

# Retail trade sales

## September 2005

**Embargoed until: 13 December 2005, 11:00**

In this publication Stats SA releases the results from the September 2005 survey for retail 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. Retail trade sales at current prices grew by **1,8%** between August and September 2005 and by **9,6%** between September 2004 and September 2005. However, comparison of estimates of level from the new and old samples for the period June to August 2005 shows a **0,7%** lower level of sales from the new sample, which is partly compensated by higher levels of sales from the new samples for the surveys of wholesale trade and motor trade also released today. This shift is mainly due to reclassification of businesses out of retail trade to 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
Retail trade sales				
at current prices	31 512	+9,6	+9,9	+9,1
at constant 2000 prices	23 693	+4,7	+5,5	+5,9

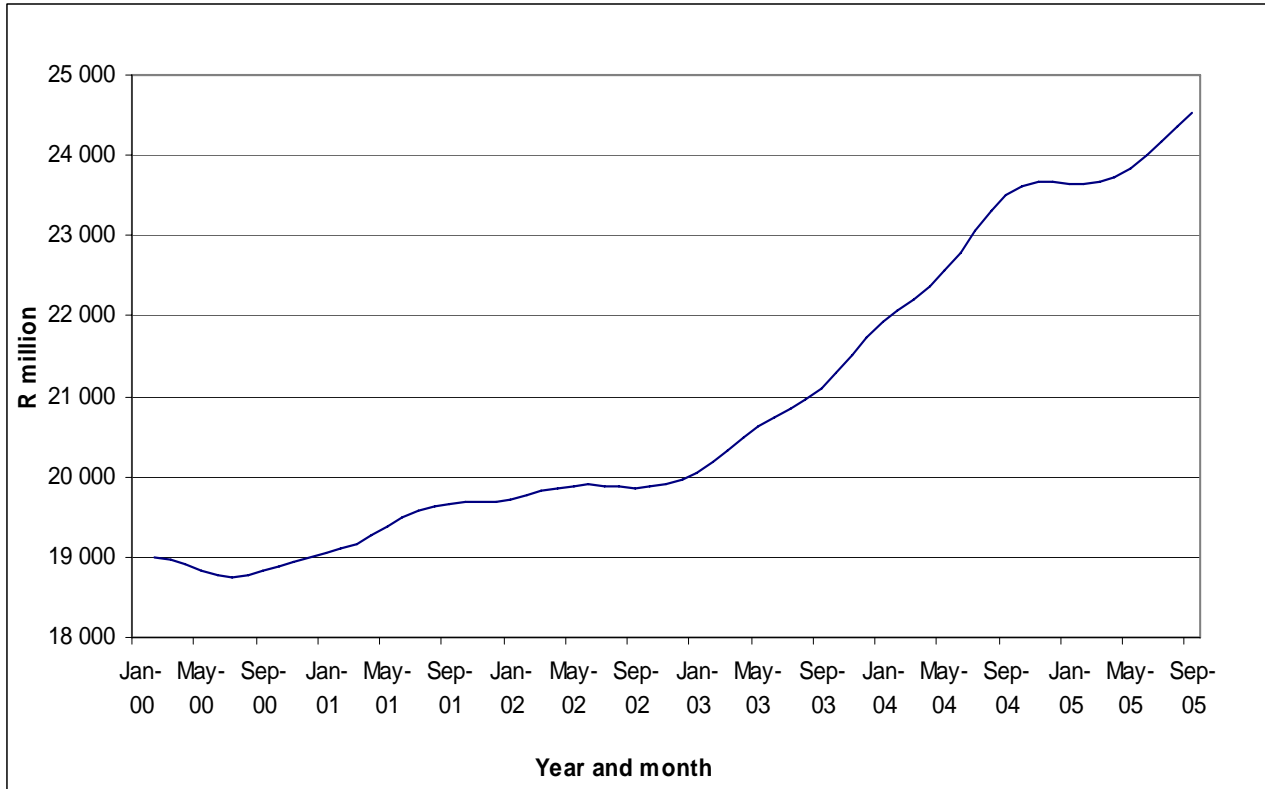
**Retail trade sales increase in real terms**

*As indicated in table A, retail trade sales at constant (2000) prices, for the third quarter of 2005, increased by 5,5% compared with the third quarter of 2004.*

Similarly, retail trade sales at constant (2000) prices, for the period January to September 2005, increased by 5,9% compared with the period January to September 2004. Retail trade sales at constant (2000) prices, for September 2005, increased by 4,7% compared with September 2004.

Figure 1 below shows the trend cycle for the retail trade sales, at constant (2000) prices between January 2000 and September 2005. There was a slightly downward trend until mid-2000 and an upward trend thereafter up to the end of 2004. There was a levelling of the trend cycle for the first half of 2005, but it has now resumed an upward trend.

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



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**Notes**

<b>Forthcoming issue</b>	<b>Issue</b>	<b>Expected release date</b>
	October 2005	11 January 2006
<b>Purpose of the survey</b>	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 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 September 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.

<b>Total sales, old and new samples, by industry sector - June to August 2005</b>				
<b>Survey</b>	<b>New samples R million</b>	<b>Old samples R million</b>	<b>Difference R million</b>	<b>Difference %</b>
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
<b>Total</b>	<b>521 364</b>	<b>501 996</b>	<b>19 368</b>	<b>3,9</b>

### 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).

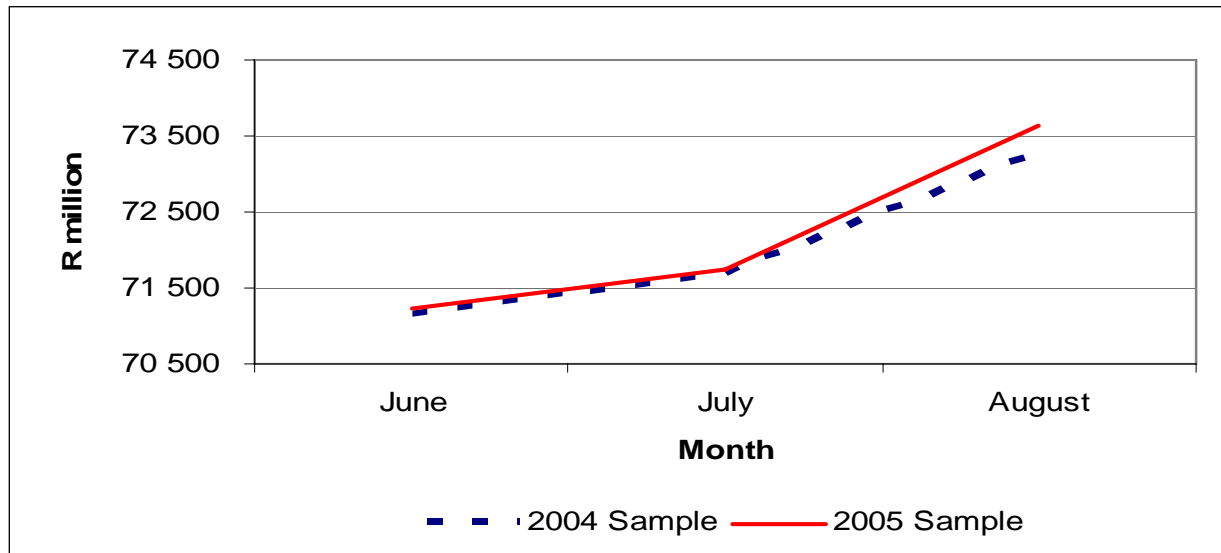
Influence (b) results from corrections to a previously assigned industry codes. Usually these corrections result from detailed Stats SA investigations, as part of the ongoing Quality Improvement Surveys to enhance the information held about businesses on the business register, into the industry codes 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 level of manufacturing sales published on 17 November 2005.

**Levels and movements 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 (a 0,2% lift in the level of sales over this period).

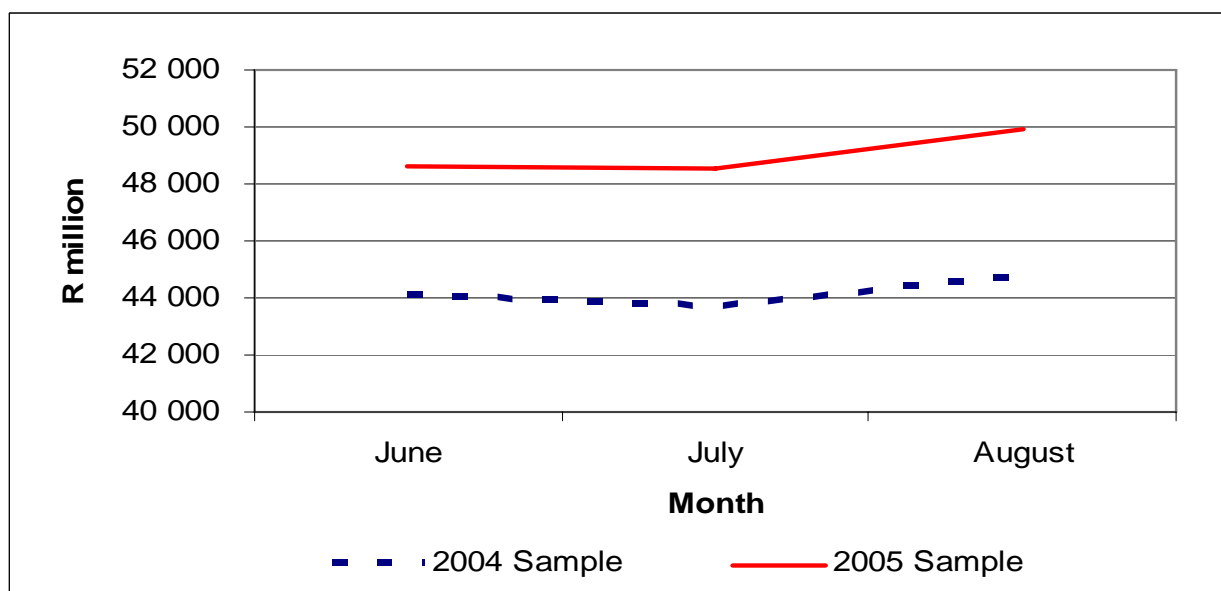
**Figure A: Manufacturing sales, monthly levels - June to August 2005**



**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**

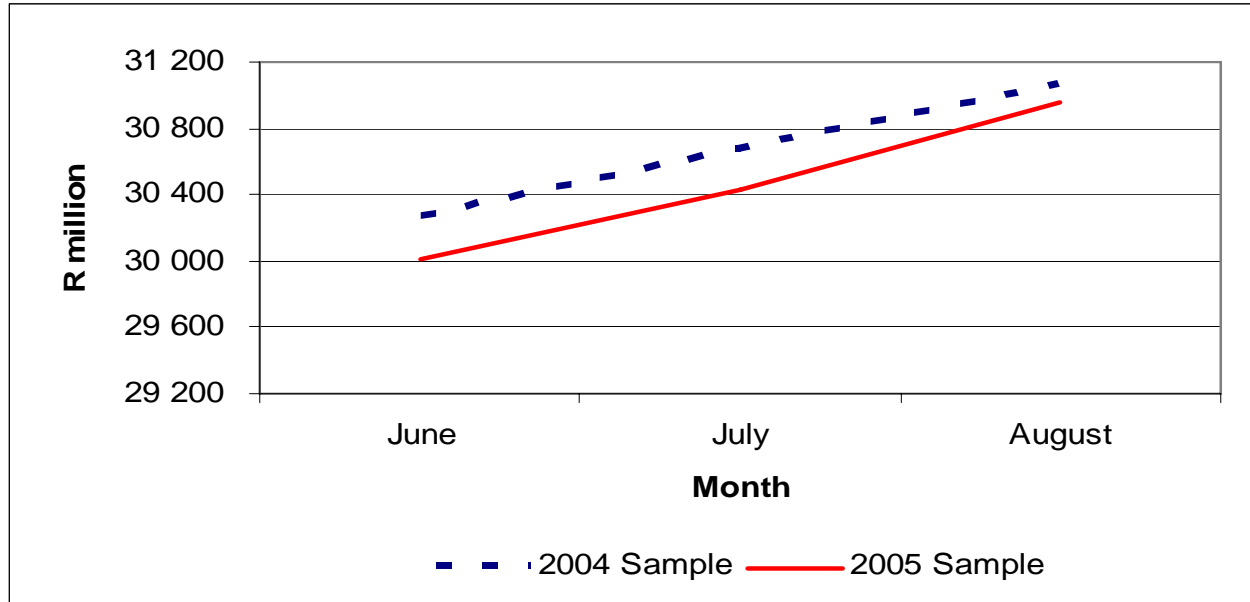




**Retail trade**

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.

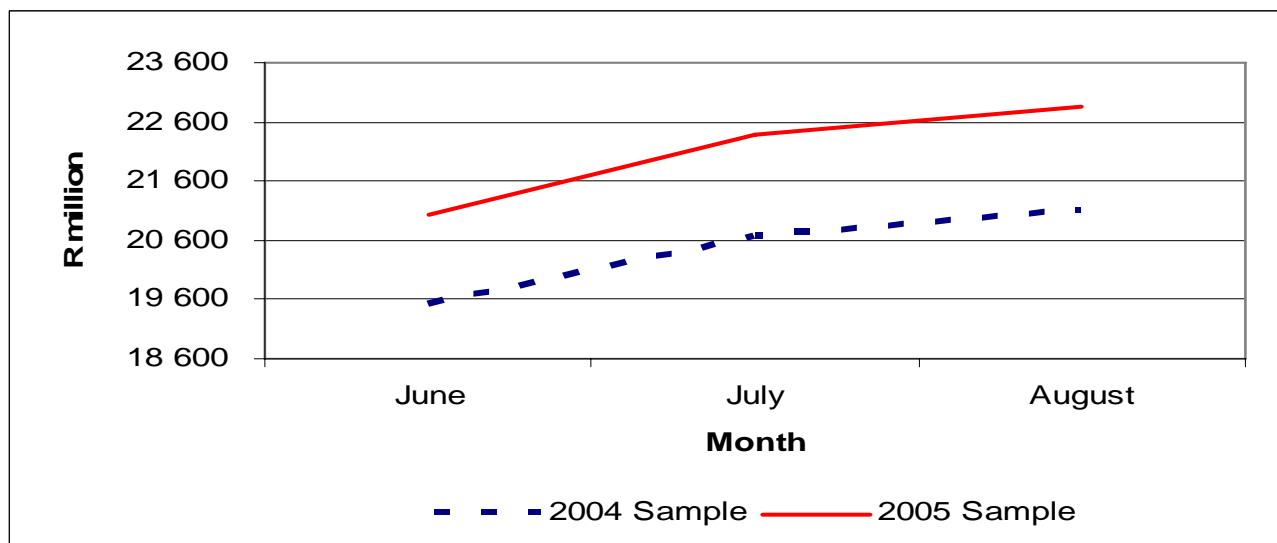
**Figure C: Retail trade sales, monthly levels - June to August 2005**



**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**

Tables 1 and 2 show retail trade sales at current prices over the period January 1998 to September 2005.

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

Month	1998	1999	2000	2001	2002	2003	2004	1/ 2005
January	15 773	16 095	17 348	18 300	20 373	23 202	26 250	27 804
February	14 584	15 295	16 650	17 702	19 850	22 239	25 518	27 506
March	16 244	17 056	18 288	19 661	22 160	24 648	26 944	29 390
April	16 026	16 695	18 160	19 512	21 517	23 890	26 579	29 847
May	16 441	17 213	18 361	19 876	22 632	25 159	28 107	30 628
June	15 689	16 139	18 056	19 805	22 379	24 386	27 848	30 010
July	16 013	17 147	18 195	20 177	22 337	24 749	28 408	30 435
August	15 741	16 692	17 998	19 912	22 709	24 585	27 404	30 960
September	16 045	16 677	18 247	19 751	22 662	25 098	28 745	31 512
October	16 816	17 870	18 980	20 951	23 675	25 866	30 004	
November	17 394	18 426	20 292	22 082	25 278	27 863	31 664	
December	23 186	24 620	26 715	28 990	32 656	36 323	41 507	
<b>Total</b>	<b>199 952</b>	<b>209 925</b>	<b>227 290</b>	<b>246 719</b>	<b>278 228</b>	<b>308 008</b>	<b>348 978</b>	

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	5,9
February	-	4,9	8,9	6,3	12,1	12,0	14,7	7,8
March	-	5,0	7,2	7,5	12,7	11,2	9,3	9,1
April	-	4,2	8,8	7,4	10,3	11,0	11,3	12,3
May	-	4,7	6,7	8,3	13,9	11,2	11,7	9,0
June	-	2,9	11,9	9,7	13,0	9,0	14,2	7,8
July	-	7,1	6,1	10,9	10,7	10,8	14,8	7,1
August	-	6,0	7,8	10,6	14,0	8,3	11,5	13,0
September	-	3,9	9,4	8,2	14,7	10,7	14,5	9,6
October	-	6,3	6,2	10,4	13,0	9,3	16,0	
November	-	5,9	10,1	8,8	14,5	10,2	13,6	
December	-	6,2	8,5	8,5	12,6	11,2	14,3	
<b>Total</b>	-	<b>5,0</b>	<b>8,3</b>	<b>8,5</b>	<b>12,8</b>	<b>10,7</b>	<b>13,3</b>	

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

Tables 3 and 4 show retail trade sales at constant (2000) prices over the period January 1998 to September 2005.

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

Month	1998	1999	2000	2001	2002	2003	2004	1/ 2005
January	18 623	17 844	17 996	17 819	18 504	19 033	21 050	21 825
February	17 178	16 919	17 236	17 203	17 947	18 274	20 333	21 556
March	19 021	18 805	18 757	18 959	19 715	20 088	21 384	22 800
April	18 570	18 306	18 362	18 672	18 891	19 391	21 027	22 977
May	18 985	18 771	18 491	18 911	19 663	20 538	22 219	23 488
June	18 013	17 467	18 056	18 719	19 259	20 054	21 893	23 120
July	18 238	18 418	17 997	18 963	19 108	20 121	22 351	23 162
August	17 847	17 891	17 749	18 750	19 278	19 874	21 663	23 437
September	18 048	17 741	17 925	18 546	18 964	20 257	22 634	23 693
October	18 852	18 910	18 572	19 563	19 566	20 927	23 478	
November	19 478	19 355	19 836	20 465	20 805	22 470	24 603	
December	25 848	25 808	26 088	26 694	26 877	29 292	32 427	
<b>Total</b>	<b>228 701</b>	<b>226 235</b>	<b>227 065</b>	<b>233 264</b>	<b>238 577</b>	<b>250 319</b>	<b>275 062</b>	

1/ Preliminary

**Table 4 - Percentage change in total retail trade sales at constant 2000 prices <sup>1/</sup>**

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

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

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

**Table 5 - Total retail 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	Total
January	10 638	2 872	1 274	4 745	1 711	1 689	4 872	27 804
February	10 528	2 895	1 329	4 282	1 668	1 863	4 937	27 506
March	11 292	3 157	1 335	4 575	1 771	1 775	5 481	29 390
April	10 537	3 097	1 504	5 715	1 832	1 900	5 258	29 847
May	10 780	2 908	1 567	5 982	1 876	2 071	5 441	30 628
June	11 023	3 003	1 490	4 838	2 072	2 172	5 408	30 010
July	11 055	3 160	1 355	5 198	2 131	2 168	5 365	30 435
August	11 129	3 033	1 467	5 173	2 118	2 303	5 735	30 960
September	11 888	3 315	1 359	5 299	2 246	2 404	4 998	31 512
October								
November								
December								

1/ Preliminary

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

Group type	Type of dealer included 1/
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, appliance and equipment
Type F	Retailers in hardware, paint and glass
Type G	All other retailers

1/ See note 3 on page 8

Outlined below in table 6 are 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**

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
Retail trade sales at current prices	84 557	92 907	+9,9	245 803	268 092	+9,1
at constant 2000 prices	66 648	70 292	+5,5	194 554	206 058	+5,9

## 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 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 retail trade sales estimates include value added tax (VAT).
- 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 in specialised stores.
    - Retailers in pharmaceutical and medical goods, cosmetic and toiletries;
    - Retailers 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
      - Retailers in reading matter and stationery;
      - Retailers in jewellery, watches and clocks;
      - Retailers in sports goods and entertainment requisites;
      - Retailers in other specialised stores. including repair of personal and household goods.
- 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 49 000 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 August 2005 at the SIC four-digit level from a population then of about 49 000 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.

<b>Weighting methodology</b>	<b>8</b>	For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated stratum to form division estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at <a href="http://www.statssa.gov.za/publications/publicationsearch.asp">www.statssa.gov.za/publications/publicationsearch.asp</a> .																		
<b>Constant prices</b>	<b>9</b>	The constant prices for the 2004 series are calculated using 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.																		
<b>Seasonal adjustment</b>	<b>10</b>	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.																		
<b>Trend cycle</b>	<b>11</b>	The trend is the long-term pattern or movement of a time series. The X-11 Seasonal Adjustment Program is used for smoothing seasonally adjusted estimates to estimates of the underlying trend cycle.																		
<b>Reliability of estimates</b>	<b>12</b>	Data presented in this publication are based on information obtained from a sample and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all enterprises in the retail industry in South Africa. Estimates are subject to sampling and non-sampling errors.																		
	<b>13</b>	Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in the collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to minimise non-sampling errors by careful design of questionnaires, testing them in pilot studies, editing reported data and implementing efficient operating procedures. Fluctuations may occur in consecutive months as a result of seasonal and economic factors.																		
<b>Revised figures</b>	<b>14</b>	Revised figures are due to respondents reporting revisions or corrections to their figures and late submission of their data to Stats SA. Preliminary figures are indicated in the relevant tables. Data are edited at the enterprise level.																		
<b>Related publications</b>	<b>15</b>	Users may also wish to refer to the following publications available from Stats SA - <ul style="list-style-type: none"> <li>• <i>Bulletin of Statistics</i> issued quarterly.</li> <li>• <i>SA Statistics</i> issued annually.</li> </ul>																		
<b>Rounding of figures</b>	<b>16</b>	Where figures have been rounded off, discrepancies may occur between sums of the component items and the totals.																		
<b>Pre-release policy</b>	<b>17</b>	Stats SA's pre-release policy may be inspected at its Website, <a href="http://www.statssa.gov.za">www.statssa.gov.za</a> .																		
<b>Symbols and abbreviations</b>	<b>18</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 100px;">BSF</td> <td>Business sampling frame</td> </tr> <tr> <td>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>	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
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## 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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