

# Wholesale trade sales

## June 2005

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**Table A - Key figures as at the end of June 2005**

<b>Estimates</b>	<b>June 2005 R million</b>	<b>% change between June 2004 and June 2005</b>	<b>% change between April to June 2004 and April to June 2005</b>	<b>% change between January to June 2004 and January to June 2005</b>
Wholesale trade sales				
at current prices	44 602	+4,0	+7,5	+6,8
at constant 2000 prices	33 764	+1,3	+4,7	+4,3

<b>Seasonally adjusted estimates</b>	<b>June 2005 R million</b>	<b>% change between May and June 2005</b>	<b>% change between January to March 2005 and April to June 2005</b>
Wholesale trade sales			
at current prices	43 239	+2,9	+8,5
at constant 2000 prices	32 957	+2,4	+6,8

**Key findings as at the end of June 2005**

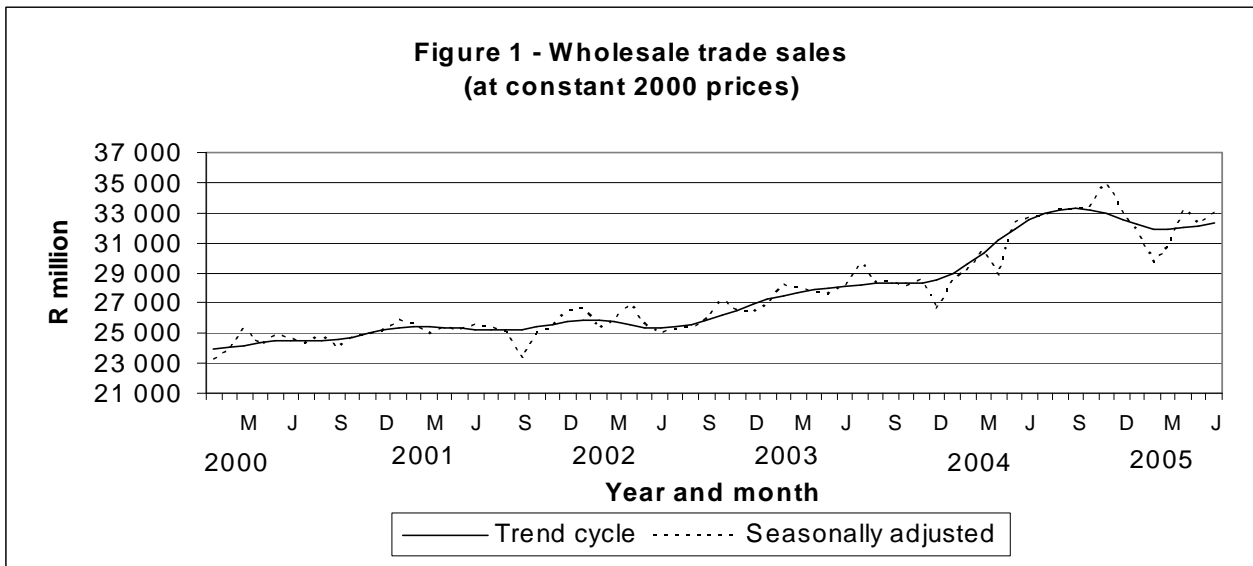
**Wholesale trade sales increase**

*As indicated in table A, wholesale trade sales, at constant (2000) prices, for the second quarter of 2005 increased by 4,7% compared with the second quarter of 2004. Seasonally adjusted wholesale trade sales, at constant (2000) prices, for the second quarter of 2005 showed an increase of 6,8% compared with the previous quarter.*

Wholesale trade sales, at constant prices (2000), increased by 1,3% for the month of June 2005 compared with June 2004.

Wholesale trade sales, at constant (2000) prices, for January to June 2005 increased by 4,3% compared with the same period last year.

Figure 1 below shows the seasonally adjusted and trend patterns for wholesale trade sales at constant (2000) prices between January 2000 and June 2005. The trend cycle, after a brief decline towards the end of 2003, assumed an upward movement for most of 2004. This shows a repeat of the upward movement in 2005.



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**Notes****Forthcoming issue****Issue****Expected release date**

July 2005

06 October 2005

**Purpose of the survey**

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.

**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) for 2005**

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	2/ Total
January	1 409	2 320	6 859	808	3 011	1 659	4 093	1 142	2 463	1 326	5 662	4 874	35 632
February	1 650	2 260	7 089	1 116	3 099	916	4 485	1 343	2 764	1 271	6 547	4 514	37 059
March	1 756	1 863	7 329	1 220	3 592	2 017	4 904	1 292	2 831	1 404	6 523	5 041	39 778
April	1 731	1 866	7 662	1 197	3 648	1 997	5 221	1 329	3 036	1 324	6 757	4 971	40 745
May	2 270	1 849	7 930	1 104	3 773	2 307	5 294	1 452	3 186	1 412	6 940	5 107	42 629
June	2 496	2 007	7 841	967	3 774	2 545	6 249	1 420	3 220	1 585	7 179	5 314	44 602
July													
August													
September													
October													
November													
December													

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>**

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

1/ See note 3 on page 9

Outlined below in tables 2 and 3 are details of the behaviour of wholesale trade sales at current prices over the period January 1998 to June 2005. Table 4 gives details of the behaviour of the seasonally adjusted wholesale trade sales at current prices over the same period.

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

Month	1998	1999	2000	2001	2002	2003	2004	1/ 2005
January	16 924	17 862	20 225	24 376	27 785	30 199	31 612	35 632
February	18 350	19 457	22 672	26 243	29 278	34 546	35 705	37 059
March	19 172	19 834	24 675	26 283	31 140	35 537	38 653	39 779
April	18 575	19 465	22 770	25 528	31 024	32 943	34 520	40 745
May	18 858	20 171	24 466	27 098	31 603	34 821	41 667	42 629
June	19 330	20 295	24 533	27 576	31 049	35 973	42 907	44 602
July	19 895	20 604	23 739	26 697	30 564	36 659	41 103	
August	20 162	22 620	25 108	27 205	31 501	35 186	41 924	
September	20 963	23 068	25 125	26 016	33 052	35 949	43 020	
October	21 341	22 203	27 133	29 796	37 089	37 858	46 353	
November	21 027	24 860	27 953	30 854	36 600	38 654	48 989	
December	19 622	23 144	26 310	30 003	33 219	33 038	42 116	
<b>Total</b>	<b>234 219</b>	<b>253 583</b>	<b>294 709</b>	<b>327 675</b>	<b>383 904</b>	<b>421 363</b>	<b>488 569</b>	

1/ Preliminary

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

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	-	5,5	13,2	20,5	14,0	8,7	4,7	12,7
February	-	6,0	16,5	15,8	11,6	18,0	3,4	3,8
March	-	3,5	24,4	6,5	18,5	14,1	8,8	2,9
April	-	4,8	17,0	12,1	21,5	6,2	4,8	18,0
May	-	7,0	21,3	10,8	16,6	10,2	19,7	2,3
June	-	5,0	20,9	12,4	12,6	15,9	19,3	4,0
July	-	3,6	15,2	12,5	14,5	19,9	12,1	
August	-	12,2	11,0	8,4	15,8	11,7	19,1	
September	-	10,0	8,9	3,5	27,0	8,8	19,7	
October	-	4,0	22,2	9,8	24,5	2,1	22,4	
November	-	18,2	12,4	10,4	18,6	5,6	26,7	
December	-	17,9	13,7	14,0	10,7	-0,5	27,5	
<b>Total</b>	-	<b>8,3</b>	<b>16,2</b>	<b>11,2</b>	<b>17,2</b>	<b>9,8</b>	<b>15,9</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	1998	1999	2000	2001	2002	2003	2004	2005
January	18 777	19 745	22 318	26 984	30 928	33 873	35 759	40 567
February	18 809	19 932	23 172	26 844	29 916	35 378	36 583	37 996
March	19 056	19 708	24 496	26 024	30 856	35 213	38 385	39 472
April	19 367	20 303	23 806	26 792	32 627	34 639	36 261	42 807
May	19 013	20 282	24 507	26 997	31 350	34 388	41 107	42 037
June	19 458	20 406	24 584	27 473	30 653	35 203	41 719	43 239
July	20 267	21 020	24 300	27 405	31 387	37 635	42 158	
August	19 883	22 390	24 971	27 220	31 673	35 536	42 400	
September	20 703	22 794	24 813	25 712	32 649	35 529	42 480	
October	19 952	20 738	25 316	27 727	34 458	35 064	42 850	
November	19 431	22 978	25 782	28 420	33 672	35 553	45 032	
December	19 457	22 990	26 159	29 934	33 192	33 105	42 307	

Outlined below in tables 5 and 6 are details of the behaviour of wholesale trade sales at constant prices over the period January 1998 to June 2005. Table 7 gives details of the behaviour of the 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	1998	1999	2000	2001	2002	2003	2004	1/ 2005
January	19 680	19 858	21 046	23 371	23 922	24 073	25 361	27 991
February	21 400	21 523	23 458	25 041	24 707	27 483	28 484	29 009
March	22 333	21 783	25 425	25 019	26 048	28 271	30 860	30 968
April	21 400	21 343	23 069	24 060	25 523	26 218	27 299	31 464
May	21 626	21 842	24 700	25 349	25 809	28 014	32 912	32 754
June	22 167	21 941	24 631	25 616	25 253	28 562	33 339	33 764
July	22 481	22 119	23 704	24 662	24 599	28 922	31 974	
August	22 502	24 167	24 798	24 947	25 111	27 870	32 588	
September	23 305	24 633	24 717	23 857	26 368	28 817	33 675	
October	23 831	23 583	26 523	26 940	29 389	30 360	36 114	
November	23 454	26 238	27 034	27 573	28 910	31 110	38 139	
December	21 948	24 311	25 347	26 669	26 343	26 558	32 942	
<b>Total</b>	<b>266 127</b>	<b>273 341</b>	<b>294 452</b>	<b>303 104</b>	<b>311 982</b>	<b>336 258</b>	<b>383 687</b>	

1/ Preliminary

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

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	-	0,9	6,0	11,0	2,4	0,6	5,4	10,4
February	-	0,6	9,0	6,7	-1,3	11,2	3,6	1,8
March	-	-2,5	16,7	-1,6	4,1	8,5	9,2	0,3
April	-	-0,3	8,1	4,3	6,1	2,7	4,1	15,3
May	-	1,0	13,1	2,6	1,8	8,5	17,5	-0,5
June	-	-1,0	12,3	4,0	-1,4	13,1	16,7	1,3
July	-	-1,6	7,2	4,0	-0,3	17,6	10,6	
August	-	7,4	2,6	0,6	0,7	11,0	16,9	
September	-	5,7	0,3	-3,5	10,5	9,3	16,9	
October	-	-1,0	12,5	1,6	9,1	3,3	19,0	
November	-	11,9	3,0	2,0	4,8	7,6	22,6	
December	-	10,8	4,3	5,2	-1,2	0,8	24,0	
<b>Total</b>	-	<b>2,7</b>	<b>7,7</b>	<b>2,9</b>	<b>2,9</b>	<b>7,8</b>	<b>14,1</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 7 - Seasonally adjusted total wholesale trade sales at constant 2000 prices (R million)**

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	21 897	22 011	23 265	25 891	26 597	26 930	28 564	31 706
February	21 914	22 044	23 986	25 633	25 262	28 163	29 196	29 740
March	22 348	21 778	25 383	24 895	25 878	28 018	30 585	30 660
April	22 353	22 302	24 158	25 294	26 912	27 675	28 825	33 245
May	21 863	22 023	24 795	25 277	25 587	27 615	32 380	32 188
June	22 308	22 055	24 696	25 561	25 017	28 083	32 612	32 957
July	22 953	22 613	24 293	25 329	25 268	29 712	32 827	
August	22 348	24 077	24 806	25 087	25 372	28 296	33 153	
September	22 609	23 944	24 100	23 381	25 919	28 390	33 157	
October	22 255	22 000	24 705	25 029	27 264	28 100	33 377	
November	21 672	24 246	24 914	25 363	26 534	28 536	34 957	
December	21 712	24 093	25 146	26 553	26 266	26 551	33 008	



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

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

**Table 8.1 - Quarterly and cumulative estimates and percentage changes**

Estimates	April to June 2004	April to June 2005	% change between April to June 2004 and April to June 2005	January to June 2004 R million	January to June 2005 R million	% change between January to June 2004 and January to June 2005
Wholesale trade sales at current prices	119 094	127 976	+7,5	225 064	240 446	+6,8
at constant 2000 prices	93 550	97 982	+4,7	178 255	185 950	+4,3

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

Seasonally adjusted estimates	May 2005 R million	June 2005 R million	% change between May and June 2005	January to March 2005 R million	April to June 2005 R million	% change between January to March 2005 and April to June 2005
Wholesale trade sales at current prices	42 037	43 239	+2,9	118 035	128 083	+8,5
at constant 2000 prices	32 188	32 957	+2,4	92 106	98 390	+6,8

## Explanatory notes

- Introduction**      1      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 2004 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT) and income tax.
- 2      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.
- Scope of the survey**      3      This survey covers wholesale enterprises according to the following types of dealer:
- Wholesale trade on a fee or contract basis (not covered in previous survey)
    - 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
    - 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 and building materials
    - Wholesale trade in construction materials, hardware, plumbing and heating equipment and supplies;
  - Wholesale trade in machinery, equipment and supplies;
  - Wholesale trade in other intermediate products, waste and scrap; and
  - Wholesale trade in other goods
    - General wholesale trade and other wholesale trade not elsewhere classified.
- Classification**      4      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. Statistics in this publication are presented at SIC division (four digit) level. Each enterprise is classified to the industry, which reflects its predominant activity.
- Statistical unit**      5      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.
- Survey methodology and design**      6      The survey is conducted monthly. Questionnaires are sent to a sample of about 800 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.
- 7      The value of sales is obtained monthly from the sample of 800 enterprises (which was drawn in September 2004 at the SIC four-digit level) from a population then 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.

<b>Weighting methodology</b>	<b>8</b>	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 <a href="http://www.statssa.gov.za/publications/publicationsearch.asp">http://www.statssa.gov.za/publications/publicationsearch.asp</a> .
<b>Constant prices</b>	<b>9</b>	The constant prices for the 2004 series 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 current prices. From January 2005 onwards, only the total sales will be deflated and not the type of dealer.
<b>Seasonal adjustment</b>	<b>10</b>	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.
<b>Trend cycle</b>	<b>11</b>	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.
<b>Reliability of estimates</b>	<b>12</b>	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.
	<b>13</b>	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>14</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>15</b>	Users may also wish to refer to the following publications available from Stats SA - <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>16</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>17</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>18</b>	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 6.4%.

**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**

<b>Enterprise</b>	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.
<b>Industry</b>	An industry is made up of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the <i>System of National Accounts (SNA)</i> in the same way as in the <i>Standard Industrial Classification of all Economic Activities, Fifth Edition, Report No. 09-90-02 of January 1993 (SIC)</i> .
<b>Statistical unit</b>	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.
<b>Wholesale trade</b>	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.
<b>Wholesaler</b>	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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