

Wholesale trade sales

September 2005

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In this publication Stats SA releases the results from the September 2005 survey for wholesale trade sales. These results are based on a new sample selected in August 2005 from Stats SA's business register. The publication also includes results for the months June to August 2005 from this sample as well as from the previous sample, which had been in operation since September 2004.

Like the previous sample, the new sample was drawn from a business register-based sampling frame consisting of businesses registered with the South African Revenue Service (SARS) for value added tax (VAT) purposes, and businesses too small to be required to register for VAT, or otherwise exempt from registration. These businesses, also notified to Stats SA by SARS, come mainly from its list of businesses registered for income tax purposes.

Comparison of the series based on the two samples for the overlap months shows that their month to month movements were consistent. Wholesale trade sales at current prices grew by 3,7% between August and September 2005 and by 10,0% between September 2004 and September 2005. Comparison of estimates of level from the new and old samples for the period June to August 2005 shows a 10,9% higher level of sales from the new sample. This is mainly due to reclassification of businesses to wholesale trade from other industries, based on corrections to their previously assigned industry codes as well as shifts in their predominant activity. Across the four industry sectors (manufacturing, wholesale trade, retail trade and motor trade) included in the monthly surveys, the level of sales for the three months June-August 2005 from the new samples was 3,9% higher than the level of sales from the old samples.

The contributions to the level of sales due to corrections to previously assigned industry codes have been backcast to the start of 1998 to assist those users requiring time series. The backcast figures were adjusted using June 2005 as the end point of the backcast series, and creating revised levels for earlier months using the month on month movements from the earlier sample.

More information about the changes is included in the enclosed article, *Changes to the monthly current indicator surveys and their impacts on the statistical series*.

Table A - Key figures as at the end of September 2005

Estimates	September 2005 R million	% change between September 2004 and September 2005	% change between July to September 2004 and July to September 2005	% change between January to September 2004 and January to September 2005
Wholesale trade sales				
at current prices	51 783	+10,0	+7,9	+6,8
at constant 2000 prices	38 832	+5,4	+3,6	+3,6

Seasonally adjusted estimates	September 2005 R million	% change between August and September 2005	% change between April to June 2005 and July to September 2005
Wholesale trade sales			
at current prices	50 860	+1,8	+5,9
at constant 2000 prices	38 130	+1,6	+3,5

Key findings as at the end of September 2005

Wholesale trade sales increase

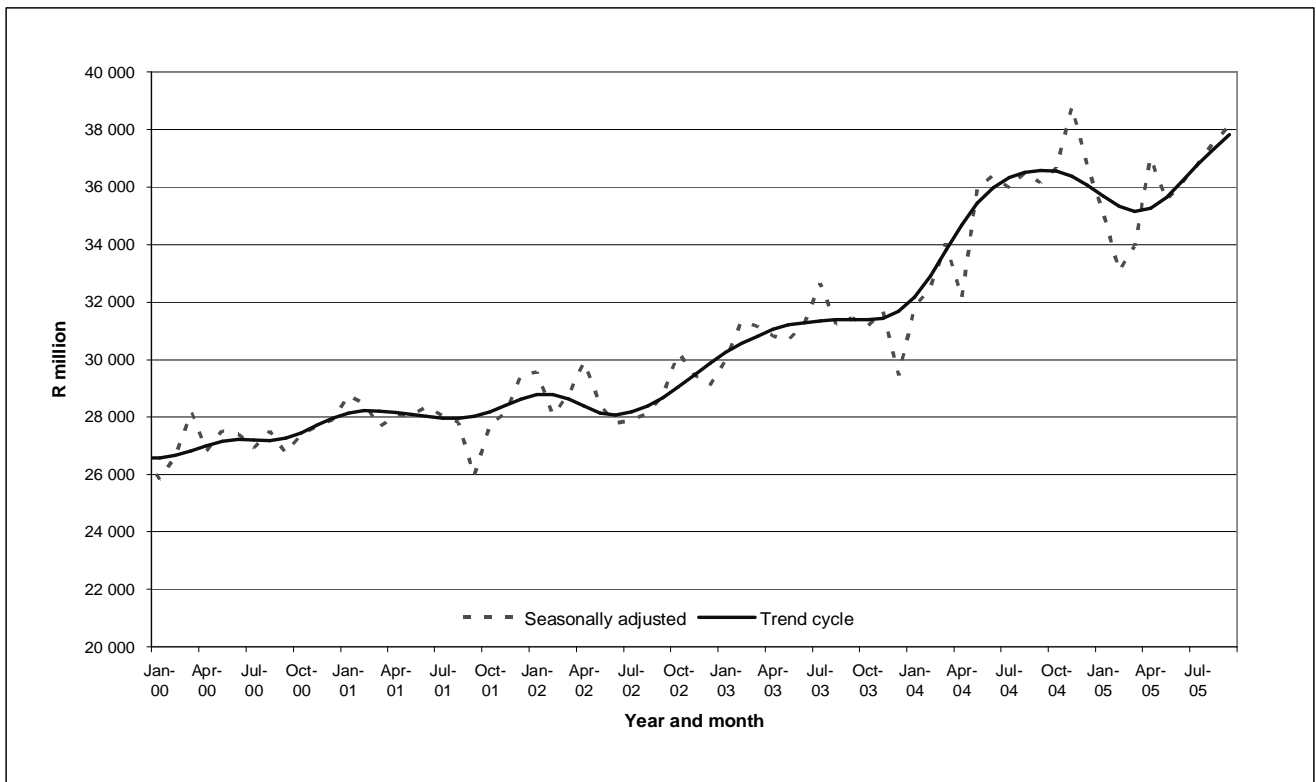
As indicated in table A, wholesale trade sales, at constant (2000) prices, for the third quarter of 2005 increased by 3,6% compared with the third quarter of 2004. Furthermore seasonally adjusted wholesale trade sales, at constant (2000) prices, for the third quarter of 2005 showed an increase of 3,5% compared with the second quarter.

Wholesale trade sales at constant (2000) prices increased by 5,4% for the month of September 2005 compared with September 2004.

Wholesale trade sales at constant (2000) prices, for January to September 2005, increased by 3,6% compared with the same period in 2004.

Figure 1 below shows the seasonally adjusted and trend patterns for wholesale trade sales at constant (2000) prices between January 2000 and September 2005. The trend cycle showed a gradual upward trend from January 2000 until the beginning of 2004. Then it increased sharply until October 2004. It showed a slight decline at the beginning of 2005 but has assumed an upward trend since the middle of 2005.

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



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Notes

Forthcoming issue	Issue	Expected release date
	October 2005	12 January 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.

Article: Changes to the monthly current indicator surveys and their impacts on the statistical series

Today's releases

Today Stats SA releases results for September 2005 from three monthly surveys: wholesale trade, retail trade and motor trade. On 17 November 2005 Stats SA released estimates of manufacturing sales for September 2005 from the monthly survey of manufacturing sales.

The releases for the surveys of wholesale trade, retail trade and motor trade also contain results for the months June to August 2005. The results for these months, as for the latest month, were based on samples selected in August 2005 from Stats SA's business register. The register now consists of businesses with an annual turnover of at least R300 000 and required to register with the South African Revenue Service (SARS) for value added tax (VAT) purposes, together with businesses too small to be required to register for VAT, or otherwise exempt from registration. These businesses, also notified to Stats SA by SARS, come mainly from its list of businesses registered for income tax purposes.

As part of its strategic objective to continuously improve the information held about businesses on the register, Stats SA undertakes Quality Improvement Surveys. Their main aim is to capture up-to-date information about the structures and activities of large businesses with complex structures. This enables Stats SA to review the industry codes stored for these businesses, which are often those first assigned to them by SARS. The process has resulted in some large enterprises being reclassified to different industries, leading to shifts in the levels of economic activity shown for some industries. While Quality Improvement Surveys will be continued, it is not envisaged that their effects on published estimates from Stats SA's economic indicator surveys will be as great as in some of the estimates published today.

Previous releases

The releases today for the surveys of wholesale trade, retail trade and motor trade also contain results for June to August from the previous samples of businesses, selected in September 2004, which were first introduced in respect of September 2004 (hereafter referred to as the 'old' samples). The release on 17 November 2005 of estimates of manufacturing sales for October 2005 from the monthly survey of manufacturing sales contained results for June, July and August 2005 from the old sample of manufacturing businesses.

The three monthly surveys from which estimates are released today, together with the manufacturing sales survey, cover a large proportion of South Africa's market economy. They all collect monthly sales by businesses. In addition, the manufacturing survey collects the levels of opening and closing inventories, which are used, together with the level of sales for the month, to calculate a value of production for the month which is converted to index form.

Comparing the results of the old and new samples

The level of sales from the four monthly surveys taken together, for the months June to August 2005, based on the samples drawn in August 2005 and introduced from June 2005 (hereafter referred to as the 'new' samples), was 3,9% higher than the level of sales from the old samples. The movements in sales over those three months are very similar between the old and new samples, so that the series for each of the four surveys move largely in parallel for those months in which the surveys were conducted based on both the old and new samples.

The effect of moving from the old to the new samples is illustrated in the table below, which shows sales for each of the broad industry sectors covered by the four surveys, and for the combination of these sectors, for the period June to August 2005.

Total sales, old and new samples, by industry sector - June to August 2005				
Survey	New samples R million	Old samples R million	Difference R million	Difference %
Manufacturing	216 609	216 113	496	0,2
Wholesale trade	147 076	132 581	14 495	10,9
Retail trade	91405	92 005	(600)	-0,7
Motor trade	66 274	61 297	4 977	8,1
Total	521 364	501 996	19 368	3,9

Changes to levels between the old and new samples

The differences in the level of sales for June 2005 and subsequent months as between the old and new samples may reflect two influences:

- a. Births and deaths of businesses and changes in the economic activity of businesses, as notified to and recorded on the business register from which the new frame for the new samples was created.
- b. Corrections to previously assigned industry codes based on later information about the activities of businesses.

As the preceding table shows, influence (b) has caused shifts in the recorded level of sales between the sectors covered by the monthly surveys, particularly a net shift to the wholesale trade sector from the other sectors. Changes to industry classification of businesses on the register have also resulted in some shifts in recorded activity between some of these sectors and sectors of the economy (such as transport and communication) not currently covered by monthly surveys. However, all industry sectors are covered in the Quarterly Financial Survey and the annual Economic Activity Survey, and all changes in the industry classification of enterprises are fully reflected in the results for those surveys.

Backcasting

The effects on the level of sales by influences (a) and (b) need to be treated differently in the time series from these surveys.

Influence (a) can create a 'step' in the level of sales for the first month from a new sample (in this case June 2005) when compared with the level of sales for the same month from the old sample, as the new sample represents a more up to date frame of businesses. It would be inappropriate to show such a step as growth over one month, in this case growth between the level of sales for May 2005 from the old sample and the level of sales for June 2005 from the new sample. The treatment chosen by Stats SA for such cases is to spread such a step evenly over the months since the last sample was introduced for the surveys, in this case September 2004 to June 2005. This would result in a small but consistent adjustment to the trend in sales over those months. This adjustment was not needed for the manufacturing series from the new sample published recently and for the wholesale, retail and motor trade sales series published today, as the levels of sales from the old and new samples for June 2005 were virtually the same apart from the impact of industry reclassifications (influence b).

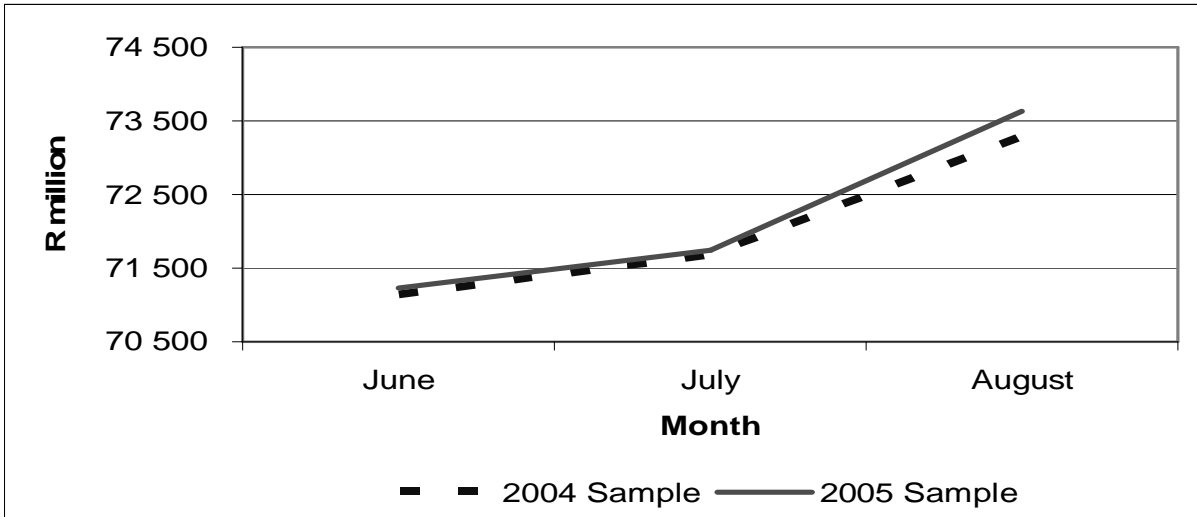
Influence (b) results from corrections to a previously assigned industry codes. Usually these corrections result from detailed Stats SA investigations, as part of the ongoing Quality Improvement Surveys to enhance the information held about businesses on the business register, into the industry codes assigned to businesses by SARS and taken from this source when these businesses were first recorded on the business register. The only realistic assumption for these cases is that these industry codes were always incorrect. Accordingly, the treatment of the effect on levels of influence (b) is for the levels from the new samples for the four surveys to be adjusted back to the start of 1998, using the level for June 2005 as the end point of the backcast series. Taking the series back to then (as was done when the previous samples for these surveys were introduced from September 2004) prevents a break in series. The adjustment has been implemented to the levels of sales for the three surveys published today, as was the case with the levels of manufacturing sales published on 17 November 2005.

Levels comparison by sector

Manufacturing

Figure A is based on data published in P3041.2 on 17 November 2005. It shows that the levels of manufacturing sales for the months June to August 2005 from the new sample and those from the old sample were almost the same (0,2% lift in the level of sales over this period).

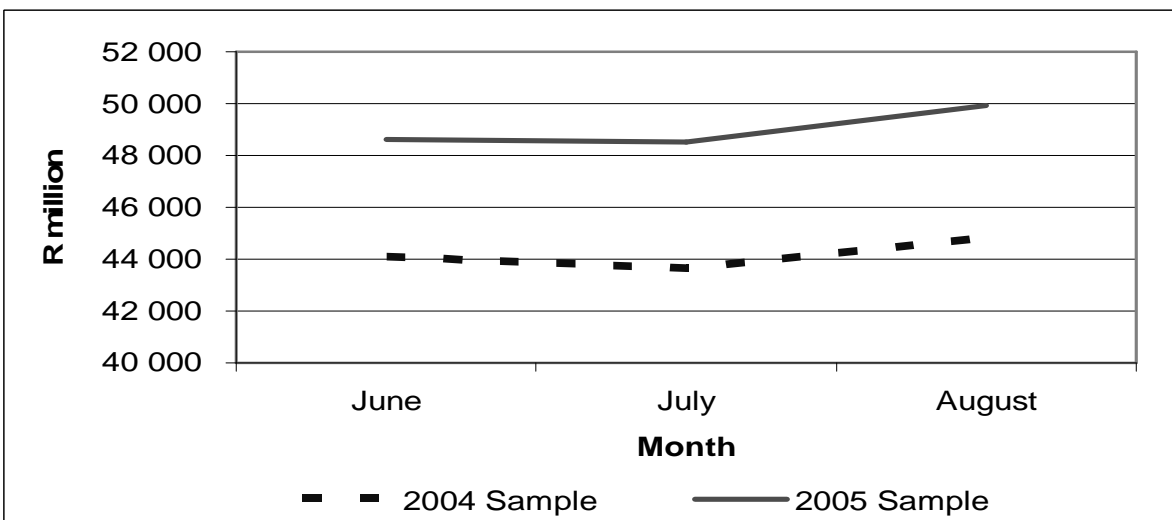
Figure A: Manufacturing sales, monthly levels - June to August 2005



Wholesale trade

As can be seen from Figure B, levels of wholesale trade sales for the months June to August 2005 from the new sample are 10,9% higher than those from the old sample.

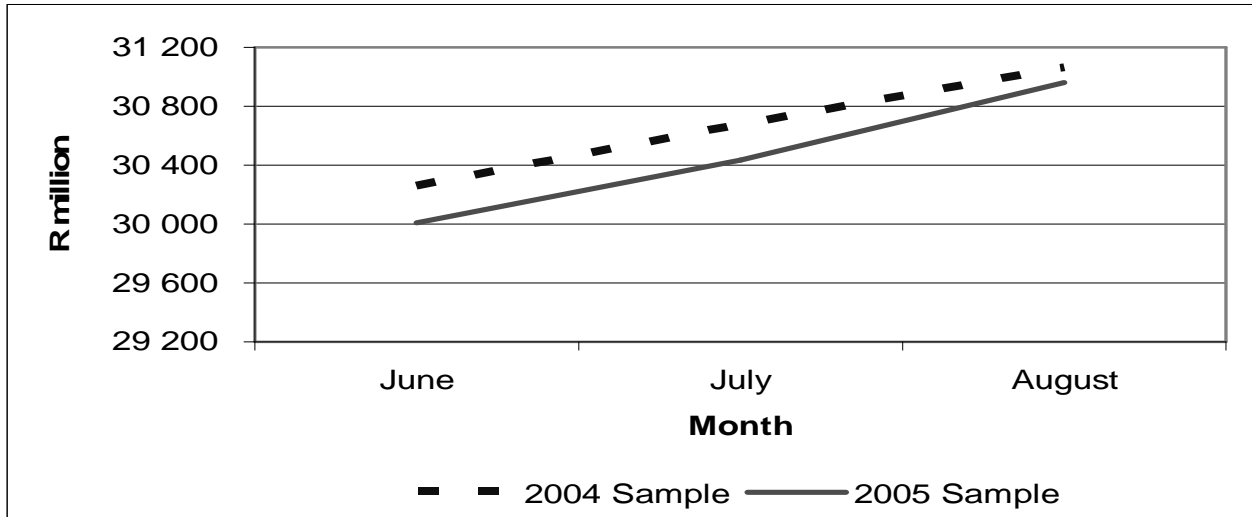
Figure B: Wholesale trade sales, monthly levels - June to August 2005



Retail trade

As can be seen from Figure C, levels of retail trade sales for the months June to August 2005 from the new and old samples are similar, with the level from the new sample 0,7% lower than from the old sample for this period.

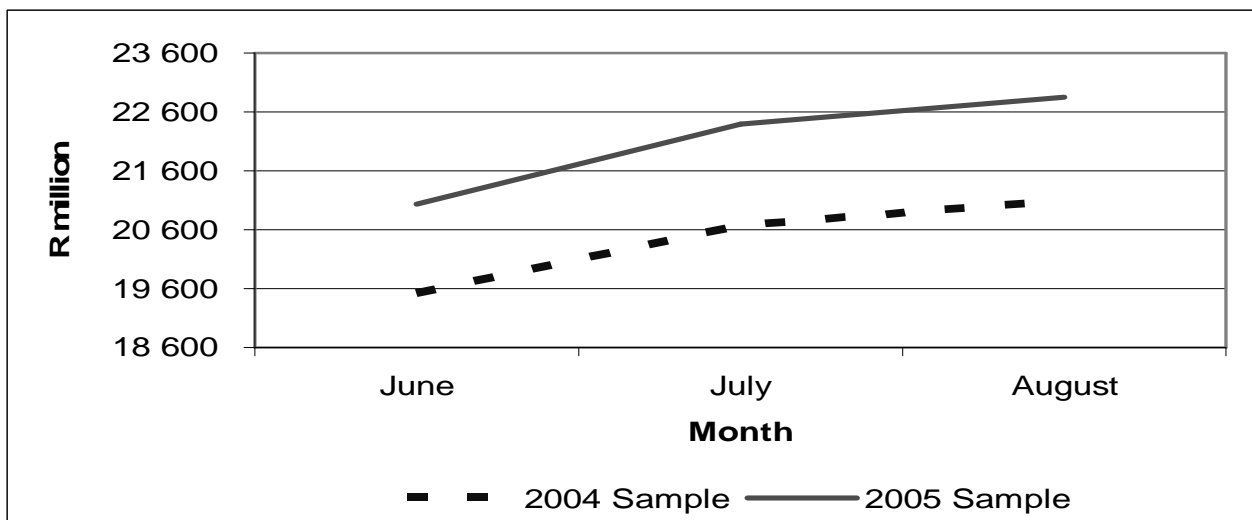
Figure C: Retail trade sales, monthly levels - June to August 2005



Motor trade

As can be seen from Figure D, levels of motor trade sales for the months June to August 2005 from the new sample are approximately 8,1% higher than from the old sample.

Figure D: Motor trade sales, monthly levels - June to August 2005



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	1 005	2 510	8 087	782	3 495	1 467	6 149	1 423	2 354	1 402	6 286	4 284	39 244
February	1 176	2 445	8 358	1 080	3 597	810	6 737	1 673	2 642	1 343	7 268	3 968	41 097
March	1 252	2 016	8 642	1 181	4 169	1 783	7 367	1 610	2 705	1 484	7 242	4 432	43 883
April	1 234	2 018	9 034	1 159	4 234	1 766	7 843	1 656	2 901	1 399	7 501	4 370	45 115
May	1 618	2 000	9 350	1 068	4 380	2 039	7 952	1 809	3 044	1 492	7 704	4 489	46 945
June	1 852	2 213	9 277	993	4 436	1 837	9 488	1 729	2 977	1 716	7 695	4 403	48 622
July	2 026	2 034	9 833	1 093	4 581	972	9 322	1 796	3 266	1 543	7 345	4 711	48 529
August	1 875	2 129	8 856	1 295	4 863	1 384	10 011	1 886	3 271	1 613	7 858	4 876	49 923
September	1 581	2 092	9 307	1 426	5 266	2 004	10 015	1 882	3 375	1 790	8 380	4 659	51 783
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

Group type	Type of dealer included 1/
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 13

Tables 2 and 3 show wholesale trade sales at current prices over the period January 1998 to September 2005. Table 4 gives 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	18 777	19 818	22 440	27 046	30 828	33 506	35 074	39 244
February	20 360	21 588	25 155	29 117	32 484	38 329	39 615	41 097
March	21 272	22 006	27 377	29 161	34 550	39 429	42 886	43 883
April	20 609	21 597	25 264	28 324	34 422	36 551	38 300	45 115
May	20 923	22 380	27 145	30 066	35 064	38 634	46 230	46 946
June	21 447	22 518	27 220	30 596	34 449	39 913	47 606	48 623
July	22 074	22 860	26 339	29 621	33 911	40 674	45 604	48 530
August	22 370	25 097	27 858	30 184	34 951	39 039	46 515	49 923
September	23 259	25 594	27 877	28 865	36 672	39 886	47 056	51 783
October	23 678	24 635	30 104	33 059	41 151	42 004	50 934	
November	23 330	27 583	31 014	34 233	40 608	42 887	54 290	
December	21 771	25 679	29 191	33 289	36 857	36 656	46 840	
Total	259 870	281 355	326 984	363 561	425 947	467 508	540 950	

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	11,9
February	-	6,0	16,5	15,8	11,6	18,0	3,4	3,7
March	-	3,5	24,4	6,5	18,5	14,1	8,8	2,3
April	-	4,8	17,0	12,1	21,5	6,2	4,8	17,8
May	-	7,0	21,3	10,8	16,6	10,2	19,7	1,5
June	-	5,0	20,9	12,4	12,6	15,9	19,3	2,1
July	-	3,6	15,2	12,5	14,5	19,9	12,1	6,4
August	-	12,2	11,0	8,3	15,8	11,7	19,2	7,3
September	-	10,0	8,9	3,5	27,0	8,8	18,0	10,0
October	-	4,0	22,2	9,8	24,5	2,1	21,3	
November	-	18,2	12,4	10,4	18,6	5,6	26,6	
December	-	18,0	13,7	14,0	10,7	-0,5	27,8	
Total	-	8,3	16,2	11,2	17,2	9,8	15,7	

1/ The percentage change is the difference between wholesale trade sales of the relevant year and those of the preceding 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	20 845	21 922	24 782	29 981	34 400	37 734	39 917	45 007
February	20 873	22 121	25 722	29 817	33 256	39 378	40 774	42 362
March	21 162	21 886	27 205	28 917	34 299	39 184	42 744	43 724
April	21 490	22 527	26 414	29 736	36 218	38 488	40 308	47 500
May	21 096	22 505	27 195	29 958	34 810	38 239	45 776	46 484
June	21 590	22 641	27 278	30 474	34 054	39 211	46 610	47 509
July	22 489	23 323	26 933	30 322	34 639	41 344	46 137	49 008
August	22 060	24 840	27 701	30 169	35 050	39 158	46 579	49 942
September	22 914	25 233	27 483	28 499	36 191	39 276	46 217	50 860
October	22 140	23 005	28 072	30 734	38 178	38 866	47 047	
November	21 563	25 499	28 613	31 542	37 367	39 482	49 971	
December	21 593	25 514	29 030	33 211	36 812	36 735	47 078	

Tables 5 and 6 show wholesale trade sales at constant prices over the period January 1998 to September 2005. Table 7 gives 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	21 834	22 032	23 351	25 930	26 541	26 709	28 138	30 828
February	23 743	23 880	26 027	27 783	27 413	30 493	31 604	32 170
March	24 778	24 169	28 209	27 759	28 900	31 367	34 240	34 164
April	23 743	23 681	25 596	26 695	28 319	29 089	30 289	34 838
May	23 995	24 234	27 406	28 125	28 635	31 082	36 517	36 071
June	24 595	24 343	27 329	28 422	28 019	31 689	36 990	36 808
July	24 942	24 542	26 299	27 363	27 293	32 090	35 476	36 338
August	24 967	26 813	27 514	27 679	27 860	30 922	36 156	37 214
September	25 857	27 330	27 424	26 470	29 255	31 973	36 835	38 832
October	26 441	26 165	29 428	29 891	32 608	33 684	39 683	
November	26 023	29 111	29 994	30 592	32 076	34 517	42 266	
December	24 352	26 973	28 123	29 590	29 228	29 466	36 637	
Total	295 270	303 273	326 700	336 299	346 147	373 081	424 831	

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	9,6
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	-0,2
April	-	-0,3	8,1	4,3	6,1	2,7	4,1	15,0
May	-	1,0	13,1	2,6	1,8	8,5	17,5	-1,2
June	-	-1,0	12,3	4,0	-1,4	13,1	16,7	-0,5
July	-	-1,6	7,2	4,0	-0,3	17,6	10,6	2,4
August	-	7,4	2,6	0,6	0,7	11,0	16,9	2,9
September	-	5,7	0,3	-3,5	10,5	9,3	15,2	5,4
October	-	-1,0	12,5	1,6	9,1	3,3	17,8	
November	-	11,9	3,0	2,0	4,9	7,6	22,4	
December	-	10,8	4,3	5,2	-1,2	0,8	24,3	
Total	-	2,7	7,7	2,9	2,9	7,8	13,9	

1/ The percentage change is the difference between wholesale trade sales of the relevant year and those of the preceding 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	24 305	24 433	25 829	28 756	29 564	29 968	31 836	35 110
February	24 316	24 461	26 622	28 464	28 066	31 313	32 486	33 090
March	24 801	24 169	28 175	27 648	28 751	31 158	34 034	33 933
April	24 803	24 747	26 812	28 085	29 911	30 815	32 141	37 014
May	24 259	24 436	27 516	28 051	28 401	30 678	35 996	35 523
June	24 752	24 469	27 404	28 358	27 786	31 253	36 379	36 146
July	25 466	25 089	26 917	28 015	27 884	32 656	35 961	36 775
August	24 779	26 697	27 508	27 807	28 096	31 218	36 491	37 548
September	25 084	26 563	26 736	25 943	28 760	31 428	36 148	38 130
October	24 691	24 401	27 395	27 748	30 218	31 158	36 657	
November	24 046	26 902	27 646	28 148	29 446	31 690	38 788	
December	24 087	26 727	27 895	29 449	29 116	29 443	36 703	

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	July to September 2004 R million	July to September 2005 R million	% change between July to September 2004 and July to September 2005	January to September 2004 R million	January to September 2005 R million	% change between January to September 2004 and January to September 2005
Wholesale trade sales at current prices	139 175	150 236	+7,9	388 886	415 144	+6,8
at constant 2000 prices	108 467	112 384	+3,6	306 245	317 263	+3,6

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

Seasonally adjusted estimates	August 2005 R million	September 2005 R million	% change between August and September 2005	April to June 2005 R million	July to September 2005 R million	% change between April to June 2005 and July to September 2005
Wholesale trade sales at current prices	49 942	50 860	+1,8	141 493	149 810	+5,9
at constant 2000 prices	37 548	38 130	+1,6	108 683	112 453	+3,5

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 2005 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 August 2005 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 constant prices for the 2005 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.
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 - <ul style="list-style-type: none"> • <i>Bulletin of Statistics</i> issued quarterly. • <i>SA Statistics</i> 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		

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 <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> .
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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