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# Statistical release

## P6141.2

# Wholesale trade sales (Preliminary)

July 2007

**Embargoed until:  
20 September 2007  
11:00**

**Enquiries:**

User Information Services  
(012) 310 8600 / 4892 / 8390

**Forthcoming issue:**

August 2007

**Expected release date**

18 October 2007

Statistics South Africa • Mbalo-mbalo ya Afrika Tshipembe • Tinhlayo-tiko ta Afrika-Dzonga • Dipalopalo tsa Aforika Borwa • Ezezibalo zaseNingizimu Afrika  
Dipalopalo tša Afrika Borwa • Dipalopalo tsa Afrika Borwa • Ubalo lwaseMzantsi Afrika • Telubalo eNingizimu Afrika • iNanimbalo leSewula Afrika • Statistiek Suid-Afrika

**Contents**

**Summary of findings: Wholesale trade sales .....2**  
**Article: Changes to the monthly current indicator survey and the impact on the statistical series .....5**  
**Detailed results .....8**  
 Table 1- Total wholesale trade sales according to type of dealer at current prices (R million) .....8  
 Description of type of dealers included in indicated group types in Table1 .....9  
 Table 2 – Total wholesale trade sales at current prices (R million) .....10  
 Table 3 – Percentage change in total wholesale trade sales at current prices .....10  
 Table 4 – Seasonally adjusted total wholesale trade sales at current prices (R million) .....10  
 Table 5 – Total wholesale trade sales at constant 2000 prices (R million).....11  
 Table 6 – Percentage change in total wholesale trade sales at constant 2000 prices .....11  
 Table 7 – Seasonally adjusted total wholesale trade sales at constant 2000 prices (R million) .....11  
 Table 8 – Estimates and percentage changes in total wholesale trade sales .....12  
**Explanatory notes.....13**  
**Class limits.....16**  
**Glossary.....16**  
**General information.....17**

**Summary of findings: Wholesale trade sales**

**Table A – Key figures as at the end of July 2007**

| Wholesale trade sales estimates | July 2007<br>(R million) | % change<br>between<br>July 2006<br>and<br>July 2007 | % change<br>between<br>May<br>to<br>July 2006<br>and<br>May<br>to<br>July 2007 | % change<br>between<br>January<br>to<br>July 2006<br>and<br>January<br>to<br>July 2007 |
|---------------------------------|--------------------------|--|--|--|
| at current prices               | 69 185                   | +15,2  | +16,7  | +19,1  |
| at constant 2000 prices         | 43 241                   | +3,8   | +4,6   | +7,1   |

| Seasonally adjusted estimates | July 2007<br>(R million) | % change<br>between<br>June<br>and<br>July 2007 | % change<br>between<br>February<br>to<br>April 2007<br>and<br>May<br>to<br>July 2007 |
|-------------------------------|--------------------------|---|--|
| at current prices             | 68 221                   | +2,1  | +2,2   |
| at constant 2000 prices       | 43 220                   | +1,4  | -0,7   |

**Key findings as at the end of July 2007**

**Wholesale trade sales increase in real terms**

***As indicated in table A, wholesale trade sales, at constant (2000) prices, for the three months ending July 2007 increased by 4,6% compared with the three months ending July 2006. Seasonally adjusted wholesale trade sales, at constant (2000) prices, for the three months ending July 2007 decreased by 0,7% compared with the previous three months.***

Wholesale trade sales, at constant (2000) prices, for July 2007 increased by 3,8% compared with July 2006. The 3,8% is lower than the 8,4% growth in July 2006.

Wholesale trade sales, at current prices, for the three months ending July 2007 increased by 16,7% compared with the three months ending July 2006. The 16,7% increase is higher than the 15,3% growth for the corresponding period in 2006.

*For this month, the estimates of level in this publication are based only on the new sample selected in 2007, drawn only from businesses registered in the VAT system. In future publications, the estimates of level throughout the publication will include an allowance for the contribution of IT-only businesses as an addition to the estimates from the sample. For an explanation see the article on page 5.*

**Table B – Contribution of each type of dealer to the percentage change in wholesale trade sales at current prices**

| Type of wholesale dealer                             | Sales May to July 2006 (R million) | Weight 1/    | Sales May to July 2007 (R million) | Difference in sales between May to July 2006 and May to July 2007 | Percentage change between May to July 2006 and May to July 2007 | Contribution (percentage points) percentage change in total sales 2/ |
|--|------------------------------------|--------------|------------------------------------|---|---|--|
| Contract or fee basis                                | 6 177                              | 3,5          | 6 876                              | 699   | 11,3  | 0,4  |
| Agricultural raw materials and livestock             | 7 510                              | 4,3          | 9 820                              | 2 310   | 30,8  | 1,3  |
| Food, beverages and tobacco                          | 29 962                             | 17,0         | 35 541                             | 5 579   | 18,6  | 3,2  |
| Textiles, clothing and footwear                      | 4 372                              | 2,5          | 4 352                              | -20   | -0,5  | 0,0  |
| Other household goods except precious stones         | 19 322                             | 11,0         | 23 312                             | 3 990   | 20,7  | 2,3  |
| Precious stones, jewellery and silverware            | 5 034                              | 2,9          | 4 723                              | -311  | -6,2  | -0,2   |
| Solid, liquid and gaseous fuels and related products | 33 273                             | 18,9         | 37 475                             | 4 202   | 12,6  | 2,4  |
| Metals and metal ores                                | 7 261                              | 4,1          | 8 834                              | 1 573   | 21,7  | 0,9  |
| Construction and building materials                  | 10 278                             | 5,8          | 13 029                             | 2 751   | 26,8  | 1,6  |
| Other intermediate products, waste and scrap         | 7 046                              | 4,0          | 9 100                              | 2 054   | 29,2  | 1,2  |
| Machinery, equipment and supplies                    | 32 586                             | 18,5         | 37 978                             | 5 392   | 16,5  | 3,1  |
| Other goods  | 12 908                             | 7,3          | 14 053                             | 1 145   | 8,9   | 0,6  |
| <b>Total 3/</b>                                      | <b>175 731</b>                     | <b>100,0</b> | <b>205 091</b>                     | <b>29 360</b>   | <b>16,7</b>   | <b>16,7</b>  |

1/ Weight is the percentage contribution of each type of dealer to the total wholesale trade sales for the three months up to the current month of the previous year.

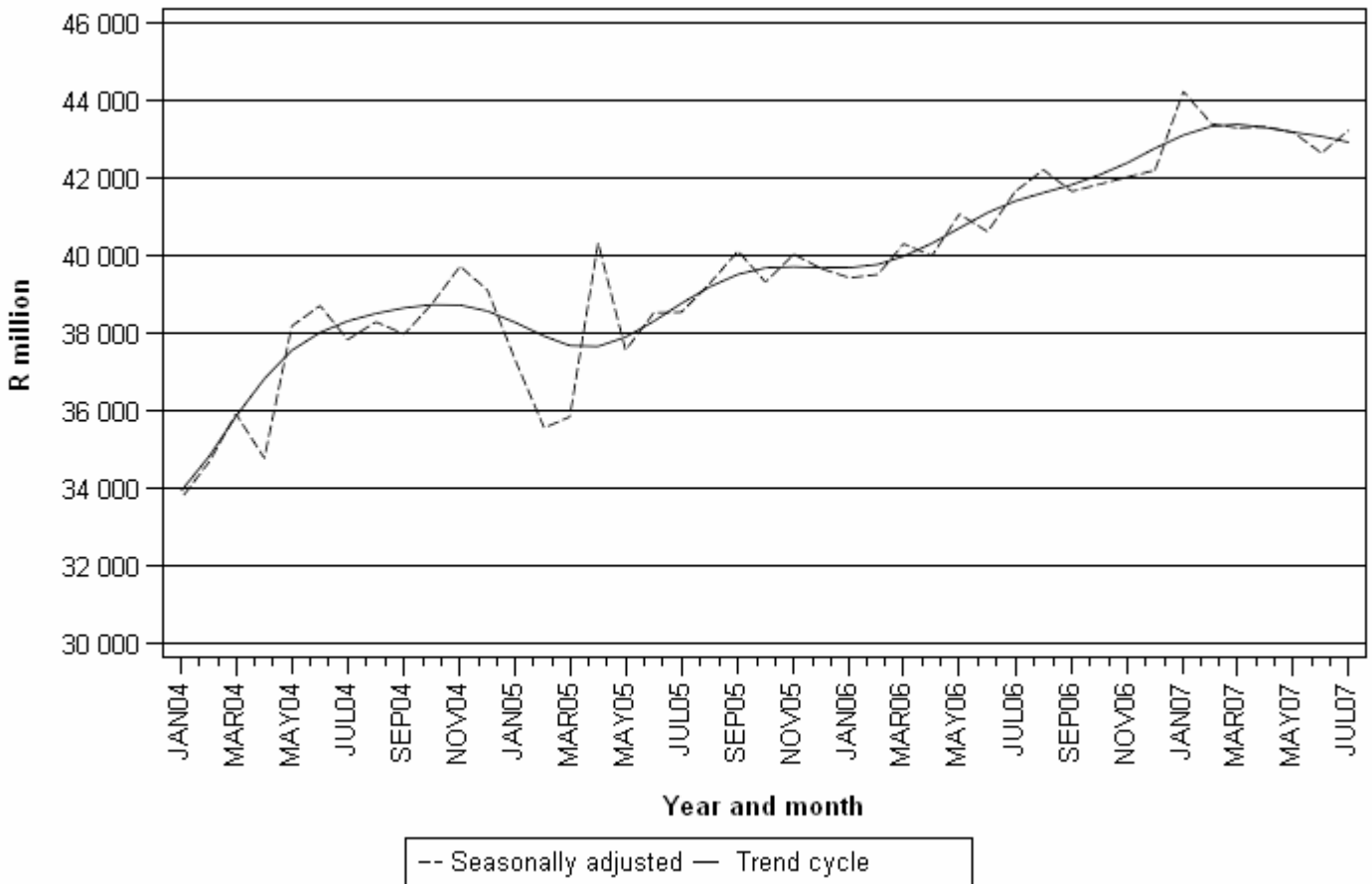
2/ The contribution to the percentage change is calculated by multiplying the percentage change of each type of dealer with its corresponding weight.

3/ The figures have been rounded off. Therefore, discrepancies may occur between the sums of the component items and the totals.

Table B above shows that the major contributors to the 16,7% increase in wholesale trade sales at current prices for the three months ending July 2007 compared with the three months ending July 2006 were dealers in food, beverages and tobacco (+3,2 percentage points), dealers in machinery, equipment and supplies (+3,1 percentage points) and dealers in solid, liquid and gaseous fuels and related products (+2,4 percentage points).

Figure 1 below shows the seasonally adjusted and trend patterns for wholesale trade sales at constant (2000) prices between January 2004 and July 2007. The trend cycle shows an upward movement throughout the entire period with the exception of a trough from December 2004 to May 2005. The graph further shows a levelling from March 2007 to date.

**Figure 1 – Wholesale trade sales (at constant 2000 prices)**



**P J Lehohla**  
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## Article: Changes to the monthly current indicator survey and the impact on the statistical series

### Business register and samples

Today Stats SA publishes results from the monthly survey of wholesale trade sales. Today's estimates of wholesale trade sales are based on a new sample drawn in 2007 which replaces the previous sample that was drawn in 2006.

Since 2003, samples for Stats SA's surveys of businesses drawn from its business register covered businesses from two sources, both held by the South African Revenue Service (SARS):

- Businesses with an annual turnover of at least R300 000 and required to register with SARS for value added tax.
- Businesses not required to register for VAT but which are registered in the SARS business income tax (IT) system.

Stats SA has found that the contribution to total turnover by the latter, comprising some 1,9 million business tax payers, is relatively small (though varying from industry to industry). Short-term (month-to-month, quarter-to-quarter) movements in turnover closely track the short-term movements in turnover of VAT-paying businesses.

For reasons of efficiency and with no loss of quality, Stats SA has decided to include only businesses registered for VAT in its survey samples from 2007 on, and to exclude businesses registered only in the IT system from its samples. However, the contribution of the latter will continue to be included in official figures, by adjusting the survey estimates based on their observed contributions over recent years.

For the wholesale trade sector the contribution of IT-only businesses to total wholesale trade sales is of the order of 2,7%. To best serve users in the short-term, the survey estimates of level will in future be published both unadjusted (i.e. reflecting only the contributions of VAT-registered businesses) and adjusted to include an allowance for the contribution of IT-only businesses.

However, the methodology required to adjust all survey estimates from the sample, including back series, to allow for the contribution of IT-only businesses, is complex. Until that methodology is finalised, the time series have been adjusted backwards to reflect only the contribution of VAT-based businesses. This will preserve previously published estimates of short-term movement. The levels from the new sample for the survey have been adjusted back to the start of 1998, using the new level for May 2007 as the end point of the back-cast series.

The previous time series will be reinstated once Stats SA is in a position to adjust its survey estimates on a continuing basis to allow for the contribution of IT-only businesses. Estimates of month-to-month and quarter-to-quarter movements from Stats SA's surveys will be unaffected.

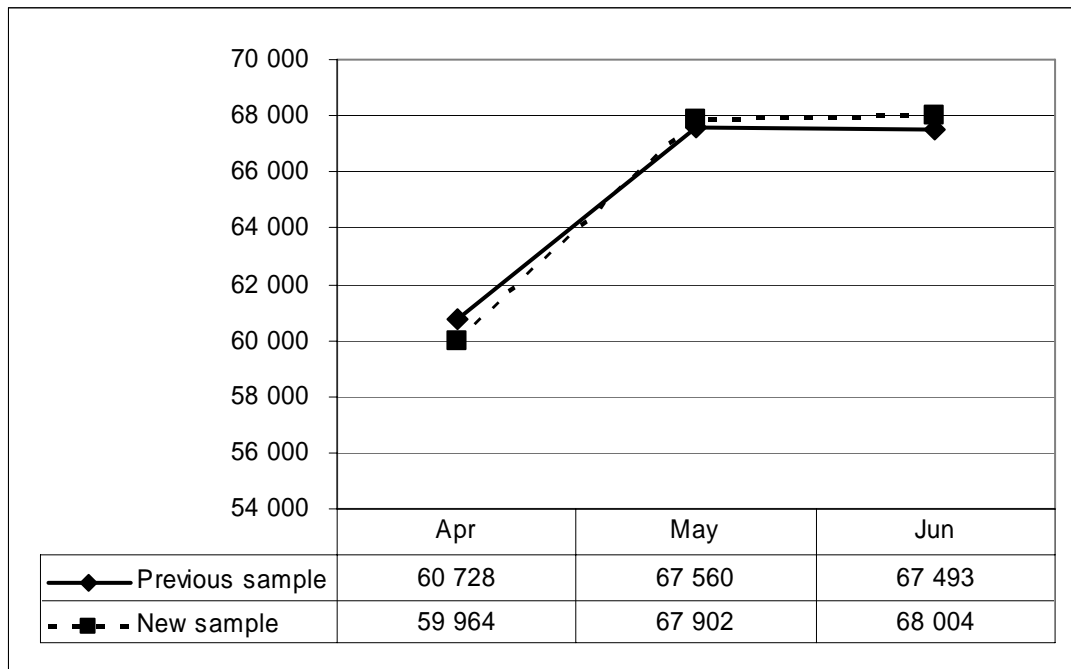
### Comparing the levels of sales from the previous and new samples

For the reasons mentioned earlier, the new sample on which wholesale trade sales are based is derived only from VAT-registered businesses. For the months April to June 2007, the level of sales remained unchanged from the same period for the previous sample (Table C) and the month-to-month movements in sales over the June quarter are similar between the previous and new samples (Figure A). However, there were differences in the levels by type of wholesaler as a result of changes in classification (Table E).

**Table C - Total wholesale sales, previous and new samples – June quarter 2007**

| Industry                     | Previous sample | New Sample | Difference | Difference |
|------------------------------|-----------------|------------|------------|------------|
|                              | R million       | R million  | R million  | Percent    |
| <b>Wholesale trade sales</b> | 195 781         | 195 870    | 89         | 0,0        |

**Figure A – Total wholesale trade sales, previous and new samples - April to June 2007 (R million)**



The estimates of the level of total wholesale trade sales for each of these three months, adjusted upwards by 2,7% to allow for the contribution of IT-only businesses, are in Table D below.

**Table D: Total wholesale sales, previous sample and new sample and new with contribution of Income Tax (IT) only businesses (R million)**

|              | Previous sample | New sample     | New sample + IT only contribution |
|--------------|-----------------|----------------|-----------------------------------|
| <b>Apr</b>   | 60 728          | 59 964         | 61 583                            |
| <b>May</b>   | 67 560          | 67 902         | 69 735                            |
| <b>Jun</b>   | 67 493          | 68 004         | 69 840                            |
| <b>Total</b> | <b>195 781</b>  | <b>195 870</b> | <b>201 158</b>                    |

**Table E – Wholesale trade sales for previous and new samples, by type of wholesaler: April to June 2007**

**Levels and movements**

| Type of wholesaler  | Previous sample | New sample     | Difference | Difference    |
|---|-----------------|----------------|------------|---------------|
|   | R million       | R million      | R million  | Percentage 1/ |
| Wholesale trade on a fee or contract basis                              | 8 707           | 6 658          | -2 050     | -23,5         |
| Wholesale trade in agricultural raw materials and livestock             | 8 184           | 9 172          | 988        | 12,1          |
| Wholesale trade in food, beverages and tobacco                          | 35 237          | 34 571         | -666       | -1,9          |
| Wholesale trade in textiles, clothing and footwear                      | 5 715           | 4 565          | -1 150     | -20,1         |
| Wholesale trade in other household goods except precious stones         | 22 568          | 22 901         | 333        | 1,5           |
| Wholesale trade in precious stones, jewellery and silverware            | 5 115           | 5 315          | 199        | 3,9           |
| Wholesale trade in solid, liquid and gaseous fuels and related products | 33 129          | 35 095         | 1 966      | 5,9           |
| Wholesale trade metals and metal ores                                   | 8 194           | 8 691          | 497        | 6,1           |
| Wholesale trade in construction and building materials                  | 12 311          | 12 332         | 21         | 0,2           |
| Wholesale trade in other intermediate products, waste and scrap         | 7 123           | 8 723          | 1 600      | 22,5          |
| Wholesale trade in machinery, equipment and supplies                    | 37 223          | 35 011         | -2 212     | -5,9          |
| Wholesale trade in other goods  | 12 275          | 12 837         | 562        | 4,6           |
| <b>Total wholesale trade sales</b>                                      | <b>195 782</b>  | <b>195 870</b> | <b>88</b>  | <b>0,0</b>    |

1/ The percentage difference is the difference between the April to June 2007 sales as recorded in the new sample divided by the April to June 2007 sales as recorded in the previous sample, expressed as a percentage.



**Detailed results**

Outlined below in table 1 are wholesale trade sales according to type of dealer.

**Table 1- Total wholesale trade sales according to type of dealer at current prices (R million)**

| Year and month 1/ | Type A           | Type B        | Type C         | Type D        | Type E        | Type F        | Type G         | Type H        | Type I        | Type J        | Type K         | Type L        | Total 2/       |        |
|-------------------|------------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|----------------|--------|
| <b>2006</b>       | <b>January</b>   | 1 813         | 2 172          | 9 499         | 883           | 5 171         | 389            | 8 757         | 1 711         | 2 377         | 2 038          | 7 964         | 3 292          | 46 065 |
|                   | <b>February</b>  | 1 928         | 2 027          | 9 263         | 1 222         | 5 998         | 1 292          | 8 900         | 2 130         | 2 859         | 2 274          | 8 604         | 4 022          | 50 519 |
|                   | <b>March</b>     | 2 096         | 2 013          | 10 002        | 1 333         | 5 868         | 1 693          | 10 159        | 2 096         | 2 994         | 2 272          | 10 214        | 3 936          | 54 676 |
|                   | <b>April</b>     | 1 398         | 1 767          | 9 977         | 1 379         | 5 876         | 1 320          | 9 765         | 1 781         | 2 846         | 1 801          | 8 053         | 3 564          | 49 528 |
|                   | <b>May</b>       | 2 346         | 2 319          | 9 850         | 1 528         | 6 537         | 1 471          | 10 852        | 2 363         | 3 303         | 2 447          | 10 445        | 4 023          | 57 485 |
|                   | <b>June</b>      | 1 646         | 2 456          | 10 311        | 1 405         | 6 378         | 1 837          | 10 370        | 2 424         | 3 353         | 2 285          | 11 356        | 4 349          | 58 172 |
|                   | <b>July</b>      | 2 185         | 2 735          | 9 801         | 1 439         | 6 407         | 1 726          | 12 051        | 2 474         | 3 622         | 2 314          | 10 785        | 4 536          | 60 074 |
|                   | <b>August</b>    | 2 232         | 2 848          | 10 469        | 1 802         | 6 919         | 1 998          | 11 232        | 2 637         | 3 686         | 2 979          | 11 658        | 3 926          | 62 386 |
|                   | <b>September</b> | 1 948         | 3 033          | 11 658        | 1 803         | 6 509         | 1 839          | 11 963        | 2 546         | 3 685         | 2 756          | 10 777        | 3 891          | 62 408 |
|                   | <b>October</b>   | 2 199         | 2 918          | 11 485        | 2 152         | 7 606         | 2 148          | 11 323        | 2 948         | 4 236         | 3 291          | 11 796        | 4 380          | 66 482 |
|                   | <b>November</b>  | 2 593         | 3 730          | 12 067        | 2 105         | 8 678         | 2 209          | 11 434        | 2 889         | 4 386         | 3 415          | 12 073        | 5 232          | 70 812 |
|                   | <b>December</b>  | 2 274         | 3 253          | 13 220        | 1 410         | 6 903         | 1 957          | 10 679        | 1 748         | 2 749         | 2 331          | 10 371        | 4 661          | 61 554 |
| <b>Total</b>      | <b>24 658</b>    | <b>31 271</b> | <b>127 602</b> | <b>18 461</b> | <b>78 850</b> | <b>19 879</b> | <b>127 485</b> | <b>27 747</b> | <b>40 096</b> | <b>30 203</b> | <b>124 096</b> | <b>49 812</b> | <b>700 161</b> |        |
| <b>2007</b>       | <b>January</b>   | 1 786         | 2 527          | 11 424        | 1 146         | 5 961         | 688            | 10 141        | 2 337         | 3 067         | 2 735          | 10 981        | 4 121          | 56 916 |
|                   | <b>February</b>  | 2 083         | 3 006          | 11 284        | 1 516         | 7 050         | 1 156          | 10 113        | 2 784         | 3 846         | 2 617          | 11 335        | 4 259          | 61 048 |
|                   | <b>March</b>     | 2 090         | 2 641          | 11 203        | 1 772         | 7 012         | 1 877          | 11 204        | 2 829         | 4 187         | 2 641          | 13 108        | 4 801          | 65 365 |
|                   | <b>April</b>     | 2 259         | 2 485          | 10 837        | 1 625         | 7 307         | 1 754          | 10 572        | 2 673         | 3 628         | 2 659          | 10 511        | 3 655          | 59 964 |
|                   | <b>May</b>       | 2 179         | 3 287          | 11 657        | 1 702         | 8 120         | 1 765          | 12 173        | 3 070         | 4 331         | 2 957          | 12 054        | 4 609          | 67 902 |
|                   | <b>June</b>      | 2 220         | 3 400          | 12 077        | 1 239         | 7 474         | 1 796          | 12 350        | 2 948         | 4 373         | 3 107          | 12 447        | 4 573          | 68 004 |
|                   | <b>July</b>      | 2 477         | 3 133          | 11 807        | 1 411         | 7 718         | 1 162          | 12 952        | 2 816         | 4 325         | 3 036          | 13 477        | 4 871          | 69 185 |

1/ Preliminary.

2/ The figures have been rounded off. Therefore, discrepancies may occur between the sums of the component items and the totals.

**Description of type of dealers included in indicated group types in Table 1 <sup>1/</sup>**

| <b>Group type</b> | <b>Type of dealers included in group type</b>                                  |
|-------------------|--|
| <b>Type A</b>     | <b>Wholesale trade on a fee or contract basis</b>                              |
| <b>Type B</b>     | <b>Wholesale trade in agricultural raw materials and livestock</b>             |
| <b>Type C</b>     | <b>Wholesale trade in food, beverages and tobacco</b>                          |
| <b>Type D</b>     | <b>Wholesale trade in textiles, clothing and footwear</b>                      |
| <b>Type E</b>     | <b>Wholesale trade in other household goods except precious stones</b>         |
| <b>Type F</b>     | <b>Wholesale trade in precious stones, jewellery and silverware</b>            |
| <b>Type G</b>     | <b>Wholesale trade in solid, liquid and gaseous fuels and related products</b> |
| <b>Type H</b>     | <b>Wholesale trade in metals and metal ores</b>                                |
| <b>Type I</b>     | <b>Wholesale trade in construction and building materials</b>                  |
| <b>Type J</b>     | <b>Wholesale trade in other intermediate products, waste and scrap</b>         |
| <b>Type K</b>     | <b>Wholesale trade in machinery, equipment and supplies</b>                    |
| <b>Type L</b>     | <b>Wholesale trade in other goods</b>  |

1/ See note 4 on page 13.

Tables 2 and 3 show wholesale trade sales (actual values and annual percentage changes) at current prices over the period January 2000 to July 2007. Table 4 shows seasonally adjusted wholesale trade sales at current prices over the same period.

**Table 2 – Total wholesale trade sales at current prices (R million)**

| Month        | 2000           | 2001           | 2002           | 2003           | 2004           | 2005           | 2006 1/        | 2007 1/ |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------|
| January      | 23 728         | 28 597         | 32 599         | 35 428         | 37 088         | 41 500         | 46 065         | 56 916  |
| February     | 26 598         | 30 786         | 34 349         | 40 529         | 41 888         | 43 439         | 50 519         | 61 048  |
| March        | 28 946         | 30 833         | 36 532         | 41 693         | 45 345         | 46 389         | 54 676         | 65 365  |
| April        | 26 715         | 29 950         | 36 395         | 38 647         | 40 497         | 47 706         | 49 528         | 59 964  |
| May          | 28 703         | 31 790         | 37 077         | 40 852         | 48 883         | 49 615         | 57 485         | 67 902  |
| June         | 28 782         | 32 351         | 36 426         | 42 205         | 50 337         | 51 445         | 58 172         | 68 004  |
| July         | 27 852         | 31 320         | 35 856         | 43 009         | 48 222         | 51 300         | 60 074         | 69 185  |
| August       | 29 458         | 31 917         | 36 956         | 41 281         | 49 184         | 52 846         | 62 386         |         |
| September    | 29 474         | 30 522         | 38 774         | 42 174         | 49 744         | 54 891         | 62 408         |         |
| October      | 31 832         | 34 957         | 43 512         | 44 415         | 53 853         | 56 731         | 66 482         |         |
| November     | 32 795         | 36 199         | 42 940         | 45 345         | 57 385         | 60 794         | 70 812         |         |
| December     | 30 865         | 35 200         | 38 970         | 38 758         | 49 512         | 52 603         | 61 554         |         |
| <b>Total</b> | <b>345 748</b> | <b>384 422</b> | <b>450 386</b> | <b>494 336</b> | <b>571 938</b> | <b>609 259</b> | <b>700 161</b> |         |

1/ Preliminary.

**Table 3 – Percentage change in total wholesale trade sales at current prices 1/**

| Month        | 2000 | 2001        | 2002        | 2003       | 2004        | 2005       | 2006        | 2007 |
|--------------|------|-------------|-------------|------------|-------------|------------|-------------|------|
| January      | -    | 20,5        | 14,0        | 8,7        | 4,7         | 11,9       | 11,0        | 23,6 |
| February     | -    | 15,7        | 11,6        | 18,0       | 3,4         | 3,7        | 16,3        | 20,8 |
| March        | -    | 6,5         | 18,5        | 14,1       | 8,8         | 2,3        | 17,9        | 19,5 |
| April        | -    | 12,1        | 21,5        | 6,2        | 4,8         | 17,8       | 3,8         | 21,1 |
| May          | -    | 10,8        | 16,6        | 10,2       | 19,7        | 1,5        | 15,9        | 18,1 |
| June         | -    | 12,4        | 12,6        | 15,9       | 19,3        | 2,2        | 13,1        | 16,9 |
| July         | -    | 12,5        | 14,5        | 19,9       | 12,1        | 6,4        | 17,1        | 15,2 |
| August       | -    | 8,3         | 15,8        | 11,7       | 19,1        | 7,4        | 18,1        |      |
| September    | -    | 3,6         | 27,0        | 8,8        | 17,9        | 10,3       | 13,7        |      |
| October      | -    | 9,8         | 24,5        | 2,1        | 21,2        | 5,3        | 17,2        |      |
| November     | -    | 10,4        | 18,6        | 5,6        | 26,6        | 5,9        | 16,5        |      |
| December     | -    | 14,0        | 10,7        | -0,5       | 27,7        | 6,2        | 17,0        |      |
| <b>Total</b> | -    | <b>11,2</b> | <b>17,2</b> | <b>9,8</b> | <b>15,7</b> | <b>6,5</b> | <b>14,9</b> |      |

1/ The percentage change is the difference between wholesale trade sales of the relevant year and those of the previous year expressed as a percentage.

**Table 4 – Seasonally adjusted total wholesale trade sales at current prices (R million)**

| Month     | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| January   | 26 142 | 31 617 | 36 298 | 39 896 | 42 276 | 47 787 | 53 332 | 66 017 |
| February  | 27 191 | 31 522 | 35 213 | 41 867 | 43 634 | 45 730 | 53 574 | 65 048 |
| March     | 28 809 | 30 629 | 36 334 | 41 539 | 45 392 | 46 584 | 55 154 | 66 085 |
| April     | 28 000 | 31 638 | 38 805 | 41 711 | 44 213 | 52 614 | 54 971 | 66 770 |
| May       | 28 766 | 31 710 | 36 881 | 40 544 | 48 562 | 49 165 | 56 931 | 67 172 |
| June      | 28 853 | 32 255 | 36 058 | 41 577 | 49 515 | 50 520 | 57 118 | 66 824 |
| July      | 28 436 | 31 976 | 36 457 | 43 423 | 48 229 | 50 917 | 59 320 | 68 221 |
| August    | 29 344 | 31 934 | 37 028 | 41 196 | 48 692 | 51 956 | 61 078 |        |
| September | 29 057 | 30 116 | 38 146 | 41 325 | 48 424 | 53 312 | 60 509 |        |
| October   | 29 646 | 32 444 | 40 301 | 40 972 | 49 602 | 52 247 | 61 295 |        |
| November  | 30 207 | 33 139 | 38 937 | 40 649 | 50 911 | 53 501 | 62 025 |        |
| December  | 30 666 | 35 091 | 38 939 | 38 938 | 49 963 | 53 268 | 62 316 |        |

Tables 5 and 6 show wholesale trade sales (actual values and annual percentage changes) at constant (2000) prices over the period January 2000 to July 2007. Table 7 shows seasonally adjusted wholesale trade sales at constant prices over the same period.

**Table 5 – Total wholesale trade sales at constant 2000 prices (R million)**

| Month        | 2000           | 2001           | 2002           | 2003           | 2004           | 2005           | 2006 1/        | 2007 1/ |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------|
| January      | 24 691         | 27 418         | 28 066         | 28 241         | 29 754         | 32 600         | 34 351         | 38 483  |
| February     | 27 520         | 29 376         | 28 986         | 32 243         | 33 417         | 34 003         | 37 617         | 41 165  |
| March        | 29 826         | 29 351         | 30 558         | 33 169         | 36 204         | 36 114         | 40 516         | 43 475  |
| April        | 27 067         | 28 228         | 29 942         | 30 758         | 32 026         | 36 839         | 36 337         | 39 243  |
| May          | 28 978         | 29 738         | 30 279         | 32 866         | 38 612         | 38 121         | 41 716         | 43 893  |
| June         | 28 898         | 30 052         | 29 627         | 33 509         | 39 112         | 38 944         | 41 024         | 43 027  |
| July         | 27 810         | 28 933         | 28 858         | 33 932         | 37 512         | 38 413         | 41 646         | 43 241  |
| August       | 29 094         | 29 268         | 29 459         | 32 698         | 38 231         | 39 393         | 42 468         |         |
| September    | 28 996         | 27 989         | 30 933         | 33 807         | 38 939         | 41 163         | 42 789         |         |
| October      | 31 116         | 31 607         | 34 479         | 35 617         | 41 958         | 42 527         | 45 180         |         |
| November     | 31 717         | 32 349         | 33 918         | 36 495         | 44 675         | 45 335         | 47 798         |         |
| December     | 29 735         | 31 289         | 30 904         | 31 156         | 38 727         | 39 197         | 41 732         |         |
| <b>Total</b> | <b>345 448</b> | <b>355 598</b> | <b>366 009</b> | <b>394 491</b> | <b>449 167</b> | <b>462 649</b> | <b>493 174</b> |         |

1/ Preliminary.

**Table 6 – Percentage change in total wholesale trade sales at constant 2000 prices 1/**

| Month        | 2000 | 2001       | 2002       | 2003       | 2004        | 2005       | 2006       | 2007 |
|--------------|------|------------|------------|------------|-------------|------------|------------|------|
| January      | -    | 11,0       | 2,4        | 0,6        | 5,4         | 9,6        | 5,4        | 12,0 |
| February     | -    | 6,7        | -1,3       | 11,2       | 3,6         | 1,8        | 10,6       | 9,4  |
| March        | -    | -1,6       | 4,1        | 8,5        | 9,2         | -0,2       | 12,2       | 7,3  |
| April        | -    | 4,3        | 6,1        | 2,7        | 4,1         | 15,0       | -1,4       | 8,0  |
| May          | -    | 2,6        | 1,8        | 8,5        | 17,5        | -1,3       | 9,4        | 5,2  |
| June         | -    | 4,0        | -1,4       | 13,1       | 16,7        | -0,4       | 5,3        | 4,9  |
| July         | -    | 4,0        | -0,3       | 17,6       | 10,6        | 2,4        | 8,4        | 3,8  |
| August       | -    | 0,6        | 0,7        | 11,0       | 16,9        | 3,0        | 7,8        |      |
| September    | -    | -3,5       | 10,5       | 9,3        | 15,2        | 5,7        | 4,0        |      |
| October      | -    | 1,6        | 9,1        | 3,3        | 17,8        | 1,4        | 6,2        |      |
| November     | -    | 2,0        | 4,9        | 7,6        | 22,4        | 1,5        | 5,4        |      |
| December     | -    | 5,2        | -1,2       | 0,8        | 24,3        | 1,2        | 6,5        |      |
| <b>Total</b> | -    | <b>2,9</b> | <b>2,9</b> | <b>7,8</b> | <b>13,9</b> | <b>3,0</b> | <b>6,6</b> |      |

1/ The percentage change is the difference between wholesale trade of the relevant year and those of the previous year expressed as a percentage.

**Table 7 – Seasonally adjusted total wholesale trade sales at constant 2000 prices (R million)**

| Month     | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| January   | 27 289 | 30 372 | 31 236 | 31 718 | 33 728 | 37 261 | 39 417 | 44 221 |
| February  | 28 155 | 30 106 | 29 732 | 33 277 | 34 687 | 35 550 | 39 504 | 43 382 |
| March     | 29 785 | 29 226 | 30 367 | 32 884 | 35 908 | 35 834 | 40 293 | 43 282 |
| April     | 28 407 | 29 823 | 31 879 | 33 076 | 34 768 | 40 317 | 39 985 | 43 308 |
| May       | 29 100 | 29 675 | 30 079 | 32 513 | 38 174 | 37 552 | 41 060 | 43 168 |
| June      | 28 981 | 30 000 | 29 412 | 33 149 | 38 698 | 38 518 | 40 607 | 42 634 |
| July      | 28 447 | 29 590 | 29 427 | 34 434 | 37 823 | 38 532 | 41 640 | 43 220 |
| August    | 29 075 | 29 389 | 29 665 | 32 896 | 38 281 | 39 269 | 42 200 |        |
| September | 28 245 | 27 405 | 30 324 | 33 114 | 37 968 | 40 106 | 41 643 |        |
| October   | 28 919 | 29 285 | 31 902 | 32 882 | 38 736 | 39 309 | 41 827 |        |
| November  | 29 193 | 29 600 | 30 743 | 32 748 | 39 712 | 40 024 | 42 014 |        |
| December  | 29 582 | 31 253 | 30 960 | 31 352 | 39 100 | 39 655 | 42 190 |        |

**Table 8 – Estimates and percentage changes in total wholesale trade sales**

Outlined below in tables 8.1 and 8.2 are the percentage changes in wholesale trade sales at current prices, constant (2000) prices and seasonally adjusted estimates.

**Table 8.1 – Quarterly estimates and percentage changes**

| Wholesale trade sales estimates | May to July 2006 (R million) | May to July 2007 (R million) | % change between May to July 2006 and May to July 2007 | January to July 2006 (R million) | January to July 2007 (R million) | % change between January to July 2006 and January to July 2007 |
|---------------------------------|------------------------------|------------------------------|--|----------------------------------|----------------------------------|--|
| at current prices               | 175 731                      | 205 091                      | +16,7  | 376 519                          | 448 384                          | +19,1  |
| at constant 2000 prices         | 124 386                      | 130 161                      | +4,6   | 273 207                          | 292 527                          | +7,1   |

**Table 8.2 – Seasonally adjusted estimates with monthly and quarterly percentage changes**

| Seasonally adjusted wholesale trade sales estimates | June 2007 (R million) | July 2007 (R million) | % change between June and July 2007 | February to April 2007 (R million) | May to July 2007 (R million) | % change between February to April 2007 and May to July 2007 |
|---|-----------------------|-----------------------|-------------------------------------|------------------------------------|------------------------------|--|
| at current prices                                   | 66 824                | 68 221                | +2,1                                | 197 903                            | 202 217                      | +2,2   |
| at constant 2000 prices                             | 42 634                | 43 220                | +1,4                                | 129 972                            | 129 022                      | -0,7   |

**Explanatory notes**

|                              |          |  |
|------------------------------|----------|--|
| <b>Introduction</b>          | <b>1</b> | <p>Statistics South Africa (Stats SA) conducts a monthly survey of the wholesale trade industry, covering wholesale enterprises (see 4 below). This survey is based on a sample drawn from the 2007 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT).</p> <p>As is usual, information for the latest month has had to be estimated for respondents who have not reported by the cut-off date for production of results. These estimates will be revised in future statistical releases when their reported information becomes available. Published wholesale trade sales estimates exclude VAT.</p>  |
| <b>Purpose of the survey</b> | <b>3</b> | <p>The results of the monthly wholesale trade sales survey are used to compile estimates of the Gross Domestic Product (GDP) and its components, which are used in monitoring the state of the economy and formulation of economic policy. These statistics are also used in the analysis of comparative business and industry performance.</p>  |
| <b>Scope of the survey</b>   | <b>4</b> | <p>This survey covers wholesale enterprises according to the following types of dealer:</p> <ul style="list-style-type: none"> <li>• Wholesale trade on a fee or contract basis</li> <li>• Sales by commission agents, commodity brokers, auctioneers and other wholesale trade on a fee or contract basis;</li> <li>• Wholesale trade in agricultural raw materials and livestock;</li> <li>• Wholesale trade in food, beverages and tobacco;</li> <li>• Wholesale trade in textiles, clothing and footwear;</li> <li>• Wholesale trade in other household goods except precious stones</li> <li>• Wholesale trade in household furniture, requisites and appliances, wholesale trade in books and stationery, wholesale trade in pharmaceuticals and toiletries and wholesale trade in other household goods not elsewhere classified;</li> <li>• Wholesale trade in precious stones, jewellery and silverware;</li> <li>• Wholesale trade in solid, liquid and gaseous fuels and related products;</li> <li>• Wholesale trade in metals and metal ores;</li> <li>• Wholesale trade in construction and building materials</li> <li>• Wholesale trade in construction materials, hardware, plumbing and heating equipment and supplies;</li> <li>• Wholesale trade in machinery, equipment and supplies;</li> <li>• Wholesale trade in other intermediate products, waste and scrap; and</li> <li>• Wholesale trade in other goods</li> <li>• General wholesale trade and other wholesale trade not elsewhere classified.</li> </ul> |
| <b>Classification</b>        | <b>5</b> | <p>The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities (SIC)</i>, Fifth Edition, Report No. 09-90-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 <i>International Standard Industrial Classification of all Economic Activities (ISIC)</i> with suitable adaptations for local conditions. Statistics in this publication are presented at SIC division (four digit) level. Each enterprise is classified to the industry, which reflects its predominant activity.</p>   |
| <b>Response rate</b>         | <b>6</b> | <p>The preliminary response rate for the survey on wholesale trade sales for July 2007 was 83,8%.</p>  |
| <b>Statistical unit</b>      | <b>7</b> | <p>The statistical unit for which information is compiled and published is the enterprise, defined as a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its sales activities.</p>  |

- Survey methodology and design**
- 8 The survey is conducted monthly. Questionnaires are sent to a sample of about 1000 enterprises from a population of about 19 000 enterprises. Completed questionnaires are required to be returned to Stats SA within 10 days after the end of the reference month. Fax and telephone reminders are used to follow up non-respondents.
  - 9 The value of sales is obtained monthly from the sample of about 1000 enterprises (which was drawn in April 2007 at the SIC four-digit level) from a population of about 19 000 wholesale enterprises. The wholesale industry is divided into four size groups. All large enterprises (size group one) are completely enumerated. Simple random sampling is applied to size groups two (medium sized), three and four (small) enterprises. The total value of sales of the large enterprises (size group one) is added to the weighted totals of size groups two, three and four to reflect the total value of sales.
- Weighting methodology**
- 10 For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated stratum to form division estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at <http://www.statssa.gov.za/publications/publicationsearch.asp>.
- Constant prices**
- 11 The total sales at constant prices are calculated using a combination of the production price indices for consumption in South Africa and total output of South African industry groups from the Production Price Index (PPI) to deflate the sales at current prices. Sales by type of dealer will not be deflated until suitable deflators are found.
- Seasonal adjustment**
- 12 Seasonally adjusted estimates are generated each month, using the X-11 Seasonal Adjustment Program developed by the US Bureau of the Census, 1968. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be more clearly recognised. Seasonal adjustment does not aim to remove irregular or non-seasonal influences, which may be present in any particular month. Influences that are volatile or unsystematic can still make it difficult to interpret the movement of the series even after adjustment for seasonal variations. Therefore the month-to-month movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour.
- Trend cycle**
- 13 The trend is the long-term pattern or movement of a time series. The X-11 Seasonal Adjustment Program is used for smoothing seasonally adjusted estimates to estimates of the underlying trend cycle.
- Reliability of estimates**
- 14 Data presented in this publication are based on information obtained from a sample and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all enterprises in the wholesale industry in South Africa. Estimates are subject to sampling and non-sampling errors. Preliminary figures are indicated in the tables.
  - 15 Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in the collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to minimise non-sampling errors by careful design of questionnaires, testing them in pilot studies, editing reported data and implementing efficient operating procedures. Fluctuations may occur in consecutive months as a result of seasonal and economic factors.

|                                  |   |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
|----------------------------------|---|---|-----|-------------------------|-----|------------------------|------|--|-----|---|------|-------------------------------|----------|-------------------------|-----|-----------------|---|---------|---|-----------------------|
| <b>Revised figures</b>           | <b>16</b>   | Revised figures are due to respondents reporting revisions or corrections to their figures and late submission of their data to Stats SA. Preliminary figures are indicated in the relevant tables. Data are edited at the enterprise level.  |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Related publications</b>      | <b>17</b>   | <p>Users may also wish to refer to the following publications available from Stats SA -</p> <ul style="list-style-type: none"> <li>• <i>Bulletin of Statistics</i> issued quarterly.</li> <li>• <i>SA Statistics</i> issued annually.</li> </ul>  |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Rounding of figures</b>       | <b>18</b>   | Where figures have been rounded-off discrepancies may occur between sums of the component items and the totals.   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Pre-release policy</b>        | <b>19</b>   | Stats SA's pre-release policy may be inspected at its Website, <a href="http://www.statssa.gov.za">www.statssa.gov.za</a> .   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Symbols and abbreviations</b> | <b>20</b>   | <table border="0"> <tr> <td>BSF</td> <td>Business sampling frame</td> </tr> <tr> <td>GDP</td> <td>Gross Domestic Product</td> </tr> <tr> <td>ISIC</td> <td>International Standard Industrial Classification</td> </tr> <tr> <td>SIC</td> <td>Standard Industrial Classification of all Economic Activities</td> </tr> <tr> <td>SARS</td> <td>South African Revenue Service</td> </tr> <tr> <td>Stats SA</td> <td>Statistics South Africa</td> </tr> <tr> <td>VAT</td> <td>Value-added tax</td> </tr> <tr> <td>*</td> <td>Revised</td> </tr> <tr> <td>-</td> <td>Figures not available</td> </tr> </table> | BSF | Business sampling frame | GDP | Gross Domestic Product | ISIC | International Standard Industrial Classification | SIC | Standard Industrial Classification of all Economic Activities | SARS | South African Revenue Service | Stats SA | Statistics South Africa | VAT | Value-added tax | * | Revised | - | Figures not available |
| BSF                              | Business sampling frame                                       |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| GDP                              | Gross Domestic Product  |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| ISIC                             | International Standard Industrial Classification              |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| SIC                              | Standard Industrial Classification of all Economic Activities |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| SARS                             | South African Revenue Service                                 |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| Stats SA                         | Statistics South Africa                                       |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| VAT                              | Value-added tax   |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| *                                | Revised   |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| -                                | Figures not available   |   |     |                         |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |



**Technical note**

**Neyman optimal allocation**

Before drawing in each of the surveys the population of enterprises on the Business Sampling Frame (BSF) was stratified. Strata were formed using a combination of Standard Industrial Classification and the measure of size classes for enterprises. The Neyman optimal allocation formula given below was used to allocate samples to each stratum.

$$n_h = \frac{N_h S_h}{\sum N_h S_h}$$

where  $N_h$  and  $S_h$  are the stratum population size and the stratum variance, respectively.

Neyman allocation formula not only allocates sample sizes to each stratum but also calculates the relative precision for each stratum as well as the relative precision for all strata. The relative precision for these surveys did not exceed 5,2%.

**Class limits**

| Enterprise size | Size Group | Lower limits | Upper limits |
|-----------------|------------|--------------|--------------|
| Very small      | 4          | 0            | 6 000 000    |
| Small           | 3          | 6 000 001    | 32 000 000   |
| Medium          | 2          | 32 000 001   | 64 000 000   |
| Large           | 1          | 64 000 001   |              |

**Glossary**

- Enterprise** The enterprise is a legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its sales activities.
- Industry** An industry is made up of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the *System of National Accounts (SNA)* in the same way as in the *Standard Industrial Classification of all Economic Activities, Fifth Edition, Report No. 09-90-02 of January 1993 (SIC)*.
- Statistical unit** A statistical unit is a unit about which statistics are tabulated, compiled or published. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.
- Wholesale trade** Wholesale trade includes the resale (sale without transformation) of new and used goods and products to other wholesalers, retailers, agricultural, industrial, commercial, institutional and professional users either directly or through agents on a fee or contract basis.
- Wholesaler** A wholesaler is an enterprise deriving 50% or more of its turnover from sales of goods to other businesses and institutions.

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