

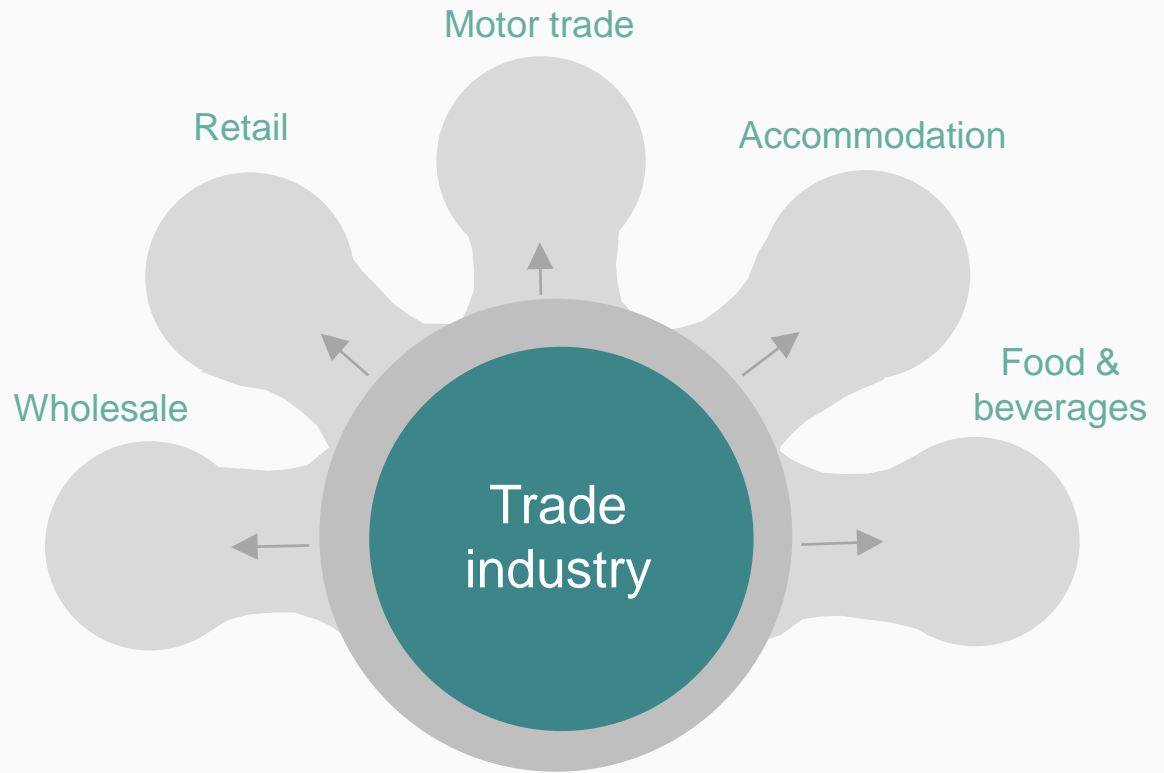
# The South African trade industry

An overview  
2012 – 2015

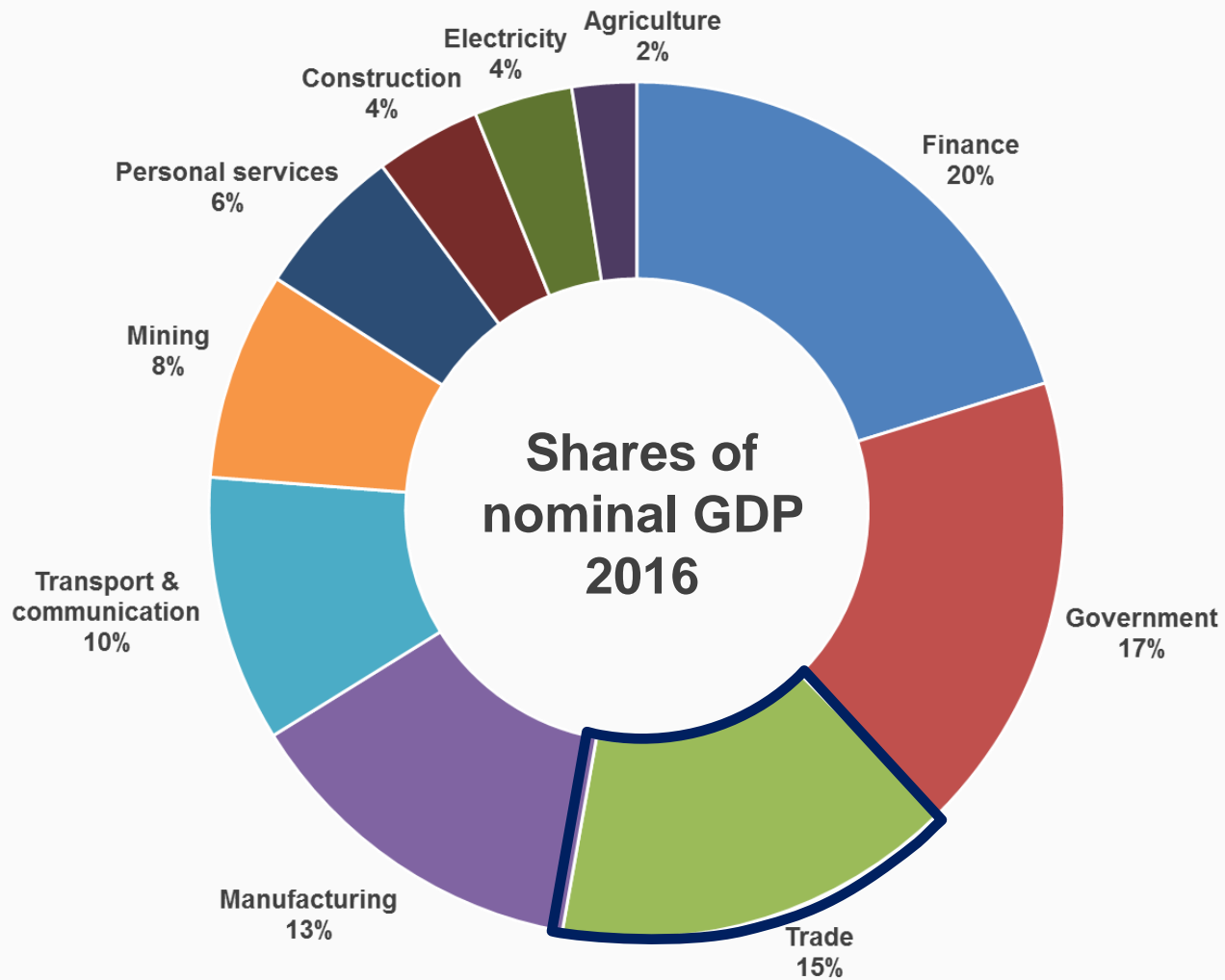
Dr Pali Lehohla  
Stats SA  
26 October 2017

# Detailed data for five divisions in trade are now available

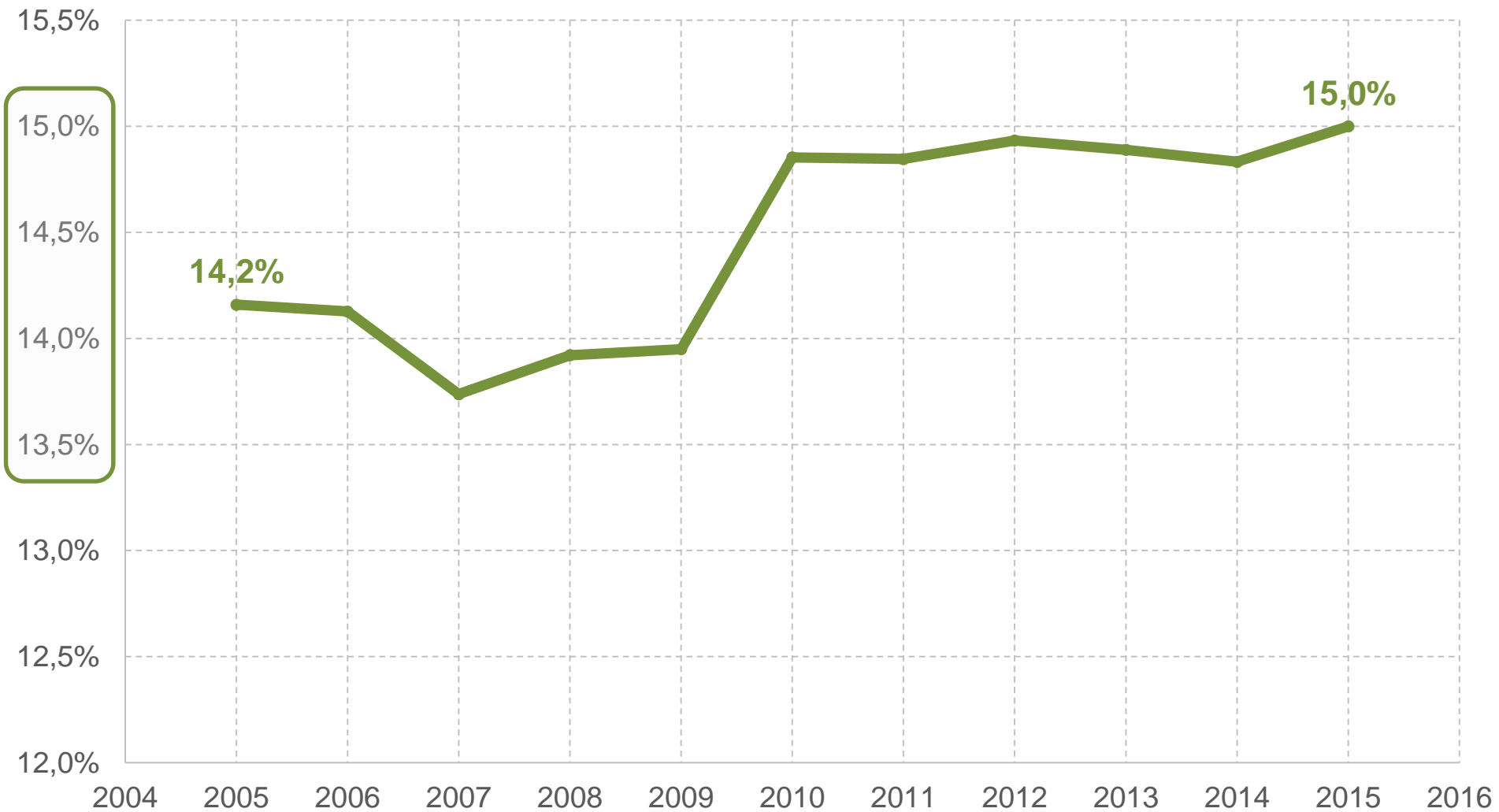
- Large sample surveys providing data for 2015
- Detailed statistics on:
  - Income
  - Commodities sold
  - Concentration ratios
  - Expenditure
  - Profit margins
  - Employment
  - Capital expenditure



# The trade industry is responsible for 15% of SA economic production



# The trade industry contribution to GDP has grown slightly over the years

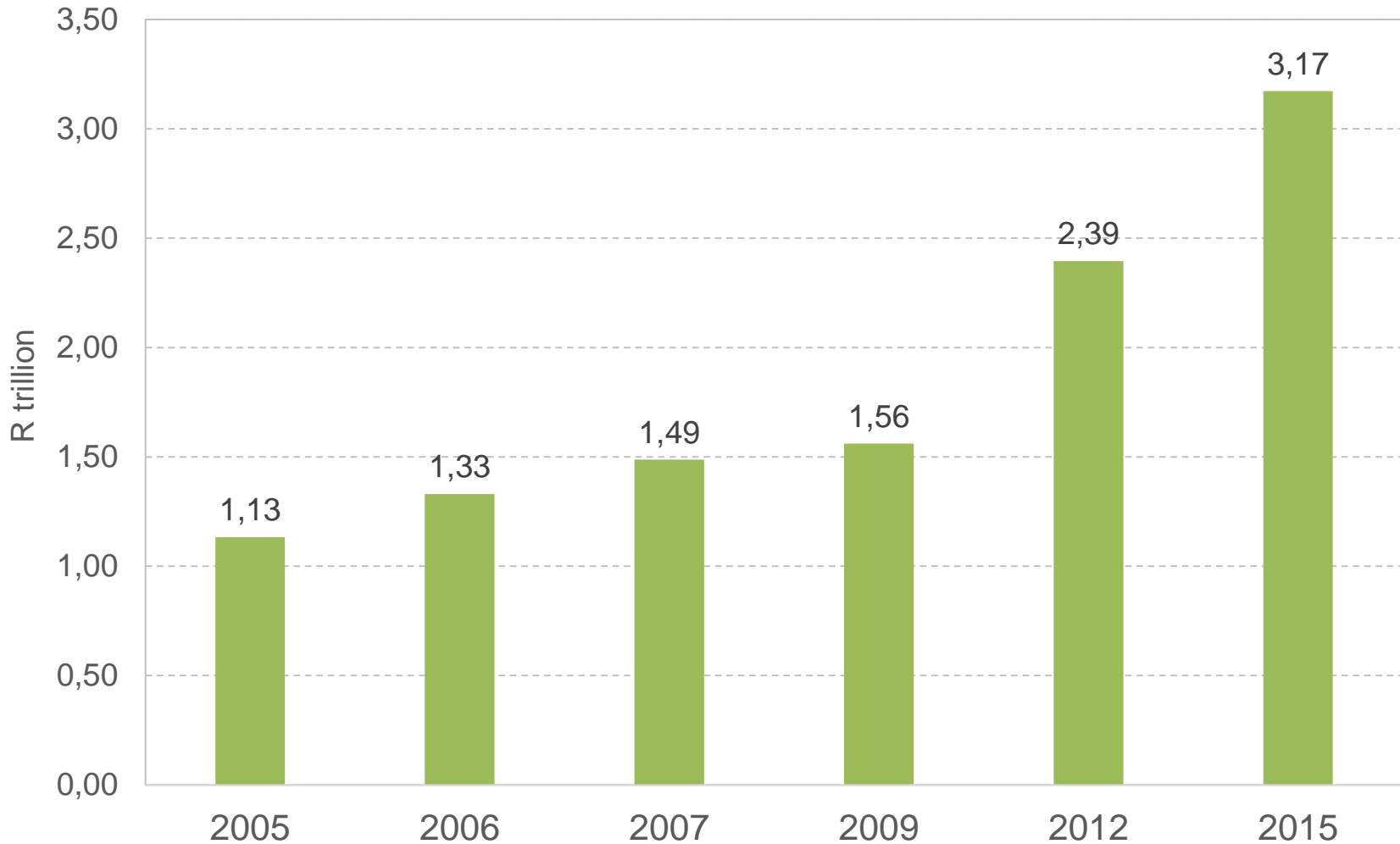


# Income

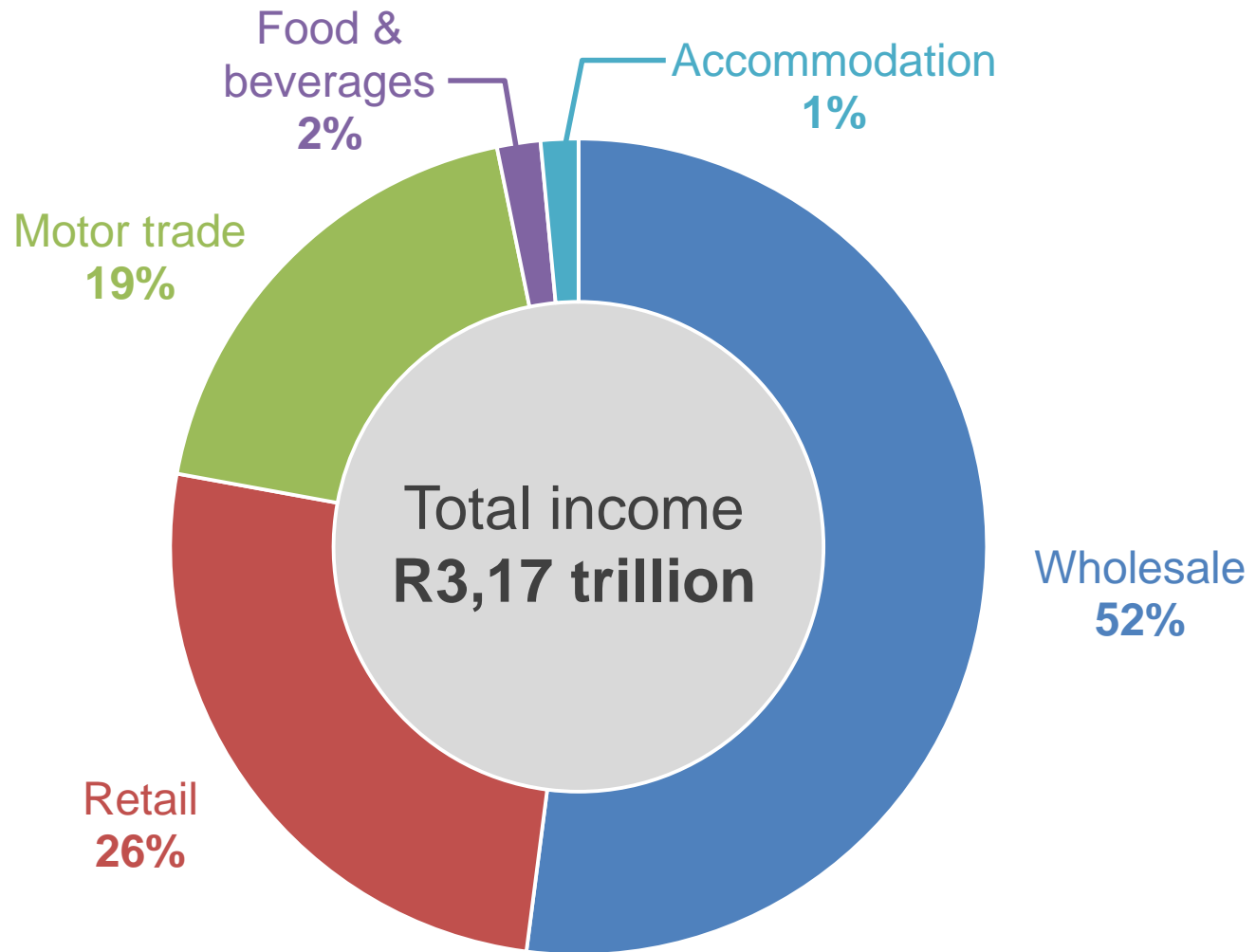


# The trade industry generated R3,17 trillion in income during 2015

That's just over R100 000 generated per second!



# Wholesale trade generated just over half of total income in 2015

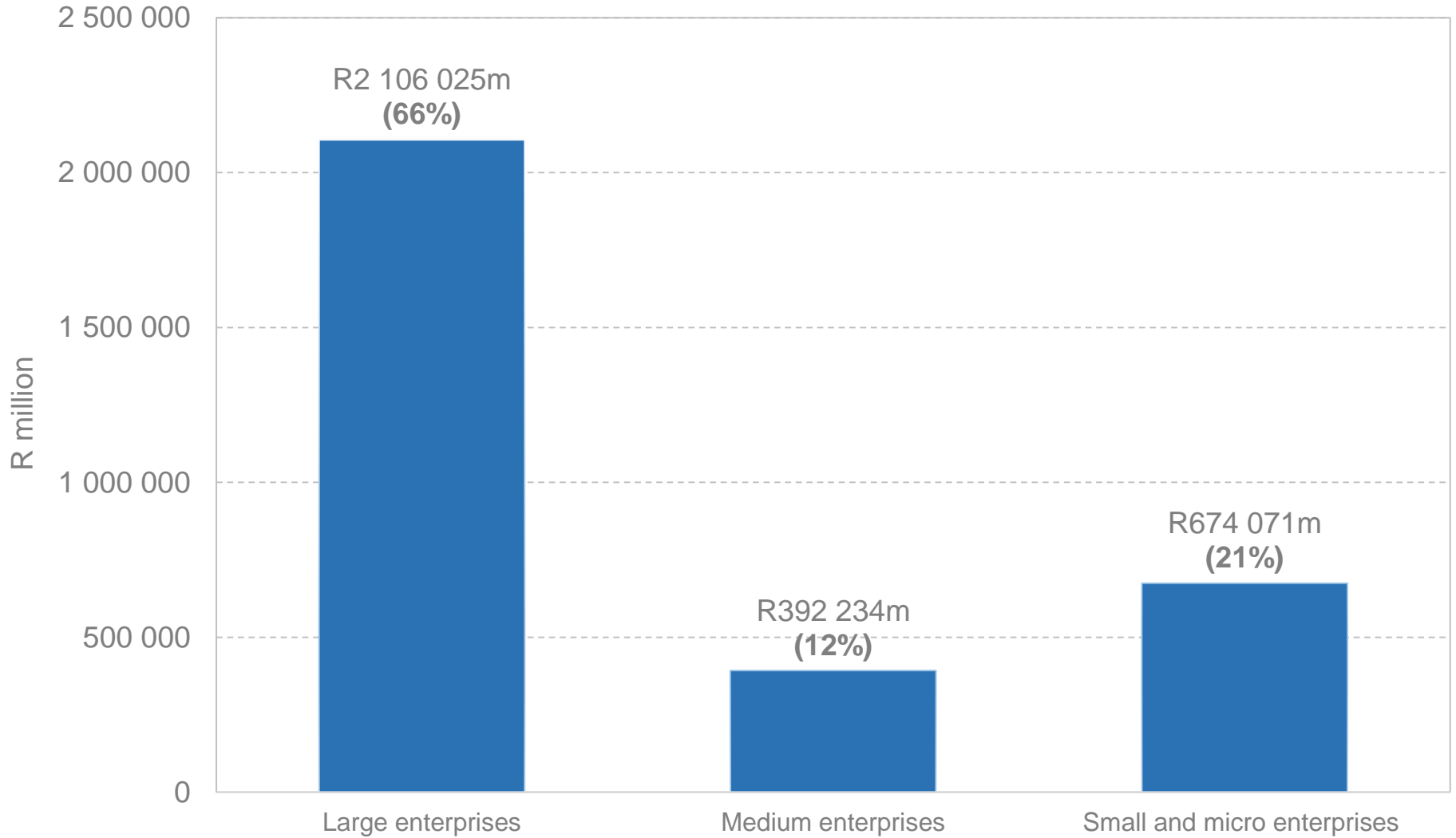


Percentages have been rounded and may not sum to 100%

Only includes formal business activities

# Large enterprises generated two-thirds of the R3,17 trillion in income

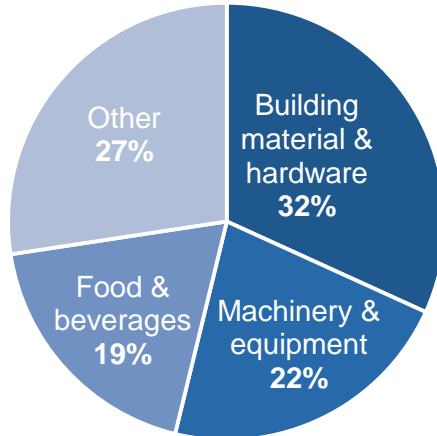
2015



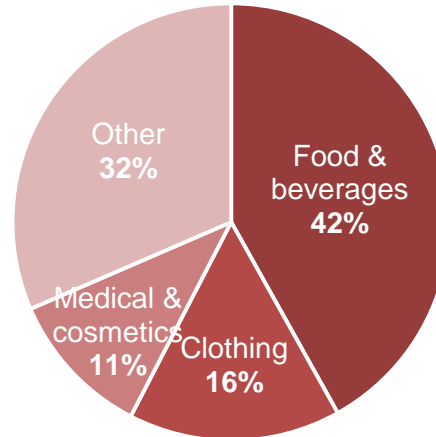


# What are the most popular sources of income in each industry (2015)?

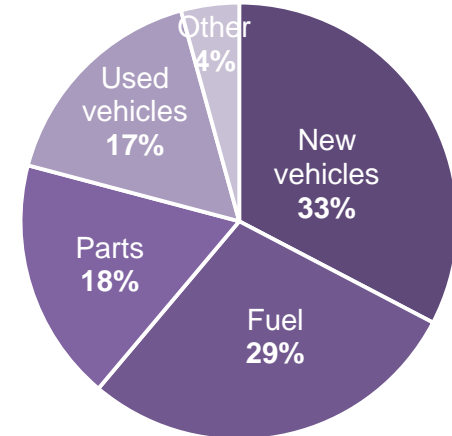
## Wholesale



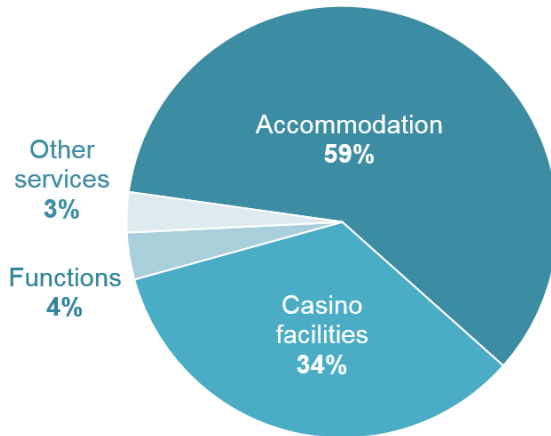
## Retail



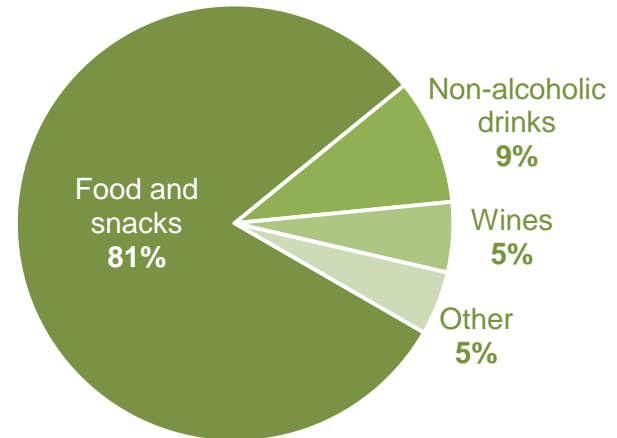
## Motor\*



## Accommodation

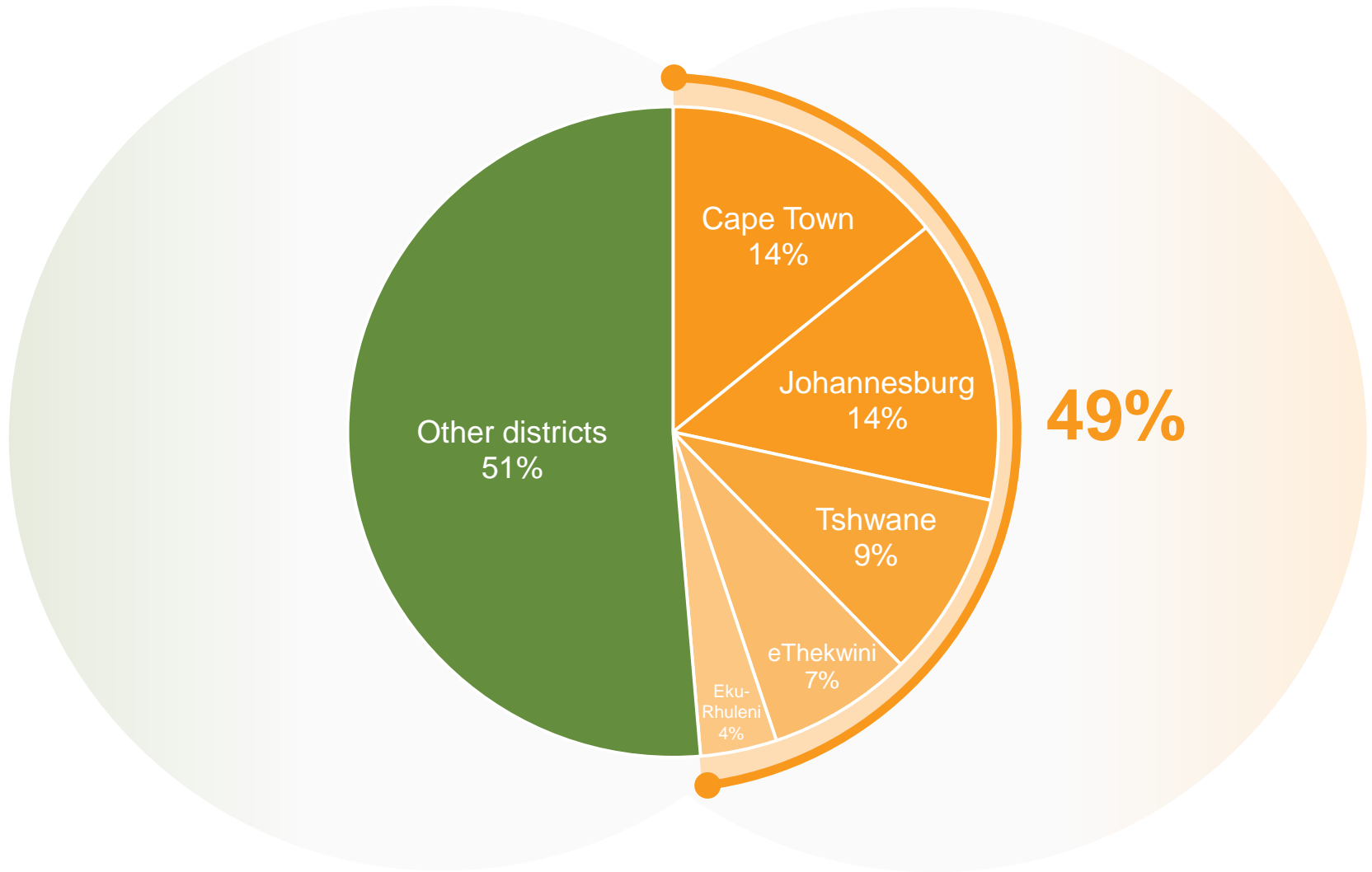


## Food & beverages



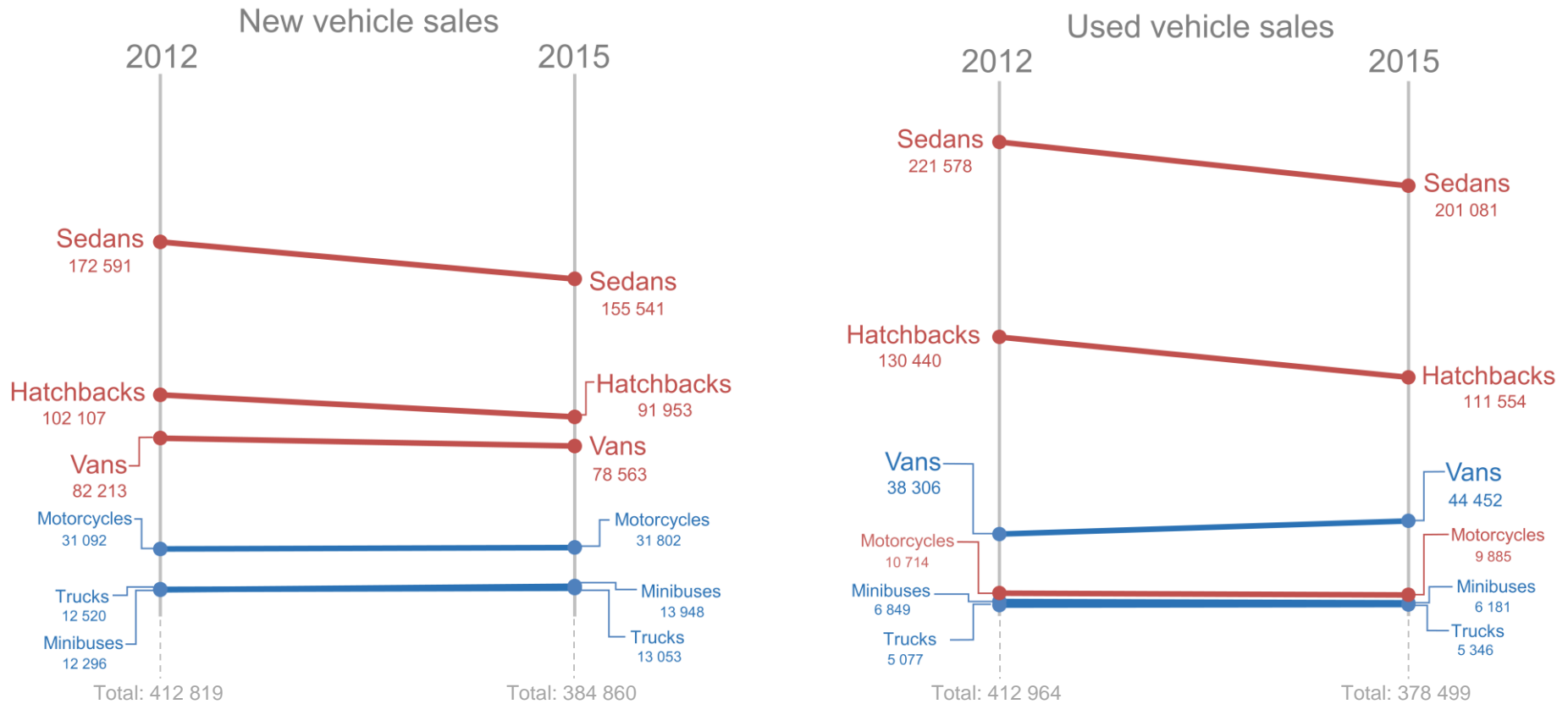
\*New and used vehicles includes both retail and wholesale sales

# Accommodation: almost half of available rooms\* are in five cities



\*The unit of accommodation available to be charged out to guests; for example, a powered site in a caravan park or a room in a hotel.

# Motor trade: vehicle sales\* – number of units sold in 2012 and 2015



\*Only includes retail sales; excludes wholesale sales of vehicles

# Concentration ratios

## What do concentration ratios tell us?

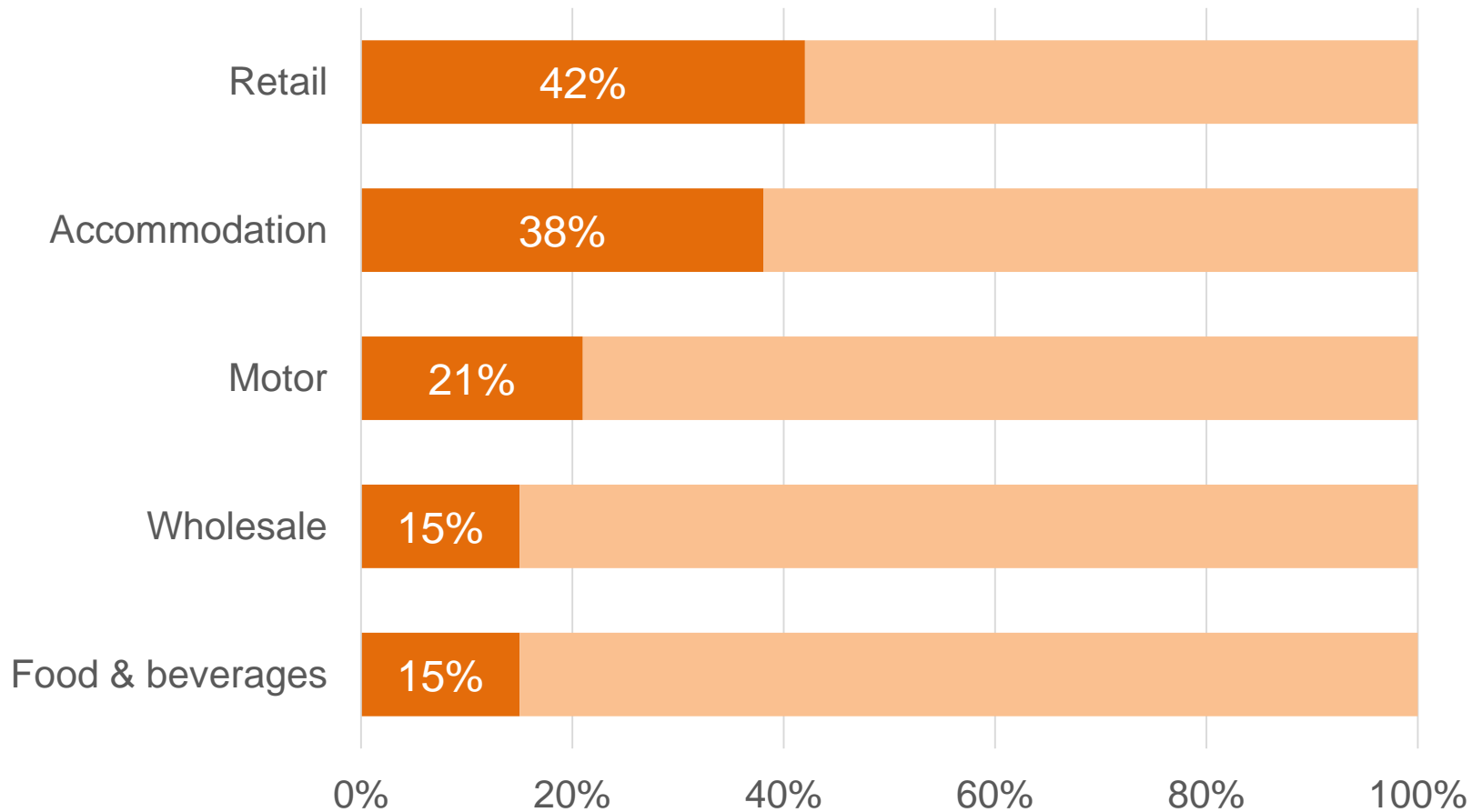


If an industry is dominated by a few large players, then it's regarded as monopolistic.

This can hinder competition and present a barrier to new entrants into the market

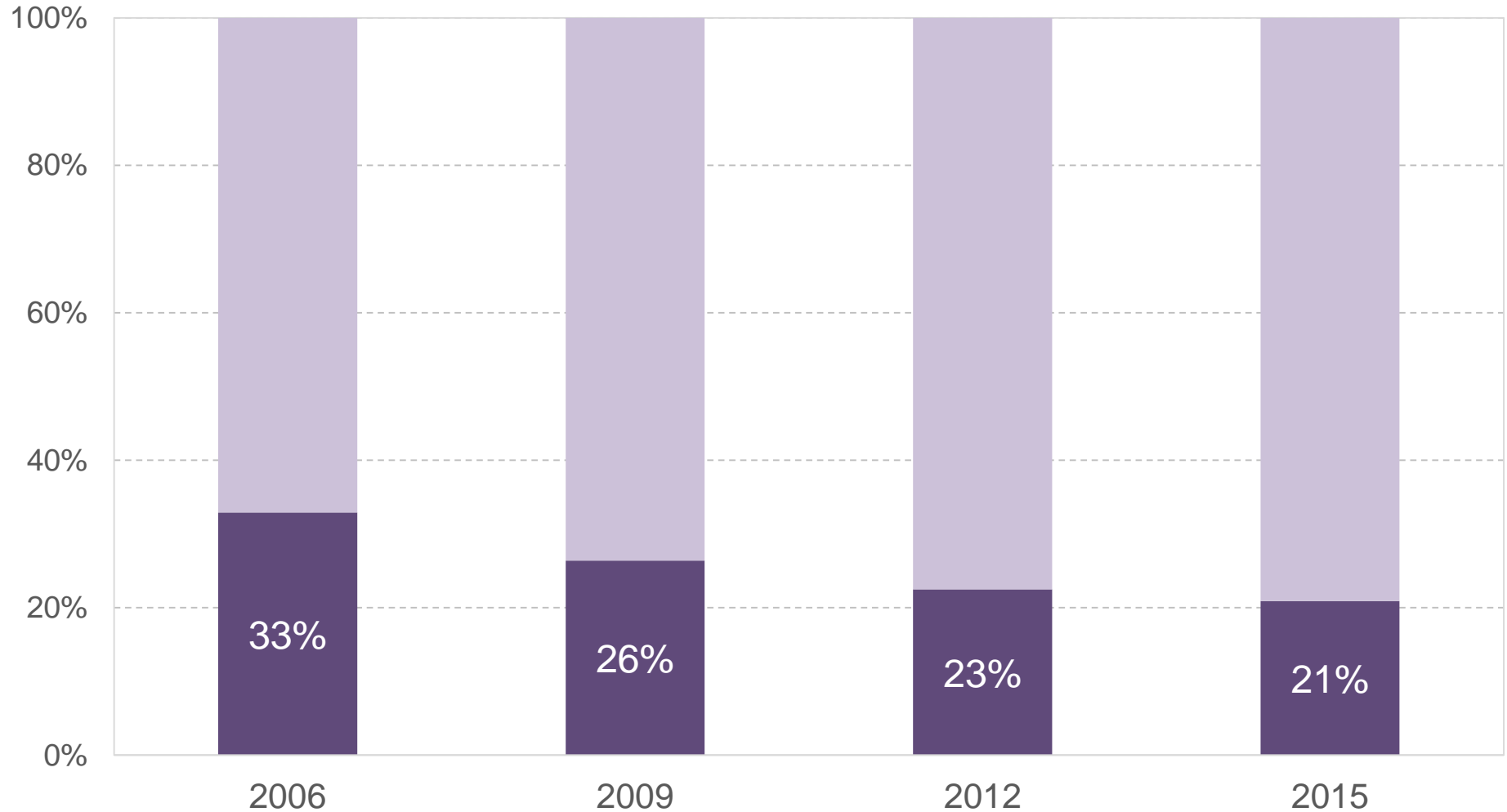
# Proportion of income earned by the top 10 largest enterprises

Retail and accommodation are dominated by a few large companies



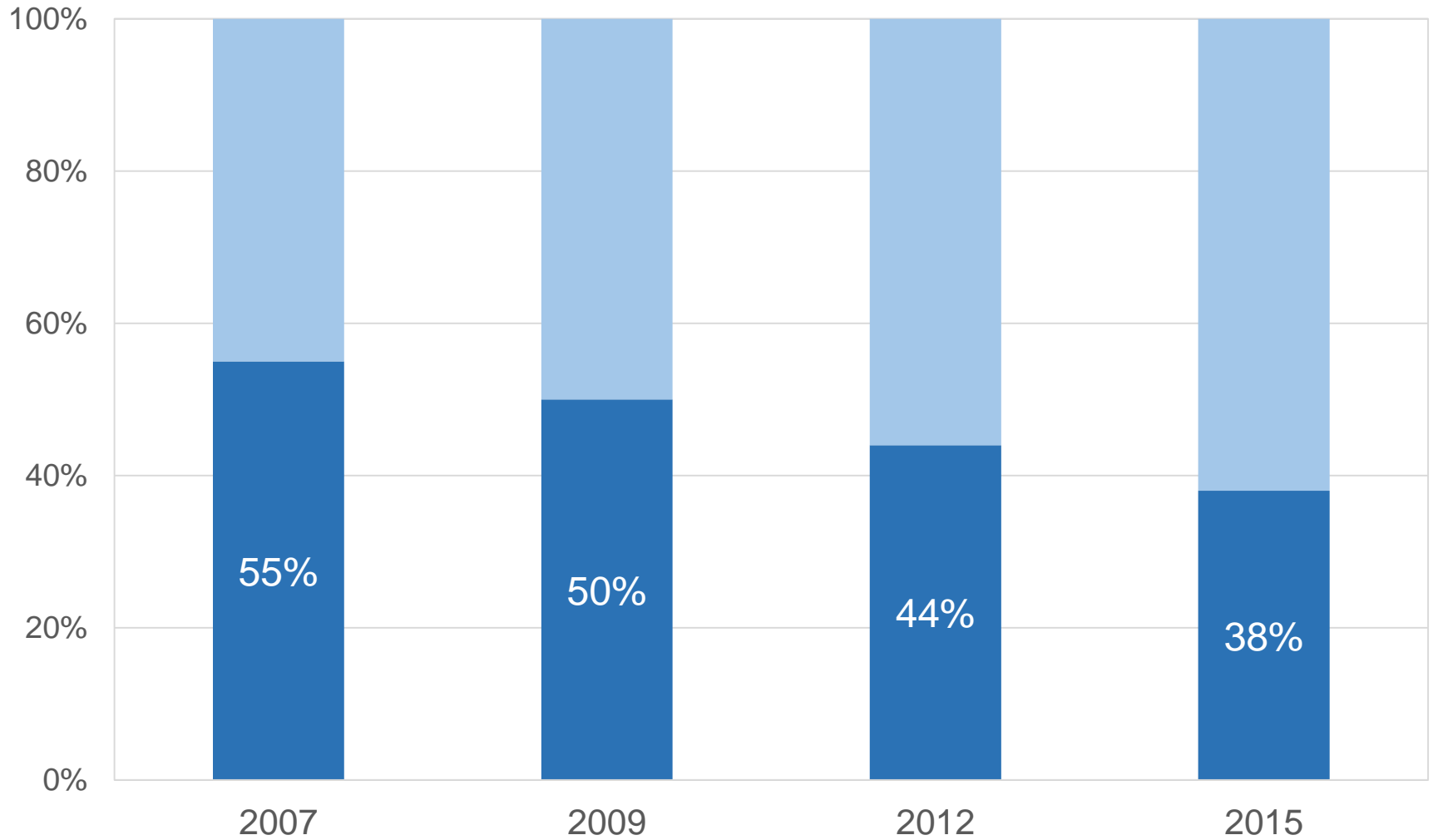
# The motor trade industry has become less concentrated over time

Proportion of income earned by the top 10 largest enterprises



## And so has accommodation

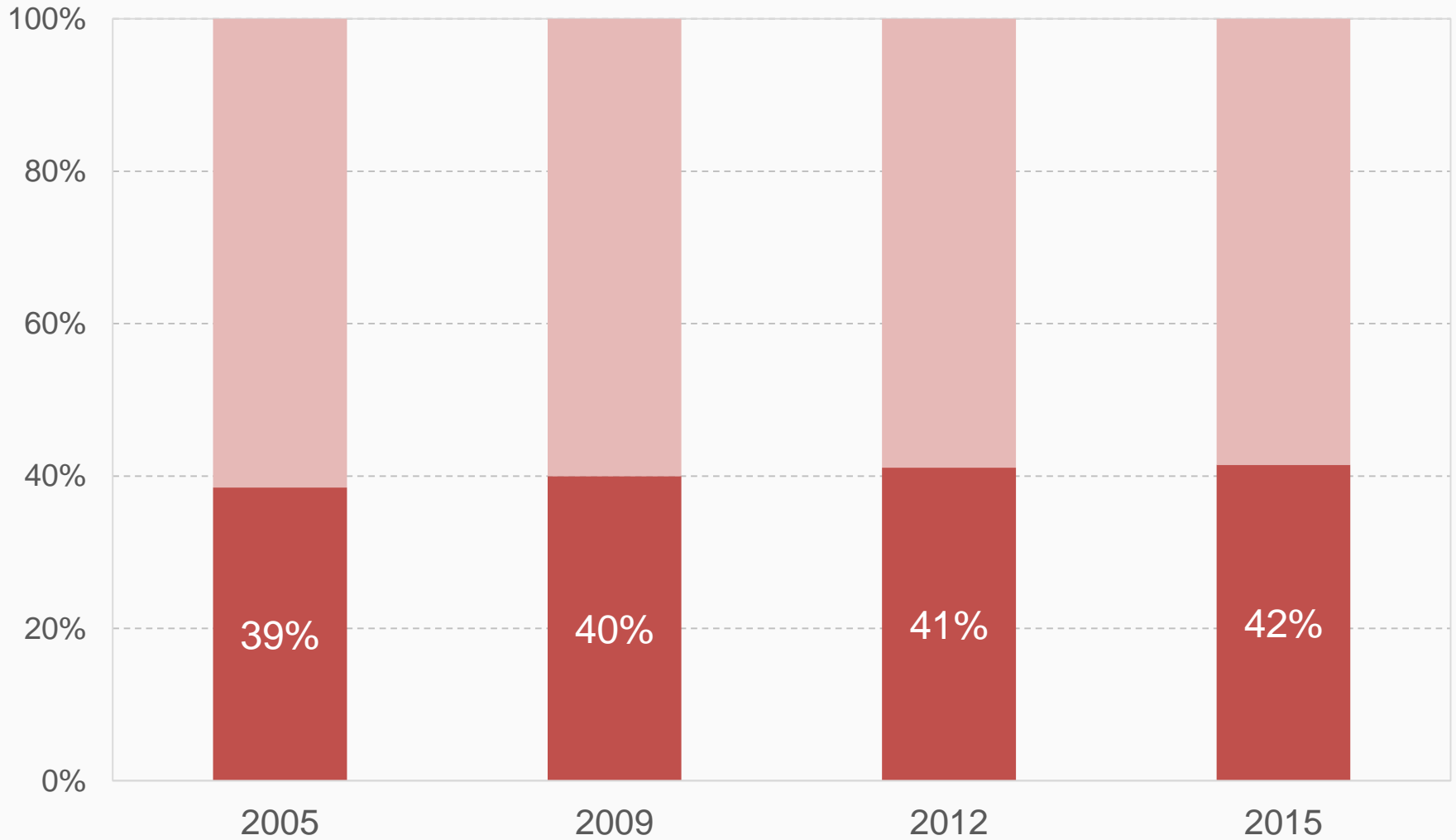
Proportion of income earned by the top 10 largest enterprises





# Concentration in retail trade, however, has increased over time

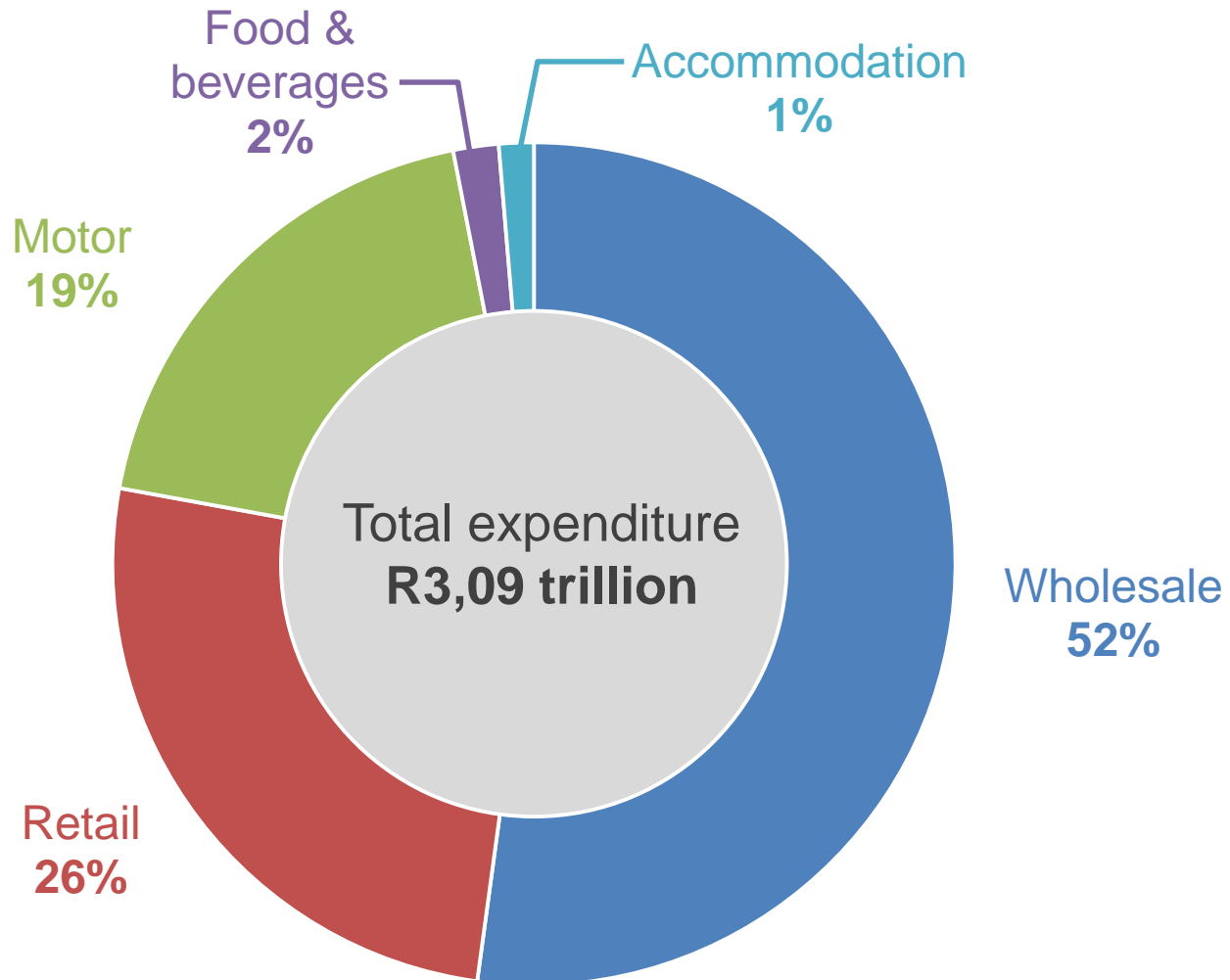
Proportion of income earned by the top 10 largest enterprises



# Expenditure

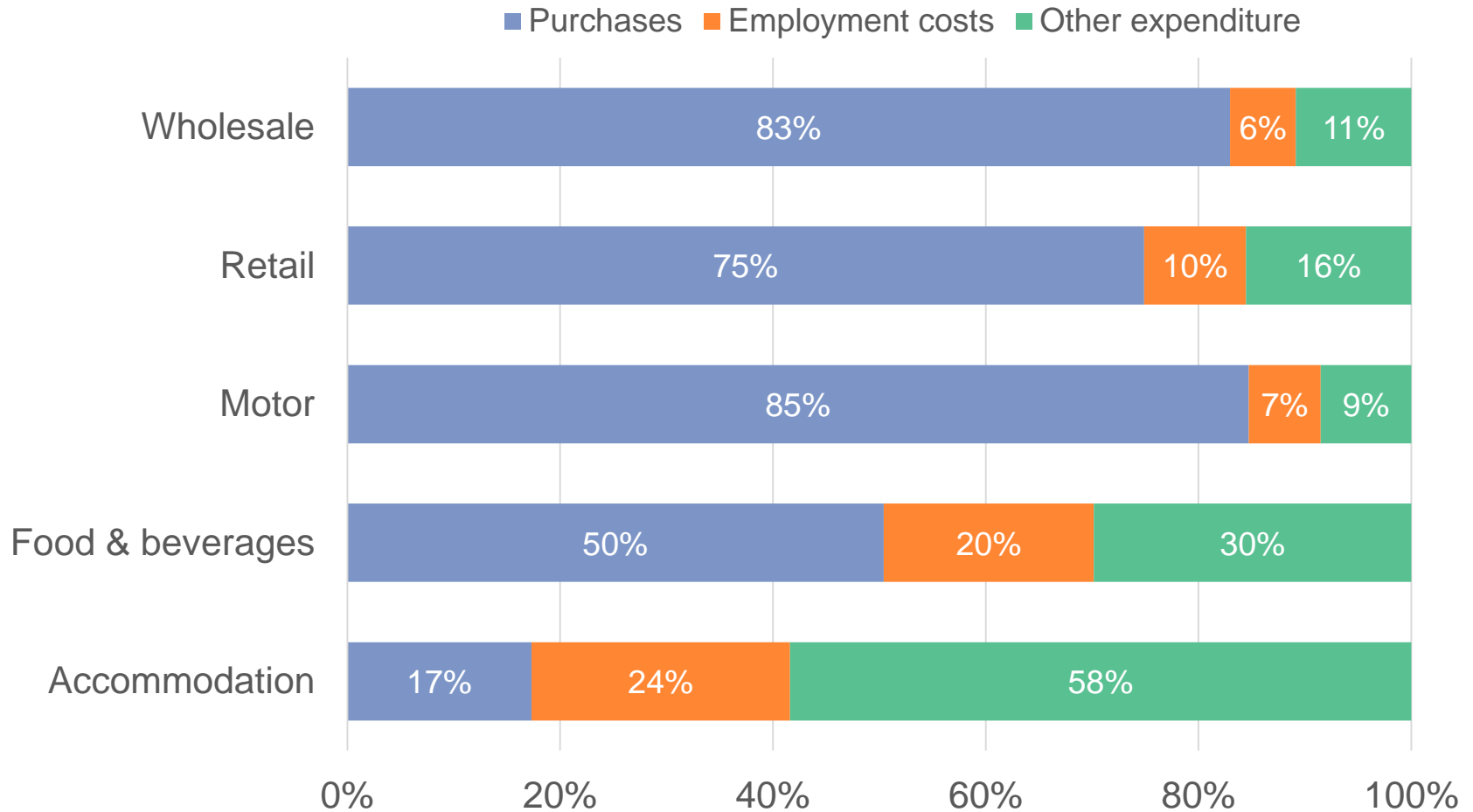


# A total of R3,09 trillion was spent by the trade industries in 2015



Percentages have been rounded and may not sum to 100%

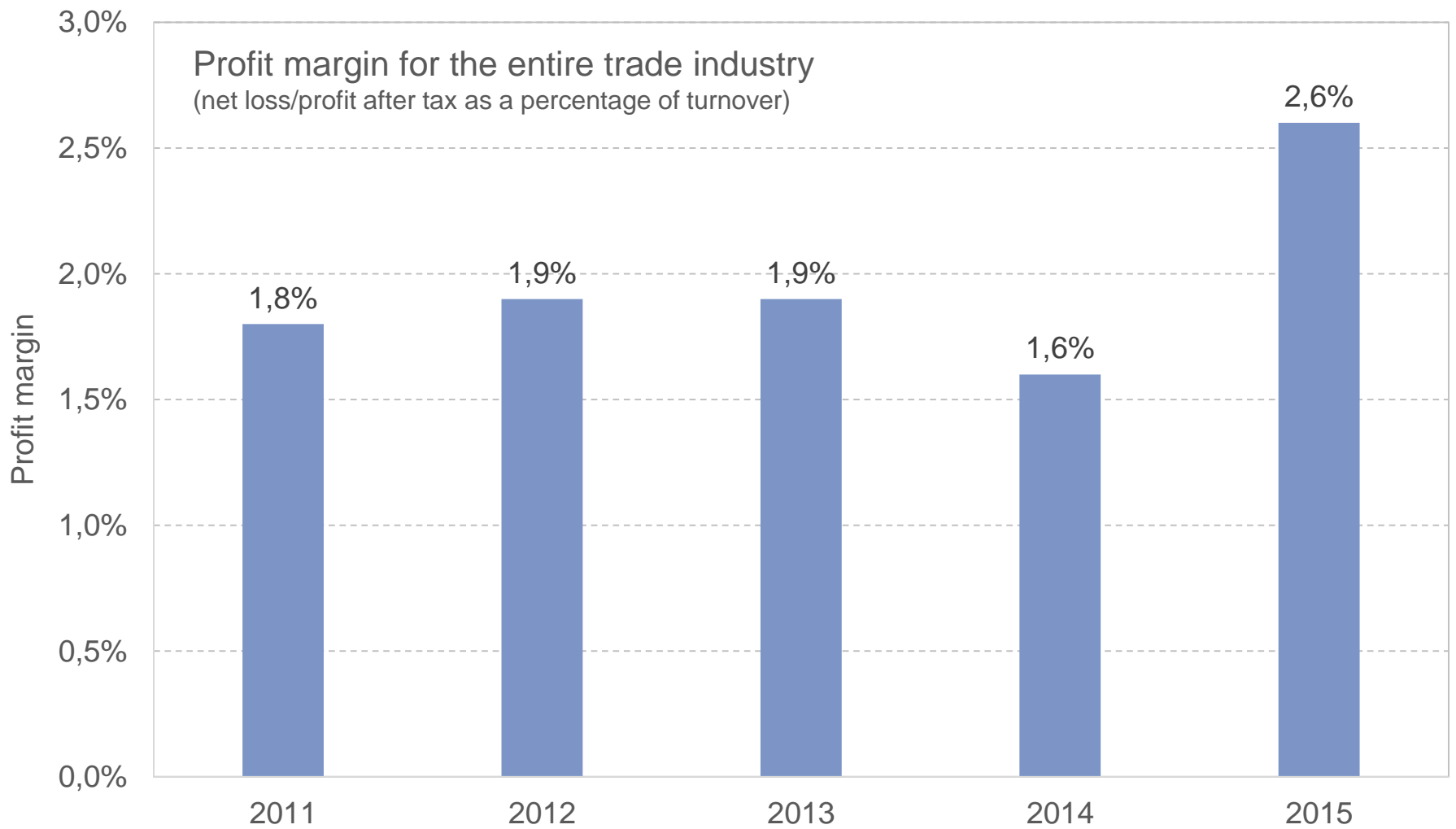
# What did each division spend money on?



# Profit margin

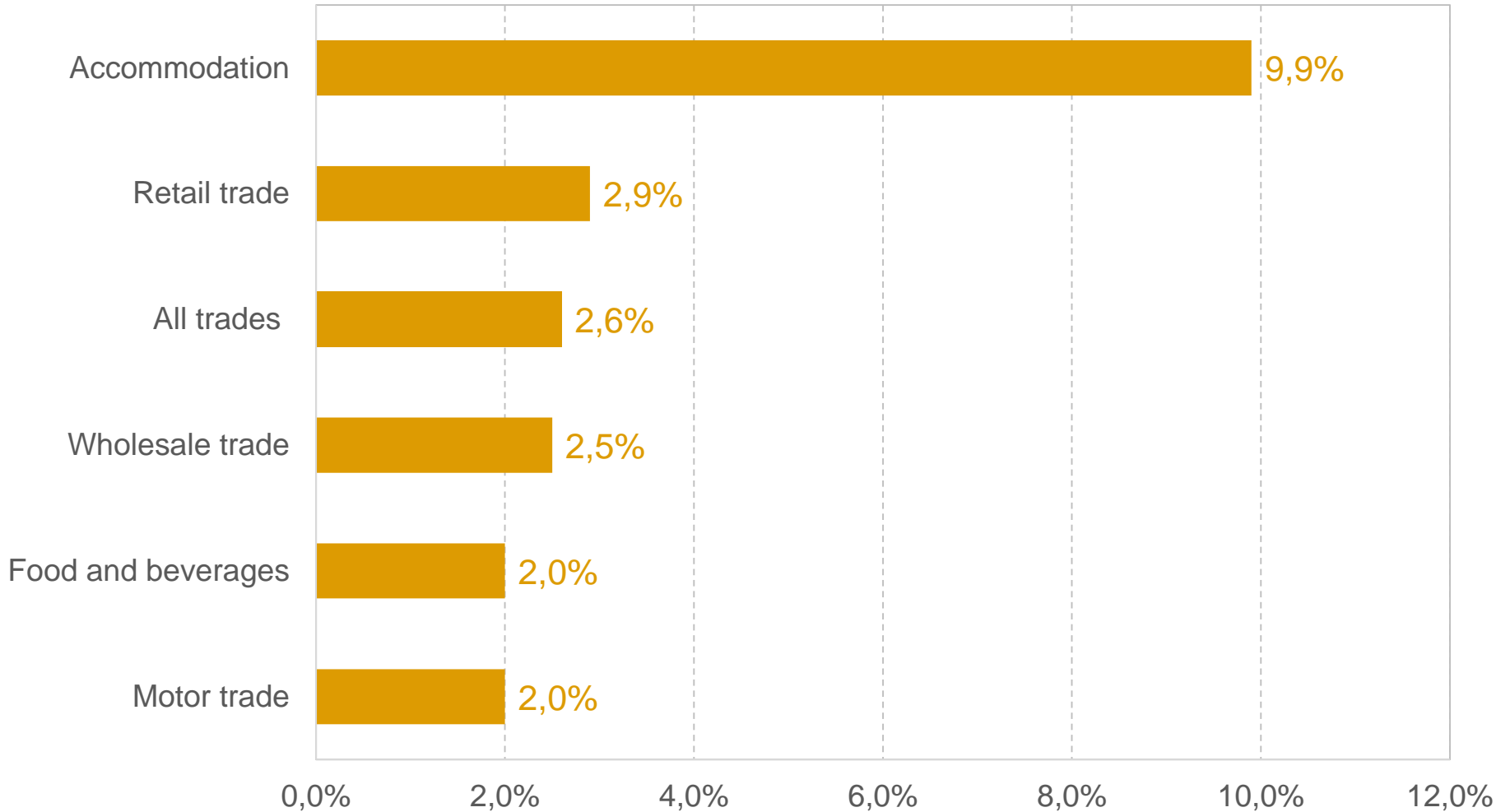


## The profit margin rose in 2015 to 2,6%



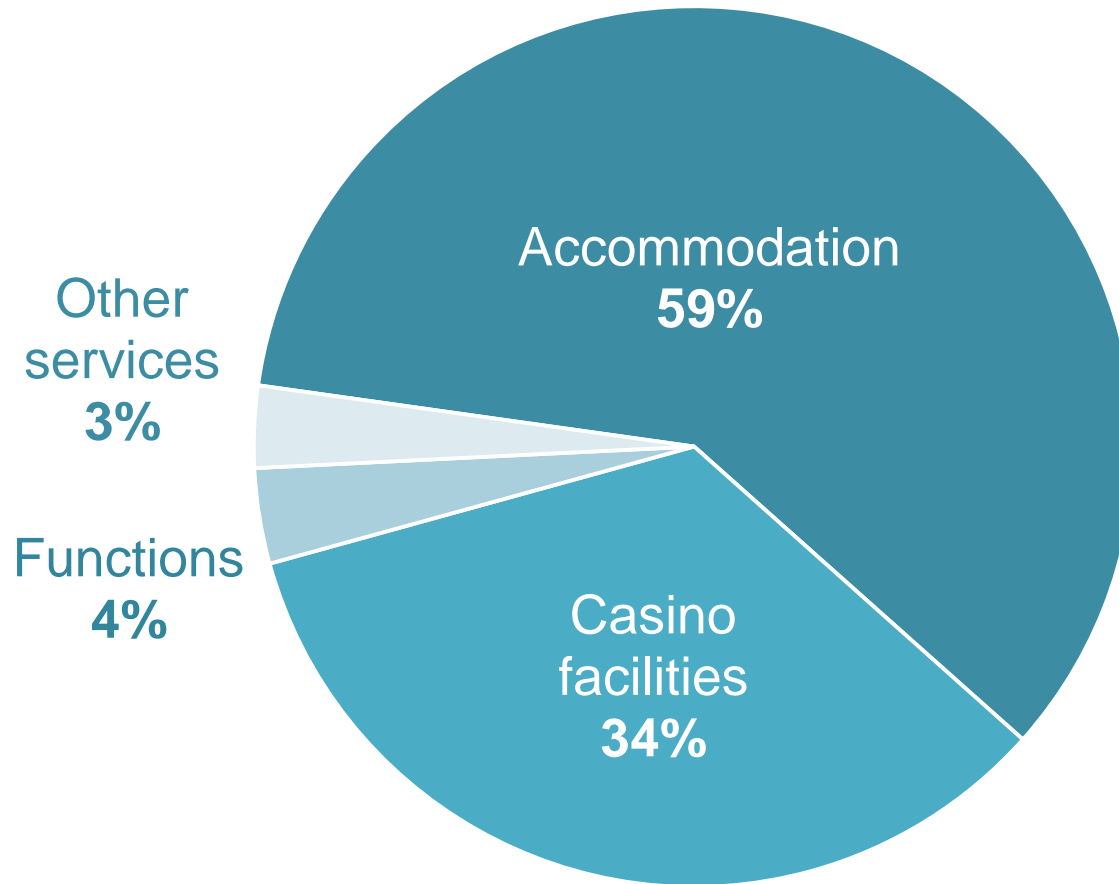
# Casino income contributed to accommodation's high profit margin

Profit margin (net loss/profit after tax)



# In fact, casinos contribute just over a third of total accommodation income

2015



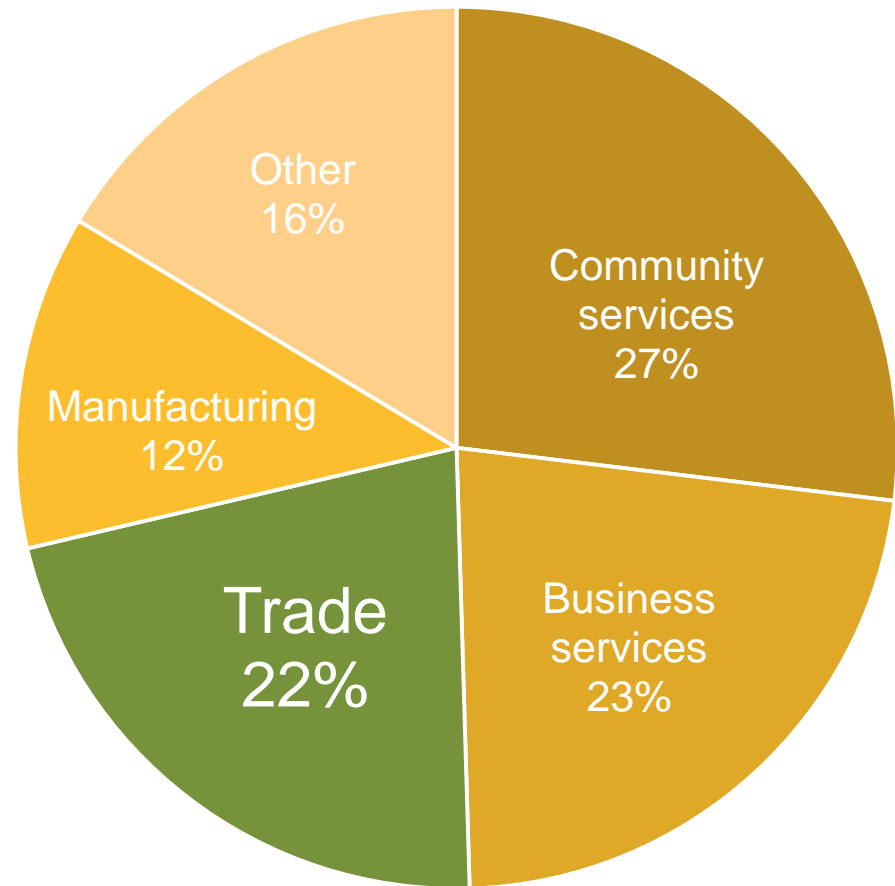


# Employment



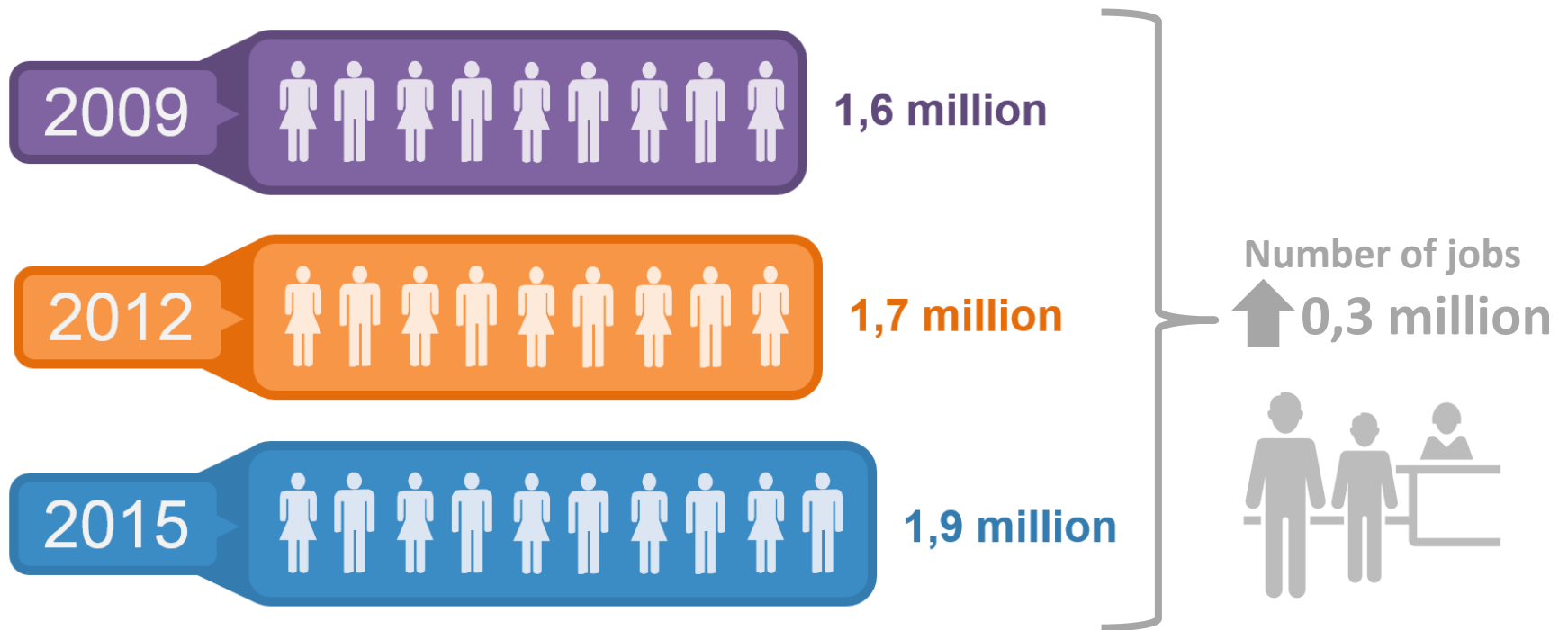
Photo: <http://www.medioclub.co.za>, Chris Kirchoff

The trade industry is the third largest employer in the formal business sector

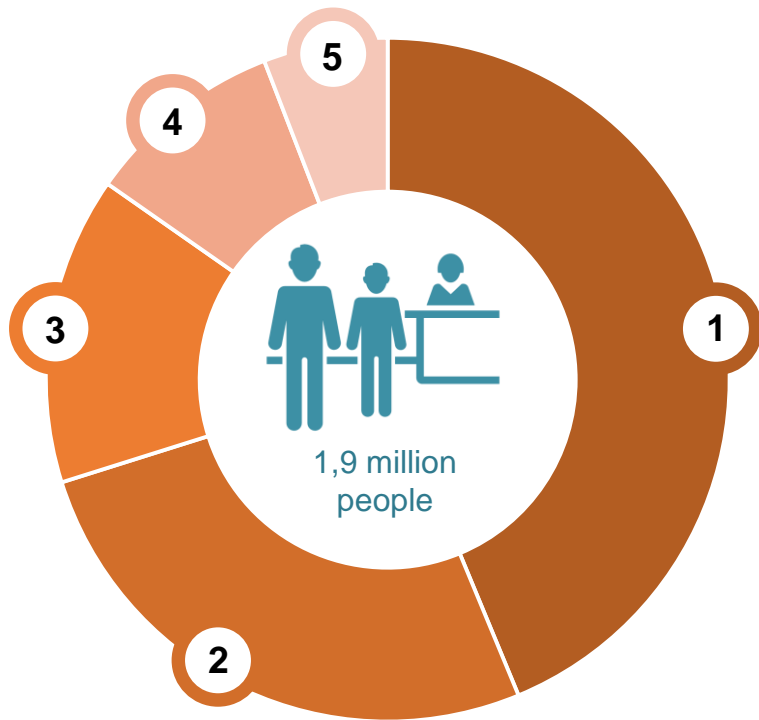


Source: Quarterly Employment Statistics (QES), June 2017 (Table B)

# The trade industry employed 1,9 million people in 2015



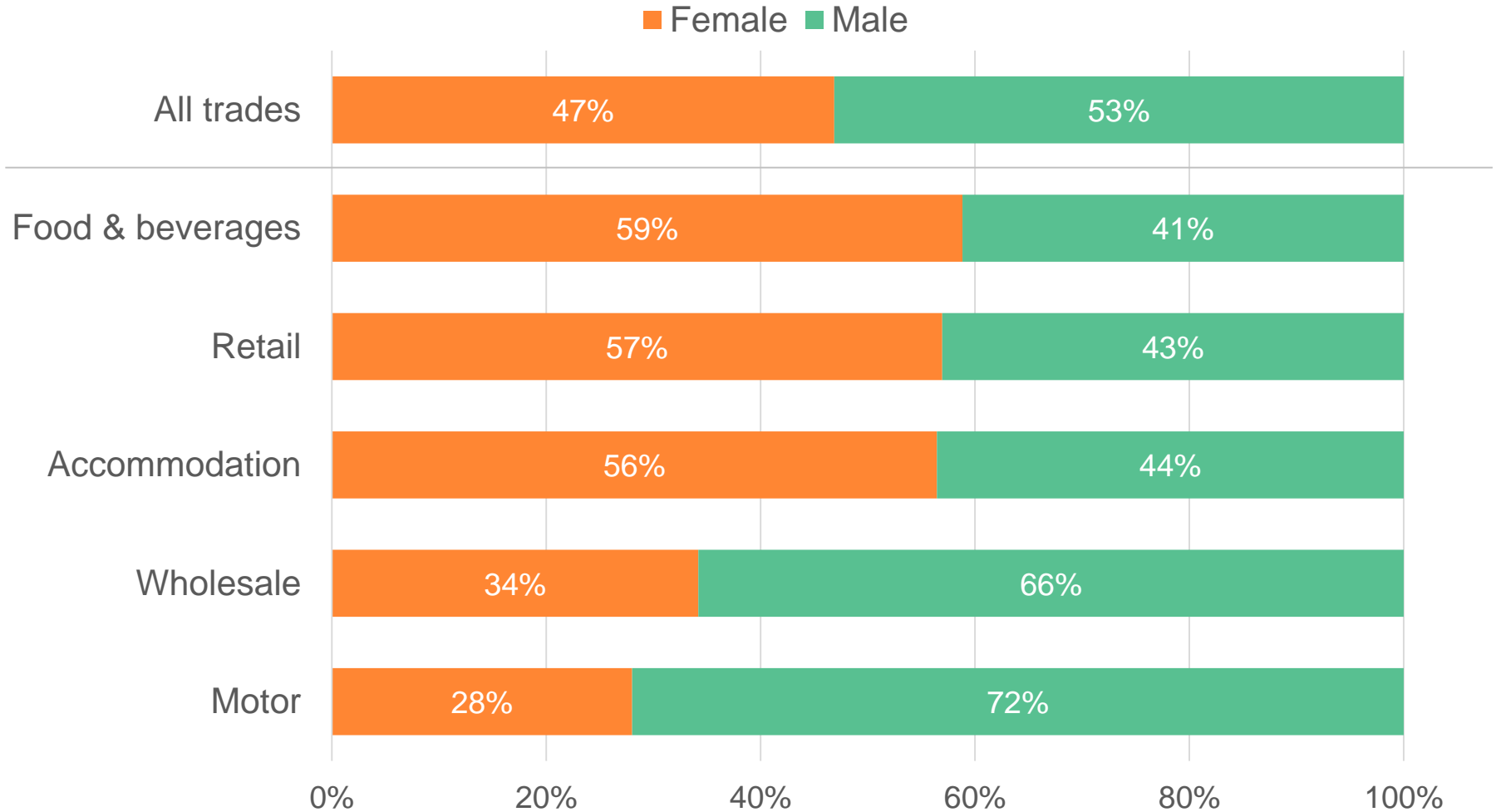
# Retail is the largest employer in the trade industry (2015)



- 1 Retail – **44%** (812 104 people)
- 2 Wholesale – **26%** (490 037 people)
- 3 Motor – **15%** (270 440 people)
- 4 Food & beverages – **9%** (174 601 people)
- 5 Accommodation – **6%** (109 196 people)

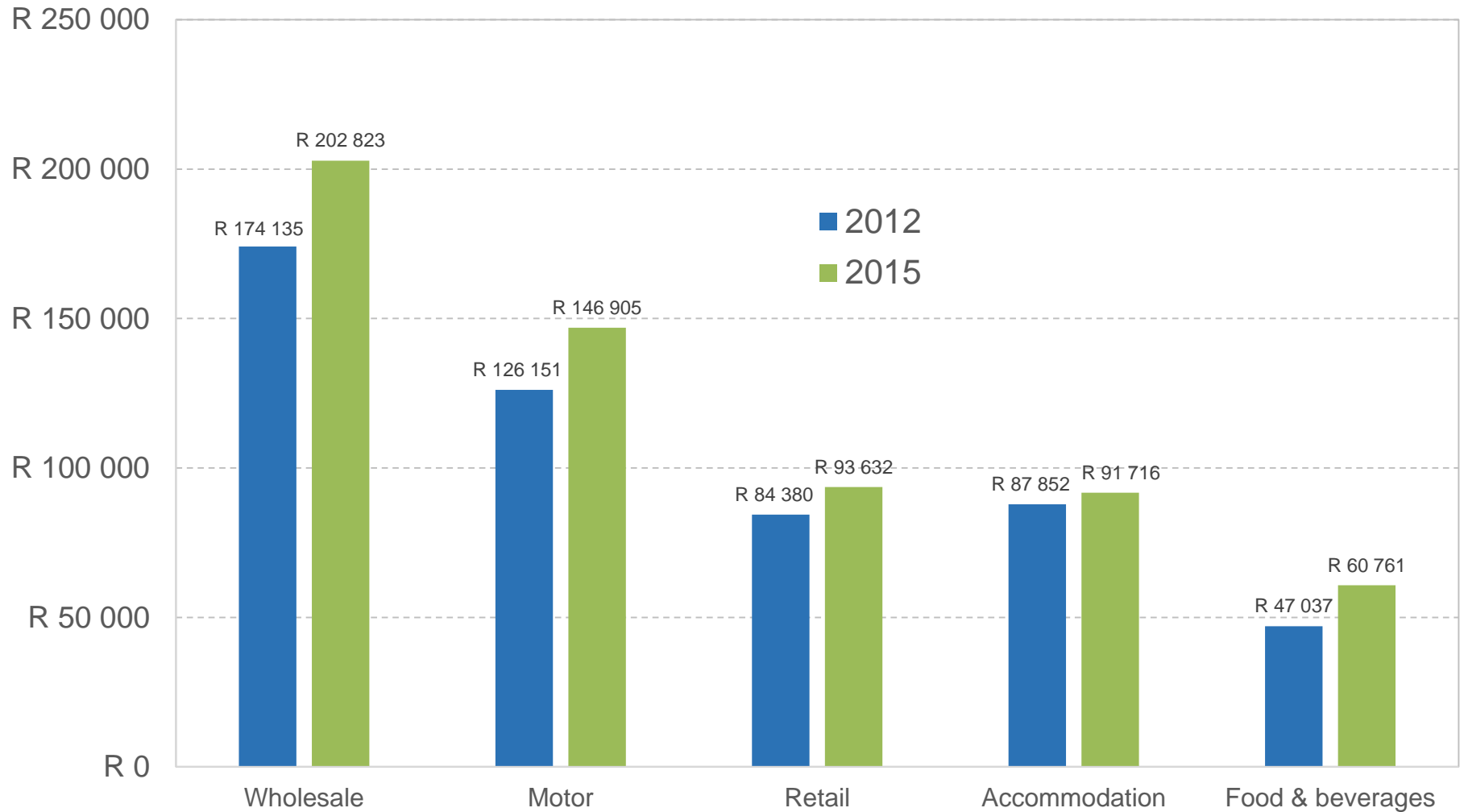
# Female employees outnumber male employees in three divisions

2015

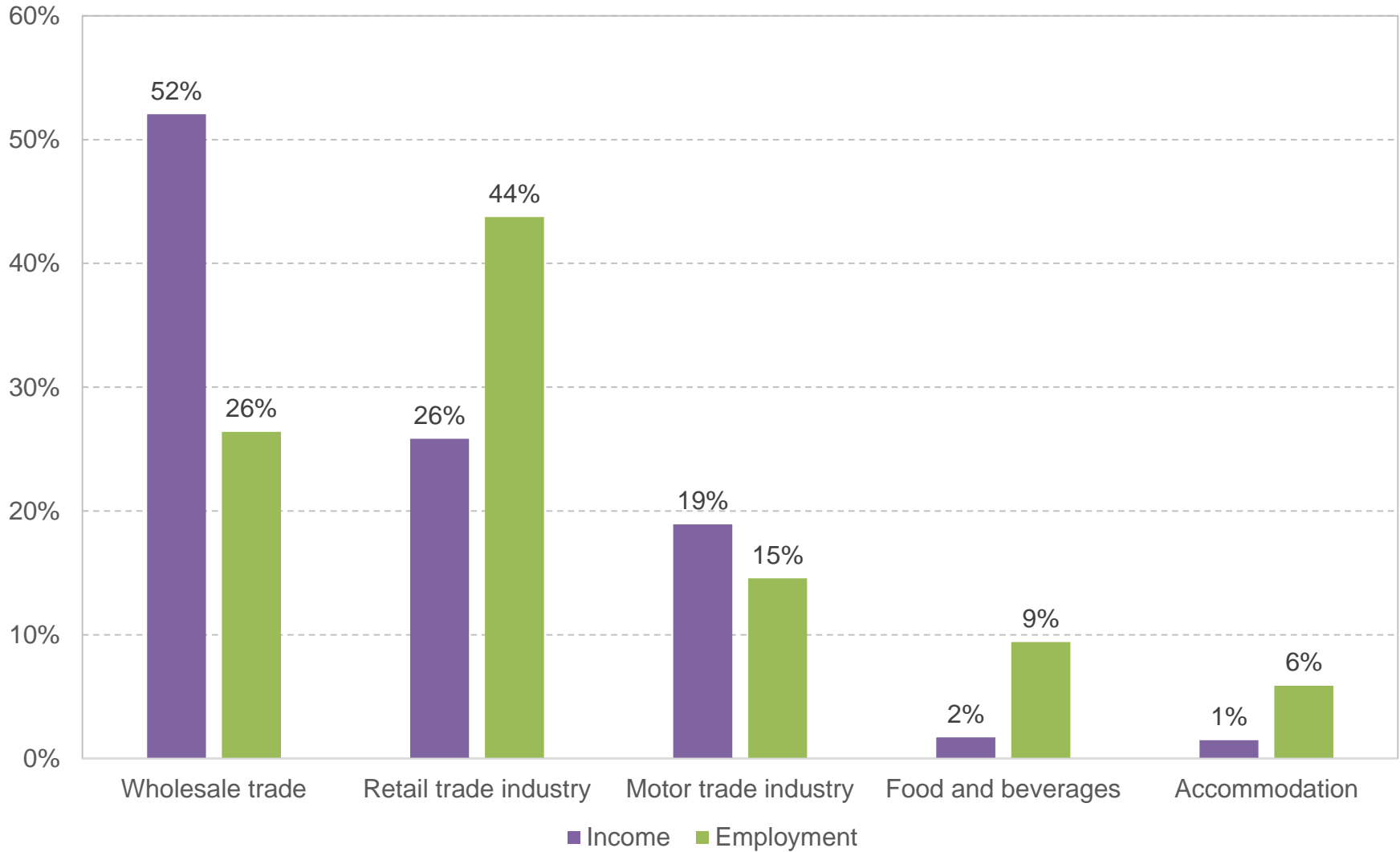


# But employees in those three divisions earn the lowest salaries

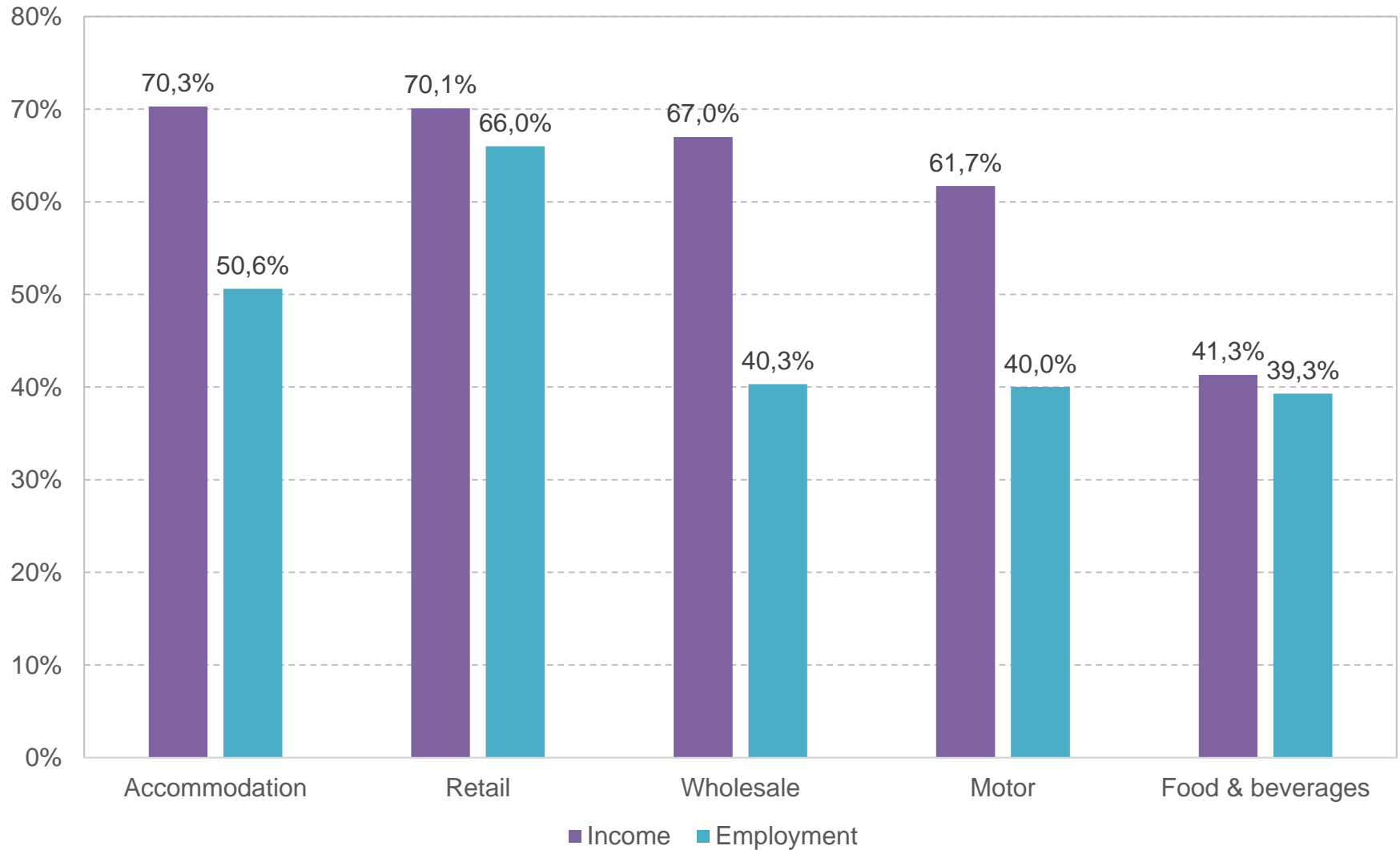
Average income for all employees



# Income vs employment (2015)



# Income vs employment: large enterprises (2015)

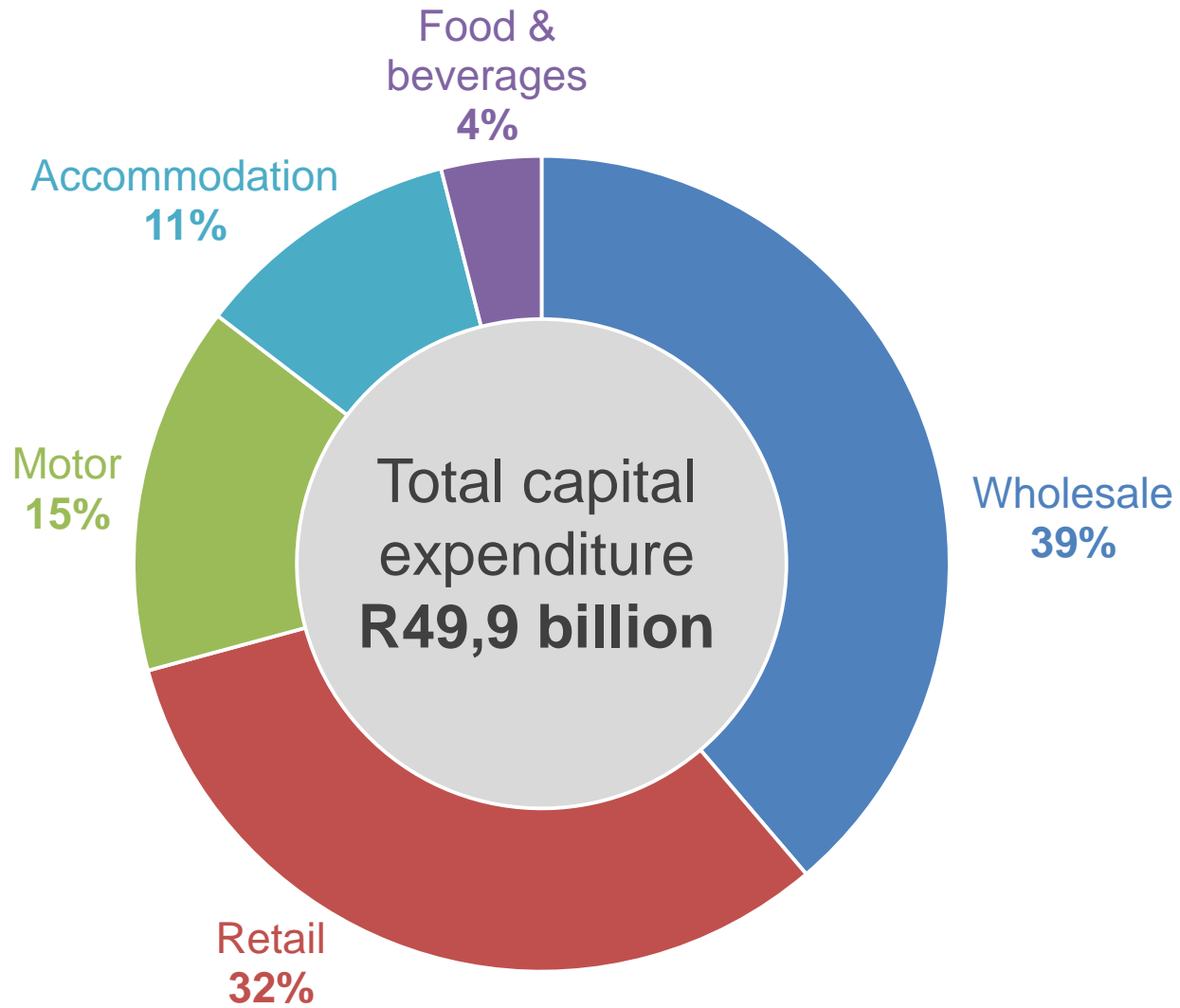




# Capital expenditure



# Wholesale spend the most on acquiring new assets (2015)





Thank you