

**Statistics
South Africa**

**Statistical release
P2042**

Dipalopalo tsa Aforika Borwa • Statistieke Suid-Afrika • Tistatistiki ta Afrika-Dzonga • Ukuqokelelwa kwamanani eNingizimu Afrika

Mining: Financial statistics

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Key figures for the year 2001

Actual estimates		2000	2001	% change between 2000 and 2001
Profitability ratio (net profit after tax/turnover)		0,24	0,27	+12,5
Interest paid as a percentage of turnover	of	1,3%	1,5%	+15,4
Capital expenditure on new assets as a percentage of turnover	of	9,4%	11,8%	+25,5

Key findings for the year 2001

Profitability ratio for the mining and quarrying industry increases

The profitability ratio (net profit after tax/turnover) for the mining and quarrying industry increased from 0,24 in 2000 to 0,27 in 2001.

The increase in the profitability ratio for the mining industry was mainly due to a higher profitability ratio reported by coal mining (from 0,18 in 2000 to 0,30 in 2001) and 'other mining' (from 0,32 in 2000 to 0,33 in 2001) enterprises. The profitability ratio reported by the gold mining division, decreased slightly between 2000 and 2001.

The ratio of interest paid to turnover, expressed as a percentage, increased from 1,3% in 2000 to 1,5% in 2001. The ratio of capital expenditure on new assets to turnover, expressed as a percentage, increased from 9,4% to 11,8% during the above-mentioned period. The ratio of capital expenditure on new plant, machinery, furniture, fittings and other equipment to turnover increased from 7,1% in 2000 to 9,9% in 2001.

Key figures as at the end of the fourth quarter of 2001

Actual estimates		Fourth quarter of 2000	Fourth quarter of 2001	% change between fourth quarter of 2000 and fourth quarter of 2001
Profitability ratio (net profit after tax/turnover)		0,29	0,31	+6,9
Interest paid as a percentage of turnover		1,3%	1,5%	+15,4
Capital expenditure on new assets as a percentage of turnover		10,0%	9,6%	-4,0

Seasonally adjusted estimates		Third quarter of 2001	Fourth quarter of 2001	% change between third quarter of 2001 and fourth quarter of 2001
Profitability ratio (net profit after tax/turnover)		0,23	0,30	+30,4

Key findings as at the end of the fourth quarter of 2001

Profitability ratio for the mining industry increases

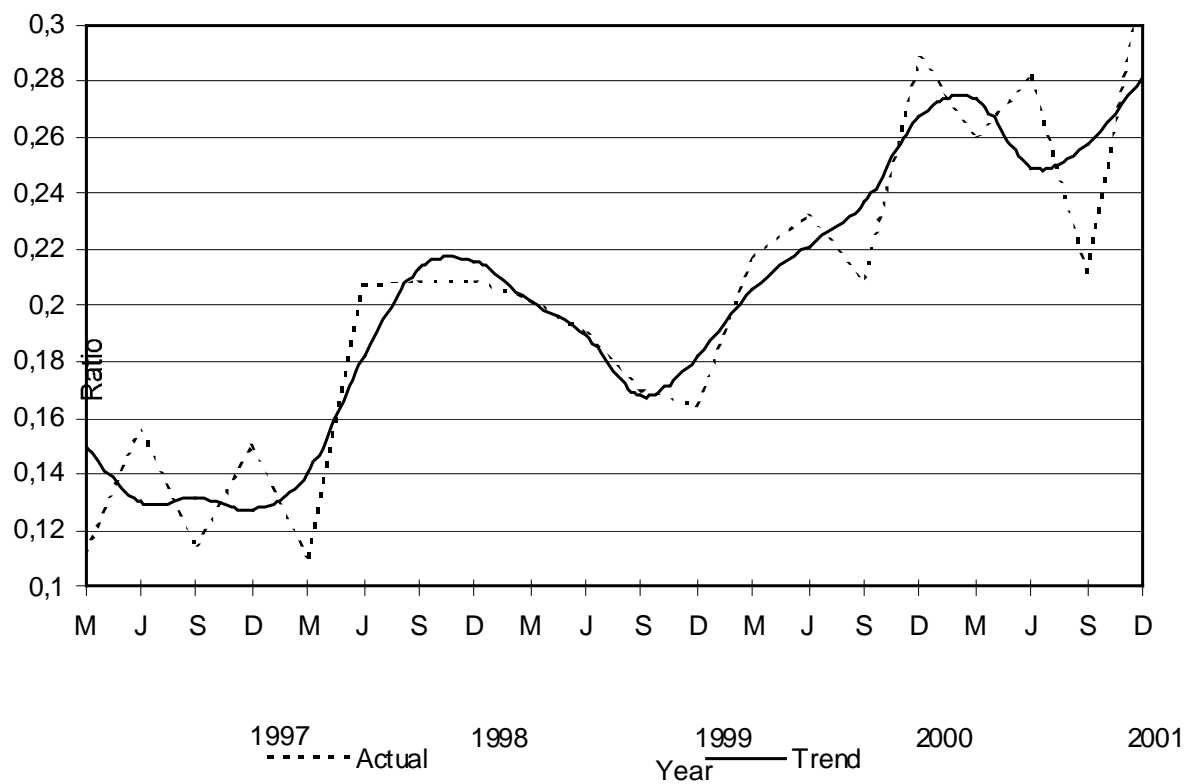
The profitability ratio (net profit after tax/turnover) for the mining and quarrying industry increased from 0,29 for the fourth quarter of 2000 to 0,31 for the fourth quarter of 2001. Furthermore, the seasonally adjusted profitability ratio increased from 0,23 for the third quarter of 2001 to 0,30 for the fourth quarter of 2001.

The increase in the profitability ratio for the mining industry was mainly due to higher profitability ratios reported by the coal and gold and uranium mining divisions (from 0,25 and 0,12 in the fourth quarter of 2000 to 0,38 and 0,16 in the fourth quarter of 2001). The profitability ratios reported by the 'other' mining division decreased slightly during the above-mentioned period.

The ratio of interest paid to turnover, expressed as a percentage, increased from 1,3% in the fourth quarter of 2000 to 1,5% in the fourth quarter of 2001. The ratio of capital expenditure on new

assets to turnover, expressed as a percentage, increased from 10,0% to 9,6% during the above-mentioned period.

Figure 1 - Profitability ratio (net profit after tax/turnover) for the mining and quarrying industry



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Notes

Forthcoming issues

Issues of the Quarterly Financial Statistical Release (P2042) will be suspended until further notice as a review of the methodology is currently taking place.

Purpose of the survey

The Quarterly Financial Statistics Survey is a survey covering a sample of private and public enterprises operating in the mining and quarrying industry of South Africa. Results of the survey are used to compile estimates of the Gross Domestic Product (GDP) and its components, which are used to monitor and develop government policy. These statistics are also used by the private sector in analyses of comparative business and industry performance. The results for the mining industry are published quarterly in statistical release P2042 - Mining Financial Statistics.

TABLE 1 - SELECTED OPERATING RATIOS FOR THE MINING AND QUARRYING INDUSTRY

Item	Ratios				Percentage change Dec. 2000 - Dec. 2001
	2001	Dec. 2000	Sep. 2001	Dec. 2001	
Turnover ratios					
Turnover/fixed assets	1,31	0,35	0,31	0,37	+5,7%
Profitability ratios					
Net profit after tax/turnover					
Actual	0,27	0,29	0,21	0,31	+6,9%
Seasonally adjusted		0,28	0,23	0,30	
Net profit after tax/fixed assets	0,35	0,10	0,07	0,11	+10,0%
Other ratios					
Dividends paid/net profit after tax	0,35				
Tax/net profit	0,28				

TABLE 2 - PROFITABILITY RATIO (NET PROFIT AFTER TAX/TURNOVER) FOR THE MAJOR DIVISIONS OF THE MINING AND QUARRYING INDUSTRY

Division	Ratios				Percentage change Dec. 2000 - Dec. 2001
	2001	Dec. 2000	Sep. 2001	Dec. 2001	
Coal mines	0,30	0,25	0,31	0,38	+52,0
Gold and uranium mines	0,10	0,12	0,08	0,16	+33,3
Other mines	0,33	0,37	0,24	0,36	-2,7
Total mining	0,27	0,29	0,21	0,31	+6,9

TABLE 3 - QUARTERLY PERCENTAGE CHANGE IN SELECTED ITEMS FOR THE MINING AND QUARRYING INDUSTRY

Item	Per cent			
	Percentage change			
	Quarter ended Dec. 2000	Quarter ended Jun. 2001	Quarter ended Sep. 2001	Quarter ended Dec. 2001
	compared with quarter ended Sep. 2000	compared with quarter ended Mar. 2001	compared with quarter ended Jun. 2001*	compared with quarter ended Sep. 2001
Net profit	+63,2	+15,6	-26,7	+68,9
Interest paid	+37,0	+50,2	-16,6	+17,9
Capital expenditure on new assets	+39,3	-9,5	-14,4	+2,9
Selected assets				
Stocks	-6,2	-11,2	+2,8	-16,0

TABLE 4 - ANNUAL PERCENTAGE CHANGE IN SELECTED ITEMS FOR THE MINING AND QUARRYING INDUSTRY

Item	Per cent		
	Percentage change		
	Twelve months ended Jun. 2001 / Twelve months ended Jun. 2000	Twelve months ended Sep. 2001 / Twelve months ended Sep. 2000 *	Twelve months ended Dec. 2001 / Twelve months ended Dec. 2000
Turnover	+24,0	+23,9	+17,4
Interest received	+9,0	+12,2	+22,4
Interest paid	+26,1	+38,5	+34,3
Rent paid			
Land and buildings	+2,2	-2,2	+2,4
Machinery, vehicles and other equipment	+7,4	+7,0	+5,5
Depreciation	+30,2	+22,1	+20,4
Net profit	+60,8	+51,2	+32,5
Dividends paid	+13,1	+18,2	+7,0
Income tax and company tax brought into account	+52,3	+39,1	+35,9
Capital expenditure on:			
New assets			
Buildings, improvements and construction works	-46,8	-11,5	-1,5
Plant, machinery, furniture, fittings and other equipment	+88,4	+78,3	+63,3
Vehicles	+22,4	+23,1	-1,1
Total	+43,2	+55,3	+47,6
Land, existing buildings and other used assets	-27,7	+61,2	+61,8
Book value of land, buildings, machinery, furniture, vehicles and other equipment	+5,0	+6,0	+7,5
Stocks	+7,8	+12,6	+16,0

TABLE 5 - SELECTED FINANCIAL QUANTITIES EXPRESSED AS A PERCENTAGE OF TURNOVER FOR THE MINING AND QUARRYING INDUSTRY

Per cent				
Item	2001	Dec. 2000	Sep. 2001*	Dec. 2001
Credits				
Interest received	1,49	1,14	1,63	1,14
Dividends received	2,91	2,74	0,38	1,70
Royalties received	0,02	0,02	0,02	0,02
Rent received				
Land and buildings	0,07	0,06	0,08	0,08
Machinery, vehicles and other equipment	0,01	0,01	0,02	0,02
Profit on assets sold or revalued	8,39	0,35	3,04	6,67
Debits				
Interest paid	1,48	1,28	1,52	1,49
Royalties paid	1,06	0,71	0,88	0,82
Rent paid				
Land and buildings	0,02	0,02	0,02	0,02
Machinery, vehicles and other equipment	0,17	0,16	0,19	0,15
Depreciation	4,68	4,05	4,92	4,73
Losses on assets sold or revalued	3,20	0,42	0,11	0,04
Net profit	37,03	37,87	30,36	42,49
Dividends paid	9,35	7,56	16,65	0,96
Income tax and company tax brought into account	10,21	9,02	9,18	11,55
Capital expenditure on:				
New assets				
Buildings, improvements and construction works	1,45	1,48	1,67	1,18
Plant, machinery, furniture fittings and other equipment	9,88	8,08	9,29	7,97
Vehicles	0,46	0,48	0,32	0,46
Total	11,79	10,03	11,28	9,61
Land, existing buildings and other used assets	0,13	0,07	0,23	0,16
Book value of land, buildings, machinery, furniture, vehicles and other equipment	76,40	282,00	318,50	271,69
Stocks	7,45	29,44	38,07	26,49

Additional information

Explanatory Notes

Introduction	1	<p>Statistics South Africa (Stats SA) conducts a quarterly survey collecting financial information from a sample of enterprises in the mining and quarrying industry. The statistical release contains information regarding –</p> <ul style="list-style-type: none">• ratio of turnover/fixed assets;• profitability ratio: net profit after tax/turnover;• profitability ratio: net profit after tax/fixed assets;• ratio of dividends paid/net profit after tax;• ratio of tax/net profit;• profitability ratio (net profit after tax/turnover) for the major divisions of the mining and quarrying industry;• quarterly percentage changes in net profit, interest paid, capital expenditure on new assets and stocks;• annual percentage change in turnover, interest received, interest paid, rent paid on land and buildings, rent paid on machinery, vehicles and equipment, depreciation, net profit, dividends paid, income tax, capital expenditure on new and used assets, book value of fixed assets and stocks; and• selected financial quantities expressed as a percentage of turnover: interest received, dividends received, royalties received, rent received for land and buildings and machinery, vehicles and equipment, profit on assets sold, interest paid, royalties paid, rent paid for land and buildings and machinery, vehicles and equipment, depreciation, losses on assets sold, net profit, dividends paid, income tax, capital expenditure on new and used assets and book value of fixed assets and stocks.
	2	<p>In order to improve timeliness of the publication, some information for the current quarter may have been estimated due to late submission by respondents. These estimates will be revised in the next statistical release(s) as soon as actual information is available.</p>
Scope of the survey	3	<p>This survey covers mining and quarrying enterprises conducting activities regarding –</p> <ul style="list-style-type: none">• the extracting, dressing and beneficiating of minerals occurring naturally, for example solids such as coal and ore.
Classification	4	<p>The 1993 edition of the Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, Report No. 09-90-02, was used</p>

to classify the statistical units in the survey. The SIC is based on the 1990 International Standard Industrial Classification of all Economic Activities (ISIC) with suitable adaptations for local conditions. Statistics in this publication are only presented at SIC major division (one digit) level.

Statistical unit	5	The basic statistical unit for the collection of information is a mining or quarrying enterprise (firm).
Survey methodology and design	6	All mining and quarrying enterprises are stratified by type of enterprise according to the Standard Industrial Classification of all Economic Activities, 1993 (SIC), Fifth edition, Report No. 09-90-02 and measure of size, where measure of size is turnover. All large enterprises are completely enumerated. The results of the sample survey are multiplied by applicable weights and aggregated to obtain financial information of the mining and quarrying industry.
	7	The data are collected by mail each quarter from a sample of approximately 84 enterprises. Questionnaires have to be returned to Stats SA within four weeks after the end of the quarter concerned. Fax and telephone reminders are used to follow up non-respondents.
Reliability of estimates	8	Data presented in this publication are based on information obtained from a sample of enterprises and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all enterprises in the mining and quarrying industry in South Africa.
	9	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 reduce non-sampling errors to a minimum by careful designing the questionnaire, pilot studies, editing data and efficient operating procedures. Figures for the latest quarter are preliminary.
Reference period	10	The reference period is the four quarters ending March, June, September and December of each year.
Related publications	11	Users may also wish to refer to the following publications which are available from Stats SA - <ul style="list-style-type: none"> • Bulletin of Statistics issued quarterly. • South African Statistics issued annually.
Unpublished statistics	12	In some cases Stats SA can also make available statistics which are not published. The statistics can be made available as computer printouts, on

diskette or CD. Generally a charge is made for providing unpublished statistics.

Rounding-off of figures

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

Symbols and abbreviations

- 14**
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|----------|---|
| CD | Compact Disc |
| GDP | Gross Domestic Product |
| ISIC | International Standard Industrial Classification |
| * | Revised figures |
| SIC | Standard Industrial Classification of all Economic Activities |
| Stats SA | Statistics South Africa |
| VAT | Value Added Tax |

Technical notes

Response rate

The response rate for the survey on mining and quarrying financial statistics for December 2001 is 85,5%.

Glossary

Capital expenditure on land and used assets	<p>Capital expenditure on land and used assets refers to the expenditure incurred in the acquisition of land or used assets.</p> <p>Capital expenditure on land and used assets includes -</p> <ul style="list-style-type: none">• existing buildings and works; and• used plant, machinery and vehicles, if imported by or on behalf of the enterprise, and paid to outside contractors/concerns or which was done by the enterprise itself.
Capital expenditure on new assets	<p>Capital expenditure on new assets refers to the expenditure incurred in the acquisition of new fixed assets, e.g. the erection of new buildings, and the replacement of or alterations to existing fixed assets, for the purpose of increasing future production. Capital expenditure on repairs and maintenance of the fixed assets is not part of capital expenditure on new assets.</p> <p>Capital expenditure on new assets includes -</p> <ul style="list-style-type: none">• the erection of new buildings and works as well as additions to and alterations of existing buildings and works;• work in progress capitalised; and• new plant and machinery, vehicles and equipment purchased (trade-in allowances have not been deducted).
Depreciation	<p>Depreciation is the reduction in the value of fixed capital assets as a result of wear and tear as well as redundancy (technologically or otherwise) over a period of time. The amounts shown regarding depreciation represent the amounts provided for by the enterprise during the relevant quarter.</p>
Enterprise (firm)	<p>An enterprise (firm) is a legal entity consisting of one or more establishments (branches) including the head office, but excluding holding or subsidiary companies.</p>
Establishment (branch)	<p>An establishment (branch) is the smallest economic unit which operates as a separate entity and for which comprehensive financial records are kept.</p>
Industry	<p>An industry consists of a group of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the 1993 System of National Account (1993 SNA) in the same way as in the Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, Report No. 09-90-02.</p>
Net profit/loss	<p>Net profit/loss is the difference between total income and total expenditure before drawings by proprietors or partners, company tax paid or provided for and dividends paid or provided for are taken into account. Therefore, in the</p>

tables where net profit/loss is shown, it is the amount arrived at after total losses of individual enterprises were deducted from total profits of individual enterprises.

Profitability ratio

Profitability ratio is net profit after tax divided by the turnover.

Stocks

Stocks include work in progress and stocks of raw materials, components for processing, packing materials, fuel, consumable and maintenance stores, own manufactures and factored goods.

Trade debtors

Trade debtors refer to debt on instalment sales transactions and other debt related to direct sales of goods and/or services.

Turnover

Turnover refers to the total value of sales and amounts receivable for work done and services rendered.

Turnover excludes –

- value-added tax (VAT);
- net profit/loss on sales or revaluation of fixed assets (including profit/loss on foreign exchange);
- export freight charges;
- income from rent, leasing and hiring;
- interest received; and
- excise duty.

For more 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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