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Motor trade sales (Preliminary)

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Summary findings: Motor trade sales

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

Estimates	August 2007 (R million)	% change between August 2006 and August 2007	% change between June to August 2006 and June to August 2007	% change between January to August 2006 and January to August 2007
Motor trade sales	28 934	7,4	6,9	11,7

Seasonally adjusted estimates	August 2007 (R million)	% change between July and August 2007	% change between March to May 2007 and June to August 2007
Motor trade sales	27 388	2,0	-2,9

Key findings as at the end of August 2007

Motor trade sales increase

Table A indicates that motor trade sales for the three months ended August 2007 increased by 6,9% compared with the three months ended August 2006. This is lower than the 14,7% increase reported for the three months ended August 2006 compared with the three months ended August 2005.

The growth in the motor trade sales since April 2007 was partly affected by difficulties in the registering of new and used vehicles following the introduction of the new eNaTIS system, a tighter monetary environment, as well as the new National Credit Act which was introduced on 1 June 2007.

Seasonally adjusted motor trade sales for the three months ended August 2007 decreased by 2,9% compared with the three months ended May 2007.

As indicated in table B below, the major contributors to the 6,9% increase in motor trade sales for the three months ended August 2007 compared with the three months ended August 2006 were income from the sale of accessories (2,6 percentage points), income from fuel sales (2,2 percentage points) and used vehicle sales (1,7 percentage points). New vehicle sales contributed negatively to the 6,9% increase (-1,0 percentage point).

Table B – Contribution of the types of activity to the percentage change in motor trade sales

Type of activity	June to August 2006 (R million)	Weight 1/	June to August 2007 (R million)	Difference in sales between June to August 2006 and June to August 2007 (R million)	% change between June to August 2006 and June to August 2007	Contribution (percentage points) to the percentage change in total sales 2/
New vehicle sales	28 245	36,2	27 486	-759	-2,7	-1,0
Used vehicle sales	14 541	18,7	15 869	1 328	9,1	1,7
Workshop income	6 697	8,6	7 020	323	4,8	0,4
Income from the sales of accessories	9 579	12,3	11 621	2 042	21,3	2,6
Income from fuel sales	15 424	19,8	17 138	1 714	11,1	2,2
Income from convenience store sales	3 477	4,5	4 241	764	22,0	1,0
Total 3/	77 963	100,0	83 375	5 412	6,9	6,9

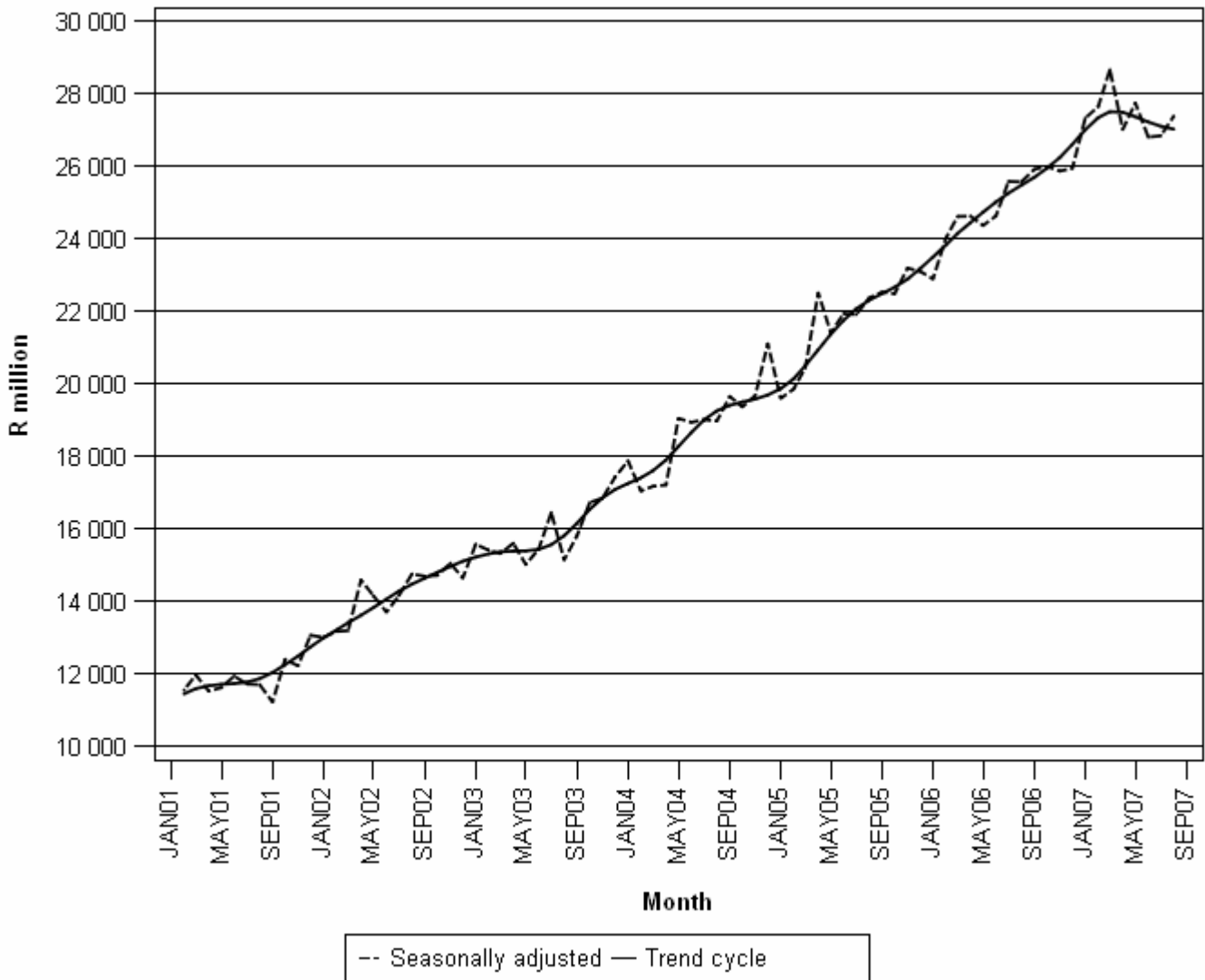
1/ Weight is the percentage contribution of each type of activity to the total motor trade sales of June to August 2006.

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

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

Figure 1 below shows the seasonally adjusted and trend patterns for motor trade sales between January 2001 and August 2007. There was an upward movement in the trend cycle until March 2007, after which the trend cycle started to decline.

Figure 1-Motor trade sales at current prices



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Detailed results

Tables 1 and 2 show motor trade sales and percentage changes over the period January 2000 to August 2007. Table 3 shows seasonally adjusted motor trade sales over the same period.

Table 1 – Total motor trade sales (R million)

Month	2000	2001	2002	2003	2004	2005	2006 1/	2007 1/
January	8 378	10 886	12 671	15 246	17 496	19 088	22 163	26 319
February	9 679	11 662	13 157	15 185	16 580	19 144	23 053	26 472
March	9 601	11 932	13 034	15 016	16 803	20 028	24 229	28 288
April	8 960	10 657	13 424	14 283	15 699	20 436	22 263	24 398
May	10 216	11 692	14 279	15 207	19 311	21 793	24 873	28 386
June	10 499	11 910	13 626	15 287	18 652	21 548	24 160	26 254
July	10 637	11 994	14 553	17 017	19 803	22 965	26 866	28 187
August	11 104	12 038	15 185	15 648	19 716	23 436	26 937	28 934
September	10 829	11 325	14 907	16 142	20 180	23 241	26 804	
October	10 844	12 686	15 086	17 144	19 874	23 018	26 589	
November	11 364	12 617	15 638	17 606	20 622	24 317	27 112	
December	10 658	12 844	14 457	17 194	20 802	22 664	25 434	
Total	122 769	142 243	170 017	190 975	225 538	261 678	300 483	

1/ Preliminary.

Table 2 – Percentage change in total motor sales 1/

Month	2000	2001	2002	2003	2004	2005	2006	2007
January	11,5	29,9	16,4	20,3	14,8	9,1	16,1	18,8
February	20,9	20,5	12,8	15,4	9,2	15,5	20,4	14,8
March	18,3	24,3	9,2	15,2	11,9	19,2	21,0	16,8
April	16,9	18,9	26,0	6,4	9,9	30,2	8,9	9,6
May	28,1	14,4	22,1	6,5	27,0	12,9	14,1	14,1
June	36,2	13,4	14,4	12,2	22,0	15,5	12,1	8,7
July	24,0	12,8	21,3	16,9	16,4	16,0	17,0	4,9
August	27,1	8,4	26,1	3,0	26,0	18,9	14,9	7,4
September	23,1	4,6	31,6	8,3	25,0	15,2	15,3	
October	21,7	17,0	18,9	13,6	15,9	15,8	15,5	
November	28,1	11,0	23,9	12,6	17,1	17,9	11,5	
December	23,6	20,5	12,6	18,9	21,0	9,0	12,2	
Total	23,4	15,9	19,5	12,3	18,1	16,0	14,8	

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

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

Month	2000	2001	2002	2003	2004	2005	2006	2007
January	8 780	11 293	13 000	15 572	17 874	19 600	22 898	27 338
February	9 523	11 547	13 164	15 406	17 041	19 856	24 026	27 655
March	9 530	11 962	13 183	15 317	17 171	20 449	24 623	28 673
April	9 617	11 515	14 586	15 597	17 207	22 515	24 631	27 028
May	10 188	11 612	14 145	15 012	19 047	21 412	24 373	27 755
June	10 466	11 930	13 697	15 442	18 940	21 940	24 637	26 815
July	10 399	11 712	14 157	16 446	19 011	21 915	25 590	26 851
August	10 792	11 695	14 749	15 139	18 975	22 372	25 578	27 388
September	10 764	11 215	14 689	15 812	19 653	22 535	25 925	
October	10 591	12 390	14 712	16 721	19 365	22 488	26 005	
November	11 069	12 214	15 046	16 847	19 674	23 196	25 877	
December	10 846	13 058	14 639	17 426	21 106	23 109	25 949	

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

Table 4 – Motor trade sales by type of activity (R million) 1/

Year and month 2/		New vehicle sales	Used vehicle sales	Workshop income	Income from the sales of accessories	Income from fuel sales	Income from convenience store sales	Total 3/
2006	January	8 149	3 878	1 819	2 888	4 402	1 027	22 163
	February	8 640	4 129	1 984	3 138	4 178	984	23 053
	March	9 018	4 404	2 100	3 070	4 439	1 198	24 229
	April	7 948	4 111	1 962	2 857	4 269	1 116	22 263
	May	9 059	4 521	2 240	3 234	4 699	1 122	24 873
	June	8 278	4 696	2 116	3 131	4 861	1 079	24 160
	July	10 116	4 946	2 214	3 199	5 127	1 263	26 866
	August	9 851	4 899	2 367	3 249	5 436	1 135	26 937
	September	9 710	5 055	2 481	3 215	5 080	1 263	26 804
	October	9 199	5 057	2 531	3 646	4 866	1 289	26 589
	November	9 520	5 379	2 548	3 740	4 732	1 192	27 112
	December	8 649	4 363	2 061	3 327	5 690	1 344	25 434
	Total	108 137	55 438	26 423	38 694	57 779	14 012	300 483
2007	January	9 595	4 727	2 164	3 669	4 949	1 214	26 319
	February	9 217	5 119	2 391	3 789	4 716	1 239	26 472
	March	10 172	5 274	2 353	4 037	5 044	1 409	28 288
	April	8 048	4 224	2 097	3 470	5 195	1 365	24 398
	May	9 383	5 441	2 487	3 995	5 716	1 365	28 386
	June	8 240	4 929	2 340	3 739	5 658	1 348	26 254
	July	9 399	5 263	2 385	3 901	5 824	1 415	28 187
	August	9 847	5 677	2 295	3 981	5 656	1 478	28 934

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 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 percentages

Estimates	June to August 2006 (R million)	June to August 2007 (R million)	% change between June to August 2006 and June to August 2007	January to August 2006 (R million)	January to August 2007 (R million)	% change between January to August 2006 and January to August 2007
Motor trade sales	77 963	83 375	+6,9	194 544	217 238	+11,7

Table 5.2 – Seasonally adjusted estimates with monthly and quarterly percentage change

Seasonally adjusted estimates	July 2007 (R million)	August 2007 (R million)	% change between July and August 2007	March to May 2007 (R million)	June to August 2007 (R million)	% change between March to May 2007 and June to August 2007
Motor trade sales	26 851	27 388	+2,0	83 457	81 054	-2,9

Explanatory notes

Introduction	1	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 2007 Business Sampling Frame (BSF) that contains businesses registered for 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 become available. Motor trade sales estimates exclude value-added tax (VAT).
Purpose of the survey	3	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.
Scope of the survey	4	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"> • 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	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 division (two digit) level. Each enterprise is classified to the industry, which reflects its predominant activity.
Response rate	6	The preliminary response rate for the survey on motor trade sales for August 2007 was 83,1%.
Statistical unit	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.
Survey methodology and design	8	The survey is conducted monthly. Questionnaires are sent to a sample of 856 enterprises from a population of about 10 900 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.
	9	The value of sales is obtained monthly from the sample of 856 enterprises, which was drawn in April 2007 from a population then of about 10 900 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 and medium enterprises (size groups one and two), are completely enumerated. Simple random sampling is applied to size groups three and four (small) enterprises. The total value of sales of the large and medium enterprises (size groups one and two) classification group 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 http://www.statssa.gov.za/publications/publicationsearch.asp .																
Seasonal adjustment	11	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	12	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	13	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.																
	14	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	15	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	16	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	17	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 May 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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