Wholesale trade sales
Preliminary: June 2006

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Table A - Key figures as at the end of June 2006

Estimates	June 2006 R million	% change between June 2005 and June 2006	% change between April to June 2005 and April to June 2006	% change between January to June 2005 and January to June 2006
Wholesale trade sales				
at current prices	58 742	+13,8	+11,2	+13,5
at constant 2000 prices	41 425	+6,0	+4,7	+7,4

Seasonally adjusted estimates	June 2006 R million	% change between May and June 2006	% change between January to March 2006 and April to June 2006
Wholesale trade sales			
at current prices	56 732	+0,4	+3,4
at constant 2000 prices	40 472	-1,0	+0,9

Key findings as at the end of June 2006

Wholesale trade sales increase in real terms

As indicated in table A, wholesale trade sales, at constant (2000) prices, for the second quarter of 2006 increased by 4,7% compared with the second quarter of 2005. Seasonally adjusted wholesale trade sales, at constant (2000) prices, for the second quarter of 2006 increased by 0,9% compared with the first quarter of 2006.

Wholesale trade sales, at constant (2000) prices, for June 2006 increased by 6,0% compared with June 2005.

Wholesale trade sales increase at current prices

Wholesale trade sales, at current prices, for the second quarter of 2006 increased by 11,2% compared with the second quarter of 2005. The 11,2% increase is higher than the growth at 7,5% for the same period in 2005.

Table B – Contribution of the wholesale types of dealers to the percentage change in wholesale trade sales at current prices

Type of wholesale dealer	Sales for April to June 2005 (R million)	Weight 1/	Sales for April to June 2006 (R million)	Difference in sales between April to June 2005 and April to June 2006 (R million)	% change between April to June 2005 and April to June 2006	Contribution (percentage points) to the % change in total sales 2/
Wholesale trade on a fee or contract basis	7 750	5,2	7 029	-721	-9,3	-0,5
Wholesale trade in agricultural raw materials and livestock	5 237	3,5	5 826	589	11,2	0,4
Wholesale trade in food, beverages and tobacco	27 964	18,8	30 837	2 873	10,3	1,9
Wholesale trade in textiles, clothing and footwear	3 225	2,2	5 364	2 139	66,3	1,4
Wholesale trade in other household goods except precious stones	14 355	9,6	18 473	4 118	28,7	2,8
Wholesale trade in precious stones, jewellery and silverware	5 645	3,8	4 468	-1 177	-20,9	-0,8
Wholesale trade in solid, liquid and gaseous fuels and related products	25 538	17,1	29 200	3 662	14,3	2,5
Wholesale trade in metals and metal ores	5 373	3,6	6 184	811	15,1	0,5
Wholesale trade in construction and building materials	8 920	6,0	9 465	545	6,1	0,4
Wholesale trade in other intermediate products, waste and scrap	5 526	3,7	5 600	74	1,3	0,0
Wholesale trade in machinery, equipment and supplies	27 526	18,5	31 804	4 278	15,5	2,9
Wholesale trade in other goods	11 939	8,0	11 458	-481	-4,0	-0,3
Total 3/	**148 998**	**100**	**165 708**	**16 710**	**11,2**	**11,2**

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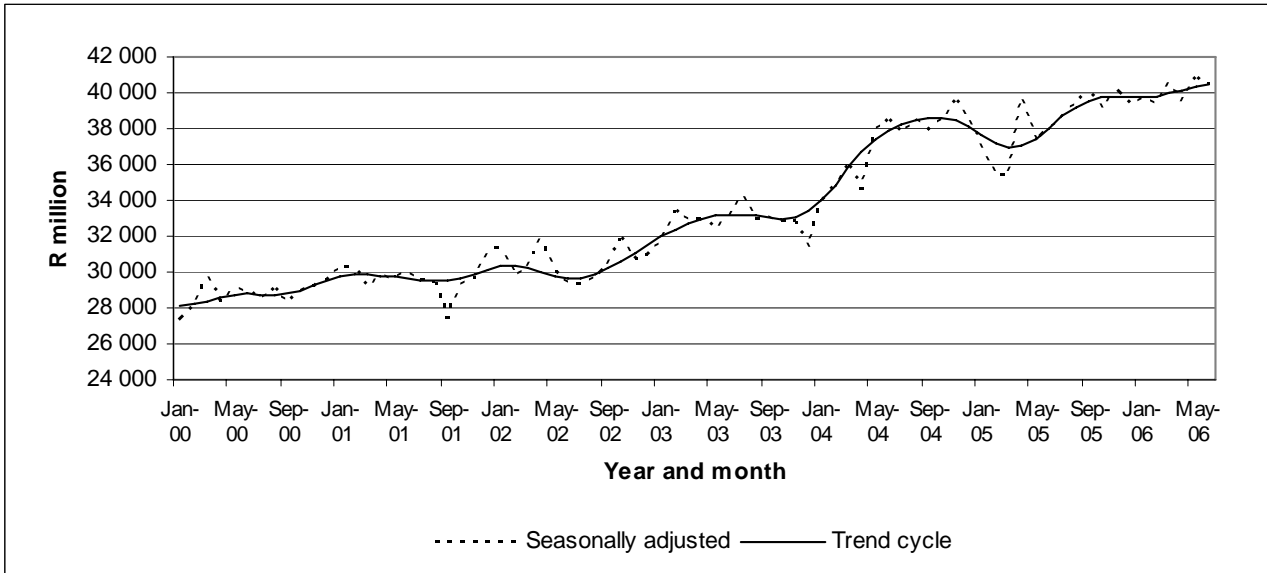
2/ The contribution to the percentage change is calculated by multiplying the percentage change of each type of dealer with its corresponding weight

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 the major contributors to the 11,2% increase in wholesale trade sales at current prices for the second quarter of 2006 compared with the second quarter of 2005. These were dealers in machinery, equipment and supplies (contributing +2,9 percentage points), dealers in other household goods except precious stones (+2,8 percentage points) and dealers in solid, liquid and gaseous fuels (+2,5 percentage points). In the same period, three types of dealers contributed negatively to the growth of the quarter. These were the dealers in other goods (-0,3 of a percentage point), dealers on a contract or fee basis (-0,5 of a percentage point) and dealers in precious stones, jewellery and silverware (-0,8 of a percentage point).

Figure 1 below shows the seasonally adjusted and trend patterns for wholesale trade sales at constant (2000) prices between January 2001 and June 2006. The trend cycle showed a gradual upward trend from January 2001 until the beginning of 2004. Thereafter, the trend cycle started to increase sharply until October 2004. It then showed a decline to the beginning of 2005. It resumed an upward trend from the middle of 2005 and has been showing a slowed growth since.

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

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Notes

Forthcoming issue	**Issue**	**Expected release date**
	July 2006	5 October 2006

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.

Changes in this publication
The results published today are based on a new sample drawn in April 2006. The periodic introduction of a new sample is part of Stats SA's strategic approach in improving the basis from which surveys are conducted.

The new sample was conducted in parallel with the previous sample for the March to May 2006 months. Comparison of estimates from the new and old samples shows a 5,1% higher level of sales for the new sample.

Response Rate
The preliminary response rate for the survey on wholesale trade sales for June 2006 was 90,5%.

Article: 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 three monthly surveys: manufacturing, wholesale trade and motor trade. Today's publications by Stats SA see the introduction of new samples drawn in 2006 thus replacing the previous samples that were drawn in 2005. The samples are drawn from a business register that primarily contains enterprises with an annual turnover of at least R300 000 and are required to register with the South African Revenue Services (SARS) for either value added tax and/or income tax.

Due to the evolving nature of business, the business register has to be maintained on a continuous basis. The maintenance process is aimed to amongst other things to capture changes related to new businesses, ceased businesses, merged businesses and classifications/changes. In addition to these changes as a result of the business register maintenance, Stats SA continuously undertakes "Quality Improvement Surveys" (QIS) related to the business register. The primary objective of the QIS is to capture up to date information about the structures and activities of the large businesses with complex structures. This process enables Stats SA to review industry codes stored for these businesses, which are often those first assigned to them by the SARS. These changes are an essential part of the statistical architecture and future changes should be expected as the economy evolves and improvements are implemented.

New samples reflect a rise in reported level of sales

The reported level of sales for the three monthly survey namely manufacturing, wholesale trade and motor trade for the months March to May 2006 based on the new samples was 2,0% higher than the level of sales from the previous samples. This is a result of the replacement of the samples that were drawn in 2005 that have been in operation for the last half of 2005 and the first half of 2006. The movements in sales over the overlapping months are very similar between the previous and new samples, so that the series for each of the three surveys move largely in parallel.

The effect on sales of introducing the new samples is illustrated in Table C below. The table shows that changes in sales for different industries for the new and previous samples differs from the overall change of 2,0% for the three industries combined. As eluded above, these changes are as a result of the new samples implemented as discussed above, such as changes in classification.

Table C: Total sales for previous and new samples, by industry – March to June 2006[1/]

Industry	New samples R million	Previous samples R million	Difference R million	Difference percent
Manufacturing	229 758	229 067	691	**0,3**
Wholesale trade	162 245	154 379	7 866	**5,1**
Motor trade	69 994	69 710	284	**0,4**
Total	**461 997**	**453 156**	**8 841**	**2,0**

1/. The period of the overlap months was April to June 2006 for manufacturing while the overlap months for the other industries were March to May 2006.

Back-casting

Under ideal conditions growth in series should reflect the actual birth of new businesses, as well as the performance of existing businesses.

Since information about the birth of businesses was not available from SARS on a monthly basis from August 2005, when the old sample was drawn, to April 2006 when the previous sample was revised based on updating of the business register for business births, deaths, changes of activity etc., it was decided that it would be more beneficial to users to adjust the levels of the series rather than attempt to adjust their month to month movements. Accordingly, to assist users of time series, the levels from the new sample for the survey have been adjusted back to the start of 1998, using the level for March 2006 as the end point of the back-cast series. Taking the series back to then (as was done when the previous samples for these surveys were introduced from January 2003) prevents a break in series at July 2001 when the sample frames from the new business register were first created.

Comparing the results of the old and new samples in wholesale

The movements in sales over the three months March to May 2006 are very similar between the old and new samples. As a result the series for the survey moves largely in parallel for those months in which the survey was conducted based on the old and new samples (see Figure 2 below).

Figure 2: Figure showing wholesale trade monthly levels for the old and new samples from March to May 2006
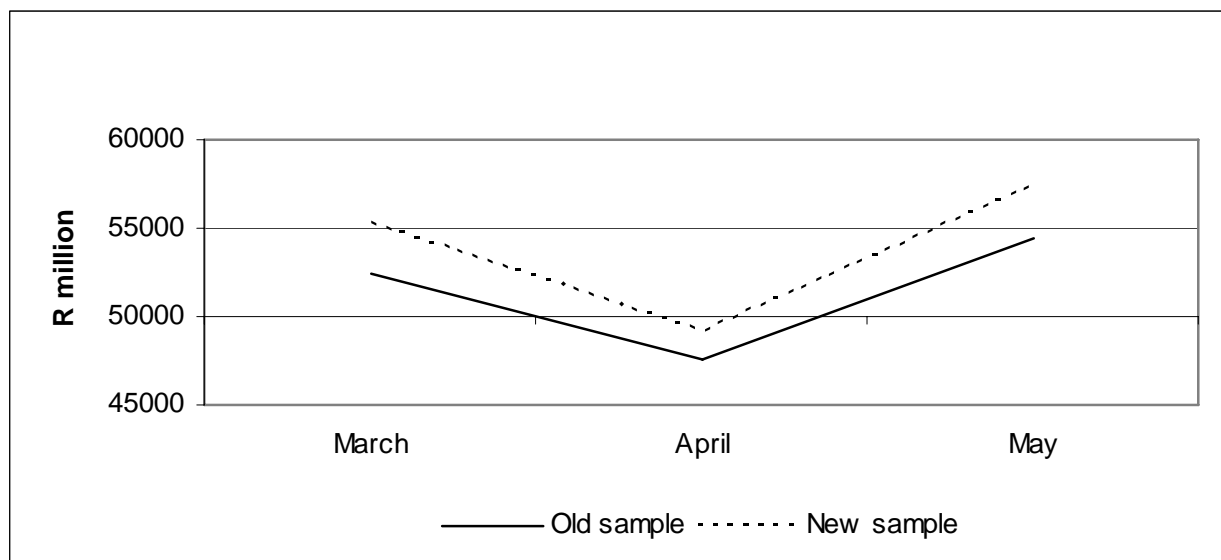
While in total there was very little difference between the levels of sales from the old and new samples for the overlap period, there were differences within the types of dealers. The major reason for the change in the major groups' data is mainly due to better classification.

The following types of dealers were more affected by the implementation of the new sample:
o   Dealers on a fee or contract basis,
o   Dealers in agricultural raw materials and livestock,
o   Dealers in textiles, clothing and footwear,
o   Dealers in other household goods except precious stones,
o   Dealers in machinery, equipment and supplies,
o   Dealers in other goods

Table D: Total wholesale trade sales, old and new samples – March to May 2006

Wholesale dealer	Old sample R million	New sample R million	Difference R million	Percentage difference 1/ %
On a fee or contract basis	4 945	7 615	+2 670	+54,0
Agricultural raw materials and livestock	6 375	5 448	-927	-14,5
Food, beverages and tobacco	29 935	30 324	+389	+1,3
Textiles, clothing and footwear	3 825	5 294	+1 469	+38,4
Other household goods except precious stones	16 305	17 967	+1 662	+10,2
Precious stones, jewellery and silverware	5 034	4 305	-729	-14,5
Solid, liquid and gaseous fuels and related products	29 305	29 536	+231	+0,8
Metals and metal ores	5 640	5 868	+228	+4,0
Construction and building materials	9 410	9103	-307	-3,3
Other intermediate products, waste and scrap	4 600	5 310	+710	+15,4
Machinery, equipment and supplies	25 650	30 487	+4 837	+18,9
Other goods	13 355	10 988	-2 367	-17,7
Total	**154 379**	**162 245**	**+7 866**	**+5,1**

1/ The percentage difference is the difference between the March to May 2006 sales as recorded in the new sample divided by March to May 2006 sales as recorded in the old 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	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/
2005	January	1 650	2 108	8 173	780	3 844	1 465	6 211	1 473	2 355	1 680	7 554	3 856	41 153
	February	1 929	2 053	8 451	1 080	3 954	810	6 802	1 732	2 640	1 614	8 738	3 573	43 380
	March	2 052	1 692	8 735	1 180	4 587	1 785	7 438	1 665	2 705	1 782	8 702	3 987	46 312
	April	2 027	1 696	9 134	1 160	4 658	1 765	7 923	1 711	2 900	1 680	9 015	3 933	47 606
	May	2 660	1 680	9 452	1 070	4 818	2 040	8 029	1 872	3 045	1 788	9 261	4 041	49 758
	June	3 062	1 860	9 377	995	4 878	1 840	9 584	1 789	2 975	2 058	9 249	3 964	51 635
	July	3 349	1 709	9 943	1 095	5 038	975	9 413	1 856	3 265	1 854	8 828	4 239	51 567
	August	3 103	1 789	8 952	1 295	5 351	1 385	10 110	1 949	3 270	1 938	9 447	4 387	52 979
	September	2 774	1 768	9 483	1 420	5 632	1 985	10 165	1 965	3 310	2 142	10 096	4 252	54 995
	October	3 169	1 852	10 125	1 500	6 248	2 045	10 362	1 944	3 375	2 202	9 742	4 342	56 908
	November	3 653	2 377	10 357	1 615	7 205	2 130	9 701	2 197	3 740	2 370	10 000	5 112	60 059
	December	3 242	2 062	11 944	1 015	5 923	1 575	9 393	1 277	2 265	1 590	7 987	4 270	52 547
	Total	**32 675**	**22 650**	**114 131**	**14 205**	**62 139**	**19 800**	**105 135**	**21 435**	**35 845**	**22 698**	**108 624**	**49 959**	**608 899**
2006	January	2 364	1 923	9 655	810	5 093	410	8 261	1 608	2 480	1 710	8 432	3 420	46 168
	February	2 504	1 793	9 392	1 120	5 896	1 360	8 383	1 996	2 975	1 902	9 099	4 176	50 597
	March	2 731	1 810	10 158	1 663	5 762	1 624	10 118	1 970	2 978	1 849	10 866	3 750	55 279
	April	1 827	1 576	10 162	1 725	5 786	1 270	9 211	1 678	2 839	1 470	8 556	3 405	49 505
	May	3 057	2 062	10 004	1 906	6 419	1 411	10 207	2 220	3 286	1 991	11 065	3 833	57 461
	June	2 145	2 188	10 671	1 733	6 268	1 787	9 782	2 286	3 340	2 139	12 183	4 220	58 742

1/ Preliminary

Description of type of dealers included in indicated group types in table 1 [1]

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 12

Tables 2 and 3 show wholesale trade sales at current prices over the period January 1999 to June 2006.
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	1999	2000	2001	2002	2003	2004	2005	2006 1/
January	20 948	23 717	28 584	32 584	35 412	37 071	41 153	46 168
February	22 819	26 586	30 772	34 334	40 511	41 869	43 380	50 597
March	23 257	28 933	30 819	36 516	41 674	45 325	46 312	55 279
April	22 824	26 703	29 937	36 379	38 630	40 479	47 606	49 505
May	23 654	28 690	31 776	37 060	40 834	48 861	49 758	57 461
June	23 801	28 769	32 336	36 410	42 186	50 314	51 635	58 742
July	24 161	27 839	31 306	35 840	42 990	48 200	51 567	
August	26 523	29 445	31 903	36 939	41 262	49 162	52 979	
September	27 051	29 461	30 508	38 757	42 155	50 376	54 995	
October	26 037	31 818	34 941	43 492	44 395	53 700	56 908	
November	29 155	32 780	36 183	42 921	45 325	57 111	60 059	
December	27 141	30 851	35 184	38 952	38 741	49 014	52 547	
Total	**297 371**	**345 592**	**384 249**	**450 184**	**494 115**	**571 482**	**608 899**	

1/ Preliminary

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

Month	1999	2000	2001	2002	2003	2004	2005	2006
January	5,6	13,2	20,5	14,0	8,7	4,7	11,0	12,2
February	6,0	16,5	15,7	11,6	18,0	3,4	3,6	16,6
March	3,5	24,4	6,5	18,5	14,1	8,8	2,2	19,4
April	4,8	17,0	12,1	21,5	6,2	4,8	17,6	4,0
May	7,0	21,3	10,8	16,6	10,2	19,7	1,8	15,5
June	5,0	20,9	12,4	12,6	15,9	19,3	2,6	13,8
July	3,6	15,2	12,5	14,5	19,9	12,1	7,0	
August	12,2	11,0	8,3	15,8	11,7	19,1	7,8	
September	10,0	8,9	3,6	27,0	8,8	19,5	9,2	
October	4,0	22,2	9,8	24,5	2,1	21,0	6,0	
November	18,2	12,4	10,4	18,6	5,6	26,0	5,2	
December	18,0	13,7	14,0	10,7	-0,5	26,5	7,2	
Total	**8,3**	**16,2**	**11,2**	**17,2**	**9,8**	**15,7**	**6,5**	

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	1999	2000	2001	2002	2003	2004	2005	2006
January	23 145	26 167	31 652	36 341	39 951	42 395	47 617	53 756
February	23 385	27 190	31 515	35 187	41 812	43 455	45 355	53 063
March	23 161	28 790	30 605	36 307	41 468	45 197	46 199	55 242
April	23 835	27 985	31 609	38 732	41 577	43 921	52 051	54 318
May	23 791	28 759	31 695	36 837	40 439	48 295	49 022	56 522
June	23 936	28 845	32 236	36 017	41 434	49 063	50 063	56 732
July	24 663	28 449	31 993	36 475	43 492	48 490	51 696	
August	26 272	29 294	31 891	36 995	41 291	49 077	52 765	
September	26 589	28 962	30 023	38 044	41 224	49 045	53 450	
October	24 311	29 652	32 462	40 342	41 024	49 584	52 515	
November	26 944	30 209	33 151	39 011	40 833	51 128	53 561	
December	26 960	30 669	35 112	38 999	38 995	49 543	53 233	

Tables 5 and 6 show wholesale trade sales at constant prices over the period January 1999 to June 2006.
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	1999	2000	2001	2002	2003	2004	2005	2006 1/
January	23 290	24 680	27 405	28 055	28 230	29 740	32 330	34 430
February	25 240	27 510	29 365	28 975	32 230	33 400	33 955	37 675
March	25 545	29 810	29 335	30 545	33 155	36 190	36 055	40 965
April	25 025	27 055	28 215	29 930	30 745	32 010	36 760	36 320
May	25 615	28 965	29 725	30 265	32 850	38 595	38 230	41 700
June	25 730	28 885	30 040	29 615	33 495	39 095	39 085	41 425
July	25 940	27 795	28 920	28 845	33 915	37 495	38 610	
August	28 335	29 080	29 255	29 445	32 685	38 215	39 495	
September	28 885	28 985	27 975	30 920	33 790	39 435	41 240	
October	27 655	31 105	31 590	34 465	35 600	41 840	42 660	
November	30 770	31 700	32 335	33 905	36 480	44 460	44 785	
December	28 510	29 720	31 275	30 890	31 140	38 335	39 155	
Total	**320 540**	**345 290**	**355 435**	**365 855**	**394 315**	**448 810**	**462 360**	

1/ Preliminary

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

Month	1999	2000	2001	2002	2003	2004	2005	2006
January	0,9	6,0	11,0	2,4	0,6	5,3	8,7	6,5
February	0,6	9,0	6,7	-1,3	11,2	3,6	1,7	11,0
March	-2,4	16,7	-1,6	4,1	8,5	9,2	-0,4	13,6
April	-0,3	8,1	4,3	6,1	2,7	4,1	14,8	-1,2
May	1,0	13,1	2,6	1,8	8,5	17,5	-0,9	9,1
June	-1,0	12,3	4,0	-1,4	13,1	16,7	-0,0	6,0
July	-1,6	7,2	4,0	-0,3	17,6	10,6	3,0	
August	7,4	2,6	0,6	0,6	11,0	16,9	3,3	
September	5,7	0,3	-3,5	10,5	9,3	16,7	4,6	
October	-1,1	12,5	1,6	9,1	3,3	17,5	2,0	
November	11,9	3,0	2,0	4,9	7,6	21,9	0,7	
December	10,8	4,2	5,2	-1,2	0,8	23,1	2,1	
Total	**2,7**	**7,7**	**2,9**	**2,9**	**7,8**	**13,8**	**3,0**	

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	1999	2000	2001	2002	2003	2004	2005	2006
January	25 738	27 215	30 301	31 204	31 729	33 840	37 190	39 845
February	25 854	28 152	30 117	29 755	33 314	34 683	35 461	39 433
March	25 545	29 775	29 223	30 379	32 884	35 835	35 651	40 535
April	26 182	28 398	29 805	31 838	33 004	34 593	39 973	39 607
May	25 837	29 096	29 672	30 063	32 471	38 035	37 531	40 872
June	25 870	28 975	29 994	29 395	33 080	38 429	38 285	40 472
July	26 523	28 422	29 553	29 368	34 372	37 840	38 848	
August	28 229	29 082	29 388	29 655	32 932	38 477	39 713	
September	28 062	28 233	27 364	30 257	33 001	38 383	40 097	
October	25 783	28 942	29 317	31 949	32 910	38 668	39 414	
November	28 425	29 189	29 606	30 796	32 866	39 817	39 965	
December	28 282	29 522	31 199	30 925	31 331	38 718	39 624	

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 – Estimates and percentage changes in total wholesale trade sales

Table 8.1 - Quarterly and cumulative estimates and percentage changes

Estimates	April to June 2005 R million	April to June 2006 R million	% change between April to June 2005 and April to June 2006	January to June 2005 R million	January to June 2006 R million	% change between January to June 2005 and January to June 2006
Wholesale trade sales						
at current prices	148 999	165 708	+11,2	279 844	317 752	+13,5
at constant 2000 prices	114 075	119 445	+4,7	216 415	232 515	+7,4

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

Seasonally adjusted estimates	May 2006 R million	June 2006 R million	% change between May and June 2006	January to March 2006 R million	April to June 2006 R million	% change between January to March 2006 and April to June 2006
Wholesale trade sales						
at current prices	56 522	56 732	+0,4	162 061	167 572	+3,4
at constant 2000 prices	40 872	40 472	-1,0	119 813	120 951	+0,9

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 2006 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
    - 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 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.

7   The value of sales is obtained monthly from the sample of about 1000 enterprises (which was drawn in April 2006 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.

Weighting methodology	**8**	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	**9**	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	**10**	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	**11**	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	**12**	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.
	13	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.
Revised figures	**14**	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.
Related publications	**15**	Users may also wish to refer to the following publications available from Stats SA - • *Bulletin of Statistics* issued quarterly. • *SA Statistics* issued annually.
Rounding of figures	**16**	Where figures have been rounded-off discrepancies may occur between sums of the component items and the totals.
Pre-release policy	**17**	Stats SA's pre-release policy may be inspected at its Website, www.statssa.gov.za.

Symbols and abbreviations	**18**	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
		/	Preliminary

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

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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