

STATISTICAL RELEASE

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Motor trade sales (Preliminary)

July 2018

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).

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ENQUIRIES:
Keshnee Naidoo
(012) 310 8423

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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

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Sales at current prices: results for July 2018

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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Year-on-year % change, unadjusted	4,0	4,3	5,8	4,4	4,7	7,7
Month-on-month % change, seasonally adjusted	0,0	5,6	-8,8	4,1	1,3	-1,0
3-month % change, seasonally adjusted 1/	0,7	0,6	-0,5	0,1	-2,4	0,2

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 7,7% year-on-year in July 2018. The largest annual growth rates were recorded for:

- fuel sales (23,3%); and
- convenience store sales (11,2%) – see Table 5.

Seasonally adjusted motor trade sales decreased by 1,0% in July 2018 compared with June 2018. This followed month-on-month changes of 1,3% in June 2018 and 4,1% in May 2018.

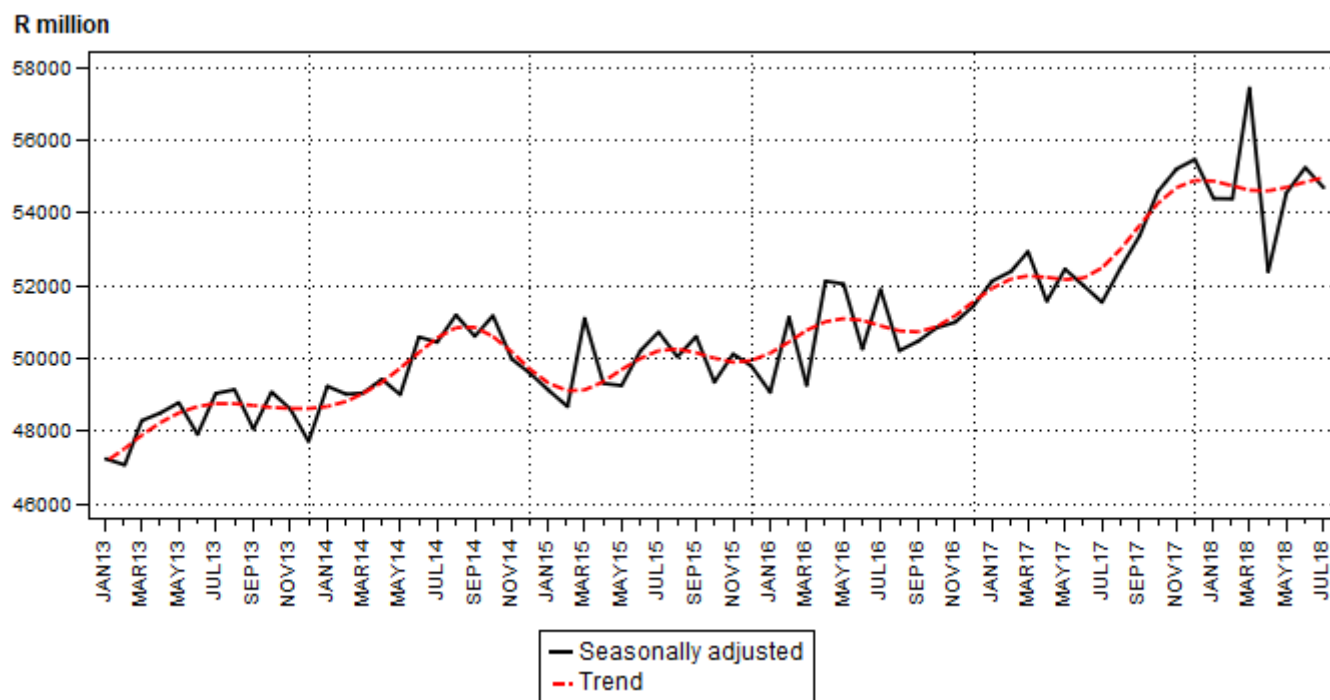
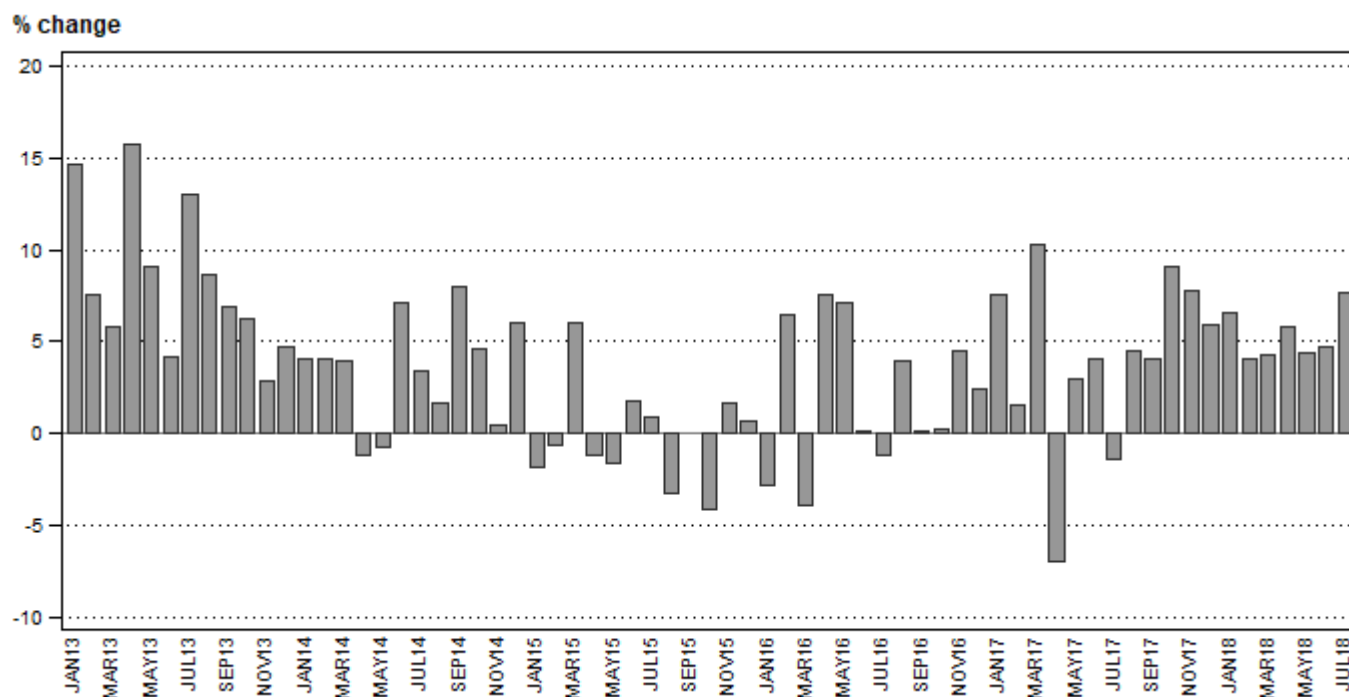
In the three months ended July 2018, seasonally adjusted motor trade sales increased by 0,2% compared with the previous three months.

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

Type of activity	May – Jul 2017 (R million)	Weight	May – Jul 2018 (R million)	% change between May – Jul 2017 and May – Jul 2018	Contribution (% points) to the total % change
New vehicle sales	41 898	26,5	42 615	1,7	0,5
Used vehicle sales	30 845	19,5	31 061	0,7	0,1
Workshop income	10 468	6,6	10 442	-0,2	0,0
Income from the sales of accessories	29 467	18,6	29 981	1,7	0,3
Income from fuel sales	40 312	25,5	47 369	17,5	4,5
Income from convenience store sales 1/	5 181	3,3	5 521	6,6	0,2
Total	158 172	100,0	166 993	5,6	5,6

1/ Includes 'other' sales and trading income.

Motor trade sales increased by 5,6% in the three months ended July 2018 compared with the three months ended July 2017. The main contributor was fuel sales (17,5% and contributing 4,5 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**

Risenga Maluleke
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 2018, which replaces the previous sample that was drawn in April 2017. The sample was drawn from a business register of enterprises with an annual turnover of at least R1 835 904 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 2018 based on the new sample was 1,3% (R2 029 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 2017 and was operational for the last half of 2017 and the first half of 2018.

Table C – Total sales for previous and new samples for the motor trade sales industry: April to June 2018

Motor trade industry	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%)
	158 158	160 187	2 029	1,3

Figure 3 – Total value of motor trade sales: monthly levels of previous and new samples for April to June 2018

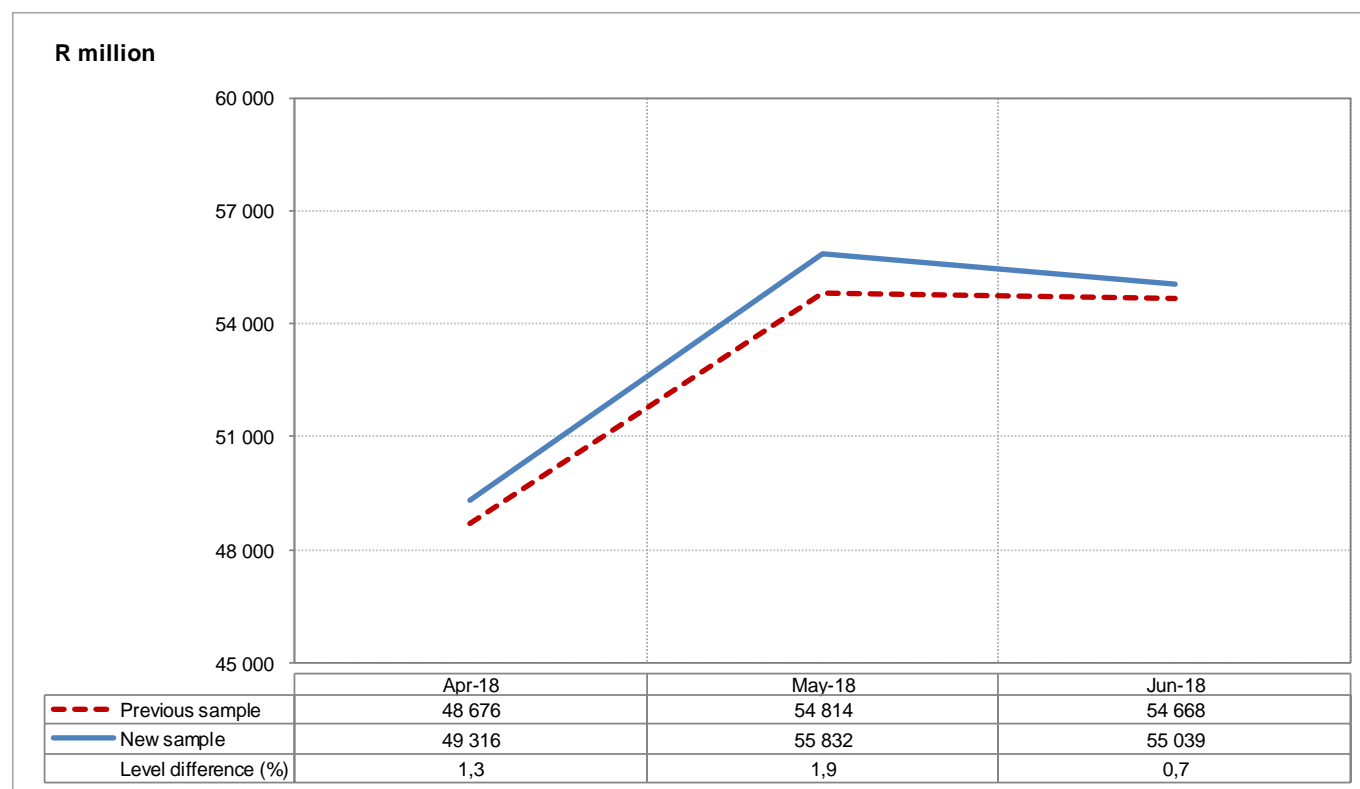


Table D – Motor trade sales for the previous and new samples by type of activity: April to June 2018

Type of activity	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference (%) 1/
New vehicle sales	39 901	40 343	442	1,1
Used vehicle sales	29 206	30 372	1 166	4,0
Workshop income	9 957	10 107	150	1,5
Income from the sales of accessories	27 918	29 038	1 120	4,0
Income from fuel sales	45 878	44 898	-980	-2,1
Income from convenience store sales 2/	5 298	5 426	128	2,4
Total	158 158	160 187	2 029	1,3

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:

- used vehicle sales (4,0% or R1 166 million higher in the new sample);
- sales of accessories (4,0% or R1 120 million higher in the new sample); and
- convenience store sales (2,4% or R128 million higher 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	2012	2013	2014	2015	2016	2017	2018 1/
Jan	40 459	46 389	48 254	47 356	46 014	49 527	52 789
Feb	42 506	45 715	47 549	47 214	50 267	51 025	53 065
Mar	45 057	47 692	49 543	52 526	50 474	55 680	58 072
Apr	41 266	47 761	47 200	46 637	50 155	46 625	49 316
May	45 502	49 644	49 262	48 474	51 893	53 465	55 832
Jun	44 405	46 284	49 584	50 497	50 538	52 583	55 039
Jul	45 347	51 244	52 988	53 475	52 846	52 124	56 122
Aug	46 252	50 278	51 063	49 397	51 308	53 619	
Sep	44 155	47 221	50 985	50 975	51 029	53 127	
Oct	48 482	51 473	53 848	51 618	51 704	56 411	
Nov	49 003	50 445	50 668	51 509	53 843	58 029	
Dec	43 780	45 839	48 597	48 944	50 119	53 070	
Total	536 214	579 985	599 541	598 622	610 190	635 285	

1/ Figures for latest month are preliminary.

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

Month	2013	2014	2015	2016	2017	2018	2018 year-to-date
Jan	14,7	4,0	-1,9	-2,8	7,6	6,6	6,6
Feb	7,5	4,0	-0,7	6,5	1,5	4,0	5,3
Mar	5,8	3,9	6,0	-3,9	10,3	4,3	4,9
Apr	15,7	-1,2	-1,2	7,5	-7,0	5,8	5,1
May	9,1	-0,8	-1,6	7,1	3,0	4,4	5,0
Jun	4,2	7,1	1,8	0,1	4,0	4,7	4,9
Jul	13,0	3,4	0,9	-1,2	-1,4	7,7	5,3
Aug	8,7	1,6	-3,3	3,9	4,5		
Sep	6,9	8,0	0,0	0,1	4,1		
Oct	6,2	4,6	-4,1	0,2	9,1		
Nov	2,9	0,4	1,7	4,5	7,8		
Dec	4,7	6,0	0,7	2,4	5,9		
Total	8,2	3,4	-0,2	1,9	4,1		

Table 3 – Seasonally adjusted motor trade sales at current prices

Month	R million				Month-on-month % change			
	2015	2016	2017	2018	2015	2016	2017	2018
Jan	49 117	49 071	52 126	54 392	-1,0	-1,4	1,3	-1,9
Feb	48 677	51 133	52 389	54 384	-0,9	4,2	0,5	0,0
Mar	51 099	49 259	52 932	57 426	5,0	-3,7	1,0	5,6
Apr	49 312	52 123	51 570	52 383	-3,5	5,8	-2,6	-8,8
May	49 253	52 044	52 454	54 548	-0,1	-0,2	1,7	4,1
Jun	50 206	50 260	51 991	55 241	1,9	-3,4	-0,9	1,3
Jul	50 724	51 890	51 542	54 697	1,0	3,2	-0,9	-1,0
Aug	50 042	50 210	52 495		-1,3	-3,2	1,8	
Sep	50 600	50 473	53 367		1,1	0,5	1,7	
Oct	49 348	50 837	54 579		-2,5	0,7	2,3	
Nov	50 120	50 994	55 205		1,6	0,3	1,1	
Dec	49 792	51 437	55 465		-0,7	0,9	0,5	

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

Type of activity	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18 1/
New vehicle sales	14 454	17 289	11 815	14 382	14 146	14 087
Used vehicle sales	10 351	11 076	9 335	10 804	10 233	10 024
Workshop income	3 286	3 471	3 099	3 604	3 404	3 434
Income from the sales of accessories	9 668	10 066	9 090	10 304	9 644	10 033
Income from fuel sales	13 607	14 234	14 149	14 934	15 815	16 620
Income from convenience store sales 2/	1 698	1 936	1 827	1 802	1 797	1 922
Total	53 065	58 072	49 316	55 832	55 039	56 122

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-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
New vehicle sales	4,7	9,7	0,3	3,3	-1,3	3,2
Used vehicle sales	1,5	4,3	9,7	2,0	3,2	-3,0
Workshop income	-3,0	-5,4	4,3	-0,6	-0,9	0,8
Income from the sales of accessories	1,4	-2,3	5,0	2,5	-2,5	5,4
Income from fuel sales	9,0	4,9	9,1	10,2	19,1	23,3
Income from convenience store sales 1/	4,4	9,6	6,0	4,7	3,8	11,2
Total	4,0	4,3	5,8	4,4	4,7	7,7

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

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 2018 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 2018 was 73,6%. The collection rate for June 2018 for the new sample was 80,9%.</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 publication available from Stats SA:</p> <ul style="list-style-type: none"> • <i>Stats in Brief</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: [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 912 enterprises from a population of 11 104 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 2018 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.

$$n_h = n * (N_h * S_h) / [\sum (N_i * S_i)].$$

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	1 835 904	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 August 2017
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

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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