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# Statistical release

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### Motor trade sales (Preliminary)

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## Contents

|   |           |
|---|-----------|
| <b>Summary findings: Motor trade sales</b> .....  | <b>2</b>  |
| Table A – Key figures as at the end of November 2007 .....  | 2         |
| Table B – Contribution of the types of activity to the percentage change in motor trade sales ..... | 3         |
| <b>Detailed results</b> .....   | <b>5</b>  |
| Table 1 – Total motor trade sales (R million) .....   | 5         |
| Table 2 – Percentage change in total motor sales .....  | 5         |
| Table 3 – Seasonally adjusted total motor trade sales (R million) .....                             | 5         |
| Table 4 – Motor trade sales by type of activity (R million) .....                                   | 6         |
| Table 5 – Estimates and percentage changes in total motor trade sales .....                         | 7         |
| Table 5.1 – Quarterly and cumulative estimates and percentages .....                                | 7         |
| Table 5.2 – Seasonally adjusted estimates with monthly and quarterly percentage change .....        | 7         |
| <b>Explanatory notes</b> .....  | <b>8</b>  |
| <b>Technical note</b> .....   | <b>10</b> |
| <b>Glossary</b> .....   | <b>10</b> |
| <b>General information</b> .....  | <b>11</b> |

**Summary findings: Motor trade sales**

**Table A – Key figures as at the end of November 2007**

| Estimates                | November 2007<br>(R million) | % change<br>between<br>November 2006<br>and<br>November 2007 | % change<br>between<br>September<br>to<br>November 2006<br>and<br>September<br>to<br>November 2007 | % change<br>between<br>January<br>to<br>November 2006<br>and<br>January<br>to<br>November 2007 |
|--------------------------|------------------------------|--|--|--|
| <b>Motor trade sales</b> | 29 546                       | 9,0  | 6,1  | 10,0   |

| Seasonally adjusted<br>estimates | November 2007<br>(R million) | % change<br>between<br>October<br>and<br>November 2007 | % change<br>between<br>June<br>to<br>August 2007<br>and<br>September<br>to<br>November 2007 |
|----------------------------------|------------------------------|--|---|
| <b>Motor trade sales</b>         | 28 314                       | -1,2   | 1,6   |

**Key findings as at the end of November 2007**

**Motor trade sales increase**

Table A indicates that motor trade sales for the three months ended November 2007 increased by 6,1% compared with the three months ended November 2006. This is substantially lower than the 14,1% increase reported for the three months ended November 2006 compared with the three months ended November 2005.

Seasonally adjusted motor trade sales for the three months ended November 2007 increased by 1,6% compared with the three months ended August 2007.

As indicated in table B below, the major contributors to the 6,1% increase in motor trade sales for the three months ended November 2007 compared with the three months ended November 2006 were income from fuel sales (3,6 percentage points), income from the sales of accessories (2,3 percentage points) and income from convenience store sales (1,4 percentage points). New vehicle sales and workshop income contributed negatively to the 6,1% increase (-0,4 and -0,9 of a percentage point respectively).

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

| Type of activity                            | September 2006 to November 2006 (R million) | Weight 1/    | September 2007 to November 2007 (R million) | Difference in sales between September to November 2006 and September to November 2007 (R million) | % change between September to November 2006 and September to November 2007 | Contribution (percentage points) to the percentage change in total sales 2/ |
|---|---|--------------|---|---|--|---|
| <b>New vehicle sales</b>                    | 28 429                                      | 35,3         | 28 132                                      | -297  | -1,0   | -0,4  |
| <b>Used vehicle sales</b>                   | 15 491                                      | 19,2         | 15 598                                      | 107   | 0,7  | 0,1   |
| <b>Workshop income</b>                      | 7 560                                       | 9,4          | 6 801                                       | -759  | -10,0  | -0,9  |
| <b>Income from the sales of accessories</b> | 10 601                                      | 13,2         | 12 447                                      | 1 846   | 17,4   | 2,3   |
| <b>Income from fuel sales</b>               | 14 678                                      | 18,2         | 17 555                                      | 2 877   | 19,6   | 3,6   |
| <b>Income from convenience store sales</b>  | 3 744                                       | 4,7          | 4 876                                       | 1 132   | 30,2   | 1,4   |
| <b>Total 3/</b>                             | <b>80 505</b>                               | <b>100,0</b> | <b>85 408</b>                               | <b>4 903</b>  | <b>6,1</b>   | <b>6,1</b>  |

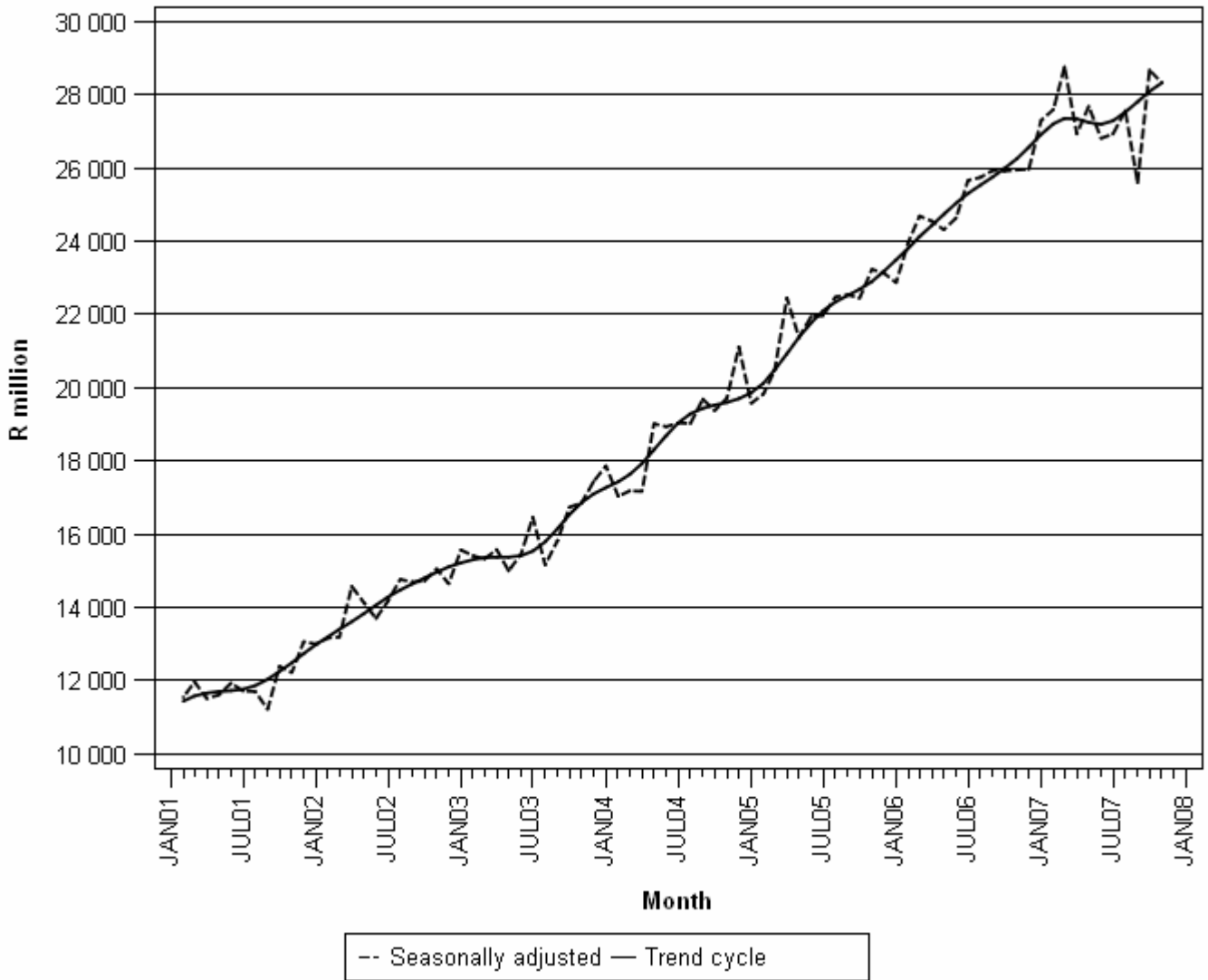
1/ Weight is the percentage contribution of each type of activity to the total motor trade sales of September to November 2006.

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 November 2007. There was generally an upward movement in the trend cycle over the period.

**Figure 1 – Motor trade sales at current prices**



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### Detailed results

Tables 1 and 2 show motor trade sales and percentage changes over the period January 2000 - November 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      | 8 378          | 10 886         | 12 671         | 15 246         | 17 496         | 19 088         | 22 163         | 26 319  |
| February     | 9 679          | 11 662         | 13 157         | 15 185         | 16 580         | 19 144         | 23 053         | 26 472  |
| March        | 9 601          | 11 932         | 13 034         | 15 016         | 16 803         | 20 028         | 24 229         | 28 288  |
| April        | 8 960          | 10 657         | 13 424         | 14 283         | 15 699         | 20 436         | 22 263         | 24 398  |
| May          | 10 216         | 11 692         | 14 279         | 15 207         | 19 311         | 21 793         | 24 873         | 28 386  |
| June         | 10 499         | 11 910         | 13 626         | 15 287         | 18 652         | 21 548         | 24 160         | 26 254  |
| July         | 10 637         | 11 994         | 14 553         | 17 017         | 19 803         | 22 965         | 26 866         | 28 187  |
| August       | 11 104         | 12 038         | 15 185         | 15 648         | 19 716         | 23 436         | 26 937         | 28 923  |
| September    | 10 829         | 11 325         | 14 907         | 16 142         | 20 180         | 23 241         | 26 804         | 26 492  |
| October      | 10 844         | 12 686         | 15 086         | 17 144         | 19 874         | 23 018         | 26 589         | 29 370  |
| November     | 11 364         | 12 617         | 15 638         | 17 606         | 20 622         | 24 317         | 27 112         | 29 546  |
| December     | 10 658         | 12 844         | 14 457         | 17 194         | 20 802         | 22 664         | 25 434         |         |
| <b>Total</b> | <b>122 769</b> | <b>142 243</b> | <b>170 017</b> | <b>190 975</b> | <b>225 538</b> | <b>261 678</b> | <b>300 483</b> |         |

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        | 16,8 |
| April        | 16,9        | 18,9        | 26,0        | 6,4         | 9,9         | 30,2        | 8,9         | 9,6  |
| May          | 28,1        | 14,4        | 22,1        | 6,5         | 27,0        | 12,9        | 14,1        | 14,1 |
| June         | 36,2        | 13,4        | 14,4        | 12,2        | 22,0        | 15,5        | 12,1        | 8,7  |
| July         | 24,0        | 12,8        | 21,3        | 16,9        | 16,4        | 16,0        | 17,0        | 4,9  |
| August       | 27,1        | 8,4         | 26,1        | 3,0         | 26,0        | 18,9        | 14,9        | 7,4  |
| September    | 23,1        | 4,6         | 31,6        | 8,3         | 25,0        | 15,2        | 15,3        | -1,2 |
| October      | 21,7        | 17,0        | 18,9        | 13,6        | 15,9        | 15,8        | 15,5        | 10,5 |
| November     | 28,1        | 11,0        | 23,9        | 12,6        | 17,1        | 17,9        | 11,5        | 9,0  |
| December     | 23,6        | 20,5        | 12,6        | 18,9        | 21,0        | 9,0         | 12,2        |      |
| <b>Total</b> | <b>23,4</b> | <b>15,9</b> | <b>19,5</b> | <b>12,3</b> | <b>18,1</b> | <b>16,0</b> | <b>14,8</b> |      |

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

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

| Month     | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| January   | 8 780  | 11 291 | 12 996 | 15 564 | 17 859 | 19 569 | 22 865 | 27 292 |
| February  | 9 522  | 11 547 | 13 165 | 15 406 | 17 029 | 19 823 | 23 977 | 27 588 |
| March     | 9 530  | 11 963 | 13 185 | 15 317 | 17 178 | 20 469 | 24 680 | 28 752 |
| April     | 9 615  | 11 509 | 14 572 | 15 575 | 17 166 | 22 445 | 24 540 | 26 923 |
| May       | 10 187 | 11 607 | 14 135 | 14 996 | 19 012 | 21 366 | 24 307 | 27 674 |
| June      | 10 465 | 11 929 | 13 696 | 15 442 | 18 931 | 21 939 | 24 628 | 26 803 |
| July      | 10 401 | 11 718 | 14 167 | 16 461 | 19 032 | 21 961 | 25 654 | 26 919 |
| August    | 10 795 | 11 701 | 14 762 | 15 156 | 19 019 | 22 471 | 25 734 | 27 557 |
| September | 10 763 | 11 214 | 14 689 | 15 818 | 19 681 | 22 532 | 25 924 | 25 594 |
| October   | 10 591 | 12 391 | 14 714 | 16 729 | 19 370 | 22 438 | 25 908 | 28 667 |
| November  | 11 070 | 12 216 | 15 050 | 16 855 | 19 712 | 23 226 | 25 939 | 28 314 |
| December  | 10 847 | 13 059 | 14 642 | 17 430 | 21 107 | 23 121 | 25 960 |        |

Table 4 shows motor trade sales by type of activity. The main income in the motor trade industry is derived from the sales of 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 convenience store sales | Total 3/       |
|-------------------|------------------|-------------------|--------------------|-----------------|--------------------------------------|------------------------|-------------------------------------|----------------|
| <b>2006</b>       | <b>January</b>   | 8 149             | 3 878              | 1 819           | 2 888                                | 4 402                  | 1 027                               | 22 163         |
|                   | <b>February</b>  | 8 640             | 4 129              | 1 984           | 3 138                                | 4 178                  | 984                                 | 23 053         |
|                   | <b>March</b>     | 9 018             | 4 404              | 2 100           | 3 070                                | 4 439                  | 1 198                               | 24 229         |
|                   | <b>April</b>     | 7 948             | 4 111              | 1 962           | 2 857                                | 4 269                  | 1 116                               | 22 263         |
|                   | <b>May</b>       | 9 059             | 4 521              | 2 240           | 3 234                                | 4 699                  | 1 122                               | 24 873         |
|                   | <b>June</b>      | 8 278             | 4 696              | 2 116           | 3 131                                | 4 861                  | 1 079                               | 24 160         |
|                   | <b>July</b>      | 10 116            | 4 946              | 2 214           | 3 199                                | 5 127                  | 1 263                               | 26 866         |
|                   | <b>August</b>    | 9 851             | 4 899              | 2 367           | 3 249                                | 5 436                  | 1 135                               | 26 937         |
|                   | <b>September</b> | 9 710             | 5 055              | 2 481           | 3 215                                | 5 080                  | 1 263                               | 26 804         |
|                   | <b>October</b>   | 9 199             | 5 057              | 2 531           | 3 646                                | 4 866                  | 1 289                               | 26 589         |
|                   | <b>November</b>  | 9 520             | 5 379              | 2 548           | 3 740                                | 4 732                  | 1 192                               | 27 112         |
|                   | <b>December</b>  | 8 649             | 4 363              | 2 061           | 3 327                                | 5 690                  | 1 344                               | 25 434         |
|                   | <b>Total</b>     | <b>108 137</b>    | <b>55 438</b>      | <b>26 423</b>   | <b>38 694</b>                        | <b>57 779</b>          | <b>14 012</b>                       | <b>300 483</b> |
| <b>2007</b>       | <b>January</b>   | 9 595             | 4 727              | 2 164           | 3 669                                | 4 949                  | 1 214                               | 26 319         |
|                   | <b>February</b>  | 9 217             | 5 119              | 2 391           | 3 789                                | 4 716                  | 1 239                               | 26 472         |
|                   | <b>March</b>     | 10 172            | 5 274              | 2 353           | 4 037                                | 5 044                  | 1 409                               | 28 288         |
|                   | <b>April</b>     | 8 048             | 4 224              | 2 097           | 3 470                                | 5 195                  | 1 365                               | 24 398         |
|                   | <b>May</b>       | 9 383             | 5 441              | 2 487           | 3 995                                | 5 716                  | 1 365                               | 28 386         |
|                   | <b>June</b>      | 8 240             | 4 929              | 2 340           | 3 739                                | 5 658                  | 1 348                               | 26 254         |
|                   | <b>July</b>      | 9 399             | 5 263              | 2 385           | 3 901                                | 5 824                  | 1 415                               | 28 187         |
|                   | <b>August</b>    | 9 784             | 5 622              | 2 394           | 3 954                                | 5 728                  | 1 442                               | 28 923         |
|                   | <b>September</b> | 8 782             | 4 740              | 2 142           | 3 667                                | 5 705                  | 1 456                               | 26 492         |
|                   | <b>October</b>   | 9 654             | 5 368              | 2 457           | 4 359                                | 5 893                  | 1 639                               | 29 370         |
|                   | <b>November</b>  | 9 696             | 5 490              | 2 202           | 4 421                                | 5 957                  | 1 781                               | 29 546         |

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 cumulative estimates and percentages**

| Estimates                | September to November 2006 (R million) | September to November 2007 (R million) | % change between September to November 2006 and September to November 2007 | January to November 2006 (R million) | January to November 2007 (R million) | % change between January to November 2006 and January to November 2007 |
|--------------------------|--|--|--|--------------------------------------|--------------------------------------|--|
| <b>Motor trade sales</b> | 80 505                                 | 85 408                                 | +6,1   | 275 049                              | 302 635                              | +10,0  |

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

| Seasonally adjusted estimates | October 2007 (R million) | November 2007 (R million) | % change between October and November 2007 | June to August 2007 (R million) | September to November 2007 (R million) | % change between June to August 2007 and September to November 2007 |
|-------------------------------|--------------------------|---------------------------|--|---------------------------------|--|---|
| <b>Motor trade sales</b>      | 28 667                   | 28 314                    | -1,2                                       | 81 280                          | 82 576                                 | +1,6  |



**Explanatory notes**

|                                      |          |   |
|--------------------------------------|----------|---|
| <b>Introduction</b>                  | <b>1</b> | 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 2007 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT).  |
|                                      | <b>2</b> | 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).  |
| <b>Purpose of the survey</b>         | <b>3</b> | 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.  |
| <b>Scope of the survey</b>           | <b>4</b> | The survey collects information from a sample of enterprises in South Africa that are predominantly involved in motor trade. These enterprises include - <ul style="list-style-type: none"> <li>• motor vehicle dealers, filling stations and workshops;</li> <li>• motor cycle dealers;</li> <li>• spares and accessories;</li> <li>• tyre dealers;</li> <li>• automotive electricians;</li> <li>• radiator repairs;</li> <li>• panel beaters and spray painters;</li> <li>• other specialised motor repair services; and</li> <li>• other motor trade.</li> </ul>   |
| <b>Classification</b>                | <b>5</b> | The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities (SIC)</i> , 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 (ISIC)</i> 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.   |
| <b>Response rate</b>                 | <b>6</b> | The preliminary response rate for the survey on motor trade sales for November 2007 was 71,6%.  |
| <b>Statistical unit</b>              | <b>7</b> | 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.  |
| <b>Survey methodology and design</b> | <b>8</b> | The survey is conducted monthly. Questionnaires are sent to a sample of 856 enterprises from a population of about 10 900 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.   |
|                                      | <b>9</b> | The value of sales is obtained monthly from the sample of 856 enterprises, which was drawn in April 2007 from a population then of about 10 900 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 and medium enterprises (size groups one and two), are completely enumerated. Simple random sampling is applied to size groups three and four (small) enterprises. The total value of sales of the large and medium enterprises (size groups one and two) classification group is added to the weighted totals of size groups three and four to reflect the total value of sales. |

|                                  |   |  |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
|----------------------------------|---|--|-----|------------------------|------|--|-----|---|------|-------------------------------|----------|-------------------------|-----|-----------------|---|---------|---|-----------------------|
| <b>Weighting methodology</b>     | <b>10</b>   | 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 <a href="http://www.statssa.gov.za/publications/publicationsearch.asp">http://www.statssa.gov.za/publications/publicationsearch.asp</a> .   |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Seasonal adjustment</b>       | <b>11</b>   | 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. |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Trend cycle</b>               | <b>12</b>   | 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.  |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Reliability of estimates</b>  | <b>13</b>   | 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.   |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
|                                  | <b>14</b>   | 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.   |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Revised figures</b>           | <b>15</b>   | 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.   |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Related publications</b>      | <b>16</b>   | Users may also wish to refer to the following publications available from Stats SA - <ul style="list-style-type: none"> <li>• <i>Bulletin of Statistics</i> issued quarterly.</li> <li>• <i>SA Statistics</i> issued annually.</li> </ul>  |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Rounding of figures</b>       | <b>17</b>   | The figures in the tables have, where necessary, been rounded to the nearest digit shown.  |     |                        |      |  |     |   |      |                               |          |                         |     |                 |   |         |   |                       |
| <b>Symbols and abbreviations</b> | <b>16</b>   | <table border="0"> <tr> <td>GDP</td> <td>Gross Domestic Product</td> </tr> <tr> <td>ISIC</td> <td>International Standard Industrial Classification</td> </tr> <tr> <td>SIC</td> <td>Standard Industrial Classification of all Economic Activities</td> </tr> <tr> <td>SARS</td> <td>South African Revenue Service</td> </tr> <tr> <td>Stats SA</td> <td>Statistics South Africa</td> </tr> <tr> <td>VAT</td> <td>Value-added tax</td> </tr> <tr> <td>*</td> <td>Revised</td> </tr> <tr> <td>-</td> <td>Figures not available</td> </tr> </table>   | 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 |
| 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 May 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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