Statistical release

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Motor trade sales
(Preliminary)

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Table A – Key figures as at the end of March 2007

Estimates	March 2007 (R million)	% change between March 2006 and March 2007	% change between January to March 2006 and January to March 2007
Motor trade sales	27 723	+16,7	+16,7

Seasonally adjusted estimates	March 2007 (R million)	% change between February and March 2007	% change between October to December 2006 and January to March 2007
Motor trade sales	28 208	+3,5	+8,0

Key findings as at the end of March 2007

Motor trade sales slow down

Table A indicates that motor trade sales for the first quarter of 2007 increased by 16,7% compared with the first quarter of 2006, whereas motor trade sales for the first quarter of 2006 compared with the first quarter of 2005 increased by 19,2%.

Seasonally adjusted motor trade sales for the first quarter of 2007 increased by 8,0% compared with the fourth quarter of 2006.

Motor trade sales for March 2007 increased by 16,7% compared with motor trade sales for March 2006. Motor trade sales for March 2006 increased by 21,0% compared with motor trade sales for March 2005.

As indicated in table B below, the major contributors to the 16,7% increase in motor trade sales for the first quarter of 2007 compared with the first quarter of 2006 were new vehicle sales (contributing 4,7 percentage points), used vehicles (contributing 3,9 percentage points), income from sales of accessories (contributing 3,6 percentage points) and income from fuel sales (contributing 2,1 percentage points).

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

Type of activity	January to March 2006 (R million)	Weight 1/	January to March 2007 (R million)	Difference in sales between January To March 2006 and January to March 2007 (R million)	Percentage change between January to March 2006 and January to March 2007	Contribution (percentage points) to the percentage change in total sales 2/
New vehicle sales	25 628	37,6	28 855	3 227	12,6	4,7
Used vehicle sales	12 203	17,9	14 875	2 672	21,9	3,9
Workshop income	5 805	8,5	6 572	767	13,2	1,1
Income from the sales of accessories	8 832	13,0	11 293	2 461	27,9	3,6
Income from fuel sales	11 984	17,6	13 428	1 444	12,0	2,1
Income from convenient store sales	3 650	5,4	4 476	826	22,6	1,2
Total 3/	**68 111**	**100,0**	**79 499**	**11 387**	**16,7**	**16,7**

1/ Weight is the percentage contribution of each type of activity to the total motor trade sales of January to March 2006.
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 2001 and March 2007. The series follows an upward trend throughout the period.

Figure 1 – Total motor trade sales
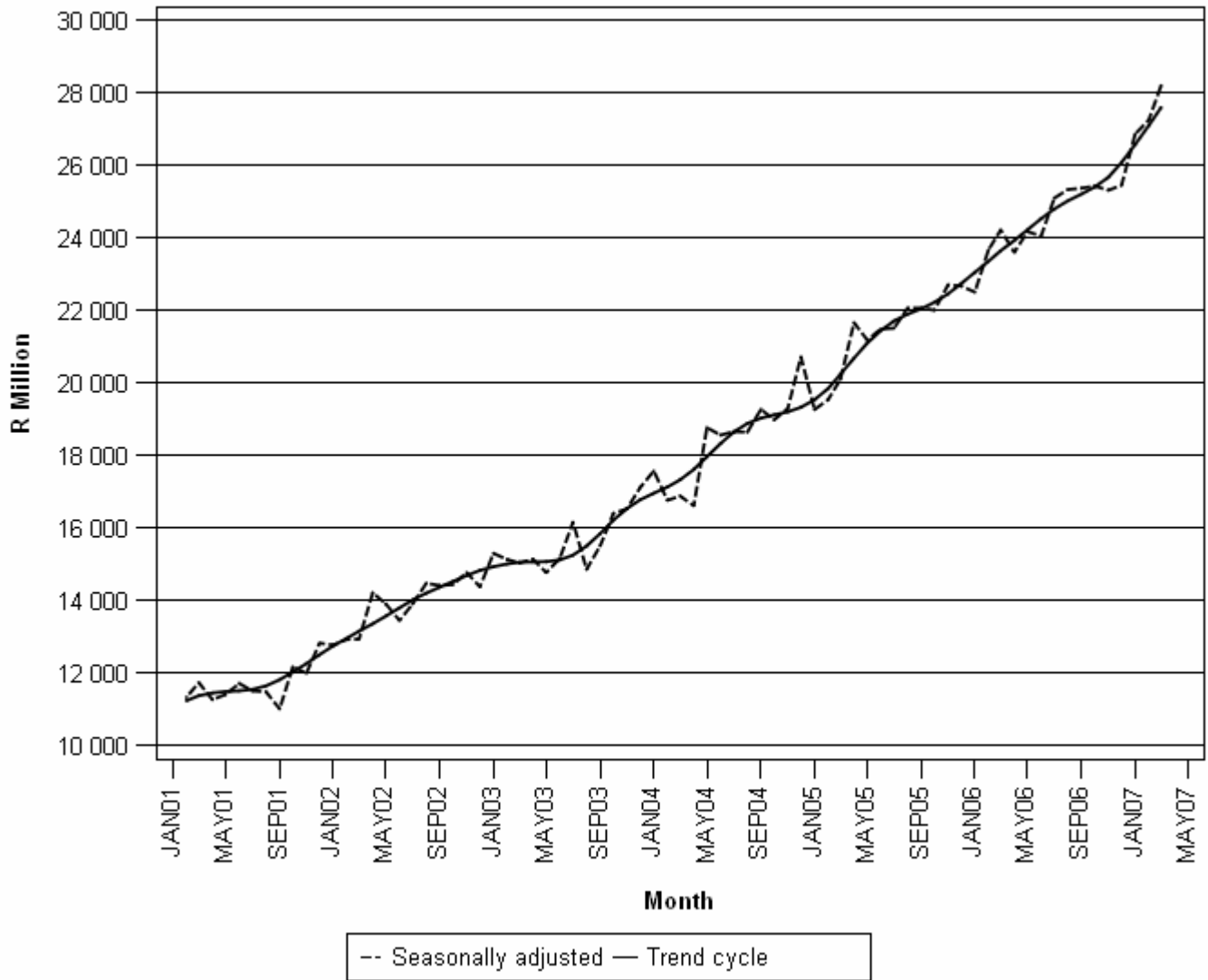
P J Lehohla
Statistician-General

Detailed results

Tables 1 and 2 show motor trade sales and percentage changes over the period January 2000 to March 2007. Table 3 shows seasonally adjusted motor trade sales over the same period.

Table 1 – Total motor trade sales (R million)

Month	2000	2001	2002	2003	2004	2005	2006 1/	2007 1/
January	8 217	10 676	12 427	14 952	17 159	18 720	21 737	25 813
February	9 492	11 437	12 904	14 893	16 261	18 776	22 610	25 963
March	9 416	11 702	12 783	14 727	16 479	19 642	23 763	27 723
April	8 787	10 452	13 166	14 008	15 397	20 043	21 834	
May	10 019	11 467	14 004	14 914	18 939	21 373	24 395	
June	10 296	11 681	13 364	14 992	18 293	21 133	23 696	
July	10 432	11 763	14 272	16 689	19 422	22 524	26 350	
August	10 890	11 806	14 893	15 347	19 337	22 985	26 419	
September	10 621	11 107	14 620	15 832	19 792	22 794	26 289	
October	10 635	12 442	14 796	16 814	19 492	22 575	26 078	
November	11 145	12 374	15 337	17 268	20 226	23 850	26 591	
December	10 453	12 597	14 179	16 863	20 401	22 228	24 945	
Total	**120 407**	**139 509**	**166 750**	**187 305**	**221 203**	**256 649**	**294 709**	

1/ Preliminary.

Table 2 – Percentage change in total motor sales 1/

Month	2000	2001	2002	2003	2004	2005	2006	2007
January	11,5	29,9	16,4	20,3	14,8	9,1	16,1	18,8
February	20,9	20,5	12,8	15,4	9,2	15,5	20,4	14,8
March	18,3	24,3	9,2	15,2	11,9	19,2	21,0	16,7
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	12,1	
July	24,0	12,8	21,3	16,9	16,4	16,0	17,0	
August	27,1	8,4	26,1	3,0	26,0	18,9	14,9	
September	23,1	4,6	31,6	8,3	25,0	15,2	15,3	
October	21,7	17,0	18,9	13,6	15,9	15,8	15,5	
November	28,1	11,0	23,9	12,6	17,1	17,9	11,5	
December	23,6	20,5	12,6	18,9	21,0	9,0	12,2	
Total	**23,4**	**15,9**	**19,5**	**12,3**	**18,1**	**16,0**	**14,8**	

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

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

Month	2000	2001	2002	2003	2004	2005	2006	2007
January	8 616	11 083	12 764	15 295	17 570	19 266	22 509	26 872
February	9 338	11 323	12 916	15 125	16 758	19 538	23 673	27 264
March	9 340	11 724	12 927	15 031	16 877	20 103	24 228	28 208
April	9 417	11 255	14 206	15 133	16 609	21 664	23 609	
May	9 993	11 397	13 897	14 765	18 767	21 186	24 180	
June	10 266	11 703	13 440	15 158	18 560	21 490	24 059	
July	10 204	11 496	13 901	16 154	18 656	21 514	25 105	
August	10 586	11 473	14 469	14 852	18 644	22 069	25 342	
September	10 558	11 000	14 406	15 505	19 271	22 068	25 379	
October	10 390	12 157	14 433	16 397	18 983	22 009	25 437	
November	10 861	11 986	14 765	16 527	19 289	22 710	25 321	
December	10 642	12 815	14 371	17 112	20 721	22 676	25 460	

Table 4 shows motor trade sales by type of activity. The main activities in the motor trade industry are sales of new vehicles and sales of used vehicles.

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 convenient store sales	Total 3/
2006	**January**	8 099	3 816	1 790	2 807	4 055	1 166	21 737
	February	8 588	4 064	1 953	3 049	3 850	1 104	22 610
	March	8 941	4 323	2 062	2 976	4 079	1 380	23 763
	April	7 893	4 042	1 929	2 774	3 929	1 265	21 834
	May	8 995	4 444	2 202	3 140	4 324	1 287	24 395
	June	8 231	4 623	2 084	3 044	4 480	1 235	23 696
	July	10 032	4 857	2 175	3 102	4 713	1 471	26 350
	August	9 791	4 821	2 330	3 158	5 008	1 311	26 419
	September	9 629	4 963	2 437	3 118	4 669	1 472	26 289
	October	9 129	4 969	2 487	3 538	4 476	1 479	26 078
	November	9 437	5 280	2 502	3 625	4 348	1 400	26 591
	December	8 609	4 300	2 032	3 238	5 250	1 515	24 945
	Total	**107 374**	**54 502**	**25 983**	**37 569**	**53 181**	**16 085**	**294 707**
2007	**January**	9 531	4 649	2 129	3 564	4 557	1 383	25 813
	February	9 146	5 029	2 350	3 677	4 338	1 423	25 963
	March	10 178	5 197	2 093	4 052	4 533	1 670	27 723

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 and percentages

Estimates	January to March 2006 (R million)	January to March 2007 (R million)	% change between January to March 2006 and January to March 2007
Motor trade sales	68 111	79 499	+16,7

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

Seasonally adjusted estimates	February 2007 (R million)	March 2007 (R million)	% change between February and March 2007	October to December 2007 (R million)	January to March 2007 (R million)	% change between October to December 2006 and January to March 2007
Motor trade sales	27 264	28 208	+3,5	76 219	82 346	+8,0

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 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).
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. Statistics in this publication are presented at SIC division (two digit) 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 March 2007 was 78,0%.

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 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.

9 The value of sales is obtained monthly from the sample of 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	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	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	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 March 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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