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Motor trade sales (Preliminary)

August 2006

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Forthcoming issue:

September 2006

Expected release date

7 December 2006

Table A - Key figures as at the end of August 2006

Estimates	August 2006 R million	% change between August 2005 and August 2006	% change between June to August 2005 and June to August 2006	% change between January to August 2005 and January to August 2006
Motor trade sales	26 501	+15,3	+14,9	+15,5

Seasonally adjusted estimates	August 2006 R million	% change between July and August 2006	% change between March to May 2006 and June to August 2006
Motor trade sales	25 467	+1,3	+3,4

Key findings as at the end of August 2006

Motor trade sales increase

As indicated in table A, motor trade sales for the three months up to August 2006 increased by 14,9% compared with the three months up to August 2005. The 14,9% growth is lower than the 16,8% reported for the same period in 2005.

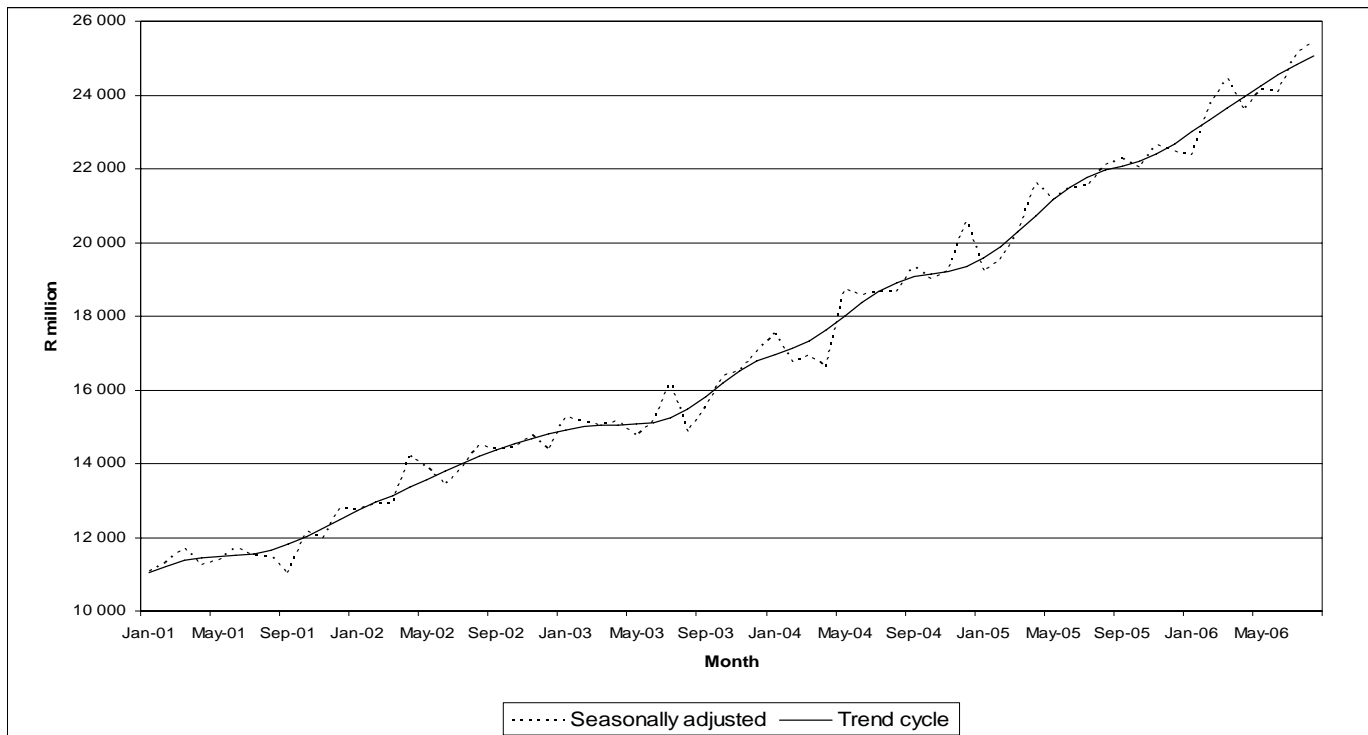
Seasonally adjusted motor trade sales for the three months up to August 2006 increased by 3,4% compared with the three months up to May 2006.

Motor trade sales for August 2006 increased by 15,3% compared with the motor trade sales for August 2005.

Motor trade sales for the first eight months of 2006 increased by 15,5% compared with the motor trade sales for the first eight months of 2005.

Figure 1 below shows the seasonally adjusted and trend patterns for motor trade sales between January 2001 and August 2006. There has been an upward movement in the trend cycle as from January 2001 up to August 2006.

Figure 1- Motor trade sales



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Notes

Forthcoming issue	Issue	Expected release date
	September 2006	7 December 2006
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.	
Response rate	The preliminary response rate for the survey on motor trade sales for August 2006 was 85,4%.	

Detailed results

Tables 1 and 2 show motor trade sales and percentage changes from January 1999 to August 2006. Table 3 shows seasonally adjusted motor trade sales over the same period.

Table 1 - Total motor trade sales (R million)

Month	1999	2000	2001	2002	2003	2004	2005 1/	2006 1/
January	7 371	8 217	10 676	12 427	14 952	17 159	18 720	21 737
February	7 851	9 492	11 437	12 904	14 893	16 261	18 776	22 610
March	7 962	9 416	11 702	12 783	14 727	16 479	19 642	23 763
April	7 517	8 787	10 452	13 166	14 008	15 397	20 043	21 834
May	7 820	10 019	11 467	14 004	14 914	18 939	21 373	24 395
June	7 561	10 296	11 681	13 364	14 992	18 293	21 133	23 696
July	8 410	10 432	11 763	14 272	16 689	19 422	22 524	26 350
August	8 569	10 890	11 806	14 893	15 347	19 337	22 985	26 501
September	8 625	10 621	11 107	14 620	15 832	19 792	22 794	
October	8 735	10 635	12 442	14 796	16 814	19 492	22 575	
November	8 700	11 145	12 374	15 337	17 268	20 226	23 850	
December	8 458	10 453	12 597	14 179	16 863	20 401	22 228	
Total	97 585	120 407	139 509	166 750	187 305	221 203	256 649	

1/ Preliminary.

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

Month	1999	2000	2001	2002	2003	2004	2005	2006
January	-	11,5	29,9	16,4	20,3	14,8	9,1	16,1
February	-	20,9	20,5	12,8	15,4	9,2	15,5	20,4
March	-	18,3	24,3	9,2	15,2	11,9	19,2	21,0
April	-	16,9	18,9	26,0	6,4	9,9	30,2	8,9
May	-	28,1	14,5	22,1	6,5	27,0	12,9	14,1
June	-	36,2	13,4	14,4	12,2	22,0	15,5	12,1
July	-	24,0	12,8	21,3	16,9	16,4	16,0	17,0
August	-	27,1	8,4	26,1	3,0	26,0	18,9	15,3
September	-	23,1	4,6	31,6	8,3	25,0	15,2	
October	-	21,7	17,0	18,9	13,6	15,9	15,8	
November	-	28,1	11,0	23,9	12,6	17,1	17,9	
December	-	23,6	20,5	12,6	18,9	21,0	9,0	
Total	-	23,4	15,9	19,5	12,3	18,1	16,0	

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	1999	2000	2001	2002	2003	2004	2005	2006
January	7 796	8 616	11 077	12 752	15 276	17 536	19 222	22 384
February	7 709	9 337	11 323	12 918	15 131	16 754	19 529	23 644
March	7 864	9 339	11 723	12 928	15 036	16 908	20 204	24 459
April	8 028	9 416	11 258	14 209	15 134	16 605	21 639	23 588
May	7 813	9 993	11 390	13 883	14 747	18 745	21 146	24 140
June	7 507	10 265	11 702	13 441	15 167	18 569	21 494	24 073
July	8 222	10 204	11 497	13 904	16 171	18 670	21 533	25 137
August	8 328	10 591	11 485	14 493	14 887	18 676	22 103	25 467
September	8 600	10 559	11 001	14 409	15 527	19 357	22 257	
October	8 550	10 390	12 158	14 435	16 397	19 008	22 029	
November	8 510	10 861	11 988	14 768	16 506	19 256	22 648	
December	8 630	10 642	12 808	14 355	17 038	20 600	22 454	

Table 4 shows motor trade sales by type of activity. The main activity in the motor trade industry is the sale of new vehicles.

Table 4 - Motor trade sales by type of activity (R million) ^{1/}

Year 2/	Month	New vehicle sales	Used vehicle sales	Workshop income	Income from accessories	Income from fuel sales	Income from convenient store	Total 3/
2005	September	8 181	4 341	1 951	2 891	4 276	1 152	22 794
	October	7 655	4 313	1 951	3 160	4 497	996	22 575
	November	8 480	4 507	1 952	3 279	4 380	1 250	23 850
	December	7 686	4 013	1 758	2 895	4 578	1 297	22 228
2006	January	8 099	3 816	1 790	2 807	4 055	1 166	21 737
	February	8 588	4 064	1 953	3 049	3 850	1 104	22 610
	March	8 941	4 323	2 062	2 976	4 079	1 380	23 763
	April	7 893	4 042	1 929	2 774	3 929	1 265	21 834
	May	8 995	4 444	2 202	3 140	4 324	1 287	24 395
	June	8 231	4 623	2 084	3 044	4 480	1 235	23 696
	July	10 032	4 857	2 175	3 102	4 713	1 471	26 350
	August	9 955	4 837	2 277	3 058	4 937	1 437	26 501

1/ The type of activity in motor trade refers to the enterprises classified within the motor trade industry and engaged in the activities mentioned above.

2/ Preliminary.

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

Tables 5.1 and 5.2 show the estimates and percentage changes in motor trade sales and seasonally adjusted estimates.

Table 5 – Estimates and percentage changes in total motor trade sales

Table 5.1 - Quarterly and cumulative estimates and percentage changes

Estimates	June to August 2005 R million	June to August 2006 R million	% change between June to August 2005 and June to August 2006	January to August 2005 R million	January to August 2006 R million	% change between January to August 2005 and January to August 2006
Motor trade sales	66 643	76 547	+14,9	165 200	190 888	+15,5

Table 5.2 - Seasonally adjusted estimates with monthly and quarterly percentage changes.

Seasonally adjusted estimates	July 2006 R million	August 2006 R million	% change between July and August 2006	March to May 2006 R million	June to August 2006 R million	% change between March to May 2006 and June to August 2006
Motor trade sales	25 137	25 467	+1,3	72 188	74 678	+3,4

Explanatory notes

Introduction	1	<p>Statistics South Africa (Stats SA) conducts a monthly survey covering enterprises of the motor trade industry (see 3 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 become available. Motor trade sales estimates exclude value-added tax (VAT).</p>
Scope of the survey	3	<p>The survey collects information from a sample of enterprises in South Africa that are predominantly involved in motor trade.</p> <p>These enterprises include -</p> <ul style="list-style-type: none"> • motor vehicle dealers, filling stations and workshops; • motor cycle dealers; • spares and accessories; • tyre dealers; • automotive electricians; • radiator repairs; • panel beaters and spray painters; • other specialised motor repair services; and • other motor trade.
Classification	4	<p>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.</p>
Statistical unit	5	<p>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	6	<p>The survey is conducted monthly. Questionnaires are sent to a sample of 669 enterprises from a population of about 13 000 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.</p> <p>7 The value of sales is obtained monthly from the sample of 669 enterprises, which was drawn in April 2006 from a population then of about 13 000 motor trade enterprises. The motor trade 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) classification group is added to the weighted totals of size groups two, three and four to reflect the total value of sales.</p>
Weighting methodology	8	<p>For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated stratum to form division estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at http://www.statssa.gov.za/publications/publicationsearch.asp.</p>

Seasonal adjustment	9	Seasonally adjusted estimates are generated each month, using the X-11 Seasonal Adjustment Program developed by the US Bureau of the Census, 1968. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be more clearly recognised. Seasonal adjustment does not aim to remove irregular or non-seasonal influences, which may be present in any particular month. Influences that are volatile or unsystematic can still make it difficult to interpret the movement of the series even after adjustment for seasonal variations. Therefore the month-to-month movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour.																
Trend cycle	10	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	11	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 trade industry in South Africa. Estimates are subject to sampling and non-sampling errors.																
	12	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	13	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	14	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	15	The figures in the tables have, where necessary, been rounded to the nearest digit shown.																
Symbols and abbreviations	16	<table border="0"> <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>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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*	Revised																	
-	Figures not available																	

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	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.

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