Statistical release

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Motor trade sales
(Preliminary)

July 2013

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Contents

Sales at current prices: results for July 2013

Table A – Key growth rates in motor trade sales at current prices

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Year-on-year % change, unadjusted	7,5	5,8	15,8	9,3	4,0	13,2
Month-on-month % change, seasonally adjusted	-0,9	2,3	0,9	1,1	-3,0	5,1
3-month % change, seasonally adjusted 1/	-0,8	2,0	2,8	4,2	1,8	2,1

1/ Percentage change between the previous 3 months and the 3 months ending in the month indicated.

Measured in nominal terms (current prices), motor trade sales increased by 13,2% year-on-year in July 2013. The highest annual growth rates were recorded for new vehicle sales (18,6%), workshop income (18,0%), fuel sales (14,1%) and sales of accessories (11,4%) – see Table 5.

Seasonally adjusted motor trade sales increased by 5,1% in July 2013 compared with June 2013. This followed month-on-month changes of -3,0% in June 2013 and 1,1% in May 2013.

Seasonally adjusted motor trade sales increased by 2,1% in the three months ended July 2013 compared with the previous three months.

Table B – Motor trade sales at current prices for the latest three months by type of activity

Type of activity	May – Jul 2012 (R million)	Weight	May – Jul 2013 (R million)	% change between May – Jul 2012 and May – Jul 2013	Contribution (% points) to the total % change
New vehicle sales	34 813	28,8	38 541	10,7	3,1
Used vehicle sales	20 803	17,2	22 397	7,7	1,3
Workshop income	7 441	6,2	8 202	10,2	0,6
Income from the sales of accessories	21 303	17,6	22 708	6,6	1,2
Income from fuel sales	31 506	26,0	34 459	9,4	2,4
Income from convenience store sales 1/	5 114	4,2	5 377	5,1	0,2
Total	**120 982**	**100,0**	**131 684**	**8,8**	**8,8**

1/ Includes 'other' sales and trading income.

Motor trade sales increased by 8,8% in the three months ended July 2013 compared with the three months ended July 2012. The major contributors to this increase were:
- new vehicle sales (10,7% and contributing 3,1 percentage points);
- fuel sales (9,4% and contributing 2,4 percentage points);
- used vehicle sales (7,7% and contributing 1,3 percentage points); and
- sales of accessories (6,6% and contributing 1,2 percentage points) – see Table B.
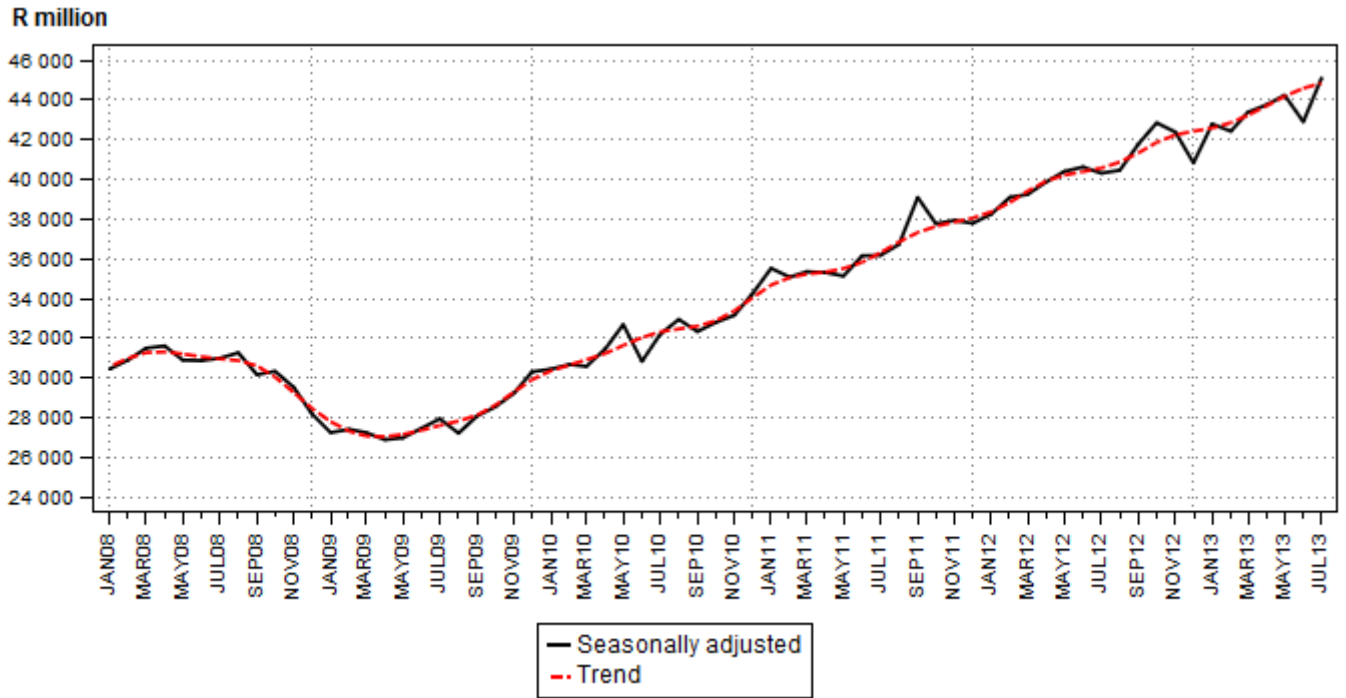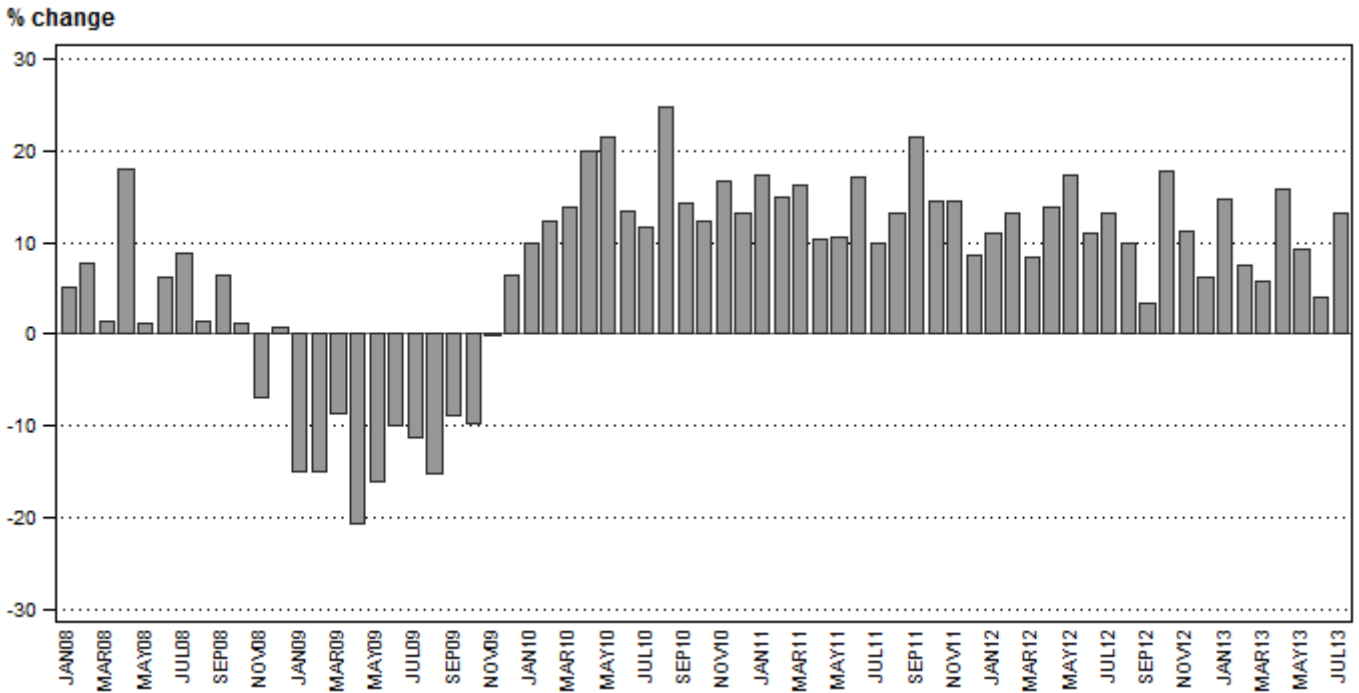
Figure 1 – Motor trade sales at current prices

Figure 2 – Motor trade sales at current prices: year-on-year percentage change

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Statistician-General

Note: 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 from a new sample drawn in April 2013, which replaces the previous sample that was drawn in April 2012. The sample was drawn from a business register of enterprises with an annual turnover of at least R1 000 000 and that are required to register with the South African Revenue Service (SARS) for value added tax.

Owing to the evolving nature of business, the business register is 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, Stats SA undertakes quality improvement surveys related to the business register, the primary objective of which is to capture up-to-date information about the structures and activities of large and complex businesses. This process enables Stats SA to review classification codes for these businesses. These changes are an essential part of the statistical architecture.

Comparison of sales between the previous and new samples of the motor trade industry

The reported level of total sales for the monthly survey of the motor trade industry for the months April to June 2013 based on the new sample was 0,6% lower than the level of total sales recorded for the previous sample (see Table C and Figure 3). The previous sample was drawn in April 2012 and was operational for the last half of 2012 and the first half of 2013.

Table C – **Total sales for previous and new samples for the motor trade sales industry: April to June 2013**

Motor trade industry	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%)
	129 347	128 525	-822	-0,6

Figure 3 – Total value of motor trade sales: monthly levels of previous and new samples for April to June 2013

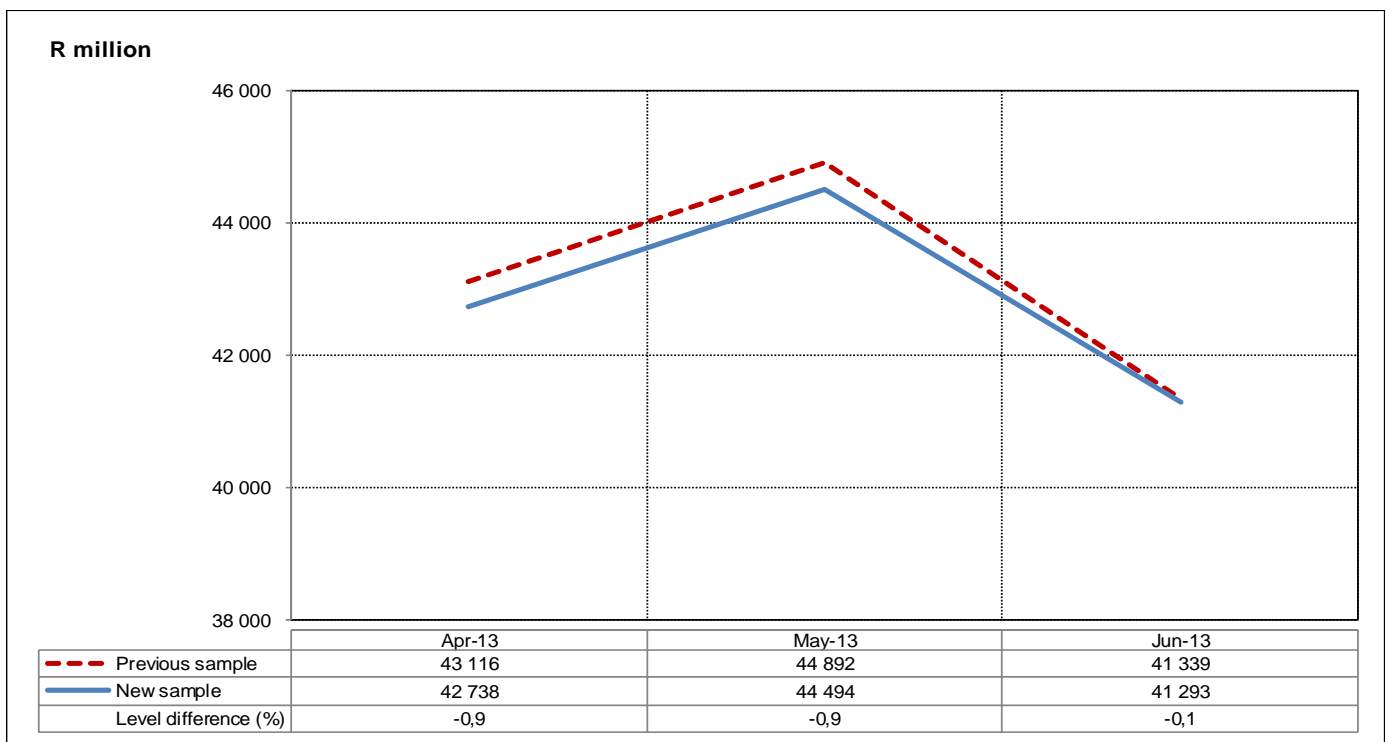|	Apr-13	May-13	Jun-13
Previous sample	43 116	44 892	41 339
New sample	42 738	44 494	41 293
Level difference (%)	-0,9	-0,9	-0,1

Table D – Motor trade sales for the previous and new samples by type of activity: April to June 2013

Type of activity	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%) 1/
New vehicle sales	37 221	37 102	-119	-0,3
Used vehicle sales	20 691	22 011	1 320	6,4
Workshop income	8 039	7 844	-195	-2,4
Income from the sale of accessories	20 928	22 357	1 429	6,8
Income from fuel sales	37 161	33 830	-3 331	-9,0
Income from convenience store sales 2/	5 309	5 381	72	1,4
Total	**129 347**	**128 525**	**-822**	**-0,6**

1/ The percentage difference is the difference between the April to June 2013 sales as recorded in the new sample and the April to June 2013 sales as recorded in the previous sample, expressed as a percentage.
2/ Includes 'other' sales and trading income.

The largest percentage differences between the previous and new samples were in the following types of activities:
- fuel sales (-9,0% or -R3 331 million);
- sales of accessories (6,8% or R1 429 million); and
- used vehicle sales (6,4% or R1 320 million).

Various data quality improvements account for these differences, for example the reclassification of enterprises from one industry to another.

Backcasting

In order to assist users of time series, the levels of the previous sample have been adjusted from January 1998 up to March 2013, using the ratio between the new and previous sample estimates for April to June 2013.

Tables

Table 1 – Motor trade sales at current prices (R million)

Month	2007	2008	2009	2010	2011	2012	2013 1/
Jan	28 254	29 715	25 250	27 784	32 611	36 190	41 495
Feb	28 418	30 630	26 039	29 243	33 599	38 021	40 891
Mar	30 368	30 790	28 114	31 984	37 168	40 302	42 659
Apr	26 192	30 912	24 528	29 418	32 438	36 913	42 738
May	30 473	30 830	25 830	31 359	34 681	40 701	44 494
Jun	28 185	29 920	26 962	30 567	35 783	39 719	41 293
Jul	30 259	32 932	29 218	32 614	35 852	40 562	45 897
Aug	31 048	31 459	26 648	33 257	37 660	41 370	
Sep	28 440	30 247	27 587	31 497	38 234	39 496	
Oct	31 360	31 701	28 600	32 138	36 829	43 367	
Nov	31 814	29 583	29 524	34 411	39 411	43 833	
Dec	28 065	28 299	30 104	34 034	36 916	39 160	
Total	**352 876**	**367 018**	**328 404**	**378 306**	**431 182**	**479 634**	

1/ Latest month is preliminary.

Table 2 – Year-on-year percentage change in motor trade sales at current prices

Month	2008	2009	2010	2011	2012	2013	*2013 year-to-date*
Jan	5,2	-15,0	10,0	17,4	11,0	14,7	*14,7*
Feb	7,8	-15,0	12,3	14,9	13,2	7,5	*11,0*
Mar	1,4	-8,7	13,8	16,2	8,4	5,8	*9,2*
Apr	18,0	-20,7	19,9	10,3	13,8	15,8	*10,8*
May	1,2	-16,2	21,4	10,6	17,4	9,3	*10,5*
Jun	6,2	-9,9	13,4	17,1	11,0	4,0	*9,4*
Jul	8,8	-11,3	11,6	9,9	13,1	13,2	*9,9*
Aug	1,3	-15,3	24,8	13,2	9,9		
Sep	6,4	-8,8	14,2	21,4	3,3		
Oct	1,1	-9,8	12,4	14,6	17,8		
Nov	-7,0	-0,2	16,6	14,5	11,2		
Dec	0,8	6,4	13,1	8,5	6,1		
Total	**4,0**	**-10,5**	**15,2**	**14,0**	**11,2**		

Table 3 – Seasonally adjusted motor trade sales at current prices

Month	R million				Month-on-month % change			
	2010	2011	2012	2013	2010	2011	2012	2013
Jan	30 437	35 518	38 248	42 786	0,4	3,8	1,2	4,8
Feb	30 672	35 072	39 099	42 422	0,8	-1,3	2,2	-0,9
Mar	30 577	35 346	39 237	43 378	-0,3	0,8	0,4	2,3
Apr	31 448	35 306	39 870	43 749	2,8	-0,1	1,6	0,9
May	32 686	35 131	40 398	44 238	3,9	-0,5	1,3	1,1
Jun	30 831	36 151	40 619	42 900	-5,7	2,9	0,5	-3,0
Jul	32 188	36 166	40 307	45 088	4,4	0,0	-0,8	5,1
Aug	32 944	36 723	40 459		2,3	1,5	0,4	
Sep	32 329	39 089	41 788		-1,9	6,4	3,3	
Oct	32 786	37 766	42 844		1,4	-3,4	2,5	
Nov	33 154	37 927	42 377		1,1	0,4	-1,1	
Dec	34 231	37 785	40 827		3,2	-0,4	-3,7	

Table 4 – Motor trade sales at current prices by type of activity (R million)

Type of activity	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13 1/
New vehicle sales	12 268	12 912	12 237	13 096	11 769	13 676
Used vehicle sales	6 898	6 706	7 260	7 679	7 072	7 646
Workshop income	2 565	2 532	2 579	2 712	2 553	2 937
Income from the sales of accessories	7 154	7 090	7 521	7 811	7 025	7 872
Income from fuel sales	10 316	11 570	11 355	11 408	11 067	11 984
Income from convenience store sales 2/	1 691	1 849	1 786	1 788	1 807	1 782
Total	**40 891**	**42 659**	**42 738**	**44 494**	**41 293**	**45 897**

1/ Preliminary.
2/ Includes 'other' sales and trading income.

Table 5 – Year-on-year percentage change in motor trade sales at current prices by type of activity

Type of activity	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
New vehicle sales	11,9	8,2	18,6	14,4	-0,6	18,6
Used vehicle sales	3,2	1,5	21,2	11,3	6,3	5,5
Workshop income	9,1	6,5	18,1	4,7	8,1	18,0
Income from the sales of accessories	4,0	-2,1	20,3	5,4	2,9	11,4
Income from fuel sales	8,8	11,4	8,4	6,8	7,2	14,1
Income from convenience store sales 1/	1,8	4,8	5,6	6,9	5,2	3,4
Total	**7,5**	**5,8**	**15,8**	**9,3**	**4,0**	**13,2**

1/ Includes 'other' sales and trading income.

Table 6 – Contribution of each type of activity to the year-on-year percentage change in motor trade sales at current prices

Type of activity	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
New vehicle sales	3,4	2,4	5,2	4,0	-0,2	5,3
Used vehicle sales	0,6	0,2	3,4	1,9	1,1	1,0
Workshop income	0,6	0,4	1,1	0,3	0,5	1,1
Income from the sales of accessories	0,7	-0,4	3,4	1,0	0,5	2,0
Income from fuel sales	2,2	2,9	2,4	1,8	1,9	3,7
Income from convenience store sales 1/	0,1	0,2	0,3	0,3	0,2	0,1
Total	**7,5**	**5,8**	**15,8**	**9,3**	**4,0**	**13,2**

1/ Includes 'other' sales and trading income.

Survey information

Introduction	1	Statistics South Africa (Stats SA) conducts a monthly survey covering enterprises in the motor trade industry (see 4 below). This survey is based on a sample drawn from Stats SA's 2013 business sampling frame (BSF) that contains businesses registered at the South African Revenue Service (SARS) for value added tax (VAT). Stats SA continuously updates its BSF, which is linked to the SARS administrative data.
	2	In order to improve timeliness, some information for the latest month had to be estimated due to late response. These estimates will be revised in future statistical releases as soon as information becomes available. Published motor trade sales estimates exclude 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: • 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 *Standard Industrial Classification of all Economic Activities (SIC)*, Fifth Edition, Report No. 09-90-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 *International Standard Industrial Classification of all Economic Activities (ISIC)* with suitable adaptations for local conditions. Each enterprise is classified to the industry which reflects its predominant activity. Statistics in this publication are presented at SIC group (four digits) level.
Collection rate	6	The preliminary collection rate for the survey on motor trade sales for July 2013 was 76,4%, accounting for 80,0% of the total estimate.
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 and service activities.
Revised figures	8	Revised figures are mainly due to late submission of data to Stats SA, or respondents reporting revisions or corrections to their figures. Preliminary figures, as indicated in the relevant tables, are subject to change and when revised will not be indicated as such.
Related publications	9	Users may also refer to the following publications available from Stats SA: • *Bulletin of Statistics* issued quarterly; and • *SA Statistics* issued annually*.*

| **Rounding-off of figures** | 10 | Where figures have been rounded off, discrepancies may occur between sums of the component items and the totals. |

| **Historical data** | 11 | Historical motor trade data are available on the Stats SA webpage. To access the data electronically, use the following link: http://www.statssa.gov.za/timeseriesdata/timeseriesdata.asp |

| **Past publications** | 12 | Past motor trade releases are available on the Stats SA webpage. To access the releases electronically, use the following link: http://www.statssa.gov.za/publications/statspastfuture.asp?PPN=P6343.2&SCH= |

| **Changes in this publication** | 13 | The results published today are based on a new sample drawn in April 2013. The periodic introduction of a new sample is part of Stats SA's strategic approach in improving the basis on which surveys are conducted. |

The new sample was conducted in parallel with the previous sample for April to June 2013. A comparison of total sales estimates between the new and previous samples shows a 0,6% lower level of sales for the new sample.

Technical notes

| **Survey methodology and design** | 1 | The survey is conducted monthly. Questionnaires are sent to a sample of about 850 enterprises from a population of about 11 000 enterprises. Completed questionnaires are required to be returned to Stats SA within 10 days after the end of the reference month. Email, fax and telephone reminders are used to follow up on non-respondents. |

| | 2 | A stratified random sample was drawn in April 2013 from Stats SA's business sampling frame (BSF) at the SIC four-digit level. Strata were formed using a combination of Standard Industrial Classification and the measure of size classes for enterprises (see point 3 below). |

The Neyman optimal allocation formula given below was used to allocate samples to each stratum.

$$n_h \ = \ \frac{N_h S_h}{\sum N_h S_h}$$

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 3,5%.

| **Class limits** | 3 | Each motor trade classification group (SIC at four digit level) is divided into four size groups. All large enterprises (size group one) are completely enumerated. Simple random sampling is applied to medium and small enterprises (size groups two, three and four). The total value of sales of the large enterprises (size group one) per classification group is added to the weighted totals of size groups two, three and four to reflect the total value of sales. |

Measure of size classes (Rand)

Enterprise size	Size group	Lower limits	Upper limits
Very small	4	0	18 000 000
Small	3	18 000 001	85 500 000
Medium	2	85 500 001	175 500 000
Large	1	175 500 001	

Sample weighting	4	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 classification group estimates. These procedures are consistent with international best practice.
Seasonal adjustment	5	Seasonally adjusted estimates are generated each month using the X-12-ARIMA 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 recognised more clearly. 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. The X-12-ARIMA procedure for motor trade sales is described in more detail on the Stats SA website at: http://www.statssa.gov.za/Publications/P63432/Seasonal_adjustment_motor_Jun13.pdf
Trend cycle	6	The trend is the long-term pattern or movement of a time series. The X-12-ARIMA Seasonal Adjustment Program is used for smoothing seasonally adjusted estimates to estimates of the underlying trend cycle.
Reliability of estimates	7	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.
	8	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.
Month-on-month percentage change	9	The month-on-month percentage change in a variable for any given month is the change between that month and the previous month, expressed as a percentage of the latter.
Year-on-year percentage change	10	The year-on-year percentage change in a variable for any given period is the change between that period and the corresponding period of the previous year, expressed as a percentage of the latter.
Contribution (percentage points)	11	The contribution (percentage points) to the year-on-year percentage change is calculated by multiplying the percentage change of each type of activity by its corresponding weight, divided by 100. The weight is the percentage contribution of each type of activity to total motor trade sales in the corresponding period of the previous year.

Glossary

Enterprise   An 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).*

Symbols and abbreviations

BSF	Business sampling frame
GDP	Gross domestic product
ISIC	International Standard Industrial Classification
IT	Income tax
Rm	Rand million
SIC	Standard Industrial Classification of all Economic Activities
SARS	South African Revenue Service
Stats SA	Statistics South Africa
VAT	Value added tax

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