Motor trade sales
Preliminary: June 2006

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Table A - Key figures as at the end of June 2006

Estimates	June 2006 R million	% change between June 2005 and June 2006	% change between April to June 2005 and April to June 2006	% change between January to June 2005 and January to June 2006
Motor trade sales	23 581	+11,6	+11,6	+15,2

Seasonally adjusted estimates	June 2006 R million	% change between May and June 2006	% change between January to March 2006 and April to June 2006
Motor trade sales	23 887	-0,5	+1,5

Key findings as at the end of June 2006
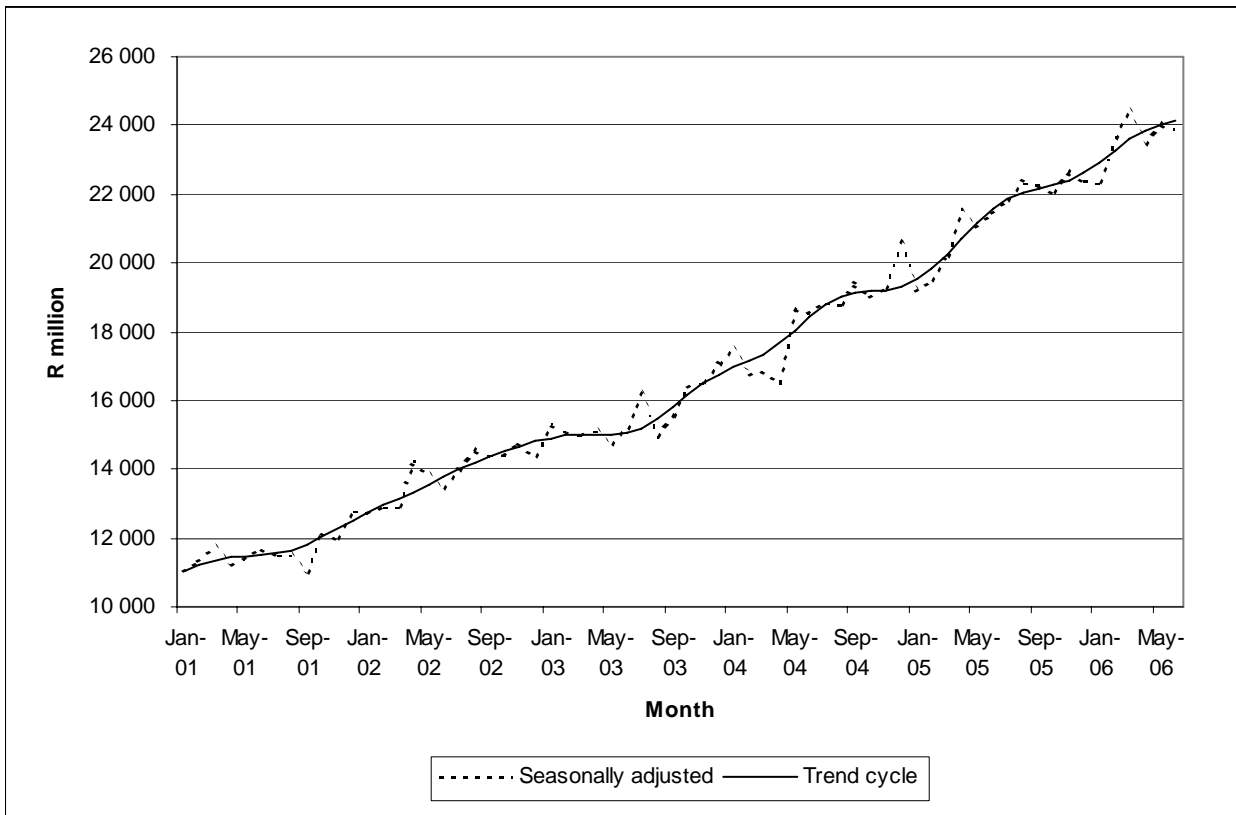
Motor trade sales increase

As indicated in table A, motor trade sales for the second quarter of 2006 increased by 11,6% compared with the second quarter of 2005. Furthermore, seasonally adjusted motor trade sales for the second quarter of 2006 increased by 1,5% compared with the first quarter of 2006.

Motor trade sales for June 2006 increased by 11,6% compared with the motor trade sales for June 2005. The corresponding growth rate for June 2005 compared with June 2004 was 15,5%.

Motor trade sales for the first six months of 2006 increased by 15,2% compared with the motor trade sales for the first six months of 2005.

Figure 1 below shows the seasonally adjusted and trend patterns for motor trade sales between January 2001 and June 2006. There has been an upward movement in the trend cycle as from January 2001 up to June 2006.

Figure 1- Motor trade sales

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Contents

Notes

Forthcoming issue   **Issue**   **Expected release date**

                          July 2006   05 October 2006

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.

Response rate   The preliminary response rate for the survey on motor trade sales for June 2006 was 86,5%.

Changes in this publication   The results published today are based on a new sample drawn in April 2006. The periodic introduction of a new sample is part of Stats SA's strategic approach in improving the basis from which surveys are conducted.

The new sample was conducted in parallel with the previous sample for the months March to May 2006. Comparison of estimates from the new and old samples shows a 0,4% higher level of sales from the new sample.

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 three monthly surveys: manufacturing, wholesale trade and motor trade. Today's publications by Stats SA see the introduction of new samples drawn in 2006 thus replacing the previous samples that were drawn in 2005. The samples are 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 Services (SARS) for either value added tax and/or income tax.

Due to the evolving nature of business, the business register has to be maintained on a continuous basis. The maintenance process is aimed to amongst other things capture changes related to new businesses, ceased businesses, merged businesses and classifications. 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 the 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 the 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 samples reflect a rise in reported level of sales

The reported level of sales for the three monthly surveys namely manufacturing, wholesale trade and motor trade for the months March to June 2006 based on the new samples was 2,0% higher than the level of sales from the previous samples. This is a result of the replacement of the samples that were drawn in 2005 that have been in operation for the last half of 2005 and the first half of 2006. The movements in sales over the overlapping months are very similar between the previous and new samples, so that the series for each of the three surveys move largely in parallel.

The effect on sales of introducing the new samples is illustrated in table B below. The table shows that changes in sales for different industries for the new and previous samples differ from the overall change of 2,0% for the three industries combined. As eluded above, these changes are as a result of the new samples implemented as discussed above, such as changes in classification.

Table B: Total sales for previous and new samples, by industry - March to June 2006[1]

Industry	New samples (R million)	Previous samples (R million)	Difference (R million)	Difference percent
Manufacturing	229 758	229 067	691	0,3
Wholesale trade	162 245	154 379	7 866	5,1
Motor trade	69 994	69 710	284	0,4
Total	**461 997**	**453 156**	**8 841**	**2,0**

1/ The period of the overlap months was April to June 2006 for manufacturing while the overlap months for the other industries were March to May 2006.

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 August 2005 when the old sample was drawn to April 2006 when the previous sample was revised based on updating of the business register for business births, deaths, changes of activity etc., it was decided that it would be more beneficial to users to adjust the levels of the series rather than attempt to adjust their month to month movements. Accordingly, to assist users of time series, the levels from the new samples for the surveys have been adjusted back to the start of 1999, using the level for March 2006 as the end point of the back-cast series. Taking the series back to then (as was done when the previous samples for these surveys were introduced from January 2003) prevents a break in series at July 2001 when the sample frames from the new business register were first created.

Level and movement changes: Motor trade

Figure 2. Motor trade sales
Monthly levels
2005 and 2006 samples
March to May 2006

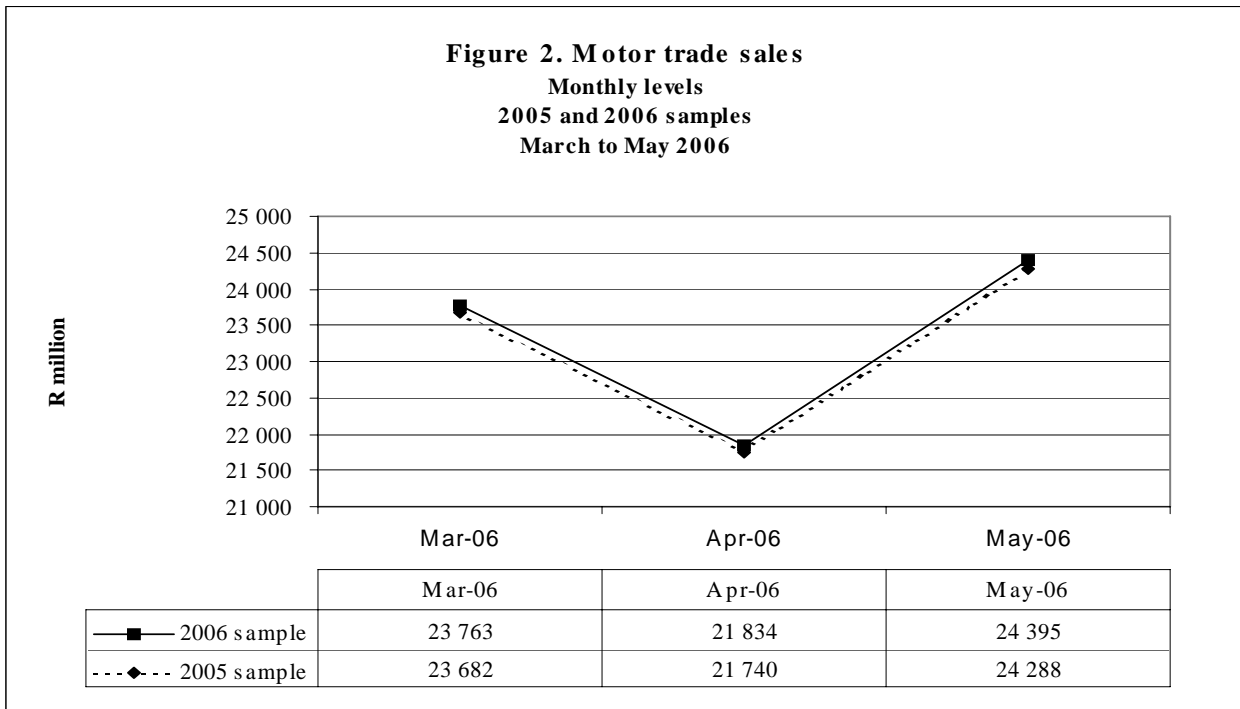|	Mar-06	Apr-06	May-06
2006 sample	23 763	21 834	24 395
2005 sample	23 682	21 740	24 288

Figure 2 below shows the estimates for March, April and May 2006 based on the 2005 and 2006 samples. The closeness of the two graphs shows a consistency in estimates from the two samples.

Table C below shows the combined estimates for March, April and May 2006 based on the 2005 and 2006 samples according to the different subgroups. Even though there was a minor change in level for the total estimates, there were some shifts between subgroups as a result of reclassification. Sale of motor vehicles and sale of motor vehicle parts and accessories increased whiles the others decreased. However, as can be seen from figure 3 below, these shifts were not significant enough to affect the contribution by subgroup to the total estimates.

Table C - Motor trade sales by subgroup (March to May 2006)

Motor trade subgroup (SIC)	2005 sample (R million)	2006 sample (R million)	Difference (R million)	Percentage difference
Sale of motor vehicles (631)	41 505	42 560	1 054	2,5
Maintenance and repair of motor vehicles (632)	4 587	4 499	-88	-1,9
Sale of motor vehicle parts and accessories (633)	6 364	6 871	506	8,0
Sale, maintenance and repair of motor cycles and related parts and accessories (634)	566	474	-91	-16,1
Retail sales of automotive fuel (635)	16 688	15 590	-1 097	-6,6
Total	**69 710**	**69 994**	**284**	**0,4**

Figure 3. Motor trade sales
Subgroup contribution to total estimates
2005 and 2006 samples
March to May 2006

	631	632	633	634	635
2006 sample	60,8	6,4	9,8	0,7	22,3
2005 sample	59,5	6,6	9,1	0,8	23,9
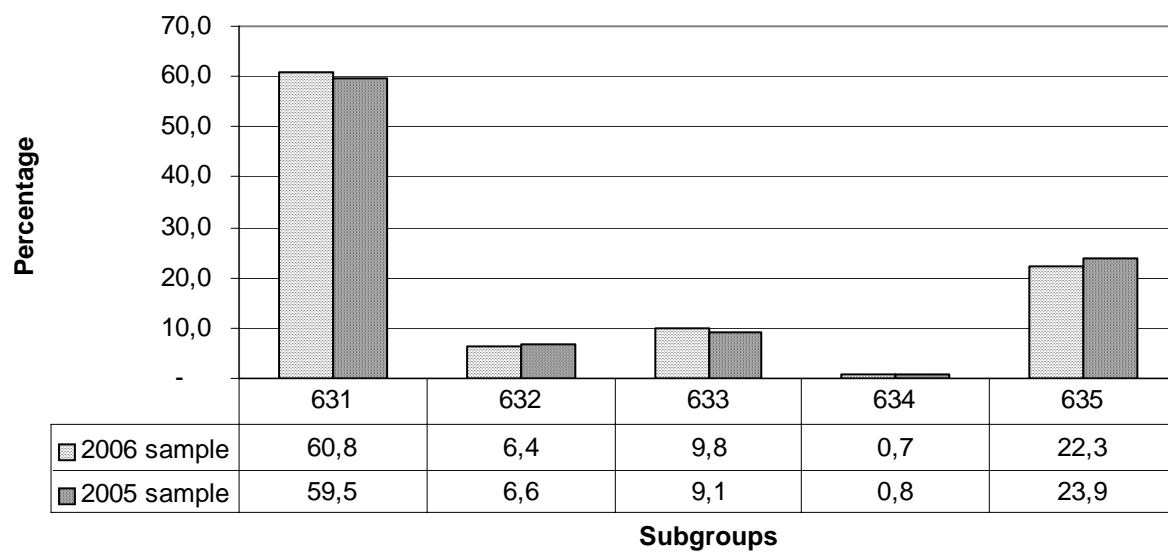
Subgroups

Subgroup	Description
631	Sale of motor vehicles
632	Maintenance and repair of motor vehicles
633	Sale of motor vehicle parts and accessories
634	Sale, maintenance and repair of motor cycles and related parts and accessories
635	Retail sales of automotive fuel

Detailed results

Tables 1 and 2 show motor trade sales over the period of January 1999 to June 2006. Table 3 shows seasonally adjusted motor trade sales over the same period.

Table 1 - Total motor trade sales (R million)

Month	1999	2000	2001	2002	2003	2004	2005 1/	2006 1/
January	7 371	8 217	10 676	12 427	14 952	17 159	18 720	21 737
February	7 851	9 492	11 437	12 904	14 893	16 261	18 776	22 610
March	7 962	9 416	11 702	12 783	14 727	16 479	19 642	23 763
April	7 517	8 787	10 452	13 166	14 008	15 397	20 043	21 834
May	7 820	10 019	11 467	14 004	14 914	18 939	21 373	24 395
June	7 561	10 296	11 681	13 364	14 992	18 293	21 133	23 581
July	8 410	10 432	11 763	14 272	16 689	19 422	22 524	
August	8 569	10 890	11 806	14 893	15 347	19 337	22 985	
September	8 625	10 621	11 107	14 620	15 832	19 792	22 794	
October	8 735	10 635	12 442	14 796	16 814	19 492	22 575	
November	8 700	11 145	12 374	15 337	17 268	20 226	23 850	
December	8 458	10 453	12 597	14 179	16 863	20 401	22 228	
Total	**97 585**	**120 407**	**139 509**	**166 750**	**187 305**	**221 203**	**256 649**	

1/ Preliminary

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

Month	1999	2000	2001	2002	2003	2004	2005	2006
January	-	11,5	29,9	16,4	20,3	14,8	9,1	16,1
February	-	20,9	20,5	12,8	15,4	9,2	15,5	20,4
March	-	18,3	24,3	9,2	15,2	11,9	19,2	21,0
April	-	16,9	18,9	26,0	6,4	9,9	30,2	8,9
May	-	28,1	14,5	22,1	6,5	27,0	12,9	14,1
June	-	36,2	13,4	14,4	12,2	22,0	15,5	11,6
July	-	24,0	12,8	21,3	16,9	16,4	16,0	
August	-	27,1	8,4	26,1	3,0	26,0	18,9	
September	-	23,1	4,6	31,6	8,3	25,0	15,2	
October	-	21,7	17,0	18,9	13,6	15,9	15,8	
November	-	28,1	11,0	23,9	12,6	17,1	17,9	
December	-	23,6	20,5	12,6	18,9	21,0	9,0	
Total	**-**	**23,4**	**15,9**	**19,5**	**12,3**	**18,1**	**16,0**	

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	1999	2000	2001	2002	2003	2004	2005	2006
January	7 796	8 615	11 075	12 748	15 265	17 513	19 178	22 317
February	7 708	9 336	11 321	12 916	15 125	16 735	19 493	23 594
March	7 863	9 336	11 720	12 925	15 031	16 890	20 173	24 422
April	8 028	9 414	11 249	14 183	15 091	16 533	21 525	23 454
May	7 812	9 990	11 381	13 865	14 714	18 679	21 045	24 016
June	7 506	10 263	11 700	13 440	15 162	18 539	21 434	23 887
July	8 223	10 211	11 516	13 942	16 241	18 842	21 794	
August	8 329	10 595	11 494	14 515	14 931	18 807	22 339	
September	8 601	10 560	11 003	14 416	15 540	19 367	22 261	
October	8 551	10 391	12 159	14 437	16 402	19 004	22 016	
November	8 510	10 861	11 988	14 766	16 502	19 237	22 613	
December	8 630	10 643	12 807	14 348	17 022	20 560	22 394	

Table 4 shows motor trade sales by type of activity. The main activities in the motor trade industry are sales of new cars followed by fuel sales.

Table 4 - Motor trade sales by type of activity (R million) [1]

Year 2/	Month	New vehicle sales	Used vehicle sales	Workshop income	Income from accessories	Income from fuel sales	Income from convenient store	Total 3/
2005	September	8 181	4 341	1 951	2 891	4 276	1 152	22 794
2005	October	7 655	4 313	1 951	3 160	4 497	996	22 575
2005	November	8 480	4 507	1 952	3 279	4 380	1 250	23 850
2005	December	7 686	4 013	1 758	2 895	4 578	1 297	22 228
2006	January	8 099	3 816	1 790	2 807	4 055	1 166	21 737
2006	February	8 588	4 064	1 953	3 049	3 850	1 104	22 610
2006	March	8 941	4 323	2 062	2 976	4 079	1 380	23 763
2006	April	7 893	4 042	1 929	2 774	3 929	1 265	21 834
2006	May	8 995	4 444	2 202	3 140	4 324	1 287	24 395
2006	June	8 244	4 629	1 995	3 093	4 498	1 122	23 581

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 the 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 percentage changes

Estimates	April to June 2005	April to June 2006	% change between April to June 2005 and April to June 2006	January to June 2005 R million	January to June 2006 R million	% change between January to June 2005 and January to June 2006
Motor trade sales	62 550	69 811	+11,6	119 690	137 922	+15,2

Table 5.2 - Seasonally adjusted estimates with monthly and quarterly percentage changes.

Seasonally adjusted estimates	May 2006 R million	June 2006 R million	% change between May and June 2006	January to March 2006 R million	April to June 2006 R million	% change between January to March 2006 and April to June 2006
Motor trade sales	24 016	23 887	-0,5	70 333	71 358	+1,5

Motor trade sales, June 2006

Explanatory notes

Introduction	1	Statistics South Africa (Stats SA) conducts a monthly survey covers enterprises of the motor trade industry (see 3 below). This survey is based on a sample drawn from the 2006 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 become available. 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 669 enterprises from a population of about 13 000 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 669 enterprises, which was drawn in April 2006 from a population then of about 13 000 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 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) classification group 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 trade 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
		/	Preliminary

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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