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# Statistical release

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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 December 2007**

Estimates	December 2007 (R million)	% change between December 2006 and December 2007	% change between October to December 2006 and October to December 2007	% change between January to December 2006 and January to December 2007
<b>Motor trade sales</b>	26 056	2,4	7,4	9,4

Seasonally adjusted estimates	December 2007 (R million)	% change between November and December 2007	% change between July to September 2007 and October to December 2007
<b>Motor trade sales</b>	27 177	-3,8	4,8

### Key findings as at the end of December 2007

#### Motor trade sales continue to slow down

**Motor trade sales grew by 9,4% in 2007 compared with 2006. This was the lowest annual increase since 2000. The slowdown in 2007 was mainly influenced by low sales reported for the sale of new vehicles.**

Table A indicates that motor trade sales for the fourth quarter of 2007 increased by 7,4% compared with the fourth quarter of 2006. This is substantially lower than the 13,1% increase reported for the fourth quarter of 2006 compared with the fourth quarter of 2005.

Motor trade sales for December 2007 increased by 2,4% compared with December 2006 while the corresponding period for 2006 increased by 12,2%.

Seasonally adjusted motor trade sales for the fourth quarter of 2007 increased by 4,8% compared with the third quarter of 2007.

As indicated in table B below, the major contributors to the 7,4% increase in motor trade sales for the fourth quarter of 2007 compared with the fourth quarter of 2006 were income from fuel sales (4,2 percentage points), income from convenience store sales (1,7 percentage points) and income from the sales of accessories (1,4 percentage points). New vehicle sales contributed negatively to the 7,4% increase (-1,0 of a percentage point).

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

Type of activity	October to December 2006 (R million)	Weight 1/	October to December 2007 (R million)	Difference in sales between October to December 2006 and October to December 2007 (R million)	% change between October to December 2006 and October to December 2007	Contribution (percentage points) to the percentage change in total sales 2/
<b>New vehicle sales</b>	27 368	34,6	26 544	-824	-3,0	-1,0
<b>Used vehicle sales</b>	14 799	18,7	15 558	759	5,1	1,0
<b>Workshop income</b>	7 140	9,0	7 229	89	1,2	0,1
<b>Income from the sales of accessories</b>	10 713	13,5	11 795	1 082	10,1	1,4
<b>Income from fuel sales</b>	15 288	19,3	18 638	3 350	21,9	4,2
<b>Income from convenience store sales</b>	3 825	4,8	5 211	1 386	36,2	1,7
<b>Total 3/</b>	<b>79 135</b>	<b>100,0</b>	<b>84 975</b>	<b>5 840</b>	<b>7,4</b>	<b>7,4</b>

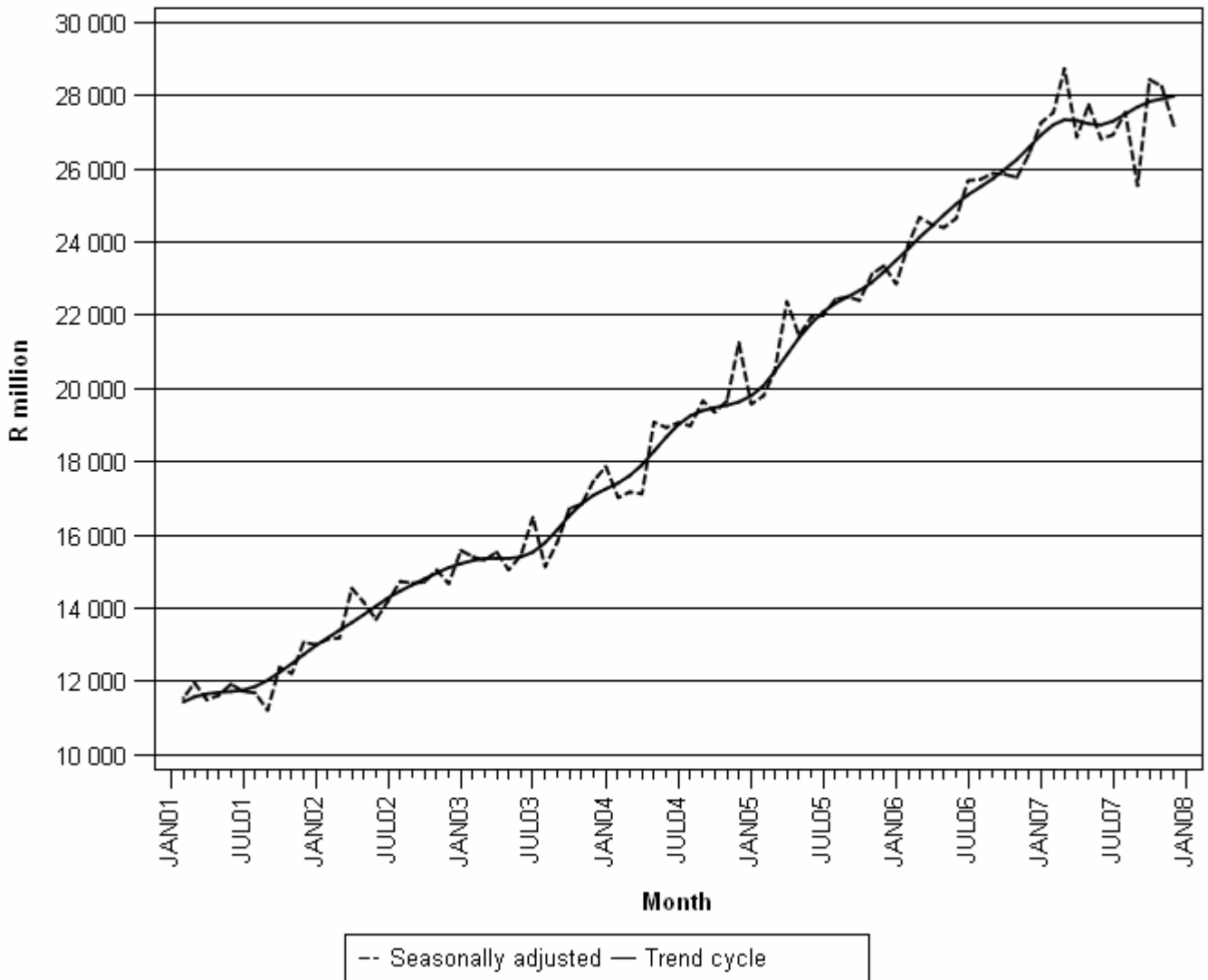
1/ Weight is the percentage contribution of each type of activity to the total motor trade sales of October to December 2006.

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 December 2007. There was generally an upward movement in the trend cycle over the period, slowing down during 2007.

**Figure 1 – Motor trade sales at current prices**



**P J Lehohla**  
**Statistician-General**

### Detailed results

Tables 1 and 2 show motor trade sales and percentage changes over the period January 2000 - December 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	28 923
September	10 829	11 325	14 907	16 142	20 180	23 241	26 804	26 492
October	10 844	12 686	15 086	17 144	19 874	23 018	26 589	29 212
November	11 364	12 617	15 638	17 606	20 622	24 317	27 112	29 707
December	10 658	12 844	14 457	17 194	20 802	22 664	25 434	26 056
<b>Total</b>	<b>122 769</b>	<b>142 243</b>	<b>170 017</b>	<b>190 975</b>	<b>225 538</b>	<b>261 678</b>	<b>300 483</b>	<b>328 694</b>

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	-1,2
October	21,7	17,0	18,9	13,6	15,9	15,8	15,5	9,9
November	28,1	11,0	23,9	12,6	17,1	17,9	11,5	9,6
December	23,6	20,5	12,6	18,9	21,0	9,0	12,2	2,4
<b>Total</b>	<b>23,4</b>	<b>15,9</b>	<b>19,5</b>	<b>12,3</b>	<b>18,1</b>	<b>16,0</b>	<b>14,8</b>	<b>9,4</b>

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	11 295	13 003	15 576	17 867	19 569	22 850	27 253
February	9 522	11 546	13 162	15 399	17 016	19 798	23 938	27 529
March	9 530	11 962	13 181	15 310	17 171	20 458	24 669	28 730
April	9 616	11 498	14 545	15 531	17 119	22 373	24 474	26 857
May	10 187	11 620	14 165	15 045	19 077	21 446	24 390	27 747
June	10 464	11 927	13 693	15 439	18 931	21 944	24 640	26 809
July	10 407	11 729	14 188	16 484	19 061	21 988	25 673	26 921
August	10 788	11 686	14 732	15 125	18 978	22 436	25 704	27 535
September	10 762	11 211	14 683	15 810	19 662	22 502	25 872	25 533
October	10 591	12 389	14 709	16 719	19 347	22 400	25 846	28 433
November	11 070	12 214	15 044	16 843	19 663	23 121	25 758	28 244
December	10 848	13 071	14 666	17 473	21 249	23 347	26 382	27 177

Table 4 shows motor trade sales by type of activity. The main income in the motor trade industry is derived from the sales 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/
<b>2006</b>	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
	<b>Total</b>	<b>108 137</b>	<b>55 438</b>	<b>26 423</b>	<b>38 694</b>	<b>57 779</b>	<b>14 012</b>	<b>300 483</b>
<b>2007</b>	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	9 784	5 622	2 394	3 954	5 728	1 442	28 923
	September	8 782	4 740	2 142	3 667	5 705	1 456	26 492
	October	9 415	5 444	2 498	4 296	5 960	1 600	29 212
	November	9 489	5 751	2 606	4 194	5 925	1 741	29 707
	December	7 640	4 363	2 125	3 305	6 753	1 870	26 056
		<b>Total</b>	<b>109 164</b>	<b>60 897</b>	<b>27 982</b>	<b>46 016</b>	<b>67 173</b>	<b>17 464</b>

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	October to December 2006 (R million)	October to December 2007 (R million)	% change between October to December 2006 and October to December 2007	January to December 2006 (R million)	January to December 2007 (R million)	% change between January to December 2006 and January to December 2007
<b>Motor trade sales</b>	79 135	84 975	+7,4	300 483	328 694	+9,4

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

Seasonally adjusted estimates	November 2007 (R million)	December 2007 (R million)	% change between November and December 2007	July to September 2007 (R million)	October to December 2007 (R million)	% change between July to September 2007 and October to December 2007
<b>Motor trade sales</b>	28 244	27 177	-3,8	79 991	83 855	+4,8



**Explanatory notes**

<b>Introduction</b>	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 2007 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT).</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>
<b>Purpose of the survey</b>	3	<p>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.</p>
<b>Scope of the survey</b>	4	<p>The survey collects information from a sample of enterprises in South Africa that are predominantly involved in motor trade. These enterprises include -</p> <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>	5	<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>
<b>Response rate</b>	6	<p>The preliminary response rate for the survey on motor trade sales for December 2007 was 81,2%.</p>
<b>Statistical unit</b>	7	<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>
<b>Survey methodology and design</b>	8	<p>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.</p>
	9	<p>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)</p>

classification group is added to the weighted totals of size groups three and four to reflect the total value of sales.

<b>Weighting methodology</b>	<b>10</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">http://www.statssa.gov.za/publications/publicationsearch.asp</a> .																
<b>Seasonal adjustment</b>	<b>11</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>12</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>13</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 trade industry in South Africa. Estimates are subject to sampling and non-sampling errors.																
	<b>14</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>15</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>16</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>17</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"> <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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Stats SA	Statistics South Africa																	
VAT	Value-added tax																	
*	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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Fax number: (012) 310 8332 (technical enquiries)

Email address: [phaswanem@statssa.gov.za](mailto:phaswanem@statssa.gov.za) (technical enquiries)  
[rikie-louiseb@statssa.gov.za](mailto:rikie-louiseb@statssa.gov.za) (technical enquiries)  
[info@statssa.gov.za](mailto:info@statssa.gov.za) (user information services)  
[distribution@statssa.gov.za](mailto:distribution@statssa.gov.za) (orders)

Postal address: Private Bag X44, Pretoria, 0001

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