

# Statistical release

P6141.2

# Wholesale trade sales (Preliminary)

**July 2013** 

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#### Sales at constant 2012 prices: results for July 2013

Table A - Key growth rates in wholesale trade sales at constant 2012 prices

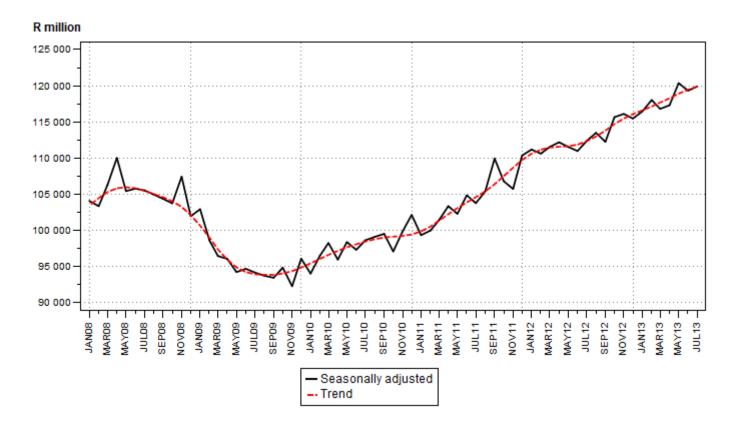
	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Year-on-year % change, unadjusted	2,4	-0,4	9,6	7,6	6,4	8,5
Month-on-month % change, seasonally adjusted	1,4	-1,0	0,4	2,6	-0,9	0,5
3-month % change, seasonally adjusted 1/	1,7	1,2	1,2	1,3	1,6	2,1

<sup>1/</sup> Percentage change between the previous 3 months and the 3 months ending in the month indicated.

Measured in real terms (constant 2012 prices), wholesale trade sales increased by 8,5% year-on-year in July 2013. Seasonally adjusted wholesale trade sales increased by 0,5% in July 2013 compared with June 2013. This followed month-on-month changes of -0,9% in June 2013 and 2,6% in May 2013.

Seasonally adjusted wholesale trade sales increased by 2,1% in the three months ended July 2013 compared with the previous three months.

Figure 1 – Wholesale trade sales at constant 2012 prices



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#### Sales at current prices: results for July 2013

Table B - Key growth rates in wholesale trade sales at current prices

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Year-on-year % change, unadjusted	7,8	5,2	15,2	12,2	11,9	14,8
Month-on-month % change, seasonally adjusted	1,6	-0,1	0,1	3,7	-0,9	2,4
3-month % change, seasonally adjusted 1/	1,7	1,3	2,1	2,9	2,8	4,0

<sup>1/</sup> Percentage change between the previous 3 months and the 3 months ending in the month indicated.

Measured in nominal terms (current prices), wholesale trade sales increased by 14,8% in July 2013 compared with July 2012. The major contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (16,1% and contributing 3,7 percentage points);
- food, beverages and tobacco (12,6% and contributing 1,8 percentage points); and
- 'other' goods (16,1% and contributing 1,7 percentage points) see Tables 8 and 9.

Table C – Wholesale trade sales at current prices for the latest three months by type of dealer

Type of dealer	May – Jul 2012 (R million)	Weight	May – Jul 2013 (R million)	% change between May – Jul 2012 and May – Jul 2013	Contribution (% points) to the total % change
Fee or contract basis	17 503	5,3	20 287	15,9	0,8
Agricultural raw materials and livestock	22 856	6,9	28 456	24,5	1,7
Food, beverages and tobacco	49 853	15,0	56 372	13,1	2,0
Textiles, clothing and footwear	6 844	2,1	7 193	5,1	0,1
Other household goods except precious stones	31 363	9,5	37 446	19,4	1,8
Precious stones, jewellery and silverware	3 957	1,2	4 876	23,2	0,3
Solid, liquid and gaseous fuels and related products	76 344	23,0	86 524	13,3	3,1
Metal and metal ores	10 172	3,1	10 990	8,0	0,2
Construction and building materials	17 166	5,2	17 965	4,7	0,2
Other intermediate products, waste and scrap	12 158	3,7	13 844	13,9	0,5
Machinery, equipment and supplies	47 763	14,4	50 435	5,6	0,8
Other goods	35 701	10,8	40 300	12,9	1,4
Total	331 681	100,0	374 687	13,0	13,0

Wholesale trade sales increased by 13,0% in the three months ended July 2013 compared with the three months ended July 2012. The major contributors to this increase were dealers in:

- solid, liquid and gaseous fuels and related products (13,3% and contributing 3,1 percentage points);
- food, beverages and tobacco (13,1% and contributing 2,0 percentage points);
- 'other' household goods except precious stones (19,4% and contributing 1,8 percentage points); and
- agricultural raw materials and livestock (24,5% and contributing 1,7 percentage points) see Table C.

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# Note: Changes to the monthly current indicator survey and the impact on the statistical series

#### **Business register and samples**

Today Statistics South Africa (Stats SA) publishes results for the monthly survey of wholesale trade sales from a new sample drawn in April 2013 which replaces the previous sample that was drawn in April 2012. The sample was drawn from a business register of enterprises with an annual turnover of at least R1 000 000 and that are required to register with the South African Revenue Service (SARS) for value added tax.

Owing to the evolving nature of business, the business register is maintained on a continuous basis. The maintenance process is aimed, amongst other things, at capturing changes related to new businesses, ceased businesses, merged businesses and classification changes. In addition, Stats SA undertakes quality improvement surveys related to the business register, the primary objective of which is to capture up-to-date information about the structures and activities of large and complex businesses. This process enables Stats SA to review classification codes for these businesses. These changes are an essential part of the statistical architecture.

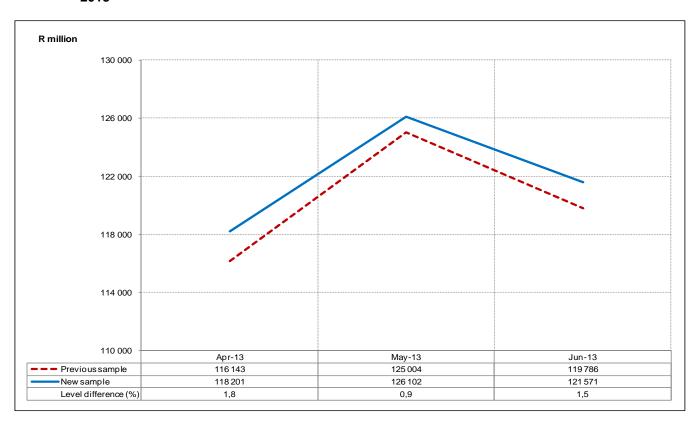
#### Comparison of sales between the previous and new samples of the wholesale industry

The reported level of total sales for the monthly survey of wholesale trade sales for the months April to June 2013 based on the new sample was 1,4% higher than the level of total sales recorded for the previous sample (see Table D and Figure 2). The previous sample was drawn in April 2012 and was operational for the last half of 2012 and the first half of 2013.

Table D – Total sales for previous and new samples for wholesale industry: April to June 2013

Wholesale trade industry	Previous sample	New sample	Difference	Difference
	(R million)	(R million)	(R million)	(%)
	360 933	365 874	4 941	1,4

Figure 2 – Total wholesale trade sales: monthly levels of previous and new samples for April to June 2013



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Table E - Wholesale trade sales for previous and new samples by type of dealer: April to June 2013

Type of dealer	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference % 1/	
Fee or contract basis	19 341	19 955	614	3,2	
Agricultural raw materials and livestock	22 606	26 757	4 151	18,4	
Food, beverages and tobacco	53 969	56 725	2 756	5,1	
Textiles, clothing and footwear	7 658	7 429	-229	-3,0	
Other household goods except precious stones	42 729	37 344	-5 385	-12,6	
Precious stones, jewellery and silverware	4 255	4 832	577	13,6	
Solid, liquid and gaseous fuels and related products	85 784	83 732	-2 052	-2,4	
Metal and metal ores	11 677	10 666	-1 011	-8,7	
Construction and building materials	16 743	17 612	869	5,2	
Other intermediate products, waste and scrap	13 309	13 353	44	0,3	
Machinery, equipment and supplies	47 917	48 053	136	0,3	
Other goods	34 944	39 418	4 474	12,8	
Total	360 933	365 874	4 941	1,4	

<sup>1/</sup> The percentage difference is the difference between the April to June 2013 sales as recorded in the new sample and the April to June 2013 sales as recorded in the previous sample, expressed as a percentage.

The largest percentage differences between the previous and new samples were in the following types of dealers:

- agricultural raw materials and livestock (18,4% or R4 150 million);
- precious stones, jewellery and silverware (13,6% or R577 million);
- 'other' goods (12,8% or R4 474 million); and
- 'other' household goods except precious stones (-12,6% or -R5 385 million).

Various data quality improvements account for these differences, for example the reclassification of enterprises from one industry to another.

#### **Backcasting**

In order to assist users of time series, the levels of the previous sample have been adjusted from January 1998 up to March 2013, using the ratio between the new and the previous sample estimates for April to June 2013.

#### **Tables**

Table 1 – Wholesale trade sales at constant 2012 prices (R million)

Month	2007	2008	2009	2010	2011	2012	2013 1/
Jan	86 308	93 359	90 909	81 816	86 961	98 214	104 817
Feb	92 010	100 920	92 995	91 044	94 455	109 215	111 873
Mar	96 986	102 959	98 354	99 784	105 560	113 422	112 988
Apr	87 589	105 674	89 364	90 892	94 631	103 597	113 537
May	97 869	104 341	91 685	96 356	101 274	112 627	121 187
Jun	97 071	105 129	95 074	97 720	105 340	109 114	116 134
Jul	98 612	107 840	95 435	98 122	101 280	111 076	120 488
Aug	101 532	104 118	93 699	99 933	108 103	115 977	
Sep	100 121	106 993	95 675	101 944	111 456	111 345	
Oct	109 303	112 229	101 026	101 725	112 583	125 173	
Nov	113 877	118 203	102 874	112 873	119 905	131 023	
Dec	95 860	104 274	98 741	104 897	111 885	115 939	
Total	1 177 138	1 266 039	1 145 831	1 177 106	1 253 433	1 356 722	

<sup>1/</sup> Latest month is preliminary.

Table 2 – Year-on-year percentage change in wholesale trade sales at constant 2012 prices

Month	2008	2009	2010	2011	2012	2013	2013 year-to-date
Jan	8,2	-2,6	-10,0	6,3	12,9	6,7	6,7
Feb	9,7	-7,9	-2,1	3,7	15,6	2,4	4,5
Mar	6,2	-4,5	1,5	5,8	7,4	-0,4	2,8
Apr	20,6	-15,4	1,7	4,1	9,5	9,6	4,4
May	6,6	-12,1	5,1	5,1	11,2	7,6	5,1
Jun	8,3	-9,6	2,8	7,8	3,6	6,4	5,3
Jul	9,4	-11,5	2,8	3,2	9,7	8,5	5,8
Aug	2,5	-10,0	6,7	8,2	7,3		
Sep	6,9	-10,6	6,6	9,3	-0,1		
Oct	2,7	-10,0	0,7	10,7	11,2		
Nov	3,8	-13,0	9,7	6,2	9,3		
Dec	8,8	-5,3	6,2	6,7	3,6		
Total	7,6	-9,5	2,7	6,5	8,2		

Table 3 – Seasonally adjusted wholesale trade sales at constant 2012 prices

Month		R m	illion			nth % change	า % change		
WOITH	2010	2011	2012	2013	2010	2011	2012	2013	
Jan	94 030	99 344	111 175	116 442	-2,2	-2,7	0,7	0,9	
Feb	96 518	99 985	110 612	118 022	2,6	0,6	-0,5	1,4	
Mar	98 265	101 410	111 538	116 796	1,8	1,4	0,8	-1,0	
Apr	95 967	103 358	112 182	117 294	-2,3	1,9	0,6	0,4	
May	98 393	102 294	111 548	120 358	2,5	-1,0	-0,6	2,6	
Jun	97 324	104 864	110 972	119 304	-1,1	2,5	-0,5	-0,9	
Jul	98 640	103 772	112 355	119 893	1,4	-1,0	1,2	0,5	
Aug	99 110	105 390	113 490		0,5	1,6	1,0		
Sep	99 530	109 932	112 244		0,4	4,3	-1,1		
Oct	97 090	106 803	115 655		-2,5	-2,8	3,0		
Nov	99 864	105 734	116 104		2,9	-1,0	0,4		
Dec	102 151	110 364	115 460		2,3	4,4	-0,6		

Table 4 – Wholesale trade sales at current prices (R million)

Month	2007	2008	2009	2010	2011	2012	2013 1/
Jan	62 187	74 352	78 327	71 709	79 433	95 462	107 792
Feb	66 702	81 538	79 762	80 031	87 662	106 998	115 383
Mar	71 417	85 077	84 450	88 086	98 978	111 745	117 506
Apr	65 517	88 938	76 616	81 134	88 822	102 631	118 201
May	74 190	92 421	77 692	86 031	95 324	112 388	126 102
Jun	74 301	93 878	79 868	87 770	99 464	108 622	121 571
Jul	75 940	97 413	80 646	87 736	96 612	110 671	127 014
Aug	78 507	94 515	79 308	89 633	104 215	116 256	
Sep	77 596	95 629	80 634	91 061	108 567	111 965	
Oct	85 671	100 073	85 737	90 886	110 017	127 037	
Nov	89 589	103 910	88 108	101 562	117 597	134 173	
Dec	75 642	90 490	85 257	94 674	109 665	118 774	
Total	897 259	1 098 234	976 405	1 050 313	1 196 356	1 356 722	

<sup>1/</sup> Latest month is preliminary.

Table 5 – Year-on-year percentage change in wholesale trade sales at current prices

Month	2008	2009	2010	2011	2012	2013	2013 year-to-date
Jan	19,6	5,3	-8,4	10,8	20,2	12,9	12,9
Feb	22,2	-2,2	0,3	9,5	22,1	7,8	10,2
Mar	19,1	-0,7	4,3	12,4	12,9	5,2	8,4
Apr	35,7	-13,9	5,9	9,5	15,5	15,2	10,1
May	24,6	-15,9	10,7	10,8	17,9	12,2	10,5
Jun	26,3	-14,9	9,9	13,3	9,2	11,9	10,8
Jul	28,3	-17,2	8,8	10,1	14,6	14,8	11,4
Aug	20,4	-16,1	13,0	16,3	11,6		
Sep	23,2	-15,7	12,9	19,2	3,1		
Oct	16,8	-14,3	6,0	21,0	15,5		
Nov	16,0	-15,2	15,3	15,8	14,1		
Dec	19,6	-5,8	11,0	15,8	8,3		
Total	22,4	-11,1	7,6	13,9	13,4		

Table 6 – Seasonally adjusted wholesale trade sales at current prices

Month		R million				Month-on-month % change				
	2010	2011	2012	2013	2010	2011	2012	2013		
Jan	81 704	90 320	106 852	119 132	-2,8	-3,2	-1,1	1,5		
Feb	84 296	92 291	111 353	121 087	3,2	2,2	4,2	1,6		
Mar	86 688	95 532	108 657	121 011	2,8	3,5	-2,4	-0,1		
Apr	85 454	95 987	110 360	121 156	-1,4	0,5	1,6	0,1		
May	87 596	95 819	111 812	125 678	2,5	-0,2	1,3	3,7		
Jun	88 047	99 396	110 086	124 522	0,5	3,7	-1,5	-0,9		
Jul	87 465	98 308	111 455	127 548	-0,7	-1,1	1,2	2,4		
Aug	88 341	102 298	113 761		1,0	4,1	2,1			
Sep	89 126	105 916	112 346		0,9	3,5	-1,2			
Oct	86 817	105 078	119 744		-2,6	-0,8	6,6			
Nov	90 487	105 888	119 469		4,2	0,8	-0,2			
Dec	93 259	107 993	117 340		3,1	2,0	-1,8			

Table 7 – Wholesale trade sales at current prices by type of dealer (R million)

Type of dealer	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13 1/
Fee or contract basis	5 054	5 302	6 355	7 280	6 320	6 687
Agricultural raw materials and livestock	7 585	7 150	8 253	9 215	9 288	9 953
Food, beverages and tobacco	17 787	19 867	18 036	19 826	18 863	17 683
Textiles, clothing and footwear	2 268	2 566	2 850	2 423	2 156	2 614
Other household goods except precious stones	10 747	11 482	11 667	13 067	12 610	11 769
Precious stones, jewellery and silverware	1 571	2 187	1 619	1 641	1 572	1 663
Solid, liquid and gaseous fuels and related products	27 204	29 016	26 915	28 128	28 689	29 707
Metals and metal ores	3 442	3 243	3 511	3 717	3 438	3 835
Construction and building materials	5 594	5 725	5 929	5 988	5 695	6 282
Other intermediate products, waste and scrap	4 312	3 852	4 381	4 684	4 288	4 872
Machinery, equipment and supplies	16 666	14 927	15 709	16 531	15 813	18 091
Other goods	13 152	12 189	12 976	13 602	12 840	13 858
Total	115 383	117 506	118 201	126 102	121 571	127 014

<sup>1/</sup> Preliminary.

Table 8 - Year-on-year percentage change in wholesale trade sales at current prices by type of dealer

Type of dealer	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Fee or contract basis	-8,0	-16,4	8,9	20,4	13,7	13,4
Agricultural raw materials and livestock	16,9	17,8	42,6	40,6	19,6	16,6
Food, beverages and tobacco	16,1	15,1	15,5	9,5	17,5	12,6
Textiles, clothing and footwear	-1,1	-1,1	18,9	0,2	5,9	9,4
Other household goods except precious stones	12,2	5,4	18,9	25,4	16,4	16,4
Precious stones, jewellery and silverware	12,8	82,6	28,3	-4,6	25,0	69,9
Solid, liquid and gaseous fuels and related products	1,3	15,9	4,4	8,5	15,5	16,1
Metals and metal ores	-2,2	-6,5	20,9	6,6	0,5	17,5
Construction and building materials	6,4	-1,9	19,8	1,0	3,5	9,6
Other intermediate products, waste and scrap	-4,5	-9,5	23,1	10,6	6,7	24,7
Machinery, equipment and supplies	9,0	-14,9	12,5	6,7	1,1	8,7
Other goods	19,7	8,3	20,5	12,8	9,7	16,1
Total	7,8	5,2	15,2	12,2	11,9	14,8

Table 9 – Contribution of type of dealer to the year-on-year percentage change in wholesale trade sales at current prices

Type of dealer	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Fee or contract basis	-0,4	-0,9	0,5	1,1	0,7	0,7
Agricultural raw materials and livestock	1,0	1,0	2,4	2,4	1,4	1,3
Food, beverages and tobacco	2,3	2,3	2,4	1,5	2,6	1,8
Textiles, clothing and footwear	0,0	0,0	0,4	0,0	0,1	0,2
Other household goods except precious stones	1,1	0,5	1,8	2,4	1,6	1,5
Precious stones, jewellery and silverware	0,2	0,9	0,3	-0,1	0,3	0,6
Solid, liquid and gaseous fuels and related products	0,3	3,6	1,1	2,0	3,5	3,7
Metals and metal ores	-0,1	-0,2	0,6	0,2	0,0	0,5
Construction and building materials	0,3	-0,1	1,0	0,1	0,2	0,5
Other intermediate products, waste and scrap	-0,2	-0,4	0,8	0,4	0,2	0,9
Machinery, equipment and supplies	1,3	-2,3	1,7	0,9	0,2	1,3
Other goods	2,0	0,8	2,2	1,4	1,0	1,7
Total	7,8	5,2	15,2	12,2	11,9	14,8

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#### **Survey information**

#### Introduction

- Statistics South Africa (Stats SA) conducts a monthly survey covering enterprises in the wholesale trade industry (see 4 below). This survey is based on a sample drawn from Stats SA's 2013 business sampling frame (BSF) that contains businesses registered at the South African Revenue Service (SARS) for value added tax (VAT) and income tax (IT). Stats SA continuously updates its BSF, which is linked to the SARS administrative data.
- In order to improve timeliness, some information for the latest month had to be estimated due to late response. These estimates will be revised in future statistical releases as soon as information becomes available. Published wholesale trade sales estimates exclude VAT.

#### Purpose of the survey

3 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.

#### Scope of the survey

- 4 This survey covers wholesale enterprises according to the following types of dealers:
  - Wholesale trade on a fee or contract basis sales by commission agents, commodity brokers, auctioneers and 'other' wholesale trade on a fee or contract basis;
  - Wholesale trade in agricultural raw materials and livestock;
  - Wholesale trade in food, beverages and tobacco;
  - Wholesale trade in textiles, clothing and footwear;
  - Wholesale trade in 'other' household goods except precious stones, This group includes 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:
  - Wholesale trade in precious stones, jewellery and silverware;
  - Wholesale trade in solid, liquid and gaseous fuels and related products;
  - Wholesale trade in metals and metal ores;
  - Wholesale trade in construction materials, hardware, plumbing and heating equipment and supplies;
  - Wholesale trade in 'other' intermediate products, waste and scrap;
  - Wholesale trade in machinery, equipment and supplies; and
  - Wholesale trade in 'other' goods, This group covers general wholesale trade and 'other' wholesale trade not classified elsewhere.

#### Classification

The 1993 edition of the Standard Industrial Classification of all Economic Activities (SIC), Fifth Edition, Report No, 09-90-02, was used to classify the statistical units 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. Each enterprise is classified to the industry which reflects its predominant activity. Statistics in this publication are presented at SIC four digit level.

#### **Collection rate**

The preliminary collection rate for the survey on wholesale trade sales for July 2013 was 81,6%.

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#### Statistical unit

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. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.

#### **Revised figures**

Revised figures are mainly due to late submission of data to Stats SA, or respondents reporting revisions or corrections to their figures. Preliminary figures, as indicated in the relevant tables, are subject to change and when revised will not be indicated as such.

#### Related publications

**9** Users may also refer to the following publications available from Stats SA:

- Bulletin of Statistics issued quarterly; and
- SA Statistics issued annually.

#### Rounding-off of figures

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

#### Historical data

11 Historical wholesale trade sales data are available on the Stats SA webpage. To access the data electronically, use the following link: http://www.statssa.gov.za/timeseriesdata/timeseriesdata.asp

#### Past publications

Past wholesale trade sales releases are available on the Stats SA webpage. To access the releases electronically, use the following link: <a href="http://www.statssa.gov.za/publications/statspastfuture.asp?PPN=P6141">http://www.statssa.gov.za/publications/statspastfuture.asp?PPN=P6141</a>, 2&SCH=

# Changes in this publication

13 The results published today are based on a new sample drawn in April 2013. The periodic introduction of a new sample is part of Stats SA's strategic approach in improving the basis on which surveys are conducted.

The new sample was conducted in parallel with the previous sample for April to June 2013. A comparison of total sales estimates between the new and previous samples shows a 1,4% higher level of sales for the new sample.

#### **Technical notes**

### Survey methodology and design

- 1 The survey is conducted monthly. Questionnaires are sent to a sample of about 1 050 enterprises from a population of about 19 300 enterprises. Completed questionnaires are required to be returned to Stats SA within 10 days after the end of the reference month. Email, fax and telephone reminders are used to follow up on non-respondents.
- 2 A stratified random sample was drawn at the SIC four-digit level in April 2013 from Stats SA's business sampling frame (BSF). Strata were formed using a combination of Standard Industrial Classification and the measure of size classes for enterprises (see point 3 below).

The Neyman optimal allocation formula given below was used to allocate samples to each stratum:

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

 $N_{\text{h}}$  and  $S_{\text{h}}$  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 strata did not exceed 6.0%.

**Class limits** 

3 The wholesale sampling frame is divided into four size groups. All large enterprises (size group one) are completely enumerated. Simple random sampling is applied to the remaining size groups (medium, small and very small). The total value of sales of the large enterprises (size group one) is added to the weighted totals of size group two, three and four to reflect the total value of sales.

#### Measure of size classes (Rand)

Enterprise size	Size group	Lower limits	Upper limits	
Very small	4	0	27 000 000	
Small	3	27 000 001	128 000 000	
Medium	2	144 000 001	288 000 000	
Large	1	288 000 001		

#### Sample weighting

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 group estimates. These procedures are consistent with international best practice.

#### Seasonal adjustment

Seasonally adjusted estimates are generated each month using the X-12-ARIMA 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. The X-12-ARIMA procedure for wholesale trade sales is described in more detail on the Stats SA website: <a href="http://www.statssa.gov.za/Publications/P61412/Seasonal\_adjustment\_w">http://www.statssa.gov.za/Publications/P61412/Seasonal\_adjustment\_w</a> holesale Jun13.pdf

Trend cycle

6 The trend is the long-term pattern or movement of a time series. The X-12-ARIMA Seasonal Adjustment Program is used for smoothing seasonally adjusted estimates to estimates of the underlying trend cycle.

#### **Constant prices**

7 Stats SA compiles its monthly estimates of wholesale trade sales at current prices from a survey of wholesalers in the formal sector. For January 1998 to December 2011 wholesale trade sales at constant prices were calculated using the "all groups" PPI for domestic output, but excluding electricity and other utilities.

From January 2012, wholesale trade sales at constant prices are compiled in three stages:

- (1) Deflate sales of dealers in agricultural raw materials and livestock using the PPI for agriculture.
- (2) Deflate sales of dealers in food, beverages and tobacco using the PPI for food products, beverages and tobacco.
- (3) Deflate the remaining wholesale trade sales with the headline PPI (final manufacturing) excluding the PPIs for food products, beverages and tobacco; and transport equipment.

Total wholesale trade sales at constant prices is obtained by aggregating (1), (2) and (3).

#### Reliability of estimates

- **8** 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.
- 9 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.

### Month-on-month percentage change

The month-on-month percentage change in a variable for any given month is the change between that month and the previous month, expressed as a percentage of the latter.

# Year-on-year percentage change

11 The year-on-year percentage change in a variable for any given period is the change between that period and the corresponding period of the previous year, expressed as a percentage of the latter.

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# Contribution (percentage points)

The contribution (percentage points) to the year-on-year percentage change is calculated by multiplying the percentage change of each type of wholesaler by its corresponding weight, divided by 100. The weight is the percentage contribution of each type of wholesaler to total wholesale trade sales in the corresponding period of the previous year.

#### **Glossary**

Enterprise An 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).

Symbols and BSF Business sampling frame abbreviations GDP Gross domestic product

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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

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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