

Electricity, gas and water supply industry, 2010

Statistics South Africa

Report No. 41-01-02 (2010)

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Electricity, gas and water supply, 2010 / Statistics South Africa

Published by Statistics South Africa, Private Bag X44, Pretoria 0001

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Stats SA Library Cataloguing-in-Publication (CIP) Data

Electricity, gas and water supply, 2010/Statistics South Africa. Pretoria: Statistics South Africa, 2012

Report No. 41-01-02 (2010)

35 pp

ISBN: 978-0-621-40806-5

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Electricity, gas and water supply, 2010

1. Introduction

This publication updates Statistical Release P4001 'Electricity, gas and water supply, 2010', and adds the information and communication technology usage, the details of services rendered, the details of sales of goods, the details of purchases and the details of the client base. The financial information has been revised following the reclassification of some enterprises.

Estimates are presented in respect of the 2010 electricity, gas and water supply large sample survey (LSS). The 2010 electricity, gas and water supply LSS is based on a census of 127 enterprises which were operating between 1 July 2009 and 30 June 2010. The data for the number of employees were provided for the last pay period in June 2010. Data were collected at the 5-digit SIC level of classification of enterprises. The previous electricity, gas and water supply LSS was conducted in 2006 (Electricity, gas and water supply, 2006).

1.1 Scope and coverage

The 2010 electricity, gas and water supply LSS covers enterprises registered in the taxation system that are mainly engaged in the following activities classified according to the January 1993 edition of the *Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, Report No. 09-09-02*:

- Generation, transmission and distribution of electricity (SIC 41111, SIC 41112 and SIC 41113).
- Manufacturing and distribution of gaseous fuels through mains (SIC 41200).
- Steam and hot water supply (SIC 41300) [not included in the report due to non-response].
- Collection, purification and distribution of water (SIC 42000).

Exclusions:

- Enterprises which generate electricity as a secondary activity or for own use (e.g. manufacturing companies).
- Municipalities (included in SIC 91300).
- Enterprises which manufacture and distribute liquefied petroleum gas (LPG) (included in SIC 33210, SIC 61410, SIC 62399 and SIC 63500).
- Enterprises which are engaged in sanitation and other waste water treatment (included in SIC 94000).
- Enterprises which are involved in the collection, purification and distribution of water as a secondary activity or for own use.

1.2 Data items

The following categories of data items were collected: industrial classification, information and communication technology (ICT), details of employment, trading income, expenditure, profit or loss, inventories, book value of assets, details of services rendered, details of sales of goods and purchases.

1.3 Reference period

The questionnaires were completed for the financial year of the enterprise which **ended on any date between 1 July 2009 and 30 June 2010**, according to the usual reporting schedule of the enterprise.

Example

- 1 October 2008 – 30 September 2009
- 1 January 2009 – 31 December 2009
- 1 February 2009 – 31 January 2010
- 1 March 2009 – 28 February 2010
- 1 April 2009 – 31 March 2010

1.4 Current prices

The rand values are at current prices.

1.5 Reliability of data

All estimates compiled for this industry are subject only to non-sampling errors because a census of the industry was conducted.

The following are some of the likely sources of non-sampling errors: sampling frame not up to date, wrong definitions and classification, phrasing of questions, non-response, processing and estimation. Every effort is made to minimise non-sampling errors by the 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.

1.6 Confidentiality

According to section 17 of the Statistics Act, 1999 (Act No. 6 of 1999), completed questionnaires remain confidential to Statistics South Africa (Stats SA). Individual business information is never disclosed. Results are presented in aggregated form only.

2. Background to the large sample surveys

The LSSs serve to document comprehensively the nature and structure of all industries within the economy.

Previously, Stats SA periodically conducted industry censuses, i.e. collections covering all entities known to be mainly engaged in particular sectors. The last industry 'census' was conducted for the manufacturing sector in 1996. Since then, Stats SA has replaced industry censuses with periodic LSSs of industry sectors. These surveys are based on larger samples than the sub-annual and annual surveys. They do not attempt to completely enumerate all entities within the industry scope of the surveys, but are based on stratified random samples which are representative of the survey population. However, censuses are still conducted in industries with relatively small population sizes, such as the electricity, gas and water supply industry.

2.1 Purpose and uses of large sample surveys

The LSS results are used in constructing and refreshing supply and use tables, and for benchmarking the gross domestic product (GDP) and its components, as well as production and price indices, and annual and short-term statistical series.

Users of the LSSs include the following:

- i. Price statisticians, particularly in refreshing the commodity basket of producer price indices;
- ii. Policy advisors in government, for monitoring the performance of industries and their contribution to the South African economy and evaluating the effectiveness of industry policies;
- iii. Industry associations monitoring trends in their own and competing or complementary industries in order to inform their members of market changes; and
- iv. Individual businesses using the data to analyse their performance relative to their industry.

2.2 Scope and coverage

The LSSs cover enterprises registered in the taxation system (VAT and income tax) that are mainly engaged in the following industries, as defined in the Standard Industrial Classification of all Economic Activities (SIC):

- i. Mining and quarrying;
- ii. Manufacturing;
- iii. Electricity, gas and water supply;
- iv. Construction;
- v. Wholesale and retail trade, repair of motor vehicles, motor cycles and personal and household goods, and hotels and restaurants;
- vi. Transport, storage and communication;
- vii. Financial intermediation, insurance, real estate and business services; and
- viii. Community, social and personal services (except national, provincial and local government activities).

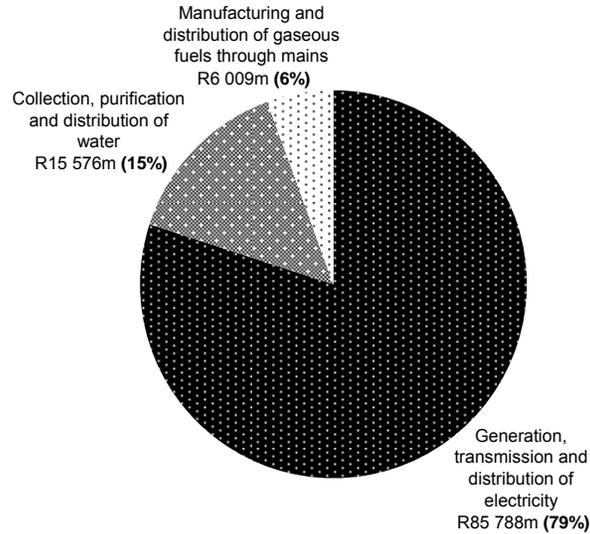
Note: The agriculture, forestry, fishing, hunting and related services industry (SIC 1) is not included as it is covered by a separate programme within Stats SA. Similarly, the public administration and defence activities industry (SIC 91), the financial intermediation industry (SIC 81) and insurance and pension funding industry (SIC 82) are covered by other programmes within both Stats SA and elsewhere (e.g. the South African Reserve Bank (SARB)).

2.3 Reporting unit

The statistical unit for the collection of 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 activities. Each industry is classified to an industry that reflects its predominant activity.

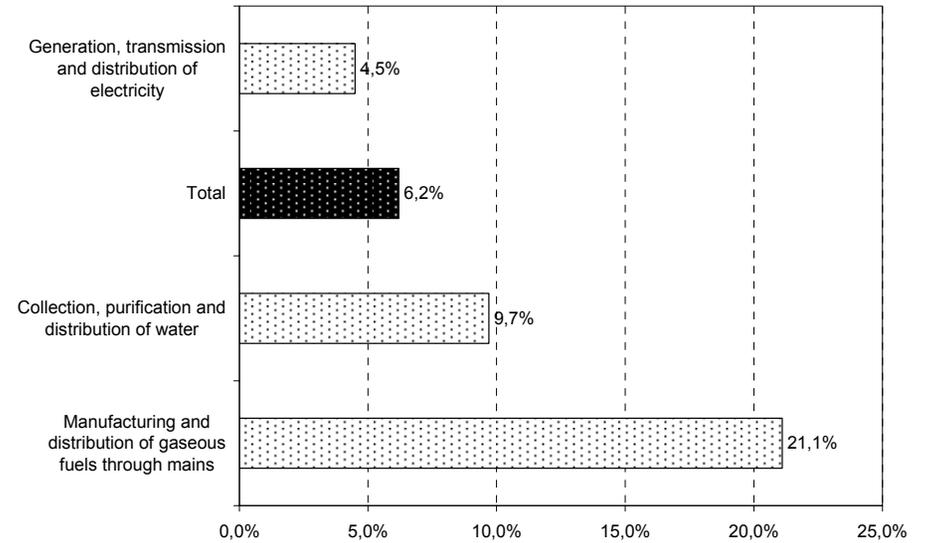
3. Summary of findings for the year 2010

Figure 1 – Income by type of service in the electricity, gas and water supply industry, 2010



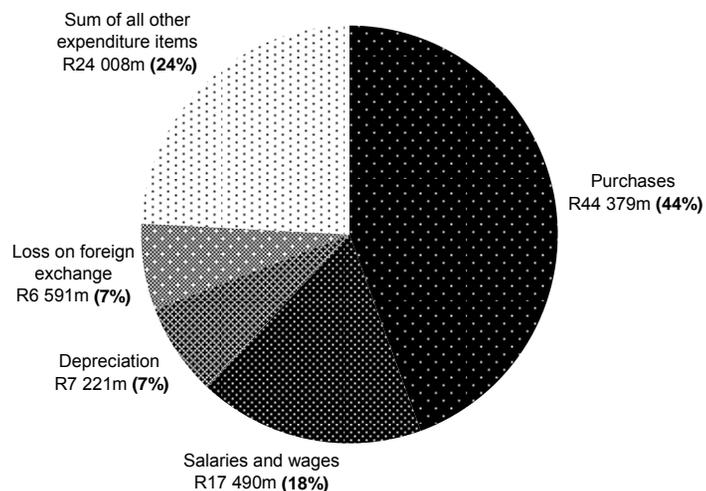
The total income for the electricity, gas and water supply industry in 2010 was R107 373 million. The largest contributor to the total income was 'generation, transmission and distribution of electricity' (R85 788 million or 79%), followed by 'collection, purification and distribution of water' (R15 576 million or 15%) and 'manufacturing and distribution of gaseous fuels through mains' (R6 009 million or 6%) (Figure 1 and Table 1, page 5).

Figure 2 – Profit margin in the electricity, gas and water supply industry, 2010



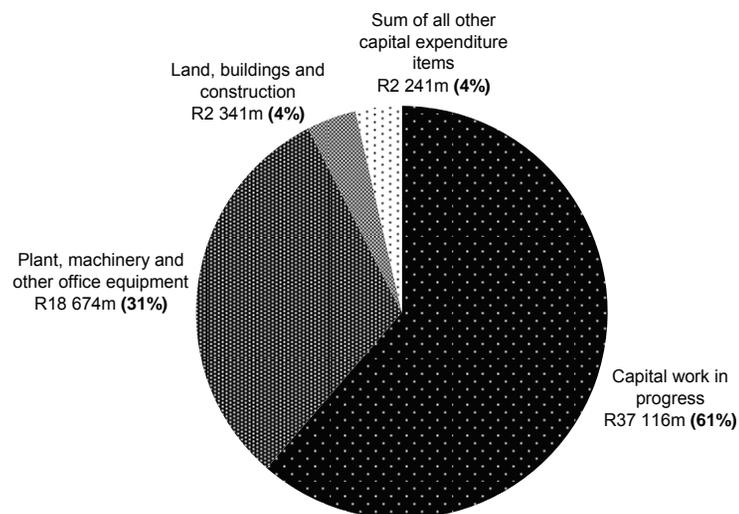
The profit margin for the electricity, gas and water supply industry was 6,2% in 2010. 'Manufacturing and distribution of gaseous fuels through mains' had the highest profit margin at 21,1%, followed by 'collection, purification and distribution of water' at 9,7% and 'generation, transmission and distribution of electricity' at 4,5% (Figure 2 and Table 2, page 6).

Figure 3 – Composition of expenditure in the electricity, gas and water supply industry, 2010



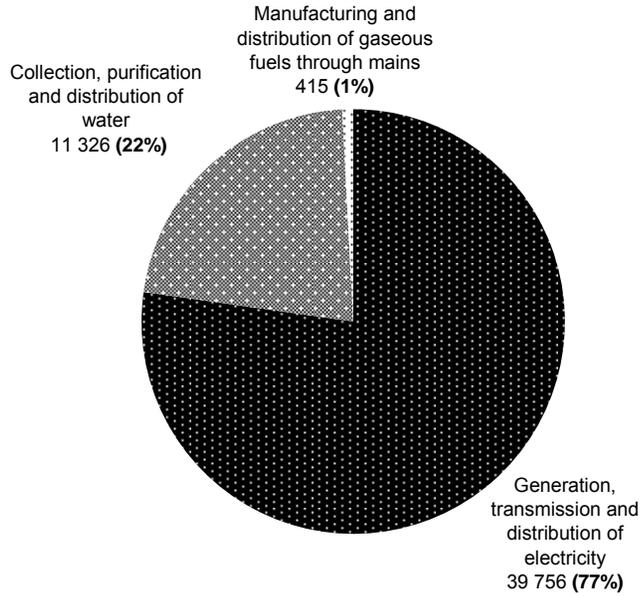
Expenditure in the electricity, gas and water supply industry in 2010 amounted to R99 689 million. The largest contributor to the total expenditure was ‘purchases’ (R44 379 million or 44%), followed by ‘salaries and wages’ (R17 490 million or 18%), ‘depreciation’ (R7 221 million or 7%) and ‘losses on foreign exchange’ (R6 591 million or 7%) (Figure 3 and Table 4, page 8-9).

Figure 4 – Capital expenditure on new assets in the electricity, gas and water supply industry, 2010



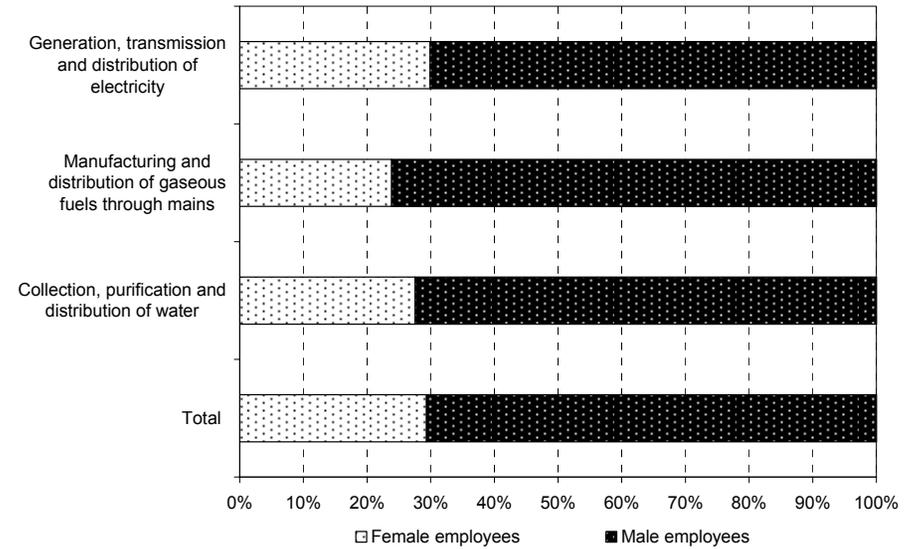
The total capital expenditure on new assets in the electricity, gas and water supply industry in 2010 was R60 372 million. The largest contributor to the total capital expenditure on new assets was ‘capital work in progress’ (R37 116 million or 61%), followed by ‘plant, machinery and other office equipment’ (R18 674 million or 31%) and ‘land, buildings and construction’ (R2 341 million or 4%) (Figure 4 and Table 8, page 13).

Figure 5 – Employment by type of service in the electricity, gas and water supply industry, 2010



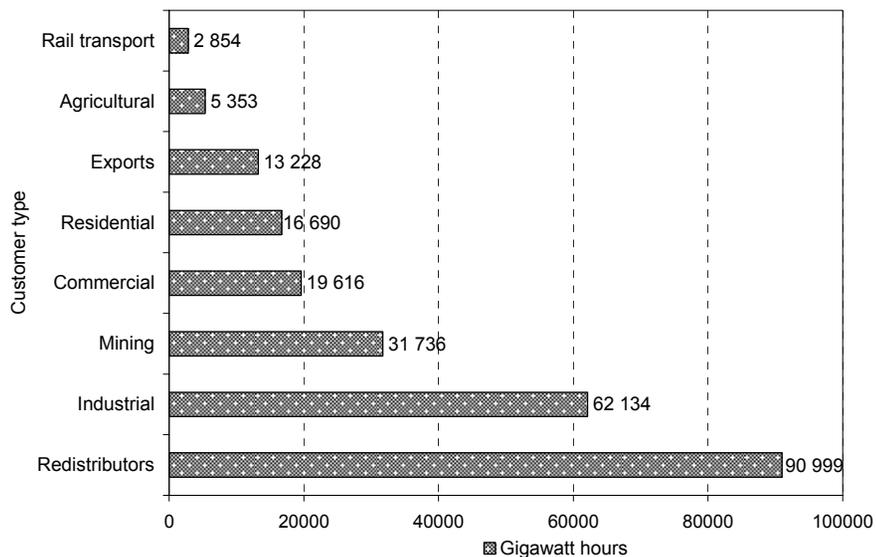
The total number of persons employed in the electricity, gas and water supply industry at the end of June 2010 was 51 497. ‘Generation, transmission and distribution of electricity’ employed the largest number of persons (39 756 or 77%), followed by ‘collection, purification and distribution of water’ (11 326 or 22%) and ‘manufacturing and distribution of gaseous fuels through mains’ (415 or 1%) (Figure 5 and Table 9, page 14).

Figure 6 – Gender ratios in the electricity, gas and water supply industry, 2010



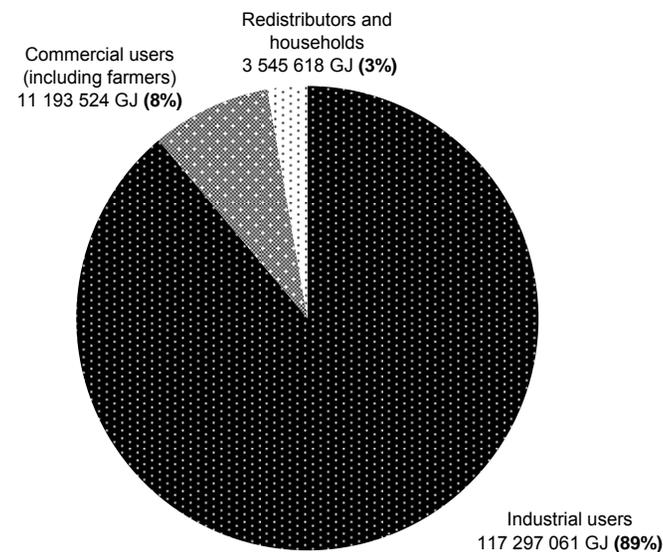
The proportion of males out of the total persons employed was 71% and that of females was 29%. The industry with the highest proportion of males employed was ‘manufacturing and distribution of gaseous fuels through mains’ (76%), whilst ‘generation, transmission and distribution of electricity’ had the highest proportion of females employed (30%) (Figure 6 and Table 9, page 14).

Figure 7 – Sales of electricity by customer type in the electricity, gas and water supply industry, 2010.



Total gigawatt hours sold by customer type in the electricity, gas and water supply industry in 2010 was 242 610 gigawatt hours. The highest volume of electricity was sold to 'redistributors' (90 999 gigawatt hours or 38%), followed by 'industrial customers' (62 134 gigawatt hours or 26%) and 'mining customers' (31 736 gigawatt hours or 13%) (Figure 7 and Table 12, page 17).

Figure 8 – Sales of gas by customer type in the electricity, gas and water supply industry, 2010



The total quantity of gas distributed in the electricity, gas and water supply industry in 2010 was 132 036 203 gigajoules. The largest quantity of gas was supplied to industrial users (117 297 061 gigajoules or 89%), followed by commercial users (11 193 524 gigajoules or 8%) and redistributors and households (3 545 618 gigajoules or 3%) (Figure 8 and Table 15, page 20).

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4. Tables

Table 1 – Principal statistics in the electricity, gas and water supply industry, 2010

| Type of service | Total income | Total expenditure | Total value of opening inventory | Total value of closing inventory | Net profit before tax | Carrying value of fixed assets at the beginning of the financial year | Carrying value of fixed assets at the end of the financial year | Capital expenditure on new assets |
|---|----------------|-------------------|----------------------------------|----------------------------------|-----------------------|---|---|-----------------------------------|
| R million | | | | | | | | |
| Generation, transmission and distribution of electricity | 85 788 | 81 427 | 6 620 | 7 472 | 5 213 | 145 457 | 197 255 | 57 699 |
| Manufacturing and distribution of gaseous fuels through mains | 6 009 | 4 081 | 103 | 48 | 1 873 | 2 095 | 1 056 | 193 |
| Collection, purification and distribution of water | 15 576 | 14 181 | 204 | 221 | 1 412 | 19 812 | 22 229 | 2 480 |
| Total | 107 373 | 99 689 | 6 927 | 7 741 | 8 498 | 167 364 | 220 540 | 60 372 |

Table 2 – Profit margin in the electricity, gas and water supply industry, 2010

| Type of service | Net profit/loss after tax | Turnover | Profit margin ¹ |
|---|---------------------------|----------------|----------------------------|
| | R million | | % |
| Generation, transmission and distribution of electricity | 3 572 | 80 082 | 4,5 |
| Manufacturing and distribution of gaseous fuels through mains | 1 261 | 5 972 | 21,1 |
| Collection, purification and distribution of water | 1 385 | 14 282 | 9,7 |
| Total | 6 218 | 100 336 | 6,2 |

¹ Net profit after tax divided by turnover multiplied by 100.

Table 3 – Income in the electricity, gas and water supply industry, 2010

| Type of service | Sales | Services | Profit on financial and other assets | Interest | Profit on financial and other liabilities label | Other income | Total income |
|---|---------------|--------------|--------------------------------------|--------------|---|--------------|----------------|
| | R million | | | | | | |
| Generation, transmission and distribution of electricity | 78 561 | 1 333 | 2 602 | 1 690 | 622 | 980 | 85 788 |
| Manufacturing and distribution of gaseous fuels through mains | 5 870 | 102 | 0 | 26 | 0 | 11 | 6 009 |
| Collection, purification and distribution of water | 13 644 | 630 | 304 | 505 | 9 | 484 | 15 576 |
| Total | 98 075 | 2 065 | 2 906 | 2 221 | 631 | 1 475 | 107 373 |

Table 4 – Expenditure in the electricity, gas and water supply industry, 2010

| Type of service | Purchases | Salaries and wages | Depreciation | Loss on foreign exchange | Repair and maintenance | Interest |
|---|---------------|--------------------|--------------|--------------------------|------------------------|--------------|
| | R million | | | | | |
| Generation, transmission and distribution of electricity | 34 636 | 14 800 | 6 306 | 6 553 | 5 776 | 3 569 |
| Manufacturing and distribution of gaseous fuels through mains | 3 491 | 173 | 149 | 18 | 6 | 19 |
| Collection, purification and distribution of water | 6 252 | 2 517 | 766 | 20 | 432 | 766 |
| Total | 44 379 | 17 490 | 7 221 | 6 591 | 6 214 | 4 354 |

Table 4 – Expenditure in the electricity, gas and water supply industry, 2010 (continued)

| Type of service | Administration and management fees | Losses on assets | Water and electricity | Other expenditure | Total expenditure |
|---|------------------------------------|------------------|-----------------------|-------------------|-------------------|
| | R million | | | | |
| Generation, transmission and distribution of electricity | 1 920 | 1 146 | 126 | 6 595 | 81 427 |
| Manufacturing and distribution of gaseous fuels through mains | 0 | 1 | 3 | 221 | 4 081 |
| Collection, purification and distribution of water | 40 | 714 | 1 154 | 1 520 | 14 181 |
| Total | 1 960 | 1 861 | 1 283 | 8 336 | 99 689 |

Table 5 – Carrying value of assets as at the end of financial year in the electricity, gas and water supply industry, 2010

| Type of service | Land, buildings and construction | Computers, network and other IT equipment | Motor vehicles and other transport | Plant, machinery and other office equipment | Intangible assets | Other assets | Total carrying value of fixed assets |
|---|----------------------------------|---|------------------------------------|---|-------------------|---------------|--------------------------------------|
| | R million | | | | | | |
| Generation, transmission and distribution of electricity | 4 104 | 33 | 3 561 | 104 935 | 1 375 | 83 247 | 197 255 |
| Manufacturing and distribution of gaseous fuels through mains | 31 | 96 | 9 | 607 | 114 | 199 | 1 056 |
| Collection, purification and distribution of water | 6 899 | 160 | 133 | 10 298 | 539 | 4 200 | 22 229 |
| Total | 11 034 | 289 | 3 703 | 115 840 | 2 028 | 87 646 | 220 540 |

Table 6 – Details of assets in the electricity, gas and water supply industry, 2010

| Type of service | Current assets | | | | | Non-current assets | | | | | Total assets |
|---|----------------|---------------|--------------|----------------------|----------------------|--------------------------|----------|----------------------|--------------------------|--------------------------|----------------|
| | Bank | Debtors | Inventory | Other current assets | Total current assets | Fixed non-current assets | Goodwill | Long-term investment | Other non-current assets | Total non-current assets | |
| | R million | | | | | R million | | | | | |
| Generation, transmission and distribution of electricity | 16 176 | 9 442 | 7 472 | 11 614 | 44 704 | 197 255 | 0 | 4 360 | 7 812 | 209 427 | 254 131 |
| Manufacturing and distribution of gaseous fuels through mains | 1 165 | 724 | 48 | 7 | 1 944 | 1 056 | 0 | 0 | 8 | 1 064 | 3 008 |
| Collection, purification and distribution of water | 3 671 | 3 885 | 221 | 2 103 | 9 880 | 22 220 | 9 | 530 | 456 | 23 215 | 33 095 |
| Total | 21 012 | 14 051 | 7 741 | 13 724 | 56 528 | 220 531 | 9 | 4 890 | 8 276 | 233 706 | 290 234 |

Table 7 – Details of liabilities and owners’ equity in the electricity, gas and water supply industry, 2010

| Type of service | Current liabilities | | | | Non-current liabilities | | | Total liabilities | Owners' equity | Equity and liabilities |
|---|---------------------|-----------|---------------------------|---------------------------|-------------------------|-------------------------------|-------------------------------|-------------------|----------------|------------------------|
| | Creditors | Overdraft | Other current liabilities | Total current liabilities | Long-term loans | Other non-current liabilities | Total non-current liabilities | | | |
| | R million | | | | | | | | | |
| Generation, transmission and distribution of electricity | 16 829 | 3 | 29 523 | 46 355 | 35 987 | 101 190 | 137 177 | 183 532 | 70 599 | 254 131 |
| Manufacturing and distribution of gaseous fuels through mains | 500 | 0 | 27 | 527 | 92 | 174 | 266 | 793 | 2 215 | 3 008 |
| Collection, purification and distribution of water | 5 972 | 31 | 1 195 | 7 198 | 5 124 | 1 060 | 6 184 | 13 382 | 19 713 | 33 095 |
| Total | 23 301 | 34 | 30 745 | 54 080 | 41 203 | 102 424 | 143 627 | 197 707 | 92 527 | 290 234 |

Table 8 – Capital expenditure on new assets in the electricity, gas and water supply industry, 2010

| Type of service | Land, buildings and construction | Computer equipment and software | Vehicles | Plant, machinery and other office equipment | Capital work in progress | Other capital expenditure | Total capital expenditure on new assets |
|---|----------------------------------|---------------------------------|--------------|---|--------------------------|---------------------------|---|
| | R million | | | | | | |
| Generation, transmission and distribution of electricity | 1 403 | 450 | 1 465 | 18 083 | 36 101 | 197 | 57 699 |
| Manufacturing and distribution of gaseous fuels through mains | 2 | 2 | 3 | 33 | 129 | 24 | 193 |
| Collection, purification and distribution of water | 936 | 39 | 45 | 558 | 886 | 16 | 2 480 |
| Total | 2 341 | 491 | 1 513 | 18 674 | 37 116 | 237 | 60 372 |

Table 9 – Employment in the electricity, gas and water supply industry as at the end of June 2010

| Type of service | Female employees | Male employees | Total employees |
|---|---------------------|----------------|-----------------|
| | Number of employees | | |
| Generation, transmission and distribution of electricity | 11 889 | 27 867 | 39 756 |
| Manufacturing and distribution of gaseous fuels through mains | 99 | 316 | 415 |
| Collection, purification and distribution of water | 3 119 | 8 207 | 11 326 |
| Total | 15 107 | 36 390 | 51 497 |

Table 10 – Information and communication technology usage in the electricity, gas and water supply industry, 2010

| Type of service | Use computer | Use internet | Use internet banking | Have web page | Receive orders over internet | Place orders over internet | IT outsourced |
|---|--------------|--------------|----------------------|---------------|------------------------------|----------------------------|---------------|
| | % | | | | | | |
| Generation, transmission and distribution of electricity | 100,0 | 88,9 | 77,8 | 66,7 | 11,1 | 33,3 | 33,3 |
| Manufacturing and distribution of gaseous fuels through mains | 100,0 | 100,0 | 100,0 | 66,7 | 0,0 | 0,0 | 66,7 |
| Collection, purification and distribution of water | 90,4 | 67,5 | 57,8 | 25,3 | 1,2 | 3,6 | 21,7 |
| Total of all enterprises | 91,6 | 70,5 | 61,1 | 30,5 | 2,1 | 6,3 | 24,2 |

Table 11 – Electricity available for distribution in the electricity, gas and water supply industry, 2010

| Sources of generation | Gigawatt hours |
|--|-----------------------|
| Coal | 216 286 |
| Nuclear | 12 807 |
| Gas | 6 360 |
| Hydro electricity | 1 274 |
| Wind | 6 |
| Pump storage | 2 742 |
| Purchased from other South African entities | 48 |
| Imported electricity | 10 048 |
| Consumed in power stations and pump storage stations | (3 790) |
| Exported | (13 228) |
| Total electricity available for distribution | 232 553 |

Table 12 – Sales of electricity by customer type in the electricity, gas and water supply industry, 2010

| Type of customer | Gigawatt hours | R million |
|-----------------------------------|----------------|---------------|
| Redistributors | 90 999 | 28 330 |
| Residential | 16 690 | 9 596 |
| Commercial | 19 616 | 8 370 |
| Industrial | 62 134 | 15 110 |
| Mining | 31 736 | 9 600 |
| Agricultural | 5 353 | 3 369 |
| Rail transport | 2 854 | 1 091 |
| International (exported) | 13 228 | 2 972 |
| Total sales of electricity | 242 610 | 78 438 |
| Other sales | | 123 |
| Total sales | | 78 561 |

Table 13 – Purchases of inputs for electricity generation in the electricity, gas and water supply industry, 2010

| Input | Units | Quantity | R million |
|---|------------------------|-----------------|------------------|
| Water | Million m ³ | 317 | 1 085 |
| Coal | Metric tons | 122 952 839 | 20 949 |
| Other inputs ² | | | 681 |
| Total purchases of inputs for electricity generation | | | 22 715 |
| Other purchases ³ | | | 6 517 |
| Total purchases | | | 29 232 |

²Includes: nuclear material, gaseous and liquid petroleum fuel products.

³Includes: chemicals, environmental levy and external electricity purchases by electricity generators but excludes electricity purchased by redistributors for resale.

Table 14 – Sales of gas in the electricity, gas and water supply industry, 2010

| Type of gas ⁴ | Gigajoules | R million |
|---------------------------|--------------------|--------------|
| Natural gas | 69 112 365 | 3 485 |
| Methane-rich gas | 28 106 003 | 1 165 |
| Synthetic gas | 34 817 835 | 1 220 |
| Total sales of gas | 132 036 203 | 5 870 |

⁴Gas refers to gaseous fuels distributed through mains or pipeline network and includes natural gas, methane-rich gas and synthetic gas.

Table 15 – Sales of gas by customer type in the electricity, gas and water supply industry, 2010

| Type of customer | Gigajoules | R million |
|--------------------------------------|--------------------|------------------|
| Redistributors | 3 376 575 | 197 |
| Households | 169 043 | 20 |
| Commercial users (including farmers) | 11 193 524 | 596 |
| Industrial users | 117 297 061 | 5 057 |
| Total sales of gas | 132 036 203 | 5 870 |

Table 16 – Purchases of gas in the electricity, gas and water supply industry, 2010

| Type of gas | Gigajoules | R million |
|--------------------------------|--------------------|--------------|
| Natural gas | 3 231 822 | 198 |
| Methane-rich gas | 29 029 978 | 728 |
| Synthetic gas | 28 199 942 | 534 |
| Purchases of gas in RSA | 60 461 742 | 1 460 |
| Natural gas (imported) | 79 180 848 | 2 031 |
| Total purchases of gas | 139 642 590 | 3 491 |

Table 17 – Sales of water by customer type in the electricity, gas and water supply industry, 2010

| Type of customer | Volume | Income |
|--------------------------------|------------------------|---------------|
| | million m ³ | R million |
| Redistributors ⁵ | 2 310 | 7 862 |
| Households | 308 | 3 130 |
| Commercial users | 93 | 1 408 |
| Industry | 119 | 320 |
| Mining | 236 | 703 |
| Agricultural users (farmers) | 1 969 | 221 |
| Total water distributed | 5 035 | 13 644 |

⁵Water redistributors are water service providers including municipalities, water boards which buy water from other water boards for redistribution when they cannot meet their own demand, and companies contracted by municipalities to supply water on their behalf.

Explanatory notes

Background

The results presented in this publication have been derived from the **2010 large sample survey** of the electricity, gas and water supply industry. This is a periodic census, which measures economic activity in the electricity, gas and water supply industry of the South African economy. This census is conducted on private and public enterprises operating in the electricity, gas and water supply industry.

The sample was drawn from Stats SA's business register. Stats SA continuously upgrades its business register, based on units registered for value added tax (VAT) and income tax (IT) at the South African Revenue Service (SARS).

All figures exclude VAT.

Reference period

The information was collected from enterprises for their financial year which ended on any date between 1 July 2009 and 30 June 2010.

Purpose of the survey

Results of the survey are used within Stats SA for compiling South Africa's national accounts, e.g. the gross domestic product (GDP) and gross fixed capital formation. These statistics are also used by the private sector in analyses of comparative business and industry performance.

Scope and coverage

This census covers the following income tax-registered private and public enterprises that are mainly engaged in electricity, gas and water supply:

- Generation, transmission and distribution of electricity (SIC 41111, SIC 41112 and SIC 41113).
- Manufacturing and distribution of gaseous fuels through mains (SIC 41200).
- Steam and hot water supply (SIC 41300) [not included in the report due to non-response].
- Collection, purification and distribution of water (SIC 42000).

Exclusions:

- Enterprises which generate electricity as a secondary activity or for own use (e.g manufacturing companies).
- Municipalities (included in SIC 91300).
- Enterprises which manufacture and distribute liquefied petroleum gas (LPG) (included in SIC 33210, SIC 61410, SIC 62399 and SIC 63500).
- Enterprises which are engaged in sanitation and other waste water treatment (included in SIC 94000).
- Enterprises which are involved in the collection, purification and distribution of water as a secondary activity or for own use.

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 5-digit SIC level (group). 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 activities.

Size groups

The enterprises are divided into four size groups according to the value of their business register turnover. Large enterprises are enterprises with an annual turnover of R51 million and more. Table A presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points.

Table A – Size groups for the electricity, gas and water supply industry

| Size group | Turnover |
|------------|--|
| Large | VAT turnover ≥ R51 000 000 |
| Medium | R13 000 000 ≤ VAT turnover < R51 000 000 |
| Small | R5 100 000 ≤ VAT turnover < R13 000 000 |
| Micro | VAT turnover < R5 100 000 |

Survey methodology and design

The census of enterprises in the electricity, gas and water supply industry was conducted by post, email, fax, telephone and personal visits. The enterprises were first stratified at the 5-digit SIC level according to the SIC and then by size of enterprise. Business register turnover was used as the measure of size for stratification. The collection rate was 97,2%.

Collection rate

Collection rate = (number of contacted units / sample size) x 100.

Weighting methodology

Each enterprise was assigned a weight of one because a census of the industry was conducted.

Relative standard error

A census of the electricity, gas and water supply industry was conducted; hence the estimates are subject to non-sampling errors only. Relative standard errors and confidence intervals do not apply to the census.

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.

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.

Symbols and abbreviations

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

Glossary

Casual employees

Casual employees are employees who fall neither within the 'permanent employees' category nor the 'temporary employees' category. Such employees are typically working daily or hourly.

Commercial customers (users)

Include wholesale trade, retail trade, motor trade, repair of motor vehicles, motor cycles, personal and household goods, hotels and restaurants, transport, storage and communication and financial intermediation, insurance, real estate and business services.

Current liabilities

Current liabilities are debts or obligations that are due within one year. They include:

- trade and other payables;
- bank overdraft; and
- other current liabilities.

Employees

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 2010.

Gas

Gas is gaseous fuels distributed through mains or pipeline network and includes natural gas, methane-rich gas and synthetic gas.

Industrial customers (users)

Industrial customers or users are business enterprises which are involved in the manufacturing or production of goods as a predominant activity.

Non-current assets

Non-current assets are assets which are not easily convertible to cash or not expected to become cash within the next year. They include:

- property, plant and equipment and intangible assets;
- long-term investments; and
- other non-current assets.

Non-current liabilities Non-current liabilities are liabilities not due to be paid within one year during the normal course of business. They include:

- long-term loans; and
- other non-current liabilities.

Other expenditure Other expenditure includes:

- | | |
|---|---|
| <ul style="list-style-type: none"> ○ accommodation; ○ advertising; ○ amortisation; ○ bank; ○ bursaries; ○ computers; ○ containers and packaging materials; ○ donations; ○ entertainment; ○ excise and customs duty; ○ insurance; ○ leasing and hiring of plant, machinery, equipment; ○ losses on liabilities; ○ losses on foreign exchange; ○ mineral rights leases; ○ motor vehicle running expenditure; ○ paper, printing and stationery; ○ railage and transport-out; | <ul style="list-style-type: none"> ○ road tolls; ○ subcontractors; ○ security services; ○ postal and courier services; ○ property tax; ○ provisions; ○ rental of land, buildings and other structures; ○ research and development; ○ royalties; ○ severance, termination and redundancy payments; ○ skills development levy; ○ staff training (payment to outside organisations); ○ subcontracting expenses; ○ subscriptions; ○ telecommunication services; ○ travelling; and ○ other. |
|---|---|

Other income Other income includes:

- profit for redemption, liquidation or revaluation of liabilities;
- mineral rights;
- provisions;
- leasing income;
- dividends;
- subsidies; and
- other.

Owners' equity Owners' equity is the residual interest in the entity's assets after deducting its liabilities.

Permanent employees Permanent employees are employees appointed on an open-ended contract with no stipulated termination date or a fixed-term contract for periods of more than one year.

| | |
|-----------------------------|---|
| Profit margin | <p>Profit margin is derived as:</p> <p>Net profit after tax <i>divided by</i> turnover <i>multiplied by</i> 100</p> |
| Statistical unit | <p>A statistical unit is a unit about which statistics are tabulated, compiled or published. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.</p> |
| Stratum | <p>A stratum is constructed by concatenating the SIC classification and size group variables.</p> |
| Temporary employees | <p>Temporary employees are employees appointed on a short-term contract basis with a stipulated termination date for periods not exceeding one year.</p> |
| Turnover | <p>Turnover includes:</p> <ul style="list-style-type: none"> ○ value of sales of goods; ○ amount received for services rendered; ○ rent and lease payments received for land and buildings; and ○ rent, leasing and hiring received for machinery, vehicles and other equipment. |
| Unit of electricity | <p>The gigawatt hour (GWh) of electricity is equal to one million kilowatt-hours. A kilowatt-hour is the basic unit of electrical energy equal to one kilowatt of power supplied to or taken from an electric circuit steadily for one hour. One kilowatt-hour equals one thousand watt-hours. The gigawatt hour is also equal to one thousand megawatt hours.</p> |
| Unit of gas | <p>The gigajoule (GJ) is the derived unit of energy in the International System of Units (SI) equal to one billion joules (10^9 J). A joule is the basic unit of energy and it is the work done to produce one watt continuously for one second.</p> |
| Unit of water | <p>The cubic metre (m^3) is the SI derived unit of volume. It is the volume of a cube with edges of one metre in length. One cubic metre is equal to exactly 1 000 litres. An alternative name, not widely used anymore, is the kilolitre.</p> |
| Water redistributors | <p>Water redistributors are water service providers including municipalities and water boards which buy water from other water boards for redistribution when they cannot meet their own demand, and companies contracted by municipalities to supply water on their behalf.</p> |