



stats sa

Department:
Statistics South Africa
REPUBLIC OF SOUTH AFRICA

Post and telecommunications industry, 2019

Embargoed until:
9 September 2021
11:00

Report No. 75-01-01 (2019)

Statistics South Africa

Risenga Maluleke
Statistician-General

Dipalopalo tsa Aforikaborwa • Dipalopalo tsa Aforika Borwa • Ezazibalo zaseNingizimu Afrika • Tshitatistika Afrika Tshipembe • Tinhlayo Afrika-Dzonga

Statistieke Suid-Afrika • Dipalopalo tša Aforika Borwa • Telubalo zaseNingizimu Afrika • EzeeNkcukacha maNani zoMzantsi Afrika • Ilimbalobalo zeSewula Afrika

IMPROVING LIVES THROUGH DATA ECOSYSTEMS



Post and telecommunications industry, 2019/ Statistics South Africa

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

© Statistics South Africa, 2021

Users may apply or process this data, provided Statistics South Africa (Stats SA) is acknowledged as the original source of the data; that it is specified that the application and/or analysis is the result of the user's independent processing of the data; and that neither the basic data nor any reprocessed version or application thereof may be sold or offered for sale in any form whatsoever without prior permission from Stats SA.

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

Post and telecommunications industry, 2019 / Statistics South Africa. Pretoria: Statistics South Africa, 2021

Report No. 75-01-01 (2019)

36 pages

ISBN: 978-0-621-49579-9

A complete set of Stats SA publications is available at Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Library of Parliament, Cape Town
Bloemfontein Public Library
Natal Society Library, Pietermaritzburg
Johannesburg Public Library
Eastern Cape Library Services, Qonce
Central Regional Library, Polokwane
Central Reference Library, Mbombela
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

This report is available on the Stats SA website: www.statssa.gov.za

For technical enquiries, please contact: Tshepo Pekane/ Mosa Tshenedi

Tel.: 012 310 8191/ 012 406 3034

Email: TshepoP@statssa.gov.za/ MosaT@statssa.gov.za

Table of contents

1.	Introduction	1
1.1	Aim and collection unit	1
1.2	Scope and coverage	1
1.3	Data items	1
1.4	Reference period.....	2
1.5	Current prices.....	2
1.6	Reliability of data.....	2
1.7	Confidentiality.....	2
2.	Summary of findings	3
2.1	Income	3
	Table A – Income in the post and telecommunications industry, 2010–2019	3
	Table B – Concentration ratio (relative contribution of large enterprises) in the post and telecommunications industry, 2010–2019	3
	Table C – Profit margin in the post and telecommunications industry, 2010–2019	4
2.2	Employment	4
	Table D – Employment in the post and telecommunications industry for the last pay day period ended on or before 30 June, 2010–2019	4
	Figure 1 – Income and employment by type of service (% contribution) in the post and telecommunications industry, 2019	5
	Figure 2 – Income and employment by enterprise size (% contribution) in the post and telecommunications industry, 2019	6
	Table E – Average salaries and wages in the post and telecommunications industry, 2010–2019	7
2.3	Value added.....	8
	Figure 3 – Post and telecommunications industry value added, annual percentage change (constant 2015 prices), 2011–2020	8
	Figure 4 – Percentage contribution of the post and telecommunications industry to total value added (current prices), 2011–2020.....	8
2.4	Details of services.....	9
	Table F – Details of income from services in postal and associated courier activities, 2016–2019	9
	Table G – Details of income from services in telecommunications, 2016–2019.....	10
2.5	Capital expenditure on new assets.....	11
	Table H – Capital expenditure on new assets in the post and telecommunications industry, 2010–2019	11

3. Tables	12
Table 1 – Principal statistics in the post and telecommunications industry, 2016 and 2019.....	12
Table 2 – Principal statistics by type of service in the post and telecommunications industry, 2016 and 2019	12
Table 3 – Profit margin in the post and telecommunications industry, 2016 and 2019.....	13
Table 4 – Income in the post and telecommunications industry, 2016 and 2019	14
Table 5 – Income by type of service in the post and telecommunications industry, 2019	14
Table 6 – Income by size group in the post and telecommunications industry, 2019	15
Table 7 – Concentration ratios (relative contribution of large enterprises) in the post and telecommunications industry, 2019	15
Table 8 – Expenditure in the post and telecommunications industry, 2016 and 2019	16
Table 9 – Expenditure in the post and telecommunications industry, 2019	17
Table 10 – Capital expenditure on new assets in the post and telecommunications industry, 2016 and 2019	18
Table 11 – Capital expenditure on new assets in the post and telecommunications industry, 2019	18
Table 12 – Employment in the post and telecommunications industry as at the end of June 2016 and 2019	19
Table 13 – Employment by status in the post and telecommunications industry as at the end of June 2019	19
Table 14 – Employment by enterprise size in the post and telecommunications industry as at the end of June 2019	19
Table 15 – Details of income from services in post and associated courier activities, 2016 and 2019	20
Table 16 – Details of purchases in post and associated courier activities, 2016 and 2019.....	21
Table 17 – Details of income from services in telecommunications, 2016 and 2019.....	22
Table 18 – Details of income from services in telecommunications, 2019.....	23
Table 19 – Details of sales of goods in telecommunications, 2016 and 2019	25
Table 20 – Details of purchases in telecommunications, 2016 and 2019.....	26
Table 21 – Income from sales of goods and services by client base in the post and telecommunications industry, 2016 and 2019	27
Table 22 – Income from sales of goods and services by client base in the post and telecommunications industry, 2019	27
Table 23 – Information and communication technology usage by type of service in the post and telecommunications industry, 2019	28
Table 24 – Information and communication technology usage by size group in the post and telecommunications industry, 2019.....	28
Explanatory notes	29
Table 25 – Size groups for the post and telecommunications industry, 2019.....	29
Glossary.....	31

1. Introduction

1.1 Aim and collection unit

This publication presents estimates in respect of the post and telecommunications industry, 2019. The survey aims to provide financial, production, employment and related information for the post and telecommunications industry in South Africa.

The last survey was conducted in 2016 (Report No. 75-01-01 (2016)).

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 enterprise is classified to an industry that reflects its predominant activity.

1.2 Scope and coverage

The 2019 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. 09-90-02*:

- 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).

1.3 Data items

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

1.4 Reference period

The questionnaires were completed for the financial year ended on any date between 1 July 2018 and 30 June 2019, according to the usual reporting schedule of the enterprise, with the following exception:

- Employment as at 30 June 2019.

1.5 Current prices

The rand values are at current prices.

1.6 Reliability of data

All estimates compiled for this industry are subject to non-sampling errors only, because a complete enumeration of enterprises contributing to the top 99,5% of the industry turnover was conducted. Adjustment factors were applied to compensate for the units contributing to the bottom 0,5% of industry turnover. 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.

1.7 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. Summary of findings

2.1 Income

Table A – Income in the post and telecommunications industry, 2010–2019

Type of service	2010		2013		2016		2019	
	R million	%	R million	%	R million	%	R million	%
Post and associated courier activities	10 037	3,4	12 208	4,6	13 936	4,5	17 499	5,0
Telecommunications	285 894	96,6	252 819	95,4	294 882	95,5	334 673	95,0
Total	295 931	100,0	265 027	100,0	308 818	100,0	352 172	100,0

The total income for the post and telecommunications industry in 2019 was R352,2 billion. The total income represents an increase of 4,5% per annum over the income reported in the corresponding survey of 2016 (R308,8 billion). The largest contributor to the total industry income was ‘telecommunications’, contributing 95,0%.

Between 2010 and 2019, ‘post and associated courier activities’ gained the biggest percentage share (+1,6 percentage points) in income from the post and telecommunications industry (from 3,4% in 2010 to 5,0% in 2019).

Table B – Concentration ratio (relative contribution of large enterprises) in the post and telecommunications industry, 2010–2019

Type of service	2010		2013		2016		2 019	
	%							
CR5		73,5		59,5		57,2		54,6
CR10		84,6		74,2		73,1		69,2
CR20		92,2		86,6		85,9		80,4
CR50		97,4		94,8		93,3		90,2
CR100		99,4		97,9		96,3		94,2

In 2019, the top 100 enterprises (CR100) in the post and telecommunications industry contributed 94,2% to the total income. Between 2010 and 2019, the highest concentration ratio for the top 100 enterprises was at 99,4% in 2010. The concentration ratios of the top 5, 10, 20, 50 and 100 enterprises were the lowest in 2019 at 54,6%, 69,2%, 80,4%, 90,2% and 94,2%, respectively.

Table C – Profit margin in the post and telecommunications industry, 2010–2019

Type of service	Turnover				Net profit/loss after tax				Profit margin			
	2010	2013	2016	2019	2010	2013	2016	2019	2010	2013	2016	2019
	R million				R million				%			
Post and associated courier activities	9 286	11 039	12 673	16 042	495	-543	-983	-912	5,3	-4,9	-7,8	-5,7
Telecommunications	218 486	242 499	284 369	322 108	63 841	11 511	15 745	3 494	29,2	4,7	5,5	1,1
Total	227 772	253 538	297 042	338 150	64 336	10 968	14 762	2 582	28,2	4,3	5,0	0,8

In the survey years shown in Table C, the profit margin in the post and telecommunications industry was lowest in 2019 at 0,8%. In 2019 'post and associated courier activities' and 'telecommunications' had profit margins of -5,7% and 1,1% respectively.

Between 2010 and 2019, 'telecommunications' recorded a highest profit margin of 29,2% in 2010.

2.2 Employment

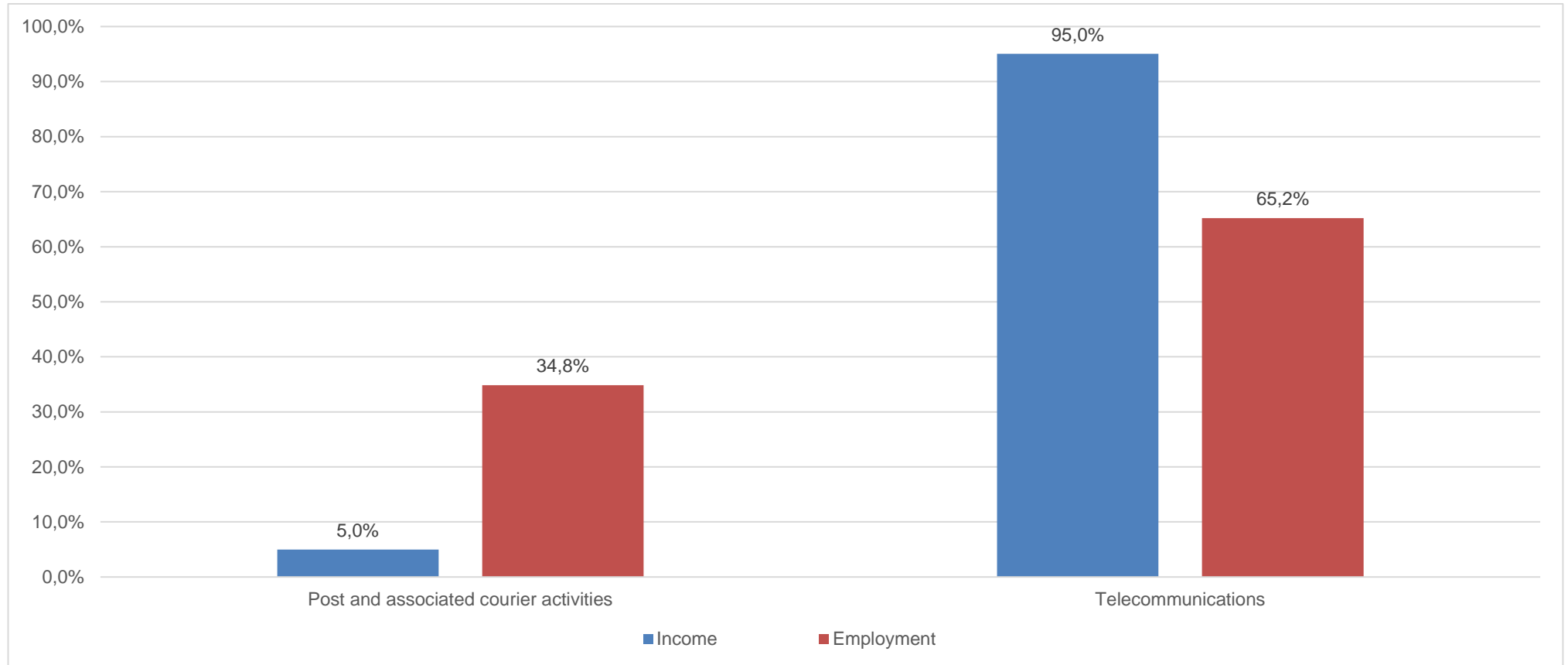
Table D – Employment in the post and telecommunications industry for the last pay day period ended on or before 30 June, 2010–2019

Type of service	2010		2013		2016		2019	
	Number	%	Number	%	Number	%	Number	%
Post and associated courier activities	26 343	30,1	37 047	35,8	30 710	30,6	34 301	34,8
Telecommunications	61 146	69,9	66 408	64,2	69 692	69,4	64 194	65,2
Total	87 489	100,0	103 455	100,0	100 402	100,0	98 495	100,0

The total number of persons employed in the post and telecommunications industry as at the end of June 2019 was 98 495. This represents a decrease of 0,6% per annum over the employment recorded in 2016 (100 402) persons. 'Telecommunications' recorded a loss of 5 498 jobs (from 69 692 in 2016 to 64 194 in 2019).

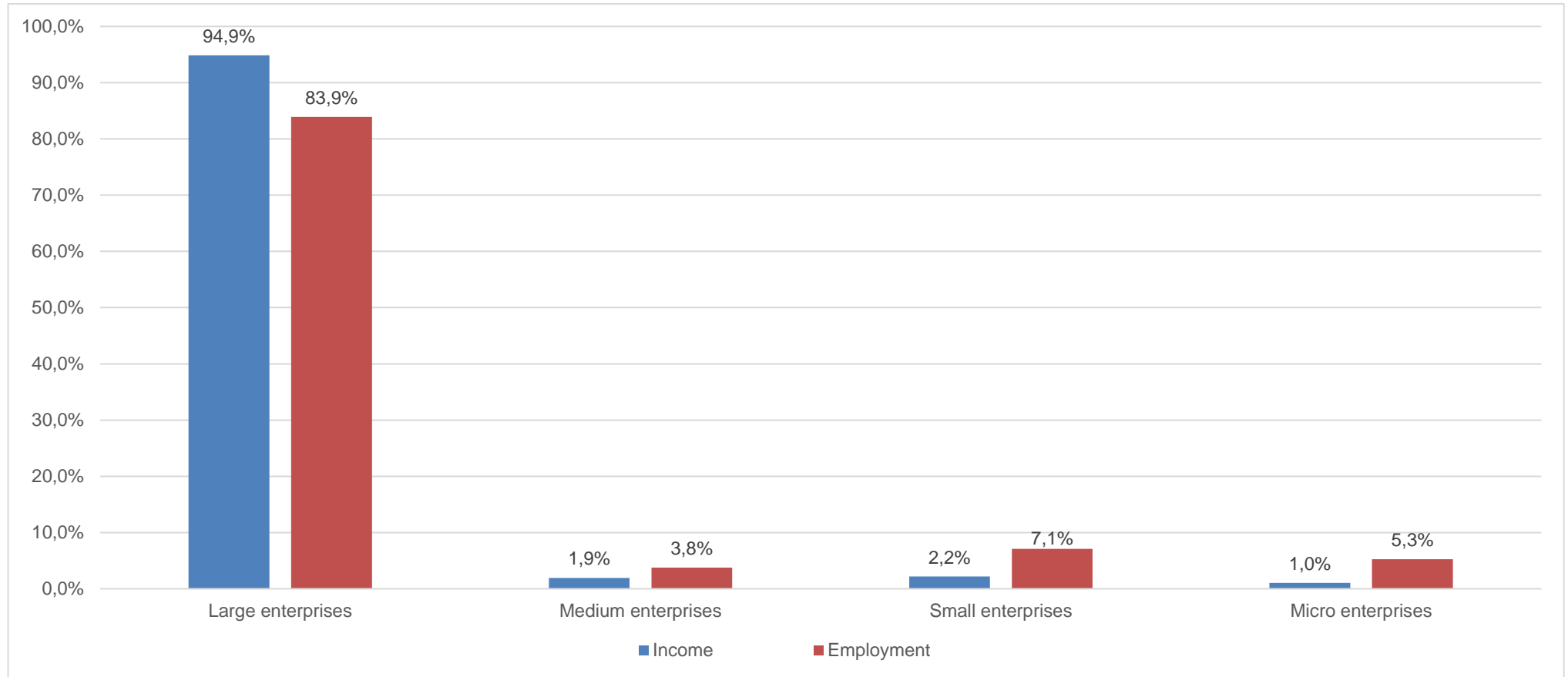
Between 2010 and 2019, employment increased from 87 489 in 2010 to 98 495 in 2019 (a gain of 11 006 jobs). The major contributor to the growth in employment since 2010 was 'post and associated courier activities' (+7 958 jobs), followed by 'telecommunications' (+3 048 jobs).

Figure 1 – Income and employment by type of service (% contribution) in the post and telecommunications industry, 2019



The type of service with the highest proportion of employment compared with its proportion of income was ‘post and associated courier activities’ (contributing 34,8% to employment and 5,0% to income).

Figure 2 – Income and employment by enterprise size (% contribution) in the post and telecommunications industry, 2019



Large enterprises (those with annual turnover equal to or greater than R192 million) contributed 94,9% to the total income of the post and telecommunications industry whereas their contribution to employment was 83,9%. Compared with their contribution to total income of 5,1%, SMMEs (small, medium and micro enterprises) contributed a substantially higher 16,1% to total employment in the post and telecommunications industry.

Table E – Average salaries and wages in the post and telecommunications industry, 2010–2019

Type of service	2010			2013		
	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
Post and associated courier activities	4 348	26 343	165 053	5 670	37 047	153 049
Telecommunications	20 298	61 146	331 960	25 284	66 408	380 737
Total	24 646	87 489	281 704	30 954	103 455	299 203

Table E – Average salaries and wages in the post and telecommunications industry, 2010–2019 (concluded)

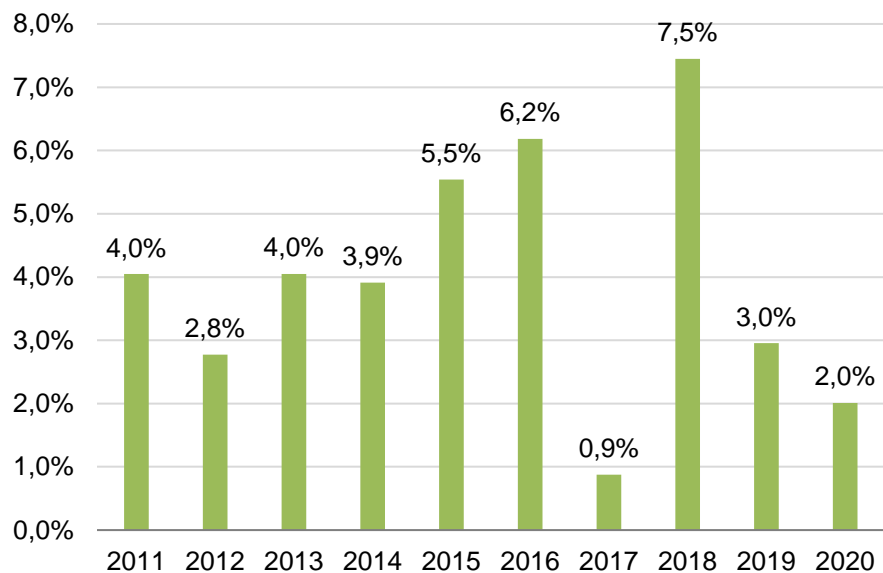
Type of service	2016			2019		
	Salaries and wages	Total employment	Average salaries and wages	Salaries and wages	Total employment	Average salaries and wages
	R million	Number	Rand	R million	Number	Rand
Post and associated courier activities	6 472	30 710	210 749	7 340	34 301	213 980
Telecommunications	28 139	69 692	403 755	28 457	64 194	443 295
Total	34 611	100 402	306 610	35 797	98 495	363 436

The average salaries and wages in the post and telecommunications industry in 2019 was R363 436. The type of service with the highest average salaries and wages in 2019 was 'telecommunications' (R443 295).

Total average salaries and wages increased from R306 610 in 2016 to R363 436 in 2019, an annualised growth rate of 5,2%.

2.3 Value added

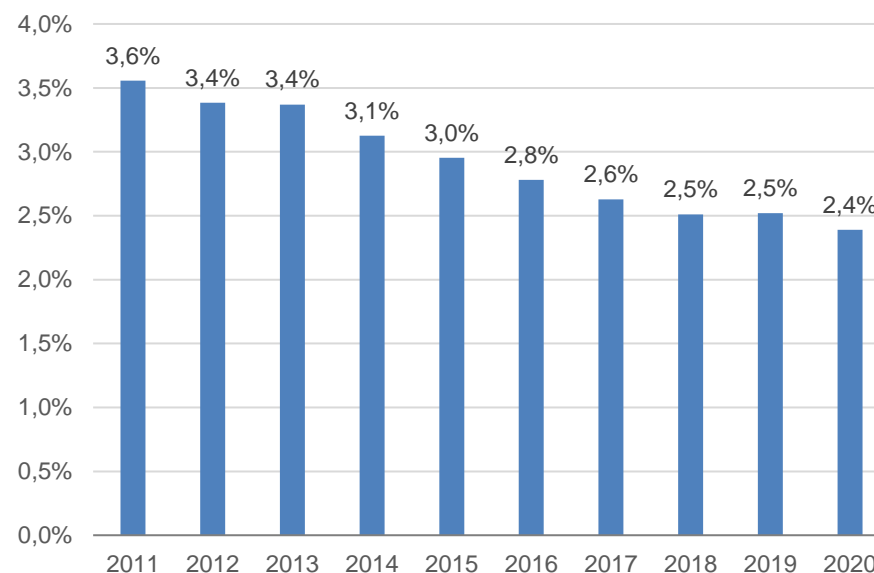
Figure 3 – Post and telecommunications industry value added, annual percentage change (constant 2015 prices), 2011–2020



Source: P0441

The annual growth rate in the post and telecommunications industry fell from 7,5% in 2018 to 2,0% in 2020, based on value added at constant prices. Between 2011 and 2020 the annual growth rate averaged 4,0%.

Figure 4 – Percentage contribution of the post and telecommunications industry to total value added (current prices), 2011–2020



Source: P0441

The contribution of the post and telecommunications industry to total value added fell from 3,6% in 2011 to 2,4% in 2020.

2.4 Details of services

Table F – Details of income from services in postal and associated courier activities, 2016–2019

Type of service	2016		2019	
	R million	% contribution	R million	% contribution
International, domestic and fast mail services	2 218	17,7	2 602	16,6
Box rental services	273	2,2	338	2,2
Post bank and other postal services, including document exchange	1 232	9,9	1 497	9,5
Agency services (e.g. municipal, Telkom, pre-paid, lotto, game cards, media services)	583	4,7	721	4,6
Same-day and next-day/overnight delivery services	4 271	34,1	5 186	33,0
Other postal and courier services	3 924	31,4	5 365	34,1
Total income from services rendered	12 501	100	15 709	100

Income from post and associated courier services in 2019 was R15,7 billion. The income represents an increase of 7,9% per annum over the income reported in the corresponding survey of 2016 (R12,5 billion). The largest contributor was 'same-day and next-day/overnight delivery services', contributing (R5,2 billion or 33,0%), followed by 'international, domestic and fast mail services' (R2,6 billion or 16,6%).

Table G – Details of income from services in telecommunications, 2016–2019

Type of service	2016		2019	
	R million	% contribution	R million	% contribution
Telecommunications services through fixed lines (including fixed-mobile)	9 073	3,7	12 738	4,5
Telecommunications services through mobile lines	155 099	62,5	163 161	58,2
Data transmission services	11 517	4,6	8 227	2,9
Internet telecommunications access services	12 828	5,2	16 801	6,0
Interconnection services to customers	10 306	4,2	14 391	5,1
Subscriptions, licence fees and content income	14 462	5,8	15 491	5,5
Advertising airtime income except on commission	12 066	4,9	10 240	3,6
Other telecommunication and broadcasting services	21 136	8,5	38 241	13,6
Other services rendered	1 441	0,6	1 765	0,6
Total income from services rendered	247 928	100	281 055	100

Income from telecommunications services in 2019 was R281,1 billion. The income represents an increase of 4,3% per annum over the income reported in the corresponding survey of 2016 (R247,9 billion). The largest contributor was 'income from telecommunications services through mobile lines', contributing (R163,2 billion or 58,2%).

2.5 Capital expenditure on new assets

Table H – Capital expenditure on new assets in the post and telecommunications industry, 2010–2019

Type of service	2010		2016		2019	
	R million	%	R million	%	R million	%
Post and associated courier activities	239	1,1	419	1,2	467	1,3
Telecommunications	22 296	98,9	33 750	98,8	35 315	98,7
Total	22 535	100	34 169	100,0	35 782	100,0

Note: Capital expenditure was not collected in 2013.

The capital expenditure on new assets in 2019 (R35,8 billion) represents an increase of 1,5% per annum over the expenditure reported in 2016 (R34,2 billion). The largest contributor to capital expenditure on new assets was 'telecommunications' (R35,3 billion or 98,7%).

Total capital expenditure on new assets increased from R22,5 billion in 2010 to R35,8 billion in 2019, an annualised growth rate of 5,3%.

Risenga Maluleke
Statistician-General

3. Tables

Table 1 – Principal statistics in the post and telecommunications industry, 2016 and 2019

	Total income	Total current expenditure	Total value of opening inventory	Total value of closing inventory	Net profit before tax	Capital expenditure on assets	Number of employees
	R million						Number
2016¹	308 818	286 400	5 097	6 685	24 006	34 169	100 402
2019²	352 172	337 307	7 163	8 347	16 049	35 782	98 495
Annualised % change	4,5	5,6	12,0	7,7	-12,6	1,5	-0,6

¹ Revised figures² Preliminary figures

Table 2 – Principal statistics by type of service in the post and telecommunications industry, 2016 and 2019

Type of service	Total income			Total expenditure			Total value of opening inventory			Total value of closing inventory		
	2016 ¹	2019 ²	Annualised	2016 ¹	2019 ²	Annualised	2016 ¹	2019 ²	Annualised	2016 ¹	2019 ²	Annualised
	R million		% change	R million		% change	R million		% change	R million		% change
Post and associated courier activities	13 936	17 499	7,9	14 763	18 276	7,4	71	73	0,9	59	68	4,8
Telecommunications	294 882	334 673	4,3	271 637	319 031	5,5	5 026	7 090	12,2	6 626	8 279	7,7
Total	308 818	352 172	4,5	286 400	337 307	5,6	5 097	7 163	12,0	6 685	8 347	7,7

¹ Revised figures² Preliminary figures

Table 2 – Principal statistics by type of service in the post and telecommunications industry, 2016 and 2019 (concluded)

Type of service	Net profit before tax			Capital expenditure on assets			Total employees		
	2016 ¹	2019 ²	Annualised % change	2016 ¹	2019 ²	Annualised % change	2016 ¹	2019 ²	Annualised % change
	R million			R million			R million		
Post and associated courier activities	-839	-782	-2,3	419	467	3,7	30 710	34 301	3,8
Telecommunications	24 845	16 831	-12,2	33 750	35 315	1,5	69 692	64 194	-2,7
Total	24 006	16 049	-12,6	34 169	35 782	1,5	100 402	98 495	-0,6

¹ Revised figures² Preliminary figures**Table 3 – Profit margin in the post and telecommunications industry, 2016 and 2019**

Type of service	Turnover		Net profit after tax		Profit margins	
	2016 ¹	2019 ²	2016 ¹	2019 ²	2016 ¹	2019 ²
	R million				%	
Post and associated courier activities	12 673	16 042	-983	-912	-7,8	-5,7
Telecommunications	284 369	322 108	15 745	3 494	5,5	1,1
Total	297 042	338 150	14 762	2 582	5,0	0,8

¹ Revised figures² Preliminary figures

Table 4 – Income in the post and telecommunications industry, 2016 and 2019

Type of income	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million	% contribution	
Sales of goods	36 166	11,7	40 773	11,6	4,1
Services	260 429	84,3	296 764	84,3	4,4
Interest	3 084	1,0	3 271	0,9	2,0
Other income	9 139	3,0	11 364	3,2	7,5
Total	308 818	100,0	352 172	100,0	4,5

¹ Revised figures² Preliminary figures**Table 5 – Income by type of service in the post and telecommunications industry, 2019²**

Type of service	Sales of goods	Services	Interest	Other income	Total income
	R million				
Post and associated courier activities	1	15 709	767	1 022	17 499
Telecommunications	40 772	281 055	2 504	10 342	334 673
Total	40 773	296 764	3 271	11 364	352 172

² Preliminary figures

Table 6 – Income by size group in the post and telecommunications industry, 2019²

Type of service	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total
	R million				
Post and associated courier activities	13 479	1 246	1 627	1 147	17 499
Telecommunications	320 559	5 588	6 022	2 504	334 673
Total	334 038	6 834	7 649	3 651	352 172

² Preliminary figures**Table 7 – Concentration ratios (relative contribution of large enterprises) in the post and telecommunications industry, 2019²**

Type of service	Total income	Income of 5 largest enterprises	Relative contribution of 5 largest enterprises ⁴	Income of 10 largest enterprises	Relative contribution of 10 largest enterprises ⁴	Income of 20 largest enterprises	Relative contribution of 20 largest enterprises ⁴
	R million		%	R million	%	R million	%
Post and associated courier activities	17 499	9 415	53,8	11 909	68,1	13 954	79,7
Telecommunications	334 673	192 128	57,4	243 862	72,9	280 276	83,7
Total	352 172	192 128³	54,6	243 862³	69,2	283 253³	80,4

² Preliminary figures³ These figures reflect the income of the 5, 10 and 20 largest enterprises respectively, and not the column totals.⁴ Relative contribution = income of the largest enterprises divided by total income multiplied by 100.

Table 8 – Expenditure in the post and telecommunications industry, 2016 and 2019

Type of expenditure	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million	% contribution	
Purchases	121 679	42,5	149 813	44,3	7,2
Subcontractors' payments	17 508	6,1	18 366	5,4	1,6
Employment cost	34 611	12,1	35 797	10,6	1,1
Leasing and hiring of plant, machinery, equipment and vehicles	2 539	0,9	2 354	0,7	-2,5
Rental and leasing of land, buildings and other structures	6 165	2,2	7 006	2,1	4,4
Interest	8 713	3,0	11 252	3,3	8,9
Advertising, marketing, promotions	4 959	1,7	4 637	1,4	-2,2
Cross-border cost	2 767	1,0	2 573	0,8	-2,4
Telecommunications	7 809	2,7	5 608	1,7	-10,4
Depreciation	21 441	7,5	27 858	8,3	9,1
Other expenditure	58 209	20,3	72 043	21,4	7,4
Total	286 400	100,0	337 307	100,0	5,6

¹ Revised figures² Preliminary figures

Table 9 – Expenditure in the post and telecommunications industry, 2019²

Type of service	Purchases	Subcontractors' payment	Employment cost	Rental and leasing of land, buildings and other structures	Interest	Advertising, marketing, promotions
	R million					
Post and associated courier activities	3 504	1 246	7 340	906	158	109
Telecommunications	146 309	17 120	28 457	6 100	11 094	4 528
Total	149 813	18 366	35 797	7 006	11 252	4 637

² Preliminary figures**Table 9 – Expenditure in the post and telecommunications industry, 2019² (concluded)**

Type of service	Cross-border cost	Telecommunications	Depreciation	Repairs and maintenance	Other expenditure	Total
	R million					
Post and associated courier activities	75	505	382	102	3 949	18 276
Telecommunications	2 498	5 103	27 476	9 038	61 308	319 031
Total	2 573	5 608	27 858	9 140	65 257	337 307

² Preliminary figures

Table 10 – Capital expenditure on new assets in the post and telecommunications industry, 2016 and 2019

Type of asset	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million		
Land and buildings	1 245	3,6	546	1,5	-24,0
Plant, machinery, furniture and other office equipment	1 531	4,5	1 125	3,1	-9,8
Computers and other ICT equipment	24 124	70,6	25 436	71,1	1,8
Motor vehicles and other transport equipment	229	0,7	378	1,1	18,3
Other assets	7 040	20,6	8 297	23,2	5,6
Total	34 169	100,0	35 782	100,0	1,5

¹ Revised figures² Preliminary figures**Table 11 – Capital expenditure on new assets in the post and telecommunications industry, 2019²**

Type of service	Land and building	Plant, machinery, furniture and other office equipment	Computers and other ICT equipment	Motor vehicles and other transport equipment	Capital work in progress	Intangible assets	Other expenditure	Total
	R million							
Post and associated courier activities	35	40	128	201	13	50	0	467
Telecommunications	511	1 085	25 308	177	2 098	4 789	1 347	35 315
Total	546	1 125	25 436	378	2 111	4 839	1 347	35 782

² Preliminary figures

Table 12 – Employment in the post and telecommunications industry as at the end of June 2016 and 2019

Type of service	Female employees			Male employees			Total employees		
	2016 ¹	2019 ²	Annualised % change	2016 ¹	2019 ²	Annualised % change	2016 ¹	2019 ²	Annualised % change
	Number			Number			Number		
Post and associated courier activities	11 350	13 726	6,5	19 360	20 575	2,0	30 710	34 301	3,8
Telecommunications	27 629	26 707	-1,1	42 063	37 487	-3,8	69 692	64 194	-2,7
Total	38 979	40 433	1,2	61 423	58 062	-1,9	100 402	98 495	-0,6

¹ Revised figures² Preliminary figures**Table 13 – Employment by status in the post and telecommunications industry as at the end of June 2019²**

Type of service	Full-time			Part-time			Total
	Female	Male	Total	Female	Male	Total	
	Number						
Post and associated courier activities	12 735	19 884	32 619	991	691	1 682	34 301
Telecommunications	23 913	34 254	58 167	2 794	3 233	6 027	64 194
Total	36 648	54 138	90 786	3 785	3 924	7 709	98 495

² Preliminary figures**Table 14 – Employment by enterprise size in the post and telecommunications industry as at the end of June 2019²**

Type of service	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total
	Number				
Post and associated courier activities	28 639	1 414	2 233	2 015	34 301
Telecommunications	53 992	2 296	4 748	3 158	64 194
Total	82 631	3 710	6 981	5 173	98 495

² Preliminary figures

Table 15 – Details of income from services in post and associated courier activities, 2016 and 2019

Type of service	2016 ¹			2019 ²			Annualised % change
	R million	Number	% contribution	R million	Number	% contribution	
International bulk mail services	192	5 821 525	1,5	238	7 196 474	1,5	7,4
Domestic bulk mail services	1 731	51 590 913	13,8	2 003	62 236 293	12,8	5,0
Fast mail (letter services)	295	10 293 335	2,4	361	12 072 258	2,3	7,0
Box rental services	273	833 465	2,2	338	1 030 316	2,2	7,4
Post bank services	834	8 622 911	6,7	1 031	10 659 501	6,6	7,3
Agency services (e.g. municipal, Telkom, pre-paid, lotto, game cards, media services)	583		4,7	721		4,6	7,3
Other postal services, including document exchange services	398		3,2	466		3,0	5,4
Same-day delivery services	756		6,0	1 018		6,5	10,4
Next-day/overnight delivery services	3 515		28,1	4 168		26,5	5,8
Other courier and delivery services	3 924		31,4	5 365		34,0	11,0
Total income from services rendered	12 501		100,0	15 709		100,0	7,9

¹ Revised figures² Preliminary figures

Table 16 – Details of purchases in post and associated courier activities, 2016 and 2019

Type of purchase	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million	% contribution	
Total fuel	1 075	48,7	1 424	40,7	9,8
Petrol	810	36,7	1 088	31,1	10,3
Diesel	265	12,0	336	9,6	8,2
Fleet related maintenance	123	5,6	445	12,7	53,5
Total packaging materials	420	19,1	712	20,3	19,2
Paper and board (e.g. paper bags, cardboard box)	371	16,9	639	18,2	19,9
Other packaging materials	49	2,2	73	2,1	14,2
Total other purchases and transfers-in	585	26,6	923	26,3	16,4
Stationery (e.g. stamps, envelopes, postcards)	182	8,3	369	10,5	26,6
Consumables (e.g. hand tools, protective clothing)	187	8,5	244	7,0	9,3
Other purchases and transfers-in	216	9,8	310	8,8	12,8
Total purchases and transfers-in of goods	2 203	100,0	3 504	100,0	16,7

¹ Revised figures² Preliminary figures

Table 17 – Details of income from services in telecommunications, 2016 and 2019

Type of service	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million	% contribution	
A. Telecommunications services					
Telecommunications services through fixed lines (including fixed-mobile)	9 073	3,7	12 738	4,5	12,0
Telecommunications services through mobile lines	155 099	62,5	163 161	58,2	1,7
Data transmission services	11 517	4,6	8 227	2,9	-10,6
Internet telecommunications access services	12 828	5,2	16 801	6,0	9,4
Interconnection services to customers	10 306	4,2	14 391	5,1	11,8
Line rental (contracts)	4 413	1,8	5 443	1,9	7,2
Other Internet telecommunications services	4 286	1,7	4 030	1,4	-2,0
Other telecommunications services	8 972	3,6	24 733	8,8	40,2
Total income from telecommunications services	216 494	87,3	249 524	88,8	4,8
B. Broadcasting services					
Subscriptions, licence fees and content income	14 462	5,8	15 491	5,5	2,3
Advertising airtime income except on commission	12 066	4,9	10 240	3,6	-5,3
Television	8 289	3,3	7 243	2,6	-4,4
Radio	3 777	1,5	2 997	1,1	-7,4
Sponsorship income	2 839	1,1	3 121	1,1	3,2
Other radio and television broadcasting services	626	0,3	914	0,3	13,5
Total income from broadcasting services	29 993	12,1	29 766	10,6	-0,3
Other services rendered	1 441	0,6	1 765	0,6	7,0
Total income from services rendered	247 928	100,0	281 055	100,0	4,3

¹ Revised figures² Preliminary figures

Table 18 – Details of income from services in telecommunications, 2019

Type of service	2019 ²	
	R million	% contribution
A. Telecommunications services		
Telecommunications carrier network infrastructure (backbone) services	8 006	2,8
Telecommunications services through fixed lines (including fixed-mobile)	12 738	4,5
Pre-paid	3 036	1,1
Post-paid	9 702	3,5
Total income from telecommunications services through mobile lines	163 161	58,2
Pre-paid		
Voice calls	88 917	31,8
Data	35 849	12,8
SMS	1 144	0,4
Post-paid		
Voice calls	12 323	4,4
Data	22 612	8,0
SMS	2 316	0,8
Data transmission services	8 227	2,9
Internet telecommunications access services	16 801	6,0
ADSL or copper, Cable	10 768	3,9
Fibre optic (FTTB, FTTH)	3 191	1,1
Other (e.g. 4G)	2 842	1,0
Other telecommunications services	40 591	14,4
Interconnection services to customers	8 277	2,9
Line rental (contracts)	5 443	1,9
Applications with access to services (financial, digital, personal), including software and access to Internet of things (IoT) (machine-related services)	3 118	1,1
Connectivity services	2 996	1,1

² Preliminary figures

Table 18 – Details of income from services in telecommunications, 2019 (concluded)

Type of service	2019 ²	
	R million	% contribution
Other Internet telecommunications services	4 030	1,4
Other telecommunications services	16 727	6,0
Total income from telecommunications services	249 524	88,8
B. Broadcasting services		
Subscription fees	8 959	3,2
Licence fees	1 538	0,5
Content income	4 993	1,8
Advertising airtime income except on commission	10 331	3,7
Television	7 244	2,6
Radio	2 997	1,1
Other	90	0,0
Sponsorship income	3 135	1,1
Other radio and television broadcasting services	810	0,3
Total income from broadcasting services	29 766	10,6
Other services rendered	1 765	0,6
Total income from services rendered	281 055	100,0

² Preliminary figures

Table 19 – Details of sales of goods in telecommunications, 2016 and 2019

Type of good	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million	% contribution	
Income from sales of instruments (handsets) and equipment	26 633	73,6	30 287	74,3	4,4
Fixed-line phones	753	2,1	253	0,6	-30,5
Cell phones and accessories for cell phones	25 880	71,5	30 035	73,7	5,1
Starter packs (including sim cards)	2 294	6,3	2 818	6,9	7,1
Modems and routers	1 340	3,7	1 463	3,6	3,0
Other telecommunication equipment	3 951	10,9	4 938	12,1	7,7
Income from sales of telecommunication goods	34 218	94,6	39 506	96,9	4,9
Decoders	1 468	4,1	1 080	2,7	-9,7
Other broadcasting equipment	296	0,8	104	0,3	-29,4
Total income from sales of broadcasting goods	1 764	4,9	1 185	2,9	-12,4
Sales of other goods	184	0,5	81	0,2	-23,8
Total income from sales of goods	36 166	100,0	40 773	100,0	4,1

¹ Revised figures² Preliminary figures

Table 20 – Details of purchases in telecommunications, 2016 and 2019

Type of purchase	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million	% contribution	
Total fuel	2 174	1,8	3 127	2,1	12,9
Petrol	395	0,3	601	0,4	15,0
Diesel	1 779	1,5	2 526	1,7	12,4
Total instruments (handsets) and equipment	89 681	76,3	117 906	80,6	9,5
Cell phones	24 019	20,4	32 901	22,5	11,1
Vouchers – airtime/data	49 912	42,5	64 053	43,8	8,7
Starter packs (including sim cards)	3 485	3,0	7 633	5,2	29,9
Decoders and set-top boxes	2 627	2,2	3 460	2,4	9,6
Other telecommunication equipment	9 637	8,2	9 859	6,7	0,8
Total other purchases and transfers-in	25 682	21,8	25 198	17,2	-0,6
Consumables (e.g. hand tools, protective clothing)	3 674	3,1	3 250	2,2	-4,0
Other purchases and transfers-in	22 008	18,7	21 948	15,0	-0,1
Total purchases and transfers-in of goods	117 537	100,0	146 309	100,0	7,6

¹ Revised figures² Preliminary figures

Table 21 – Income from sales of goods and services by client base in the post and telecommunications industry, 2016 and 2019

Type of client	2016 ¹		2019 ²		Annualised % change
	R million	% contribution	R million	% contribution	
Individuals and households	118 166	39,8	133 935	39,7	4,3
Businesses (including NGO)	171 122	57,7	195 249	57,8	4,5
Government and parastatals	7 307	2,5	8 354	2,5	4,6
Total income	296 595	100,0	337 538	100,0	4,4

¹ Revised figures² Preliminary figures**Table 22 – Income from sales of goods and services by client base in the post and telecommunications industry, 2019²**

Type of service	Individuals and households		Businesses (including NGO)		Government and parastatals		Total income	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Post and associated courier activities	5 069	3,8	10 278	5,3	363	4,3	15 710	4,7
Telecommunications	128 866	96,2	184 971	94,7	7 991	95,7	321 828	95,3
Total	133 935	100,0	195 249	100,0	8 354	100,0	337 538	100,0

² Preliminary figures

Table 23 – Information and communication technology usage by type of service in the post and telecommunications industry, 2019²

Type of service	Use computer	Use internet	Have website	Use internet for advertising	Use internet to sell goods	Use internet to update clients	Use internet for financial transactions	IT outsourced	Invest in ICT training
	%								
Post and associated courier activities	100,0	100,0	80,3	63,5	6,6	6,7	25,1	63,3	38,4
Telecommunications	99,7	99,3	85,5	70,3	7,4	7,1	16,4	41,1	49,8
Total	99,7	99,5	84,6	69,2	7,3	7,0	17,9	44,7	48,0

² Preliminary figures**Table 24 – Information and communication technology usage by size group in the post and telecommunications industry, 2019²**

Size group	Use computer	Use internet	Have website	Use internet for advertising	Use internet to sell goods	Use internet to update clients	Use internet for financial transactions	IT outsourced	Invest in ICT training
	%								
Large enterprises	98,9	98,9	87,4	71,6	8,4	7,4	26,3	51,6	62,1
Medium enterprises	100,0	97,3	86,5	70,3	8,1	8,1	18,9	54,1	51,4
Small enterprises	100,0	100,0	84,9	67,9	5,7	7,5	11,3	45,3	46,2
Micro enterprises	100,0	100,0	81,8	68,2	7,6	6,1	16,7	36,4	37,9
Total	99,7	99,5	84,6	69,2	7,3	7,0	17,9	44,7	48,0

² Preliminary figures

Explanatory notes**Background**

The results presented in this publication have been derived from the 2019 LSS of the post and telecommunications industry. 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 sample of private and public enterprises operating in the post and telecommunications industry.

The sample was drawn from Stats SA's business register, based on the units registered for value added tax (VAT).

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 01 July 2018 and 30 June 2019.

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 *Standard Industrial Classification of All Economic Activities* (SIC), Fifth Edition, Report No. 09-90-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 *International Standard Industrial Classification of All Economic Activities* (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at SIC group (five-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 above R156 million. Table 25 presents Department of Trade, Industry and Competition (DTIC) cut-off points adjusted by a factor of 6,0.

Table 25 – Size groups for the post and telecommunications industry, 2019

Size group	Annual turnover
Large enterprises	Turnover > R156 000 000
Medium enterprises	R36 000 000 < turnover ≤ R156 000 000
Small enterprises	R6 000 000 < turnover ≤ R36 000 000
Micro enterprises	Turnover ≤ R6 000 000

Survey methodology and design

The survey was conducted by post, email, fax, telephone and personal visits. A sample of approximately 3 000 enterprises contributing the top 99,5% of industry turnover was conducted. The enterprises were first stratified at the four-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. The collection rate was 80,7%.

Collection rate

Collection rate = ((collected + finalised investigations)/ sample size) x 100

Turnover collection rate

Turnover collection rate = ((weighted collected enterprises BR turnover + weighted finalised investigations BR turnover)/population turnover)*100. The turnover collection rate was 97,3%.

Abbreviations

BR	Business Register
DTIC	Department of Trade, Industry and Competition
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

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 2019.
Enterprise	A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
Full-time employees	Full-time employees are those (permanent, temporary or casual) who normally work 40 hours or more per week.
Motor vehicles	Motor vehicles include cars, trucks, aircraft, boats, trailers, locomotives and other transport equipment.
Net profit or loss after tax	Net profit or loss after tax is derived as: Total income plus closing value of inventories minus total expenditure minus opening value of inventories minus company tax
Net profit or loss before tax	Net profit or loss before tax is derived as: Total income plus closing value of inventories minus total expenditure minus opening value of inventories

Other expenditure	<p>Includes:</p> <p>Accommodation; advertising; amortisation, <i>excluding depreciation</i>; bank charges; bursaries for own employees (staff bursaries); containers and packaging materials; computer expenditure (when not part of non-current assets); donations, sponsorships and social investment for <i>non-employees</i>; entertainment; excise and customs duty; losses on foreign exchange as a result of variations in foreign exchange rates; losses on financial and other liabilities: redemption, liquidation or revaluation; mineral rights leases; paper, printing and stationery; postal and courier services; property taxes paid; provisions; railage and transport-out; research and development; royalties, franchise fees, copyright, trade names, trademarks and patent rights paid; security services; severance, termination and redundancy payments; skills development levy; staff training; subscriptions; travelling; water and electricity; payments to labour brokers and other expenditure.</p>
Other income	<p>Includes:</p> <p>Capital transfers received (only from the South African government); customs duty received; dividends received; excise duty received; mineral rights leases; net profit on foreign loans as a result of variations in foreign exchange rates; royalties, franchise fees, copyright, trade names and patent rights received; profit on financial and other liabilities: redemption, liquidation and revaluation of liabilities; provisions; government subsidies and incentives received (only from the South African government); and other income.</p>
Part-time employees	<p>Part-time employees are those (permanent, temporary or casual) who usually work less than 40 hours per week.</p>
Profit margin	<p>Profit margin is derived as:</p> <p>Net profit or loss after tax <i>divided by</i> turnover <i>multiplied by</i> 100</p>
Statistical unit	<p>A statistical unit is a unit of observation or measurement for which statistical data are collected or derived.</p>
Stratum	<p>A stratum is constructed by concatenating the SIC classification and size group variables.</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.
Zero values	<p>All rand values less than R500 000.</p>