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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 July 2007

Estimates	July 2007 (R million)	% change between July 2006 and July 2007	% change between May to July 2006 and May to July 2007	% change between January to July 2006 and January to July 2007
Motor trade sales	28 301	5,3	9,3	12,4

Seasonally adjusted estimates	July 2007 (R million)	% change between June and July 2007	% change between February to April 2007 and May to July 2007
Motor trade sales	26 832	0,2	-2,4

Key findings as at the end of July 2007

Motor trade sales increase

Table A indicates that motor trade sales for the three months ended July 2007 increased by 9,3% compared with the three months ended July 2006. This is lower than the 14,5% increase reported for the three months ended July 2006 compared with the three months ended July 2005.

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

Seasonally adjusted motor trade sales for the three months ended July 2007 decreased by 2,4% compared with the three months ended April 2007.

For this month, the estimates of level in this publication are based only on the new sample selected in 2007, drawn only from businesses registered in the VAT system. In future publications the estimates of level throughout the publication will include an allowance for the contribution of IT-only businesses as an addition to the estimates from the sample. For an explanation see the article on page 5.

As indicated in table B below, the major contributors to the 9,3% increase in motor trade sales for the three months ended July 2007 compared with the three months ended July 2006 were income from fuel sales (3,3 percentage points), income from sales of accessories (2,8 percentage points) and used vehicle sales (1,7 percentage points). New vehicle sales contributed negatively to the 9,3% increase (-0,1 of a percentage point).

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

Type of activity	May 2006 to July 2006 (R million)	Weight 1/	May 2007 to July 2007 (R million)	Difference in sales between May to July 2006 and May To July 2007 (R million)	% change between May to July 2006 and May to July 2007	Contribution (percentage points) to the percentage change in total sales 2/
New vehicle sales	27 453	36,2	27 365	-88	-0,3	-0,1
Used vehicle sales	14 163	18,7	15 451	1 288	9,1	1,7
Workshop income	6 570	8,7	7 162	592	9,0	0,8
Income from the sales of accessories	9 564	12,6	11 693	2 129	22,3	2,8
Income from fuel sales	14 687	19,4	17 168	2 481	16,9	3,3
Income from convenient store sales	3 464	4,6	4 102	638	18,4	0,8
Total 3/	75 899	100,0	82 941	7 042	9,3	9,3

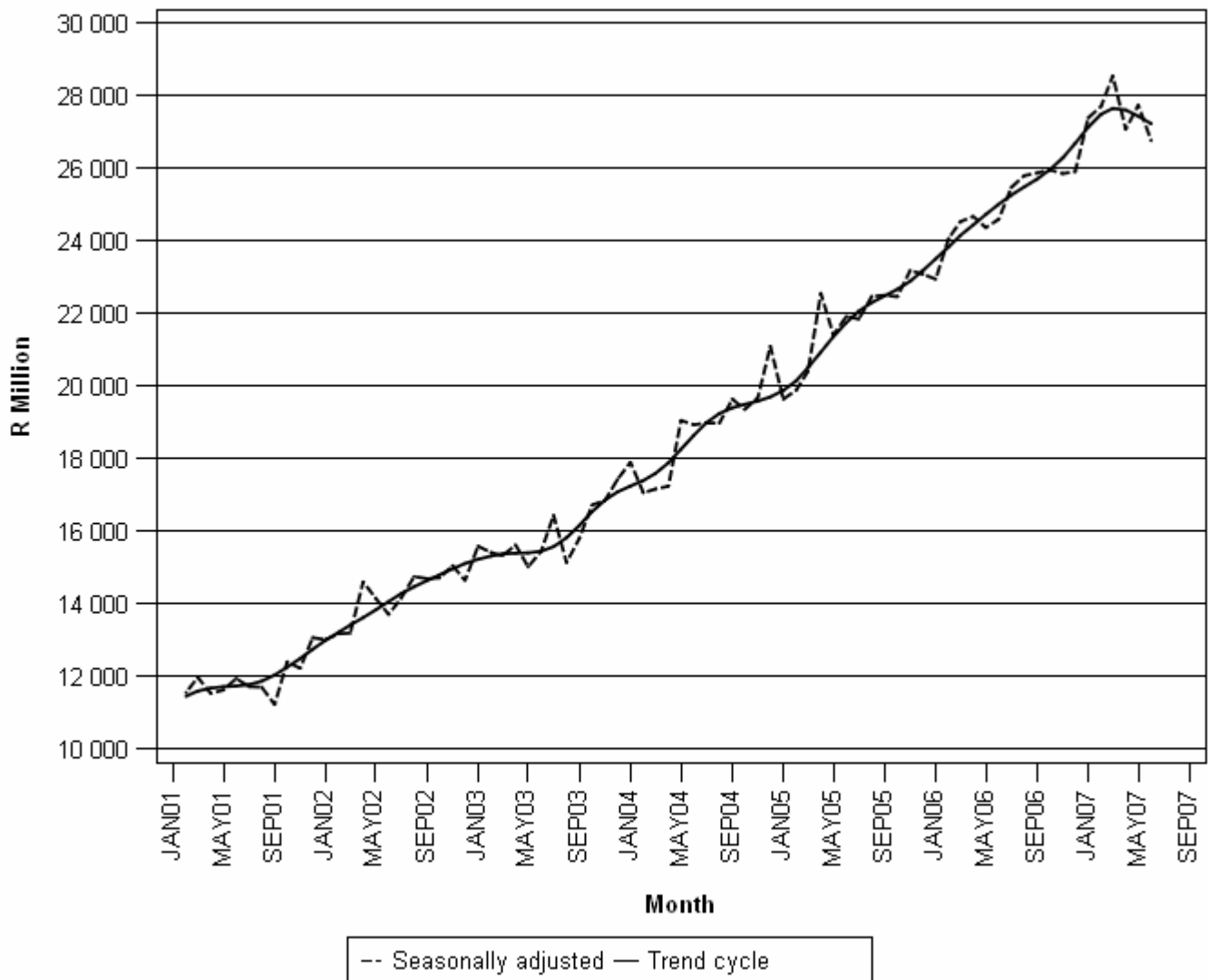
1/ Weight is the percentage contribution of each type of activity to the total motor trade sales of May to July 2006.

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 July 2007. There was an upward movement in the trend cycle until February 2007, after which the trend cycle started to decline.

Figure 1-Motor trade sales at current prices



P J Lehohla
Statistician-General

Article: Changes to the monthly current indicator survey and the impact on the statistical series

Business register and samples

Today Stats SA publishes results from the monthly survey of motor trade sales. Today's estimates of motor trade sales are based on a new sample drawn in 2007 which replaces the previous sample that was drawn in 2006.

Since 2003, samples for Stats SA's surveys of businesses drawn from its business register covered businesses from two sources, both held by the South African Revenue Service (SARS):

- Businesses with an annual turnover of at least R300 000 and required to register with SARS for value added tax.
- Businesses not required to register for VAT but which are registered in the SARS business income tax (IT) system.

Stats SA has found that the contribution to total turnover by the latter, comprising some 1,9 million business tax payers, is relatively small (though varying from industry to industry). Short-term (month-to-month, quarter-to-quarter) movements in turnover closely track the short-term movements in turnover of VAT-paying businesses.

For reasons of efficiency and with no loss of quality, Stats SA has decided to include only businesses registered for VAT in its survey samples from 2007 on, and to exclude businesses registered only in the IT system from its samples. However, the contribution of the latter will continue to be included in official figures, by adjusting the survey estimates based on their observed contributions over recent years.

For the motor trade sector the contribution of IT-only businesses to total motor trade sales is of the order of 2,8%. To best serve users in the short term, the survey estimates of level will in future be published both unadjusted (i.e. reflecting only the contributions of VAT-registered businesses) and adjusted to include an allowance for the contribution of IT-only businesses.

However, the methodology required to adjust all survey estimates from the sample, including back series, to allow for the contribution of IT-only businesses, is complex. Until that methodology is finalised, the time series have been adjusted backwards to reflect only the contribution of VAT-based businesses. This will preserve previously published estimates of short-term movement. The levels from the new sample for the survey have been adjusted back to the start of 1998, using the new level for May 2007 as the end point of the back-cast series.

The previous time series will be reinstated once Stats SA is in a position to adjust its survey estimates on a continuing basis to allow for the contribution of IT-only businesses. Estimates of month-to-month and quarter-to-quarter movements from Stats SA's surveys will be unaffected.

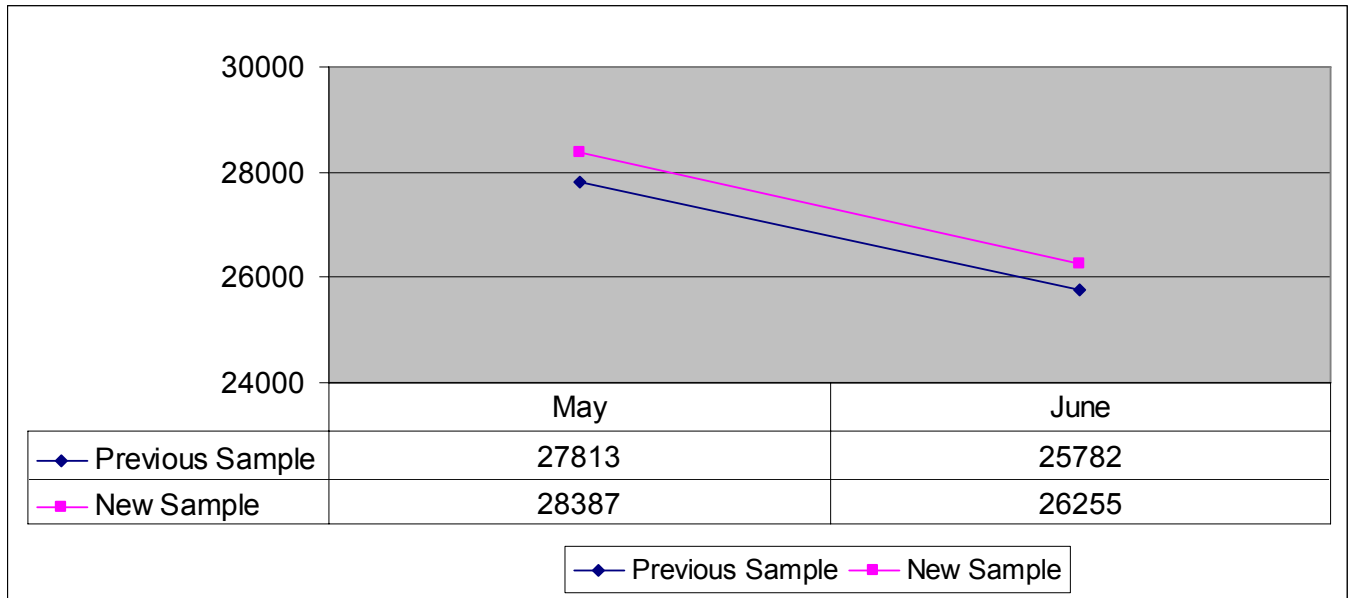
Comparing the levels of sales from the previous and new samples

For the reasons mentioned earlier, the new sample on which motor trade sales are based is derived only from VAT-registered businesses. A parallel sample was collected for April to June 2007, but only May and June 2007 were used to determine the new levels. This is due to the fact that April 2007 was not a regular month due to the problems experienced with the introduction of the eNaTIS system. For the months May to June 2007 this source by itself accounts for a level 2,0% higher than the level of sales for the same period from the previous sample (Table C). However the month-to-month movements in sales over the two months are similar between the previous and new samples (Figure A).

Table C – Total motor trade sales, previous and new samples – May to June 2007

Industry	Previous sample	New sample	Difference	Difference
	R million	R million	R million	Percent
Motor trade sales	53 595	54 642	1 047	2,0

Figure A – Total value of motor trade sales monthly levels of previous and new sample: May to June 2007 (R million)



The estimates of the level of total motor trade sales for the two months, adjusted upwards by 2,8% from the new sample to allow for the contribution of IT-only businesses, are in Table D below.

Table D – Total motor trade sales, previous sample and new sample and new with contribution of Income Tax (IT) only businesses (R million)

	Previous Sample	New sample	New sample + IT only contribution
May	27 813	28 387	29 182
June	25 782	26 255	26 990
Total	53 595	54 642	56 172

Levels and movements

Table E – Motor trade sales for previous and new samples, by activity: May to June 2007

Motor trade activities	Previous sample	New sample	Difference	Difference 1/
	R million	R million	R million	Percentage
New vehicles sales	17 504	17 624	120	0,7
Used vehicles sales	10 198	10 370	172	1,7
Workshop income	4 748	4 827	79	1,7
Income from the sales of accessories	7 512	7 734	222	3,0
Income from fuel sales	10 471	11 374	903	8,6
Income from convenience store sales	3 162	2 713	-449	-14,2
Total motor trade sales	53 595	54 642	1 047	2,0

1/ The percentage difference is the difference between the May to June 2007 sales as recorded in the new sample divided by the May to June 2007 sales as recorded in the previous sample, expressed as a percentage.

Detailed results

Tables 1 and 2 show motor trade sales and percentage changes over the period January 2000 to July 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	28 301
August	11 104	12 038	15 185	15 648	19 716	23 436	26 937	
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	5,3
August	27,1	8,4	26,1	3,0	26,0	18,9	14,9	
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	8 781	11 295	13 004	15 581	17 896	19 638	22 950	27 397
February	9 523	11 547	13 165	15 408	17 055	19 885	24 075	27 715
March	9 530	11 962	13 183	15 318	17 159	20 407	24 534	28 558
April	9 619	11 520	14 597	15 616	17 236	22 557	24 680	27 082
May	10 188	11 612	14 146	15 011	19 049	21 410	24 369	27 750
June	10 466	11 930	13 697	15 440	18 933	21 919	24 602	26 771
July	10 397	11 708	14 149	16 434	18 979	21 850	25 479	26 832
August	10 790	11 692	14 743	15 129	18 979	22 475	25 805	
September	10 763	11 214	14 687	15 806	19 639	22 504	25 878	
October	10 590	12 390	14 710	16 716	19 355	22 465	25 967	
November	11 068	12 214	15 045	16 846	19 674	23 190	25 862	
December	10 846	13 057	14 639	17 424	21 099	23 087	25 916	

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 convenient 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	9 742	5 081	2 335	3 959	5 794	1 389	28 301

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	May to July 2006 (R million)	May to July 2007 (R million)	% change between May to July 2006 and May to July 2007	January to July 2006 (R million)	January to July 2007 (R million)	% change between January to July 2006 and January to July 2007
Motor trade sales	75 899	82 941	+9,3	167 607	188 418	+12,4

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

Seasonally adjusted estimates	June 2007 (R million)	July 2007 (R million)	% change between June and July 2007	February to April 2007 (R million)	May to July 2007 (R million)	% change between February to April 2007 and May to July 2007
Motor trade sales	26 771	26 832	+0,2	83 356	81 354	-2,4

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 July 2007 was 77,7%.
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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