value of work in progress	1 129	1 295	1 231	1 452	1 597	145	468
Opening value of finished goods	11 012	11 136	10 466	10 088	9 949	-139	-1 063
Total opening values (B)	15 116	16 314	15 068	16 469	16 559	90	1 443
Closing value of raw materials	3 887	3 343	4 399	4 036	4 047	11	160
Closing value of work in progress	1 295	1 233	1 308	1 597	1 114	-483	-181
Closing value of finished goods	11 156	10 230	11 506	9 949	9 003	-946	-2 153
Total closing values (C)	16 338	14 806	17 213	15 582	14 164	-1 418	-2 174

¹ Revised.² Preliminary.

Table 7 – Selected income and expenditure items: Transport, storage and communication industry (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	83 309	81 614	83 989	92 457	94 320	1 863	11 011
Employment costs ³	32 572	31 458	33 371	35 420	36 183	763	3 611
Interest paid	7 100	6 528	7 035	8 182	7 849	-333	749
Royalties, franchise fees, copyright, trade names and patent rights paid	115	72	79	91	108	17	-7
Rental/leasing of land, buildings and other structures paid	4 678	4 950	5 241	5 400	5 397	-3	719
Hiring/leasing for plant, machinery, vehicles and other equipment paid	2 242	2 341	2 288	3 184	3 339	155	1 097
Depreciation	12 928	11 534	12 303	12 348	12 484	136	-444
Losses on assets/investments sold or revalued	1 864	1 510	1 790	2 579	2 819	240	955
Other expenditure	56 610	53 627	58 077	56 933	58 358	1 425	1 748
Total expenditure (D)	201 418	193 634	204 173	216 594	220 857	4 263	19 439
Net profit or loss before taxation (E) ⁴	16 368	14 688	12 348	21 224	15 587	-5 637	-781
Company tax	3 818	3 932	3 424	3 719	3 766	47	-52
Dividends payable	540	5 816	3 168	6 930	6 621	-309	6 081
Carrying value of property, plant and equipment as at the end of quarter	580 919	569 546	648 392	578 069	595 945	17 876	15 026
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	1 501	441	645	596	676	80	-825
Plant, machinery, furniture, fittings and other equipment	23 242	14 525	11 803	13 122	16 122	3 000	-7 120
Vehicles and transport equipment	3 613	2 458	2 575	3 214	3 230	16	-383
Total capital expenditure	28 356	17 424	15 023	16 932	20 028	3 096	-8 328

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 8 – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received ³	266 005	261 984	265 425	287 223	293 194	5 971	27 189
Interest received	0	0	0	0	0	0	0
Dividends received	7 244	5 058	16 382	2 617	42 845	40 228	35 601
Royalties, franchise fees, copyright, trade names and patent rights received	1 069	969	545	426	567	141	-502
Rental/leasing of land, buildings and other structures received	0	0	0	0	0	0	0
Hiring/leasing of plant, machinery, vehicles and other equipment received	0	0	0	0	0	0	0
Profit on assets/investment sold or revalued	6 973	5 881	132 738	4 983	6 238	1 255	-735
Other income	12 712	11 230	10 359	10 609	10 333	-276	-2 379
Total income (A)	294 003	285 122	425 449	305 858	353 177	47 319	59 174
Inventories							
Opening value of raw materials	4 648	4 834	5 250	4 436	4 438	2	-210
Opening value of work in progress	3 142	3 177	3 438	3 640	3 576	-64	434
Opening value of finished goods	18 804	20 215	20 223	31 722	31 333	-389	12 529
Total opening values (B)	26 594	28 226	28 911	39 798	39 347	-451	12 753
Closing value of raw materials	4 803	5 225	4 830	4 438	4 517	79	-286
Closing value of work in progress	3 110	3 319	3 352	3 576	3 652	76	542
Closing value of finished goods	20 232	20 168	20 277	31 380	31 476	96	11 244
Total closing values (C)	28 145	28 712	28 459	39 394	39 645	251	11 500

¹ Revised.² Preliminary.³ Turnover includes: interest, rent/leasing and hiring – refer to page 39 for more details.

Table 8 – Selected income and expenditure items: Real estate and other business services industry (excluding financial intermediation and insurance) (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	62 114	57 823	54 634	65 807	69 260	3 453	7 146
Employment costs ³	76 605	75 871	77 633	81 731	82 543	812	5 938
Interest paid	20 774	20 568	20 880	20 928	21 217	289	443
Royalties, franchise fees, copyright, trade names and patent rights paid	1 929	1 771	1 959	1 796	1 329	-467	-600
Rental/leasing of land, buildings and other structures paid	15 704	17 090	16 760	22 471	22 480	9	6 776
Hiring/leasing for plant, machinery, vehicles and other equipment paid	2 879	2 859	2 834	2 674	2 666	-8	-213
Depreciation	7 625	7 310	7 039	5 351	5 270	-81	-2 355
Losses on assets/investments sold or revalued	5 392	1 784	1 594	3 539	4 025	486	-1 367
Other expenditure	65 739	64 861	66 452	65 835	64 523	-1 312	-1 216
Total expenditure (D)	258 761	249 937	249 785	270 132	273 313	3 181	14 552
Net profit or loss before taxation (E) ⁴	36 793	35 671	175 212	35 322	80 162	44 840	43 369
Company tax	4 524	4 716	5 074	6 866	7 739	873	3 215
Dividends payable	14 672	12 477	10 130	8 497	11 906	3 409	-2 766
Carrying value of property, plant and equipment as at the end of quarter	438 832	484 328	448 473	579 836	580 180	344	141 348
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	2 663	1 950	1 754	2 539	2 883	344	220
Plant, machinery, furniture, fittings and other equipment	3 209	2 909	2 914	3 628	3 937	309	728
Vehicles and transport equipment	1 843	1 623	1 913	2 651	2 552	-99	709
Total capital expenditure	7 715	6 482	6 581	8 818	9 372	554	1 657

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with *the Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 9 – Selected income and expenditure items: Community, social and personal services industry (excluding government and educational institutions)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Income items						R million	R million
Turnover received	55 497	57 750	57 854	59 536	59 781	245	4 284
Interest received	612	697	1 004	791	798	7	186
Dividends received	514	176	183	153	100	-53	-414
Royalties, franchise fees, copyright, trade names and patent rights received	189	106	92	114	112	-2	-77
Rental/leasing of land, buildings and other structures received	255	255	250	451	497	46	242
Hiring/leasing of plant, machinery, vehicles and other equipment received	217	204	187	129	110	-19	-107
Profit on assets/investment sold or revalued	192	382	120	650	406	-244	214
Other income	4 205	3 362	2 762	10 604	10 153	-451	5 948
Total income (A)	61 681	62 932	62 452	72 428	71 957	-471	10 276
Inventories							
Opening value of raw materials	974	1 066	914	1 148	1 133	-15	159
Opening value of work in progress	89	89	98	42	42	0	-47
Opening value of finished goods	1 415	1 396	1 196	1 267	1 375	108	-40
Total opening values (B)	2 478	2 551	2 208	2 457	2 550	93	72
Closing value of raw materials	1 067	1 033	963	1 133	1 305	172	238
Closing value of work in progress	89	98	39	42	46	4	-43
Closing value of finished goods	1 321	1 352	1 241	1 375	1 343	-32	22
Total closing values (C)	2 477	2 483	2 243	2 550	2 694	144	217

¹ Revised.² Preliminary.

Table 9 – Selected income and expenditure items: Community, social and personal services industry (excluding government and educational institutions) (concluded)

Item	Quarter ended					Quarter-on-quarter difference between December 2017 and September 2017	Year-on-year difference between December 2017 and December 2016
	R million						
	December 2016	March 2017	June 2017	September 2017 ¹	December 2017 ²		
Expenditure items						R million	R million
Purchases	12 728	12 594	12 174	12 436	13 303	867	575
Employment costs ³	16 325	16 587	16 836	22 933	23 261	328	6 936
Interest paid	1 149	1 283	1 091	1 325	1 466	141	317
Royalties, franchise fees, copyright, trade names and patent rights paid	368	292	276	191	224	33	-144
Rental/leasing of land, buildings and other structures paid	2 318	2 345	2 388	2 968	3 187	219	869
Hiring/leasing for plant, machinery, vehicles and other equipment paid	1 229	1 142	1 061	1 080	1 069	-11	-160
Depreciation	1 723	1 653	1 502	1 908	1 843	-65	120
Losses on assets/investments sold or revalued	581	318	463	328	291	-37	-290
Other expenditure	18 875	18 806	17 838	21 744	23 466	1 722	4 591
Total expenditure (D)	55 296	55 020	53 629	64 913	68 110	3 197	12 814
Net profit or loss before taxation (E) ⁴	6 384	7 844	8 858	7 608	3 991	-3 617	-2 393
Company tax	1 087	1 171	1 183	1 226	1 267	41	180
Dividends payable	243	1 541	542	813	1 024	211	781
Carrying value of property, plant and equipment as at the end of quarter	73 995	72 623	71 545	82 280	82 429	149	8 434
Capital expenditure on new property, plant and equipment							
Buildings, improvement and construction works	663	409	713	690	730	40	67
Plant, machinery, furniture, fittings and other equipment	1 574	1 928	1 482	1 517	1 410	-107	-164
Vehicles and transport equipment	330	329	381	381	203	-178	-127
Total capital expenditure	2 567	2 666	2 576	2 588	2 343	-245	-224

¹ Revised.² Preliminary.³ Refer to page 35 for comparability with the *Quarterly employment statistics* (QES) (statistical release P0277) survey.⁴ E=A-B+C-D.

Table 10 – Comparison of selected operating ratios between September 2017 and December 2017

Industry	Turnover / Fixed assets ³		Net profit before tax / Turnover ⁴		Turnover / Closing inventories ⁵		Net profit before tax / Fixed assets ⁶	
	September 2017 ¹	December 2017 ²	September 2017 ¹	December 2017 ²	September 2017 ¹	December 2017 ²	September 2017 ¹	December 2017 ²
Mining and quarrying	0,33	0,35	0,07	0,06	1,99	2,12	0,02	0,02
Manufacturing	1,49	1,55	0,08	0,07	1,80	1,90	0,12	0,11
Electricity, gas and water supply	0,10	0,09	0,16	-0,04	2,96	2,46	0,02	0,00 ⁻
Construction	2,60	2,47	0,02	0,03	6,42	6,07	0,05	0,07
Trade	3,40	3,51	0,06	0,06	2,46	2,49	0,19	0,21
Transport, storage and communication	0,39	0,38	0,09	0,07	14,37	16,09	0,04	0,03
Real estate and other business services, excluding financial intermediation and insurance	0,50	0,51	0,12	0,27	7,29	7,40	0,06	0,14
Community, social and personal services, excluding government and educational institutions	0,72	0,73	0,13	0,07	23,35	22,19	0,09	0,05
All industries	0,76	0,78	0,08	0,09	2,70	2,76	0,06	0,07

¹ Revised.² Preliminary.³ Turnover / Carrying value of property, plant and equipment at the end of the quarter.⁴ Net profit or loss before taxation / Turnover.⁵ Turnover / Closing value of inventories.⁶ Net profit or loss before taxation / Carrying value of property, plant and equipment at the end of the quarter.⁻ Due to rounding off on a two decimal place, the ratio is expressed as zero.

Table 10 – Comparison of selected operating ratios between September 2017 and December 2017 (concluded)

Industry	Total capital expenditure / Fixed assets ³		*Cost of Sales / Average inventories ⁴		Net profit before interest and income tax expenses / Interest expense ⁵		Cash dividends / Net income ⁶	
	September 2017 ¹	December 2017 ²	September 2017 ¹	December 2017 ²	September 2017 ¹	December 2017 ²	September 2017 ¹	December 2017 ²
Mining and quarrying	0,03	0,04	0,76	0,85	3,74	3,42	0,75	0,22
Manufacturing	0,04	0,05	1,17	1,22	6,47	5,67	0,21	0,17
Electricity, gas and water supply	0,03	0,02	1,24	1,24	2,26	0,71	0,18	-0,22
Construction	0,03	0,03	4,30	3,98	2,94	3,82	0,07	0,08
Trade	0,04	0,04	1,89	1,93	7,53	8,30	0,03	0,07
Transport, storage and communication	0,03	0,03	5,82	6,30	3,59	2,99	0,40	0,56
Real estate and other business services, excluding financial intermediation and insurance	0,02	0,02	1,67	1,75	2,69	4,78	0,30	0,16
Community, social and personal services, excluding government and educational institutions	0,03	0,03	4,93	5,02	6,74	3,72	0,13	0,38
All industries	0,03	0,03	1,59	1,63	4,10	4,41	0,22	0,18

¹ Revised.² Preliminary.³ Total capital expenditure on new property, plant and equipment / Carrying value of property, plant and equipment at the end of the quarter.⁴ Cost of sales / [(Opening inventories + Closing inventories) / 2].⁵ (Net profit or loss before taxation + Interest paid) / Interest paid.⁶ Dividends paid / (Net profit or loss before taxation – Company tax).

* Cost of sales = (Opening inventories + Purchases – Closing inventories).

Technical notes

Confidence intervals

The 95% confidence intervals of a population parameter (turnover) are 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)

$$= \frac{\text{Upper limit (R million)} - \text{Lower limit (R million)}}{2 * 1,96}$$

Relative standard error (RSE)

$$= \frac{\text{SE of estimate} * 100}{\text{Estimated}}$$

Table A – Estimates of turnover by industry within 95% confidence limits: September 2017

Industry	Lower limit	Estimate	Upper limit	Relative standard error
	R million	R million	R million	(RSE)
Mining and quarrying	158 881	161 505	164 129	0,8
Manufacturing	655 573	681 049	706 525	1,9
Electricity, gas and water supply	69 890	71 146	72 402	0,9
Construction	79 093	104 377	129 661	12,4
Trade	736 388	836 387	936 386	6,1
Transport, storage and communication	208 641	223 972	239 303	3,5
Real estate and other business services, excluding financial intermediation and insurance	243 948	287 223	330 498	7,7
Community, social and personal services, excluding government and educational institutions	54 226	59 536	64 846	4,6
All industries	2 309 992	2 425 195	2 540 398	2,4

Table B – Estimates of turnover by industry within 95% confidence limits: December 2017

Industry	Lower limit	Estimate	Upper limit	Relative standard error
	R million	R million	R million	(RSE)
Mining and quarrying	168 048	170 525	173 002	0,7
Manufacturing	692 457	720 397	748 337	2,0
Electricity, gas and water supply	59 468	60 715	61 962	1,0
Construction	75 214	100 392	125 570	12,8
Trade	774 896	878 168	981 440	6,0
Transport, storage and communication	211 647	227 937	244 227	3,6
Real estate and other business services, excluding financial intermediation and insurance	249 809	293 194	336 579	7,5
Community, social and personal services, excluding government and educational institutions	54 565	59 781	64 997	4,5
All industries	2 390 902	2 511 109	2 631 316	2,4

Table C – Turnover by industry and percentage change

Industry	Turnover December 2016	Turnover September 2017	Turnover December 2017	Difference between December 2017 and September 2017	Difference between December 2017 and December 2016
	R million	R million	R million	%	%
Mining and quarrying	158 926	161 505	170 525	5,6	7,3
Manufacturing	650 843	681 049	720 397	5,8	10,7
Electricity, gas and water supply	56 141	71 146	60 715	-14,7	8,1
Construction	102 560	104 377	100 392	-3,8	-2,1
Trade	821 358	836 387	878 168	5,0	6,9
Transport, storage and communication	206 510	223 972	227 937	1,8	10,4
Real estate and other business services, excluding financial intermediation and insurance	266 005	287 223	293 194	2,1	10,2
Community, social and personal services, excluding government and educational institutions	55 497	59 536	59 781	0,4	7,7
All industries	2 317 840	2 425 195	2 511 109	3,5	8,3

Table D – Turnover by industry and percentage contribution¹

Industry	September 2017		December 2017	
	R million	% total turnover	R million	% total turnover
Mining and quarrying	161 505	6,7	170 525	6,8
Manufacturing	681 049	28,1	720 397	28,7
Electricity, gas and water supply	71 146	2,9	60 715	2,4
Construction	104 377	4,3	100 392	4,0
Trade	836 387	34,5	878 168	35,0
Transport, storage and communication	223 972	9,2	227 937	9,1
Real estate and other business services, excluding financial intermediation and insurance	287 223	11,8	293 194	11,7
Community, social and personal services, excluding government and educational institutions	59 536	2,5	59 781	2,4
All industries	2 425 195	100,0	2 511 109	100,0

¹The aggregates of the SIC contributions may not add up to totals due to rounding-off.

Table E – Closing inventories by industry and percentage change

Industry	Inventories September 2017	Inventories December 2017	Difference between December 2017 and September 2017
	R million	R million	%
Mining and quarrying	81 012	80 296	-0,9
Manufacturing	378 705	378 250	-0,1
Electricity, gas and water supply	24 076	24 646	2,4
Construction	16 264	16 526	1,6
Trade	340 337	352 353	3,5
Transport, storage and communication	15 582	14 164	-9,1
Real estate and other business services, excluding financial intermediation and insurance	39 394	39 645	0,6
Community, social and personal services, excluding government and educational institutions	2 550	2 694	5,6
All industries	897 920	908 574	1,2

Table F – Capital expenditure by industry and percentage change

Industry	Capital expenditure September 2017	Capital Expenditure December 2017	Difference Between December 2017 and September 2017
	R million	R million	%
Mining and quarrying	14 725	18 990	29,0
Manufacturing	16 876	21 163	25,4
Electricity, gas and water supply	17 695	16 538	-6,5
Construction	1 170	1 275	9,0
Trade	9 445	9 317	-1,4
Transport, storage and communication	16 932	20 028	18,3
Real estate and other business services, excluding financial intermediation and insurance	8 818	9 372	6,3
Community, social and personal services, excluding government and educational institutions	2 588	2 343	-9,5
All industries	88 249	99 026	12,2

Neyman Optimal Allocation	<p>Before drawing samples in each of the surveys the population of enterprises on the Business Sampling Frame (BSF) was stratified. Strata were formed using a combination of the standard industrial classification variable and the measure of size variable for enterprises. The Neyman optimal allocation formula used to allocate samples to each stratum is given by a formula below.</p> $n_h = \frac{N_h S_h}{\sum N_h S_h}$ <p>Where N_h and S_h are the stratum population size and the stratum variance, respectively.</p>
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Table G – DTI cut-off points (adjusted by Statistics South Africa (Stats SA) for QFS)

Industry	Enterprise size			
	Large (Size-group 1) Lower limits Rand	Medium (Size-group 2) Lower limits Rand	Small (Size-group 3) Lower limits Rand	Very small ¹ (Size-group 4) Lower limits Rand
Mining and quarrying	526 500 000	135 000 000	54 000 000	2 000 000
Manufacturing	688 500 000	175 500 000	67 500 000	2 000 000
Electricity, gas and water supply	688 500 000	175 500 000	68 850 000	2 000 000
Construction	351 000 000	81 000 000	40 500 000	2 000 000
Wholesale trade	864 000 000	432 000 000	81 000 000	2 000 000
Retail trade	526 500 000	256 500 000	54 000 000	2 000 000
Motor trade	526 500 000	256 500 000	54 000 000	2 000 000
Accommodation and catering	175 500 000	81 000 000	68 850 000	2 000 000
Transport, storage and communication	351 000 000	175 500 000	40 500 000	2 000 000
Real estate and other businesses services, excluding financial intermediation and insurance	351 000 000	175 500 000	40 500 000	2 000 000
Community, social and personal services, excluding government and educational institutions	175 500 000	81 000 000	13 500 000	2 000 000

Source: National Small Business Amendment Bill 2003, Department of Trade and Industry (DTI).

¹Enterprises with a turnover of less than R2 000 000 are excluded from this survey as from the 2009 sample.

Explanatory notes

Introduction

1 Stats SA conducts a quarterly sample survey to collect a range of financial statistics in respect of enterprises in the formal business sector of the South African economy, excluding agriculture, hunting, forestry and fishing and financial intermediation and insurance, government and educational institutions. This statistical release presents a selection of key findings and tables from Stats SA's *Quarterly Financial Statistics* (QFS) survey for the December 2016 and March, June, September and December 2017 quarters which examines key variables as required by the Systems of National Accounts (SNA) 2008, and are mentioned below:

- turnover;
- interest received and paid;
- dividends received and dividends payable;
- royalties, franchise fees, copyright, trade names and trade and patent rights received and paid;
- income and expenditure in respect of rental/leasing of land, buildings and other structures, including payments for water and electricity services;
- income and expenditure in respect of hiring/leasing of plant, machinery, vehicles and other equipment;
- employment costs;
- profit and loss on assets/investments sold or revalued;
- depreciation provided for;
- purchases;
- other income and other expenditure;
- total income and total expenditure;
- net profit or loss before providing for company tax and dividends;
- company tax;
- carrying value of property, plant and equipment at the end of the quarter;
- inventories as at the beginning and end of the quarter; and
- capital expenditure on new property, plant and equipment at the end of the quarter.

2 The statistical release also contains accounting ratios derived from estimates of selected key variables.

3 In order to improve timeliness of the publication, some information for the current quarter may have been estimated due to late or non-submission by respondents. These estimates are revised as soon as the actual information is available.

4 Additional information regarding estimates of small, medium and large enterprises by industry per variable for the quarters ended September and December 2017 is available on the Stats SA website and can also be made available on request.

Purpose of the survey

5 The QFS survey covers a sample of enterprises operating in the formal non-agricultural business sector of the South African economy, excluding financial intermediation, insurance, government and educational institutions. Results of the survey are used in compiling estimates of the Gross Domestic Product (GDP) and its components, which in turn are used to develop and monitor government policy.

These statistics are also used by the private sector in analysis of comparative business and industry performance. The results are published quarterly in statistical release P0044: *Quarterly financial statistics*.

Scope of the survey	<p>6 This survey covers financial statistics of the following industries according to the <i>Standard Industrial Classification of All Economic Activities</i> (SIC), Fifth edition, January 1993:</p> <ul style="list-style-type: none"> • mining and quarrying industry; • manufacturing industry; • electricity, gas and water supply 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 and educational institutions.
Classification	<p>7 The 1993 edition of the <i>Standard Industrial Classification of All Economic Activities</i> (SIC), Fifth edition, January 1993, 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 only presented at SIC major division (one digit) level. Each enterprise is classified to an industry which reflects the predominant activity of the enterprise. Estimates on lower digits SIC can be made available on request.</p>
Statistical unit	<p>8 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. The statistical units are derived from and linked to the South African Revenue Service (SARS) value added tax (VAT) administrative data.</p>
Survey methodology and design	<p>9 The survey is conducted on a quarterly basis. Questionnaires are sent to a sample of approximately 4 500 enterprises. Questionnaires have to be returned to Stats SA within two weeks after the end of the quarter concerned. Fax, telephone and electronic reminders are used to follow up on non-responding enterprises.</p> <p>10 Samples are normally drawn each year and the resulting level changes in estimates are indicated when the new sample is implemented. A new sample was drawn in 2017 and implemented from the September 2017 quarter onwards.</p> <p>11 The sample was drawn from a population of enterprises that contributed approximately 95% to the total turnover per industry. Adjustments are made to the estimates to account for enterprises contributing less than 5% of the total turnover within each industry. All enterprises are stratified by type of enterprise according to size groups based on the National Small Business Amendment Bill, 2003, size group allocations for industries as defined in the <i>Standard Industrial Classification</i></p>

of *All Economic Activities* (SIC), Fifth edition, January 1993. All large enterprises, which comprise 54% of the number of enterprises in the sample, are completely enumerated, while simple random sampling is applied for medium sized, small and very small enterprises. Enterprises with a VAT turnover of less than R2 000 000 are excluded from this survey. The data reported by the enterprises in the sample are weighted to represent all enterprises in the population.

Reliability of estimates	<p>12 Data presented in this publication are based on information obtained from a sample of enterprises and are, therefore, subject to sampling variability, that is, the data 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, inaccuracies of this kind are referred to as sampling errors. See Tables A and B (page 28) to determine the extent that estimates may vary.</p> <p>13 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. Preliminary figures are indicated in the relevant tables.</p>
Reasons for fluctuations in data	<p>14 The fluctuations in the data can be attributed to:</p> <ul style="list-style-type: none"> • revisions to previous quarters made in the event of new or revised information being furnished by the respondents; • restructuring of large businesses; • exchange rate fluctuations; • restating of previous estimates due to International Financial Reporting Standards (IFRS); • once-off items reflected in one or more quarters, but not reflected in other quarters; • year-end adjustments performed during the last quarter of the financial year; • seasonal factors; • items declared annually and not quarterly; • samples drawn annually (<i>see paragraph 10 on page 33</i>); and • response rates per industry and within sub sectors.
Standard error	<p>15 The estimates in this publication are based on a sample drawn from units in the surveyed population. The entire population is not 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 (<i>see page 28, Tables A and B</i>).</p>
Revised figures	<p>16 The revised figures are due to respondents reporting revisions or corrections in their figures and late submissions of their data to Stats SA. Editing of data occurs at individual enterprise level.</p>
Reference period	<p>17 The reference period for this publication is from 1 October 2017 to 31 December 2017.</p>

Related publications	<p>18 Users may also wish to refer to the following publications which are available from Stats SA:</p> <ul style="list-style-type: none"> • <i>Annual financial statistics</i> (P0021); • <i>Gross domestic product</i> (P0441) – issued quarterly and annually; • <i>Manufacturing: Production and sales</i> (P3041.2) – issued monthly; • <i>Mining: Production and sales</i> (P2041) – issued monthly; • <i>Motor trade sales</i> (P6343.2) – issued monthly; • <i>Quarterly employment statistics</i> (P0277); • <i>Retail trade sales</i> (P6242.1) – issued monthly; • <i>Stats in brief</i> – issued annually; and • <i>Wholesale trade sales</i> (P6141.2) – issued monthly.
Rounding-off of figures	<p>19 The figures in the tables have, where necessary, been rounded off to the nearest three digits shown.</p>
Comparison of results with Quarterly Employment Statistics (QES) survey	<p>20 Employment costs estimates produced in this publication are based on information as defined by the International Accounting Standards 19 (IAS19) from an accounting perspective. The <i>Quarterly employment statistics</i> (QES) survey produces estimates for employment and earnings from a payroll perspective.</p> <p>The differences between the QFS employment costs and QES earnings can be attributed, but not limited, to the following factors:</p> <ul style="list-style-type: none"> • accounting and payroll timing differences in the recognition of employment-related transactions. The QFS employment costs are recognised on an accrual basis while the QES earnings are recognised on a cash basis; • classification differences between surveys; • changes in accounting standards (International Financial Reporting Standards (IFRS) revisions in the QFS); • different sampling frames; • different sampling methodology and sampling specifications; • information sources (information from the payroll administrator vs. information from the accounting officer); and • restructuring of businesses.
Adjustment of DTI cut-off points	<p>21 The DTI cut-off points sourced from the National Small Business Amendment Bill 2003 have been raised by a factor of 13,5 to comply with sample specifications.</p>

Symbols and abbreviations	22	AFS	Annual financial statistics
		BSF	Business Sampling Frame
		DTI	Department of Trade and Industry
		GDP	Gross domestic product
		IAS	International Accounting Standards
		IFRS	International Financial Reporting Standards
		ISIC	International Standard Industrial Classification
		QES	Quarterly employment statistics
		QFS	Quarterly financial statistics
		RSE	Relative Standard Error
		SARS	South African Revenue Service
		SE	Standard Error
		SIC	Standard Industrial Classification of All Economic Activities
		Stats SA	Statistics South Africa
		VAT	Value-added tax
		..	Not available

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Glossary

Capital expenditure on property, plant and equipment

Capital expenditure on property, plant and equipment includes:

- 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;
- work in progress capitalised; and
- new plant and machinery, vehicles and equipment.

Carrying value of property, plant and equipment

Carrying value of property, plant and equipment at the end of the quarter includes:

- land;
- residential buildings and non-residential buildings;
- construction works, roads and parking areas;
- computers and other IT equipment;
- motor vehicles and other transport equipment; and
- plant, machinery, furniture, fittings and other office equipment.

Company tax

Company tax brought into account consists 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, deferred tax and compulsory loan levies.

Employment costs

Employment/staff costs according to IAS 19 are costs incurred in exchange for services rendered by employees. These costs are divided into four categories: short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

Employment costs include (among other types of employment benefits):

- wages and salaries;
- compensated absences (paid vacation and sick leave);
- commissions paid;
- profit sharing plans;
- bonuses;
- medical and life insurance benefits during employment;
- housing benefits;
- free or subsidised goods or services given to employees;
- pension benefits;
- post-employment medical and life insurance benefits;
- long-service or sabbatical leave;
- jubilee' benefits;
- deferred compensation programmes;
- severance, termination and redundancy payments to staff; and
- other employee-related costs not mentioned above.

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.
Establishment	An establishment is defined as an enterprise or part of an enterprise that is situated at a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added.
Industry	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</i> (SIC), Fifth edition, January 1993.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards (IFRS) are international accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the Accounting Standards Board. The purpose of IFRS is to improve transparency and comparability within financial reporting and introduce consistency in accounting.
Inventories	<p>Inventories consist of:</p> <ul style="list-style-type: none">• Outputs that are held by the enterprise that produced them prior to their being further processed, sold, delivered to other units or used in other ways.• Products acquired from other enterprises that are intended to be used for intermediate consumption or for resale without further processing (factored goods). <p>Raw materials consist of components for processing, packing materials, fuel, consumable and maintenance stores.</p> <p>Work in progress consists of goods in the process of manufacturing or work that has been partially done, but which has not yet been completed at the beginning and end of the quarter.</p> <p>Finished goods include manufactured goods by own manufacturers and goods not produced by the enterprise but purchased for resale, not sold at the beginning and end of the quarter.</p>
Net profit or loss	Net profit or loss before drawings by proprietors or partners, company tax paid or provided for and dividends paid or provided for are taken into account is calculated as total income minus opening inventories plus closing inventories less total expenditure.

Purchases

Purchases includes:

- raw materials, components, etc, used in production;
- fuels;
- spare parts and building materials; and
- purchases and transfers-in of factored goods, intermediate products and partially completed goods from related enterprises.

Purchases excludes:

- subcontract and commission expenses;
- motor vehicle running expenditure, including parts and fuel;
- purchases of materials capitalised for “capital work done” by own employees; and
- containers and packaging materials.

Turnover

Turnover refers to the following items for all industries, excluding real estate and other business services (excluding financial intermediation and insurance):

- value of sales;
- amounts received for work done; and
- amounts received for services rendered.

Turnover refers to the following items for the real estate and other business services industry (excluding financial intermediation and insurance):

- value of sales;
- amounts received for work done;
- amounts received for services rendered;
- interest received;
- 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); and
- net profit or loss on sales or revaluation of fixed assets (including profit or loss on foreign exchange).

Value-added tax

VAT is an indirect tax based on consumption of goods and services in the economy.

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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