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Statistical release

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Motor trade sales (Preliminary)

July 2016

The results published today are based on a new sample. This is an annual procedure which typically affects the level of sales at current prices. To avoid breaks in time series and to minimise revisions to historical growth rates, historical sales levels were revised (i.e. they were linked to the estimates based on the new sample).

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Sales at current prices: results for July 2016

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

	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Year-on-year % change, unadjusted	6,5	-3,9	7,6	6,8	0,2	-1,6
Month-on-month % change, seasonally adjusted	4,4	-2,8	3,8	0,3	-2,6	1,7
3-month % change, seasonally adjusted 1/	0,7	0,0	2,0	1,7	2,7	0,7

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 decreased by 1,6% year-on-year in July 2016. The largest negative annual growth rate was recorded for new vehicle sales (-10,4%) – see Table 5.

Seasonally adjusted motor trade sales increased by 1,7% in July 2016 compared with June 2016. This followed month-on-month changes of -2,6% in June 2016 and 0,3% in May 2016.

In the three months ended July 2016, seasonally adjusted motor trade sales increased by 0,7% 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 2015 (R million)	Weight	May – Jul 2016 (R million)	% change between May – Jul 2015 and May – Jul 2016	Contribution (% points) to the total % change
New vehicle sales	40 875	27,3	38 356	-6,2	-1,7
Used vehicle sales	26 612	17,8	29 202	9,7	1,7
Workshop income	8 716	5,8	9 125	4,7	0,3
Income from the sales of accessories	27 357	18,3	29 886	9,2	1,7
Income from fuel sales	40 866	27,3	40 052	-2,0	-0,5
Income from convenience store sales 1/	5 365	3,6	5 658	5,5	0,2
Total	149 791	100,0	152 279	1,7	1,7

1/ Includes 'other' sales and trading income.

Motor trade sales increased by 1,7% in the three months ended July 2016 compared with the three months ended July 2015. The main contributors to this increase were:

- used vehicle sales (9,7% and contributing 1,7 percentage points); and
- sales of accessories (9,2% and contributing 1,7 percentage points) – see Table B.

Figure 1 – Motor trade sales at current prices

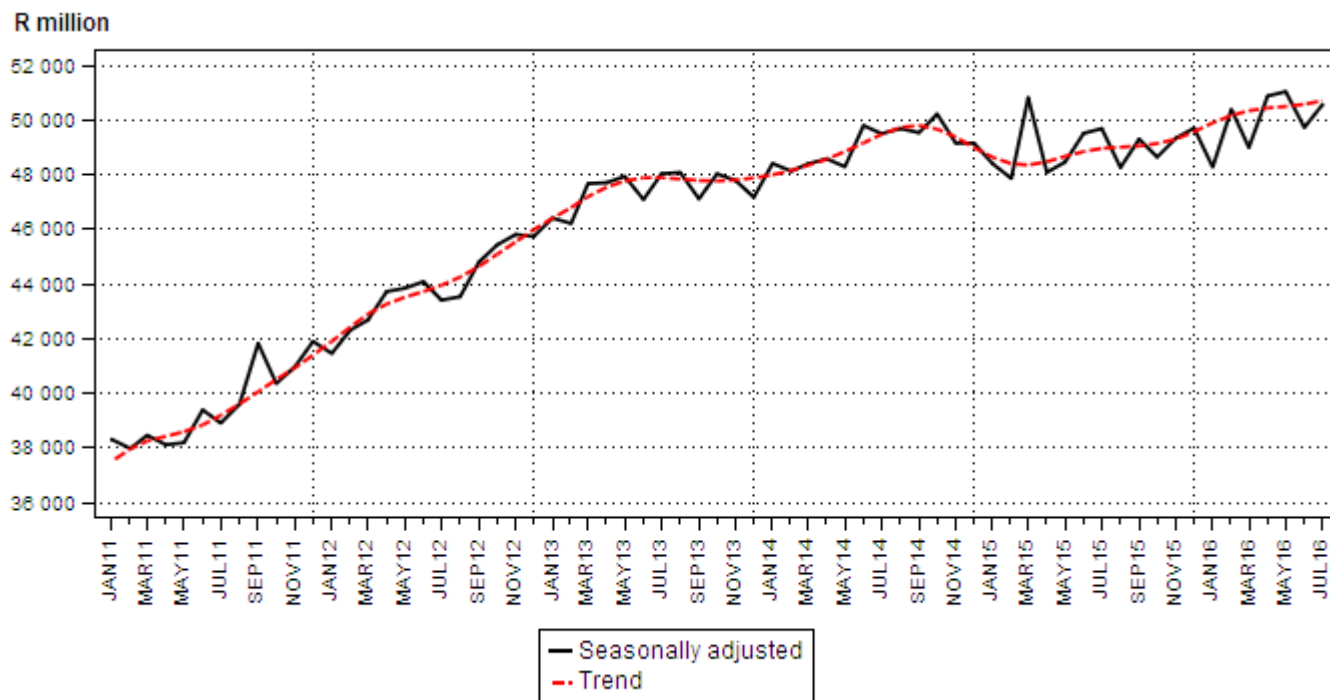
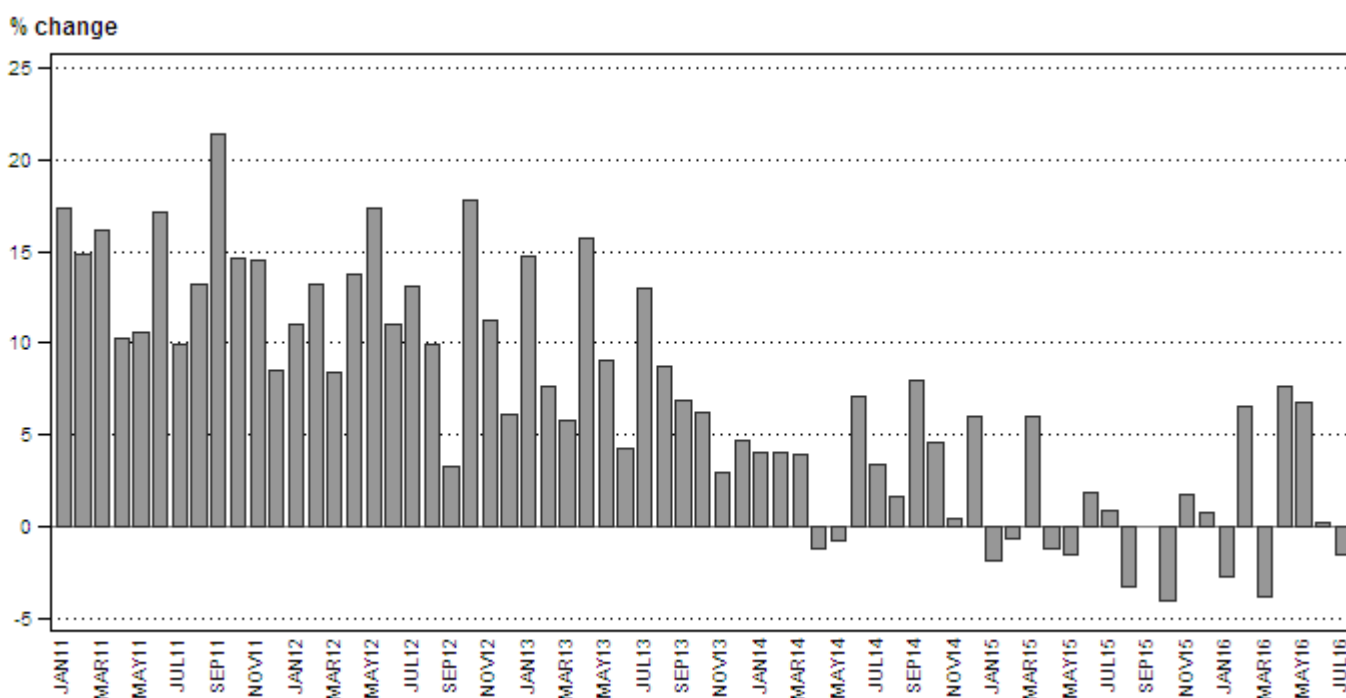


Figure 2 – Motor trade sales at current prices: year-on-year percentage change



PJ Lehohla
 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 2016, which replaces the previous sample that was drawn in April 2015. The sample was drawn from a business register of enterprises with an annual turnover of at least R1 780 071 and that are required to register with the South African Revenue Service 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 (revised) and new samples for 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 2016 based on the new sample was 3,9% higher than the level of total sales recorded for the previous sample (see Table C and Figure 3). The previous sample was drawn in April 2015 and was operational for the last half of 2015 and the first half of 2016.

Table C – Total sales for previous and new samples for the motor trade sales industry: April to June 2016

Motor trade industry	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%)
	144 324	149 929	5 605	3,9

Figure 3 – Total value of motor trade sales: monthly levels of previous and new samples for April to June 2016

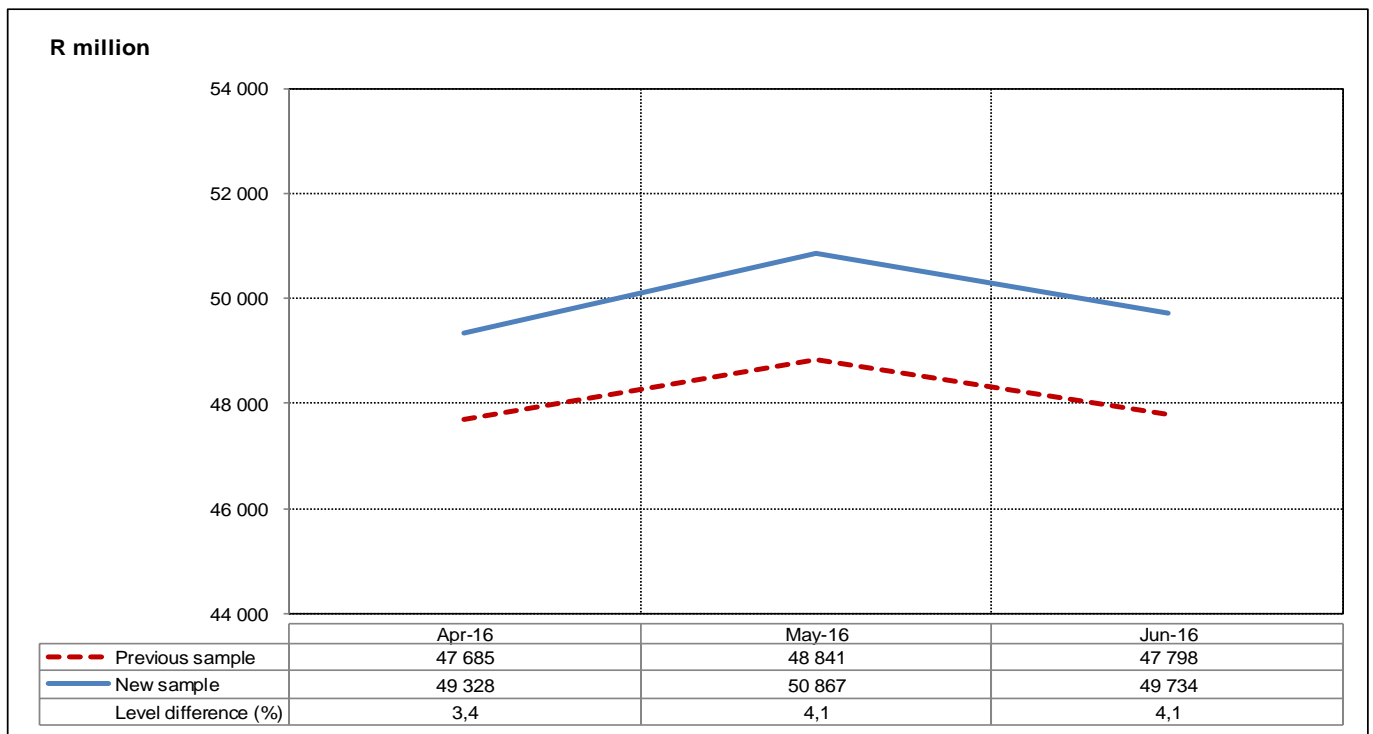


Table D – Motor trade sales for the previous and new samples by type of activity: April to June 2016

Type of activity	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%) 1/
New vehicle sales	39 273	38 449	-824	-2,1
Used vehicle sales	28 721	28 985	264	0,9
Workshop income	9 337	9 112	-225	-2,4
Income from the sales of accessories	29 173	29 988	815	2,8
Income from fuel sales	32 656	37 833	5 177	15,9
Income from convenience store sales 2/	5 165	5 562	397	7,7
Total	144 324	149 929	5 605	3,9

1/ The percentage difference is the new sample minus the previous sample, divided by the previous sample, multiplied by 100.

2/ Includes 'other' sales and trading income.

The largest percentage differences were in the following types of activities:

- fuel sales (15,9% or R5 177 million higher in the new sample); and
- convenience store sales (7,7% or R397 million higher in the new sample).

Backcasting

To avoid breaks in the time series and to minimise revisions to historical growth rates, historical sales levels were revised (i.e. they were linked to the estimates based on the new sample).

Tables

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

Month	2010	2011	2012	2013	2014	2015	2016 1/
Jan	30 521	35 823	39 755	45 582	47 413	46 530	45 212
Feb	32 123	36 909	41 765	44 919	46 721	46 392	49 391
Mar	35 135	40 829	44 272	46 861	48 680	51 611	49 595
Apr	32 316	35 634	40 549	46 929	46 378	45 825	49 328
May	34 448	38 097	44 709	48 778	48 403	47 629	50 867
Jun	33 579	39 308	43 632	45 478	48 720	49 618	49 734
Jul	35 827	39 383	44 557	50 351	52 065	52 544	51 678
Aug	36 534	41 369	45 446	49 402	50 172	48 537	
Sep	34 599	42 000	43 386	46 398	50 097	50 088	
Oct	35 305	40 456	47 638	50 575	52 910	50 719	
Nov	37 800	43 292	48 150	49 566	49 785	50 612	
Dec	37 386	40 552	43 018	45 041	47 751	48 092	
Total	415 573	473 652	526 877	569 880	589 095	588 197	

1/ Figures for latest month are preliminary.

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

Month	2011	2012	2013	2014	2015	2016	2016 year-to-date
Jan	17,4	11,0	14,7	4,0	-1,9	-2,8	-2,8
Feb	14,9	13,2	7,6	4,0	-0,7	6,5	1,8
Mar	16,2	8,4	5,8	3,9	6,0	-3,9	-0,2
Apr	10,3	13,8	15,7	-1,2	-1,2	7,6	1,7
May	10,6	17,4	9,1	-0,8	-1,6	6,8	2,7
Jun	17,1	11,0	4,2	7,1	1,8	0,2	2,3
Jul	9,9	13,1	13,0	3,4	0,9	-1,6	1,7
Aug	13,2	9,9	8,7	1,6	-3,3		
Sep	21,4	3,3	6,9	8,0	0,0		
Oct	14,6	17,8	6,2	4,6	-4,1		
Nov	14,5	11,2	2,9	0,4	1,7		
Dec	8,5	6,1	4,7	6,0	0,7		
Total	14,0	11,2	8,2	3,4	-0,2		

Table 3 – Seasonally adjusted motor trade sales at current prices

Month	R million				Month-on-month % change			
	2013	2014	2015	2016	2013	2014	2015	2016
Jan	46 409	48 409	48 398	48 280	1,5	2,6	-1,5	-2,9
Feb	46 215	48 128	47 863	50 386	-0,4	-0,6	-1,1	4,4
Mar	47 672	48 395	50 818	48 994	3,2	0,6	6,2	-2,8
Apr	47 705	48 579	48 083	50 876	0,1	0,4	-5,4	3,8
May	47 937	48 289	48 458	51 035	0,5	-0,6	0,8	0,3
Jun	47 090	49 794	49 513	49 727	-1,8	3,1	2,2	-2,6
Jul	48 033	49 497	49 685	50 559	2,0	-0,6	0,3	1,7
Aug	48 078	49 686	48 260		0,1	0,4	-2,9	
Sep	47 114	49 535	49 299		-2,0	-0,3	2,2	
Oct	48 029	50 215	48 642		1,9	1,4	-1,3	
Nov	47 781	49 152	49 335		-0,5	-2,1	1,4	
Dec	47 173	49 149	49 700		-1,3	0,0	0,7	

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

Type of activity	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16 1/
New vehicle sales	13 447	13 329	13 042	13 044	12 363	12 949
Used vehicle sales	9 545	9 760	9 617	9 792	9 576	9 834
Workshop income	2 997	3 127	2 994	3 057	3 061	3 007
Income from the sales of accessories	9 662	9 499	9 820	10 203	9 965	9 718
Income from fuel sales	11 885	11 896	12 010	12 950	12 873	14 229
Income from convenience store sales 2/	1 856	1 984	1 844	1 821	1 897	1 940
Total	49 391	49 595	49 328	50 867	49 734	51 678

1/ Figures are 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-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
New vehicle sales	7,3	-7,3	8,4	2,5	-9,7	-10,4
Used vehicle sales	17,0	12,1	18,2	16,8	13,1	0,8
Workshop income	2,4	0,8	13,2	9,8	5,2	-0,6
Income from the sales of accessories	13,9	2,3	14,7	15,8	9,2	3,2
Income from fuel sales	-3,4	-15,8	-5,1	-1,5	-5,7	1,2
Income from convenience store sales 1/	-7,0	-2,0	2,7	2,4	7,2	6,8
Total	6,5	-3,9	7,6	6,8	0,2	-1,6

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-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
New vehicle sales	2,0	-2,0	2,2	0,7	-2,7	-2,9
Used vehicle sales	3,0	2,0	3,2	3,0	2,2	0,1
Workshop income	0,2	0,0	0,8	0,6	0,3	0,0
Income from the sales of accessories	2,5	0,4	2,7	2,9	1,7	0,6
Income from fuel sales	-0,9	-4,3	-1,4	-0,4	-1,6	0,3
Income from convenience store sales 1/	-0,3	-0,1	0,1	0,1	0,3	0,2
Total	6,5	-3,9	7,6	6,8	0,2	-1,6

1/ Includes 'other' sales and trading income.

Survey information

Introduction	<p>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 2016 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.</p> <p>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.</p>
Purpose of the survey	<p>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.</p>
Scope of the survey	<p>4 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	<p>5 The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities</i> (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 <i>International Standard Industrial Classification of all Economic Activities</i> (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.</p>
Collection rate	<p>6 The preliminary collection rate for the survey on motor trade sales for July 2016 was 75,4%, accounting for 77,4% of the total estimate. The collection rate for June 2016 for the new sample was 81,0%.</p>
Statistical unit	<p>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.</p>
Revised figures	<p>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.</p>
Related publications	<p>9 Users may also refer to the following publication available from Stats SA:</p> <ul style="list-style-type: none"> • <i>Stats in Brief</i> issued annually.

Seasonal adjustment	5	<p>Seasonally adjusted estimates are generated each month using the X-12-ARIMA Seasonal Adjustment Program developed by the US Bureau of the Census. 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:</p> <p>Click to Download Seasonal adjustment Motor Trade Sales July 2016</p>
Trend cycle	6	<p>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.</p>
Reliability of estimates	7	<p>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.</p>
	8	<p>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.</p>
Month-on-month percentage change	9	<p>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.</p>
Year-on-year percentage change	10	<p>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.</p>
Contribution (percentage points)	11	<p>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.</p>

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 (SIC)*, Fifth Edition, Report No. 09-90-02 of January 1993.

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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