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Statistical release

P6343.2

Motor trade sales (Preliminary)

July 2008

**Embargoed until:
23 September 2008
09:00**

Enquiries:

User Information Services
(012) 310 8600

Forthcoming issue:

August 2008

Expected release date

16 October 2008

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Summary of findings: Motor trade sales

Table A – Key figures as at the end of July 2008

Estimates	July 2008 (R million)	% change between July 2007 and July 2008	% change between May to July 2007 and May to July 2008	% change between January to July 2007 and January to July 2008
Motor trade sales	30 370	8,5	5,2	6,7

Seasonally adjusted estimates	July 2008 (R million)	% change between June and July 2008	% change between February to April 2008 and May to July 2008
Motor trade sales	28 953	1,3	-3,5

Key findings as at the end of July 2008

Motor trade sales increase

Table A indicates that motor trade sales for the three months ended July 2008 increased by 5,2% compared with the three months ended July 2007 while the corresponding growth for 2007 was 9,1%. Vehicle sales for the first seven months of 2008 remained weak as a result of slowing consumer demand, with fuel sales being the main driver of the growth in the motor trade sales – see Table B next page.

Motor trade sales for July 2008 increased by 8,5% compared with July 2007, while sales for the corresponding period of 2007 increased by 4,9%.

Seasonally adjusted motor trade sales for the three months ended July 2008 decreased by 3,5% compared with the three months ended April 2008.

As indicated in table B below, the major contributors to the 5,2% increase in motor trade sales for the three months ended July 2008 compared with the three months ended July 2007 were income from fuel sales (6,9 percentage points) and income from sales of accessories (1,6 percentage points). New and used vehicle sales contributed negatively to the 5,2% increase in motor trade sales (-2,7 and -1,3 percentage points respectively).

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

Type of activity	May to July 2007 (R million)	Weight 1/	May to July 2008 (R million)	Difference in sales between May to July 2007 and May to July 2008 (R million)	Percentage change between May to July 2007 and May to July 2008	Contribution (percentage points) to the percentage change in total sales 2/
New vehicle sales	26 868	32,7	24 620	-2 248	-8,4	-2,7
Used vehicle sales	14 957	18,2	13 885	-1 072	-7,2	-1,3
Workshop income	5 887	7,2	6 419	532	9,0	0,6
Income from the sales of accessories	11 172	13,6	12 506	1 334	11,9	1,6
Income from fuel sales	18 098	22,0	23 760	5 662	31,3	6,9
Income from convenience store sales	5 272	6,4	5 375	103	2,0	0,1
Total 3/	82 252	100,0	86 564	4 312	5,2	5,2

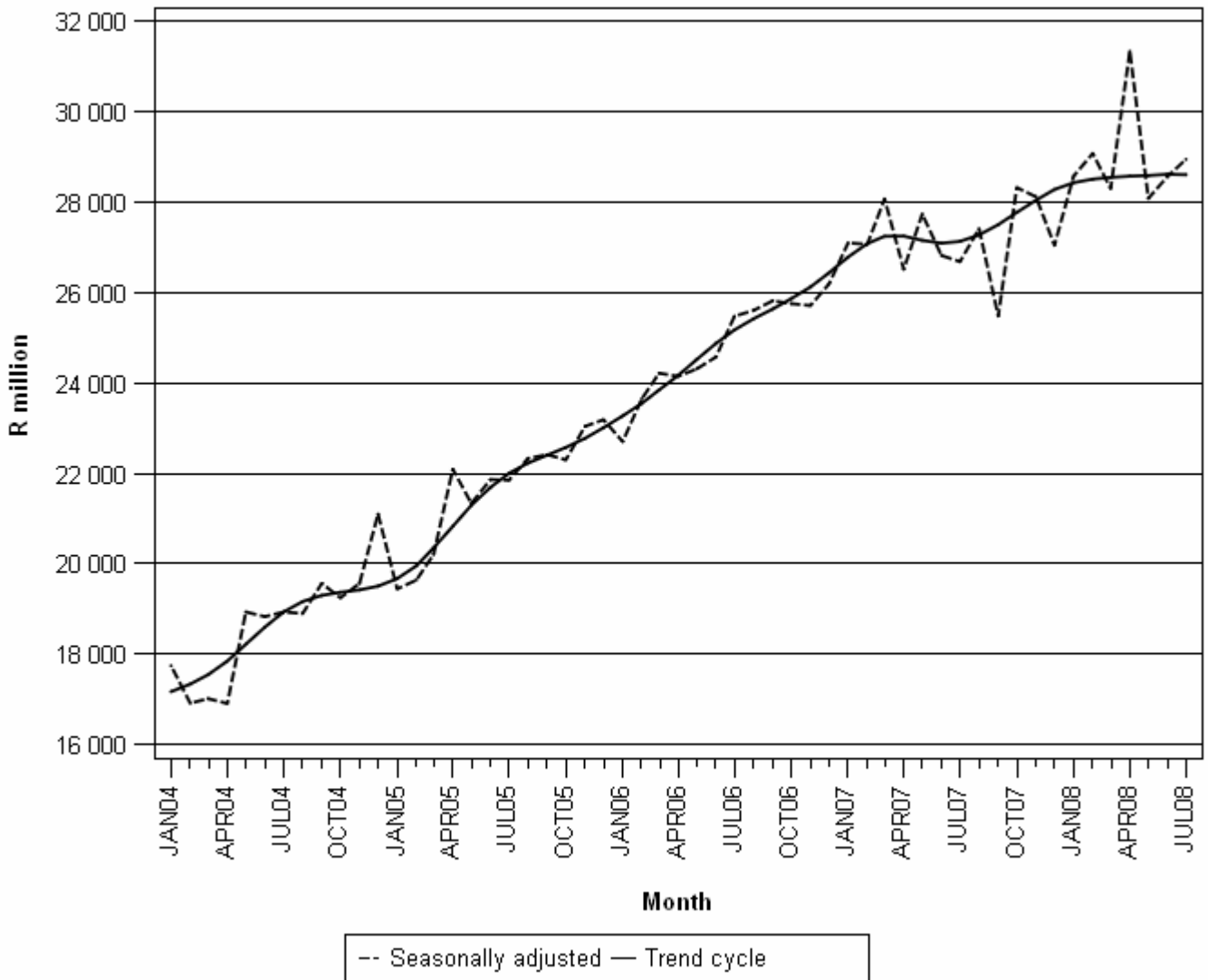
1/ Weight is the percentage contribution of each type of activity to the total motor trade sales for the three months up to the current month of the previous year.

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 2004 and July 2008.

Figure 1 – Motor trade sales



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 Statistics South Africa (Stats SA) publishes results for the monthly survey of motor trade sales. Today's publication by Stats SA sees the introduction of a new sample drawn in 2008 which replaces the previous sample that was drawn in 2007. The sample is drawn from a business register that primarily contains enterprises with an annual turnover of at least R300 000 and are required to register with the South African Revenue Service (SARS) for value added tax.

Due to the evolving nature of business, the business register has to be maintained on a continuous basis. The maintenance process is aimed amongst other things at capturing changes related to new businesses, ceased businesses, merged businesses and classification changes. In addition to these changes as a result of the business register maintenance, Stats SA continuously undertakes "Quality Improvement Surveys" (QIS) related to the business register. The primary objective of the QIS is to capture up to date information about the structures and activities of large businesses with complex structures. This process enables Stats SA to review industry codes stored for these businesses, which are often those first assigned to them by SARS. These changes are an essential part of the statistical architecture and future changes should be expected as the economy evolves and improvements are implemented.

New sample reflects a similar reported level of sales

The reported level of sales for the monthly motor trade sales survey for the months May to June 2008, based on the new (2008) sample, is 0,7% lower than the level of sales from the previous sample. This is a result of the replacement of a sample that was drawn in April 2007 that was operational for the last half of 2007 and the first half of 2008. A parallel sample was collected for April to June 2008, but only May and June 2008 were used to determine the new levels. This is due to the fact that April 2008 was not a regular month due to the effect of the Easter holidays switch. The movements in sales for May and June are very similar between the previous and new samples, so that the series for the survey move largely in parallel. As indicated above, this change is as a result of the new sample implemented based on the improved business register such as changes in classifications.

Table C - Total Motor trade sales for previous and new sample – May to June 2008

Industry	Previous sample	New sample	Difference	Difference
	R million	R million	R million	Percentage
Motor trade	56 587	56 194	-393	-0,7

Motor trade sales

Back-casting

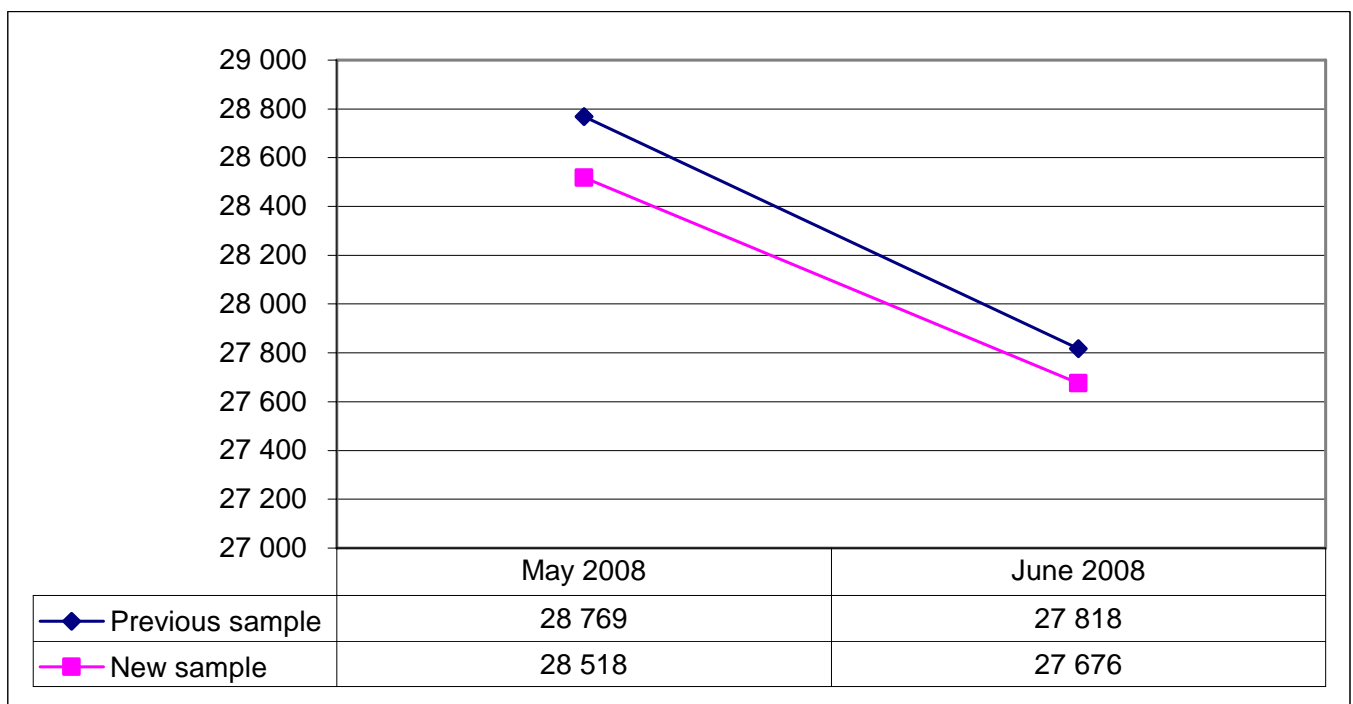
Under ideal conditions growth in series should reflect the actual birth of new businesses, as well as the performance of existing businesses.

Since information about the birth of businesses was not available from SARS on a monthly basis from April 2007 when the old sample was drawn to April 2008 when the new sample was revised based on updating of the business register for business births, deaths, changes of activity etc., the levels of the series were adjusted rather than attempting to adjust the month to month movements. Accordingly, to assist users of time series, the levels from the new sample for the survey have been adjusted back to the start of 1998, using the level for May 2008 as the end point of the back-cast series. Taking the series back to then (as was done when the first sample for this survey was introduced from January 2003) prevents a break in series at July 2001 when the sample frames from the new business register were first created.

Comparing the results of the previous and new samples

The movements in sales over the two months, May to June 2008, are very similar between the previous and new samples. As a result the series for the survey move largely in parallel for those months in which the survey was conducted based on the previous and new samples, reflecting a decrease in level of approximately 0,7% compared with the previous (2007) sample (see figure 2).

Figure 2 – Total value of motor trade sales monthly levels of previous and new sample: May to June 2007 (R million)



Levels and movements

While in total there was a difference of -0,7% between the levels of sales from the previous and new samples for the overlap period, the activities had varied level differences as reflected in the table below.

Table E – Motor trade sales for previous and new samples, by activity: May to June 2008

Motor trade activities	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference 1/ (Percentage)
New vehicles sales	16 095	15 953	-142	-0,9
Used vehicles sales	9 363	8 931	-433	-4,6
Workshop income	5 085	4 137	-947	-18,6
Income from the sales of accessories	8 498	8 134	-364	-4,3
Income from fuel sales	14 764	15 488	724	4,9
Income from convenience store sales	2 781	3 551	769	27,7
Total motor trade sales	56 587	56 194	-393	-0,7

1/ The percentage difference is the difference between the May to June 2008 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 2001 – July 2008. Table 3 shows seasonally adjusted motor trade sales over the same period.

Table 1 – Total motor trade sales (R million)

Month	2001	2002	2003	2004	2005	2006	2007	2008 1/
January	10 810	12 583	15 140	17 375	18 956	22 009	26 136	27 487
February	11 581	13 066	15 080	16 465	19 011	22 893	26 288	28 334
March	11 849	12 944	14 912	16 686	19 889	24 061	28 092	28 483
April	10 583	13 331	14 184	15 590	20 294	22 109	24 229	28 595
May	11 611	14 180	15 101	19 177	21 642	24 700	28 189	28 518
June	11 827	13 531	15 181	18 523	21 398	23 992	26 072	27 676
July	11 911	14 452	16 899	19 666	22 806	26 680	27 991	30 370
August	11 954	15 080	15 539	19 579	23 273	26 750	28 722	
September	11 246	14 804	16 030	20 040	23 080	26 618	26 308	
October	12 598	14 981	17 025	19 736	22 858	26 404	29 009	
November	12 529	15 529	17 484	20 479	24 148	26 924	29 430	
December	12 755	14 357	17 075	20 658	22 507	25 258	25 961	
Total	141 254	168 838	189 650	223 974	259 862	298 398	326 427	

1/ Preliminary.

Table 2 – Percentage change in total motor sales 1/

Month	2001	2002	2003	2004	2005	2006	2007	2008
January	-	16,4	20,3	14,8	9,1	16,1	18,8	5,2
February	-	12,8	15,4	9,2	15,5	20,4	14,8	7,8
March	-	9,2	15,2	11,9	19,2	21,0	16,8	1,4
April	-	26,0	6,4	9,9	30,2	8,9	9,6	18,0
May	-	22,1	6,5	27,0	12,9	14,1	14,1	1,2
June	-	14,4	12,2	22,0	15,5	12,1	8,7	6,2
July	-	21,3	16,9	16,4	16,0	17,0	4,9	8,5
August	-	26,2	3,0	26,0	18,9	14,9	7,4	
September	-	31,6	8,3	25,0	15,2	15,3	-1,2	
October	-	18,9	13,6	15,9	15,8	15,5	9,9	
November	-	23,9	12,6	17,1	17,9	11,5	9,3	
December	-	12,6	18,9	21,0	9,0	12,2	2,8	
Total	-	19,5	12,3	18,1	16,0	14,8	9,4	

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	2001	2002	2003	2004	2005	2006	2007	2008
January	11 221	12 915	15 464	17 738	19 440	22 702	27 103	28 581
February	11 467	13 075	15 300	16 909	19 635	23 650	27 070	29 082
March	11 872	13 085	15 203	17 010	20 204	24 217	28 076	28 303
April	11 397	14 399	15 347	16 903	22 092	24 148	26 517	31 343
May	11 535	14 056	14 923	18 930	21 334	24 312	27 741	28 087
June	11 848	13 605	15 346	18 826	21 862	24 575	26 824	28 572
July	11 641	14 078	16 364	18 929	21 848	25 478	26 687	28 953
August	11 619	14 658	15 054	18 895	22 332	25 607	27 415	
September	11 138	14 593	15 718	19 563	22 413	25 820	25 482	
October	12 310	14 619	16 622	19 242	22 297	25 757	28 327	
November	12 137	14 952	16 744	19 561	23 039	25 714	28 123	
December	12 987	14 573	17 363	21 097	23 187	26 192	27 049	

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 and income from fuel sales.

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	8 113	3 715	1 487	2 777	4 639	1 279	22 009
	February	8 633	3 970	1 627	3 028	4 418	1 217	22 893
	March	8 980	4 220	1 717	2 952	4 678	1 514	24 061
	April	7 920	3 942	1 605	2 749	4 502	1 391	22 109
	May	9 037	4 340	1 834	3 115	4 961	1 413	24 700
	June	8 254	4 506	1 732	3 015	5 130	1 354	23 992
	July	10 062	4 734	1 808	3 073	5 397	1 607	26 680
	August	9 819	4 699	1 937	3 127	5 734	1 434	26 750
	September	9 677	4 848	2 030	3 094	5 358	1 612	26 618
	October	9 186	4 859	2 075	3 516	5 143	1 625	26 404
	November	9 513	5 172	2 090	3 609	5 005	1 535	26 924
	December	8 586	4 168	1 680	3 189	5 978	1 657	25 258
	Total	107 780	53 173	21 622	37 244	60 943	17 638	298 398
2007	January	9 563	4 533	1 770	3 531	5 220	1 518	26 136
	February	9 205	4 920	1 960	3 654	4 985	1 564	26 288
	March	10 139	5 059	1 925	3 886	5 321	1 762	28 092
	April	7 990	4 035	1 709	3 327	5 458	1 710	24 229
	May	9 341	5 212	2 033	3 841	6 023	1 740	28 189
	June	8 192	4 715	1 910	3 590	5 953	1 712	26 072
	July	9 335	5 030	1 944	3 741	6 122	1 820	27 991
	August	9 722	5 376	1 953	3 794	6 024	1 854	28 722
	September	8 701	4 519	1 742	3 508	5 982	1 856	26 308
	October	9 339	5 197	2 034	4 115	6 257	2 067	29 009
	November	9 419	5 448	2 120	3 970	6 295	2 178	29 430
	December	7 594	4 124	1 811	3 135	7 027	2 269	25 961
	Total	108 540	58 168	22 911	44 092	70 667	22 050	326 427
2008	January	8 949	4 629	1 801	3 866	6 552	1 691	27 487
	February	9 249	4 827	2 062	4 031	6 302	1 863	28 334
	March	8 920	4 813	1 885	3 790	6 901	2 175	28 483
	April	8 757	4 574	2 100	4 607	6 961	1 596	28 595
	May	8 263	4 712	2 083	4 037	7 566	1 857	28 518
	June	7 690	4 219	2 055	4 097	7 922	1 694	27 676
	July	8 667	4 954	2 281	4 372	8 272	1 824	30 370

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 estimates and percentages

Estimates	May to July 2007 (R million)	May to July 2008 (R million)	% change between May to July 2007 and May to July 2008	January to July 2007 (R million)	January to July 2008 (R million)	% change between January to July 2007 and January to July 2008
Motor trade sales	82 252	86 564	+5,2	186 997	199 463	+6,7

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

Seasonally adjusted estimates	June 2008 (R million)	July 2008 (R million)	% change between June and July 2008	February to April 2008 (R million)	May to July 2008 (R million)	% change between February to April 2008 and May to July 2008
Motor trade sales	28 572	28 953	+1,3	88 728	85 612	-3,5

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 2008 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 becomes 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	<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"> • 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 digits) 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 2008 was 84,3%.
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 about 900 enterprises from a population of about 12 000 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.
	9	The value of sales is obtained monthly from the sample of 900 enterprises, which was drawn in April 2008 from a population then of about 12 000 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 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 -
- *Bulletin of Statistics* issued quarterly.
 - *SA Statistics* issued annually.
- Rounding of figures** 17 The figures in the tables have, where necessary, been rounded to the nearest digit shown.
- Symbols and abbreviations** 18
- | | |
|----------|---|
| 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 |

- Changes in this publication** 19 The results published in this (July 2008) release are based on the new sample drawn in April 2008. The periodic introduction of a new sample is a part of Stats SA’s strategic approach in improving the basis from which surveys are conducted.

Technical note

Neyman Optimal allocation

Before drawing in each of the surveys the population of enterprises on the Business Sampling Frame (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 strata did not exceed 5,6%.

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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