

# **Motor trade sales (Preliminary)**

## **October 2005**

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**Table A - Key figures as at the end of October 2005**

Estimates	October 2005 R million	% change between October 2004 and October 2005	% change between August to October 2004 and August to October 2005	% change between January to October 2004 and January to October 2005
Motor trade sales	22 724	+17,1	+16,9	+16,7

Seasonally adjusted estimates	October 2005 R million	% change between September and October 2005	% change between May to July 2005 and August to October 2005
Motor trade sales	22 174	-0,4	+3,8

**Key findings as at the end of October**

**Motor trade sales increase**

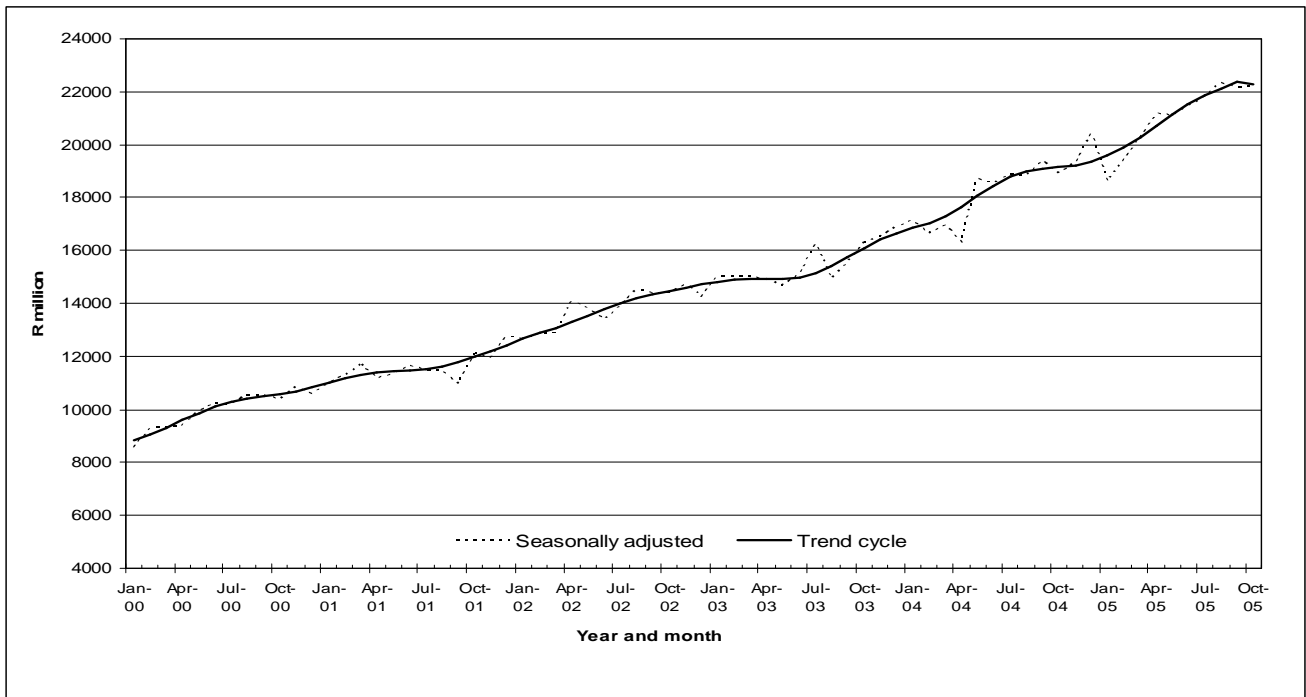
*As indicated in table A, motor trade sales for the three months up to October 2005 increased by 16,9% compared with the three months up to October 2004. Furthermore, seasonally adjusted motor trade sales for the three months up to October 2005 increased by 3,8% compared with the three months up to July 2005.*

Motor trade sales for October 2005 increased by 17,1% compared with motor trade sales for October 2004.

Motor trade sales for the first ten months of 2005 increased by 16,7% compared with motor trade sales for the first ten months of 2004.

Figure 1 below shows the seasonally adjusted and trend patterns for motor trade sales between January 2000 and October 2005. There has been an upward movement in the trend cycle through out the period shown.

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



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# Contents

	<b>Page</b>
<b>Notes</b> .....	4
<b>Detailed results</b>	
Table 1 Total motor trade sales (R million) .....	5
Table 2 Percentage change in total motor trade sales .....	5
Table 3 Seasonally adjusted total motor trade sales (R million) .....	5
Table 4 Motor trade sales by type of activity (R million), for October.....	6
Table 5 Estimates and percentage changes in total motor trade sales.....	7
<b>Explanatory notes</b> .....	8
<b>Glossary</b> .....	10
<b>General information</b> .....	11

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

November 2005      09 February 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.

**Changes in the release as from September 2005**      Statistics South Africa has introduced the estimate of motor trade sales by type of activity that include new vehicle sales, used vehicle sales, workshop, accessories and fuel income, as result of that please note that the breakdown of the estimate is only available from September 2005 onwards.

## Detailed results

Tables 1 and 2 shows motor trade sales over the period of January 1998 to October 2005. Table 3 shows 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	7 449	7 342	8 184	10 633	12 377	14 892	17 090	18 645
February	7 954	7 820	9 454	11 391	12 852	14 833	16 195	18 700
March	7 941	7 930	9 378	11 655	12 732	14 668	16 413	19 563
April	7 714	7 487	8 752	10 410	13 113	13 952	15 335	19 962
May	7 660	7 789	9 979	11 421	13 948	14 854	18 863	21 287
June	7 692	7 531	10 255	11 634	13 310	14 932	18 219	21 036
July	8 476	8 376	10 390	11 716	14 215	16 622	19 344	22 391
August	7 702	8 535	10 846	11 759	14 833	15 285	19 259	22 847
September	7 376	8 590	10 578	11 062	14 561	15 768	19 712	22 690
October	7 869	8 700	10 592	12 392	14 736	16 746	19 413	22 724
November	7 879	8 665	11 100	12 324	15 275	17 198	20 144	
December	7 719	8 424	10 411	12 546	14 122	16 795	20 319	
<b>Total</b>	<b>93 431</b>	<b>97 189</b>	<b>119 919</b>	<b>138 943</b>	<b>166 074</b>	<b>186 545</b>	<b>220 306</b>	

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

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	7 916	7 764	8 578	11 022	12 643	15 032	17 124	18 623
February	7 805	7 676	9 295	11 270	12 853	15 044	16 644	19 329
March	7 842	7 843	9 314	11 689	12 890	15 020	16 936	20 275
April	8 232	7 992	9 364	11 167	14 054	14 898	16 293	21 169
May	7 671	7 780	9 947	11 341	13 829	14 693	18 684	21 098
June	7 616	7 475	10 220	11 656	13 401	15 121	18 524	21 417
July	8 276	8 189	10 177	11 491	13 940	16 265	18 881	21 823
August	7 482	8 296	10 557	11 463	14 501	14 938	18 828	22 339
September	7 360	8 568	10 522	10 969	14 392	15 527	19 364	22 265
October	7 705	8 517	10 351	12 117	14 394	16 344	18 927	22 174
November	7 715	8 475	10 818	11 944	14 730	16 523	19 312	
December	7 877	8 593	10 594	12 746	14 258	16 901	20 415	

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) , October 2005 1/**

Month 2/	New vehicle sales	Used vehicle sales	Workshop income	Income from accessories	Income from fuel sales	Other trading income	Total 3/
September /2	8 456	4 005	1 808	2 763	4 447	1 210	22 689
October /2	8 081	4 002	1 851	3 035	4 648	1 107	22 724

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

**Table 5 – Estimates and percentage changes in total motor trade sales.**

Tables 5.1 and 5.2 show the estimates and percentage changes in motor trade sales and seasonally adjusted estimates.

**Table 5.1 - Quarterly and cumulative estimates and percentage changes**

Estimates	August to October 2004 R million	August to October 2005 R million	% change between August to October 2004 and August to October 2005	January to October 2004 R million	January to October 2005 R million	% change between January to October 2004 and January to October 2005
Motor trade sales	58 384	68 261	+16,9	179 843	209 845	+16,7

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

Seasonally adjusted estimates	September 2005 R million	October 2005 R million	% change between September and October 2005	May to July 2005 R million	August to October 2005 R million	% change between May to July 2005 and August to October 2005
Motor trade sales	22 265	22 174	-0,4	64 338	66 778	+3,8



**Explanatory notes**

<b>Introduction</b>	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 2005 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).
<b>Scope of the survey</b>	3	<p>The survey collects information from a sample of enterprises in South Africa that are predominantly involved in motor trade.</p> <p>These enterprises include -</p> <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>	4	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>Statistical unit</b>	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.
<b>Survey methodology and design</b>	6	The survey is conducted monthly. Questionnaires are sent to a sample of about 644 enterprises from a population of about 12 000 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 644 enterprises, which was drawn in August 2005 from a population then of about 12 000 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.
<b>Weighting methodology</b>	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 <a href="http://www.statssa.gov.za/publications/publicationsearch.asp">http://www.statssa.gov.za/publications/publicationsearch.asp</a> .

<b>Seasonal adjustment</b>	<b>9</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>10</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>11</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 industry in South Africa. Estimates are subject to sampling and non-sampling errors.																
	<b>12</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>13</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>14</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>15</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" style="width: 100%;"> <tr> <td style="width: 150px;">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
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*	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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