



BUSINESS OPERATIONS AND INDUSTRY PERFORMANCE

AUSTRALIA
PRELIMINARY

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- For more information about these and related statistics, contact Christine McLaughlin on Canberra 02 6252 5288 or refer to the back cover of this publication.

NOTES

ABOUT THIS ISSUE

This publication contains preliminary estimates from the Economic Activity Survey (EAS). Final estimates for 1997–98 will be available in the next issue of *Business Operations and Industry Performance* (Cat. no. 8140.0), due for release in November 1999.

The data contained in this publication are early estimates based on a response rate of 82%.

The estimates for 1996–97 and previous years contain revisions that have resulted from the analysis of 1997–98 data.

CHANGES IN THIS ISSUE

This publication includes estimates of industry value added (IVA) which replaces the previously published industry gross product (IGP) in industry statistics as the measure of the industry's contribution to gross domestic product. More information can be found in paragraphs 11–15 of the Explanatory Notes. Table 6 presents estimates for both IGP and IVA.

Estimates of income from services in this publication have also been affected (but only to a minor extent), by the new international standards. See paragraphs 11–15 of the Explanatory Notes and the Glossary for details of the composition of the relevant variables.

COMMENTS

Comments on the statistics and analyses presented and suggestions for future improvements are always welcome. These should be addressed to: The Director, Economy Wide Statistics Section, PO Box 10, Belconnen, ACT 2616. Fax 1800 246 303.



ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
EAS	Economic Activity Survey
EBIT	Earnings before interest and tax
IGP	Industry gross product
IVA	Industry value added
OPBT	Operating profit before tax
RSE	Relative standard error
SE	Standard error
SNA93	System of National Accounts 1993

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SUMMARY OF FINDINGS

OVERVIEW

In 1997–98, there were 834,000 operating businesses, which was an increase of 3.1% (25,000) from 1996–97. Growth in the previous three years was considerably higher with 7.0% in 1996–97, 6.0% in 1995–96 and 7.7% in 1994–95.

Most indicators rose during 1997–98. Capital expenditure increased by 18.7%, operating profit before tax (OPBT) by 10.4%, operating expenses by 7.7%, operating income by 7.5% and employment by 7.4%. The increase in capital expenditure has been effected by the inclusion of computer software (\$2,124m) and mineral exploration expenditure (\$544m) from 1997–98 (refer to table 6 and paragraph 14 of the Explanatory Notes).

1 SUMMARY OF INDUSTRY PERFORMANCE: All industries

	1993–94	1994–95	1995–96	1996–97	1997–98
Selected indicators					
Operating businesses ('000)	662	713	756	809	834
Employment ('000)	5 512	5 814	6 215	6 408	6 880
Total operating income (\$m)	880 036	957 231	1 067 795	1 108 290	1 191 779
Total operating expenses (\$m)	802 949	874 417	971 268	1 012 822	1 090 682
Operating profit before tax (\$m)	81 576	89 293	98 176	96 622	106 665
Total assets (\$m)	1 690 450	1 864 117	2 051 632	2 230 565	2 247 047
Total liabilities (\$m)	1 061 304	1 190 148	1 274 494	1 510 582	1 514 371
Capital expenditure (\$m)	51 065	57 236	66 156	64 055	76 040
Industry gross product(a) (\$m)	230 935	250 298	271 536	287 898	..
Industry value added(b) (\$m)	..	..	..	..	292 456
Business averages					
Average employment (no.)	8.3	8.2	8.2	7.9	8.3
Average income (\$'000)	1 329	1 343	1 412	1 370	1 429
Average expense (\$'000)	1 213	1 226	1 285	1 252	1 308
Average profit (\$'000)	123	125	130	119	128
Average assets (\$'000)	2 554	2 614	2 714	2 757	2 694
Average net worth (\$'000)	950	945	1 028	890	879
Average gross product (\$'000)	349	351	359	356	..
Average value added (\$'000)	..	..	..	..	351

.. not applicable

(a) IGP and IVA excludes businesses in the Finance and insurance industry.

(b) Replaces IGP from 1997–98 onwards. Refer to paragraphs 12–13 of the Explanatory Notes.

SUMMARY OF FINDINGS *continued*

INDUSTRY PERFORMANCE RATIOS

The profit margin for all industries was 8.9% in 1997–98. The profit margin for Finance and insurance was 27.8%, almost double that of the next highest industry, Communication services, with 15.9%. Wholesale trade had the lowest profit margin with 2.9%, followed by Retail trade with 3.4%.

During 1997–98 the return on assets for all industries was 4.7%. Health and community services had the highest return on assets of 13.9%, followed by Retail trade with 12.1%. Agriculture, forestry and fishing had the lowest return on assets of 2.9%, followed by Finance and insurance with 3.0%.

The long-term debt to equity ratio for all industries was 0.6 times in 1997–98. Both Mining and Transport and storage recorded the highest long-term debt to equity ratio of 1.0 times. Agriculture, forestry and fishing had the lowest ratio of 0.1 times, followed by Personal and other services with 0.2 times.

Health and community services had the highest interest coverage ratio of 8.5 times, followed by Personal and other services with 6.8 times. Electricity, gas and water supply had the lowest ratio of 1.7 times, followed by Finance and insurance with 1.9 times.

Cultural and recreational services recorded the highest investment rate with 63.2%, followed by Agriculture, forestry and fishing with 47.8%. Retail trade showed the lowest investment rate with 10.7%, followed by Wholesale trade with 11.5%.

2 INDUSTRY PERFORMANCE RATIOS—1997–98

<i>Industry</i>	<i>Profit margin</i>	<i>Return on assets</i>	<i>Long-term debt to equity</i>	<i>Interest coverage</i>	<i>Investment rate</i>
	%	%	times	times	%
Agriculture, forestry and fishing	13.4	2.9	0.1	3.5	47.8
Mining	13.7	6.7	1.0	4.1	nya
Manufacturing	6.0	7.0	0.6	5.0	19.9
Electricity, gas and water supply	14.8	4.2	0.7	1.7	nya
Construction	4.1	8.6	0.8	4.6	18.2
Wholesale trade	2.9	6.6	0.5	4.5	11.5
Retail trade	3.4	12.1	0.9	3.8	10.7
Accommodation, cafes and restaurants	7.2	7.3	0.7	3.5	24.0
Transport and storage	8.2	6.9	1.0	3.5	23.1
Communication services	15.9	10.6	0.8	5.3	28.7
Finance and insurance	27.8	3.0	..	1.9	..
Property and business services	11.6	5.8	0.5	3.8	15.7
Education	5.8	5.6	0.3	5.4	16.7
Health and community services	13.2	13.9	0.7	8.5	11.8
Cultural and recreational services	11.2	6.4	0.5	5.3	63.2
Personal and other services	10.8	8.2	0.2	6.8	25.4
All industries(a)	8.9	4.7	0.6	2.7	25.2

.. not applicable

nya not yet available

(a) Investment rate for All industries excludes Mining, Electricity, gas and water supply, and Finance and insurance businesses. Long-term debt to equity for All industries also excludes Finance and insurance businesses.

SUMMARY OF FINDINGS *continued*

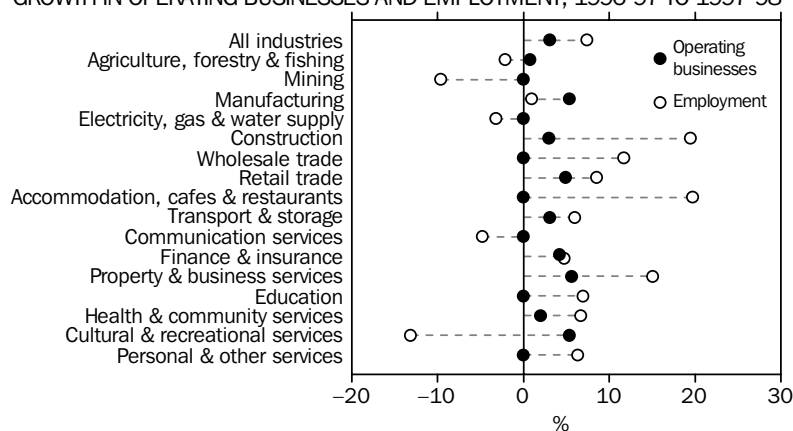
OPERATING BUSINESSES AND EMPLOYMENT

Employment for all industries in Australia increased by 472,000 people in 1997–98.

Property and business services recorded the largest number of operating businesses in 1997–98, accounting for 18.2% of the total. Property and business services also recorded the largest growth in the number of operating businesses of 5.6% (8,000).

The following graph illustrates the marked differences that exist within and between industries. For example, the number of businesses for Accommodation, cafes and restaurants was unchanged in 1997–98, while employment increased by 85,000 people. Conversely, the number of businesses for Cultural and recreational services increased by 1,000, while employment decreased by 23,000 people.

GROWTH IN OPERATING BUSINESSES AND EMPLOYMENT, 1996-97 TO 1997-98



3 OPERATING BUSINESSES AND EMPLOYMENT

Industry	OPERATING BUSINESSES . . .		EMPLOYMENT . . .	
	1996-97	1997-98	1996-97	1997-98
	'000	'000	'000	'000
Agriculture, forestry and fishing	120	121	366	358
Mining	2	2	86	78
Manufacturing	57	60	1 014	1 023
Electricity, gas and water supply	1	1	58	56
Construction	100	103	375	448
Wholesale trade	48	48	397	443
Retail trade	122	128	1 041	1 128
Accommodation, cafes and restaurants	36	36	432	517
Transport and storage	32	33	324	343
Communication services	4	4	126	120
Finance and insurance	24	25	303	317
Property and business services	144	152	844	970
Education	10	10	171	183
Health and community services	51	52	504	538
Cultural and recreational services	19	20	175	152
Personal and other services	40	40	193	205
All industries	809	834	6 408	6 880

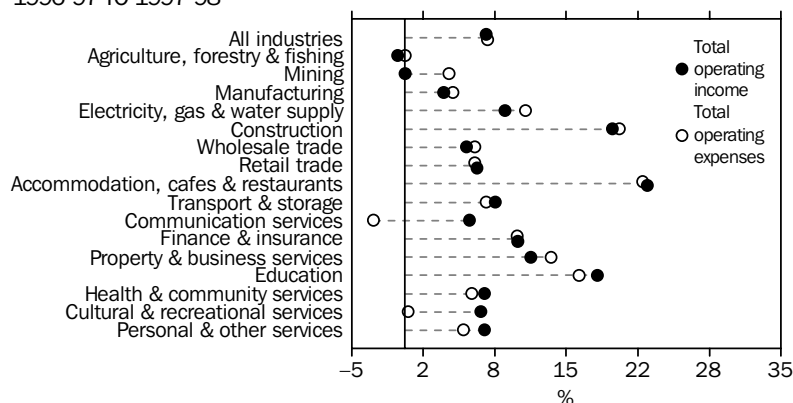
SUMMARY OF FINDINGS *continued*

OPERATING INCOME AND EXPENSES

Total operating income for all industries increased by \$83,489 million (7.5%) in 1997–98, whilst total operating expenses increased by \$77,860 million (7.7%). This compares with increases in 1996–97 of \$40,495 million (3.8%) for operating income, and \$41,554 million (4.3%) for operating expenses.

The close relationship between total operating income and total operating expenses over the last four years remained consistent at the all industry level in 1997–98. At the industry level, the main exceptions were Mining, where income was virtually unchanged while expenses increased by 4.1%; Communication services, where income increased by 6.0% and expenses decreased by 3.0%; and Cultural and recreational services, where income increased by 7.0% and expenses also increased, but only by 0.3%.

GROWTH IN TOTAL OPERATING INCOME AND TOTAL OPERATING EXPENSES, 1996-97 TO 1997-98



4 TOTAL OPERATING INCOME AND TOTAL OPERATING EXPENSES

Industry	TOTAL OPERATING INCOME		TOTAL OPERATING EXPENSES	
	1996-97	1997-98	1996-97	1997-98
	\$m	\$m	\$m	\$m
Agriculture, forestry and fishing	32 086	31 857	27 711	27 700
Mining	42 309	42 292	35 341	36 803
Manufacturing	217 142	224 987	203 909	212 791
Electricity, gas and water supply	30 923	33 791	26 276	29 219
Construction	61 936	73 890	58 713	70 413
Wholesale trade	183 588	194 020	178 128	189 672
Retail trade	178 702	190 602	174 426	185 721
Accommodation, cafes and restaurants	28 052	34 351	26 135	31 915
Transport and storage	55 492	60 181	51 466	55 327
Communication services	23 973	25 408	21 971	21 315
Finance and insurance	106 995	118 243	77 258	85 267
Property and business services	82 794	92 456	72 768	82 635
Education	6 828	8 048	6 524	7 583
Health and community services	26 757	28 748	23 516	24 978
Cultural and recreational services	18 320	19 599	17 366	17 424
Personal and other services	12 393	13 305	11 313	11 920
All industries	1 108 290	1 191 779	1 012 822	1 090 682

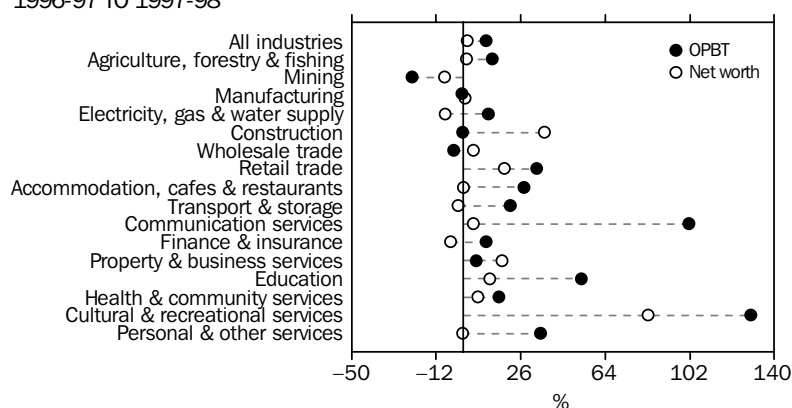
SUMMARY OF FINDINGS *continued*

OPERATING PROFIT BEFORE TAX AND NET WORTH

In 1997–98 operating profit before tax increased by \$10,043 million (10.4%) at the all industries level. The Finance and insurance industry reported the highest profit with \$32,833 million, an increase of \$3,127 million (10.5%) from 1996–97. The Mining industry reported the largest decrease in profit, \$1,714 million (22.9%).

Net worth for all industries increased by \$12,692 million (1.8%) in 1997–98. The largest increases were in Cultural and recreational services with \$8,449 million (83.3%), and Construction with \$3,202 million (36.6%). The largest decreases were reported by the Mining industry with \$3,004 million (8.3%), and Electricity, gas and water supply with \$5,498 million (7.8%).

GROWTH IN OPERATING PROFIT BEFORE TAX AND NET WORTH,
1996-97 TO 1997-98



5 OPERATING PROFIT BEFORE TAX AND NET WORTH

Industry	OPBT		NET WORTH	
	1996-97	1997-98	1996-97	1997-98
	\$m	\$m	\$m	\$m
Agriculture, forestry and fishing	3 764	4 262	120 607	122 534
Mining	7 487	5 773	35 999	32 995
Manufacturing	13 669	13 597	82 612	83 478
Electricity, gas and water supply	4 482	4 993	70 672	65 174
Construction	3 045	3 041	8 741	11 943
Wholesale trade	5 900	5 644	24 764	25 950
Retail trade	4 837	6 444	12 247	14 507
Accommodation, cafes and restaurants	1 947	2 480	15 673	15 735
Transport and storage	4 069	4 931	27 414	26 876
Communication services	2 006	4 045	14 361	15 053
Finance and insurance	29 706	32 833	195 920	185 045
Property and business services	10 132	10 743	72 782	85 483
Education	305	468	4 608	5 161
Health and community services	3 254	3 782	11 071	11 801
Cultural and recreational services	957	2 195	10 140	18 589
Personal and other services	1 064	1 436	12 371	12 351
All industries	96 622	106 665	719 983	732 675

EFFECT OF CHANGES TO DEFINITIONS

From 1997–98, a number of definitions have been changed in line with new international standards for measuring economic variables. The following table illustrates the impact of the changes for capital expenditure and industry value added.

6 EFFECT OF CHANGES TO DEFINITIONS

	CAPITAL EXPENDITURE . . .			INDUSTRY GROSS PRODUCT . . .	INDUSTRY VALUE ADDED(a) . . .		
	<i>Pre</i> SNA93	<i>Post</i> SNA93	<i>Change</i>	<i>Pre</i> SNA93	<i>Post</i> SNA93	<i>Change</i>	
<i>Industry</i>	\$m	\$m	%	\$m	\$m	%	
Agriculture, forestry & fishing	5 770	5 783	0.2	11 527	12 089	4.9	
Mining	8 599	9 165	6.6	20 659	nya	nya	
Manufacturing	13 363	13 500	1.0	66 255	67 878	2.4	
Electricity, gas & water supply	3 593	3 607	0.4	14 196	nya	nya	
Construction	3 422	3 790	10.8	19 139	20 784	8.6	
Wholesale trade	2 923	3 061	4.7	24 716	26 556	7.4	
Retail trade	3 351	3 453	3.0	30 476	32 340	6.1	
Accommodation, cafes & restaurants	3 201	3 236	1.1	13 024	13 490	3.6	
Transport & storage	5 278	5 426	2.8	22 262	23 456	5.4	
Communication services	5 303	5 362	1.1	18 088	18 655	3.1	
Finance & insurance	3 778	4 351	15.2	..	..	..
Property & business services	6 538	6 894	5.4	39 756	43 885	10.4	
Education	864	881	2.0	5 202	5 293	1.7	
Health & community services	1 848	1 915	3.6	15 981	16 244	1.6	
Cultural & recreational services	4 355	4 385	0.7	5 971	6 941	16.2	
Personal & other services	1 187	1 231	3.7	4 474	4 845	8.3	
All industries(b)	73 372	76 040	3.6	311 727	292 456	-6.2	

.. not applicable

nya not yet available

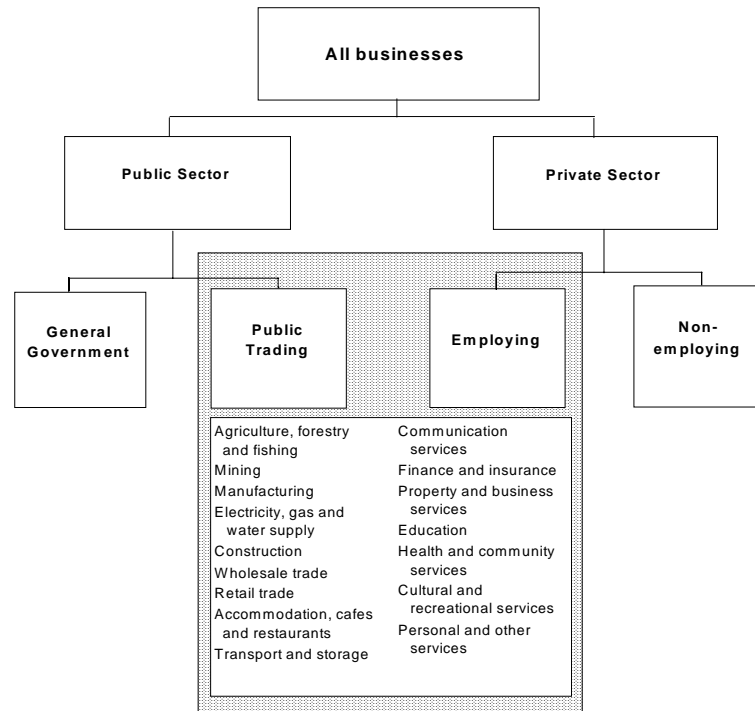
(a) Replaces IGP from 1997–98 onwards. Refer to paragraphs 12–13 of the Explanatory Notes.

(b) IGP and IVA for All industries excludes Finance and insurance businesses.

EXPLANATORY NOTES

INTRODUCTION

- 1** The estimates in this publication have been derived from the annual Economic Activity Survey (EAS) for the financial year 1997–98.
- 2** The estimates relate to businesses in the public trading and private employing sectors of the economy only. The diagram below illustrates the dissection of business in the Australian economy.



SCOPE AND COVERAGE

- 3** The population frame for these statistics consisted of all business units in the Australian economy except for:
 - agricultural businesses which had an estimated value of agricultural operations of less than \$22,500;
 - non-emplying businesses; and
 - businesses classified to the General Government sector (note: government-owned Public Trading Enterprises were included).

4 More detailed Explanatory Notes can be found in the publication *Business Operations and Industry Performance, Australia, 1996–97* (Cat. no. 8140.0).

STATISTICAL UNIT

5 The business unit about which information is collected and published for the EAS is termed the management unit. The management unit is the highest level unit within a business, having regard to the required level of industry dissection, for which a set of management accounts are maintained. In most cases, it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). However, in the case of large diversified businesses there are often a number of management units, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.

6 The Australian Bureau of Statistics (ABS) Business Register provided the population frame from which management units were selected for inclusion in the EAS. For more information about the Business Register, refer to *Profiles of Australian Business, 1992* (Cat. no. 1322.0).

EXPLANATORY NOTES *continued*

7 Approximately 23,000 management units were selected for the EAS based collection using stratified random sampling techniques. All management units with employment of 200 or more persons were automatically selected in the sample.

8 Data in this publication has been adjusted to allow for lags in processing new businesses to the ABS business register, and the omission of some businesses from the register. For more information on these adjustments, please refer to *Information Paper: Improvements to ABS Economic Statistics, 1997* (Cat. no. 1357.0).

CLASSIFICATION BY INDUSTRY

9 This publication presents statistics classified according to the *Australian and New Zealand Standard Industrial Classification, 1993* (Cat. no. 1292.0). Each business unit is classified to a single industry. The industry allocated is based on an estimate of the primary activity of the management unit irrespective of whether a range of activities or a single activity is undertaken by the unit. This is different from the approach that might be taken to the collection of statistics on an activity basis.

CLASSIFICATION BY SIZE

10 Size dissections can be made available on request.

CHANGES DUE TO INTERNATIONAL STANDARDS

11 Commencing with estimates for 1997–98, the definition of income from services has changed in line with new international standards for measuring economic variables. The composition of income from services under the new standard is as follows:

Income from services (as previously defined)
plus Income from intellectual property royalties
equals Income from services (new standard)

12 Also commencing with estimates for 1997–98, under new international standards, contribution to gross domestic product (GDP) by industries will be measured by the variable 'industry value added' (IVA). Estimates for IVA measure the value added by an industry to the intermediate inputs used by that industry. Previously the corresponding contribution to GDP was measured by the variable 'industry gross product' (IGP).

13 The new variable, IVA, has been introduced because of changes to the definitions of gross output and intermediate inputs from 1997–98 as a result of revised international standards for compiling economic variables.

14 The definition of capital expenditure has also changed. Mineral exploration expenditure and expenditure on computer software not capitalised by businesses have been included from 1997–98 onwards.

15 Further information on the changes to international standards can be found in *Information Paper: Implementation of Revised International Standards in the Australian National Accounts* (Cat. no. 5251.0).

RELIABILITY OF ESTIMATES

16 Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability; that is, they may differ from the figures that would have been produced if all units had been included in the survey. One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. The relative standard error (RSE) is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to refer also to the size of

EXPLANATORY NOTES *continued*

the estimate. The table below provides relative standard errors for a selection of estimates presented in this publication.

RSE OF SELECTED ESTIMATES—1997–98

<i>Industry</i>	<i>Total income</i>	<i>Total expenses</i>	<i>Net worth</i>
	%	%	%
Agriculture, forestry and fishing	1.7	1.7	2.1
Mining	na	na	—
Manufacturing	—	—	—
Electricity, gas and water supply	na	na	—
Construction	4.7	4.6	7.2
Wholesale trade	3.0	3.1	4.6
Retail trade	4.0	4.1	10.1
Accommodation, cafes and restaurants	5.6	5.5	14.5
Transport and storage	3.4	3.5	3.5
Communication services	1.2	1.6	1.3
Finance and insurance	1.8	1.9	14.4
Property and business services	5.3	5.5	6.9
Education	5.9	5.8	12.5
Health and community services	5.4	5.4	8.1
Cultural and recreational services	3.7	3.6	9.4
Personal and other services	4.4	4.3	32.3
All industries	1.0	1.1	1.5

na not available

— nil or rounded to zero (including null cells)

17 The imprecision due to sampling variability, which is measured by the SE, is not to be confused with inaccuracies that may occur because of inadequacies in available sources from which the population frame was compiled, imperfections in reporting by providers, errors made in collection such as in recording and coding data, and errors made in processing data. Inaccuracies of this kind are referred to collectively as non-sampling error and they may occur in any enumeration, whether it be a full count or a sample.

18 The estimates are also affected by such things as internal restructuring of businesses (e.g. changes in divisional structure, changes in industry of operation), mergers and takeovers.

19 This publication presents a wide range of data that can be used to analyse business and industry performance. It is important that any analysis be based upon a range of data presented rather than focusing on one variable.

20 The counts of operating businesses included in this publication should be used with some caution. Estimates of the number of businesses have been smoothed, using a three-year moving average. For further explanation of this technique see *Business Operations and Industry Performance, Australia, 1996–97* (Cat. no. 8140.0).

ROUNDING

21 Where figures have been rounded, discrepancies may occur between the sums of the component items and totals. Published percentages are calculated prior to rounding of figures and therefore some discrepancy may occur between those percentages and those that could be calculated from rounded figures.

EXPLANATORY NOTES *continued*

RELATED PUBLICATIONS

22 In addition to the publications already mentioned, other related publications include:

Agricultural Industries, Financial Statistics, Australia, 1996–97

(Cat. no. 7507.0)

Australian Mining Industry, 1996–97 (Cat. no. 8414.0)

Electricity, Gas, Water and Sewerage Operations, Australia, 1996–97

(Cat. no. 8226.7)

Manufacturing, Australia, 1998 (Cat. no. 8225.0)

Manufacturing Industry, Australia, 1996–97 (Cat. no. 8221.0)

23 The ABS also has a program of rotating collections in the service industries. These collections provide information on specific Australian and New Zealand Standard Industrial Classification (ANZSIC) classes. For further information on these Service Industries Surveys contact Graham Boxsell on Canberra 02 6252 5633.

GLOSSARY

Business averages	Variables expressed as a simple average per operating business.
Capital expenditure	Acquisition of fixed tangible assets (e.g. plant and machinery, property) and intangible assets (e.g. computer software, patents and licences) including those assets acquired under a finance lease. Also includes capital work done by employees or proprietors of the business for its own use or for rental or lease purposes.
Economic Activity Survey	An annual business survey which is the main source of the statistics presented in this publication.
Employment	Includes working proprietors, working partners, permanent, part-time, temporary and casual employees, and managerial and executive employees working for a business during the last pay period in June each year. Employees absent on paid or prepaid leave are included.
Income from services	Includes repair, maintenance and service income and fees, income from work done or sales made on a commission basis, delivery or installation charges which are invoiced separately to customers, advertising income and management fees/charges from related or unrelated businesses. As a result of revised international standards, income from royalties from intellectual property will also be a component of estimates of income from services commencing with estimates for 1997–98. Excluded are rent, leasing and hiring income, government bounties and subsidies, income from natural resource royalties, interest income and dividends.
Industry gross product (IGP)	A measure of the unduplicated gross product of a business defined as gross output minus intermediate inputs. For periods prior to 1997–98, IGP was the official measure of the contribution by industries to gross domestic product. However, commencing with estimates for 1997–98, following the introduction of new international standards for measuring economic variables, IGP has been replaced by the variable industry value added.
Industry value added (IVA)	Represents the value added by an industry to the intermediate inputs used by that industry. It is derived as: Trading profit <i>plus</i> operational funding from Government <i>plus</i> own account capital work <i>equals</i> capitalised wages and salaries <i>plus</i> capitalised purchases <i>less</i> capitalised purchases <i>equals</i> IGP <i>plus</i> computer software expenditure not capitalised by businesses <i>plus</i> selected indirect taxes (fringe benefits tax, payroll tax, land rates and taxes) <i>plus</i> exploration expenditure written off <i>less</i> intellectual property royalty expenses <i>equals</i> IVA
Interest coverage	The number of times over that businesses can meet their interest expenses from their earnings before interest, i.e. EBIT/interest expenses.
Intermediate inputs	Purchases plus selected expenses.
Investment rate	The proportion of industry gross product used to acquire capital, i.e. capital expenditure x 100/IVA.
Long term debt to equity	Non-current liabilities/net worth.

GLOSSARY *continued*

Net worth	Total assets minus total liabilities and is equal to the interests of shareholders or other owners in the assets of the business.
Operating expenses	The total expenses of a business, excluding extraordinary items.
Operating income	The total income of a business, excluding extraordinary items.
Operating profit before tax	A measure of profit before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
Other income	Includes government funding, income on foreign exchange transactions, contribution, dividend, investment and intellectual property royalties income.
Profit margin	The percentage of operating income available as operating profit, i.e. $OPBT \times 100 / \text{operating income}$.
Return on assets	Operating profit before tax as a percentage of the total book value of assets, i.e. $OPBT \times 100 / \text{total assets}$.
Sales of goods and services	Equal to sales of goods, plus income from services plus rent, leasing and hiring income.

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