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STATISTICAL RELEASE

P0045

Quarterly capital expenditure (QCE)

December 2023

Embargoed until:
28 March 2024
13:30

ENQUIRIES:
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FORTHCOMING ISSUE:
March 2024

EXPECTED RELEASE DATE:
June 2024

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Key findings for the quarter ended December 2023

The total capital expenditure on new assets measured at current prices, for the quarter ended December 2023 was estimated at R97 883 million, showing an increase of 5,8% compared with the quarter ended September 2023 (R92 540 million).

Table A – Quarterly capital expenditure¹ on new assets by category and percentage change

Asset category	December 2022	September 2023 ²	December 2023 ³	Difference between December 2023 and September 2023	Difference between December 2023 and December 2022
	R million			%	
Buildings and improvements	5 788	12 342	6 813	-44,8	17,7
Construction works	3 233	5 267	7 342	39,4	127,1
Vehicles and other transport equipment	8 348	11 064	10 243	-7,4	22,7
Plant, machinery and equipment	62 420	51 754	60 088	16,1	-3,7
Computer and IT equipment	2 926	1 991	2 842	42,7	-2,9
Computer software	4 213	3 672	2 481	-32,4	-41,1
Other assets	6 159	6 450	8 074	25,2	31,1
Total	93 087	92 540	97 883	5,8	5,2

¹ Based on aggregates from a panel of selected businesses in the South African economy excluding agriculture, financial intermediation, insurance, pension funding, business services not elsewhere classified, government and educational institutions.

² Revised.

³ Preliminary.

Increases in capital expenditure on new assets between the third and fourth quarters of 2023 were recorded for computer and IT equipment (+42,7%), construction works (+39,4%), 'other' assets (+25,2%) and plant, machinery and equipment (+16,1%). Decreases were recorded for buildings and improvements (-44,8%), computer software (-32,4%) and vehicles and other transport equipment (-7,4%).

Total capital expenditure on new assets increased by 5,2% between the fourth quarter of 2022 and the fourth quarter of 2023. Increases in capital expenditure were recorded for construction works (+127,1%), 'other' assets (+31,1%), vehicles and other transport equipment (+22,7%) and buildings and improvements (+17,7%). Decreases were recorded for computer software (-41,1%), plant, machinery and equipment (-3,7%) and computer and IT equipment (-2,9%).

Table B – Capital expenditure on new assets by category and percentage contribution¹

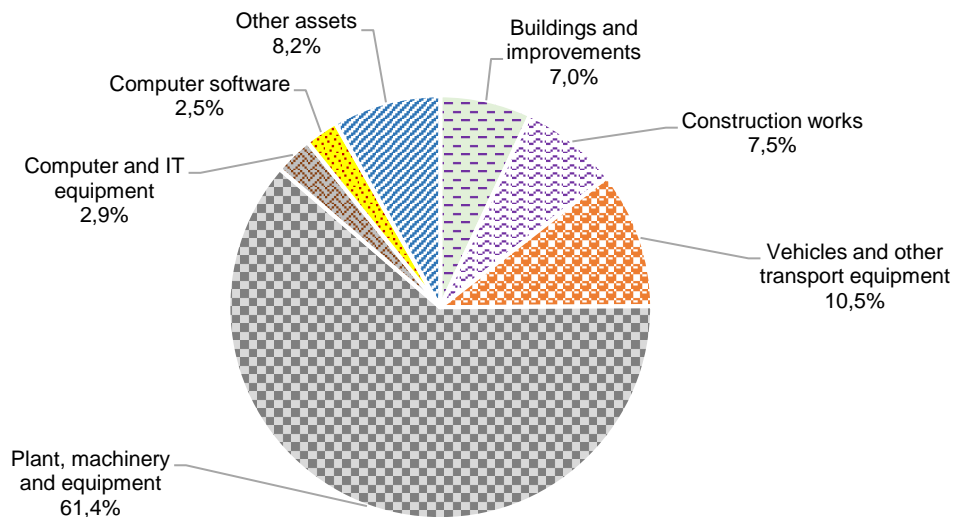
Asset category	December 2022		September 2023 ²		December 2023 ³	
	R million	% of total capital expenditure	R million	% of total capital expenditure	R million	% of total capital expenditure
Buildings and improvements	5 788	6,2	12 342	13,3	6 813	7,0
Construction works	3 233	3,5	5 267	5,7	7 342	7,5
Vehicles and other transport equipment	8 348	9,0	11 064	12,0	10 243	10,5
Plant, machinery and equipment	62 420	67,1	51 754	55,9	60 088	61,4
Computer and IT equipment	2 926	3,1	1 991	2,2	2 842	2,9
Computer software	4 213	4,5	3 672	4,0	2 481	2,5
Other assets	6 159	6,6	6 450	7,0	8 074	8,2
Total	93 087	100,0	92 540	100,0	97 883	100,0

¹ The aggregates of the asset category contributions may not add up to totals due to rounding-off.

² Revised.

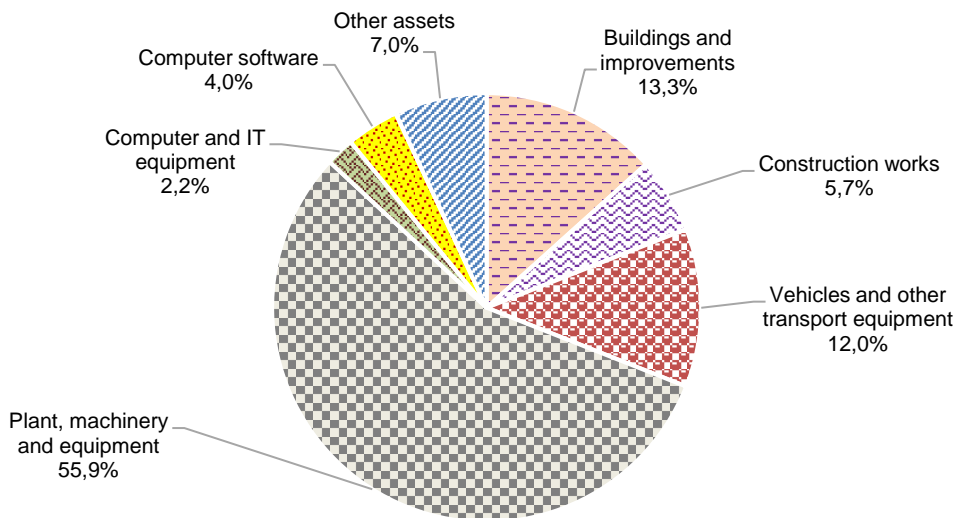
³ Preliminary.

Figure 1 – Percentage contribution per category to total capital expenditure on new assets – quarter ended December 2023



The largest contributor to total capital expenditure on new assets in the quarter ended December 2023 was plant, machinery and equipment (contributing 61,4%), followed by vehicles and other transport equipment (10,5%), ‘other’ assets (8,2%), construction works (7,5%), buildings and improvements (7,0%), computer and IT equipment (2,9%) and computer software (2,5%).

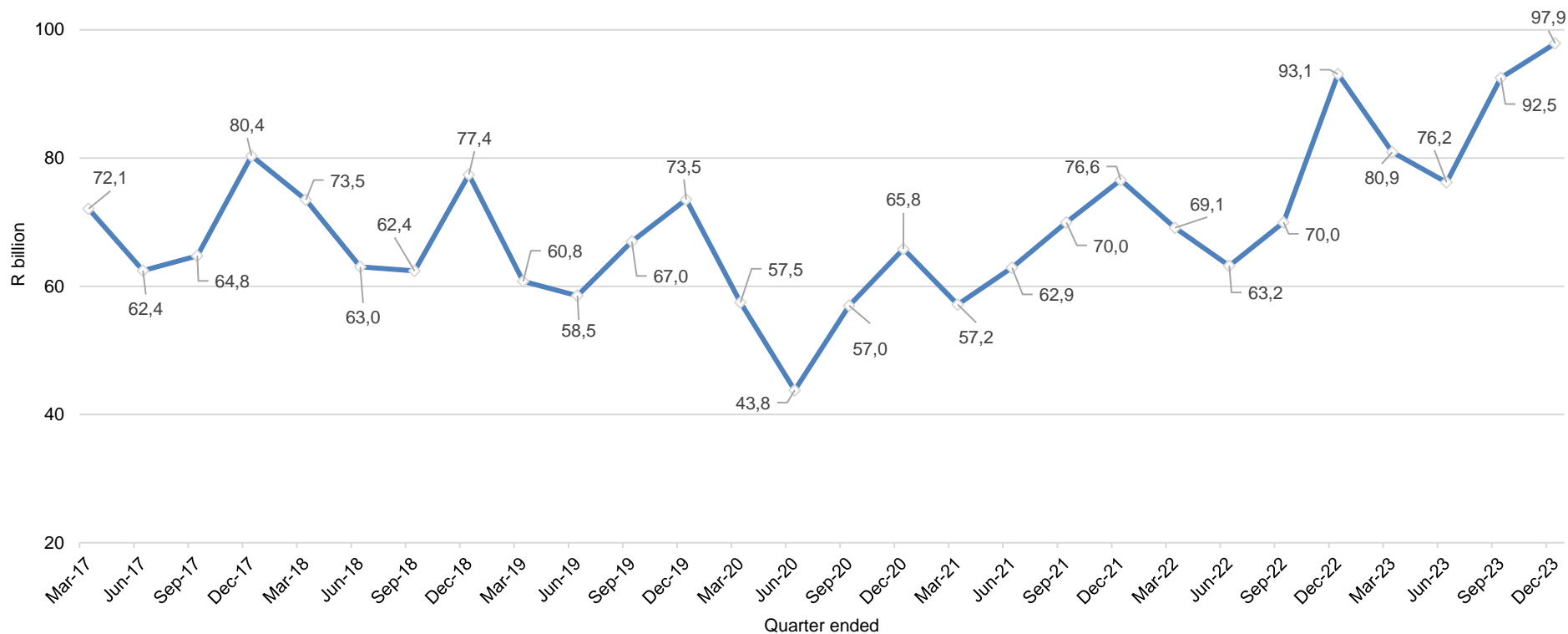
Figure 2 – Percentage contribution per category to total capital expenditure on new assets – quarter ended September 2023



The largest contributor to total capital expenditure on new assets in the quarter ended September 2023 was plant, machinery and equipment (contributing 55,9%), followed by buildings and improvements (13,3%), vehicles and other transport equipment (12,0%), ‘other’ assets (7,0%), construction works (5,7%), computer software (4,0%) and computer and IT equipment (2,2%).

Risenga Maluleke
Risenga Maluleke
Statistician-General

Figure 3 – Quarterly total capital expenditure on new assets for all industries¹



¹Based on aggregates from a panel of selected businesses in the South African economy excluding agriculture, financial intermediation, insurance, pension funding, business services not elsewhere classified, government and educational institutions.

Detailed tables

Table 1 – Quarterly total capital expenditure on new assets for selected industries: R million

Quarter	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Transport, storage and communication
	R million			
Mar-17	12 866	6 431	27 453	16 548
Jun-17	14 411	8 388	17 697	13 682
Sep-17	15 321	10 500	17 322	14 292
Dec-17	18 772	15 330	16 138	18 873
Mar-18	18 175	8 194	18 499	19 373
Jun-18	17 378	11 613	12 978	11 616
Sep-18	17 032	9 353	12 998	13 086
Dec-18	20 568	12 855	13 180	19 295
Mar-19	16 110	7 824	13 790	14 360
Jun-19	17 704	11 929	10 157	10 299
Sep-19	18 650	11 529	10 940	16 761
Dec-19	24 373	15 973	10 615	13 306
Mar-20	15 099	8 557	8 523	15 950
Jun-20	12 990	6 990	8 810	10 097
Sep-20	16 522	8 425	11 830	15 121
Dec-20	18 191	12 132	11 077	16 494
Mar-21	14 626	7 768	12 019	14 713
Jun-21	19 446	15 757	9 889	9 092
Sep-21	20 277	15 589	10 622	10 862
Dec-21	22 446	11 520	9 936	21 857
Mar-22	16 736	9 805	10 904	19 877
Jun-22	23 060	10 247	8 468	10 931
Sep-22	21 813	11 518	8 740	15 151
Dec-22	25 619	21 295	12 037	21 214
Mar-23	20 064	10 633	12 724	23 894
Jun-23	27 755	11 919	8 352	16 430
Sep-23 ¹	28 929	19 902	9 086	20 796
Dec-23 ²	33 988	15 676	9 813	23 227

¹ Revised.² Preliminary.

Table 2 – Quarterly total capital expenditure on new assets for selected industries: quarter-on-quarter percentage change

Quarter	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Transport, storage and communication
	%			
Jun-17	12,0	30,4	-35,5	-17,3
Sep-17	6,3	25,2	-2,1	4,5
Dec-17	22,5	46,0	-6,8	32,1
Mar-18	-3,2	-46,5	14,6	2,6
Jun-18	-4,4	41,7	-29,8	-40,0
Sep-18	-2,0	-19,5	0,2	12,7
Dec-18	20,8	37,4	1,4	47,4
Mar-19	-21,7	-39,1	4,6	-25,6
Jun-19	9,9	52,5	-26,3	-28,3
Sep-19	5,3	-3,4	7,7	62,7
Dec-19	30,7	38,5	-3,0	-20,6
Mar-20	-38,1	-46,4	-19,7	19,9
Jun-20	-14,0	-18,3	3,4	-36,7
Sep-20	27,2	20,5	34,3	49,8
Dec-20	10,1	44,0	-6,4	9,1
Mar-21	-19,6	-36,0	8,5	-10,8
Jun-21	33,0	102,8	-17,7	-38,2
Sep-21	4,3	-1,1	7,4	19,5
Dec-21	10,7	-26,1	-6,5	101,2
Mar-22	-25,4	-14,9	9,7	-9,1
Jun-22	37,8	4,5	-22,3	-45,0
Sep-22	-5,4	12,4	3,2	38,6
Dec-22	17,4	84,9	37,7	40,0
Mar-23	-21,7	-50,1	5,7	12,6
Jun-23	38,3	12,1	-34,4	-31,2
Sep-23	4,2	67,0	8,8	26,6
Dec-23	17,5	-21,2	8,0	11,7

Table 3 – Quarterly total capital expenditure on new assets by category: R million

Quarter	Buildings and improvements	Construction works	Vehicles and other transport equipment	Plant, machinery and equipment	Computer and IT equipment	Computer software	Other assets	Total
	R million							
Mar-17	4 401	801	5 412	55 297	1 705	2 705	1 767	72 088
Jun-17	4 697	1 245	3 094	46 619	2 943	1 393	2 458	62 449
Sep-17	4 183	858	3 082	50 072	2 884	1 723	1 958	64 760
Dec-17	7 471	962	3 714	58 513	3 095	2 936	3 670	80 361
Mar-18	2 711	1 185	4 283	54 049	1 161	2 656	7 449	73 494
Jun-18	4 906	2 034	4 337	44 467	1 114	2 027	4 144	63 029
Sep-18	4 010	2 073	4 570	43 747	3 421	1 710	2 884	62 415
Dec-18	4 125	2 751	3 325	47 289	10 995	4 165	4 777	77 427
Mar-19	3 716	1 110	3 504	42 838	3 223	1 807	4 578	60 776
Jun-19	2 735	2 282	3 676	42 274	2 844	1 830	2 904	58 545
Sep-19	3 759	2 203	2 840	46 076	5 548	1 271	5 277	66 974
Dec-19	8 399	5 329	3 034	51 822	1 592	1 267	2 086	73 529
Mar-20	5 193	2 012	2 850	42 453	2 717	1 688	560	57 473
Jun-20	2 500	1 579	2 466	33 794	1 706	1 476	261	43 782
Sep-20	3 394	2 119	1 482	44 624	2 655	1 746	968	56 988
Dec-20	4 788	2 318	3 508	50 978	2 384	1 351	503	65 830
Mar-21	2 270	2 182	5 076	44 661	1 608	1 208	155	57 160
Jun-21	4 610	2 146	4 779	48 618	864	1 326	567	62 910
Sep-21	2 990	1 743	4 028	58 278	861	1 450	613	69 963
Dec-21	4 699	2 159	4 655	59 951	1 178	2 341	1 611	76 594
Mar-22	4 067	2 239	4 883	53 841	1 020	2 090	991	69 131
Jun-22	5 117	2 731	5 168	46 062	1 115	1 381	1 640	63 214
Sep-22	4 512	2 470	4 934	51 134	1 350	2 656	2 915	69 971
Dec-22	5 788	3 233	8 348	62 420	2 926	4 213	6 159	93 087
Mar-23	6 071	3 025	10 296	51 119	2 996	2 014	5 409	80 930
Jun-23	5 592	4 637	4 456	49 952	2 173	2 156	7 253	76 219
Sep-23 ¹	12 342	5 267	11 064	51 754	1 991	3 672	6 450	92 540
Dec-23 ²	6 813	7 342	10 243	60 088	2 842	2 481	8 074	97 883

¹ Revised.² Preliminary.

Table 4 – Quarterly total capital expenditure on new assets by category: quarter-on-quarter percentage change

Quarter	Buildings and improvements	Construction works	Vehicles and other transport equipment	Plant, machinery and equipment	Computer and IT equipment	Computer software	Other assets	Total
	%							
Jun-17	6,7	55,4	-42,8	-15,7	72,6	-48,5	39,1	-13,4
Sep-17	-10,9	-31,1	-0,4	7,4	-2,0	23,7	-20,3	3,7
Dec-17	78,6	12,1	20,5	16,9	7,3	70,4	87,4	24,1
Mar-18	-63,7	23,2	15,3	-7,6	-62,5	-9,5	103,0	-8,5
Jun-18	81,0	71,6	1,3	-17,7	-4,0	-23,7	-44,4	-14,2
Sep-18	-18,3	1,9	5,4	-1,6	207,1	-15,6	-30,4	-1,0
Dec-18	2,9	32,7	-27,2	8,1	221,4	143,6	65,6	24,1
Mar-19	-9,9	-59,7	5,4	-9,4	-70,7	-56,6	-4,2	-21,5
Jun-19	-26,4	105,6	4,9	-1,3	-11,8	1,3	-36,6	-3,7
Sep-19	37,4	-3,5	-22,7	9,0	95,1	-30,5	81,7	14,4
Dec-19	123,4	141,9	6,8	12,5	-71,3	-0,3	-60,5	9,8
Mar-20	-38,2	-62,2	-6,1	-18,1	70,7	33,2	-73,2	-21,8
Jun-20	-51,9	-21,5	-13,5	-20,4	-37,2	-12,6	-53,4	-23,8
Sep-20	35,8	34,2	-39,9	32,0	55,6	18,3	270,9	30,2
Dec-20	41,1	9,4	136,7	14,2	-10,2	-22,6	-48,0	15,5
Mar-21	-52,6	-5,9	44,7	-12,4	-32,6	-10,6	-69,2	-13,2
Jun-21	103,1	-1,6	-5,9	8,9	-46,3	9,8	265,8	10,1
Sep-21	-35,1	-18,8	-15,7	19,9	-0,3	9,4	8,1	11,2
Dec-21	57,2	23,9	15,6	2,9	36,8	61,4	162,8	9,5
Mar-22	-13,4	3,7	4,9	-10,2	-13,4	-10,7	-38,5	-9,7
Jun-22	25,8	22,0	5,8	-14,4	9,3	-33,9	65,5	-8,6
Sep-22	-11,8	-9,6	-4,5	11,0	21,1	92,3	77,7	10,7
Dec-22	28,3	30,9	69,2	22,1	116,7	58,6	111,3	33,0
Mar-23	4,9	-6,4	23,3	-18,1	2,4	-52,2	-12,2	-13,1
Jun-23	-7,9	53,3	-56,7	-2,3	-27,5	7,1	34,1	-5,8
Sep-23	120,7	13,6	148,3	3,6	-8,4	70,3	-11,1	21,4
Dec-23	-44,8	39,4	-7,4	16,1	42,7	-32,4	25,2	5,8

Explanatory notes

Background

This statistical release consists of aggregates of actual quarterly capital expenditure by selected enterprises operating in the formal business sector of the South African economy excluding agriculture, financial intermediation, insurance, government and educational institutions. The aggregates are generated from data collected through the *Quarterly capital expenditure* (QCE) survey conducted by Statistics South Africa (Stats SA).

The statistical release contains information regarding quarterly capital expenditure trends for the following asset categories:

- buildings and improvements;
- construction works;
- vehicles and other transport equipment;
- plant, machinery and equipment;
- computer and IT equipment;
- computer software; and
- other assets.

Purpose of the survey

The purpose of the QCE survey is to collect data on new capital expenditure by asset type that is used in compiling gross fixed capital formation, which is a component of expenditure on gross domestic product (GDP). The survey is designed to improve the timeliness of capital information provided by respondents and quality gaps by focusing on a panel of large businesses, including providing data on expanded asset categories.

Scope of the survey

The QCE survey covers the capital expenditure of the large businesses operating in the following industries according to the *Standard Industrial Classification of All Economic Activities* (SIC), Fifth edition, January 1993:

- mining and quarrying;
- manufacturing;
- electricity, gas and water supply;
- construction;
- trade;
- transport, storage and communication;
- activities auxiliary to financial intermediation, real estate and other business services (excluding financial intermediation, insurance, pension funding and business services not elsewhere classified); and
- community, social and personal services (excluding government and educational institutions).

The values reported in this statistical release are net of capitalised interest.

Classification

The 1993 edition of the *Standard Industrial Classification of All Economic Activities* (SIC), Fifth edition, January 1993, was used to classify the enterprises in the survey. The SIC is based on the 1990 *International Standard Industrial Classification of All Economic Activities* (ISIC) with suitable adaptations for local conditions. Statistics in this publication are only presented at an industry level, i.e. one-digit level (SIC major division). Each enterprise is classified to an industry which reflects the predominant activity of the enterprise.

Statistical unit

The statistical unit for the collection of information in this survey is the enterprise, defined as a legal unit or combination of legal units that includes and directly controls all functions necessary to carry out its activities.

Survey methodology and design

The panel is selected from the data reported in the *Annual financial statistics* (AFS) survey (statistical release P0021). The design of the QCE survey is based on a panel of predominantly large enterprises with respect to reported total capital expenditure. The panel was chosen based on the largest contributors to capital expenditure up to a cumulative 85% of total capital expenditure in the AFS. The rationale for using the AFS mainly relates to the large sample of the AFS, and the expectation that the panel-based aggregates will be benchmarked to AFS levels. A new panel was selected in 2023 and implemented in the December 2023 statistical release.

The release presents aggregates for selected industries that have a material contribution to the total capital expenditure on new property, plant and equipment (PPE) and intangible assets.

Distribution of panel members across different industries:

Industry	Number of enterprises in the panel
Mining and quarrying	70
Manufacturing	96
Electricity, gas and water supply	8
Construction	9
Trade	50
Transport, storage and communication	44
Activities auxiliary to financial intermediation, real estate and other business services	44
Community, social and personal services, excluding government and educational institutions	10
Total panel	331

Capital expenditure

Capital expenditure comprises the total cost of an item of property, plant and equipment (PPE) and intangible assets.

According to IAS 16, the cost of PPE includes all costs necessary to bring the asset to working condition for its intended use. Items included in the cost of PPE are:

- acquiring fixed and, in some cases, intangible assets;
- repairing an existing asset so as to improve its useful life;
- upgrading an existing asset if it results in a superior fixture;
- preparing an asset to be used in business;
- restoring property or adapting it to a new or different use; and
- starting or acquiring a new business.

Data comparison: Quarterly financial statistics (QFS) survey and Quarterly capital expenditure (QCE) survey

The QFS survey results comprise weighted estimates generated from a sample survey, and the QCE survey results comprise aggregates of capital expenditure reported by a selected panel of large enterprises. Refer to the explanatory note on survey methodology and design.

Aggregates

The results from the capital expenditure survey represent aggregates from a panel of large private businesses.

Rounding-off of figures

Where figures have been rounded off, discrepancies may occur between the sums of the component items and totals.

Revisions

Data for the current and previous quarters are subject to revisions due to submissions received after the publication date.

Collection rate

The preliminary collection rate for the quarter ended December 2023 was 87,0%. The revised collection rate for the quarter ended September 2023 was 91,9%.

Imputations

Data that are not received at the time of publishing the results are imputed using the expected values reported by enterprises in the previous quarter's submission and historical data method. Mean imputations are used where there are no historical enterprise data available.

Glossary**Buildings and improvements**

This asset category consists of residential buildings, non-residential buildings and improvements conducted on buildings.

Capital expenditure

Any expenditure incurred or incidental to the acquisition or improvement of land, buildings, engineering structures and machinery and equipment and intangible assets.

Computer and IT equipment

A physical electronics device that is capable of instructing the computer to execute various electronic functions. This asset category includes, but is not limited to, the following asset categories:

- computers;
- IT equipment;
- peripherals;
- built-in process computers;
- support equipment; and
- data processing equipment.

Computer software

This asset category includes, but is not limited to, the following categories:

- licence fees paid for standardised software; and
- software developed for a specific function and unique to the process/organisation.

Enterprise

Legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.

Machinery, plant and equipment

This asset category includes, but is not limited to, the following asset categories:

- plant;
- machinery;
- equipment;
- production assets;
- furniture and fittings;
- furnaces;
- kilns;
- earthmoving equipment;
- containers;
- printers;
- fax machines;
- copiers;
- underground mining equipment; and
- reconditionable spares.

Property, plant and equipment

These are tangible assets that an enterprise holds for its own use and expects to use during more than one financial year.

Other assets

Other assets include, but are not limited to, the following asset categories:

- research and development;
- mineral exploration and evaluation;
- patents and trademarks;
- goodwill and marketing assets;
- entertainment, artistic and literary originals;
- contracts, leases and licences;
- capital work in progress;
- concession assets;
- refractory relines;
- right of use assets not elsewhere classified; and
- shutdown costs capitalised.

Vehicles and other transport equipment

This asset category includes, but is not limited to, the following asset categories:

- vehicles;
- trucks;
- aircraft;
- boats;
- trailers; and
- locomotives and other transport equipment.

Symbols and abbreviations

AFS	Annual financial statistics
IAS	International accounting standard
ISIC	International Standard Industrial Classification
R	Rand
SIC	Standard Industrial Classification of All Economic Activities
Stats SA	Statistics South Africa
QCE	Quarterly capital expenditure
QFS	Quarterly financial statistics

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