# Business Statistics and Well-being and Sustainability
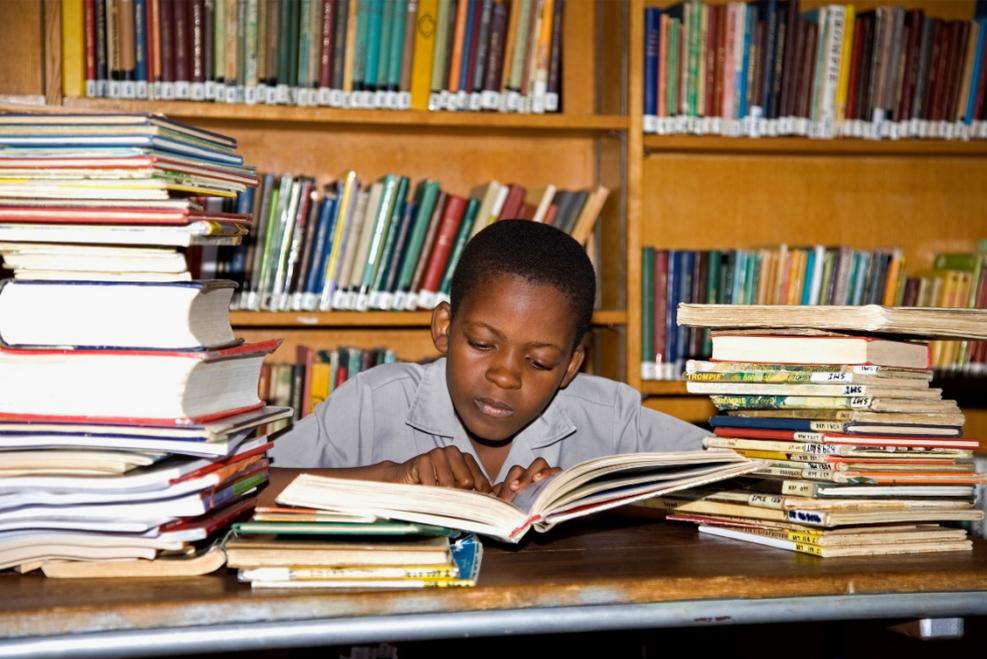
Dr Sagaren Pillay
Statistics South Africa

STATS SA
STATISTICS SOUTH AFRICA

NDP 2030

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND

# Business

Well-being is important to business in a number of different ways:

❖  well-being at work;

❖  the importance of work and workplace in people's lives;

❖  social and community responsibility;

❖  businesses to identify ways of improving well-being and      put in place strategies

## *There is a need to engage with businesses*

# Statistical Business Register Challenges / Improvement Areas

Improving / Expanding Classification of Businesses

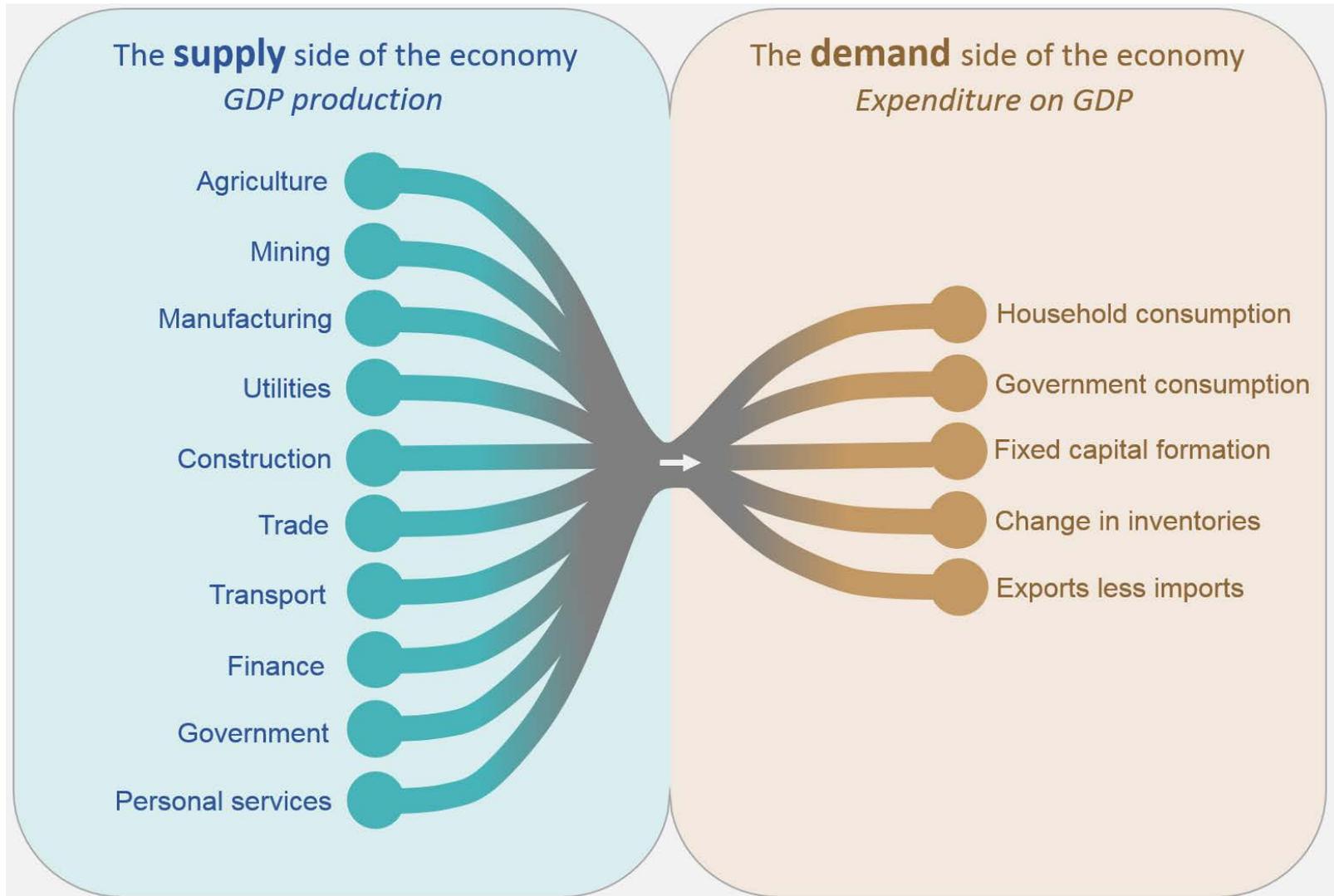Focusing on Geographical Location (Enterprise demographics)

Business data and Records (Structure)

Employment as a measure of size

# An integrated economic story

# GDP and Economic well being

*National Accounts* provide a rich source of information on a country's economic performance

Also contain information on *household income and consumption*, which may provide better measures of citizens' material living standards

*GDP does not capture everything* that determines society's wellbeing

Does not capture the *economic well-being* provided by the goods and services households produce for themselves

When a man washes his car, it is not recorded in GDP, but if the man pays someone else to do it, it would be recorded in GDP

The *environment and the skills* of its workers are also important determinants of economic well-being

# Economic well being: some measures

❖ National accounts: GDP (production/exp/income)

❖ environmental accounts showing data on the environmental impact of economic activity

❖ South Africa is one of 5 pilot countries looking at National Capital Accounting and valuation of eco-system services

❖ Living Conditions Survey (LCS)

❖ Quarterly Labour Force Survey (QLFS)-decent work

# Employment and Decent Work
## Formal sector employment statistics

*Stats SA collects information about formal sector employment from:*

*Quarterly Employment Statistics (QES)*
*and the*
*Quarterly Labour Force Survey (QLFS)*

Labour
statistics

STATS SA
STATISTICS SOUTH AFRICA

NDP
2030

THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND

# DIFFERENCES BETWEEN QES AND QLFS

QES collects information from **businesses**
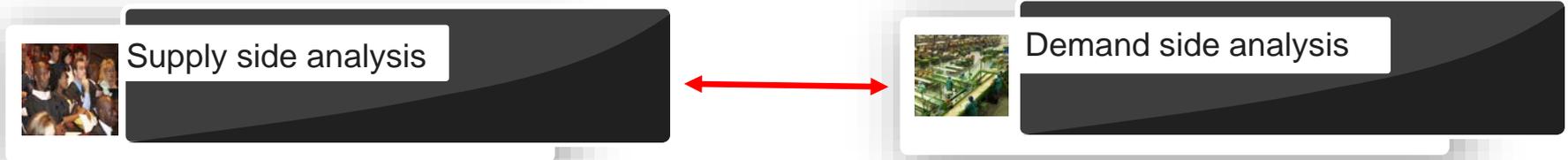


QLFS collects information from **households**



❖ The two surveys yield *different employment estimates* because of coverage, sample size, reference periods, concepts and definitions.

❖ Alignment of both surveys is a major challenge

# The role of education in improving labour market outcomes

# The QLFS decent work indicators

❖ Unemployment rate by level of education

❖ Adequate earnings and productive work - Low pay rate (below 2/3 of median monthly earning)

❖ Proportion of employees who are entitled to paid sick leave

❖ Proportion of employees who are entitled to marternity/parternity leave

❖ Decent hours

❖ Rights at work and social dialogue

❖ Proportion of employees whose employer contribute to a pension/retirement fund for them

❖ Proportion of employees who are entitled to medical aid benefit from the employer by sex

❖ Proportions of employees by how annual salary increment is negotiated

# Economic Surveys



Private Sector Financial Statistics

Quarterly Financial Statistics Survey (QFS)

Annual Financial Statistics Survey (AFS)
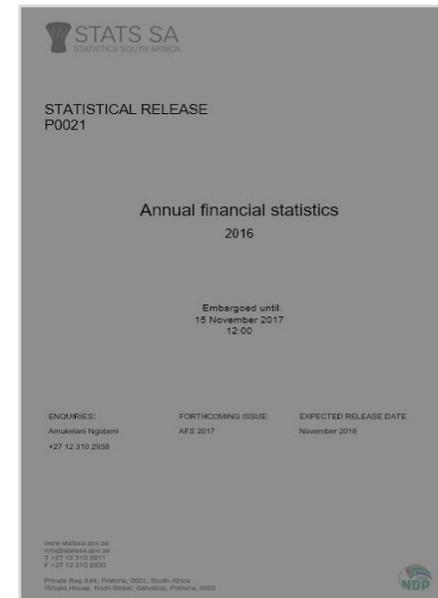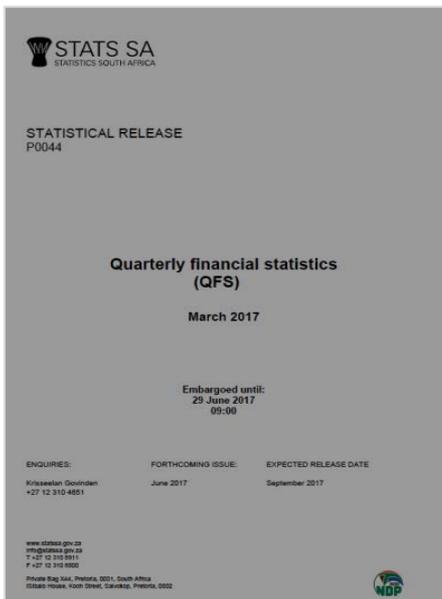
# Business Resources

Tangible Assets (Property, plant and Equipment)

Intangible Assets (Research & Development, Software, Patents & Trademarks)

Water and electricity

Capital Work in Progress

Other variables : Employment costs, intellectual capital, Depreciation, amortization and impairment

# Return on assets ratio from 2008 to 2016

**Return on assets** (ROA) is a financial ratio that shows the percentage of profit a company earns in relation to its overall resources.

South African businesses have seen a decline in the return on assets ratio from 2008 to 2016 due to decreasing profits.
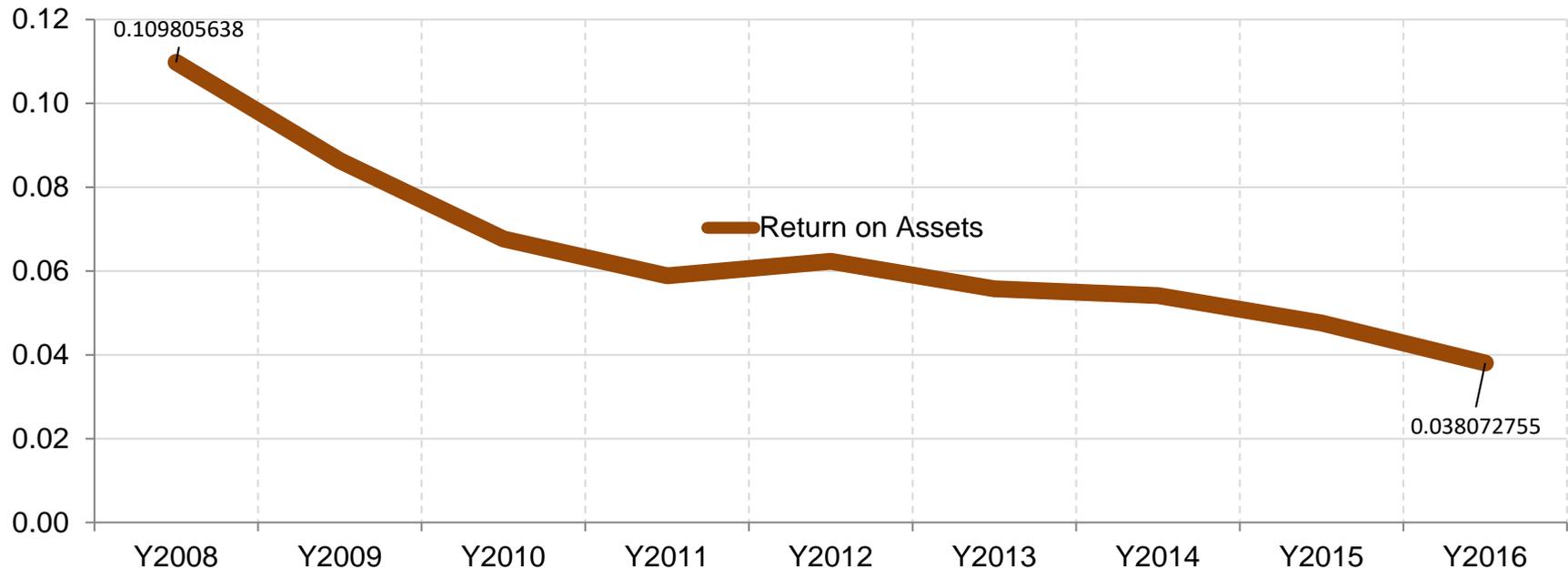
# Turnover levels of Non-profit organizations from 2009 to 2016

The level of turnover generated by non-profit organizations **increased by 34,0%** between 2015 and 2016.
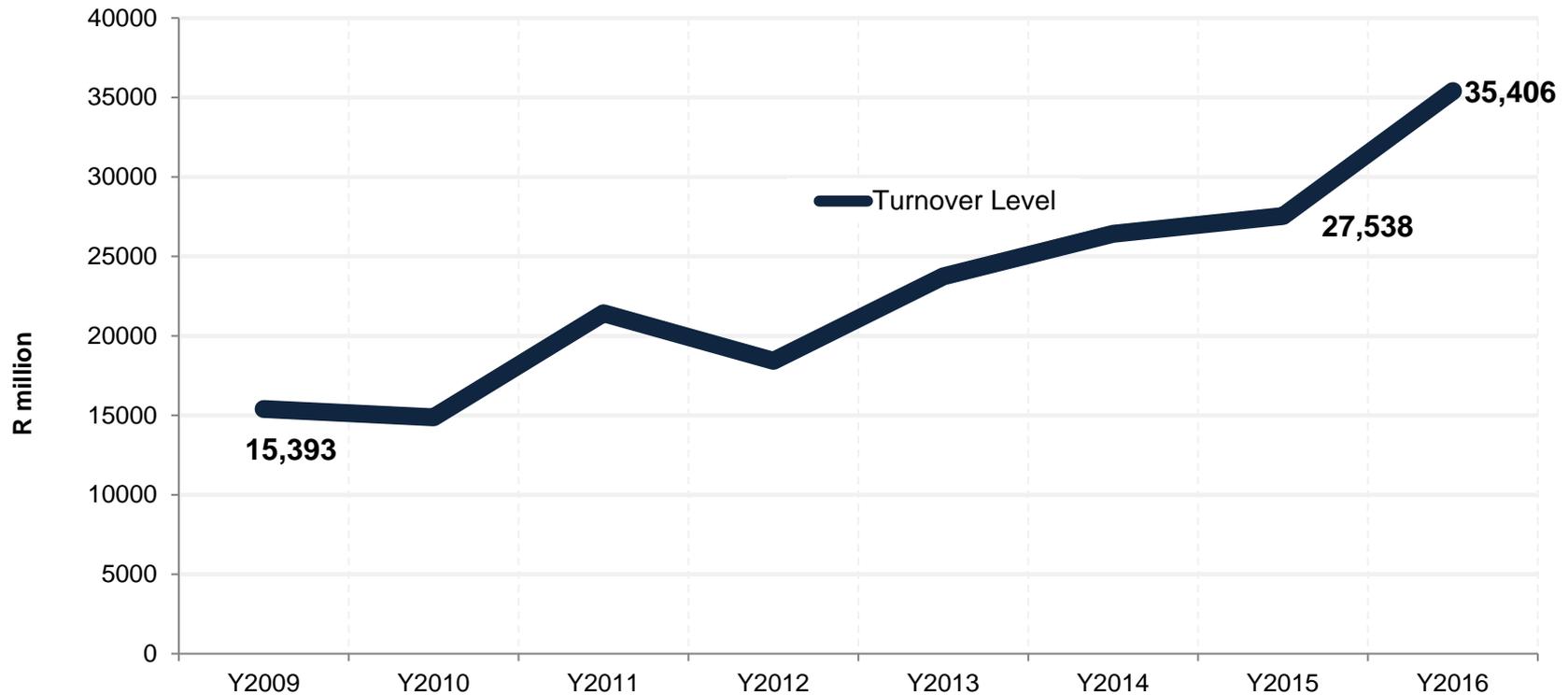
# All industries: Comparison of net profit before tax and employment cost from 2004 to 2016

- ❖ Net profit before tax of all industries decreased by (**R60,8 billion**) **11,5%** between 2015 and 2016.
- ❖ Trends and levels of net profit before tax and employment costs were similar from 2004 to 2008.
- ❖ Employment costs continue to grow year on year while profits drop.
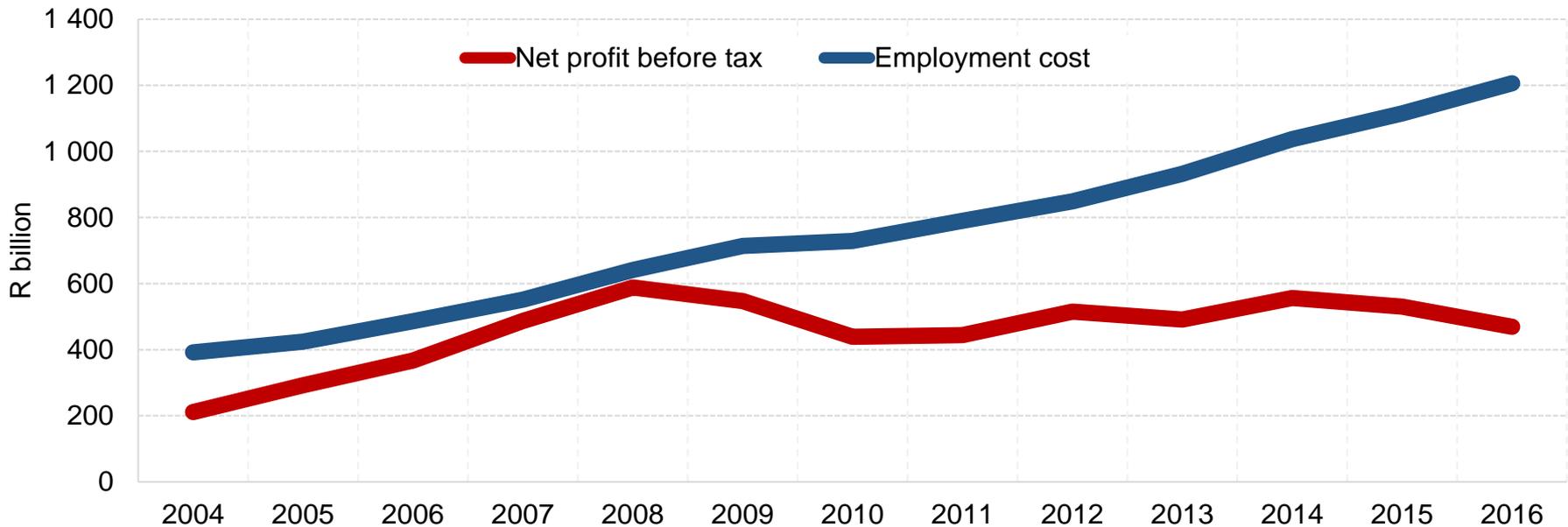
## Planned improvements for the AFS

Expanding the level questionnaire to include:-

❖ Further breakdown of the statement of financial position, e.g. foreign and local loans.

❖ Differentiate between listed and unlisted equity.

❖ General information on adherence to ISO requirements.

❖ Investigate the possibility of collecting enterprise segment data by geographical location.

# The QES data items

 Estimates of employment by industry

 Gross salaries

 Bonuses

 Average monthly earnings

# THANK YOU