

# Motor trade sales

## August 2005

This is the last statistical release based on the sample drawn in 2004. The statistical release for September 2005 will be based on the new sample drawn in August 2005 and is due to be published on 7 December 2005.

**Embargoed until:  
3 November 2005  
09:30**

**Table A - Key figures as at the end of August 2005**

Estimates	August 2005 R million	% change between August 2004 and August 2005	% change between June to August 2004 and June to August 2005	% change between January to August 2004 and January to August 2005
Motor trade sales	20 992	+17,8	+16,4	+16,8

Seasonally adjusted estimates	August 2005 R million	% change between July and August 2005	% change between March to May 2005 and June to August 2005
Motor trade sales	20 597	+2,1	+4,8

**Key findings as at the end of August 2005**

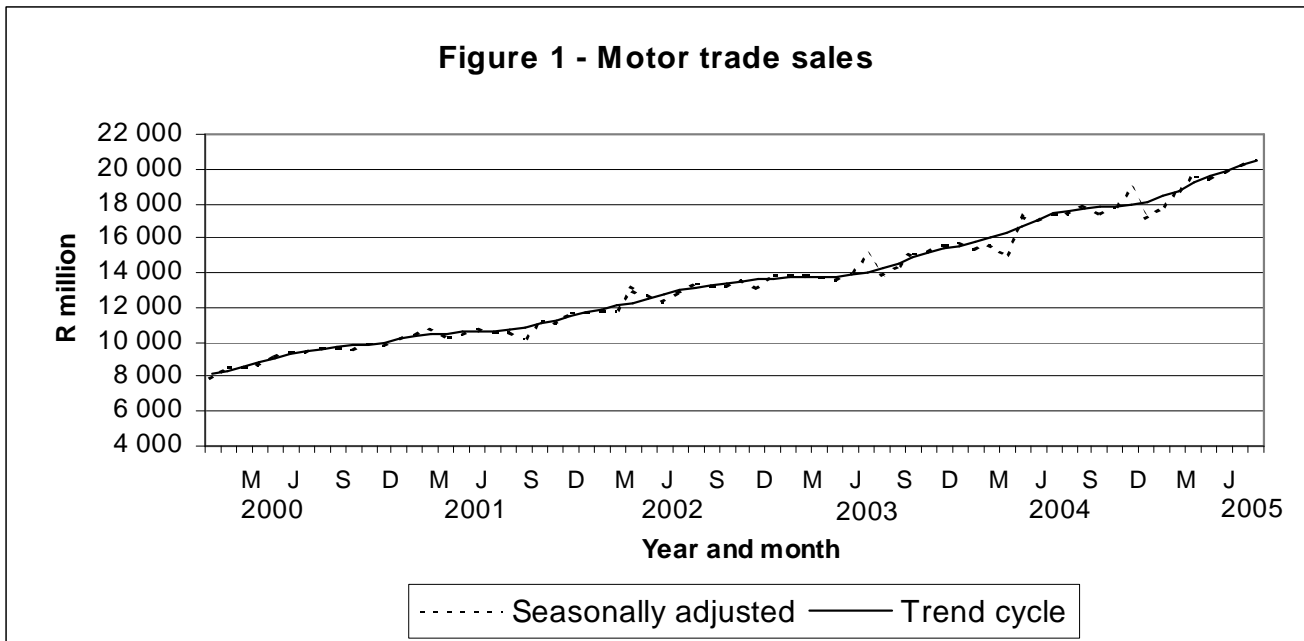
**Motor trade sales increase**

*As indicated in table A, motor trade sales for the three months up to August 2005 increased by 16,4% compared with the three months up to August 2004. Furthermore, seasonally adjusted motor trade sales for the three months up to August 2005 increased by 4,8% compared with the three months up to May 2005.*

Motor trade sales for August 2005 increased by 17,8% compared with motor trade sales for August 2004.

Motor trade sales for the first eight months of 2005 increased by 16,8% compared with motor trade sales for the first eight months of 2004.

Figure 1 below shows the seasonally adjusted and trend patterns for motor trade sales between January 2000 and August 2005. There was an upward movement in the trend cycle from 2000 to date.



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**Statistician-General**

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**Notes**

<b>Forthcoming issue</b>	<b>Issue</b>	<b>Expected release date</b>
	September 2005	7 December 2005

**Purpose of the survey** The results of the monthly motor 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.

**Detailed results**

Outlined below in tables 1 and 2 are details of the behaviour of motor trade sales over the period January 1998 to August 2005. Table 3 gives details of the behaviour of the seasonally adjusted motor trade sales over the same period.

**Table 1 - Total motor trade sales (R million)**

Month	1998	1999	2000	2001	2002	2003	2004	1/ 2005
January	6 890	6 791	7 569	9 835	11 447	13 774	15 806	17 245
February	7 357	7 233	8 744	10 536	11 886	13 719	14 979	17 296
March	7 345	7 335	8 674	10 780	11 775	13 566	15 180	18 094
April	7 135	6 925	8 095	9 628	12 128	12 904	14 183	18 463
May	7 085	7 204	9 229	10 564	12 901	13 738	17 447	19 688
June	7 114	6 965	9 485	10 760	12 310	13 811	16 850	19 521
July	7 840	7 747	9 609	10 836	13 148	15 374	17 891	20 676
August	7 123	7 894	10 031	10 876	13 719	14 137	17 813	20 992
September	6 822	7 945	9 784	10 231	13 468	14 584	18 231	
October	7 278	8 046	9 797	11 461	13 630	15 488	17 955	
November	7 287	8 014	10 267	11 399	14 128	15 907	18 631	
December	7 139	7 791	9 629	11 603	13 061	15 533	18 793	
<b>Total</b>	<b>86 415</b>	<b>89 890</b>	<b>110 913</b>	<b>128 509</b>	<b>153 601</b>	<b>172 535</b>	<b>203 759</b>	

1/ Preliminary

**Table 2 - Percentage change in total motor trade sales 1/**

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	-	-1,4	11,5	29,9	16,4	20,3	14,8	9,1
February	-	-1,7	20,9	20,5	12,8	15,4	9,2	15,5
March	-	-0,1	18,3	24,3	9,2	15,2	11,9	19,2
April	-	-2,9	16,9	18,9	26,0	6,4	9,9	30,2
May	-	1,7	28,1	14,5	22,1	6,5	27,0	12,8
June	-	-2,1	36,2	13,4	14,4	12,2	22,0	15,9
July	-	-1,2	24,0	12,8	21,3	16,9	16,4	15,6
August	-	10,8	27,1	8,4	26,1	3,0	26,0	17,8
September	-	16,5	23,1	4,6	31,6	8,3	25,0	
October	-	10,6	21,8	17,0	18,9	13,6	15,9	
November	-	10,0	28,1	11,0	23,9	12,6	17,1	
December	-	9,1	23,6	20,5	12,6	18,9	21,0	
<b>Total</b>	-	<b>4,0</b>	<b>23,4</b>	<b>15,9</b>	<b>19,5</b>	<b>12,3</b>	<b>18,1</b>	

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

**Table 3 - Seasonally adjusted total motor trade sales (R million)**

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	7 321	7 180	7 935	10 194	11 690	13 894	15 813	17 191
February	7 218	7 099	8 597	10 423	11 887	13 913	15 384	17 861
March	7 244	7 244	8 601	10 796	11 907	13 883	15 658	18 754
April	7 619	7 397	8 666	10 333	13 004	13 781	15 068	19 578
May	7 094	7 195	9 200	10 488	12 791	13 583	17 269	19 499
June	7 044	6 914	9 453	10 782	12 396	13 979	17 118	19 856
July	7 655	7 575	9 414	10 631	12 901	15 052	17 476	20 170
August	6 921	7 673	9 767	10 608	13 434	13 845	17 467	20 597
September	6 809	7 927	9 734	10 148	13 313	14 400	17 978	
October	7 128	7 878	9 574	11 209	13 297	15 111	17 490	
November	7 137	7 840	10 006	11 048	13 627	15 282	17 858	
December	7 287	7 948	9 798	11 784	13 177	15 606	18 843	

Outlined below in tables 4.1 and 4.2 are the estimates and percentage changes in motor trade sales and seasonally adjusted estimates.

**Table 4 – Estimates and percentage changes in total motor trade sales.**

**Table 4.1 - Quarterly and cumulative estimates and percentage changes**

Estimates	June to August 2004 R million	June to August 2005 R million	% change between June to August 2004 and June to August 2005	January to August 2004 R million	January to August 2005 R million	% change between January to August 2004 and January to August 2005
Motor trade sales	52 554	61 189	+16,4	130 149	151 975	+16,8

**Table 4.2 - Seasonally adjusted estimates with monthly and quarterly percentage changes.**

Seasonally adjusted estimates	July 2005 R million	August 2005 R million	% change between July and August 2005	March to May 2005 R million	June to August 2005 R million	% change between March to May 2005 and June to August 2005
Motor trade sales	20 170	20 597	+2,1	57 831	60 623	+4,8

**Explanatory notes**

<b>Introduction</b>	1	Statistics South Africa (Stats SA) conducts a monthly survey of the motor trade industry, covering motor enterprises (see 3 below). This survey 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.
	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. Publish motor trade sales estimates exclude value-added tax (VAT).
<b>Scope of the survey</b>	3	The survey collects information from a sample of enterprises in South Africa that are predominantly involved in motor trade. These enterprises include - <ul style="list-style-type: none"> <li>• motor vehicle dealers, filling stations and workshops;</li> <li>• motor cycle dealers;</li> <li>• spares and accessories;</li> <li>• tyre dealers;</li> <li>• automotive electricians;</li> <li>• radiator repairs;</li> <li>• panel beaters and spray painters;</li> <li>• other specialised motor repair services; and</li> <li>• other motor trade.</li> </ul>
<b>Classification</b>	4	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 division (two digit) level. Each enterprise is classified to the industry, which reflects its predominant activity.
<b>Statistical unit</b>	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.
<b>Survey methodology and design</b>	6	The survey is conducted monthly. Questionnaires are sent to a sample of about 600 enterprises from a population of about 11 000 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-responses.
	7	The value of sales is obtained monthly from the sample of about 600 enterprises, which was drawn in September 2004 from a population then of about 11 000 motor trade enterprises. The motor industry is divided into four size groups. The sample is drawn at the SIC four-digit level. All large enterprises (size group one), are completely enumerated. Simple random sampling is applied to size group two (medium sized) enterprises, and to size groups three and four (small) enterprises. The total value of sales of the large enterprises (size group one) in a division is added to the weighted totals of size groups two, three and four to reflect the total value of sales.
<b>Weighting methodology</b>	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 <a href="http://www.statssa.gov.za/publications/publicationsearch.asp">http://www.statssa.gov.za/publications/publicationsearch.asp</a> .



<b>Seasonal adjustment</b>	<b>9</b>	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.																
<b>Trend cycle</b>	<b>10</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>11</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 motor industry in South Africa. Estimates are subject to sampling and non-sampling errors.																
	<b>12</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>13</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>14</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>15</b>	The figures in the tables have, where necessary, been rounded to the nearest digit shown.																
<b>Symbols and abbreviations</b>	<b>16</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">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>Revised</td> </tr> <tr> <td>-</td> <td>Figures not available</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	*	Revised	-	Figures not available
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**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	Size group	Lower limits	Upper limits
Very small	1	0	4 000 000
Small	2	4 000 001	19 000 000
Medium	3	19 000 001	39 000 000
Large	4	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.

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