

# Annual Financial Statistics, 2017

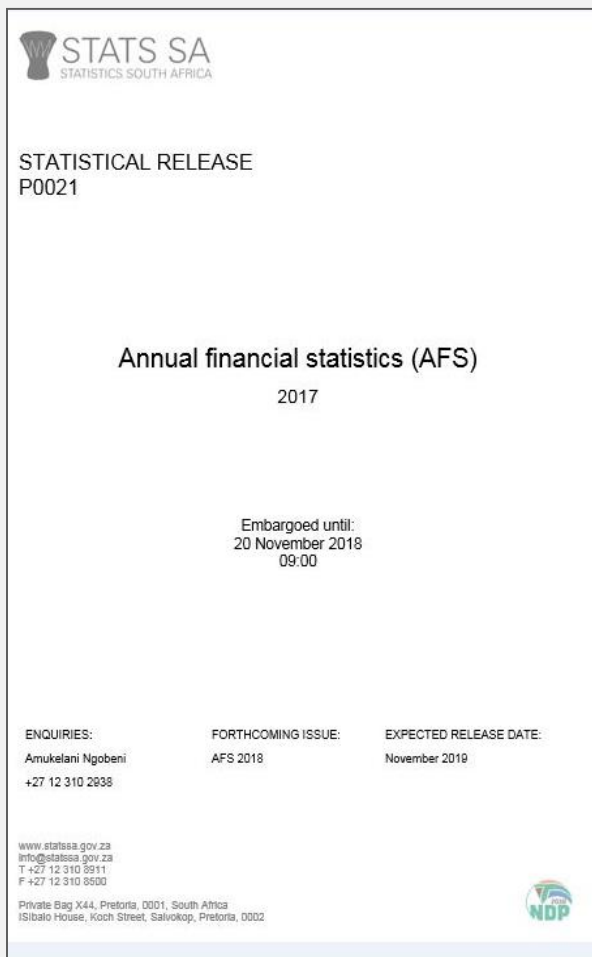
Mr Risenga Maluleke

20 November 2018



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# What is the Annual Financial Statistics (AFS) survey?



Based on information available from the financial statements of selected enterprises in the formal business sector of the SA economy.

Financial statements relate to:

- Statement of comprehensive income;
- Statement of financial position; and
- Schedule of property, plant and equipment and intangible assets.

# AFS 2017 reference period

- Enterprise financial year ending on any date between **1 July 2016** and **30 June 2017**
- Example: Financial Year - 1 August 2015 to 31 July 2016 or 1 March 2016 to 28 February 2017

## 2015

January	February	March
April	May	June
July	August	September
October	November	December

## 2016

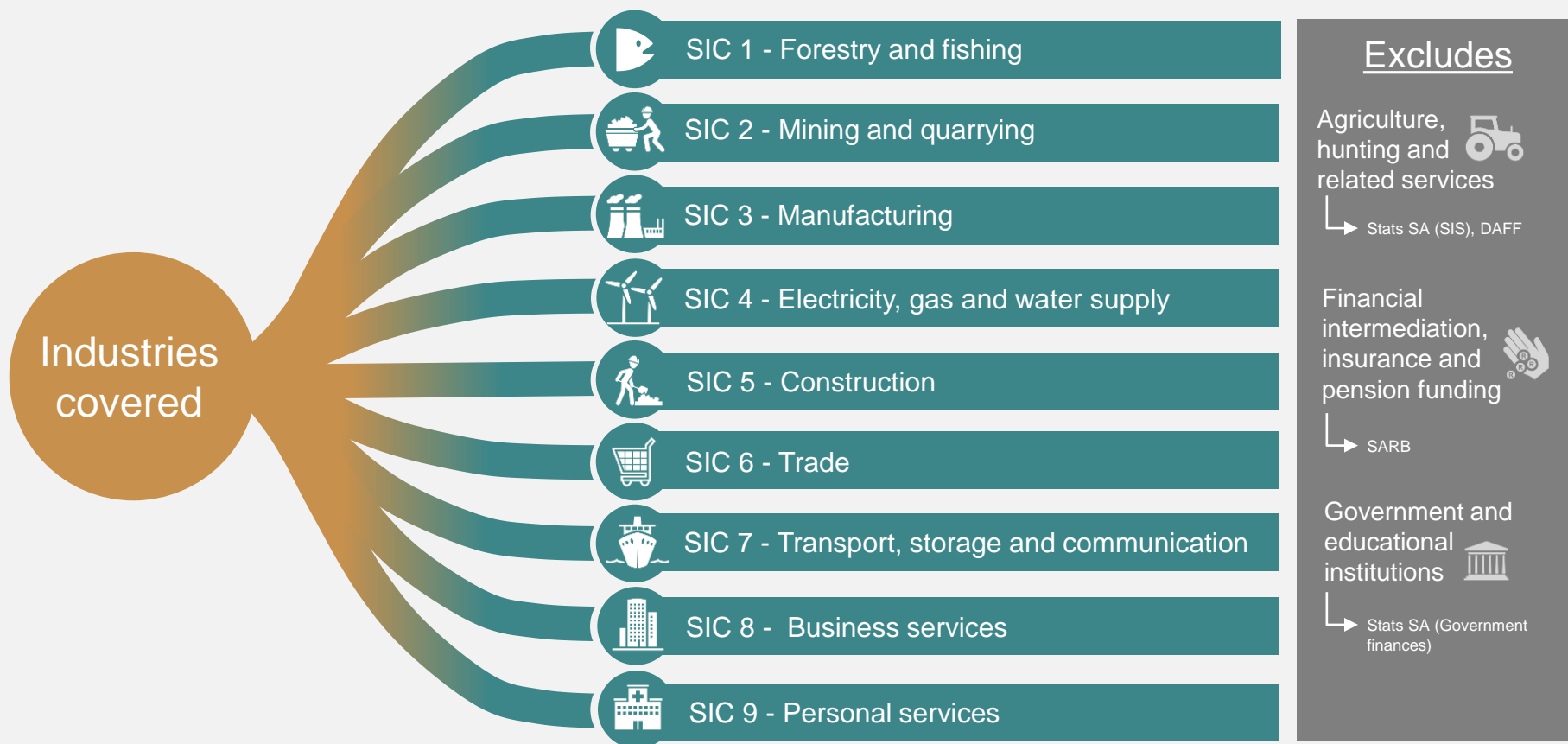
January	February	March
April	May	June
July	August	September
October	November	December

## 2017

January	February	March
April	May	June
July	August	September
October	November	December



# Industries covered – classified according to SIC



SIC: Standard Industrial Classification

# Annual Financial Statistics 2017 results

## Key indicators: 2017 compared with 2016

1

Turnover  
↑6,0%

2

Purchases  
↑4,7%

3

Employment  
costs  
↑6,2%

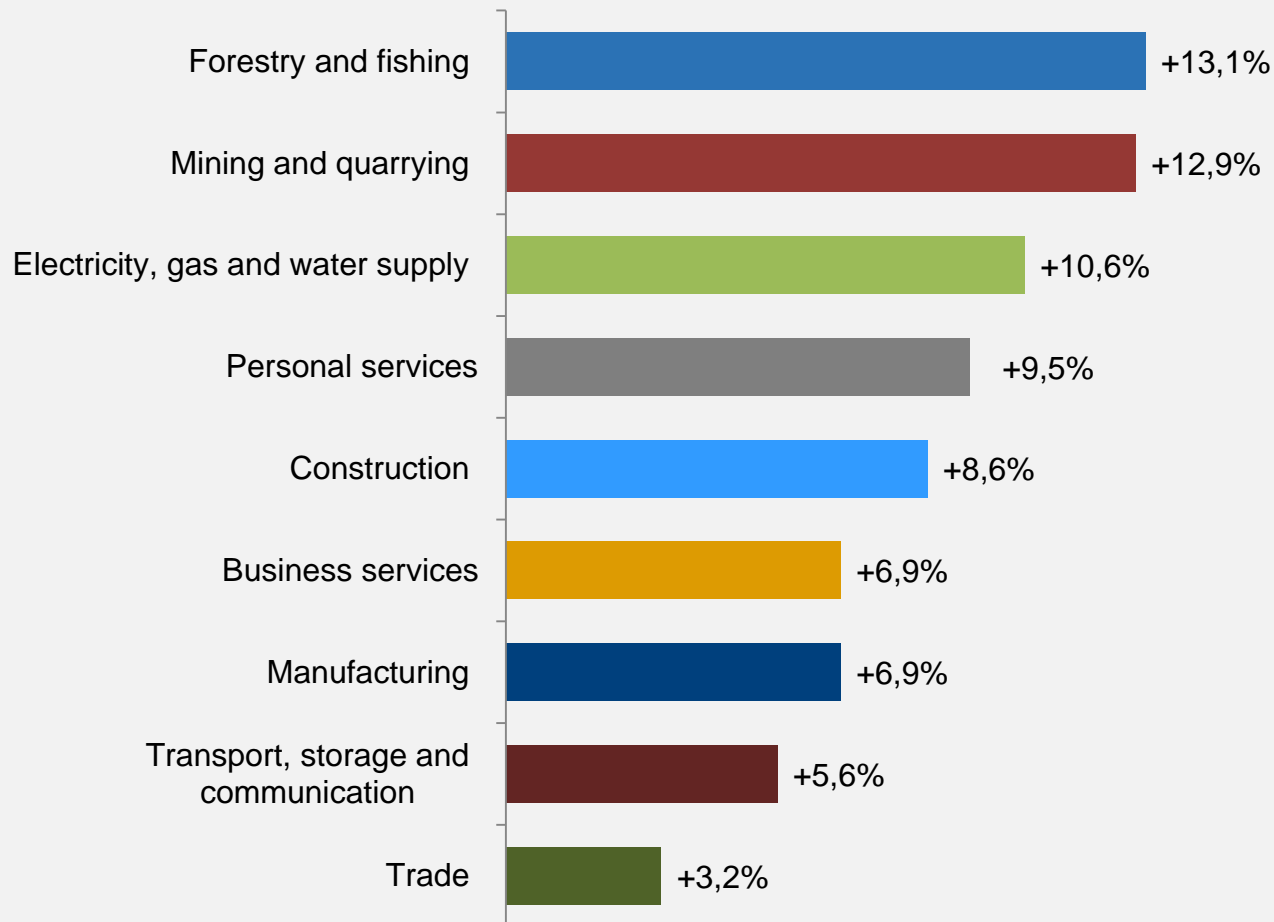
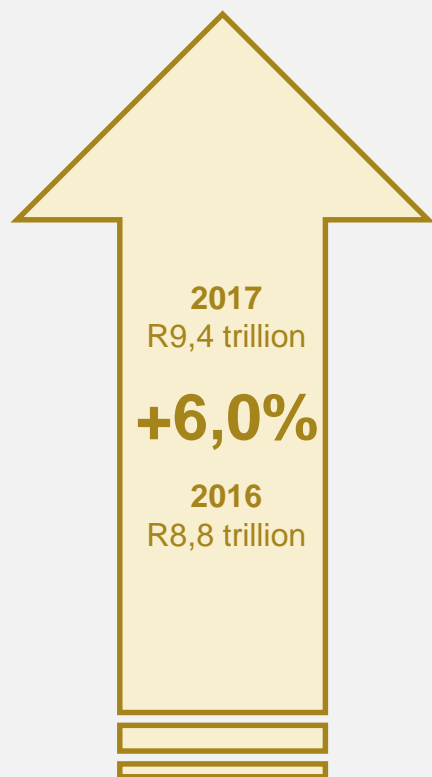
4

Capital  
expenditure  
↑2,7%

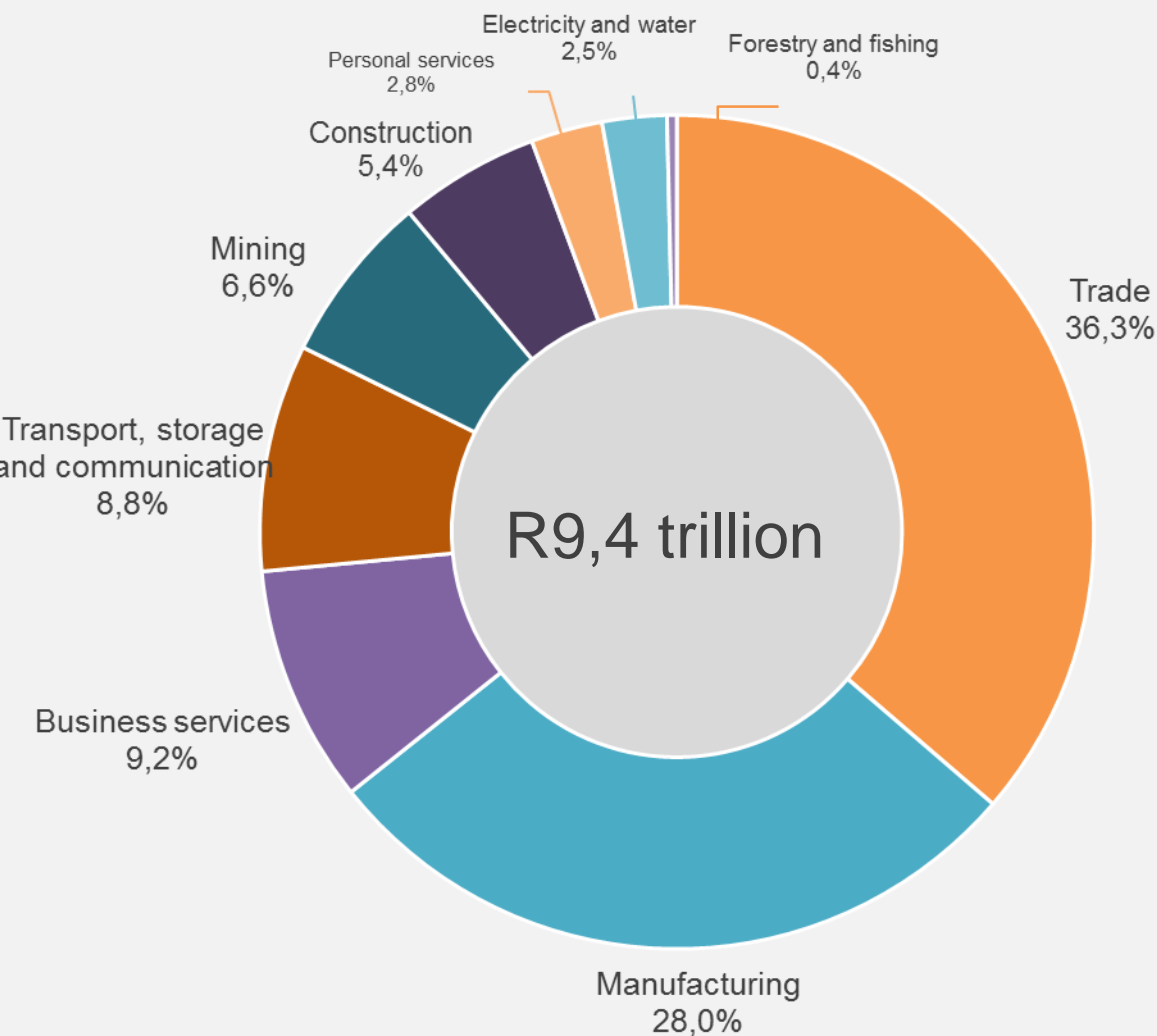
5

Closing  
carrying  
value  
↑8,2%

# Turnover percentage changes between 2016 and 2017



# Contribution to total turnover by industry, 2017



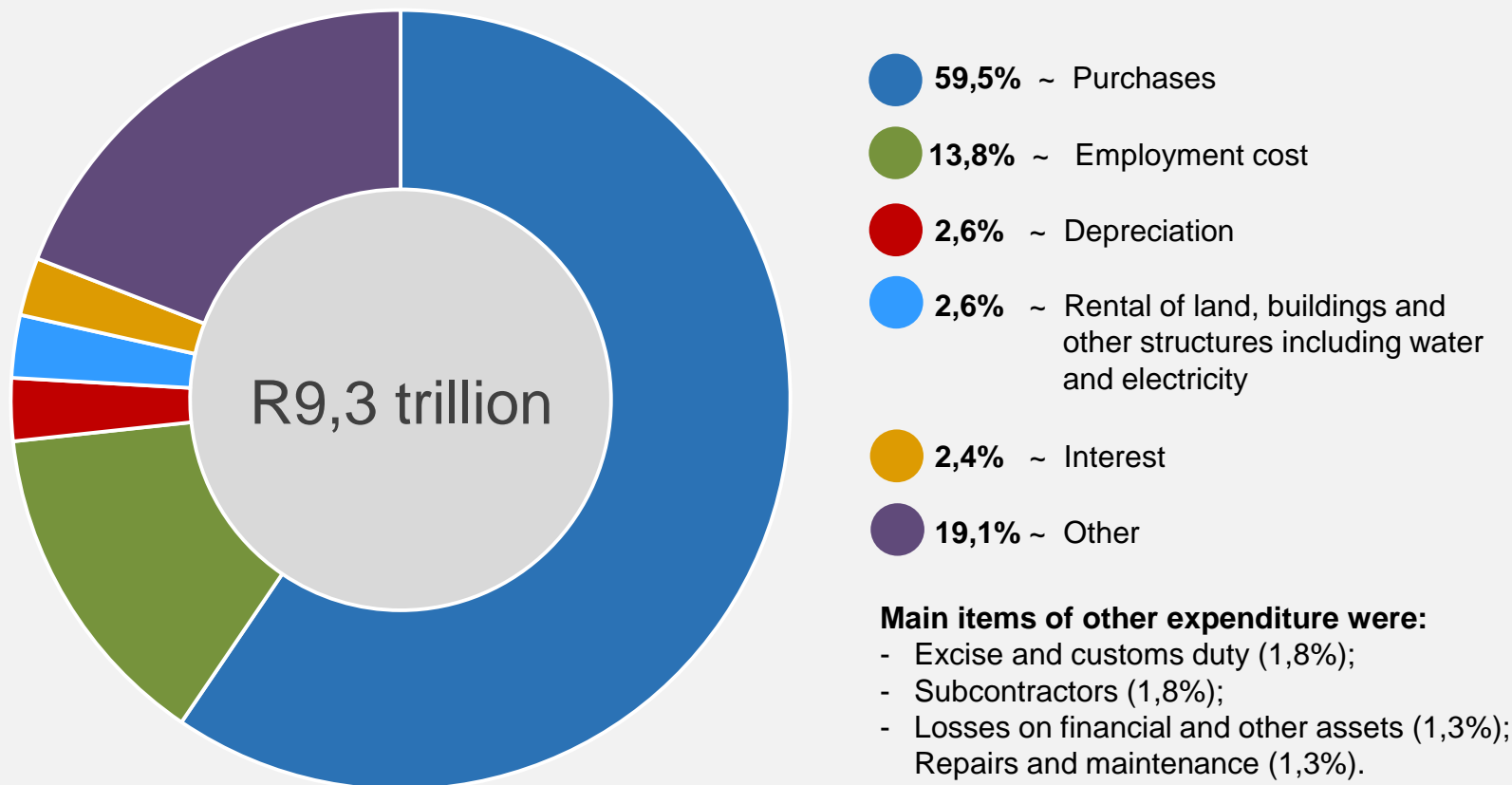
Trade and manufacturing were the largest contributors

Electricity, gas and water supply and forestry and fishing were the smallest contributors



# Operating Expenses

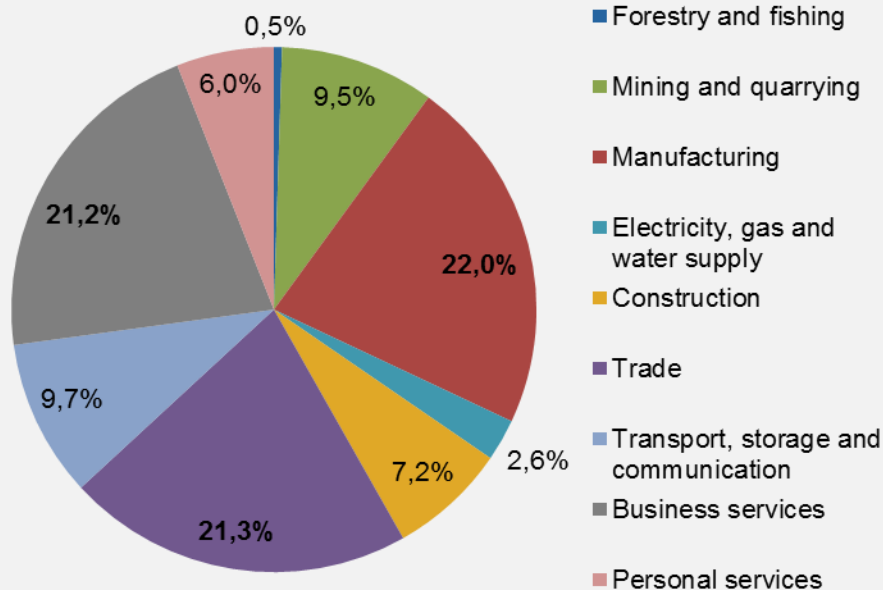
## All industries: main cost drivers



Purchases contributed 59,5% to operating expenses followed by other expenditure and employment costs

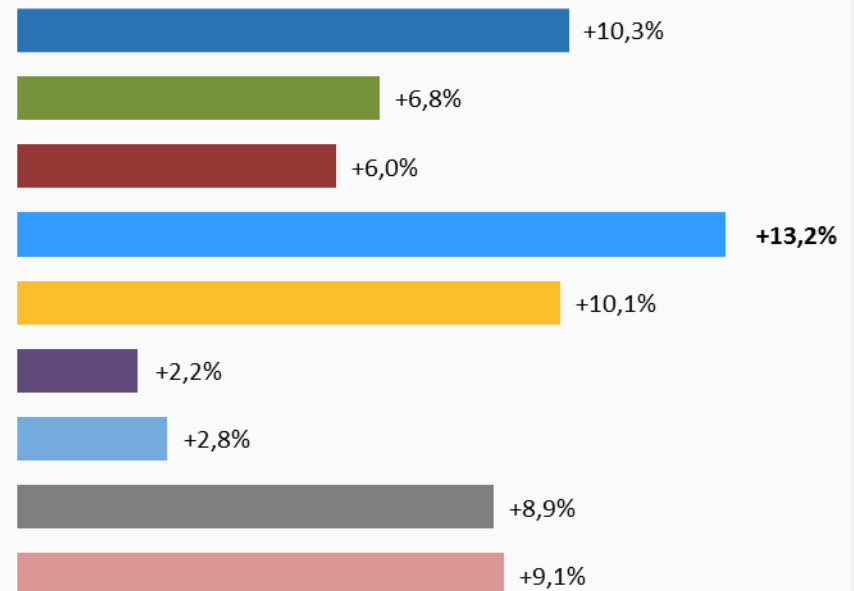
# Employment cost: industry contribution and percentage changes between 2016 and 2017

Industry contribution



Industries with the largest employment costs were **manufacturing, trade and business services** contributing a combined **64,5%** to the total employment cost of all industries

Y/Y percentage change

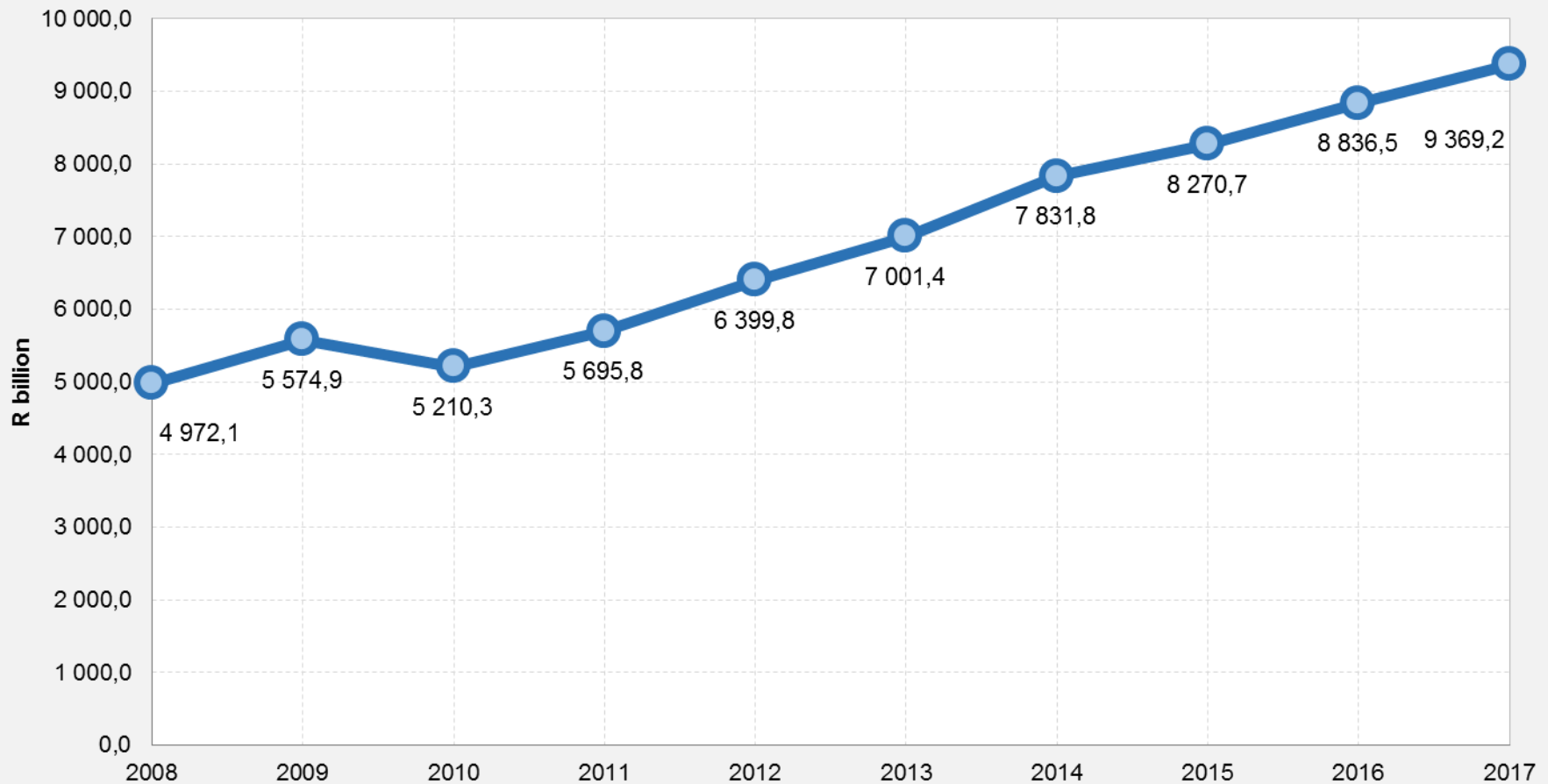


Employment cost increased in all the industries

The largest percentage changes were reported in electricity, gas and water supply **(+13,2%)**

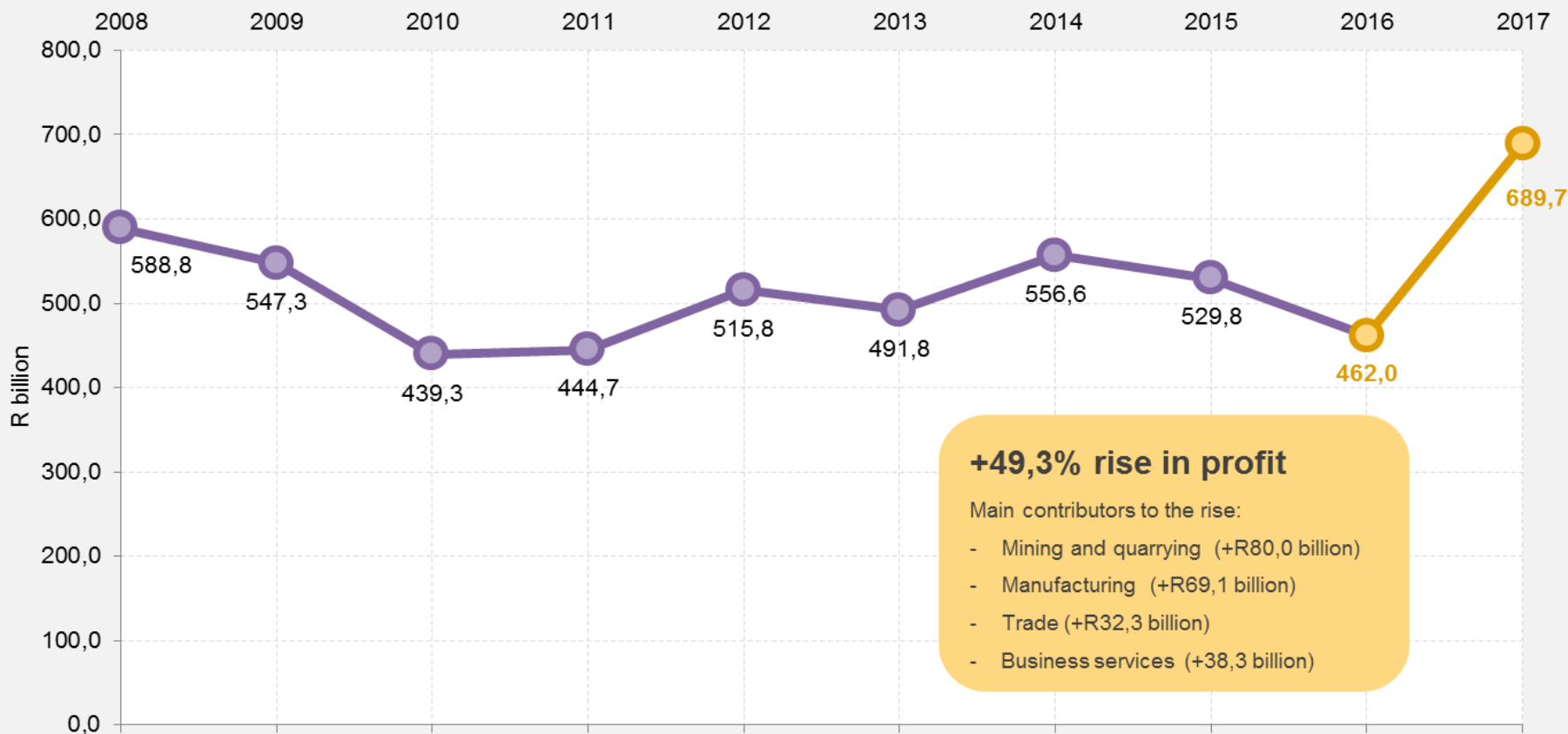
# Time series

# All industries: levels of turnover from 2008 to 2017



Turnover has grown consistently since 2010, after the global economic recession

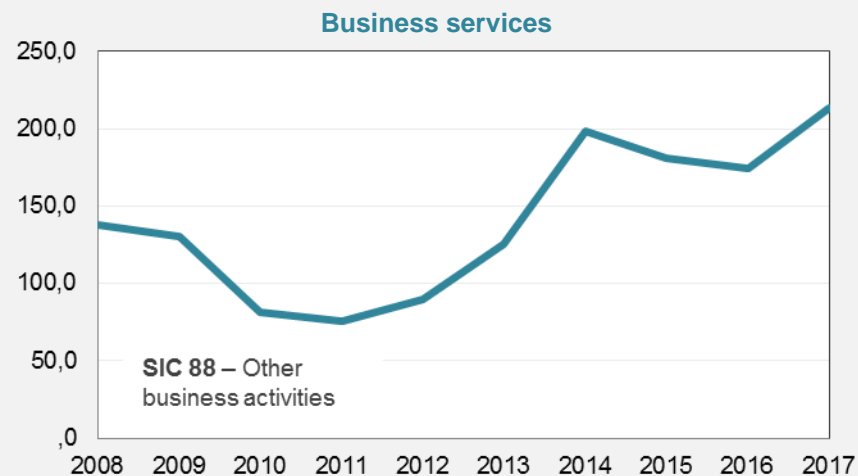
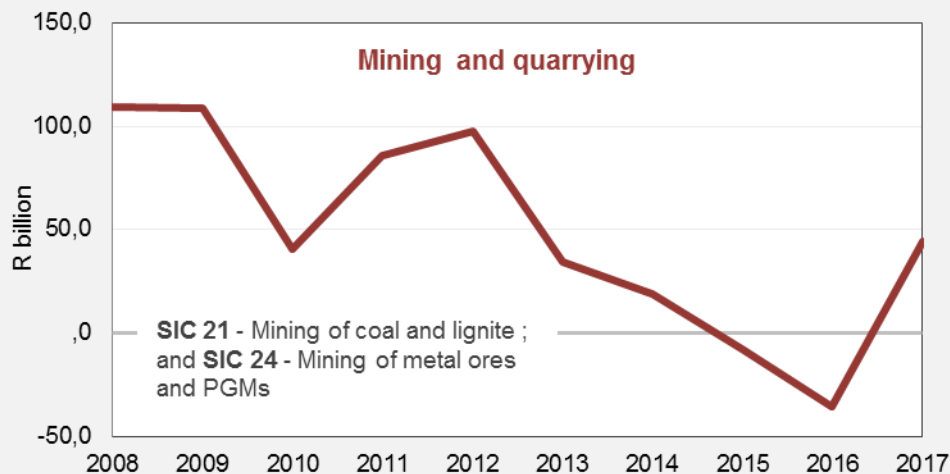
# All industries: levels of net profit before tax from 2008 to 2017



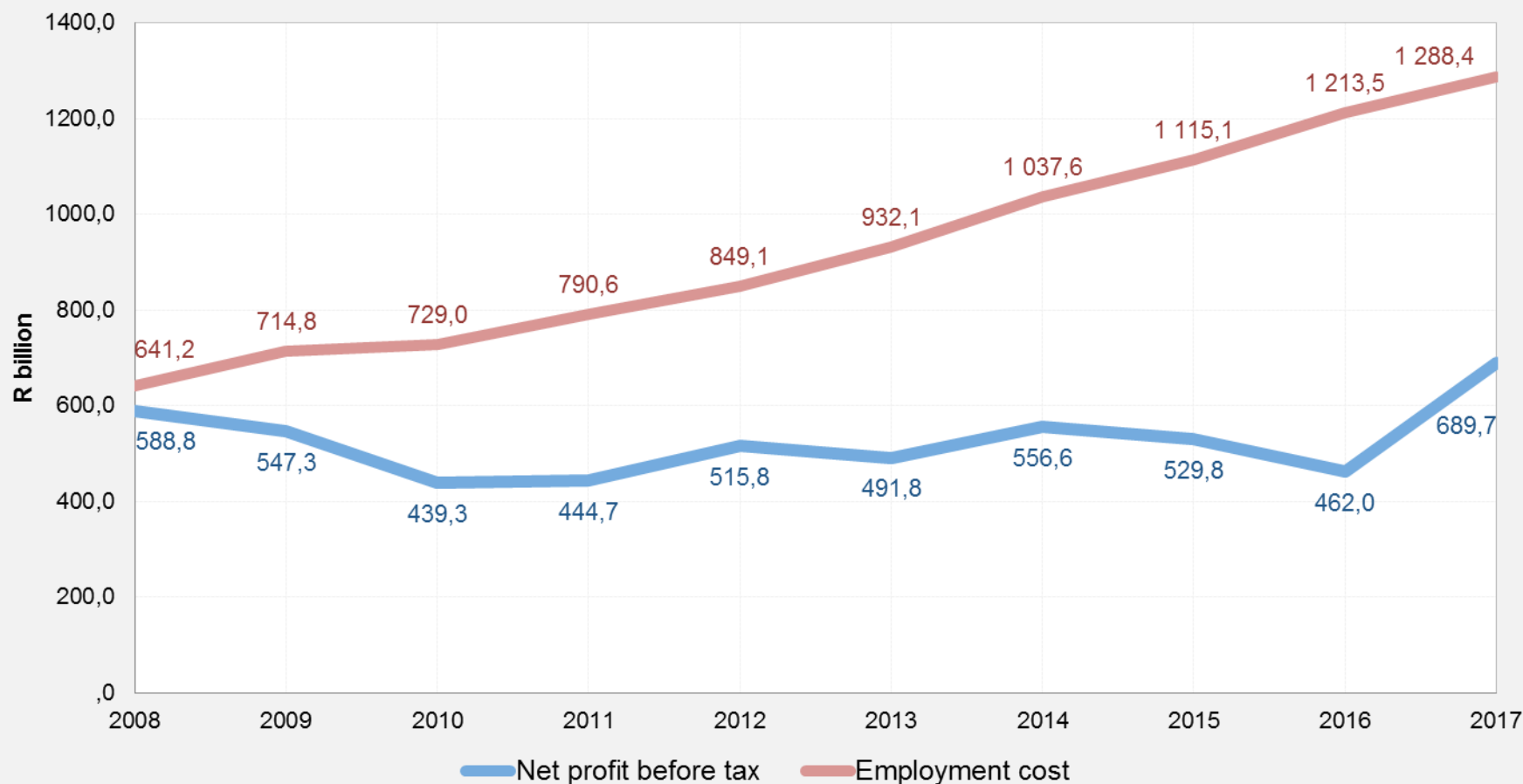
- The levels of net profit before tax reported from 2009 to 2016 have been lower compared to the levels reported in 2008
- The decreases between 2015 and 2016 were mainly due to lower profits and/or losses reported in the manufacturing and mining and quarrying industries



# industries and sub-groups contributing to the increase in net profit levels in 2017



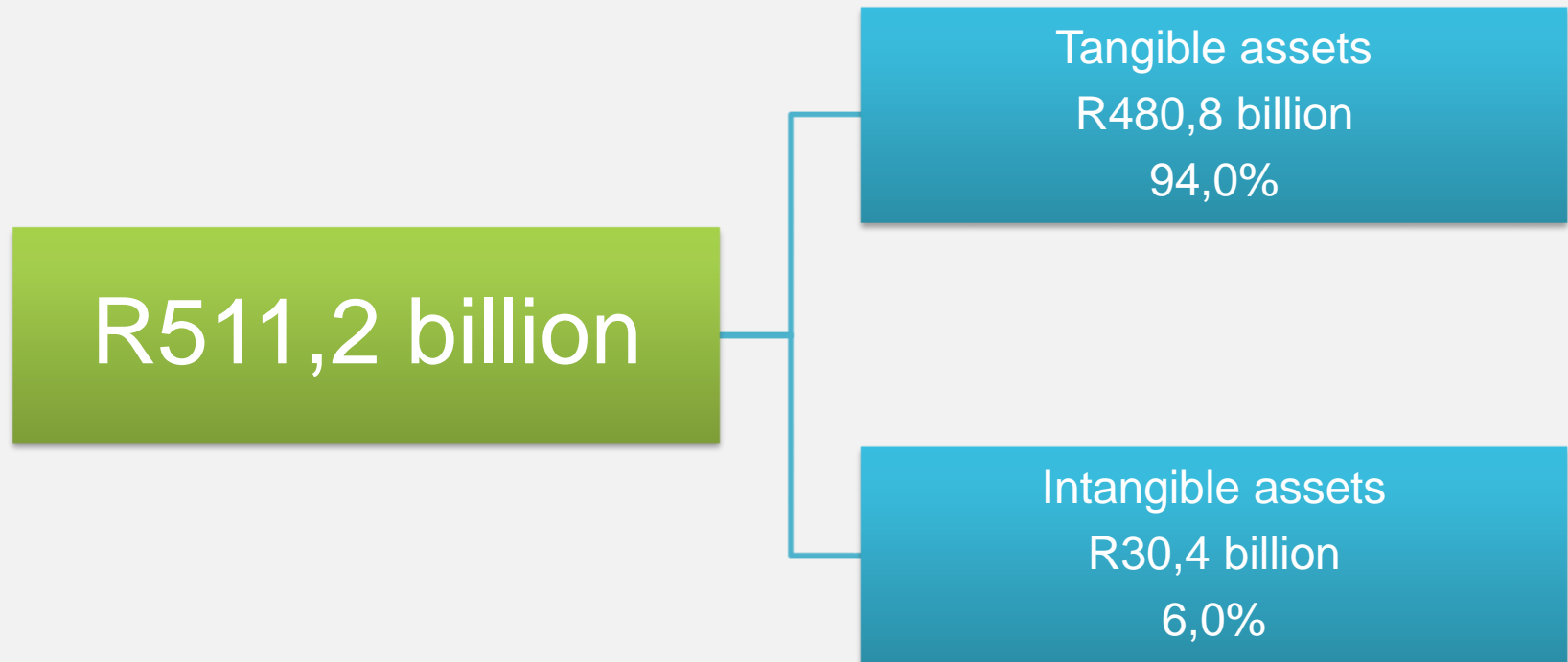
## All industries: comparison of levels of net profit before tax and employment cost from 2008 to 2017



- Levels of net profit before tax and employment costs were similar in 2008
- Differences can be seen post 2009 as costs escalated while profit levels remained consistent

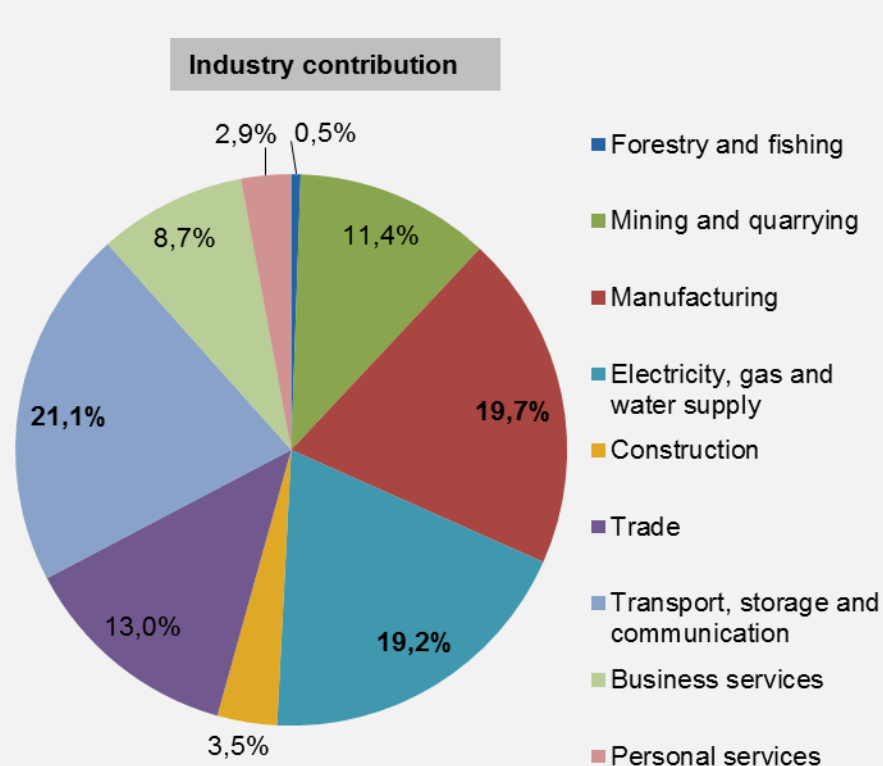
# Capital expenditure

# Contribution of tangible and intangible assets in 2017

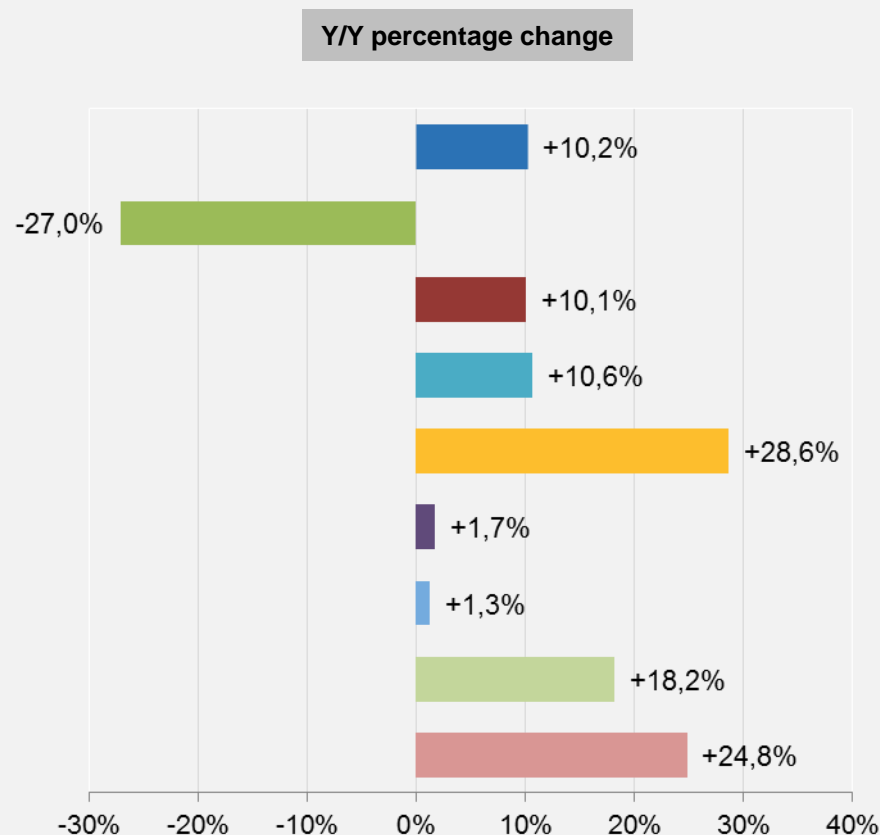


- Tangible assets contributed 94,0% to the total capital expenditure in 2017
- Capital expenditure on capital work in progress (tangible assets) and plant, machinery and equipment contributed R329,9 billion (64,5%) to total capital expenditure

# Capital expenditure by industry and changes between 2016 and 2017



Transport, storage and communication, manufacturing and electricity, gas and water supply contributed the most to capital expenditure in 2017

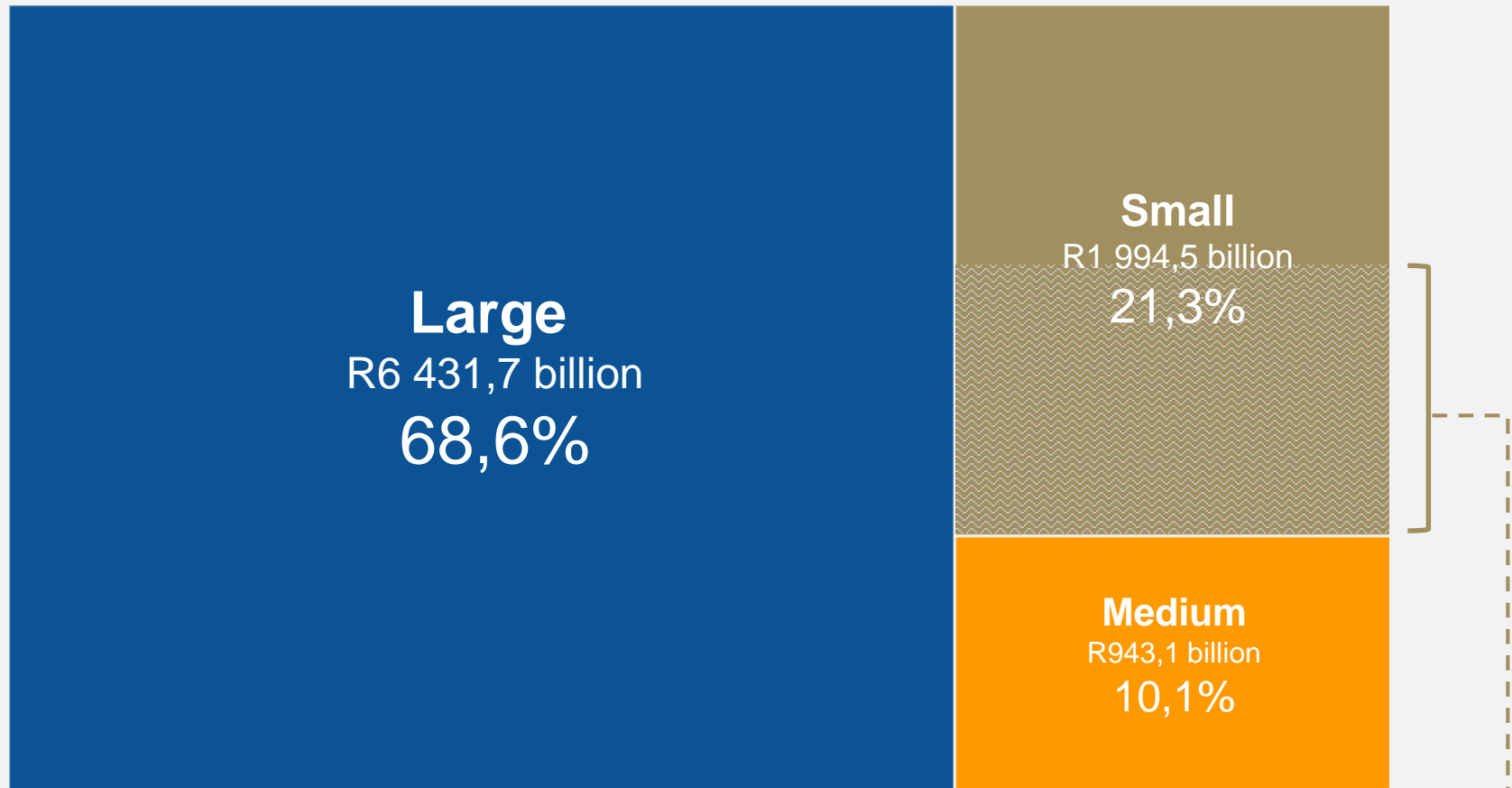


Capital expenditure increased in 8 of the 9 industries  
A decrease was reported in mining and quarrying

# Business sizes

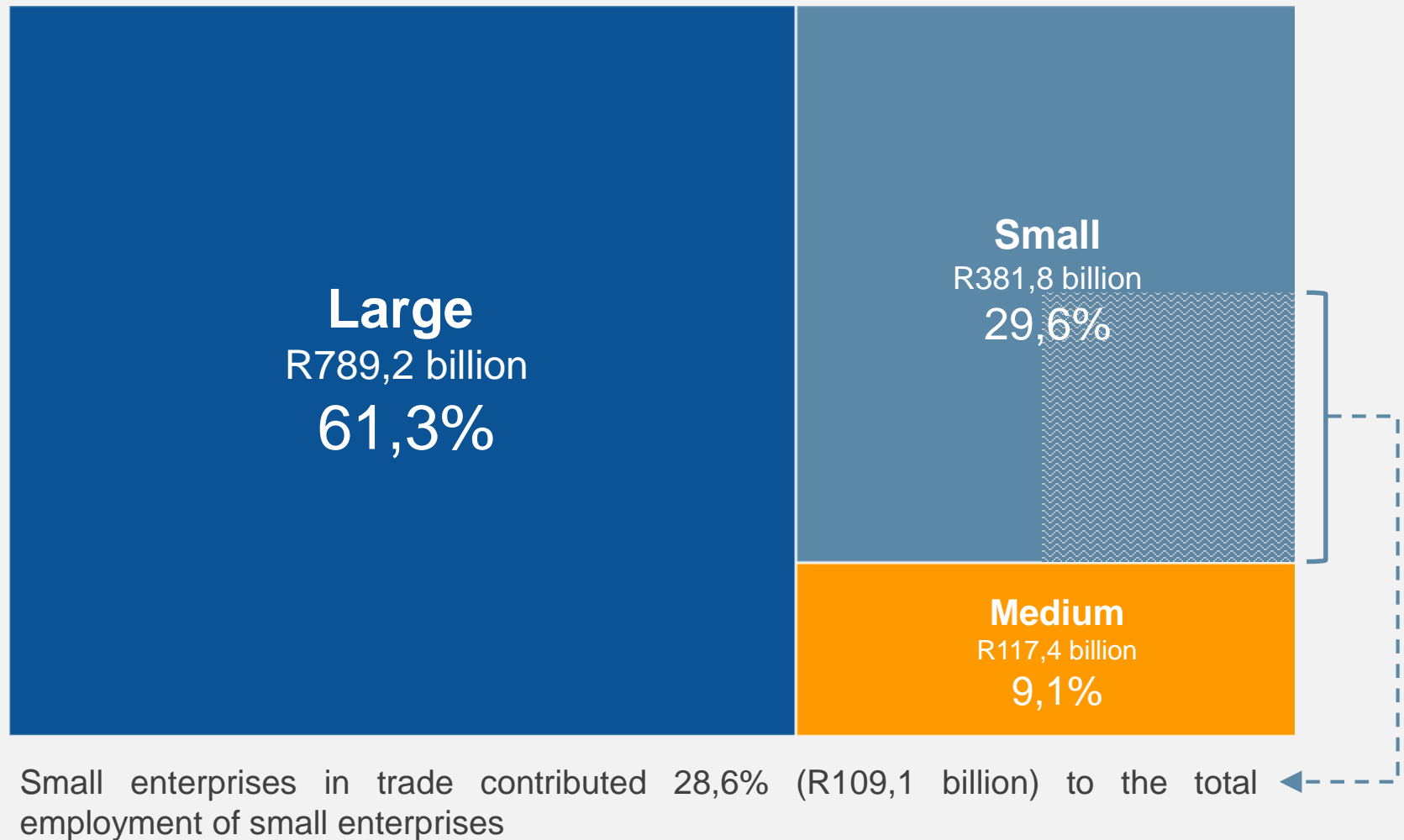


## All industries: business size contribution to turnover estimates

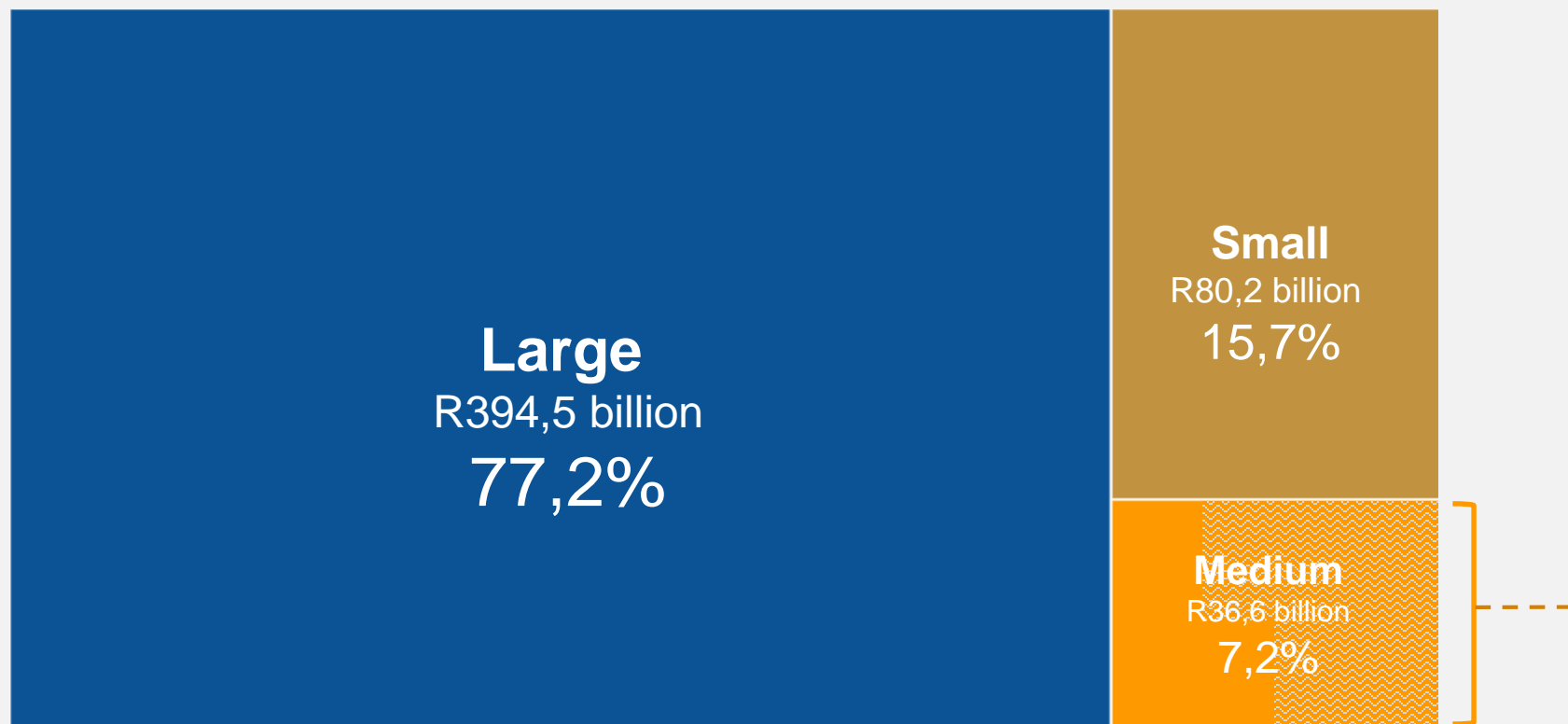


Small sized enterprises in the trade industry contributed **50,5%** (R1 007,7 billion) to the total turnover of small enterprises

## All industries: business size contribution to employment cost estimates



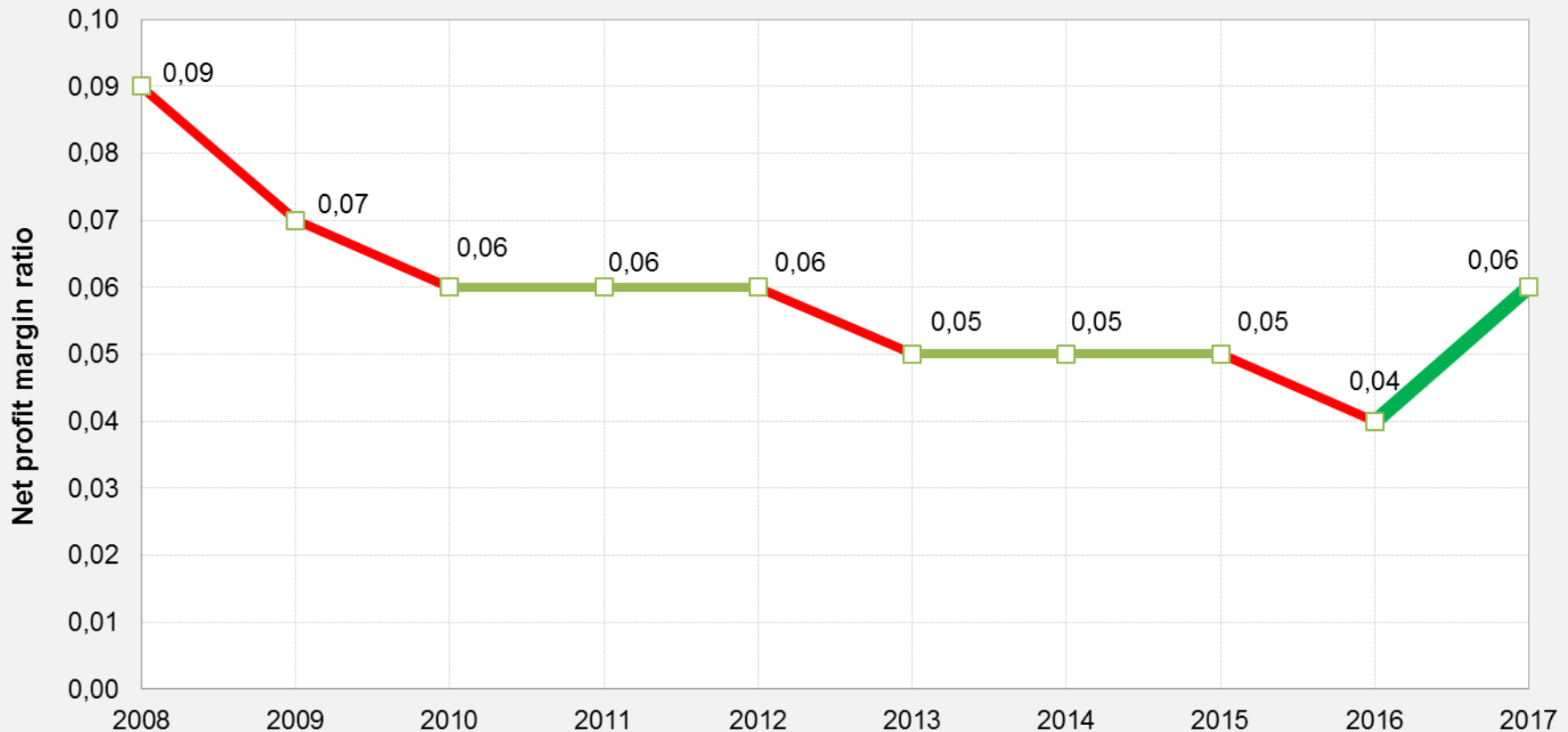
## All industries: business size contribution to capital expenditure estimates



Medium enterprises in manufacturing and transport, storage and communication contributed 61,2% (R22,4 billion) to the total capital expenditure of medium enterprises

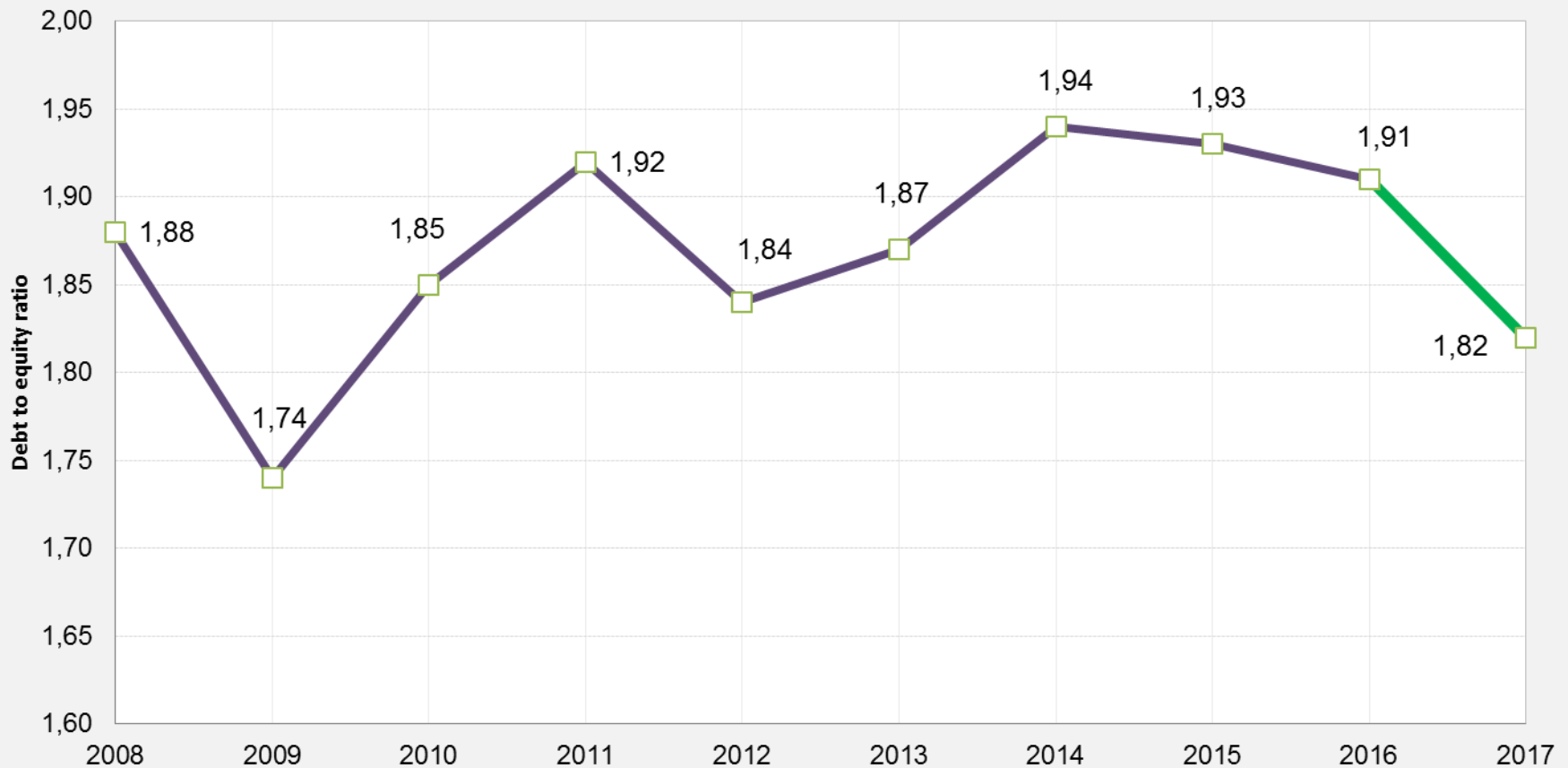
# Accounting ratios

# All industries: net profit margin ratio from 2008 to 2017



- The net profit margin ratio decreased from 0,09 in 2008 to 0,04 in 2016
- An increase in profit margins was seen in 2017, mainly reported in mining and quarrying, manufacturing, trade and business services

# All industries: debt to equity ratio from 2008 to 2017



- Business operations rely mostly on debt for funding
- Debt to equity was 1,82 in 2017 compared to 1,91 in 2016



# The South Africa I know, the home I understand

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