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Retail trade sales (Preliminary)

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Summary of findings: Retail trade sales

Table A – Key figures as at the end of June 2007

Retail trade sales estimates	June 2007 (R million)	% change between June 2006 and June 2007	% change between April to June 2006 and April to June 2007	% change between January to June 2006 and January to June 2007
At current prices	37 170	13,6	14,3	14,7
At constant 2000 prices	25 269	6,4	7,2	8,3

Key findings as at the end of June 2007

Retail trade sales show an increase in real terms

As indicated in table A, retail trade sales at constant (2000) prices, for the second quarter of 2007, showed an increase of 7,2% compared with the second quarter of 2006. Similarly, retail trade sales at constant (2000) prices, for the first six months of 2007, increased by 8,3% compared with the first six months of 2006. This is lower than the 9,5% growth for the first six months of 2006 compared with the corresponding six months of 2005.

Retail trade sales at constant (2000) prices, for June 2007, showed an increase of 6,4% compared with June 2006. This growth was partially affected by a decrease of 13,5% in the sales of retailers in household furniture, appliances and equipment for June 2007 compared to June 2006, mainly due to the introduction of the new National Credit Act on 1 June 2007.

Retail trade sales at current prices, for the second quarter of 2007, increased by 14,3% compared with the second quarter of 2006. Furthermore, retail trade sales at current prices, for June 2007, increased by 13,6% compared with June 2006. The corresponding growth rate for June 2006 was 15,4%.

As indicated in table B below, the major contributors to the 14,3% increase in retail trade sales at current prices for the second quarter of 2007 compared with the second quarter of 2006 were general dealers (+6,6 percentage points), all other retailers (+2,9 percentage points), retail trade in specialised food, beverages and tobacco stores (+1,6 percentage points) and retailers in textiles, clothing, footwear and leather goods (+1,6 percentage points).

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

Type of retailer	April to June 2006 (R million)	Weight 1/	April to June 2007 (R million)	Difference between April to June 2006 and April to June 2007 (R million)	Percentage change between April to June 2006 and April to June 2007	Contribution (percentage points) to the percentage change in total sales 2/
General dealers	35 720	36,2	42 191	6 471	18,1	6,6
Retail trade in specialised food, beverages and tobacco stores	11 700	11,9	13 302	1 602	13,7	1,6
Retailers in pharmaceutical and medical goods, cosmetics and toiletries	4 674	4,7	5 079	405	8,7	0,4
Retailers in textiles, clothing, footwear and leather goods	18 766	19,0	20 305	1 539	8,2	1,6
Retailers in household furniture, appliances and equipment	7 735	7,8	8 051	316	4,1	0,3
Retailers in hardware, paint and glass	6 915	7,0	7 849	934	13,5	0,9
All other retailers	13 050	13,2	15 887	2 837	21,7	2,9
Total 3/	98 559	100,0	112 664	14 105	14,3	14,3

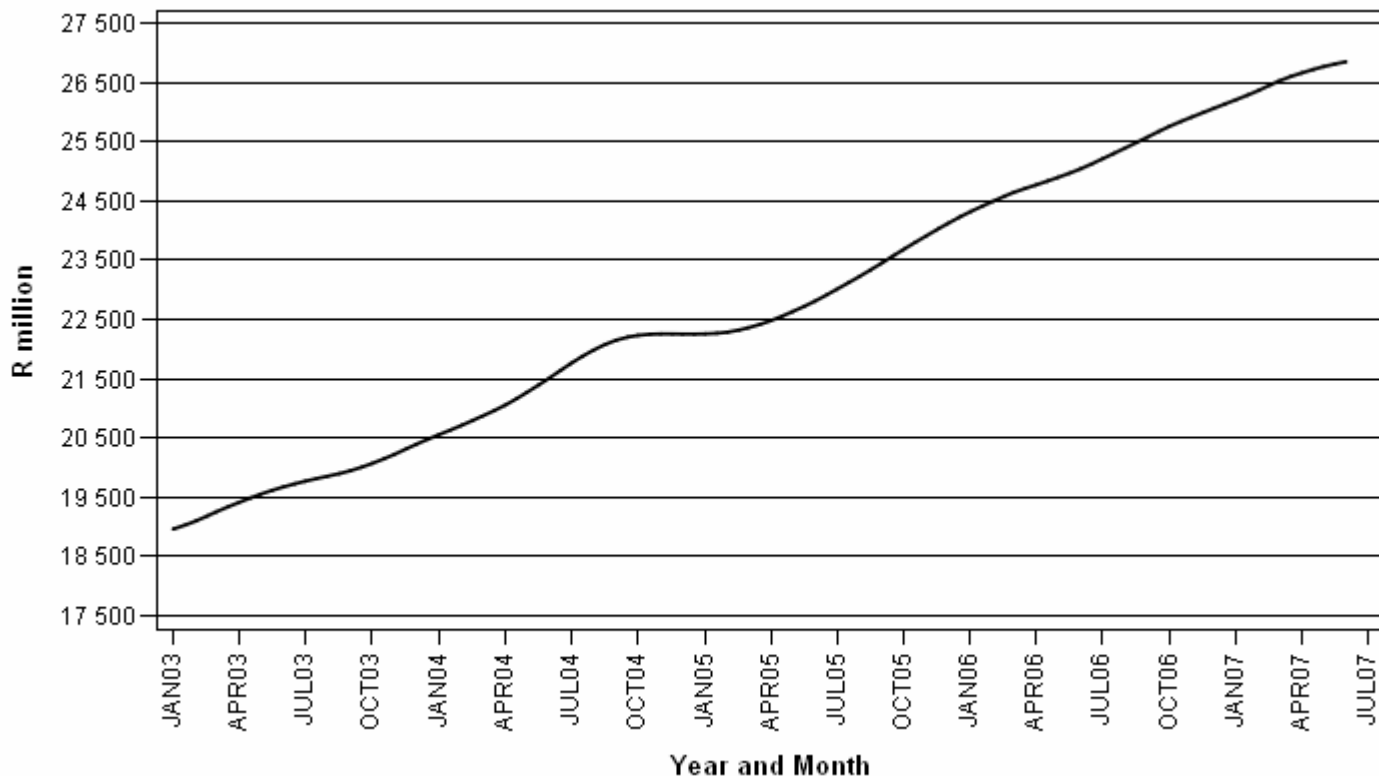
1/ Weight is the percentage contribution of each type of retailer to the total retail trade sales of April to June 2006.

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

3/ Figures have been rounded off. Therefore, discrepancies may occur between sums of the component items and the totals.

Figure 1 below shows the trend in retail trade sales at constant (2000) prices between January 2003 and June 2007. There was an upward trend from the beginning of 2003 until September 2004. From October 2004 to March 2005 there was a brief stabilisation of the trend. There was a resumption of the upward trend from April 2005, which continued up to June 2007.

Figure 1 – Trend cycle of retail trade sales (at constant 2000 prices)



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Detailed results

Tables 1 and 2 show retail trade sales at current prices and percentage changes over the period January 2000 to June 2007.

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

Month	2000	2001	2002	2003	2004	2005	2006 1/	2007 1/
January	16 399	17 299	19 258	21 932	24 814	26 283	29 440	34 158
February	15 739	16 733	18 764	21 022	24 122	26 001	30 153	34 116
March	17 287	18 585	20 947	23 299	25 470	27 782	32 065	37 329
April	17 166	18 444	20 340	22 583	24 996	28 214	32 392	36 574
May	17 356	18 788	21 394	23 782	26 382	28 952	33 443	38 920
June	17 068	18 721	21 155	23 052	26 270	28 368	32 724	37 170
July	17 199	19 073	21 115	23 395	26 687	28 770	33 486	
August	17 013	18 822	21 466	23 240	25 796	29 266	33 892	
September	17 249	18 670	21 422	23 725	27 172	29 877	35 785	
October	17 941	19 805	22 380	24 451	28 362	31 666	36 186	
November	19 182	20 874	23 895	26 338	29 931	33 397	39 276	
December	25 253	27 404	30 869	34 336	39 236	44 220	49 608	
Total	214 852	233 218	263 005	291 155	329 238	362 796	418 450	

1/ Preliminary.

Table 2 – Percentage change in total retail trade sales at current prices 1/

Month	2000	2001	2002	2003	2004	2005	2006	2007
January	-	5,5	11,3	13,9	13,1	5,9	12,0	16,0
February	-	6,3	12,1	12,0	14,7	7,8	16,0	13,1
March	-	7,5	12,7	11,2	9,3	9,1	15,4	16,4
April	-	7,4	10,3	11,0	10,7	12,9	14,8	12,9
May	-	8,3	13,9	11,2	10,9	9,7	15,5	16,4
June	-	9,7	13,0	9,0	14,0	8,0	15,4	13,6
July	-	10,9	10,7	10,8	14,1	7,8	16,4	
August	-	10,6	14,0	8,3	11,0	13,5	15,8	
September	-	8,2	14,7	10,8	14,5	10,0	19,8	
October	-	10,4	13,0	9,3	16,0	11,6	14,3	
November	-	8,8	14,5	10,2	13,6	11,6	17,6	
December	-	8,5	12,6	11,2	14,3	12,7	12,2	
Total	-	8,5	12,8	10,7	13,1	10,2	15,3	

1/ The percentage change is the difference between retail trade sales of the relevant year and those of the previous year expressed as a percentage.

Tables 3 and 4 show retail trade sales at constant (2000) prices and percentage changes over the period January 2000 to June 2007.

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

Month	2000	2001	2002	2003	2004	2005	2006 1/	2007 1/
January	17 011	16 844	17 491	17 992	19 899	20 630	22 052	24 226
February	16 293	16 261	16 966	17 274	19 221	20 377	22 485	24 282
March	17 730	17 922	18 636	18 989	20 214	21 553	23 840	26 344
April	17 357	17 650	17 858	18 330	19 775	21 720	23 941	25 346
May	17 478	17 876	18 587	19 414	20 855	22 202	24 465	26 712
June	17 068	17 695	18 206	18 957	20 653	21 855	23 747	25 269
July	17 012	17 926	18 062	19 020	20 997	21 895	24 004	
August	16 778	17 723	18 222	18 787	20 392	22 154	24 105	
September	16 944	17 531	17 926	19 149	21 395	22 464	25 488	
October	17 555	18 492	18 496	19 782	22 192	23 755	25 829	
November	18 751	19 346	19 667	21 240	23 256	25 092	28 094	
December	24 661	25 234	25 407	27 690	30 653	33 248	35 485	
Total	214 638	220 500	225 524	236 624	259 502	276 945	303 535	

1/ Preliminary.

Table 4 – Percentage change in total retail trade sales at constant 2000 prices 1/

Month	2000	2001	2002	2003	2004	2005	2006	2007
January	-	-1,0	3,8	2,9	10,6	3,7	6,9	9,9
February	-	-0,2	4,3	1,8	11,3	6,0	10,3	8,0
March	-	1,1	4,0	1,9	6,5	6,6	10,6	10,5
April	-	1,7	1,2	2,6	7,9	9,8	10,2	5,9
May	-	2,3	4,0	4,4	7,4	6,5	10,2	9,2
June	-	3,7	2,9	4,1	8,9	5,8	8,7	6,4
July	-	5,4	0,8	5,3	10,4	4,3	9,6	
August	-	5,6	2,8	3,1	8,5	8,6	8,8	
September	-	3,5	2,3	6,8	11,7	5,0	13,5	
October	-	5,3	-0,0	7,0	12,2	7,0	8,7	
November	-	3,2	1,7	8,0	9,5	7,9	12,0	
December	-	2,3	0,7	9,0	10,7	8,5	6,7	
Total	-	2,7	2,3	4,9	9,7	6,7	9,6	

1/ The percentage change is the difference between retail trade sales of the relevant year and those of the previous year expressed as a percentage.

Outlined below in table 5 are retail trade sales according to type of retailer for January 2006 to June 2007.

Table 5 – Total retail trade sales according to type of dealer at current prices (R million)

Year and month 1/	Type A	Type B	Type C	Type D	Type E	Type F	Type G	Total 2/	
2006	January	10 856	3 568	1 396	5 267	2 245	1 854	4 254	29 440
	February	11 128	3 642	1 412	4 949	2 286	2 137	4 598	30 153
	March	11 879	3 947	1 433	5 364	2 421	2 251	4 770	32 065
	April	11 661	3 901	1 424	6 539	2 436	2 109	4 323	32 392
	May	11 875	3 827	1 592	6 717	2 601	2 373	4 459	33 443
	June	12 184	3 972	1 658	5 510	2 698	2 433	4 268	32 724
	July	11 943	4 085	1 454	6 208	2 774	2 483	4 540	33 486
	August	12 405	4 123	1 582	5 545	2 923	2 523	4 790	33 892
	September	13 213	4 585	1 612	5 905	2 861	2 635	4 973	35 785
	October	12 685	4 302	1 639	6 309	3 113	2 758	5 381	36 186
	November	13 446	4 483	1 635	7 059	3 829	2 989	5 836	39 276
	December	17 507	5 829	1 545	10 936	5 079	2 417	6 295	49 608
Total	150 782	50 264	18 382	76 308	35 266	28 962	58 487	418 450	
2007	January	12 324	4 066	1 623	5 991	2 779	2 279	5 096	34 158
	February	12 593	3 980	1 643	5 555	2 532	2 596	5 218	34 116
	March	14 045	4 535	1 758	5 961	2 766	2 727	5 538	37 329
	April	13 413	4 381	1 605	7 011	2 751	2 435	4 979	36 574
	May	14 201	4 533	1 760	7 061	2 967	2 695	5 703	38 920
	June	14 577	4 388	1 714	6 233	2 333	2 719	5 205	37 170

1/ Preliminary.

2/ Figures have been rounded off. Therefore, discrepancies may occur between sums of the component items and the totals.

Description of type of retailer included in indicated group types in table 5 1/

Group type	Type of dealer included in group type
Type A	General dealers
Type B	Retail trade in specialised food, beverages and tobacco stores
Type C	Retailers in pharmaceutical and medical goods, cosmetics and toiletries
Type D	Retailers in textiles, clothing, footwear and leather goods
Type E	Retailers in household furniture, appliances and equipment
Type F	Retailers in hardware, paint and glass
Type G	All other retailers

1/ See note 4 on page 9.

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

Table 6 – Quarterly and cumulative estimates and percentage changes in total retail trade sales

Retail trade sales estimates	April to June 2006 (R million)	April to June 2007 (R million)	% change between April to June 2006 and April to June 2007	January to June 2006 (R million)	January to June 2007 (R million)	% change between January to June 2006 and January to June 2007
At current prices	98 559	112 664	14,3	190 217	218 267	14,7
At constant 2000 prices	72 153	77 327	7,2	140 530	152 179	8,3

Explanatory notes

Introduction	<p>1 Statistics South Africa (Stats SA) conducts a monthly survey of the retail trade industry, covering retail 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.</p> <p>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 retail trade sales estimates include value-added tax (VAT).</p>
Purpose of the survey	<p>3 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.</p>
Scope of the survey	<p>4 This survey covers retail enterprises according to the following types of retailer:</p> <ul style="list-style-type: none"> • General dealers <ul style="list-style-type: none"> ➢ 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 <ul style="list-style-type: none"> ➢ 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 in specialised stores. • Retailers in pharmaceutical and medical goods, cosmetic and toiletries; • Retailers in textiles, clothing, footwear and leather goods <ul style="list-style-type: none"> ➢ 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 <ul style="list-style-type: none"> ➢ Retailers in reading matter and stationery; ➢ Retailers in jewellery, watches and clocks; ➢ Retailers in sports goods and entertainment requisites; ➢ Retailers in other specialised stores; ➢ Repair of personal and household goods.
Classification	<p>5 The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities (SIC)</i>, Fifth Edition, Report No. 09-90-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 <i>International Standard Industrial Classification of all Economic Activities (ISIC)</i> 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.</p>
Response rate	<p>6 The preliminary response rate for the survey on retail trade sales for June 2007 was 80,1%.</p>
Statistical unit	<p>7 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.</p>

Survey methodology and design	8	The survey is conducted on a monthly basis. Questionnaires are sent to a sample of about 2 600 enterprises from a population of about 52 000 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.
	9	The value of sales is obtained monthly from the sample of 2 600 enterprises (which was drawn in April 2006 at the SIC four-digit level from a population then of about 52 000 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	10	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	11	The sales at constant prices 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 retailer.
Seasonal adjustment	12	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	13	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	14	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.
	15	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	16	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	17	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	18	Where figures have been rounded off, discrepancies may occur between sums of the component items and the totals.
Pre-release policy	19	Stats SA's pre-release policy may be inspected at its Website, www.statssa.gov.za .

Symbols and abbreviations

20	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
	-	Figures not available
	*	Revised figures

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	4 000 000
Small	3	4 000 001	19 000 000
Medium	2	19 000 001	39 000 000
Large	1	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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