Statistical release
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Motor trade sales
June 2005

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Table A - Key figures as at the end of June 2005

Estimates	June 2005 R million	% change between June 2004 and June 2005	% change between April to June 2004 and April to June 2005	% change between January to June 2004 and January to June 2005
Motor trade sales	19 564	+16,1	+19,0	+16,8

Seasonally adjusted estimates	June 2005 R million	% change between May and June 2005	% change between January to March 2005 and April to June 2005
Motor trade sales	19 890	+2,2	+9,6

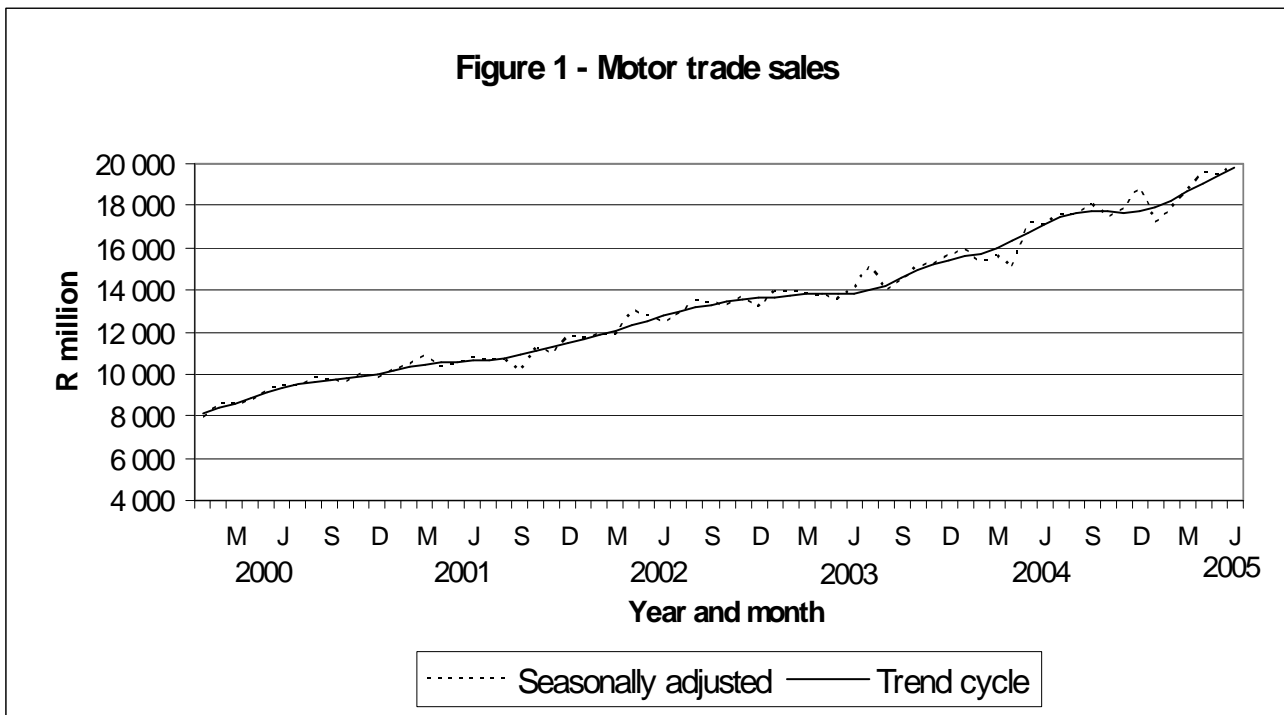**Key findings as at the end of June 2005**

Motor trade sales increase

As indicated in table A, motor trade sales for the second quarter of 2005 increased by 19,0% compared with the second quarter of 2004. Furthermore, seasonally adjusted motor trade sales for the second quarter of 2005 increased by 9,6% compared with the previous quarter.

Motor trade sales for June 2005 increased by 16,1% compared with motor trade sales for June 2004.

Motor trade sales for the first six months of 2005 increased by 16,8% compared with motor trade sales for the first six months of 2004.

Figure 1 below shows the seasonally adjusted and trend patterns for motor trade sales between January 2000 and June 2005. There was an upward movement in the trend cycle from 2000 to date.

Figure 1 - Motor trade sales

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Notes

Forthcoming issue	**Issue**	**Expected release date**
	July 2005	06 October 2005

Purpose of the survey   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.

Detailed results

Outlined below in tables 1 and 2 are details of the behaviour of motor trade sales over the period January 1998 to June 2005. Table 3 gives details of the behaviour of the seasonally adjusted motor trade sales over the same period.

Table 1 - Total motor trade sales (R million)

Month	1998	1999	2000	2001	2002	2003	2004	1/ 2005
January	6 890	6 791	7 569	9 835	11 447	13 774	15 806	17 245
February	7 357	7 233	8 744	10 536	11 886	13 719	14 979	17 296
March	7 345	7 335	8 674	10 780	11 775	13 566	15 180	18 094
April	7 135	6 925	8 095	9 628	12 128	12 904	14 183	18 463
May	7 085	7 204	9 229	10 564	12 901	13 738	17 447	19 688
June	7 114	6 965	9 485	10 760	12 310	13 811	16 850	19 564
July	7 840	7 747	9 609	10 836	13 148	15 374	17 891	
August	7 123	7 894	10 031	10 876	13 719	14 137	17 813	
September	6 822	7 945	9 784	10 231	13 468	14 584	18 231	
October	7 278	8 046	9 797	11 461	13 630	15 488	17 955	
November	7 287	8 014	10 267	11 399	14 128	15 907	18 631	
December	7 139	7 791	9 629	11 603	13 061	15 533	18 793	
Total	**86 415**	**89 890**	**110 913**	**128 509**	**153 601**	**172 535**	**203 759**	

1/ Preliminary

Table 2 - Percentage change in total motor trade sales 1/

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	-	-1,4	11,5	29,9	16,4	20,3	14,8	9,1
February	-	-1,7	20,9	20,5	12,8	15,4	9,2	15,5
March	-	-0,1	18,3	24,3	9,2	15,2	11,9	19,2
April	-	-2,9	16,9	18,9	26,0	6,4	9,9	30,2
May	-	1,7	28,1	14,5	22,1	6,5	27,0	12,8
June	-	-2,1	36,2	13,4	14,4	12,2	22,0	16,1
July	-	-1,2	24,0	12,8	21,3	16,9	16,4	
August	-	10,8	27,1	8,4	26,1	3,0	26,0	
September	-	16,5	23,1	4,6	31,6	8,3	25,0	
October	-	10,6	21,8	17,0	18,9	13,6	15,9	
November	-	10,0	28,1	11,0	23,9	12,6	17,1	
December	-	9,1	23,6	20,5	12,6	18,9	21,0	
Total	**-**	**4,0**	**23,4**	**15,9**	**19,5**	**12,3**	**18,1**	

1/ The percentage change is the difference between motor trade sales of the relevant year and those of the previous year expressed as a percentage

Table 3 - Seasonally adjusted total motor trade sales (R million)

Month	1998	1999	2000	2001	2002	2003	2004	2005
January	7 321	7 181	7 934	10 191	11 694	13 909	15 841	17 228
February	7 218	7 099	8 596	10 420	11 877	13 886	15 341	17 810
March	7 244	7 244	8 600	10 792	11 896	13 854	15 614	18 699
April	7 617	7 395	8 662	10 327	12 993	13 758	15 037	19 539
May	7 094	7 195	9 199	10 483	12 780	13 559	17 232	19 457
June	7 045	6 915	9 453	10 782	12 397	13 974	17 107	19 890
July	7 655	7 576	9 416	10 637	12 907	15 095	17 547	
August	6 921	7 674	9 774	10 625	13 467	13 924	17 568	
September	6 809	7 928	9 736	10 152	13 324	14 411	17 996	
October	7 128	7 879	9 576	11 210	13 300	15 107	17 487	
November	7 137	7 840	10 007	11 043	13 616	15 253	17 820	
December	7 287	7 948	9 797	11 783	13 178	15 604	18 841	

Outlined below in tables 4.1 and 4.2 are the estimates and percentage changes in motor trade sales and seasonally adjusted estimates.

Table 4 – Estimates and percentage changes in total motor trade sales.

Table 4.1 - Quarterly and cumulative estimates and percentage changes

Estimates	April to June 2004	April to June 2005	% change between April to June 2004 and April to June 2005	January to June 2004 R million	January to June 2005 R million	% change between January to June 2004 and January to June 2005
Motor trade sales	48 480	57 715	+19,0	94 445	110 350	+16,8

Table 4.2 - Seasonally adjusted estimates with monthly and quarterly percentage changes.

Seasonally adjusted estimates	May 2005 R million	June 2005 R million	% change between May and June 2005	January to March 2005 R million	April to June 2005 R million	% change between January to March 2005 and April to June 2005
Motor trade sales	19 457	19 890	+2,2	53 737	58 886	+9,6

Explanatory notes

Introduction	**1**	Statistics South Africa (Stats SA) conducts a monthly survey of the motor trade industry, covering motor enterprises (see 3 below). This survey is based on a sample drawn from the 2004 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT) and income tax.
	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. Publish motor trade sales estimates exclude value-added tax (VAT).
Scope of the survey	**3**	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	**4**	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. Statistics in this publication are presented at SIC division (two digit) level. Each enterprise is classified to the industry, which reflects its predominant activity.
Statistical unit	**5**	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	**6**	The survey is conducted monthly. Questionnaires are sent to a sample of about 600 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. Fax and telephone reminders are used to follow up non-responses.
	7	The value of sales is obtained monthly from the sample of about 600 enterprises, which was drawn in September 2004 from a population then of about 11 000 motor trade enterprises. The motor industry is divided into four size groups. The sample is drawn at the SIC four-digit level. All large enterprises (size group one), are completely enumerated. Simple random sampling is applied to size group two (medium sized) enterprises, and to size groups three and four (small) enterprises. The total value of sales of the large enterprises (size group one) in a division is added to the weighted totals of size groups two, three and four to reflect the total value of sales.
Weighting methodology	**8**	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	**9**	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	**10**	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	**11**	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 industry in South Africa. Estimates are subject to sampling and non-sampling errors.
	12	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	**13**	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	**14**	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	**15**	The figures in the tables have, where necessary, been rounded to the nearest digit shown.

Symbols and abbreviations	**16**	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

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	1	0	4 000 000
Small	2	4 000 001	19 000 000
Medium	3	19 000 001	39 000 000
Large	4	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 January 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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