

Retail trade sales

January 2005

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In this publication Stats SA releases the results from the January 2005 survey for retail trade sales. These results are based on a new sample selected in July 2004 from Statistics South Africa's further enhanced business register. The publication also includes results for the months September to December 2004 from this sample as well as from the previous sample, which had been in operation since January 2003 and was based on Stats SA's then newly introduced business register.

The earlier sample, selected in late 2002, was drawn from a sampling frame consisting 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. The new sample was drawn from an updated sampling frame, which also included businesses too small to be required to register for VAT, or otherwise exempt from registration. These businesses, details of which were also obtained from SARS, come mainly from its list of businesses registered for income tax purposes.

Comparison of the series based on the two samples for the four month overlap shows that they ran largely in parallel and their month-to-month movements were consistent. Retail trade reflected a 5% growth in sales at current prices for January 2005 compared with January 2004. Comparison of estimates from the new and old samples shows a 9% higher level of sales from the new sample. This increase in level follows the same pattern as the surveys for manufacturing and motor trade also released today. However, comparison of estimates from the new and old samples of wholesale trade shows an 11% lower level of sales from the new sample, which is fully compensated by the higher levels of sales from the new samples for the surveys of manufacturing, retail trade and motor trade. This shift can be mostly attributed to reclassification of businesses to other industries based on shifts in their predominant activity as well as corrections to their previously assigned industry codes, and in small part to introducing non-VAT paying units into the business register.

The series has been backcast to the start of 1998 to assist those users requiring a time series. The backcast figures have been adjusted using September 2004 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 given in the article, *Changes to the monthly current indicator surveys and their impact on the statistical series*, to be found in the body of this release.

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

Estimates	January 2005 R million	% change between January 2004 and January 2005	% change between November 2003 to January 2004 and November 2004 to January 2005
Retail trade sales at current prices	27 729	+4,9	+11,2
at constant (2000) prices	21 765	+2,7	+7,9

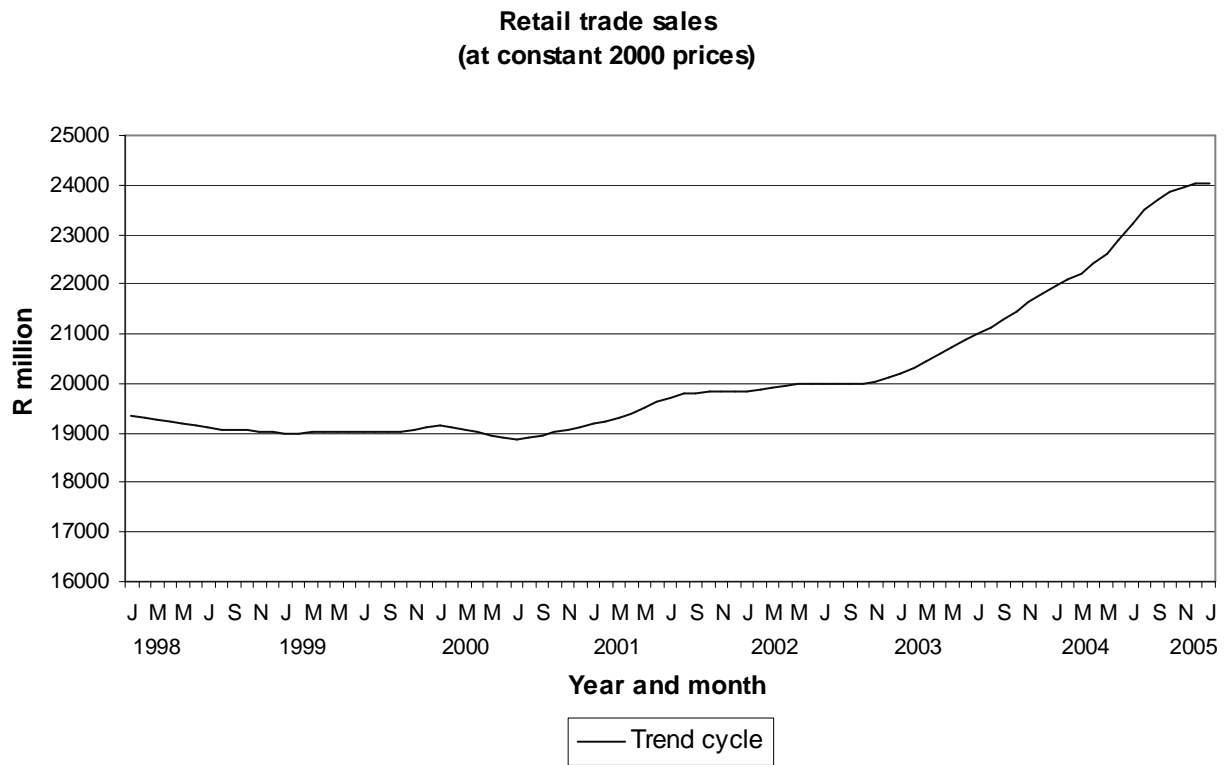
Key findings as at the end of January 2005

Retail trade sales increase in real terms

As indicated in table A, retail trade sales, at constant (2000) prices for the three months up to January 2005 increased by 7,9%, compared with the three months up to January 2004.

Similarly, retail trade sales, at constant (2000) prices for January 2005 increased by 2,7% compared with January 2004.

Figure 1 below shows the trend cycle for the retail trade sales, at constant (2000) prices between January 1999 and January 2005. There was a slightly downward trend till mid-2000 and an upward trend after that.



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Notes

Forthcoming issue	Issue	Expected release date
	February 2005	12 May 2005
Purpose of the survey	The results of the monthly retail 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 impact on the statistical series

Today's releases

Today Statistics South Africa releases results for four monthly surveys: manufacturing, wholesale trade, retail trade and motor trade. The latest results for manufacturing are for February 2005. The latest results for the other three surveys are for January 2005. These results are based on new samples selected in July 2004 from Stats SA's further enhanced business register, as discussed below.

The four monthly surveys released today 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.

The four releases also contain results for each of the months September 2004 to December 2004 based on the samples selected in July 2004. Those samples were selected from Stats SA's business register, which had been further enhanced to include businesses too small or otherwise not required to register with the South African Revenue Service (SARS) for Value Added Tax (VAT). The business register already contained businesses with an annual turnover of R300 000 or more, which are required to register for VAT, but registered for income tax purposes.

Previous results

The releases for these surveys also contain results from the previous samples for each of the months from September 2004. These samples were first introduced from January 2003, but selected in September 2002 from a sampling frame established in July 2001. That frame was based on the first stage of construction of Stats SA's new business register, which incorporated the businesses required to register for VAT. The results of those surveys were first released in May 2004, for the months January 2003 to April 2004, together with parallel series for those months based on samples drawn from Stats SA's old business address register.

Comparing the results of the old and new samples

The level of sales from the four monthly surveys taken together, for the months September to December 2004, based on the samples drawn in July 2004 (hereafter referred to as the 'new' samples) from the enhanced business register, are about 0,8% higher than it was from the samples drawn in September 2002 (hereafter referred to as the 'old' samples). The movements in sales over the four months are very similar according to 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 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 September to December 2004.

Total sales, old and new samples, by industry sector - September to December 2004				
Survey	New samples R million	Old samples R million	Difference R million	Difference %
Manufacturing	281 847	274 612	7 235	2,6
Wholesale trade	180 478	203 268	-22 790	-11,2
Retail trade	132 830	121 864	10 966	9,0
Motor trade	73 608	63 787	9 821	15,4
Total	668 763	663 531	5 232	0,8

As can be seen, the level of sales over this period for the four surveys taken together has increased by 0,8% through the move from the samples selected in September 2002 to those selected in July 2004.

In order to understand why the level of sales for the four surveys combined from the new samples, was higher by only a relatively small percentage from the level for the old samples, it is important to understand the estimation methods used in those samples, which differ in certain important respects. Each method was used to produce the best available estimate of level based on the currency of the business register at the time the respective samples were selected.

Changes to methods of estimation and their effect

The samples selected for these four surveys in September 2002 were based on a frame of businesses from the business register that had been created in July 2001. At that time it was logistically not possible, given the newness of the register system and of procedures for accessing businesses from information supplied by SARS, to start with a business register which was more current. In effect, the business register at that time could not contain businesses which had started between mid-2001 and end 2002, so the frame and the samples drawn from it related to businesses in existence in mid-2001. In addition, the samples drawn from the register in September 2002 could not be refreshed for new businesses coming onto the register after the samples were drawn. Refreshing had to await the next sample reselection, which occurred in July 2004 as previously indicated.

An estimation technique called a 'net new business provision' was adopted for the samples selected in September 2002 to compensate for the fact that the business register from which the sampling frame was created and samples were selected was by then already 18 months out of date in terms of births and deaths of businesses in the South African economy. This technique assumed that, taken overall, a new business had started for each business that had ceased since the register was created. The technique involved estimating a value of sales for every sampled business that had not responded, for whatever reason. Some of these businesses did not respond, of course, because they were no longer in operation. The estimation technique involved assigning to all non-responding businesses the average contribution of responding businesses in their industry by size cell.

It has been decided to use a different estimation technique for non-response in the new samples, based on the fact that the register from which the samples were selected in July 2004 is much closer to reflecting businesses actually in operation than was the case with the register from which the samples were selected in September 2002. Moreover, it will be refreshed at much more frequent intervals.

The technique now used is two-fold.

- (a) No estimates are included for businesses known to have ceased, on the assumption that ceased businesses in the sample are representative of ceased businesses in the population of businesses recorded on the business register.
- (b) The method of estimation for businesses which did not respond but are assumed to be still in existence has been modified: rather than assigning to all of them the average contribution of responding businesses in their industry by size cell, an attempt is now made to ascertain a recent value of sales for each of these businesses as reported by them to SARS for the purpose of estimating their liability for VAT. Wherever such a value can be obtained, it is used instead of the missing value of sales for that business in the Stats SA survey. Estimation by assigning the cell average sales to non-responding businesses is only done as a last resort.

Stats SA considers that the technique it now uses is the best currently available, provided that the business register is a reasonable proxy for businesses in operation in the South African economy. Not only has the coverage of the register been improved to the point where no further enhancements to coverage are planned, but the timeliness of its updating cycle has also been improved considerably. It will now be possible to undertake an annual reselection of samples from the register.

The estimation technique used with the old samples for the monthly surveys was highly effective in allowing for the net growth in number of businesses in the South African economy from the time the business register was created in mid-2001 to the time when the samples were reselected in July 2004. Understandably, it did not build into the estimates for the four surveys combined, the lift in level coming from access to non-VAT paying businesses, which were only given a chance of selection in July 2004. It is estimated that these enterprises, numbering approximately 400 000 in the non-agricultural market economy, contribute about 3% to total sales in the economy.

Changes to estimates from the old samples

Changes put through to the monthly estimates from the old samples are of two kinds:

- (a) Changes due to late or revised returns received from some businesses, mainly for the early months of 2003, which were stockpiled, in accordance with Stats SA's revisions policy, if received after the estimates for the following month were published. According to that policy, estimates for a reference month remained preliminary until declared final with the release of the preliminary estimates for the following month, and thereafter they were only put through to previously published estimates at the time when a new sample was introduced. The revisions policy is being reviewed with a view to keeping estimates preliminary for a longer period, allowing late or revised information received from businesses to be incorporated in estimates when it is received.
- (b) Adjustments to levels to take account of two elements: (i) the increase in coverage of the register to take account of non-VAT paying businesses; and (ii) changes of all kinds (births, deaths, mergers, acquisitions, changes in activity etc) to the in-scope business population since the register was created in July 2001.

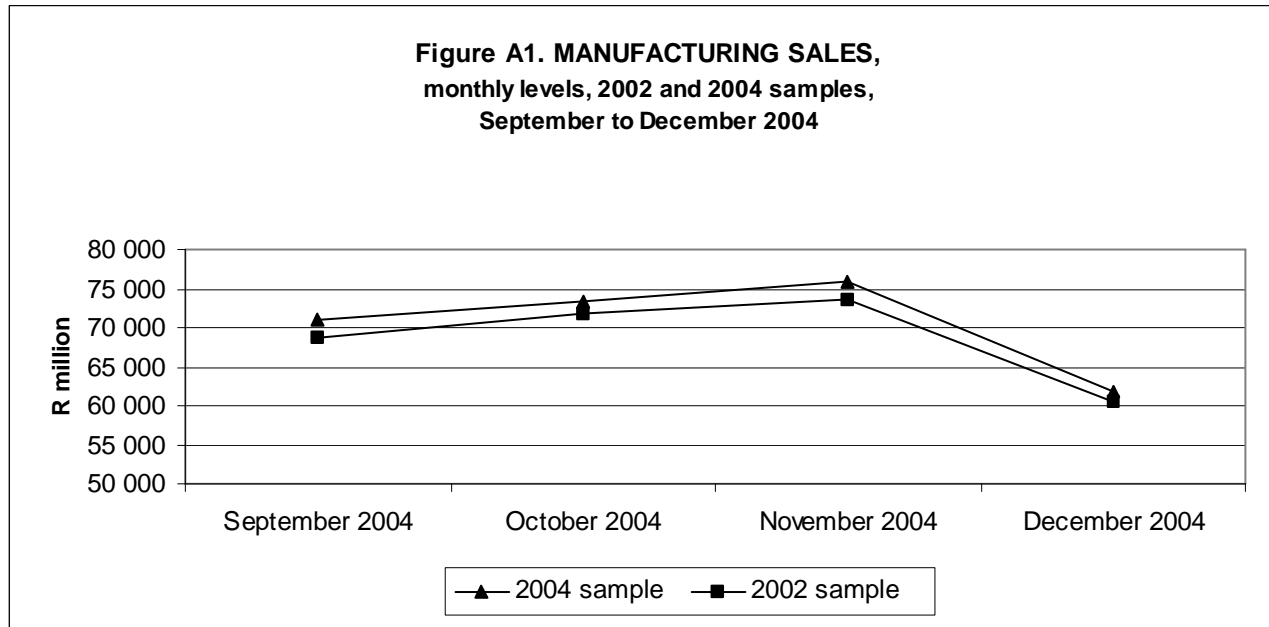
As indicated earlier, the estimation method adopted for the old samples, whereby known ceased businesses were assigned the average values of responding businesses in their industry by size cell, took account very effectively of net growth in the business population in-scope of the four surveys (ii) above. It did not (and was not expected to) foreshadow the lift in coverage of the business register due to (i) above.

What the estimation method also could not do was reflect the changes to the recorded economic activity of businesses discerned between the time of creation of the business register and the samples from it, and the time the new samples were selected from the updated business register in July 2004. These changes, a mix of actual changes to economic activity and corrections to previously assigned industry codes based on later information about the activities of businesses, are now reflected on the business register, and as the preceding table shows, they have caused a shift in the recorded level of sales from the wholesale trade sector to the manufacturing, retail trade and motor trade sectors.

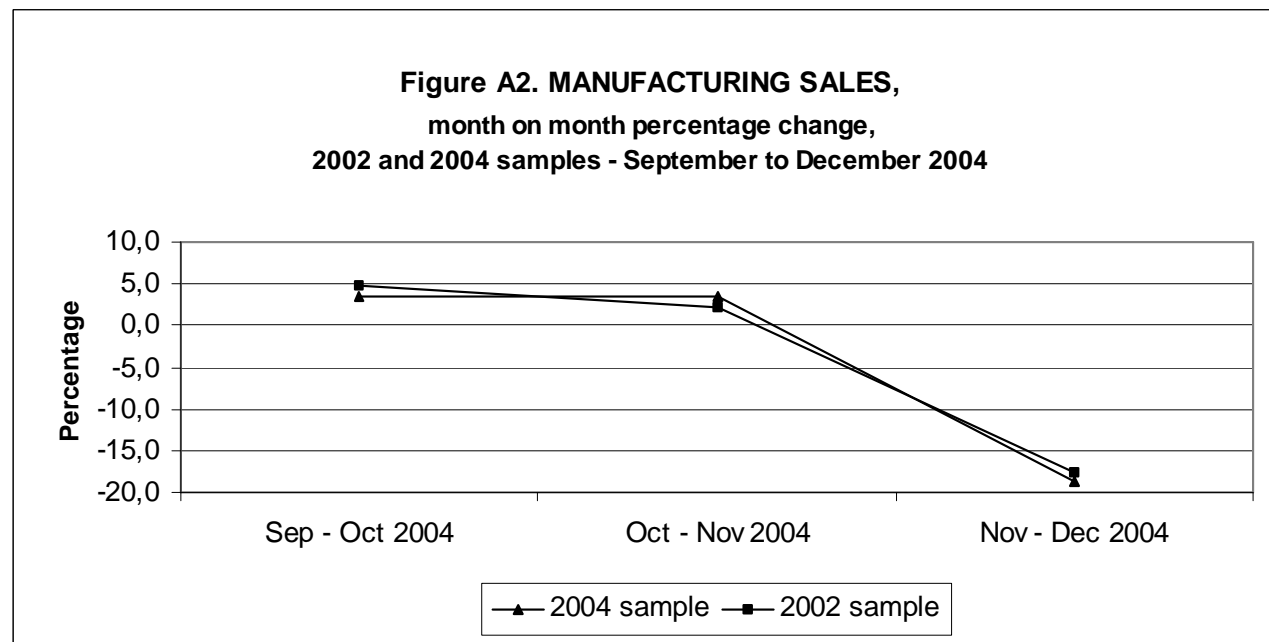
Levels and movements by sector

Manufacturing

As can be seen from Figure A1, levels for manufacturing sales for the months September 2004 to December 2004 from the new sample are approximately 3% higher than those from the old sample.

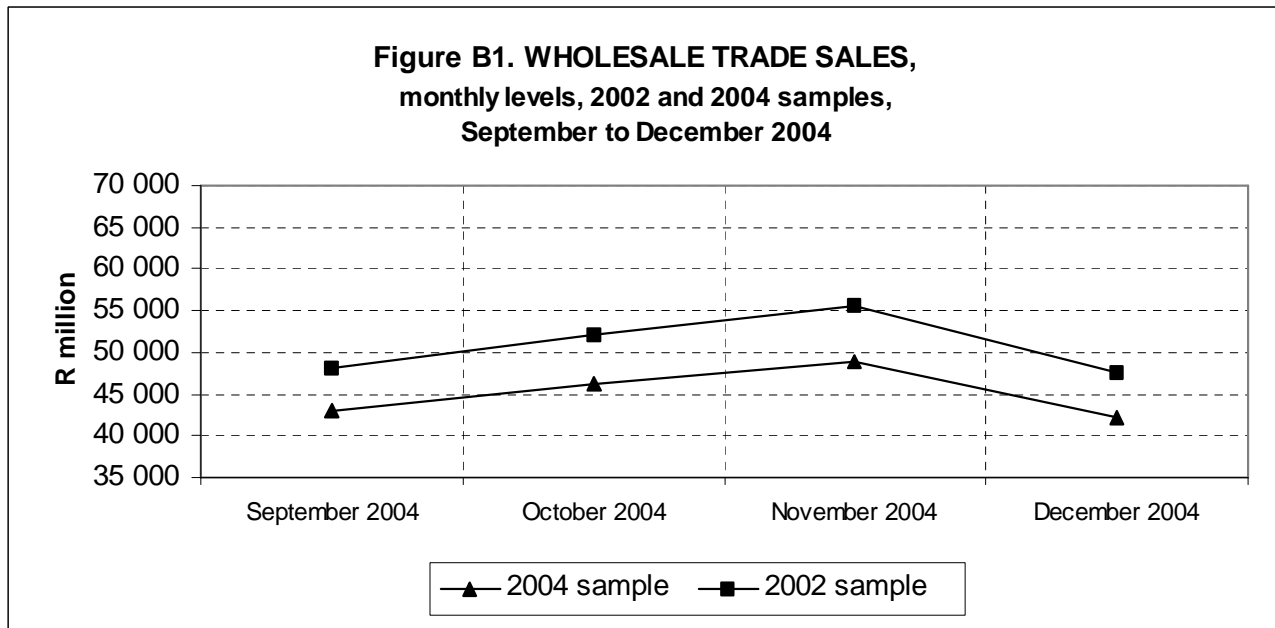


As can be seen from Figure A2, movements between months from the two samples were consistent.

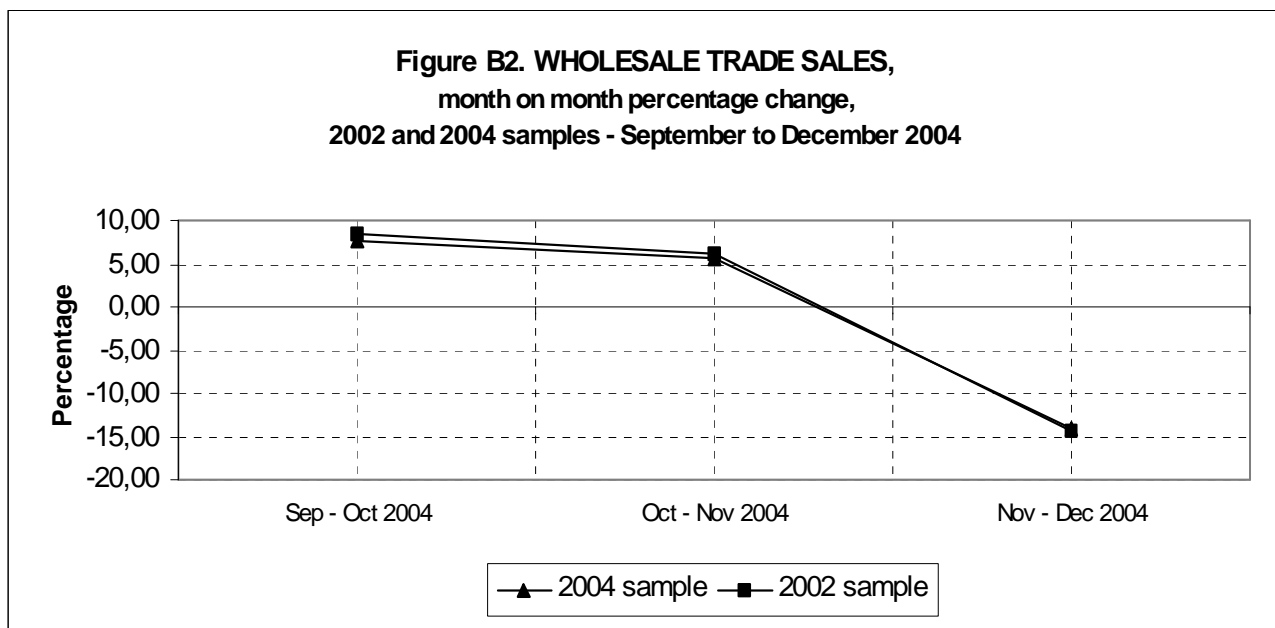


Wholesale trade

As can be seen from Figure B1, levels for wholesale trade sales for the months September 2004 to December 2004 from the new sample are approximately 11% lower than those from the old sample.

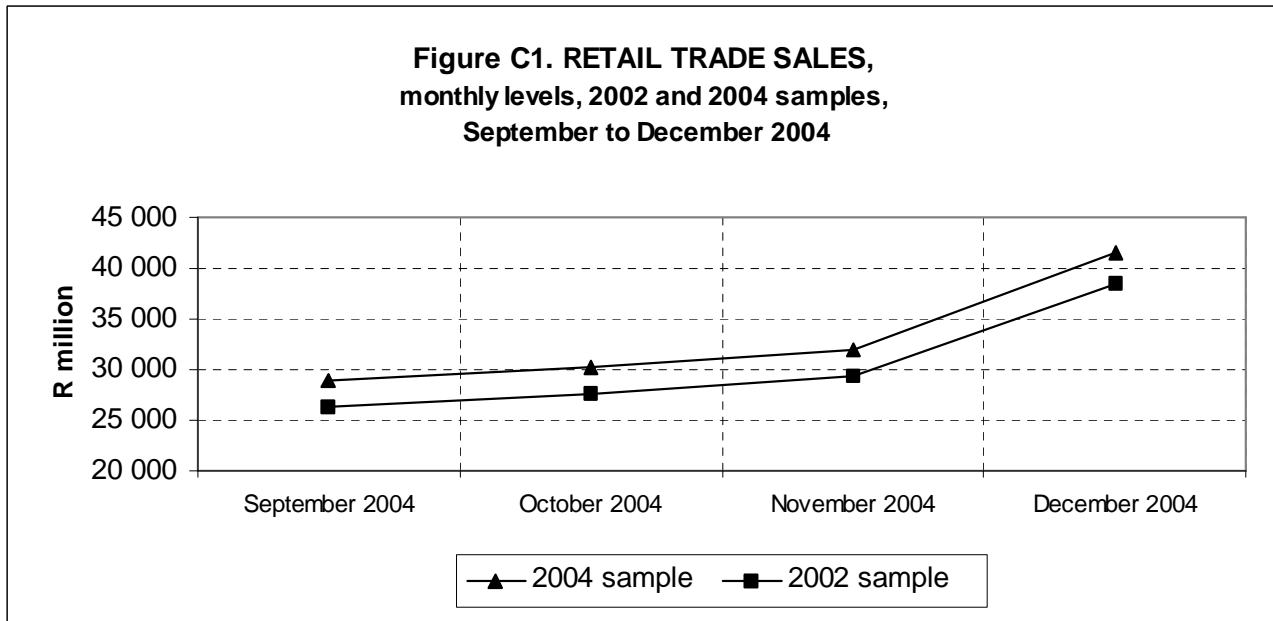


As can be seen from Figure B2, movements between months from the two samples were consistent.

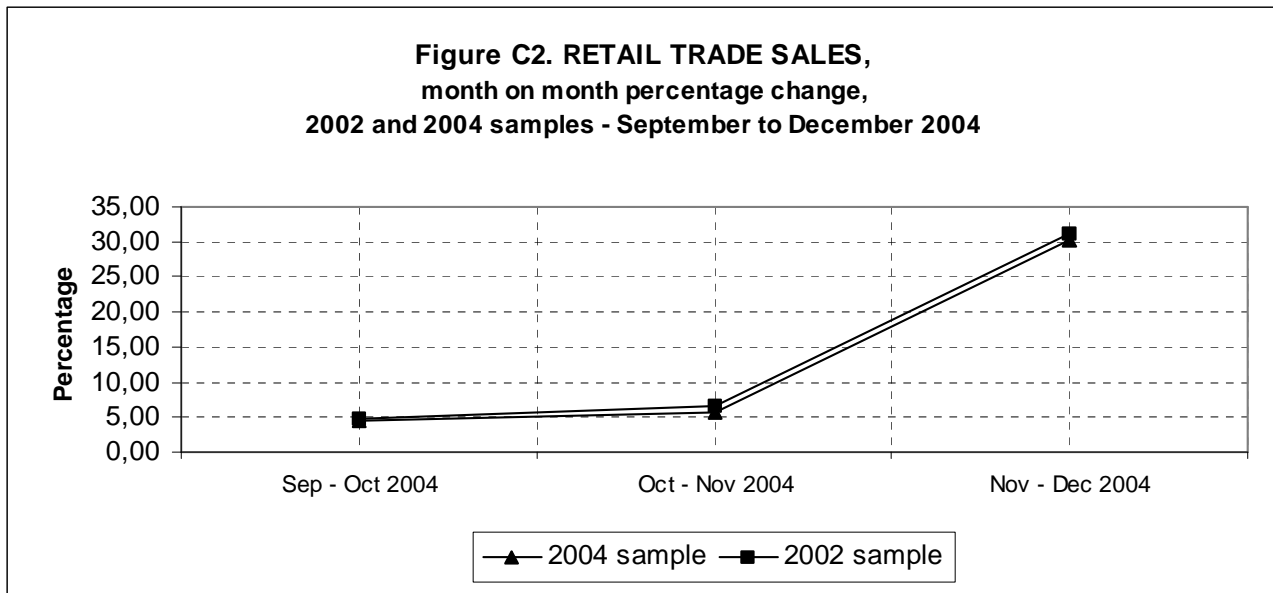


Retail trade

As can be seen from Figure C1, levels for retail trade sales for the months September 2004 to December 2004 from the sample selected in the new sample are approximately 9% higher than those from the old sample.

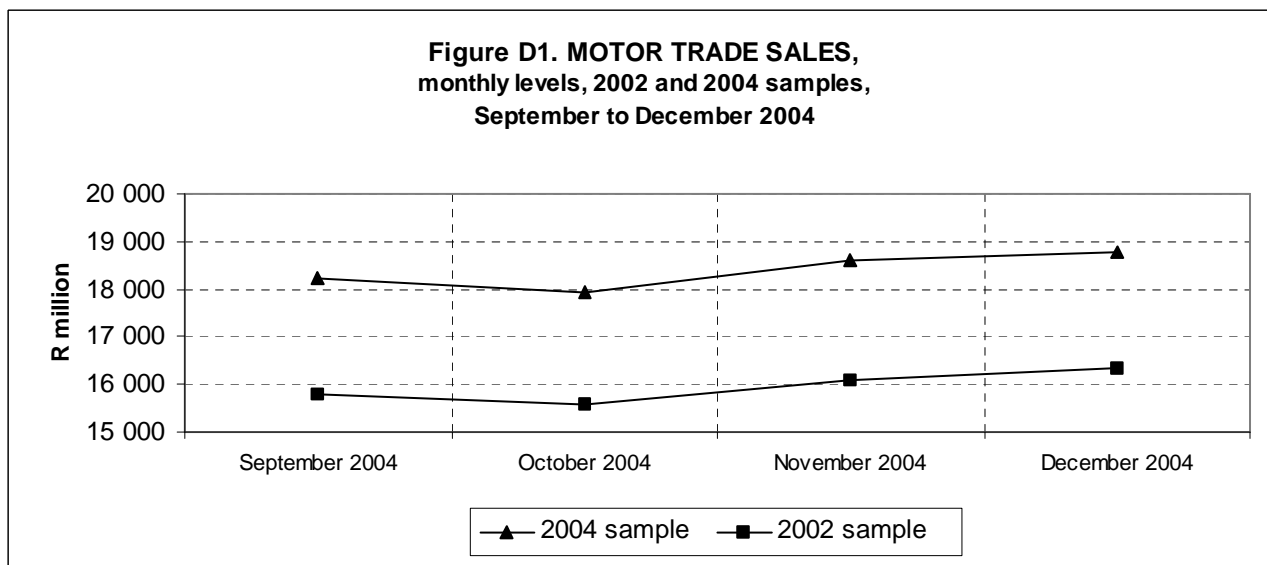


As can be seen from Figure C 2, movements between months from the two samples were consistent.

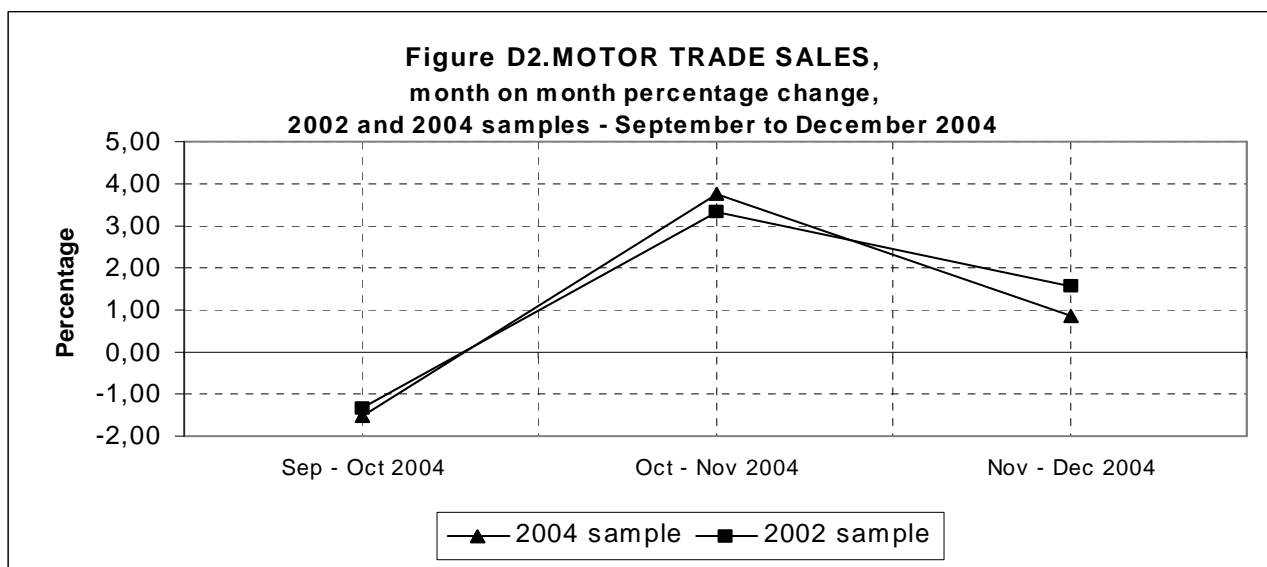


Motor trade

As can be seen from Figure D1, levels for motor trade sales for the months September 2004 to December 2004 from the new sample are approximately 15% higher than those from the old sample.



As can be seen from Figure D2, movements between months from the two samples were consistent.



Backcasting

Under ideal conditions growth in series should reflect the actual birth of new businesses, as well as the performance of existing businesses. Information about the birth of businesses was not available from SARS on a monthly basis from July 2001 when the business register was created to July 2004. As a result, 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. As indicated above, while the estimation method adopted to account for non-response in the old samples largely took account of births of businesses since the register was created as well as the increase in coverage of the register to take account of non-VAT paying businesses, there is still a small lift in the level of sales for the four sectors taken together. Also, that estimation method could not take account of the shifts in recorded sales between wholesale trade and the other sectors. Accordingly, to assist users of time series the levels from the new samples for the four surveys have been adjusted back to the start of 1998, using the level for September 2004 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 January 2003) prevents a break in series.

Detailed results

Outlined below in tables 1 and 2 are details of the behaviour of retail trade sales at current prices over the period January 1999 to January 2005.

Table 1 - Total retail trade sales at current prices (R million)

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	15 877	16 201	17 462	18 420	20 507	23 354	26 422	1/ 27 729
February	14 680	15 395	16 759	17 818	19 980	22 385	25 686	
March	16 351	17 168	18 408	19 790	22 305	24 810	27 121	
April	16 131	16 805	18 279	19 640	21 658	24 047	26 753	
May	16 549	17 326	18 482	20 006	22 781	25 324	28 292	
June	15 792	16 245	18 175	19 935	22 526	24 546	28 031	
July	16 118	17 260	18 314	20 309	22 484	24 911	28 595	
August	15 844	16 802	18 116	20 043	22 858	24 746	27 584	
September	16 150	16 786	18 367	19 881	22 811	25 263	28 952	
October	16 926	17 987	19 105	21 089	23 830	26 036	30 217	
November	17 508	18 547	20 425	22 227	25 444	28 046	31 946	
December	23 338	24 782	26 890	29 180	32 870	36 561	41 583	
Total	201 264	211 304	228 782	248 338	280 054	310 029	351 182	

1/ Preliminary.

Table 2 - Percentage change in total retail trade sales at current prices^{1/}

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	-	2,0	7,8	5,5	11,3	13,9	13,1	4,9
February	-	4,9	8,9	6,3	12,1	12,0	14,7	
March	-	5,0	7,2	7,5	12,7	11,2	9,3	
April	-	4,2	8,8	7,4	10,3	11,0	11,3	
May	-	4,7	6,7	8,2	13,9	11,2	11,7	
June	-	2,9	11,9	9,7	13,0	9,0	14,2	
July	-	7,1	6,1	10,9	10,7	10,8	14,8	
August	-	6,0	7,8	10,6	14,0	8,3	11,5	
September	-	3,9	9,4	8,2	14,7	10,7	14,6	
October	-	6,3	6,2	10,4	13,0	9,3	16,1	
November	-	5,9	10,1	8,8	14,5	10,2	13,9	
December	-	6,2	8,5	8,5	12,6	11,2	13,7	
Total	-	5,0	8,3	8,5	12,8	10,7	13,3	

1/ The change in retail trade sales of the relevant year compared with retail trade sales of the previous year expressed as a percentage.

Outlined below in tables 3 and 4 are details of the behaviour of retail trade sales at constant (2000) prices over the period January 1999 to January 2005.

Table 3 - Total retail trade sales at constant 2000 prices (R million)

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	18 745	17 961	18 114	17 936	18 626	19 158	21 189	1/ 21 765
February	17 291	17 030	17 349	17 316	18 065	18 394	20 467	
March	19 147	18 929	18 880	19 083	19 844	20 220	21 525	
April	18 692	18 427	18 482	18 794	19 015	19 518	21 165	
May	19 109	18 894	18 612	19 036	19 792	20 672	22 365	
June	18 131	17 581	18 175	18 842	19 386	20 186	22 037	
July	18 358	18 539	18 115	19 088	19 234	20 253	22 498	
August	17 964	18 008	17 866	18 873	19 404	20 005	21 805	
September	18 166	17 858	18 042	18 667	19 089	20 390	22 797	
October	18 975	19 034	18 694	19 691	19 694	21 065	23 644	
November	19 606	19 482	19 966	20 600	20 941	22 618	24 822	
December	26 017	25 977	26 260	26 869	27 054	29 485	32 487	
Total	230 201	227 720	228 555	234 795	240 144	251 964	276 801	

1/ Preliminary.

Table 4 - Percentage change in total retail trade sales at constant 2000 prices^{1/}

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	-	-4,2	0,9	-1,0	3,8	2,9	10,6	2,7
February	-	-1,5	1,9	-0,2	4,3	1,8	11,3	
March	-	-1,1	-0,3	1,1	4,0	1,9	6,5	
April	-	-1,4	0,3	1,7	1,2	2,6	8,4	
May	-	-1,1	-1,5	2,3	4,0	4,4	8,2	
June	-	-3,0	3,4	3,7	2,9	4,1	9,2	
July	-	1,0	-2,3	5,4	0,8	5,3	11,1	
August	-	0,2	-0,8	5,6	2,8	3,1	9,0	
September	-	-1,7	1,0	3,5	2,3	6,8	11,8	
October	-	0,3	-1,8	5,3	0,0	7,0	12,2	
November	-	-0,6	2,5	3,2	1,7	8,0	9,7	
December	-	-0,2	1,1	2,3	0,7	9,0	10,2	
Total	-	-1,1	0,4	2,7	2,3	4,9	9,9	

1/ The change in retail trade sales of the relevant year compared with retail trade sales of the previous year expressed as a percentage.

Outlined below in table 5 retail trade sales according to type of dealer for January 2005.

Table 5 - Total retail trade sales according to type of dealer (R million)

Type of dealer ^{1/}	January 2005
General dealers	9 441
Retail trade in specialised food, beverages and tobacco stores	2 775
Retail trade in pharmaceutical, and medical goods, cosmetic and toiletries	1 399
Retail trade in textiles, clothing, footwear and leather goods	4 613
Retail trade in household furniture, appliances and equipment	1 695
Retail trade in hardware, paint and glass	1 641
All other retail	6 165
Total	27 729

1/ See Note 3 on page 15

Outlined below in table 6 are percentage changes in retail trade sales at current and at constant (2000) prices.

Table 6 - Monthly and quarterly estimates and percentage changes in retail trade sales

	January 2004 (R million)	January 2005 (R million)	% change between January 2004 and January 2005	November 2003 to January 2004 (R million)	November 2004 to January 2005 (R million)	% change between November 2003 to January 2004 and November 2004 to January 2005
Retail trade sales at current prices	26 422	27 729	4,9	91 029	101 258	11,2
at constant (2000) prices	21 189	21 765	2,7	73 292	79 074	7,9

Explanatory notes

- Introduction**
- 1 Statistics South Africa (Stats SA) conducts a monthly survey of the retail trade industry, covering retail enterprises (see 4 below). This statistical release provides information on the behaviour in terms of level and movement of the sales series based on comparisons of the two parallel surveys run between September and December 2004, as well as the January 2005 survey. The 2004 sample 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. The new series have been backcast to the start of 1998, using the level of September 2004 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, to assist those users of series. Retail trade sales include value added tax (VAT).
- 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.
- Scope of the survey**
- 3 This survey covers retail enterprises according to the following types of dealer:
- General dealers
 - Retail trade in non-specialised stores with food, beverages and tobacco predominating and other retail trade in non-specialised stores;
 - Retail trade in specialised food, beverages and tobacco stores;
 - Retailers in fresh fruit and vegetables, retailers in meat and meat products, retailers in bakery products, retailers in beverages, retailers in tobacco and retailers in other food;
 - Retailers in pharmaceutical and medical goods, cosmetic and toiletries;
 - Retail trade in textiles, clothing, footwear and leather goods
 - Retailers in men's and boys' clothing, retailers in ladies', girls' and infants' clothing, general outfitters and retailers in footwear;
 - Retailers in household furniture, appliances and equipment;
 - Retailers in hardware, paint and glass; and
 - All other retailers, including repair of personal and household goods.
- The January 2005 results provide information on the type of dealer.
- 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 group (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 on a monthly basis. Questionnaires are sent to a sample of about 2 500 enterprises from a population of about 46 000 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 2 500 enterprises (which was drawn in September 2004 at the SIC four-digit level from a population then of about 46 000 retail enterprises. The retail industry is divided into four size groups. All large and medium enterprises (size groups one and two), are completely enumerated. Simple random sampling is applied to size groups three and four (small and very small) enterprises. The total value of sales of the large and medium enterprises (size groups one and two) is added to the weighted totals of size groups 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 www.statssa.gov.za/publications/publicationsearch.asp .																
Constant prices	9	The constant prices for the 2004 series are calculated using the price index for commodities for the metropolitan areas from the Consumer Price Index (CPI) to deflate sales at 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 will not be published until there are sufficient data points for the new survey. As soon as sufficient data points are available, Stats SA will consider publishing seasonally adjusted estimates.																
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 retail industry in South Africa. Estimates are subject to sampling and non-sampling errors. Figures for the latest month are preliminary.																
	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. Figures for the latest month are preliminary. 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. Figures for the last six months will be regarded as preliminary. 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. These will be revised on the basis of the backcast series in due course.																
Rounding of figures	16	The figures in the tables have, where necessary, been rounded to the nearest digit shown.																
Pre-release policy	17	Stats SA's pre-release policy may be inspected at its Website, www.statssa.gov.za .																
Symbols and abbreviations	18	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">GDP</td> <td>Gross Domestic Product</td> </tr> <tr> <td>ISIC</td> <td>International Standard Industrial Classification</td> </tr> <tr> <td>SIC</td> <td>Standard Industrial Classification of all Economic Activities</td> </tr> <tr> <td>SARS</td> <td>South African Revenue Service</td> </tr> <tr> <td>Stats SA</td> <td>Statistics South Africa</td> </tr> <tr> <td>VAT</td> <td>Value added tax</td> </tr> <tr> <td>..</td> <td>Figures not available</td> </tr> <tr> <td>*</td> <td>Revised figures</td> </tr> </table>	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	..	Figures not available	*	Revised figures
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Comparability with previously published	19	As indicated earlier, the levels of sales for 2004 in this statistical release, based on the 2004 sample, are about 9% higher than the levels previously published for total retail																

information

trade sales.

20 The higher values of sales from the new sample can mainly be attributed to the following:

- The greater currency of the frame now being used compared to the frame drawn from the previous business register; and
- The improved coverage particularly for smaller enterprises as a result of access to units registered for income tax to update the 2004 business register.

Technical note

Neyman Optimal allocation

Before drawing in each of the surveys the population of enterprises on the 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	Lower limits	Upper limits
Very small	0	4 000 000
Small	4 000 001	19 000 000
Medium	19 000 001	39 000 000
Large	39 000 001	

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.

Retail trade

Retail trade includes the resale (sale without transformation) of new and used goods and products to the general public for household use.

Retailer

A retailer is an enterprise deriving more than 50% of its turnover from sales of goods to the general public for household use.

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