

Post and telecommunications industry, 2016

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Table of contents

1. Introduction.....	1
1.1 Scope and coverage.....	1
1.2 Data items	1
1.3 Reference period	2
1.4 Current prices	2
1.5 Reliability of data	2
1.6 Reporting unit	2
2. Summary of findings for the year 2016.....	3
2.1 Income	3
Table A – Income in the post and telecommunications industry, 2010–2016.....	3
Table B – Concentration ratio for total income in the post and telecommunications industry, 2010–2016.....	3
Table C – Profit margin in the post and telecommunications industry, 2010–2016	4
2.2 Employment	4
Table D – Employment in the post and telecommunications industry for the last pay period ended on or before 30 June, 2010–2016	4
Figure 1 – Income and employment by type of service (% contribution) in the post and telecommunications industry, 2016.....	5
Table E – Average salaries and wages in the post and telecommunications industry, 2010 – 2016.....	6
2.3 Post and telecommunications industry value added	7
Figure 2 – Post and telecommunications value added, annual percentage change (constant 2010 prices), 2007–2016	7
Figure 3 – Percentage contribution of post and telecommunications to total value added (current prices), 2007–2016.....	7
3. Tables	8
Table 1 – Principal statistics in the post and telecommunications industry, 2013 and 2016	8
Table 2 – Principal statistics in the post and telecommunications industry, 2016	8
Table 3 – Profit margin in the post and telecommunications industry, 2013 and 2016.....	9
Table 4 – Income in the post and telecommunications industry, 2013 and 2016	9
Table 5 – Income in the post and telecommunications industry, 2016	10
Table 6 – Expenditure in the post and telecommunications industry, 2013 and 2016.....	10
Table 7 – Expenditure in the post and telecommunications industry, 2016.....	11
Table 8 – Concentration ratios (relative contribution of large enterprises) in the post and telecommunications industry, 2016.....	12
Table 9 – Employment in the post and telecommunications industry, 2013 and 2016	13
Table 10 – Employment in the post and telecommunications industry, 2013 and 2016	14
Table 11 – Capital expenditure on assets in the post and telecommunications industry, 2016.....	15
Table 12 – Details of income from services of post and associated courier activities, 2013 and 2016	15

Table 13 – Details of income from services in telecommunications, 2013 and 2016	16
Table 14 – Details of purchases in the post and telecommunications industry, 2013 and 2016	17
Table 15 – Income from sales of goods and services by client base in the post and telecommunications industry, 2013 and 2016	17
Table 16 – Income from sales of goods and services by client base in the post and telecommunications industry, 2016	18
Table 17 – Information and communication technology usage in the post and telecommunications industry as at the end of June 2016	19
Table 18 – Information and communication technology usage in the post and telecommunications industry as at the end of June 2016	20
Explanatory notes	21
Table 19 – Size groups for the post and telecommunications industry, 2016.....	22
Glossary	24
General information	27

Post and telecommunications industry, 2016

1. Introduction

This publication presents estimates in respect of the 2016 post and telecommunications industry large sample survey (LSS). The data for the number of employees were provided for working proprietors and employees who received salaries and wages for the last pay period ended on or before 30 June 2016.

The last post and telecommunications LSS was conducted for 2013 (Report No. 75-01-01 [2013]).

1.1 Scope and coverage

The 2016 post and telecommunications industry LSS covers enterprises registered for value-added tax (VAT) 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*:

- National postal activities (SIC 7511) and courier activities other than national postal activities (SIC 7512).
- Telecommunications (SIC 7520).

The following activities are excluded:

- Retail traders selling airtime cards, sim cards and cellular phones and accessories (SIC 62399).
- Dissemination of information through websites (SIC 86400).
- Television and internet public-pay management services (SIC 88140).
- Satellite car tracking services for security purposes (SIC 88920).
- Production of radio and television programmes whether or not combined with broadcasting (SIC 96130).

1.2 Data items

The following categories of data items were collected: industrial classification, details of employment, trading income, expenditure, profit or loss, inventories, capital expenditure on new assets, details of sales of goods, details of purchases, information and communication technology usage, client base and method of payment.

1.3 Reference period

The questionnaires were completed for the financial year of the enterprise which **ended on any date between 1 July 2015 and 30 June 2016**, according to the usual reporting schedule of the enterprise.

Examples

- 1 October 2014–30 September 2015
- 1 January 2015–31 December 2015
- 1 February 2015–31 January 2016
- 1 March 2015–28 February 2016
- 1 April 2015–31 March 2016

1.4 Current prices

The rand values are at current prices.

1.5 Reliability of data

All estimates compiled for this industry are subject to non-sampling errors only 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 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.

1.6 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.

2. Summary of findings for the year 2016

2.1 Income

Table A – Income in the post and telecommunications industry, 2010–2016

Type of service	2006		2010		2013		2016	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Post and associated courier activities	7 273	5,3	10 037	3,4	12 208	4,6	13 882	4,4
Telecommunications	130 076	94,7	285 894	96,6	252 819	95,4	301 005	95,6
Total	137 349	100,0	295 931	100,0	265 027	100,0	314 887	100,0

Source: Report No. 75-01-01

The total income for the post and telecommunications industry in 2016 was R314,9 billion. The total income represents an increase of 5,9% per annum over the income reported in the corresponding survey of 2013 (R265,0 billion). Comparing 2013 and 2016, 'telecommunications' increased by R48,2 billion and 'post and associated courier activities' increased by R1,7 billion.

Table B – Concentration ratio for total income in the post and telecommunications industry, 2010–2016

Concentration ratio	2006	2010	2013	2016
	%			
CR5	70,5	73,5	59,5	57,2
CR10	85,2	84,6	74,2	73,1
CR20	94,4	92,2	86,6	85,9
CR50	98,0	97,4	94,8	93,3
CR100	99,2	99,4	97,9	96,3

Source: Report No. 75-01-01

In 2016, the top 100 enterprises in the post and telecommunications industry contributed 96,3% to the total income. The concentration ratios of the top 5 and 100 enterprises were the highest in 2010 at 73,5% and 99,4%, respectively, while the concentration ratios of the top 10, 20 and 50 enterprises were the highest in 2006 at 84,6%, 92,2%, 97,4%, respectively.

Table C – Profit margin in the post and telecommunications industry, 2010–2016

Type of service	Net profit/loss after tax				Turnover				Profit margin			
	2006	2010	2013	2016	2006	2010	2013	2016	2006	2010	2013	2016
	R million				R million				%			
Post and associated courier activities	585	495	-543	-1 037	6 563	9 286	11 039	12 525	6,3	5,3	-4,9	-8,3
Telecommunications	18 409	63 841	11 511	17 025	124 736	218 486	242 499	292 111	14,8	29,2	4,7	5,8
Total	18 994	64 336	10 967	15 988	131 299	227 772	253 538	304 636	14,5	28,2	4,3	5,2

Source: Report No. 75-01-01

The profit margin in the post and telecommunications industry fell from 14,5% in 2006 to 5,2% in 2016. In 'telecommunications' net profit after tax fell by 7,5% between 2006 and 2016, but turnover rose by 134,2% over the same period, resulting in a sharp decline in profit margin from 14,8% to 5,8%. In 'post and associated courier activities' there were net losses after tax in both 2013 and 2014.

2.2 Employment

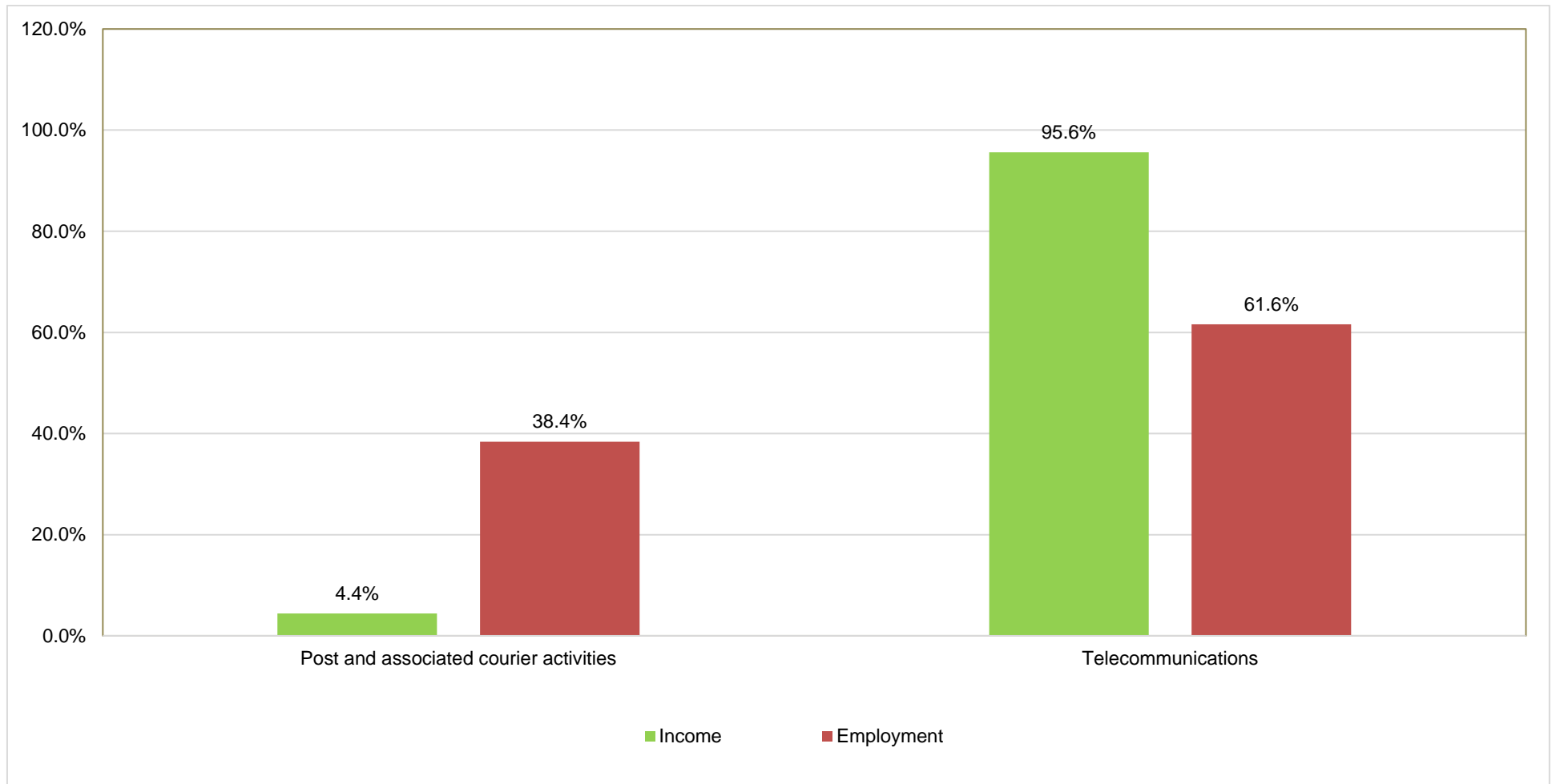
Table D – Employment in the post and telecommunications industry for the last pay period ended on or before 30 June, 2010–2016

Type of service	2006		2010		2013		2016	
	Number	% contribution	Number	% contribution	Number	% contribution	Number	% contribution
Post and associated courier activities	25 573	33,5	26 343	30,1	37 047	35,8	36 337	38,4
Telecommunications	50 722	66,5	61 146	69,9	66 408	64,2	58 407	61,6
Total	76 295	100,0	87 489	100,0	103 455	100,0	94 744	100,0

Source: Report No. 75-01-01

The total number of persons employed in the post and telecommunications industry as at the end of June 2016 was 94 744. 'Telecommunications' employed the largest number of persons (58 407 or 61,6%).

Formal employment increased from 76 295 in 2006 to 94 744 in 2016 (a gain of 18 449 jobs between 2006 and 2016). The growth in employment since 2006 was 10 764 jobs for 'post and associated courier activities' and 7 685 jobs for 'telecommunications'. But the highest number of persons employed in the industry was recorded for 2013 (103 455).

Figure 1 – Income and employment by type of service (% contribution) in the post and telecommunications industry, 2016

The type of service with the highest proportion of employment compared with its proportion of income was 'post and associated courier activities' (contributing 38,4% of employment and 4,4% of income).

Table E – Average salaries and wages in the post and telecommunications industry, 2010 – 2016

Type of service	2006			2010			2013			2016		
	Salaries and wages	Total employment	Average salaries and wages	Salaries and wages	Total employment	Average salaries and wages	Salaries and wages	Total employment	Average salaries and wages	Salaries and wages	Total employment	Average salaries and wages
	R million	Number	Rand	R million	Number	Rand	R million	Number	Rand	R million	Number	Rand
Post and associated courier activities	2 775	25 573	108 513	4 348	26 343	165 053	5 670	37 047	153 036	6 115	36 337	168 274
Telecommunications	12 748	50 722	251 331	20 298	61 146	331 960	25 284	66 408	380 742	29 224	58 407	500 346
Total	15 523	76 295	203 460	24 646	87 489	281 704	30 954	103 455	299 201	35 338	94 744	372 986

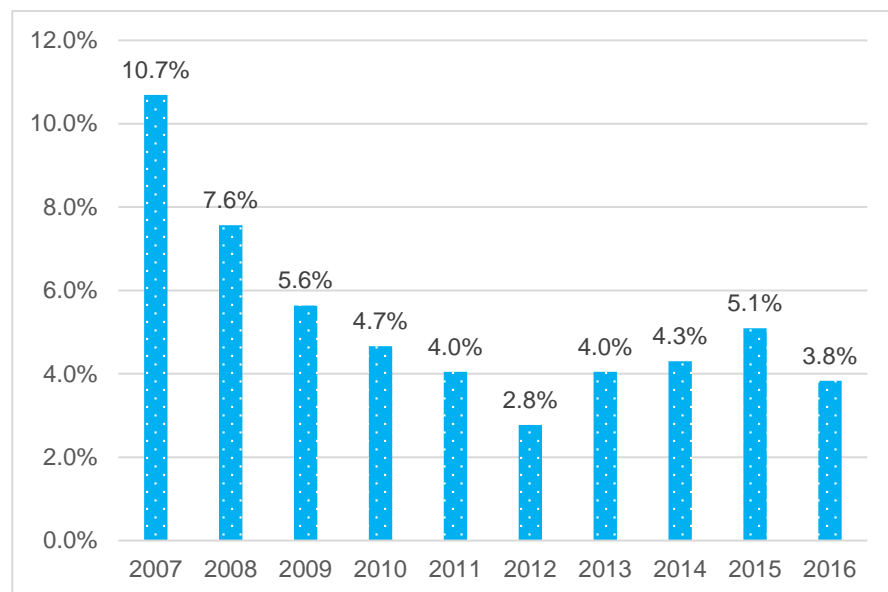
Source: Report No. 75-01-01

The average value of salaries and wages in the post and telecommunications industry in 2016 was R372 986. The type of service with the highest average salaries and wages in 2016 was 'telecommunications' (R500 346), while average salaries and wages for 'post and associated courier activities' was R168 274 in the same year.

Total average salaries and wages increased from R203 460 in 2006 to R372 986 in 2016, an annualised growth rate of 6,2%. The highest annualised growth rate for average salaries and wages between 2006 and 2016 was from 'telecommunications' at 7,1%.

2.3 Post and telecommunications industry value added

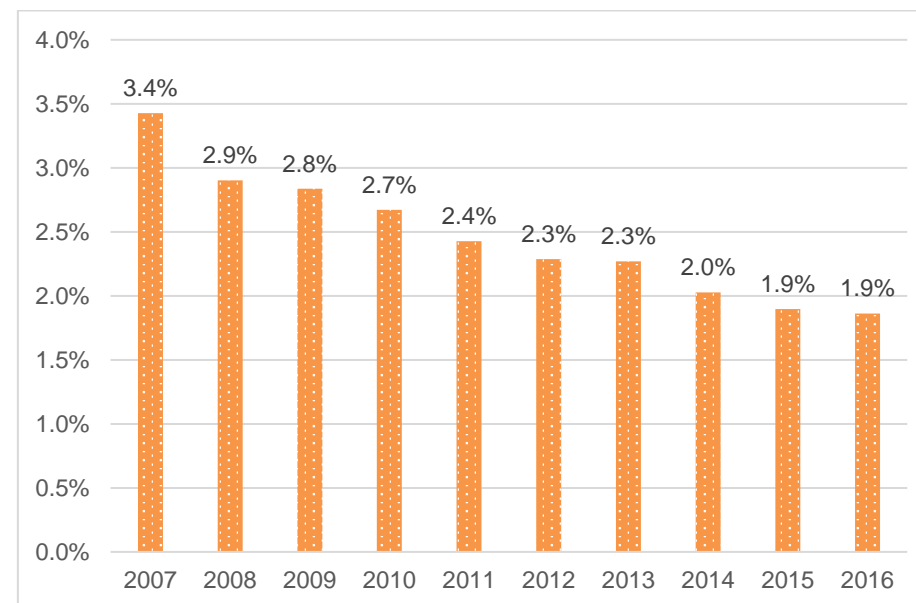
Figure 2 – Post and telecommunications value added, annual percentage change (constant 2010 prices), 2007–2016



Source: P0441, GDP annual and regional tables, 2017

Figure 2 shows the annual growth rate of value added in post and telecommunications, based on constant 2010 prices. Growth remained positive throughout 2007–2016, but slowed from 10,7% in 2007 to 2,8% in 2012. Thereafter it picked up, reaching 5,1% in 2015. In 2016 the growth rate was 3,8%.

Figure 3 – Percentage contribution of post and telecommunications to total value added (current prices), 2007–2016



Source: P0441, GDP annual and regional tables, 2017

In the period 2007-2016, the average contribution of post and telecommunications to total value added was 2,5%. The contribution ranged from 3,4% in 2007 to 1,9% in 2016.

Risenga Maluleke
Statistician-General

3. Tables

Table 1 – Principal statistics in the post and telecommunications industry, 2013 and 2016

Item	2013*	2016**	Annualised % change
	R million		
Total income	265 027	314 887	5,9
Total expenditure	246 932	291 165	5,6
Total value of opening inventories	3 922	5 084	9,0
Total value of closing inventories	5 494	6 719	6,9
Net profit or loss before tax	19 667	25 357	8,8
Employment	103 455	94 744	-2,9

*Revised figures.

**Preliminary figures.

Table 2 – Principal statistics in the post and telecommunications industry, 2016

Item	Post and associated courier activities**	Telecommunications**	Total**
	R million		
Total income	13 882	301 005	314 887
Total expenditure	14 771	276 394	291 165
Total value of opening inventories	71	5 013	5 084
Total value of closing inventories	59	6 660	6 719
Net profit or loss before tax	-901	26 258	25 357
Employment	36 337	58 407	94 744

**Preliminary figures.

Table 3 – Profit margin in the post and telecommunications industry, 2013 and 2016

Type of service	Post and associated courier activities		Telecommunications		Total	
	2013*	2016**	2013*	2016**	2013*	2016**
Net profit/loss after tax (R million)	-543	-1 037	11 510	17 025	10 967	15 988
Turnover (R million)	11 039	12 525	242 499	292 111	253 538	304 636
Profit margin %	-4,9	-8,3	4,7	5,8	4,3	5,2

*Revised figures.

**Preliminary figures.

Table 4 – Income in the post and telecommunications industry, 2013 and 2016

Item	2013*	2016**	2013*	2016**	Annualised % change
	R million		% contribution		
Services	223 338	266 202	84,3	84,5	6,0
Sales of goods	30 813	37 158	11,6	11,8	6,4
Other income	10 876	11 527	4,1	3,7	2,0
Total	265 027	314 887	100,0	100,0	5,9

*Revised figures.

**Preliminary figures.

Table 5 – Income in the post and telecommunications industry, 2016

Item	Post and associated courier activities**	Telecommunications**	Total**
	R million		
Services rendered	12 464	253 738	266 202
Sales of goods	0	37 158	37 158
Other income	1 418	10 109	11 527
Total	13 882	301 005	314 887

**Preliminary figures.

Table 6 – Expenditure in the post and telecommunications industry, 2013 and 2016

Item	2013*	2016**	2013*	2016**	Annualised % change
	R million		% contribution		
Purchases	81 354	108 274	32,9	37,2	10,0
Sub-contractors' payments	4 465	4 584	1,8	1,6	0,9
Salaries and wages	30 954	35 338	12,5	12,1	4,5
Motor vehicle expenditure	783	711	0,3	0,2	-3,2
Telecommunications services	39 557	31 004	16,0	10,6	-7,8
Other expenditure	89 819	111 254	36,4	38,2	7,4
Total expenditure	246 932	291 165	100,0	100,0	5,6

*Revised figures.

**Preliminary figures.

Table 7 – Expenditure in the post and telecommunications industry, 2016

Item	Post and associated courier activities**	Telecommunications**	Total**
	R million		
Purchases	2 071	106 203	108 274
Sub-contractors' payments	948	3 636	4 584
Salaries and wages	6 115	29 223	35 338
Leasing and hiring of plant, equipment and vehicles under operating leases	186	3 607	3 793
Rental and leasing of land, buildings and other structures under operating leases	651	2 390	3 041
Motor vehicle running expenditure	571	140	711
Interest	748	7 970	8 718
Insurance	149	449	598
Custom duties	776	7	783
Advertising, marketing, promotions	71	4 590	4 661
Cross-border costs	0	5 992	5 992
Printing and stationery	43	926	969
Telecommunication	231	30 773	31 004
Security services (for both property and tracking services)	80	1 619	1 699
Depreciation	388	20 294	20 682
Other expenditure	1 743	58 575	60 318
Total expenditure	14 771	276 394	291 165

**Preliminary figures.

Table 8 – Concentration ratios (relative contribution of large enterprises) in the post and telecommunications industry, 2016

Item		Post and associated courier activities**	Telecommunications**	Total ¹
Total income	R million	13 882	301 005	314 887
Income of the 5 largest enterprises	R million	8 997	180 080	180 080
Relative contribution of the 5 largest enterprises ²	%	64,8	59,8	57,2
Income of the 10 largest enterprises	R million	10 796	230 324	230 324
Relative contribution of the 10 largest enterprises ²	%	77,8	76,5	73,1
Income of the 20 largest enterprises	R million	12 146	266 446	270 518
Relative contribution of the 20 largest enterprises ²	%	87,5	88,5	85,9

*Preliminary figures.

¹ The rand values in the total column for the 5, 10 and 20 largest enterprises are not row totals (they are the income of the top 5, 10 and 20 for the whole industry).

² Relative contribution = income of the largest enterprises divided by total income multiplied by 100.

Table 9 – Employment in the post and telecommunications industry, 2013 and 2016

Item		2013*	2016**	Annualised % change
		Number		
Working proprietors	Male	127	246	24,7
	Female	24	103	62,5
	Total	151	349	32,2
Permanent	Male	49 817	47 815	-1,4
	Female	30 387	35 785	5,6
	Total	80 204	83 600	1,4
Temporary	Male	8 020	1 342	-44,9
	Female	6 574	1 780	-35,3
	Total	14 594	3 122	-40,2
Casual	Male	5 353	4 743	-4,0
	Female	3 153	2 930	-2,4
	Total	8 506	7 673	-3,4
Total	Male	63 317	54 146	-5,1
	Female	40 138	40 598	0,4
	Total	103 455	94 744	-2,9

*Revised figures.

**Preliminary figures.

Table 10 – Employment in the post and telecommunications industry, 2013 and 2016

Item		Post and associated courier activities		Telecommunications		Total	
		Number of employees					
		2013*	2016**	2013*	2016**	2013*	2016**
Working proprietors	Male	42	38	85	208	127	246
	Female	9	6	15	97	24	103
	Total	51	44	100	305	151	349
Permanent	Male	16 344	18 531	33 473	29 284	49 817	47 815
	Female	10 269	10 676	20 118	25 109	30 387	35 785
	Total	26 613	29 207	53 591	54 393	80 204	83 600
Temporary	Male	1 476	291	6 544	1 051	8 020	1 342
	Female	720	258	5 854	1 522	6 574	1 780
	Total	2 196	549	12 398	2 573	14 594	3 122
Casual	Male	5 168	3 898	185	845	5 353	4 743
	Female	3 019	2 639	134	291	3 153	2 930
	Total	8 187	6 537	319	1 136	8 506	7 673
Total	Male	23 030	22 758	40 287	31 388	63 317	54 146
	Female	14 017	13 579	26 121	27 019	40 138	40 598
	Total	37 047	36 337	66 408	58 407	103 455	94 744

*Revised figures.

**Preliminary figures.

Table 11 – Capital expenditure on assets in the post and telecommunications industry, 2016

Item	Post and associated courier activities**	Telecommunications**	Total**
	R million		
Land, buildings, construction works and leasehold improvements	15	6 281	6 296
Plant and machinery	39	22 089	22 128
Computers and other equipment	45	906	951
Motor vehicles, fleet and other transport equipment	99	47	146
Other assets	53	4 660	4 713
Total	251	33 983	34 234

**Preliminary figures.

Table 12 – Details of income from services of post and associated courier activities, 2013 and 2016

Type of services	2013*	2016**	2013*	2016**	Annualised % change
	R million		% contribution		
Bulk mail, stamps, franking and re-mailing and courier activities	8 128	9 183	70,9	73,7	4,2
Box rental	339	47	3,0	0,4	-48,2
Banking	277	217	2,4	1,7	-7,8
Agency services	388	452	3,4	3,6	5,2
Other postal and courier sales and services	2 329	2 565	20,3	20,6	3,3
Total	11 461	12 464	100,0	100,0	2,8

*Revised figures.

**Preliminary figures.

Table 13 – Details of income from services in telecommunications, 2013 and 2016

Type of service	2013*	2016**	2013*	2016**	Annualised % change
	R million		% contribution		
Fixed lines and cell phones	158 226	178 579	74,7	70,4	4,1
Fixed-line calls (national and international)	11 649	8 025	5,5	3,2	-11,7
Airtime and data bundles	92 140	105 213	43,5	41,5	4,5
Subscriptions (contracts)	44 816	55 109	21,2	21,7	7,1
Interconnection income	9 406	10 140	4,4	4,0	2,5
Public phones	215	92	0,1	0,0	-24,6
Internet	21 824	26 457	10,3	10,4	6,6
Narrowband	111	86	0,1	0,0	-8,2
Broadband	5 650	5 941	2,7	2,3	1,7
Data revenue – fixed	8 245	9 447	3,9	3,7	4,6
Data revenue – wireless	7 818	10 983	3,7	4,3	12,0
Broadcasting	16 613	24 635	7,8	9,7	14,0
Television subscription and television licence	4 861	9 025	2,3	3,6	22,9
Advertising	9 671	12 624	4,6	5,0	9,3
Sponsorship	2 081	2 986	1,0	1,2	12,8
Other services in telecommunications	15 208	24 099	7,2	9,5	16,6
Total	211 871	253 770	100,0	100,0	6,2

*Revised figures.

**Preliminary figures.

Table 14 – Details of purchases in the post and telecommunications industry, 2013 and 2016

Type of purchase	2013*	2016**	2013*	2016**	Annualised % change
	R million		% contribution		
Fuel	1 418	1 243	1,7	1,1	-4,3
Fixed-line phones	724	1 994	0,9	1,8	40,2
Cell-phones	21 555	23 797	26,5	22,0	3,4
Air time cards and starter packs	39 123	52 977	48,1	48,9	10,6
Decoders	2 093	2 966	2,6	2,7	12,3
Other purchases	16 440	25 297	20,2	23,4	15,4
Total	81 353	108 274	100,0	100,0	10,0

*Revised figures.

**Preliminary figures.

Table 15 – Income from sales of goods and services by client base in the post and telecommunications industry, 2013 and 2016

Type of client	2013*	2016**	2013*	2016**	Annualised % change
	R million		% contribution		
Individuals and households	126 143	174 436	49,6	57,5	11,4
Businesses (including parastatals)	104 937	110 643	41,3	36,5	1,8
Government	23 079	18 284	9,1	6,0	-7,5
Total	254 159	303 363	100,0	100,0	6,1

*Revised figures.

**Preliminary figures.

Table 16 – Income from sales of goods and services by client base in the post and telecommunications industry, 2016

Type of client	Post and associated courier activities**	Telecommunications**	Total**
	R million		
Business	9 692	164 744	174 436
Individual	2 264	108 379	110 643
Government	508	17 776	18 284
Total	12 464	290 899	303 363

**Preliminary figures.

Table 17 – Information and communication technology usage in the post and telecommunications industry as at the end of June 2016

ICT usage	Post and associated courier activities	Telecommunications	Total
	%		
Use computers for business purposes	100,0	99,5	99,6
Use a fixed line for business purposes	93,2	96,7	96,1
Use a corporate cell phone for business purposes	81,8	82,6	82,5
Use a fax machine for business purposes	88,6	80,4	82,0
Use the internet for business purposes	100,0	97,8	98,2
Use the internet for banking or any other financial services (e.g. insurance, pensions)	97,7	89,7	91,2
Use e-government services to access information from government departments	40,9	40,8	40,8
Use e-government services for electronic procurement	36,4	30,4	31,6
Use the internet for e-learning	27,3	45,1	41,7
Use social networks (e.g. Facebook, Twitter, LinkedIn) to conduct business	36,4	51,6	48,7
Use ICT-based supply chains (e.g. tracking systems) to conduct business	86,4	47,8	55,3
Have web page	84,1	84,2	84,2
Receive orders over the internet	68,2	62,5	63,6
Place orders over the internet	84,1	60,3	64,9
IT outsourced	38,6	35,9	35,9

Table 18 – Information and communication technology usage in the post and telecommunications industry as at the end of June 2016

ICT usage	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total
	%				
Use computers for business purposes	98,9	100,0	100,0	100,0	99,6
Use a fixed line for business purposes	95,8	97,0	96,1	95,8	96,1
Use a corporate cell phone for business purposes	77,9	87,9	84,2	87,5	82,5
Use a fax machine for business purposes	77,9	93,9	81,6	83,3	82,0
Use the internet for business purposes	96,8	97,0	100,0	100,0	98,2
Use the internet for banking or any other financial services (e.g. insurance, pensions)	88,4	90,9	92,1	100,0	91,2
Use e-government services to access information from government departments	43,2	30,3	47,4	25,0	40,8
Use e-government services for electronic procurement	36,8	18,2	32,9	25,0	31,6
Use the internet for e-learning	44,2	48,5	39,5	29,2	41,7
Use social networks (e.g. Facebook, Twitter, LinkedIn) to conduct business	54,7	45,5	46,1	37,5	48,7
Use ICT-based supply chains (e.g. tracking systems) to conduct business	54,7	48,5	57,9	58,3	55,3
Have web page	87,4	75,8	84,2	83,3	84,2
Receive orders over the internet	65,3	63,6	64,5	54,2	63,6
Place orders over the internet	58,9	66,7	67,1	79,2	64,9
IT outsourced	37,9	42,4	38,2	16,7	36,4

Explanatory notes

Background	<p>The results presented in this publication have been derived from the 2016 post and telecommunications large sample survey (LSS). This is a periodic survey which measures economic activity in the post and telecommunications industry of the South African economy. This survey is based on a census of private and public enterprises operating in the post and telecommunications industry.</p> <p>The sample was drawn from Stats SA's business register. The business register is based mainly on the value-added tax (VAT) database of the South African Revenue Service (SARS). Enterprises are legally bound to register for VAT.</p>
Value added tax (VAT)	All figures exclude value added tax (VAT).
Reference period	The information was collected from enterprises for their financial year, which ended on any date between 1 July 2015 and 30 June 2016.
Purpose of the survey	Results of the survey are used within Stats SA for benchmarking the gross domestic product (GDP) and its components. These statistics are also used by government policy advisors in monitoring the performance and contribution of individual industries to the South African economy and the effectiveness of industry policies, and by private sector users in analyses of comparative business and industry performance.
Classification by industry	The 1993 edition of the <i>Standard Industrial Classification of All Economic Activities</i> (SIC), Fifth Edition, Report No. 09-09-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 <i>International Standard Industrial Classification of All Economic Activities</i> (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at SIC group (4-digit) level. Each enterprise is classified to an industry, which reflects its predominant activity.
Statistical unit	The statistical unit for the collection of the information is an enterprise. An enterprise is a legal unit (or a combination of legal units) that includes and directly controls all functions necessary to carry out its production activities.

Size groups

The enterprises are divided into four size groups according to the value of turnover recorded for them on the Stats SA business register. Large enterprises are those with an annual recorded turnover of R104 million and above. Table 19 presents the size groups defined using the Department of Trade and Industry (DTI) cut-off multiplied by four.

Table 19 – Size groups for the post and telecommunications industry, 2016

Size group	Turnover
Large	≥ R104 000 000
Medium	R52 000 000 ≤ VAT Turnover < R104 000 000
Small	R12 000 000 ≤ VAT Turnover < R52 000 000
Micro	< R12 000 000

Survey methodology and design

The census of enterprises in the post and telecommunications industry was conducted by post, email, fax, telephone and personal visits.

The enterprises were first stratified at 4-digit level according to the SIC and then by size of enterprise. Turnover as recorded on the business register was used as the measure of size for stratification.

Collection rate

Collection rate = ((collected + finalised investigations)/ sample size) x 100. The collection rate was 80,4%.

Turnover collection rate

Turnover collection rate = ((weighted collected units BR turnover + weighted finalised investigations BR turnover)/ sample size) x 100. The turnover collection rate was 97,7%.

Weighting methodology

All the enterprises were each assigned a weight of one because a census of the industry was conducted.

Revisions to 2013 results

Revisions were made to the 2013 results due to new information obtained after the publication.

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 of figures	The figures in the tables have, where necessary, been rounded to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items of the totals shown.	
Abbreviations	BR	Business Register
	DTI	Department of Trade and Industry
	GDP	Gross domestic product
	ISIC	International Standard Industrial Classification of All Economic Activities
	IT	Income tax
	RSE	Relative standard error
	SARS	South African Revenue Service
	SE	Standard error
	SIC	Standard Industrial Classification of All Economic Activities
	SNA	System of National Accounts
	Stats SA	Statistics South Africa
	VAT	Value added tax

Glossary

Casual employees	Employees who fall neither within the 'permanent employees' category nor the 'temporary employees' category. Such employees are typically working daily or hourly.
Concentration ratio	The ratio of the income of the <i>n</i> largest enterprises to the total income.
Employees	Persons employed by a business or organisation and who received payment (in salaries, wages, commission, piece rates or payments in kind) for the last pay period ended on or before 30 June 2016.
Employment costs	The total cost of employment, including salaries, wages, service and other bonuses, allowances (including car allowances), overtime payments, retirement benefits, contributions to medical, pension and provident funds, unemployment insurance and accident funds, and housing subsidies.
Enterprise	The enterprise is a legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
Industry	An industry consists of a group of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the <i>System of National Accounts</i> (SNA) in the same way as in the <i>Standard Industrial Classification of all Economic Activities</i> (SIC), Fifth Edition, Report No. 09-90-02 of January 1993.
Labour brokers	Labour/employment brokers are agents who recruit and administer workers on behalf of the enterprise. They do not provide any other service.
Motor vehicles	Motor vehicles include cars, trucks, aircraft, boats, trailers, locomotives and other transport equipment.
Net profit or loss after tax	Total income plus closing value of inventories minus total expenditure minus opening value of inventories minus company tax
Net profit or loss before tax	Total income plus closing value of inventories minus total expenditure minus opening value of inventories

Other expenditure	Other expenditure includes: leasing and hiring of plant, machinery, equipment and vehicles under operating leases; rental and leasing of land, buildings and other structures under operating leases; interest; insurance; custom duties; excise duties; advertising, marketing and promotions; cross-border costs; printing and stationery; security services; depreciation and other expenditure.
Other income	Other income includes: interest; custom duties; excise duties; government subsidies and incentives; rental, leasing and hiring and other income.
Other postal and courier sales and services	Other postal and courier sales and services include: fast mail (letter services); parcel services; money transfers; registered mail services including secure email; foreign postal services; e-postal services; photocopying services; faxing services; agency services and other postal services.
Other services in telecommunications	Other services include: other telecommunication through fixed lines; other telecommunication services; connectivity services for customers; other radio and television broadcasting services and other services rendered.
Other purchases	Other purchases include: other telecommunication equipment; tablets (e.g. iPads, e-readers); set-top boxes; optical cables and switches; modems and routers; chargers and power banks; cell phone batteries and accessories.
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	Profit margin is derived as: Net profit after tax <i>divided by</i> turnover <i>multiplied by</i> 100.
Statistical unit	A statistical unit is a unit of observation or measurement for which statistical data are collected or derived.
Stratum	A stratum is constructed by concatenating the SIC classification and size group variables.
Temporary employees	Temporary employees are employees appointed on a short-term contract basis with a stipulated termination date for periods not exceeding one year.
Turnover	Turnover includes: <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.

Working proprietors Working proprietors include all individual proprietors and partners, whether they earn a salary or not, actively engaged in the work of the enterprise, excluding silent or inactive partners whose principal activity is outside of the enterprise.

Zero values All rand values less than R500 000.

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 11 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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