STATS SA
STATISTICS SOUTH AFRICA

STATISTICAL RELEASE
P6343.2

Motor trade sales (Preliminary)

July 2017

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 minimise revisions to historical growth rates, historical sales levels were revised (i.e. they were linked to the estimates based on the new sample).

Embargoed until:
14 September 2017
11:30

ENQUIRIES:
Keshnee Naidoo
(012) 310 8423

FORTHCOMING ISSUE:
August 2017

EXPECTED RELEASE DATE:
19 October 2017

www.statssa.gov.za
info@statssa.gov.za
T +27 12 310 8911
F +27 12 310 8500

Private Bag X44, Pretoria, 0001, South Africa
ISIbalo House, Koch Street, Salvokop, Pretoria, 0002

Contents

Sales at current prices: results for July 2017 2

Table A – Key growth rates in motor trade sales at current prices 2

Table B – Motor trade sales at current prices for the latest three months by type of activity 2

Figure 1 – Motor trade sales at current prices 3

Figure 2 – Motor trade sales at current prices: year-on-year percentage change 3

Note: Changes to the monthly current indicator survey and the impact on the statistical series 4

Tables 6

Table 1 – Motor trade sales at current prices (R million) 6

Table 2 – Year-on-year percentage change in motor trade sales at current prices 6

Table 3 – Seasonally adjusted motor trade sales at current prices 6

Table 4 – Motor trade sales at current prices by type of activity (R million) 7

Table 5 – Year-on-year percentage change in motor trade sales at current prices by type of activity 7

Table 6 – Contribution of each type of activity to the year-on-year percentage change in motor trade sales at current prices 7

Survey information 8

Technical notes 9

Glossary 11

Technical enquiries 11

General information 12

Sales at current prices: results for July 2017

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

	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Year-on-year % change, unadjusted	1,5	10,3	-7,2	3,0	4,2	-2,3
Month-on-month % change, seasonally adjusted	0,5	0,3	-2,4	1,6	-0,3	-2,1
3-month % change, seasonally adjusted 1/	2,6	1,6	0,5	-0,4	-1,0	-0,8

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 decreased by 2,3% year-on-year in July 2017. All types of activities showed negative annual growth rates with the largest recorded for:

- fuel sales (-3,5%);
- workshop income (-3,1%); and
- sales of accessories (-2,9%) – see Table 5.

Seasonally adjusted motor trade sales decreased by 2,1% in July 2017 compared with June 2017. This followed month-on-month changes of -0,3% in June 2017 and 1,6% in May 2017.

In the three months ended July 2017, seasonally adjusted motor trade sales decreased by 0,8% 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 2016 (R million)	Weight	May – Jul 2017 (R million)	% change between May – Jul 2016 and May – Jul 2017	Contribution (% points) to the total % change
New vehicle sales	39 512	25,8	41 107	4,0	1,0
Used vehicle sales	29 236	19,1	29 824	2,0	0,4
Workshop income	9 505	6,2	9 563	0,6	0,0
Income from the sales of accessories	29 297	19,1	28 843	-1,5	-0,3
Income from fuel sales	40 894	26,7	41 446	1,3	0,3
Income from convenience store sales 1/	4 985	3,2	5 090	2,1	0,1
Total	**153 430**	**100,0**	**155 873**	**1,6**	**1,6**

1/ Includes 'other' sales and trading income.

Motor trade sales increased by 1,6% in the three months ended July 2017 compared with the three months ended July 2016. The main contributor was new vehicle sales (4,0% and contributing 1,0 percentage point) – see Table B.

Figure 1 – Motor trade sales at current prices

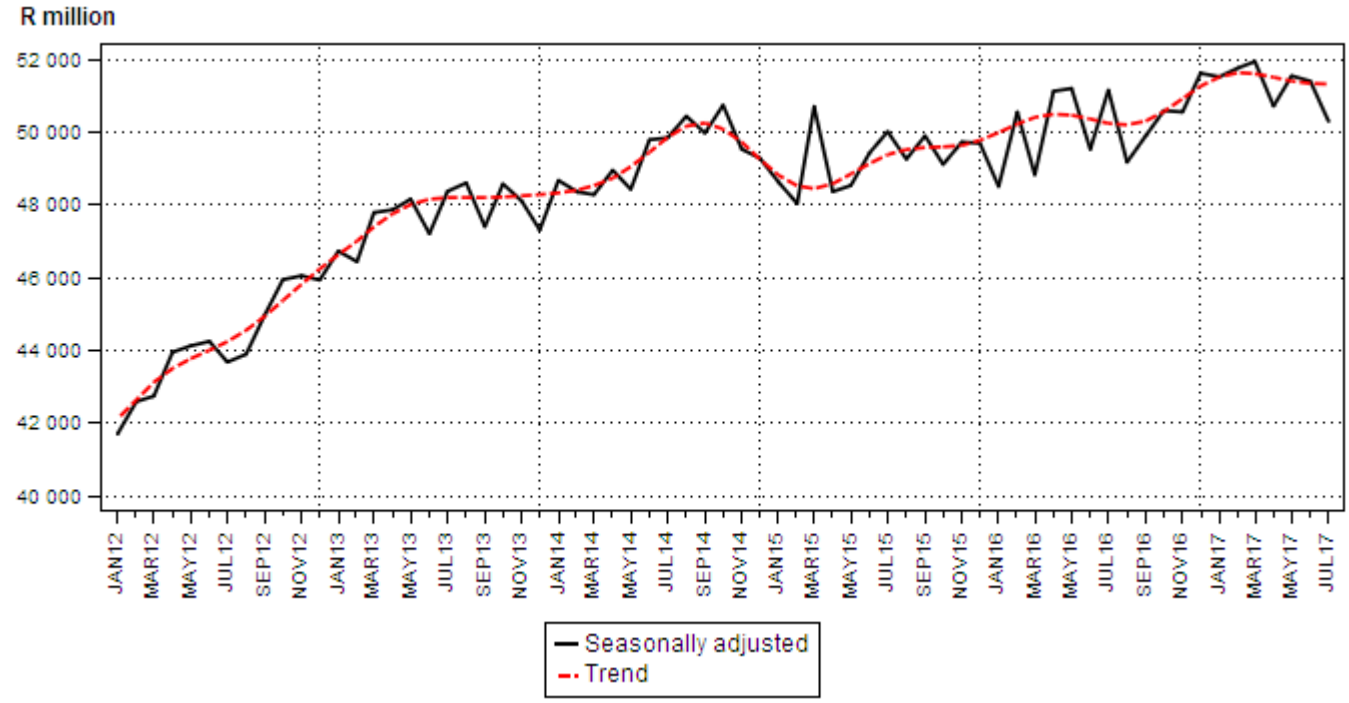
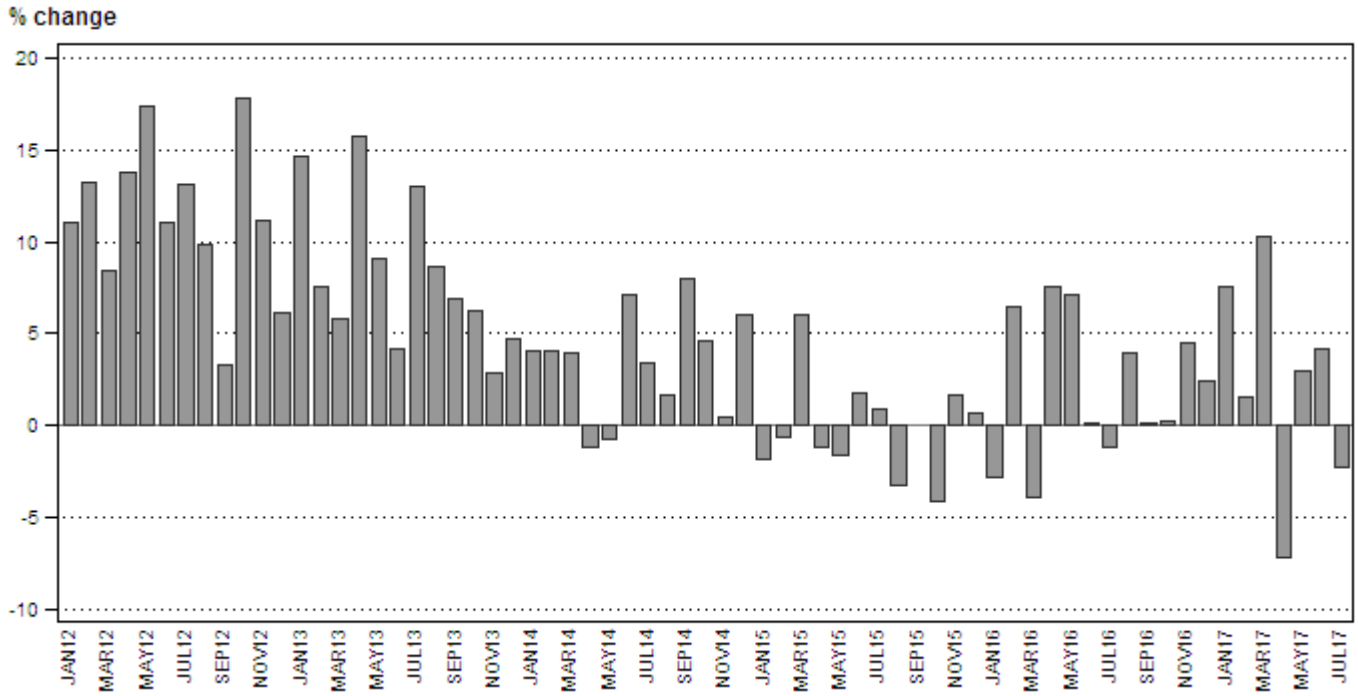


Figure 2 – Motor trade sales at current prices: year-on-year percentage change



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 2017, which replaces the previous sample that was drawn in April 2016. The sample was drawn from a business register of enterprises with an annual turnover of at least R1 854 346 and that are required to register with the South African Revenue Service 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.

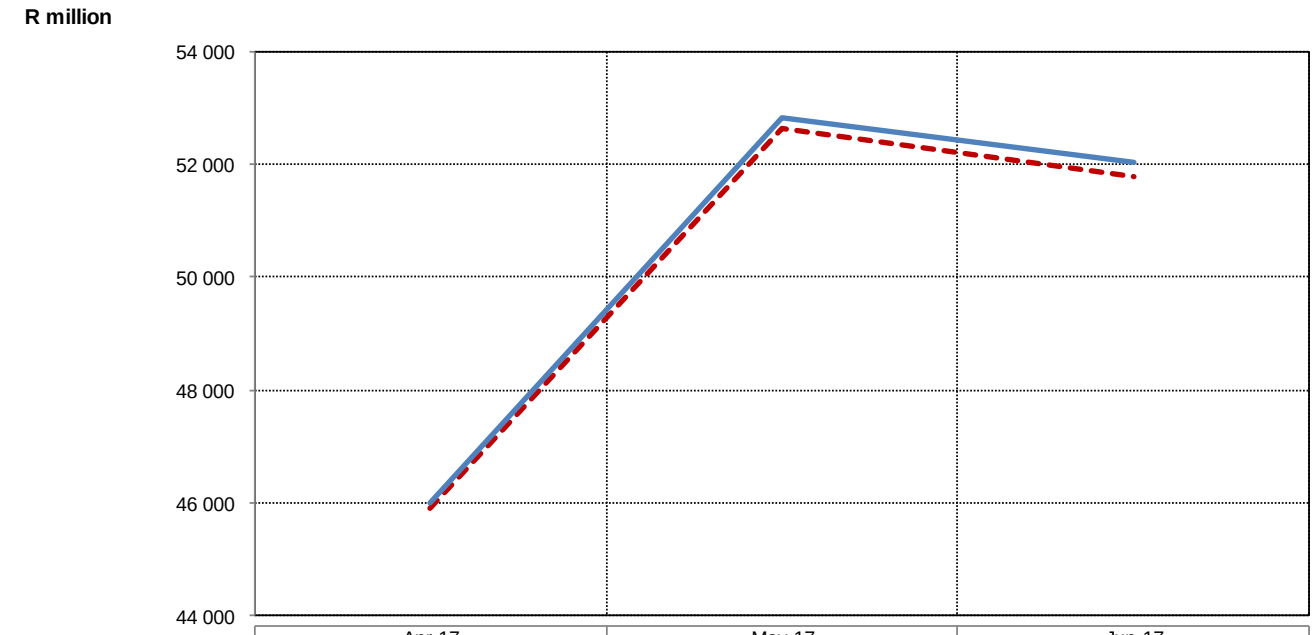
Comparison of sales between the previous (revised) and new samples for the motor trade industry

The reported level of total sales for the monthly survey of the motor trade industry for the months April to June 2017 based on the new sample was 0,3% (R524 million) higher than the level of total sales recorded for the previous sample (see Table C and Figure 3). The previous sample was drawn in April 2016 and was operational for the last half of 2016 and the first half of 2017.

Table C – Total sales for previous and new samples for the motor trade sales industry: April to June 2017

Motor trade industry	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%)
	150 331	150 855	524	0,3

Figure 3 – Total value of motor trade sales: monthly levels of previous and new samples for April to June 2017



	Apr-17	May-17	Jun-17
Previous sample	45 915	52 643	51 773
New sample	45 991	52 833	52 031
Level difference (%)	0,2	0,4	0,5

Table D – Motor trade sales for the previous and new samples by type of activity: April to June 2017

Type of activity	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%) 1/
New vehicle sales	37 201	39 319	2 118	5,7
Used vehicle sales	29 474	28 319	-1 155	-3,9
Workshop income	8 378	9 255	877	10,5
Income from the sales of accessories	28 471	28 014	-457	-1,6
Income from fuel sales	41 114	40 864	-250	-0,6
Income from convenience store sales 2/	5 693	5 085	-608	-10,7
Total	**150 331**	**150 855**	**524**	**0,3**

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:

- workshop income (10,5% or R877 million higher in the new sample);
- new vehicle sales (5,7% or R2 118 million higher in the new sample); and
- convenience store sales (10,7% or R608 million lower in the new sample).

Backcasting

To avoid breaks in the time series and to minimise revisions to 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	2011	2012	2013	2014	2015	2016	2017 1/
Jan	36 024	39 978	45 837	47 680	46 792	45 466	48 937
Feb	37 116	42 000	45 171	46 983	46 652	49 669	50 417
Mar	41 059	44 521	47 124	48 953	51 900	49 873	55 017
Apr	35 834	40 776	47 192	46 638	46 082	49 558	45 991
May	38 311	44 960	49 053	48 675	47 897	51 275	52 833
Jun	39 529	43 877	45 733	48 993	49 896	49 937	52 031
Jul	39 604	44 808	50 634	52 357	52 839	52 218	51 009
Aug	41 602	45 701	49 679	50 454	48 810	50 697	
Sep	42 236	43 630	46 659	50 378	50 369	50 421	
Oct	40 683	47 905	50 860	53 207	51 003	51 089	
Nov	43 535	48 420	49 844	50 064	50 896	53 202	
Dec	40 780	43 259	45 293	48 019	48 361	49 522	
Total	**476 313**	**529 835**	**573 079**	**592 401**	**591 497**	**602 927**	

1/ Figures for latest month are preliminary.

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

Month	2012	2013	2014	2015	2016	2017	*2017 year-to-date*
Jan	11,0	14,7	4,0	-1,9	-2,8	7,6	*7,6*
Feb	13,2	7,6	4,0	-0,7	6,5	1,5	*4,4*
Mar	8,4	5,8	3,9	6,0	-3,9	10,3	*6,5*
Apr	13,8	15,7	-1,2	-1,2	7,5	-7,2	*3,0*
May	17,4	9,1	-0,8	-1,6	7,1	3,0	*3,0*
Jun	11,0	4,2	7,1	1,8	0,1	4,2	*3,2*
Jul	13,1	13,0	3,4	0,9	-1,2	-2,3	*2,4*
Aug	9,9	8,7	1,6	-3,3	3,9		
Sep	3,3	6,9	8,0	0,0	0,1		
Oct	17,8	6,2	4,6	-4,1	0,2		
Nov	11,2	2,9	0,4	1,7	4,5		
Dec	6,1	4,7	6,0	0,7	2,4		
Total	**11,2**	**8,2**	**3,4**	**-0,2**	**1,9**		

Table 3 – Seasonally adjusted motor trade sales at current prices

Month	R million				Month-on-month % change			
	2014	2015	2016	2017	2014	2015	2016	2017
Jan	48 671	48 622	48 503	51 516	2,9	-1,3	-2,4	-0,2
Feb	48 354	48 033	50 548	51 758	-0,7	-1,2	4,2	0,5
Mar	48 280	50 697	48 822	51 936	-0,2	5,5	-3,4	0,3
Apr	48 949	48 361	51 119	50 713	1,4	-4,6	4,7	-2,4
May	48 426	48 531	51 197	51 542	-1,1	0,4	0,2	1,6
Jun	49 787	49 427	49 523	51 394	2,8	1,8	-3,3	-0,3
Jul	49 839	50 010	51 151	50 297	0,1	1,2	3,3	-2,1
Aug	50 433	49 254	49 170		1,2	-1,5	-3,9	
Sep	49 971	49 893	49 895		-0,9	1,3	1,5	
Oct	50 737	49 110	50 587		1,5	-1,6	1,4	
Nov	49 526	49 724	50 550		-2,4	1,3	-0,1	
Dec	49 281	49 692	51 613		-0,5	-0,1	2,1	

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

Type of activity	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17 1/
New vehicle sales	13 570	15 484	11 560	13 689	14 070	13 348
Used vehicle sales	9 961	10 373	8 256	10 333	9 730	9 761
Workshop income	3 125	3 387	2 736	3 348	3 171	3 044
Income from the sales of accessories	9 340	10 092	8 457	9 849	9 708	9 286
Income from fuel sales	12 822	13 944	13 294	13 920	13 650	13 876
Income from convenience store sales 2/	1 599	1 738	1 689	1 694	1 702	1 694
Total	**50 417**	**55 017**	**45 991**	**52 833**	**52 031**	**51 009**

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-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
New vehicle sales	-1,2	13,7	-12,8	2,4	11,1	-1,0
Used vehicle sales	4,9	6,8	-13,7	5,7	2,3	-1,9
Workshop income	0,2	4,1	-12,3	5,1	-0,3	-3,1
Income from the sales of accessories	-1,2	8,5	-12,1	-1,6	-0,2	-2,9
Income from fuel sales	5,0	14,0	7,5	4,4	3,5	-3,5
Income from convenience store sales 1/	-2,4	-0,6	3,8	5,3	1,9	-0,7
Total	**1,5**	**10,3**	**-7,2**	**3,0**	**4,2**	**-2,3**

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-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
New vehicle sales	-0,3	3,7	-3,4	0,6	2,8	-0,3
Used vehicle sales	0,9	1,3	-2,6	1,1	0,4	-0,4
Workshop income	0,0	0,3	-0,8	0,3	0,0	-0,2
Income from the sales of accessories	-0,2	1,6	-2,3	-0,3	0,0	-0,5
Income from fuel sales	1,2	3,4	1,9	1,1	0,9	-1,0
Income from convenience store sales 1/	-0,1	0,0	0,1	0,2	0,1	0,0
Total	**1,5**	**10,3**	**-7,2**	**3,0**	**4,2**	**-2,3**

1/ Includes 'other' sales and trading income.

Survey information

Introduction

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 2017 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.

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.

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. Each enterprise is classified to the industry which reflects its predominant activity. Statistics in this publication are presented at SIC group (four digits) level.

Collection rate

6 The preliminary collection rate for the survey on motor trade sales for July 2017 was 79,7%. The collection rate for June 2017 for the new sample was 85,7%.

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 and service activities.

Revised figures

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.

Related publications

9 Users may also refer to the following publication available from Stats SA:

- *Stats in Brief* 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: Click to download historical data

Past publications **12** Past motor trade releases are available on the Stats SA website. To access the releases electronically, use the following link: Click to download past releases

Technical notes

Survey methodology and design **1** The survey is conducted monthly. Questionnaires are sent to a sample of 853 enterprises from a population of 10 798 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 2017 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.

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

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 3,8%.

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	1 854 346	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 Seasonally adjusted estimates are generated each month using the X-12-ARIMA Seasonal Adjustment Program developed by the US Bureau of the Census. 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: Click to download seasonal adjustment motor trade sales July 2016

Trend cycle

6 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.

Reliability of estimates

7 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.

8 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.

Month-on-month percentage change

9 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.

Year-on-year percentage change

10 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.

Contribution (percentage points)

11 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.

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

Technical enquiries

Peter Makota

Telephone number: (012) 310 4837
Email: petermak@statssa.gov.za

Keshnee Naidoo

Telephone number: (012) 310 8423
Email: keshneen@statssa.gov.za

General information

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data wherever they process, apply, utilise, publish or distribute the data; and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data.

Advance release calendar

A release calendar is disseminated on www.statssa.gov.za

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Mbombela
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data is available via online services. For more detail about our electronic services, contact Stats SA's user information service at (012) 310 8600.

You can visit us on the internet at: www.statssa.gov.za

General enquiries

User information services	Telephone number: (012) 310 8600 Email address: info@statssa.gov.za
Postal address	Private Bag X44, Pretoria, 0001

Produced by Stats SA