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Statistical release

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Motor trade sales (Preliminary)

July 2015

The results published today are based on a new sample. This is an annual procedure which typically affects the level of sales at current prices. To avoid breaks in time series and to preserve historical growth rates, historical sales levels were revised (i.e. they were linked to the estimates based on the new sample).

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Sales at current prices: results for July 2015

Table A – Key growth rates in motor trade sales at current prices

	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Year-on-year % change, unadjusted	-0,7	6,0	-1,3	-1,3	2,2	1,3
Month-on-month % change, seasonally adjusted	-1,0	4,5	-3,8	1,4	1,6	1,3
3-month % change, seasonally adjusted 1/	-2,8	-1,4	-0,3	1,2	0,2	1,8

1/ Percentage change between the previous 3 months and the 3 months ending in the month indicated.

Measured in nominal terms (current prices), motor trade sales increased by 1,3% year-on-year in July 2015. Positive annual growth rates were recorded for used vehicle sales (8,5%) and sales of accessories (7,3%) – see Table 5.

Seasonally adjusted motor trade sales increased by 1,3% in July 2015 compared with June 2015. This followed month-on-month changes of 1,6% in June 2015 and 1,4% in May 2015.

Seasonally adjusted motor trade sales increased by 1,8% in the three months ended July 2015 compared with the previous three months.

Table B – Motor trade sales at current prices for the latest three months by type of activity

Type of activity	May – Jul 2014 (R million)	Weight	May – Jul 2015 (R million)	% change between May – Jul 2014 and May – Jul 2015	Contribution (% points) to the total % change
New vehicle sales	41 873	29,4	42 400	1,3	0,4
Used vehicle sales	25 676	18,1	26 395	2,8	0,5
Workshop income	9 176	6,5	9 162	-0,2	0,0
Income from the sales of accessories	24 315	17,1	26 138	7,5	1,3
Income from fuel sales	36 421	25,6	34 317	-5,8	-1,5
Income from convenience store sales 1/	4 740	3,3	4 867	2,7	0,1
Total	142 203	100,0	143 281	0,8	0,8

1/ Includes 'other' sales and trading income.

Motor trade sales increased by 0,8% in the three months ended July 2015 compared with the three months ended July 2014. The main positive contributor to this increase was sales of accessories (7,5% and contributing 1,3 percentage points). Fuel sales was the only negative contributor (-5,8% and contributing -1,5 percentage points) – see Table B.

Figure 1 – Motor trade sales at current prices

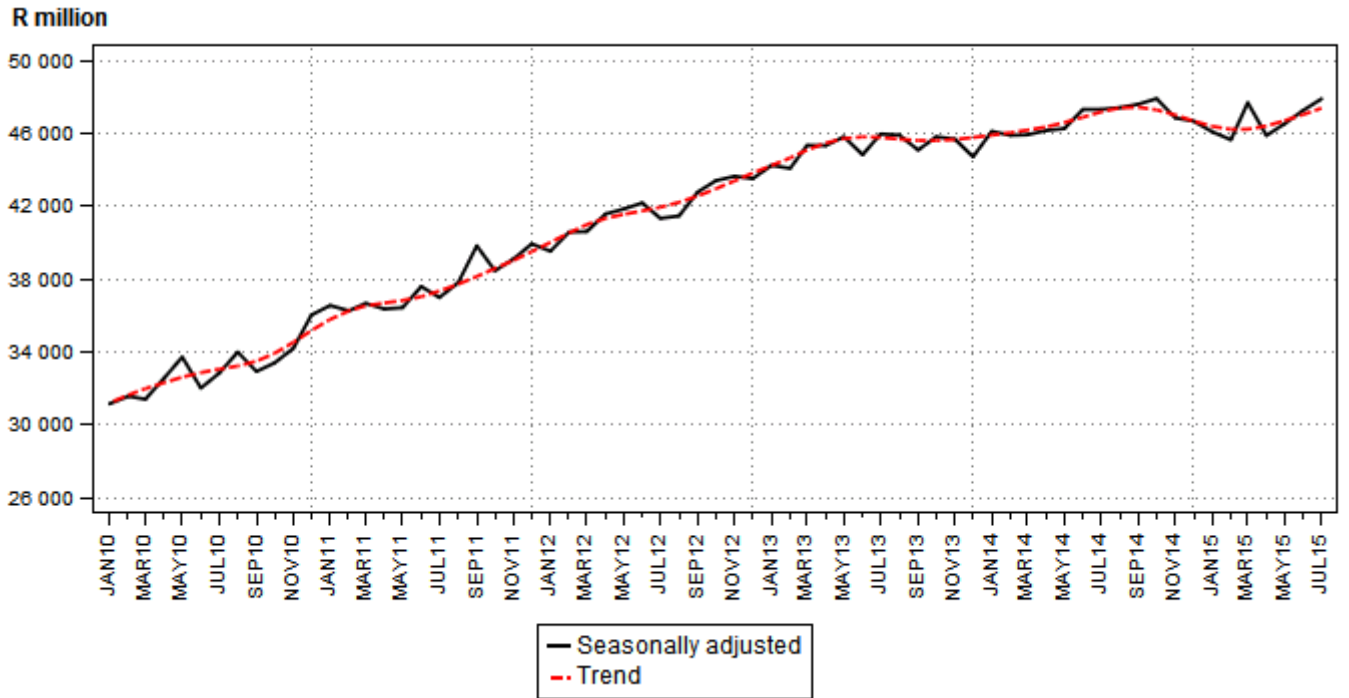
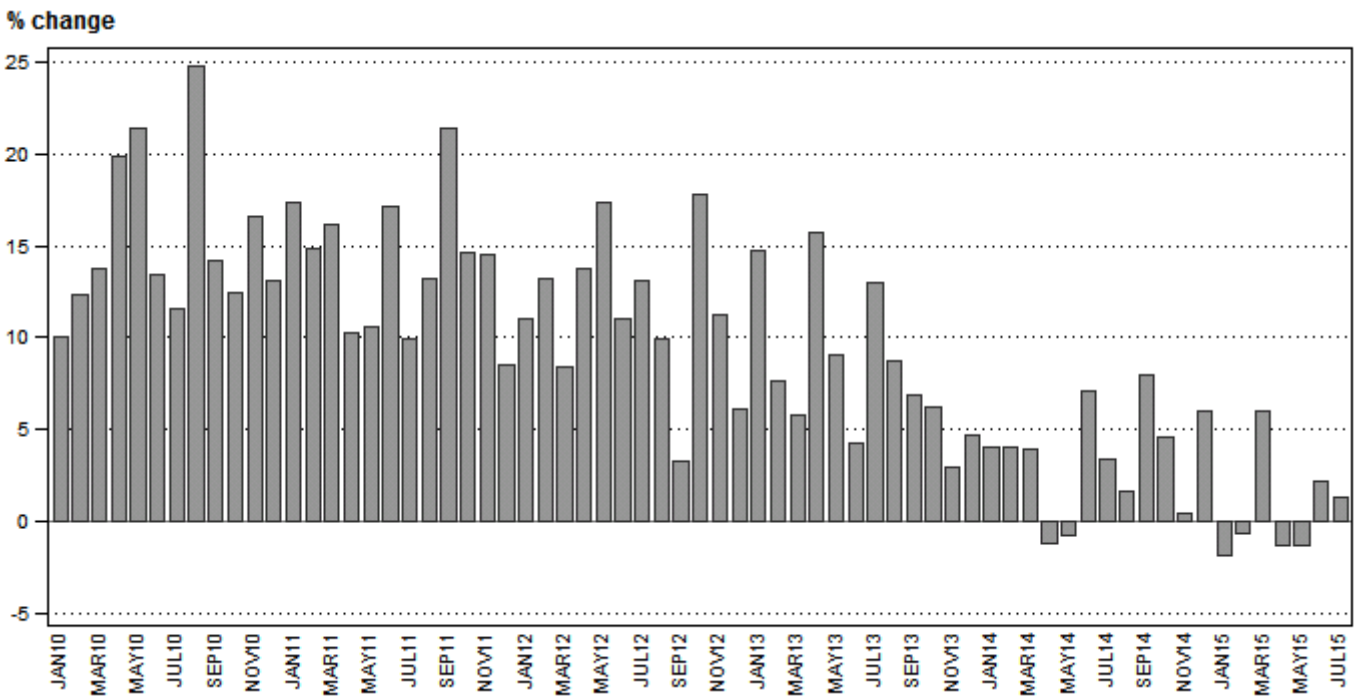


Figure 2 – Motor trade sales at current prices: year-on-year percentage change



PJ Lehohla
 Statistician-General

Note: 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 monthly survey of motor trade sales from a new sample drawn in April 2015, which replaces the previous sample that was drawn in April 2014. The sample was drawn from a business register of enterprises with an annual turnover of at least R1 758 065 and that are required to register with the South African Revenue Service (SARS) for value added tax.

Owing to the evolving nature of business, the business register is maintained on a continuous basis. The maintenance process is aimed, amongst other things, at capturing changes related to new businesses, ceased businesses, merged businesses and classification changes. In addition, Stats SA undertakes quality improvement surveys related to the business register, the primary objective of which is to capture up-to-date information about the structures and activities of large and complex businesses. This process enables Stats SA to review classification codes for these businesses. These changes are an essential part of the statistical architecture.

Comparison of sales between the previous and new samples for the motor trade industry

The reported level of total sales for the monthly survey of the motor trade industry for the months April to June 2015 based on the new sample was 1,0% lower than the level of total sales recorded for the previous sample (see Table C and Figure 3). The previous sample was drawn in April 2014 and was operational for the last half of 2014 and the first half of 2015.

Table C – Total sales for previous and new samples for the motor trade sales industry: April to June 2015

Motor trade industry	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%)
	137 982	136 627	-1 355	-1,0

Figure 3 – Total value of motor trade sales: monthly levels of previous and new samples for April to June 2015

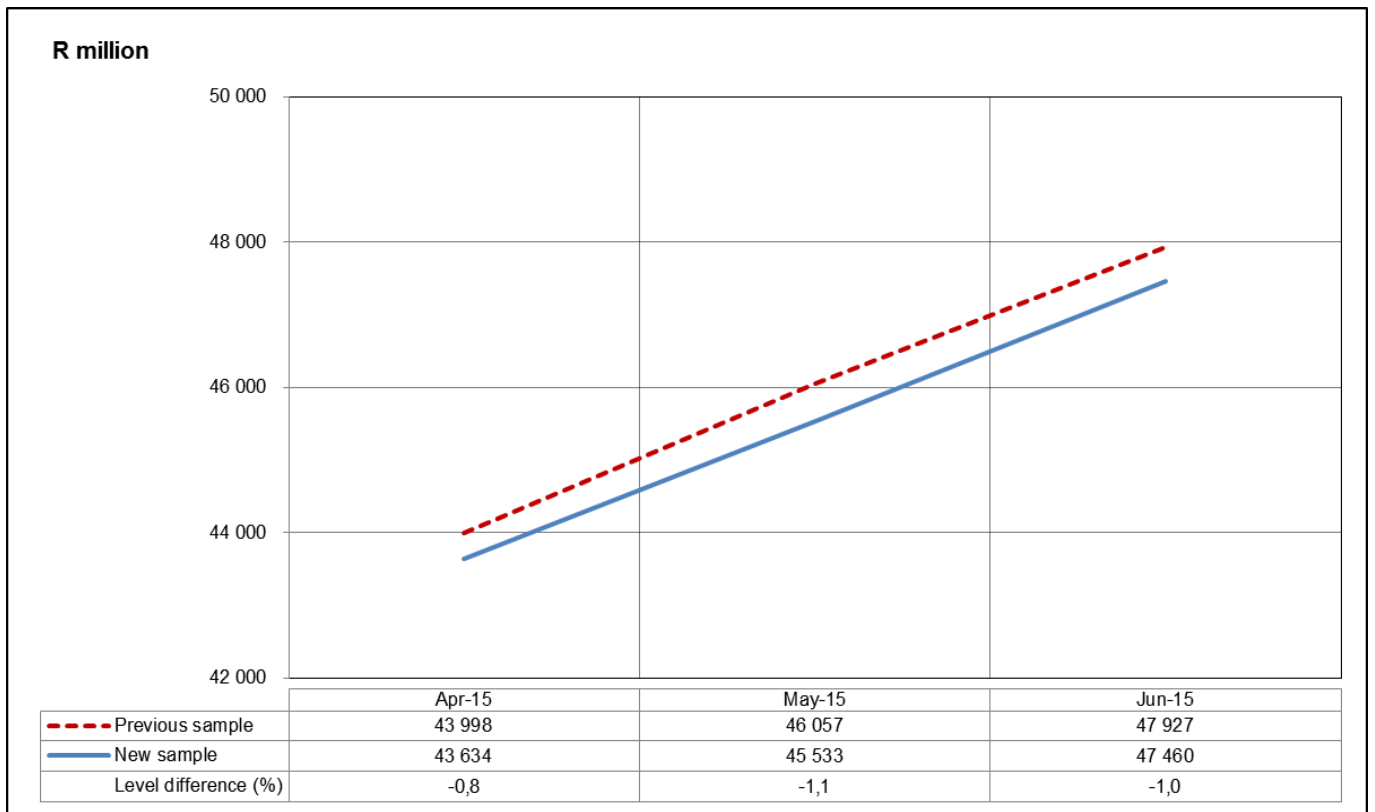


Table D – Motor trade sales for the previous and new samples by type of activity: April to June 2015

Type of activity	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%) 1/
New vehicle sales	37 512	39 643	2 131	5,7
Used vehicle sales	23 040	24 849	1 809	7,9
Workshop income	8 828	8 782	-46	-0,5
Income from the sales of accessories	24 495	25 325	830	3,4
Income from fuel sales	38 574	33 122	-5 452	-14,1
Income from convenience store sales 2/	5 531	4 904	-627	-11,3
Total	137 982	136 627	-1 355	-1,0

1/ The percentage difference is the new sample minus the previous sample, divided by the previous sample, multiplied by 100.

2/ Includes 'other' sales and trading income.

The largest percentage differences were in the following types of activities:

- fuel sales (14,1% or R5 452 million lower in the new sample);
- convenience store sales (11,3% or R627 million lower in the new sample);
- used vehicle sales (7,9% or R1 809 million higher in the new sample); and
- new vehicle sales (5,7% or R2 131 million higher in the new sample).

Backcasting

To avoid breaks in the time series and to preserve historical growth rates, historical sales levels were revised (i.e. they were linked to the estimates based on the new sample).

Tables

Table 1 – Motor trade sales at current prices (R million)

Month	2009	2010	2011	2012	2013	2014	2015 1/
Jan	26 438	29 092	34 145	37 893	43 447	45 193	44 351
Feb	27 265	30 618	35 180	39 809	42 815	44 533	44 220
Mar	29 437	33 490	38 917	42 199	44 666	46 400	49 194
Apr	25 682	30 803	33 965	38 650	44 731	44 206	43 634
May	27 045	32 834	36 313	42 615	46 494	46 137	45 533
Jun	28 230	32 007	37 467	41 589	43 348	46 439	47 460
Jul	30 593	34 149	37 539	42 471	47 993	49 627	50 288
Aug	27 901	34 823	39 432	43 317	47 088	47 823	
Sep	28 886	32 979	40 033	41 354	44 225	47 751	
Oct	29 946	33 651	38 562	45 407	48 207	50 432	
Nov	30 913	36 030	41 265	45 895	47 245	47 453	
Dec	31 520	35 636	38 653	41 003	42 931	45 515	
Total	343 856	396 112	451 471	502 202	543 190	561 509	

1/ Figures for latest month are preliminary.

Table 2 – Year-on-year percentage change in motor trade sales at current prices

Month	2010	2011	2012	2013	2014	2015	2015 year-to-date
Jan	10,0	17,4	11,0	14,7	4,0	-1,9	-1,9
Feb	12,3	14,9	13,2	7,6	4,0	-0,7	-1,3
Mar	13,8	16,2	8,4	5,8	3,9	6,0	1,2
Apr	19,9	10,3	13,8	15,7	-1,2	-1,3	0,6
May	21,4	10,6	17,4	9,1	-0,8	-1,3	0,2
Jun	13,4	17,1	11,0	4,2	7,1	2,2	0,5
Jul	11,6	9,9	13,1	13,0	3,4	1,3	0,7
Aug	24,8	13,2	9,9	8,7	1,6		
Sep	14,2	21,4	3,3	6,9	8,0		
Oct	12,4	14,6	17,8	6,2	4,6		
Nov	16,6	14,5	11,2	2,9	0,4		
Dec	13,1	8,5	6,1	4,7	6,0		
Total	15,2	14,0	11,2	8,2	3,4		

Table 3 – Seasonally adjusted motor trade sales at current prices

Month	R million				Month-on-month % change			
	2012	2013	2014	2015	2012	2013	2014	2015
Jan	39 522	44 231	46 101	46 080	-1,0	1,7	3,1	-1,3
Feb	40 575	44 070	45 883	45 638	2,7	-0,4	-0,5	-1,0
Mar	40 600	45 333	45 912	47 673	0,1	2,9	0,1	4,5
Apr	41 563	45 321	46 147	45 871	2,4	0,0	0,5	-3,8
May	41 835	45 802	46 252	46 518	0,7	1,1	0,2	1,4
Jun	42 170	44 818	47 304	47 254	0,8	-2,1	2,3	1,6
Jul	41 328	45 959	47 305	47 881	-2,0	2,5	0,0	1,3
Aug	41 459	45 895	47 403		0,3	-0,1	0,2	
Sep	42 770	45 075	47 592		3,2	-1,8	0,4	
Oct	43 394	45 804	47 894		1,5	1,6	0,6	
Nov	43 636	45 671	46 837		0,6	-0,3	-2,2	
Dec	43 504	44 704	46 668		-0,3	-2,1	-0,4	

Table 4 – Motor trade sales at current prices by type of activity (R million)

Type of activity	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15 1/
New vehicle sales	13 435	15 433	12 267	13 151	14 225	15 024
Used vehicle sales	8 658	9 257	8 088	8 345	8 416	9 634
Workshop income	2 964	3 146	2 804	2 933	3 045	3 184
Income from the sales of accessories	8 471	9 285	8 184	8 450	8 691	8 997
Income from fuel sales	9 054	10 412	10 635	11 014	11 473	11 830
Income from convenience store sales 2/	1 638	1 662	1 657	1 638	1 609	1 620
Total	44 220	49 194	43 634	45 533	47 460	50 288

1/ Figures are preliminary.

2/ Includes 'other' sales and trading income.

Table 5 – Year-on-year percentage change in motor trade sales at current prices by type of activity

Type of activity	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
New vehicle sales	0,1	7,2	-3,0	-1,2	5,4	-0,3
Used vehicle sales	13,6	15,1	0,2	-0,4	0,0	8,5
Workshop income	0,3	7,6	-1,6	-2,8	3,3	-0,8
Income from the sales of accessories	6,8	21,1	9,7	5,2	10,1	7,3
Income from fuel sales	-18,5	-11,8	-8,4	-7,3	-5,0	-5,1
Income from convenience store sales 1/	9,9	5,8	6,1	7,7	0,9	-0,2
Total	-0,7	6,0	-1,3	-1,3	2,2	1,3

1/ Includes 'other' sales and trading income.

Table 6 – Contribution of each type of activity to the year-on-year percentage change in motor trade sales at current prices

Type of activity	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
New vehicle sales	0,0	2,2	-0,9	-0,3	1,6	-0,1
Used vehicle sales	2,3	2,6	0,0	-0,1	0,0	1,5
Workshop income	0,0	0,5	-0,1	-0,2	0,2	-0,1
Income from the sales of accessories	1,2	3,5	1,6	0,9	1,7	1,2
Income from fuel sales	-4,6	-3,0	-2,2	-1,9	-1,3	-1,3
Income from convenience store sales 1/	0,3	0,2	0,2	0,3	0,0	0,0
Total	-0,7	6,0	-1,3	-1,3	2,2	1,3

1/ Includes 'other' sales and trading income.

Survey information

Introduction	<p>1 Statistics South Africa (Stats SA) conducts a monthly survey covering enterprises in the motor trade industry (see 4 below). This survey is based on a sample drawn from Stats SA's 2015 business sampling frame (BSF) that contains businesses registered at the South African Revenue Service (SARS) for value added tax (VAT). Stats SA continuously updates its BSF, which is linked to the SARS administrative data.</p> <p>2 In order to improve timeliness, some information for the latest month had to be estimated due to late response. These estimates will be revised in future statistical releases as soon as information becomes available. Published motor trade sales estimates exclude VAT.</p>
Purpose of the survey	<p>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.</p>
Scope of the survey	<p>4 The survey collects information from a sample of enterprises in South Africa that are predominantly involved in motor trade. These enterprises include:</p> <ul style="list-style-type: none"> • 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	<p>5 The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities</i> (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 <i>International Standard Industrial Classification of all Economic Activities</i> (ISIC) with suitable adaptations for local conditions. Each enterprise is classified to the industry which reflects its predominant activity. Statistics in this publication are presented at SIC group (four digits) level.</p>
Collection rate	<p>6 The preliminary collection rate for the survey on motor trade sales for July 2015 was 79,6%, accounting for 83,2% of the total estimate. The collection rate for June 2015 for the new sample was 83,1%.</p>
Statistical unit	<p>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 and service activities.</p>
Revised figures	<p>8 Revised figures are mainly due to late submission of data to Stats SA, or respondents reporting revisions or corrections to their figures. Preliminary figures, as indicated in the relevant tables, are subject to change and when revised will not be indicated as such.</p>
Related publications	<p>9 Users may also refer to the following publications available from Stats SA:</p> <ul style="list-style-type: none"> • <i>Bulletin of Statistics</i> issued quarterly; • <i>Stats in Brief</i> issued annually; and • <i>South African Statistics</i> issued annually.

- Rounding-off of figures** 10 Where figures have been rounded off, discrepancies may occur between sums of the component items and the totals.
- Historical data** 11 Historical motor trade data are available on the Stats SA website. To access the data electronically, use the following link:
http://www.statssa.gov.za/?page_id=1849
- Past publications** 12 Past motor trade releases are available on the Stats SA website. To access the releases electronically, use the following link:
http://www.statssa.gov.za/?page_id=1866&PPN=P6343.2&SCH=5722

Technical notes

- Survey methodology and design** 1 The survey is conducted monthly. Questionnaires are sent to a sample of 852 enterprises from a population of 10 463 enterprises. Completed questionnaires are required to be returned to Stats SA within 10 days after the end of the reference month. Email, fax and telephone reminders are used to follow up on non-respondents.
- 2 A stratified random sample was drawn in April 2015 from Stats SA’s business sampling frame (BSF) at the SIC four-digit level. Strata were formed using a combination of Standard Industrial Classification and the measure of size classes for enterprises (see point 3 below).

The Neyman optimal allocation formula given below was used to allocate samples to each stratum.

$$nh = n * (Nh * Sh) / [\sum (Ni * Si)].$$

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 strata was 4,0%.

- Class limits** 3 Each motor trade classification group (SIC at four digit level) is divided into four size groups. All large enterprises (size group one) are completely enumerated. Simple random sampling is applied to medium and small enterprises (size groups two, three and four). The total value of sales of the large enterprises (size group one) per classification group is added to the weighted totals of size groups two, three and four to reflect the total value of sales.

Measure of size classes (Rand)

Enterprise size	Size group	Lower limits	Upper limits
Very small	4	1 758 065	18 000 000
Small	3	18 000 001	85 500 000
Medium	2	85 500 001	175 500 000
Large	1	175 500 001	

- Sample weighting** 4 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 classification group estimates. These procedures are consistent with international best practice.

Seasonal adjustment	5	<p>Seasonally adjusted estimates are generated each month using the X-12-ARIMA 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 recognised more clearly. 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. The X-12-ARIMA procedure for motor trade sales is described in more detail on the Stats SA website at:</p> <p>Click to Download Seasonal adjustment Motor Trade Sales July 2015</p>
Trend cycle	6	<p>The trend is the long-term pattern or movement of a time series. The X-12-ARIMA Seasonal Adjustment Program is used for smoothing seasonally adjusted estimates to estimates of the underlying trend cycle.</p>
Reliability of estimates	7	<p>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.</p>
	8	<p>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.</p>
Month-on-month percentage change	9	<p>The month-on-month percentage change in a variable for any given month is the change between that month and the previous month, expressed as a percentage of the latter.</p>
Year-on-year percentage change	10	<p>The year-on-year percentage change in a variable for any given period is the change between that period and the corresponding period of the previous year, expressed as a percentage of the latter.</p>
Contribution (percentage points)	11	<p>The contribution (percentage points) to the year-on-year percentage change is calculated by multiplying the percentage change of each type of activity by its corresponding weight, divided by 100. The weight is the percentage contribution of each type of activity to total motor trade sales in the corresponding period of the previous year.</p>

Glossary

Enterprise An 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 (SIC)*, Fifth Edition, Report No. 09-90-02 of January 1993.

Symbols and abbreviations

BSF	Business sampling frame
GDP	Gross domestic product
ISIC	International Standard Industrial Classification
IT	Income tax
Rm	Rand million
SIC	Standard Industrial Classification of all Economic Activities
SARS	South African Revenue Service
Stats SA	Statistics South Africa
VAT	Value added tax

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