

# The BER's surveys: their origin, how they work and selected survey results

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# Outline

- The BER's surveys
  - The BER's business surveys
    - Business confidence
  - The BER's consumer confidence survey
  - The retail survey – more details
- Selected survey results

# The BER's business surveys

# Origin

- Business tendency surveys (BTS) developed independently in Europe and US between world wars
- When BER started surveys in 1954, SA became 7<sup>th</sup> country in the world
- Today they are conducted world wide by
  - Statistical agencies (France, China),
  - Central banks (Belgium, Japan, Korea, Thailand)
  - Research Institutes (Germany, Italy, SA)
  - Business organisations (UK, Australia)

# Origin

- Harmonised standards –
  - OECD – BTS handbook
  - Workshops and academic conferences organised by Ciret (Centre for International Research on Economic Tendency Surveys) and EU / OECD

# How business surveys are conducted

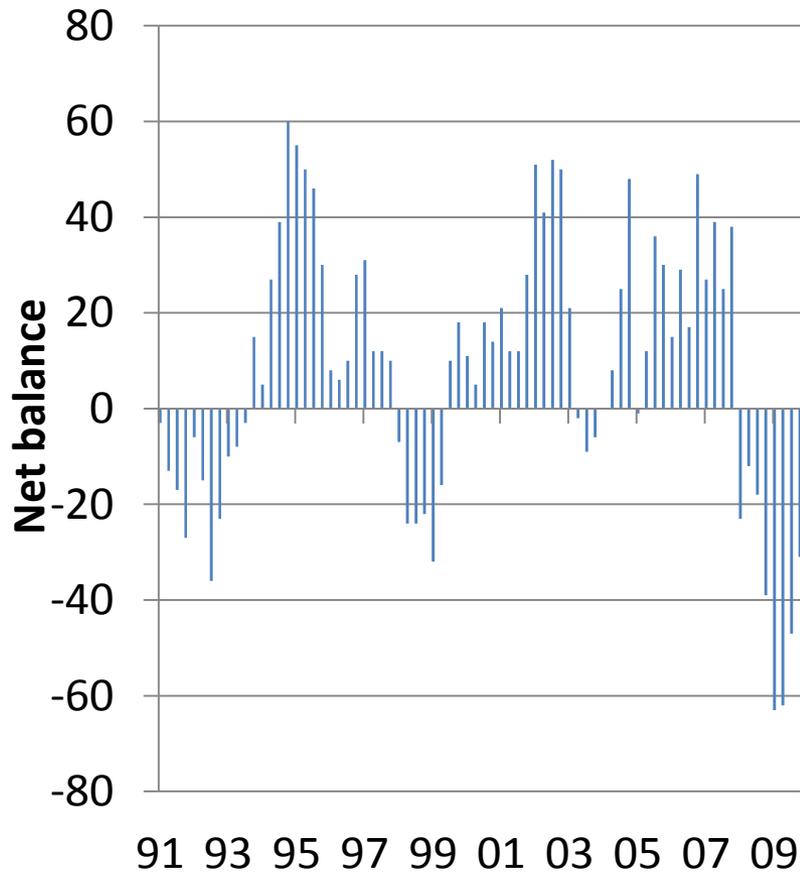
- Requirements: simple, rapid, voluntary
- Use deliberate (convenience non-probability) sampling to create and maintain a panel of participants
  - Degree of representation
  - Response rate
- Questionnaire
  - Few questions
  - Business activity and constraints
  - Only indicate “up”, “remain the same” or “down” compared to a year ago

# Calculating the results

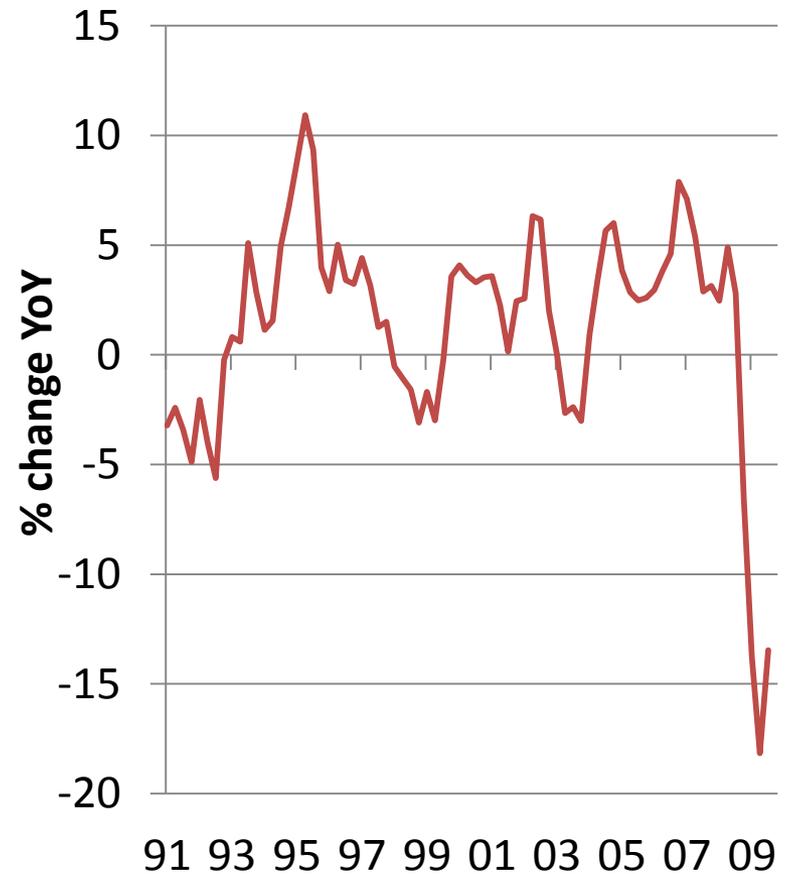
- Firm and sector weights
- Example:
  - 60% “up”, 30% “same” and 10% “down”
  - Net balance: 60% “up” less 10% “down” = 50%

# Survey data vs. official data: for example, manufacturing production

**BER**

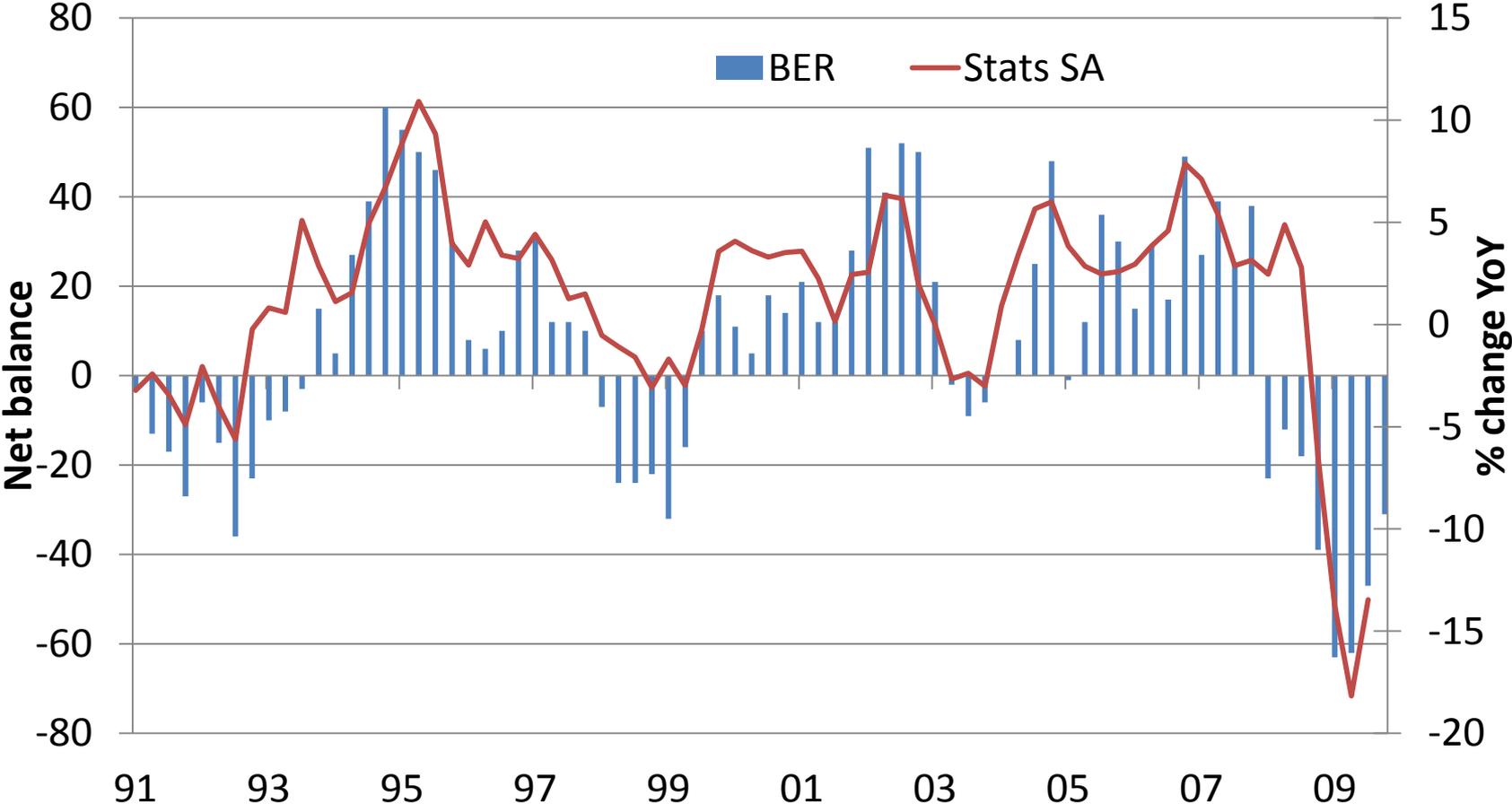


**Stats SA**



# Survey data vs. official data

## Manuf production



# The BER's business surveys cover the following economic sectors

## Sector

## Report

1. Business confidence

BCI Res Note

2. Building & Construction

Build & Constr

Architects

Quantity surveyors

Residential & non-residential contractors

Residential & non-residential sub-contractors

Civil engineering contractors

3. Manufacturing

Quarterly manuf survey

Manufacturing Survey

Monthly purchasing managers

PMI report on web

# The BER's business surveys cover the following economic sectors

## Sector

### 4. Internal trade

Retail

Wholesale

Vehicle trade (new, used, spare parts)

### 5. Consumer confidence

### 6. Financial services

Retail banks

Merchant & Investment banks

Investment managers

Life insurers

Short-term insurers

## Report

Retail Survey

CCI Res Note

Web report

(Not published yet)

# The BER's business surveys cover the following economic sectors

## Sector

### 7. Other services

Catering & accommodation

Transport, storage & communication

Real estate & business services

Personal services

## Report

Not published yet

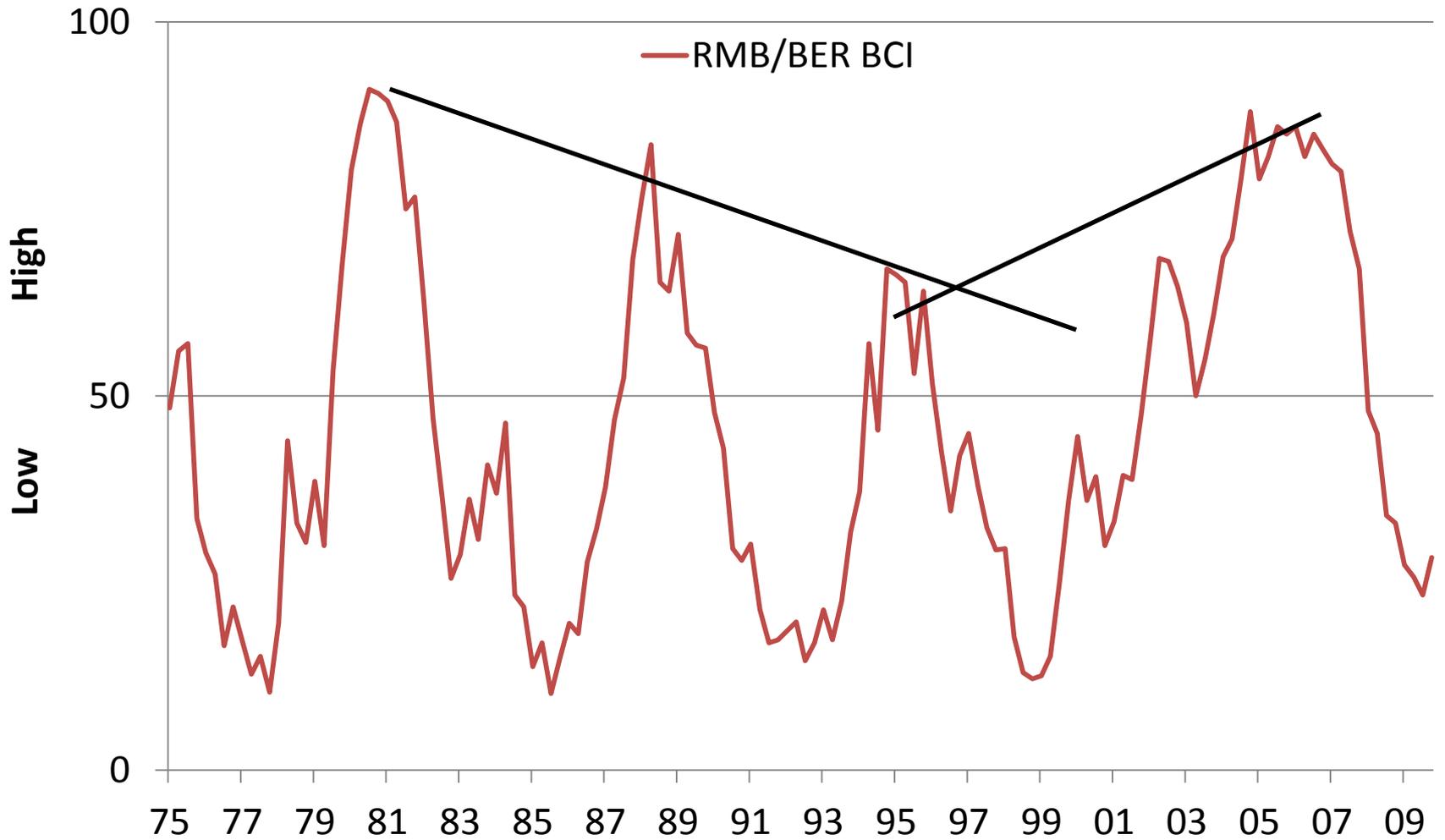
# In sum

- Compliment official data – indicate direction of change prior to its release
- Reliability
  - Aggregate sector vs. sub-sector
  - Direction of change vs. size of change

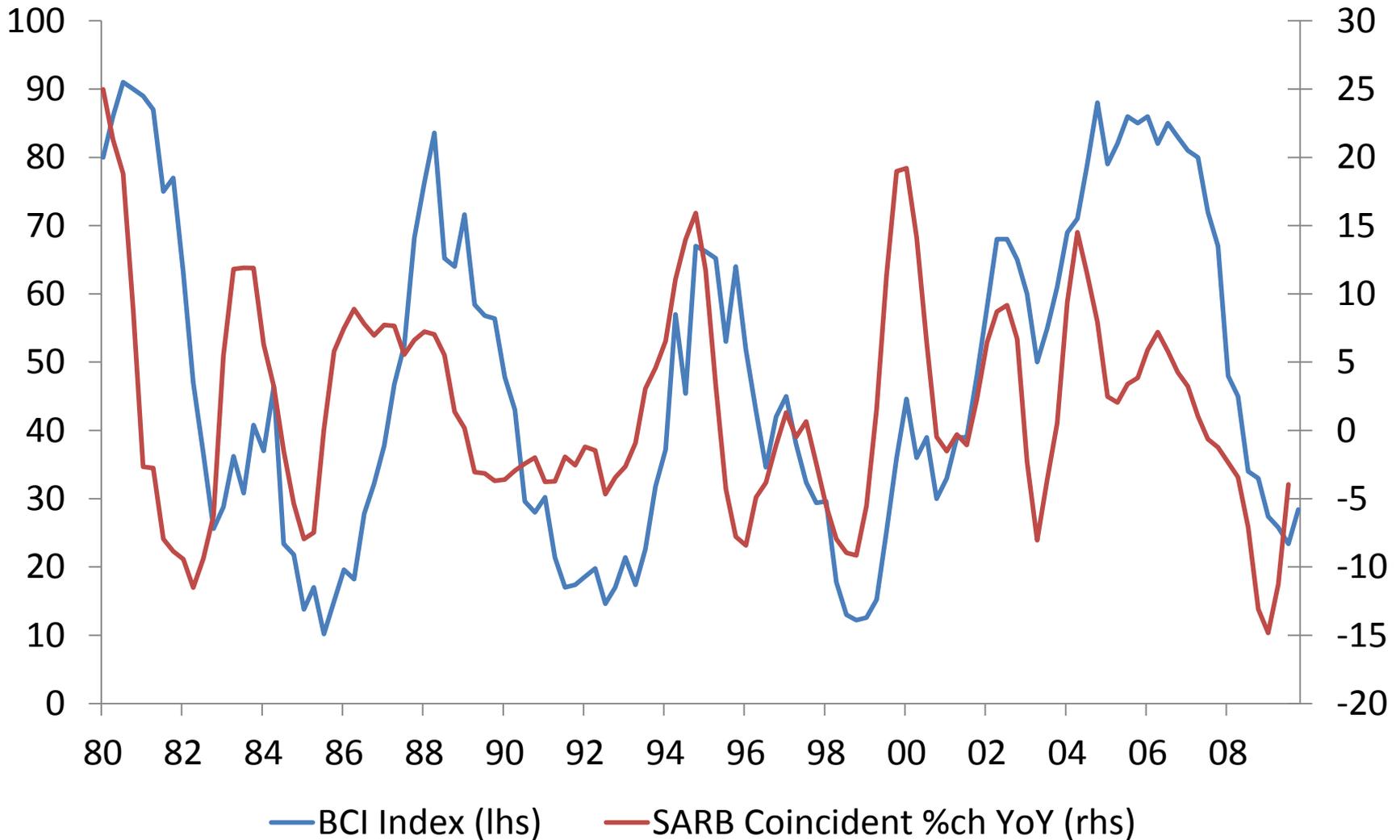
# Business confidence

- Covers manufacturers, building contractors, retailers, wholesalers and new vehicle dealers
- Indicates % rating prevailing business conditions as satisfactory

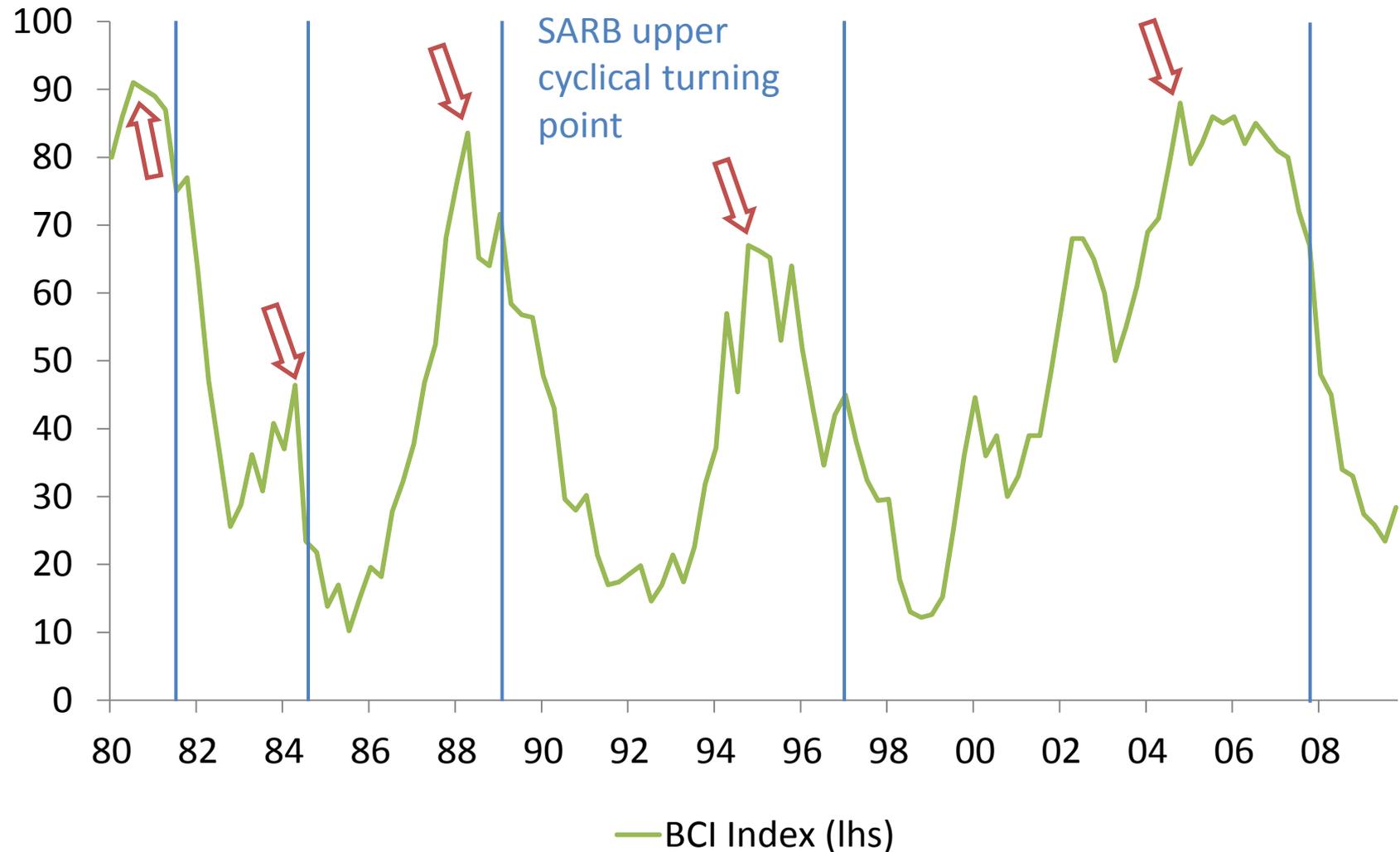
# Business confidence



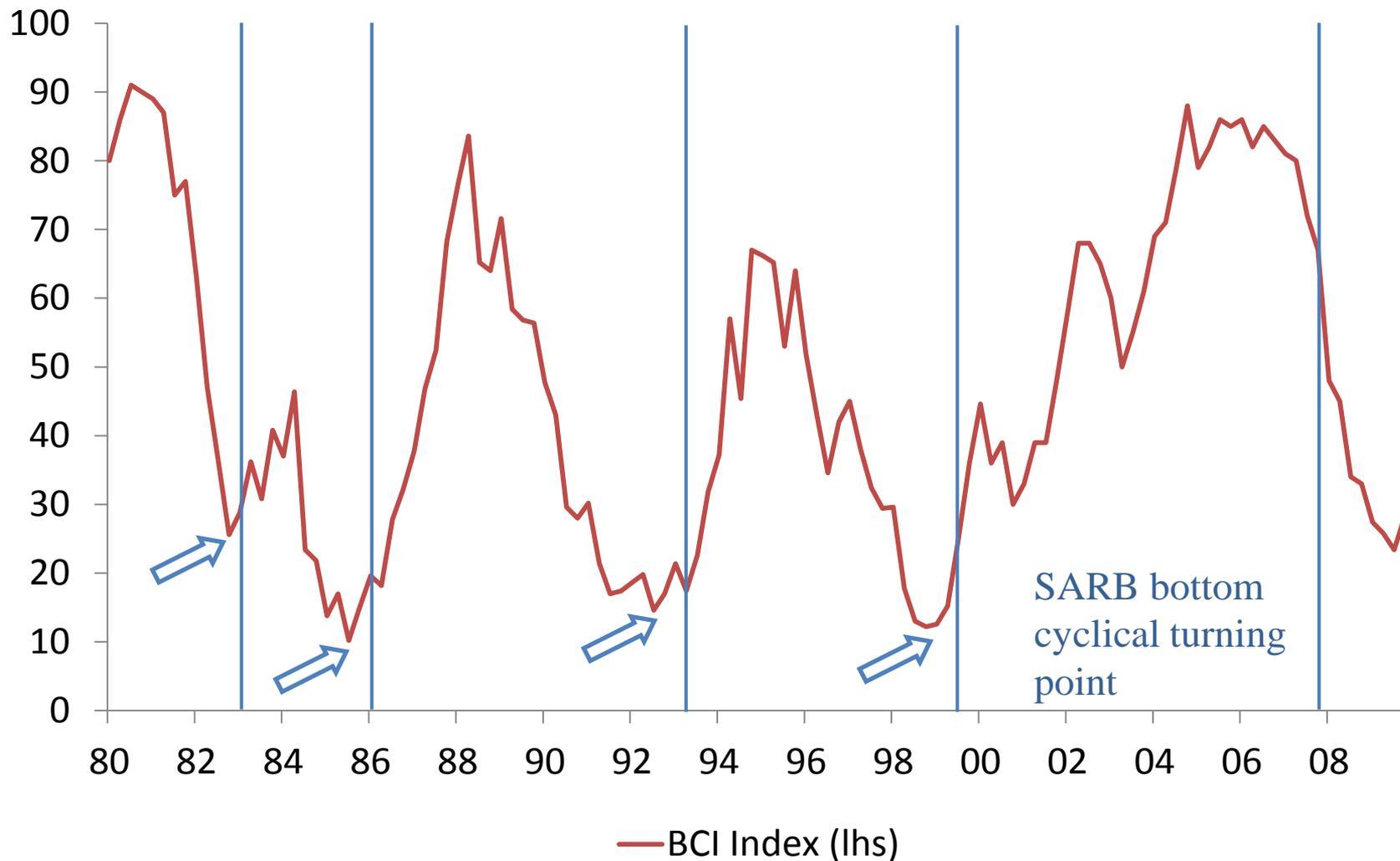
# Business confidence is an excellent indicator of business cycle



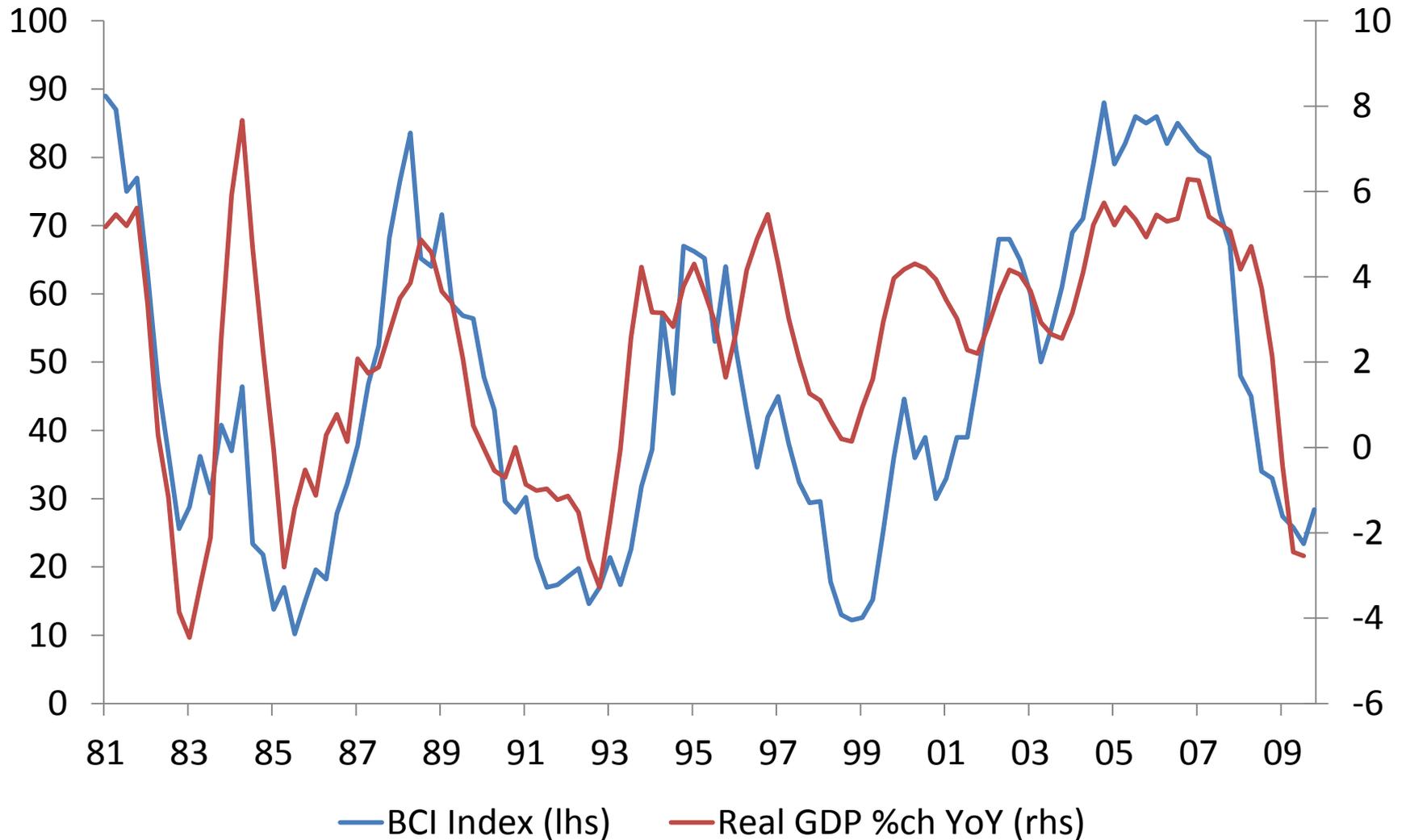
# Business confidence peaks before SARB cyclical indicator



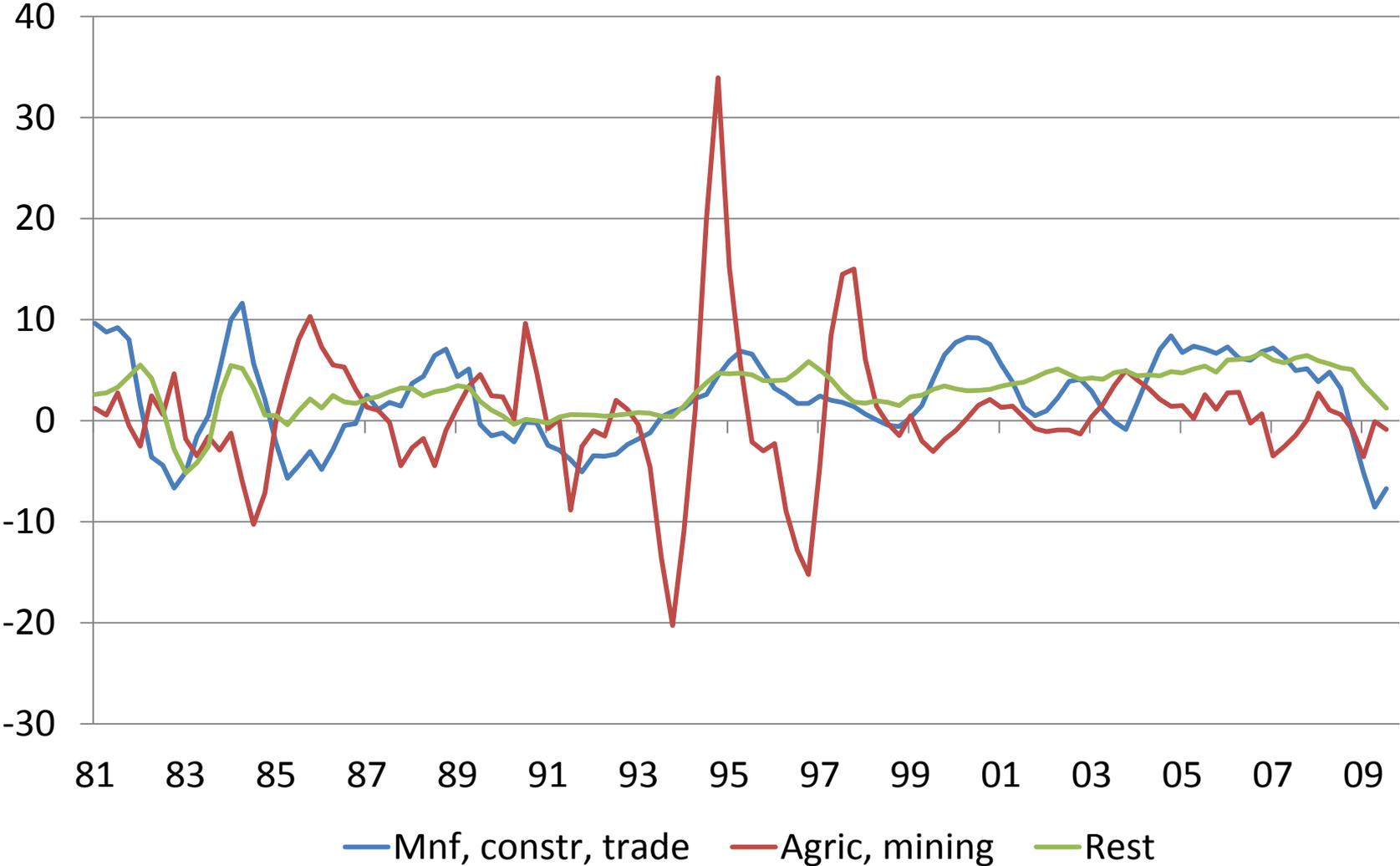
# Business confidence bottoms at the same time as the SARB cyclical indicator



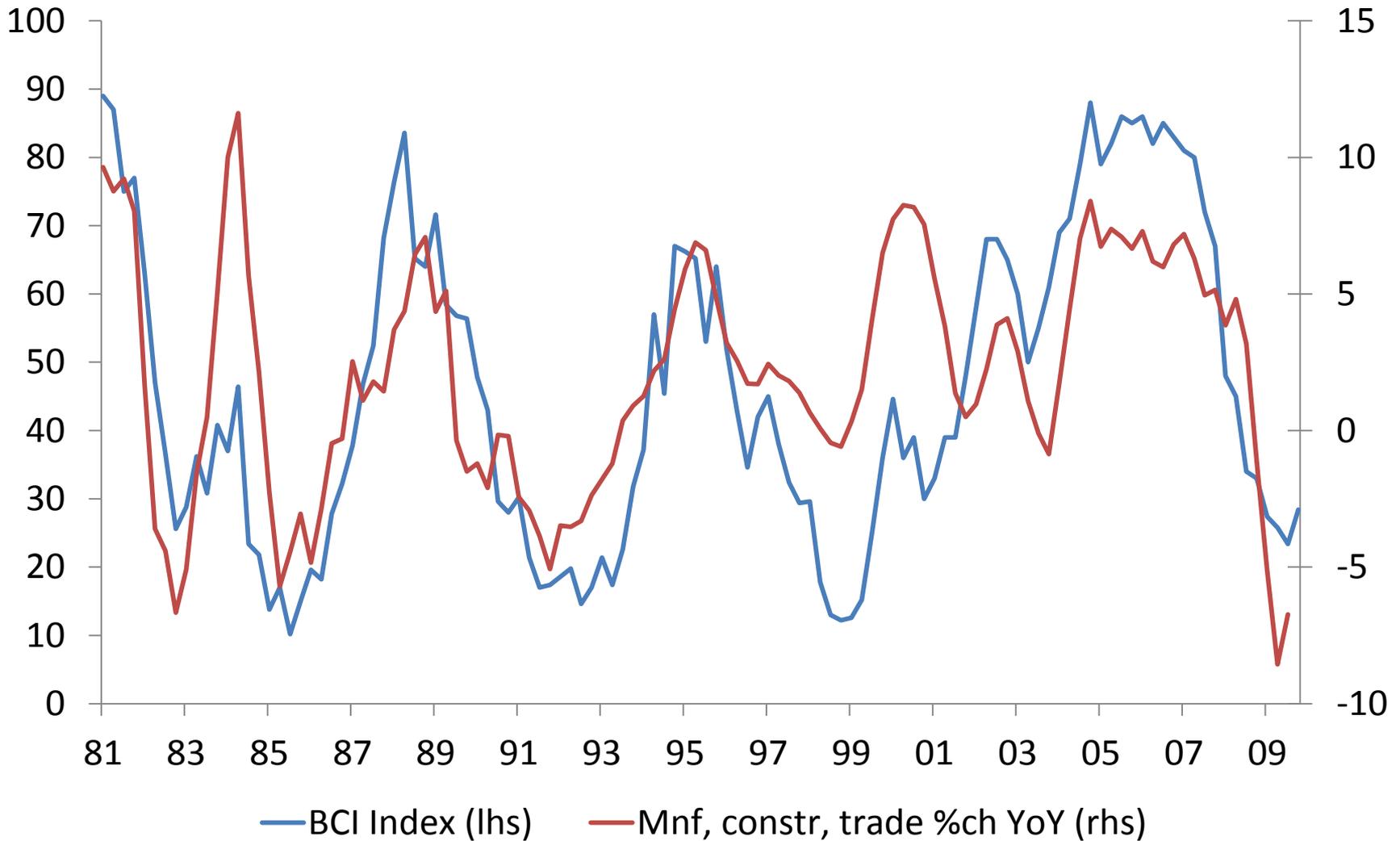
# Business confidence vs. GDP growth



# GDP growth deconstructed



# Business confidence vs. a deconstructed GDP growth



# Consumer confidence

# Origin and how consumer confidence surveys are conducted

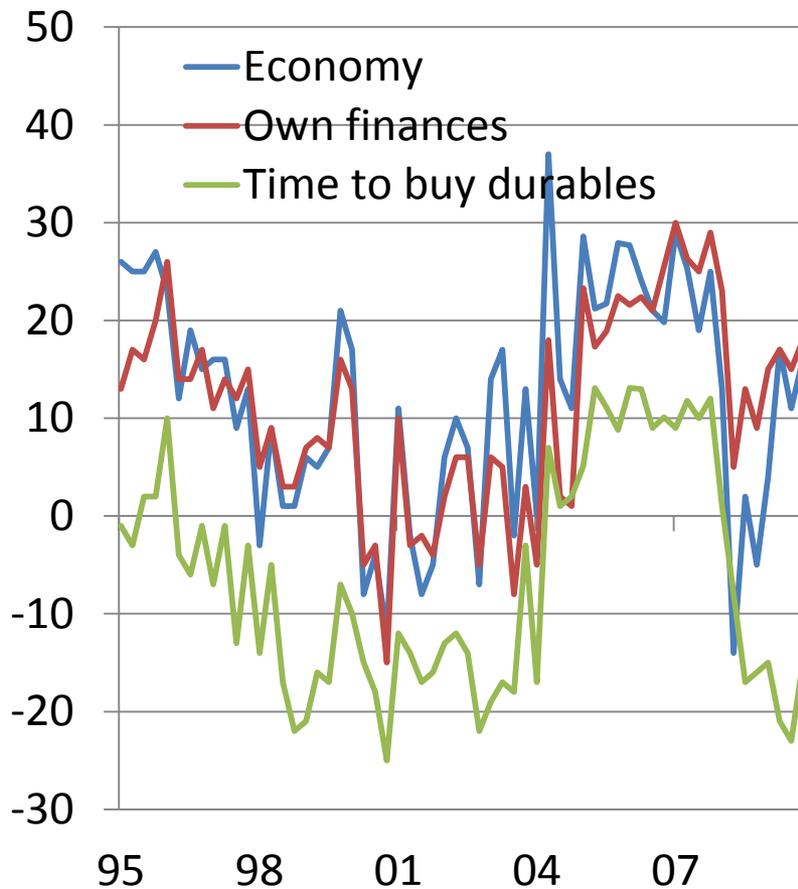
- University of Michigan
- Personal interviews of a representative sample of 2500 adults
- Questions
  - Economic performance of country in 12 months' time
  - Household financial position in 12 months' time
  - Rating of present time to buy durable goods

# Origin and how consumer confidence surveys are conducted

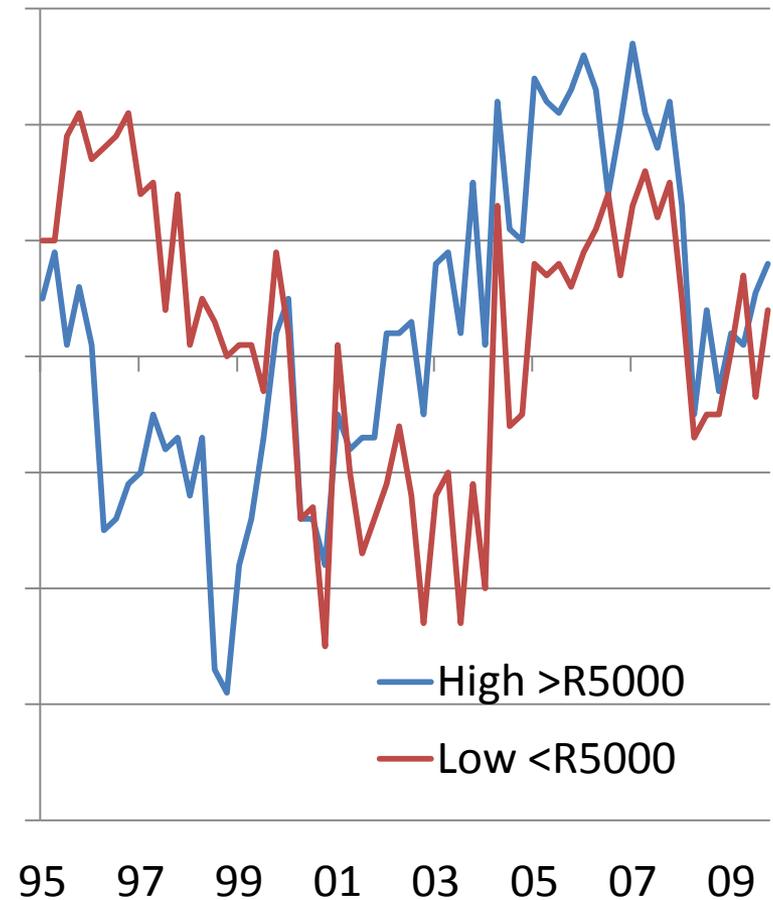
- Net balance → results could vary between -100 and +100
- Results are available per
  - Question
  - Race group
  - Income group
  - Other: LSM group, Age, Gender, Province

# Consumer confidence

## CCI per question



## CCI per income group



# The trade survey - more details

# Retail survey: questions

- Prevailing business conditions → confidence
- Compared to a year ago
  - Business conditions
  - Sales volumes
  - Orders placed
  - Employment
  - Rate of increase in purchase / selling prices
  - Profitability
- Stocks compared to expected demand

# Results are available per

- Type of good
  - Durables (excl motor vehicles, incl building material)
  - Semi-durables
  - Non-durables
- Per province

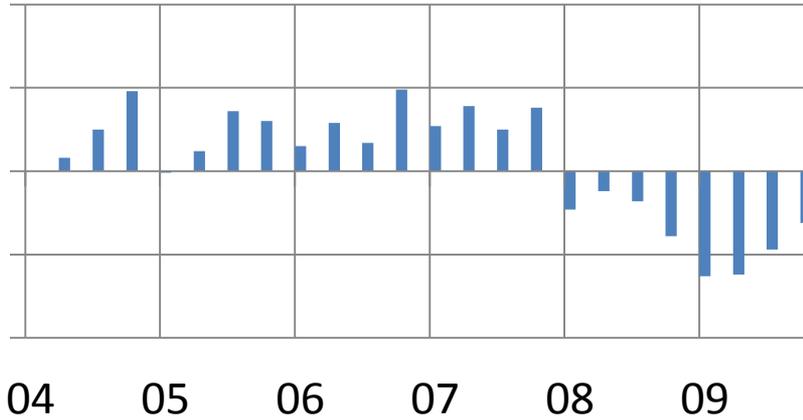
# Wholesale and motor trade sector

- Wholesalers of
  - Consumer goods
  - Non-consumer goods
- Motor trade
  - New vehicles
  - Used vehicles
  - Spare parts

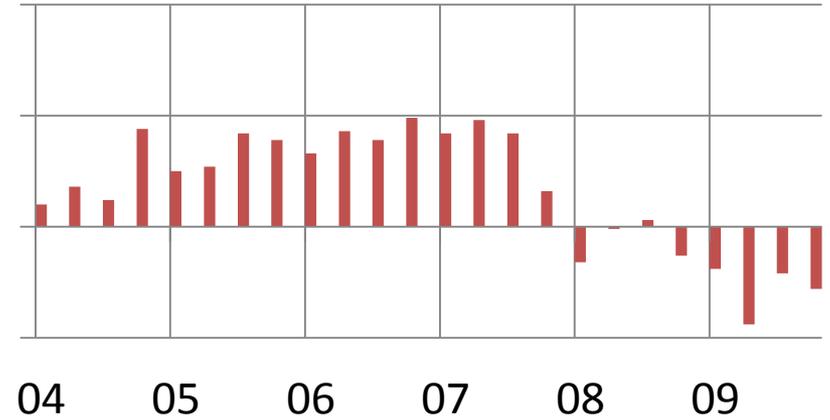
# 09Q4 survey results

# BER survey results

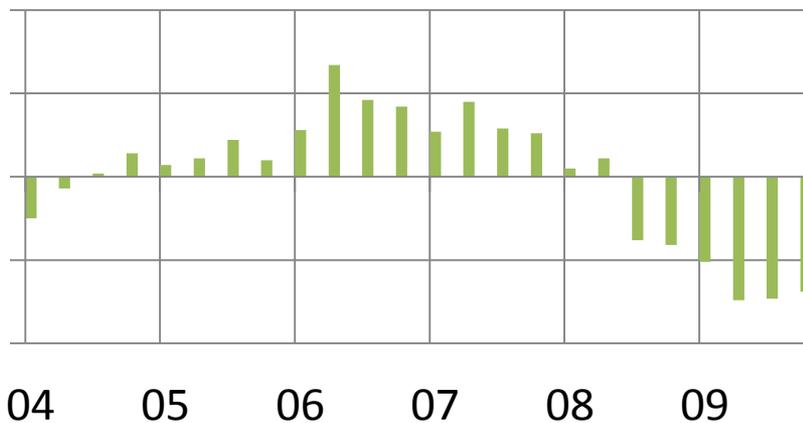
■ Mnf production



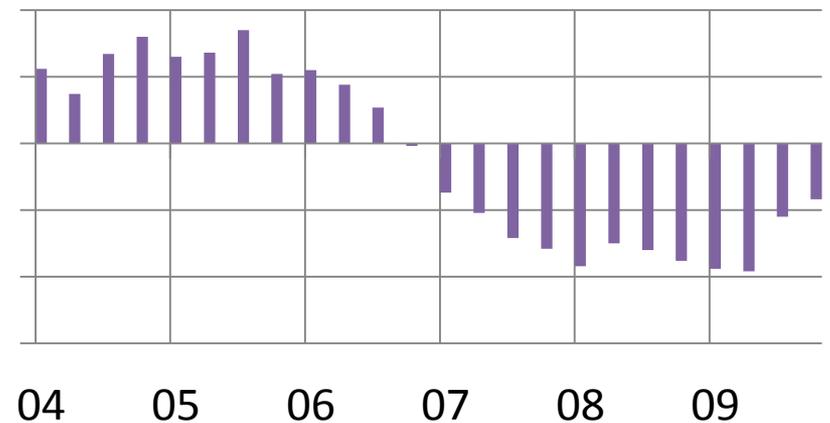
■ Retail sales



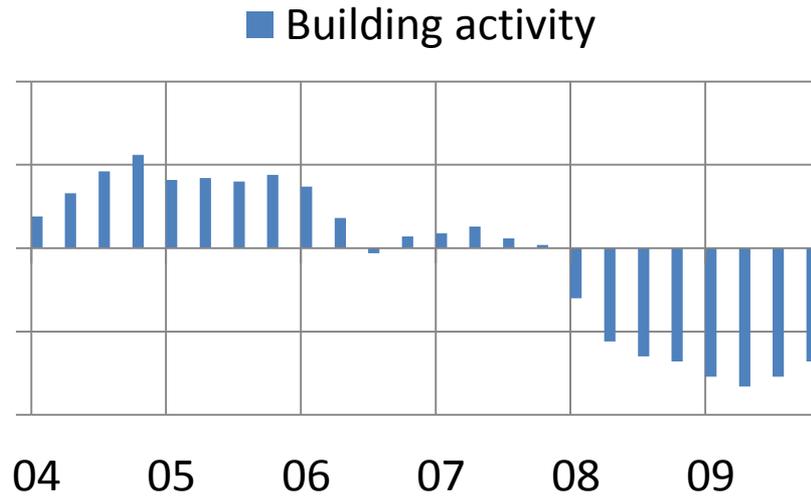
■ Wholesale sales



■ New vehicle...



# BER survey results



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