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Retail Trade

Quarterly analysis of activity in retail, wholesale and motor trade

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Please refer to the glossary on the BER's **website** for explanations of technical terms.

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Summary of the 2025Q3 trade sector survey results

RETAILER CONFIDENCE SIGNALS SLOWDOWN AT THE START OF 2025H2

The latest BER Retail Survey revealed that business confidence among retailers retreated to 32% in 2025Q3, down from 42% in Q2[1]. This 10-point drop brings confidence back below the long-term average (40%) for the first time in a year and puts the latest reading at a similar level to those at the start of 2024.

Weaker sentiment can be ascribed to underlying activity disappointing against expectations, most notably business conditions deteriorated significantly, and the retail sales volume index moved decidedly lower. Despite this, overall profitability in the sector still remained relatively favourable, and most underlying activity indicators are at or close to their long-term averages.

Stats SA retail trade data showed that sales volumes were up by 3.7% y-o-y in 2025Q2, down from 4% y-o-y in Q1. Growth remained broad-based, led by robust semi-durable goods volumes, followed by sales of durable goods (furniture, in particular). This aligns with previous survey results, which showed lofty optimism among semi-durable furniture retailers.

Table 1: Percentage change in retail sales[2] volumes (year-on-year)

	Total	Non-durable goods	Semi-durable goods	Durable goods
2024Q1	-0.3%	1.7%	-4.0%	-2.4%
2024Q2	2.0%	2.8%	1.4%	1.0%
2024Q3	2.0%	3.6%	-1.3%	0.0%
2024Q4	5.4%	6.5%	7.3%	1.3%
2025Q1	4.0%	3.2%	9.8%	2.2%
2025Q2	3.7%	2.2%	9.8%	2.7%

Source: Statistics South Africa, Retail Sales Statistics

The gradual decline in overall retailers' sentiment and the BER's total sales volumes index, since the start of year, is in sync with the trajectory of the official data. The latest results suggest that on a seasonally adjusted basis, retail sales volumes in the third quarter were lower relative to the second quarter (declined from -4 to -20, the long-term average). This points to a slower year-on-year retail sales expansion in 2025Q3. Given that average retail sales growth in 2025H1 kept pace with 2024H2 in the official figures, a moderation as suggested by the survey results from the third quarter is reasonable, especially as factors that have supported consumer spending fade.

Following five quarters of outperformance, **wholesalers'** confidence lost noticeable ground, declining from 50% to 38%. The business conditions of wholesalers ticked up, but remained just below the long-term average, signalling a challenging operating environment. Consequently, both *consumer* and *non-consumer* goods

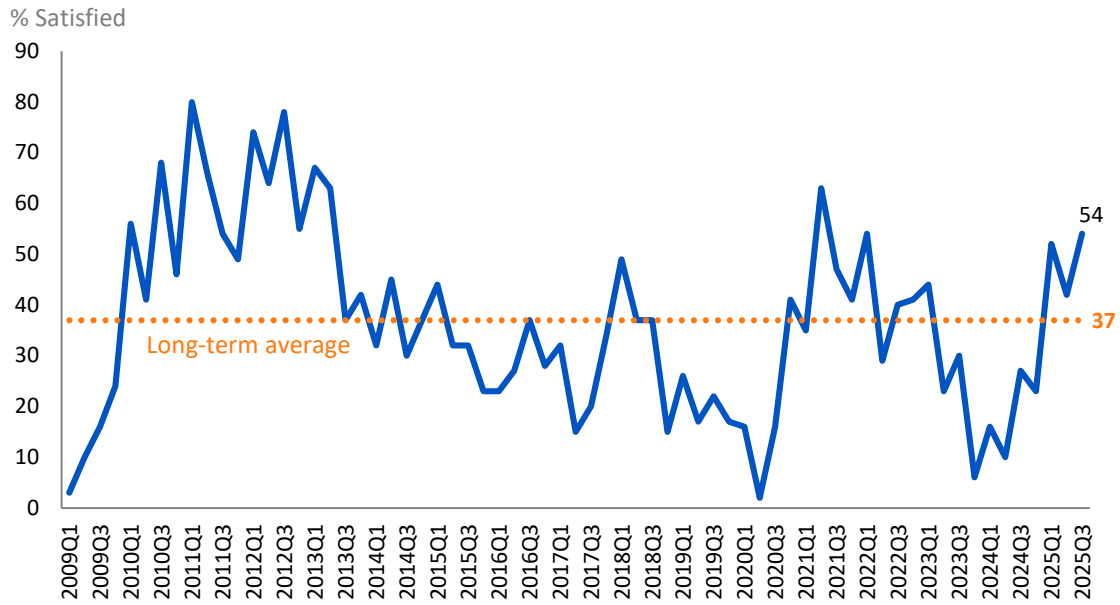
[1] The fieldwork for the third quarter survey was conducted between 6 and 25 August 2025.

[2] Non-durable goods retailers include general dealers, retailers in specialised food, beverages and tobacco, and retailers in pharmaceutical and medical goods, cosmetics and toiletries. Durable goods retailers include retailers in household furniture, appliances and equipment, and retailers in hardware, paint and glass. Semi-durable goods retailers include retailers in textiles, clothing, footwear and leather goods.

wholesalers were less optimistic; however, the decline in overall sentiment was largely driven by weaker underlying activity in the consumer goods category. Notably, the consumer goods sales volume index fell further but this was offset by a rise in the sales of non-consumer goods, aided by a significant moderation in selling price increases.

New vehicle dealer confidence improved by 12%pts to 54%, its highest level since 2022Q1. Sentiment brightened despite a slowdown in volume growth and a decline in business conditions. To be sure, both indicators remain well above their long-term average levels. On balance, the motor trade survey indicates a favourable operating environment for new vehicle dealers but also appears to be signalling that activity has reached its peak and is likely to lose some steam going forward. This coincides with what is probably the end of the SARB's current interest rate cutting cycle. Still, continued positive sentiment in 2025Q3, aligns with naamsa's domestic passenger vehicle data, which indicates that the new vehicle market has recovered to pre-pandemic levels with growth slowing rather than outright contracting.

Figure 1: New vehicle dealer confidence edges higher



Source: BER Retail Survey 2025Q3

SUBSECTOR DETAILS

Semi-durable retailers' confidence retreated to 40% (down 23%pts), falling below the long-term average, on the back of a deterioration in their profitability indicator. This likely reflects a significant reversal in the semi-durables selling price indicator in 2025Q3 following a pronounced spike in the previous quarter.

Similarly, the confidence of *furniture retailers* fell by 22%pts to 45%. However, this was a surprising result as weaker sentiment was not supported by broad-based improvements in their underlying indicators. Bar confidence, the BER's survey results point to demand holding up well for furniture and household appliances in the third quarter.

Hardware retailers' confidence ticked up slightly, but trading conditions remain tough as indicated by a deterioration in all their realised indicators. Meanwhile, retailers of *non-durable goods* continue to struggle in BER's survey. However, a noticeable rise in their selling price indicator, which mirrors the recent reacceleration in food price inflation, has been somewhat beneficial to profitability for this group of retailers.

While price dynamics varied across subsectors, in general both retail and wholesale input and selling price indicators declined, pointing to a continued moderation in the pace of price increases during the third quarter.

KEY TAKEAWAYS

Over the past year, retailers' confidence has been much better than in the first half of 2024. However, it appears the pendulum is swinging in the opposite direction for the second half of 2025.

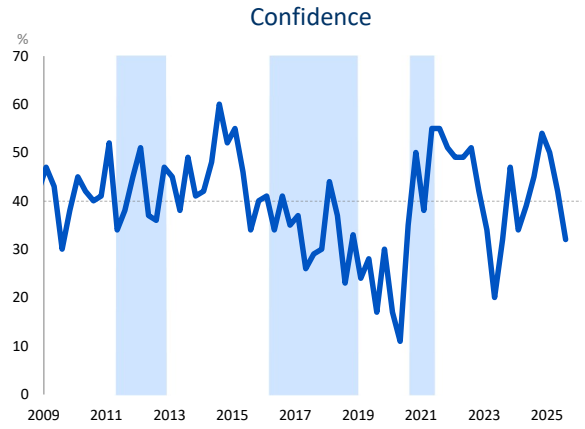
The BER's survey results suggest volume growth in the retail and wholesale sectors likely moderated during 2025Q3, pointing to a slowdown in the consumer demand environment. This is an expected outcome as many tailwinds to consumer spending over the last few months, two-pot withdrawals and low inflation are set to provide less support in the second half of 2025.

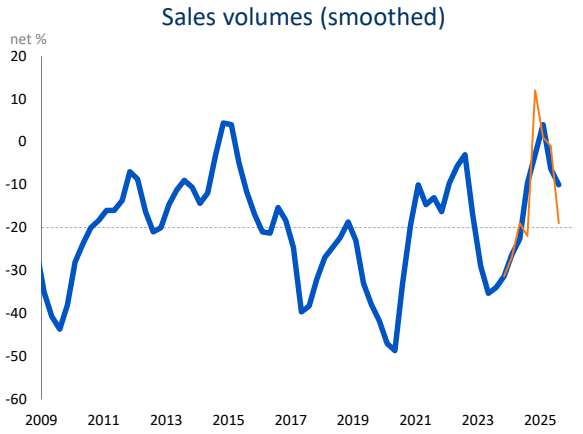
On the upside, new vehicle dealers and furniture retailers *(despite their downbeat sentiment)* remain a bright spot amid an otherwise gloomy trade sector. This indicates some resilience prevailing in consumer spending, particularly from higher-income consumers.

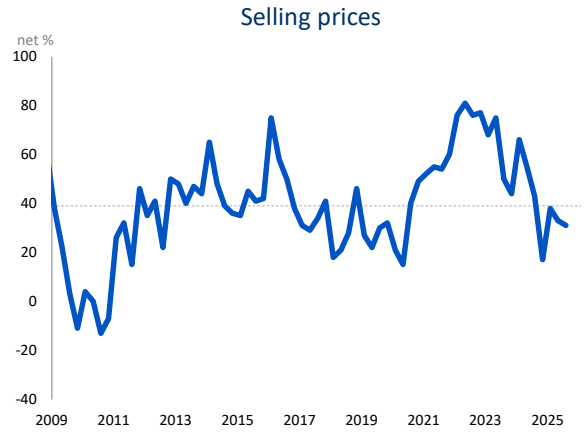
Survey results

RETAIL TRADE: TOTAL[3]

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Confidence	%	29	40	50	47	34	39	45	54	50	42	**32**	-10	9
Business conditions	Net %	-47	-30	-13	-26	-30	-33	-26	1	-8	-18	**-34**	-16	15
Sales volumes	Net %	-35	-20	-5	-33	-27	-19	-22	12	1	-1	**-19**	-18	13
Seasonally adjusted	Net %	-35	-20	-6	-37	-19	-22	-23	8	8	-4	**-20**	-16	11
Smoothed	Net %	-33	-20	-7	-31	-26	-23	-10	-3	4	-6	**-10**	-4	7
Selling prices	Net %	18	39	60	44	66	55	43	17	38	33	**31**	-2	14



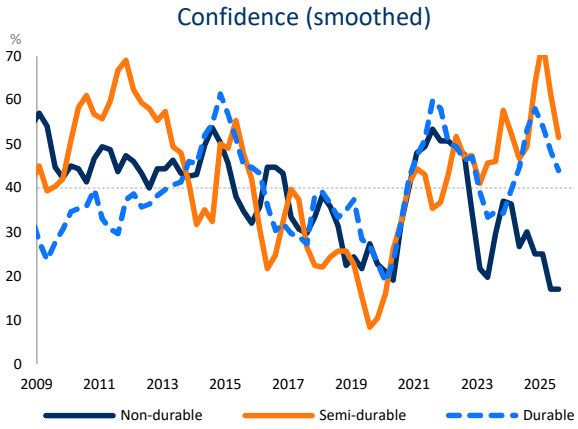


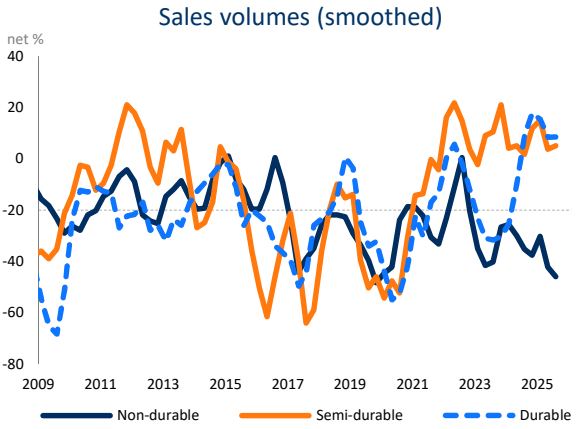


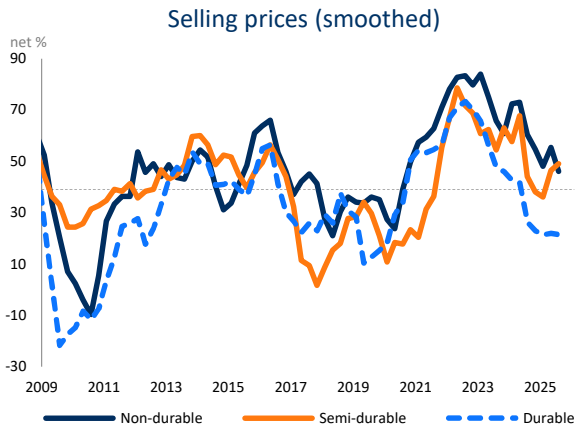
[3] The "retail trade total" consists of the "retail trade durables", the "retail trade semi-durables" and the "retail trade non-durables" goods sectors. The BER does not cover the retail trade in second hand goods in stores (SIC code 624), the retail trade not in stores (625) and the repair of personal and household goods (626).

μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

RETAIL TRADE: BY CATEGORY



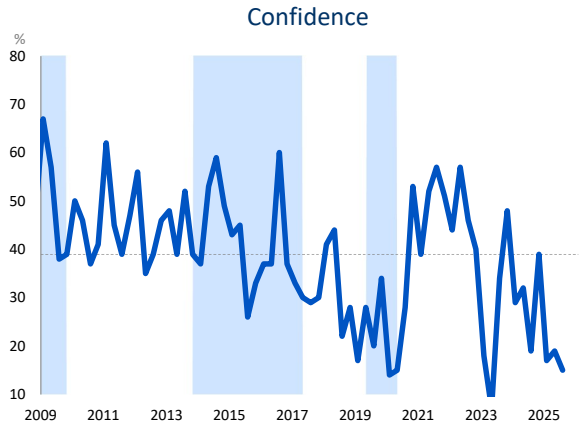


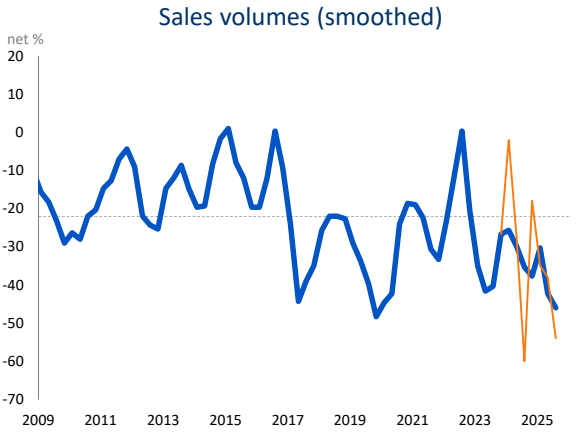


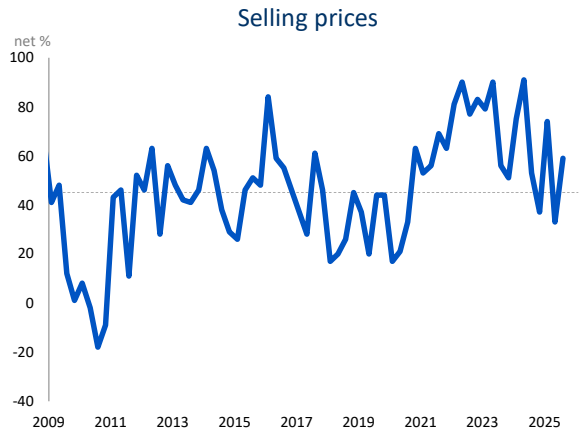
μ – average
σ – standard deviation
Δ – change from previous period
σ_Δ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

RETAIL TRADE: NON-DURABLES[4]

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Confidence	%	25	38	52	48	29	32	19	39	17	19	**15**	-4	13
Business conditions	Net %	-57	-36	-14	-22	-20	-57	-76	-17	-78	-73	**-76**	-3	23
Sales volumes	Net %	-40	-23	-6	-47	-2	-28	-60	-18	-35	-38	**-54**	-16	19
Seasonally adjusted	Net %	-39	-23	-6	-52	8	-33	-59	-24	-25	-28	**-44**	-16	18
Smoothed	Net %	-35	-23	-11	-27	-26	-30	-35	-38	-30	-42	**-46**	-4	8
Selling prices	Net %	21	45	69	51	75	91	53	37	74	33	**59**	26	21





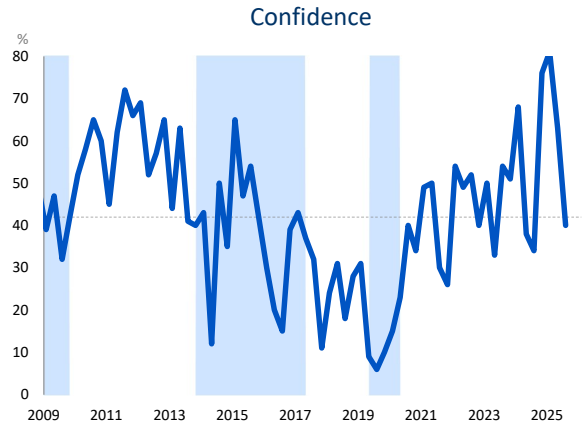


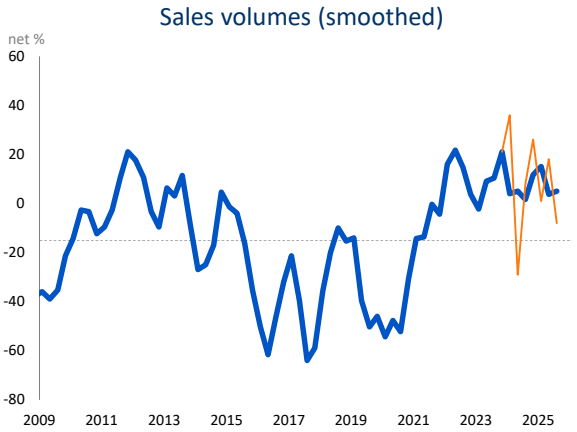
[4] Food, inedible groceries, tobacco (SIC code 621), beverages (622), pharmaceutical & medical goods, cosmetic & toiletry articles (6231), reading matter, stationery, office supplies (62391), other non-durable goods (62399)

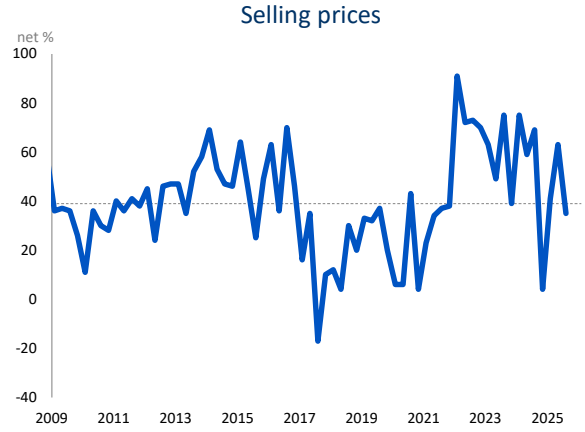
μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

RETAIL TRADE: SEMI-DURABLES[5]

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Confidence	%	25	43	60	51	68	38	34	76	81	63	**40**	-23	16
Business conditions	Net %	-60	-29	1	2	23	-33	-20	35	-11	-16	**-12**	4	33
Sales volumes	Net %	-44	-14	16	5	36	-29	8	26	1	18	**-8**	-26	33
Smoothed	Net %	-37	-14	9	21	4	5	2	12	15	4	**5**	1	12
Selling prices	Net %	19	40	61	39	75	59	69	4	41	63	**35**	-28	22





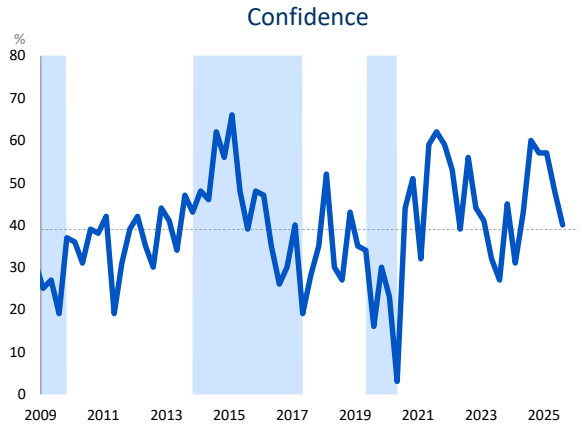


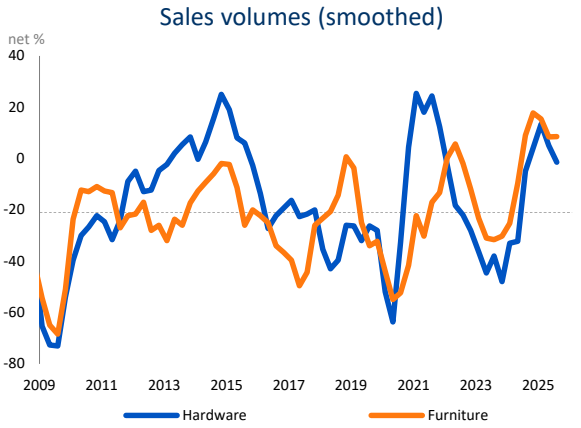
[5] Textiles, clothing, footwear & leather goods (SIC code 6232), sports goods & entertainment requisites (62393), other semi-durable goods (62399)

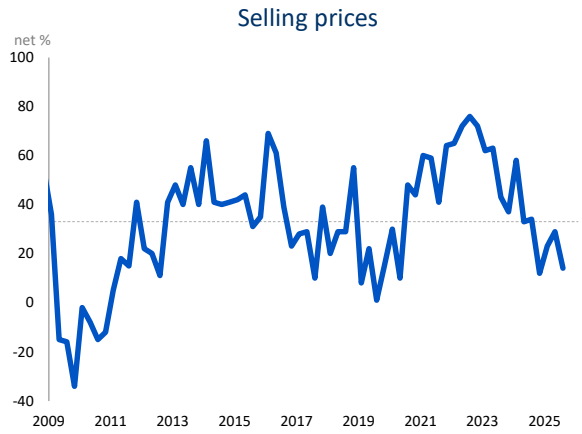
μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

RETAIL TRADE: DURABLES[6]

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Confidence	%	27	39	52	45	31	43	60	57	57	48	**40**	-8	13
Business conditions	Net %	-49	-27	-4	-35	-44	-19	1	3	19	-1	**-16**	-15	21
Sales volumes														
Total	Net %	-43	-20	3	-26	-52	-13	-5	22	15	8	**-2**	-10	22
Hardware	Net %	-47	-18	11	-21	-69	-9	-19	13	18	9	**-12**	-21	27
Furniture	Net %	-45	-22	2	-33	-25	-18	14	31	8	7	**10**	3	24
Selling prices	Net %	8	32	57	37	58	33	34	12	23	29	**14**	-15	18







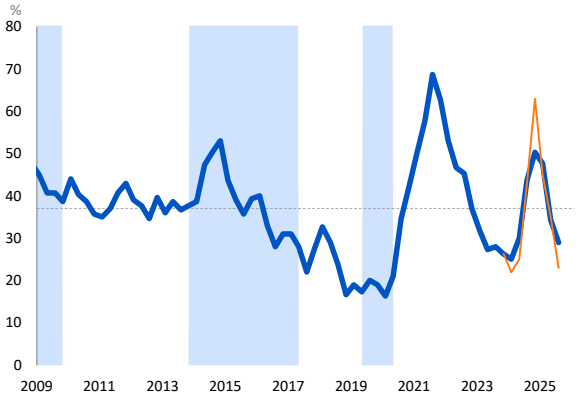
[6] "Retail trade durables" consists of "hardware" and "furniture". "Hardware" includes hardware, paint and glass (SIC code 6234). "Furniture" consists of household furniture, appliances, articles and equipment (6233), jewellery and related items (62392) and other durable goods (62399)

μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

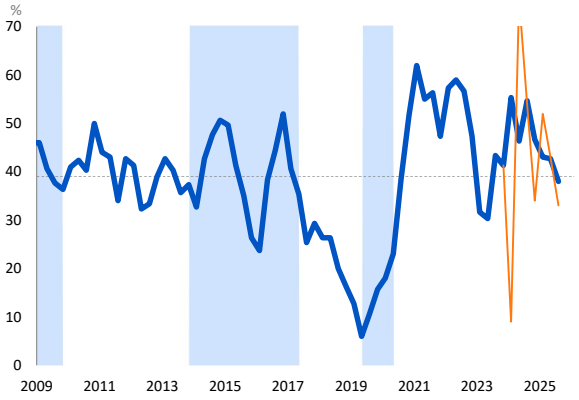
RETAIL TRADE: PROVINCES

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Gauteng														
Confidence	%	23	37	50	28	22	25	43	63	45	35	**23**	-12	13
Smoothed	%	26	37	47	26	25	30	44	50	48	34	**29**	-5	5
Sales volumes	Net %	-43	-23	-3	-38	-43	1	-11	2	-14	-19	**-26**	-7	18
Smoothed	Net %	-40	-23	-6	-35	-27	-18	-3	-8	-10	-20	**-23**	-3	8
KwaZulu-Natal														
Confidence	%	21	39	57	81	9	76	54	34	52	43	**33**	-10	23
Smoothed	%	26	39	51	41	55	46	55	47	43	43	**38**	-5	7
Sales volumes	Net %	-52	-23	5	-37	-18	-2	-50	36	23	1	**-31**	-32	34
Smoothed	Net %	-44	-23	-2	-49	-19	-23	-5	3	20	-2	**-15**	-13	14
Western Cape														
Confidence	%	33	45	57	52	66	45	42	59	47	49	**42**	-7	15
Smoothed	%	37	45	53	54	54	51	49	49	52	46	**46**	0	5
Sales volumes	Net %	-32	-7	19	-18	11	-4	-16	13	-9	29	**18**	-11	27
Smoothed	Net %	-27	-7	14	5	-4	-3	-2	-4	11	13	**24**	11	10

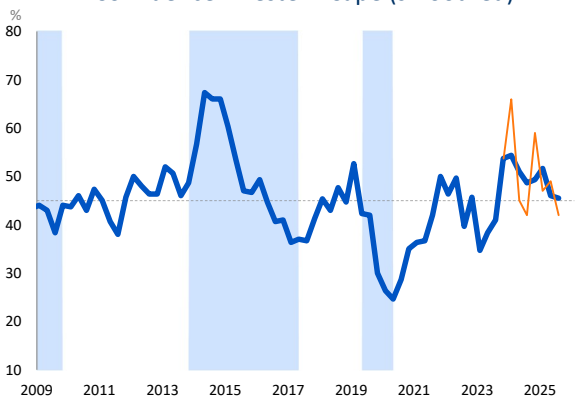
Confidence: Gauteng (smoothed)



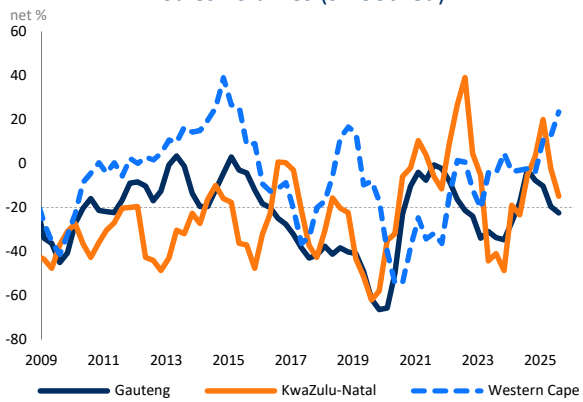
Confidence: KwaZulu-Natal (smoothed)



Confidence: Western Cape (smoothed)



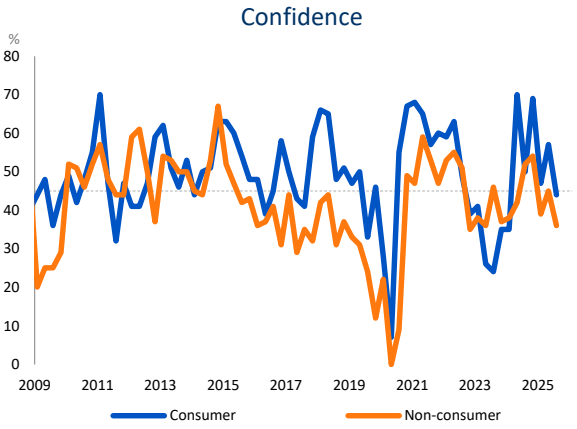
Sales volumes (smoothed)

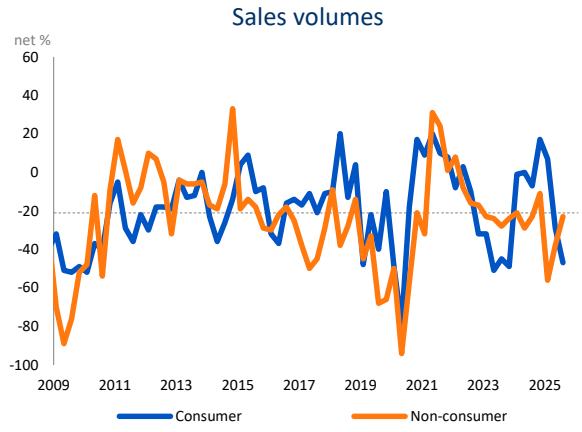


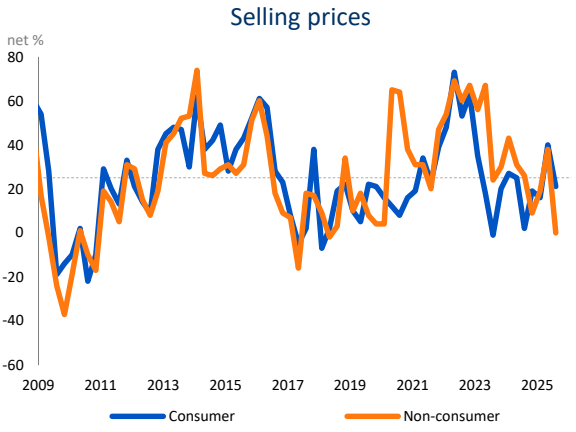
μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

WHOLESALE TRADE: TOTAL[7]

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Confidence	%	35	45	56	36	37	53	51	60	42	50	**38**	-12	9
Business conditions	Net %	-52	-30	-8	-46	-54	-35	-9	2	-56	-36	**-33**	3	21
Sales volumes	Net %	-42	-22	-2	-34	-13	-17	-17	0	-30	-34	**-31**	3	17
Selling prices	Net %	4	25	46	26	36	29	17	13	18	39	**7**	-32	16







[7] The "wholesale trade total" consists of the "wholesale trade consumer goods" and the "wholesale trade non-consumer goods" sectors. The BER does not cover the wholesale trade on a fee or contract basis (SIC code 611), the wholesale trade in precious stones, jewellery and silverware (61393) and the wholesale trade in solid, liquid and gaseous fuels and related products (6141)

μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

WHOLESALE TRADE: CONSUMER GOODS[8]

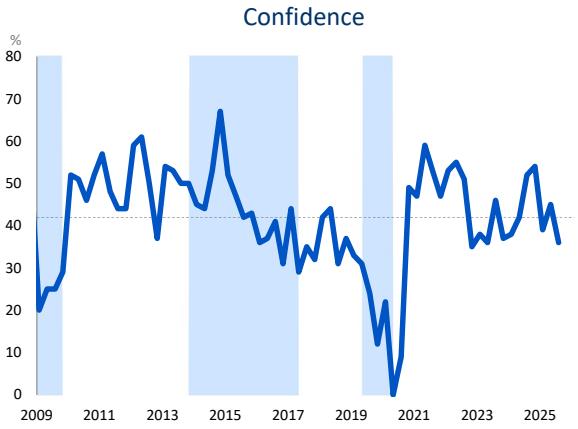
Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Confidence	%	37	49	61	35	35	70	50	69	47	57	**44**	-13	13
Business conditions	Net %	-53	-30	-7	-66	-54	-18	-19	18	-34	-38	**-30**	8	24
Sales volumes	Net %	-40	-19	2	-49	-1	0	-7	17	7	-29	**-47**	-18	20
Selling prices	Net %	3	24	46	20	27	25	2	19	16	40	**21**	-19	18

[8] Agricultural raw materials and livestock (SIC 6121), food, beverages and tobacco (6122), textiles, clothing and footwear (6131) and other household goods (6139).

μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

WHOLESALE TRADE: NON-CONSUMER GOODS[9]

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Confidence	%	29	42	54	37	38	42	52	54	39	45	**36**	-9	11
Business conditions	Net %	-56	-31	-6	-31	-53	-45	-1	-15	-74	-34	**-37**	-3	24
Sales volumes	Net %	-50	-24	1	-24	-21	-29	-23	-11	-56	-38	**-23**	15	22
Selling prices	Net %	0	25	49	30	43	31	26	9	19	38	**0**	-38	19

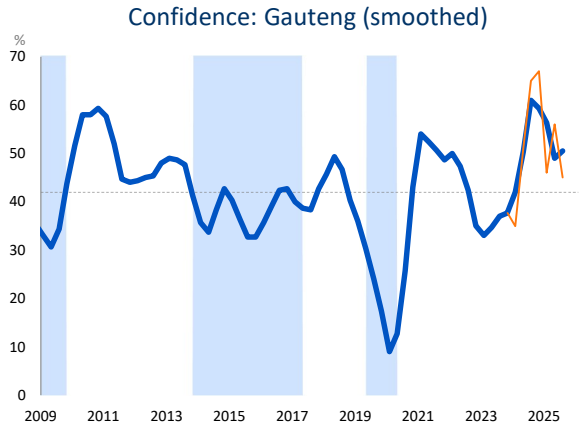


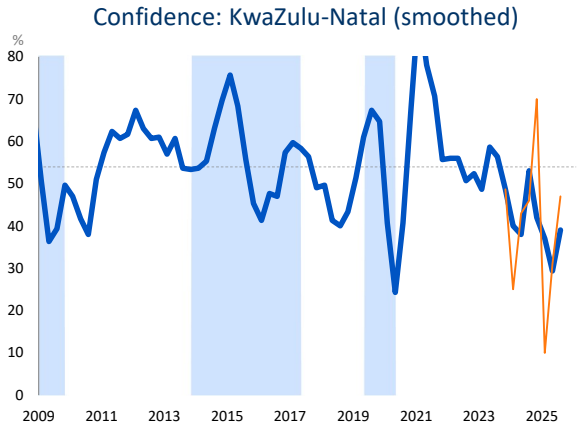
[9] Metals and metal ores (SIC code 6142), construction materials, hardware, plumbing and supplies (6143), other intermediate products, waste and scrap (6149) and machinery and equipment (615).

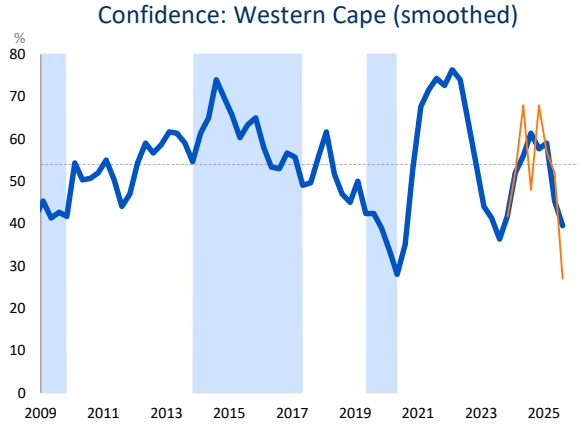
μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

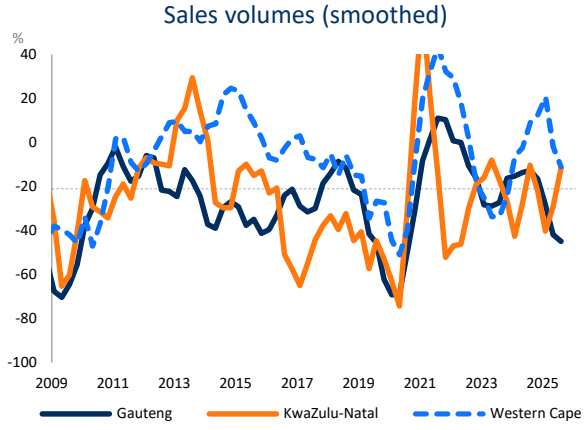
WHOLESALE TRADE: PROVINCES

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
Gauteng														
Confidence	%	30	42	54	40	35	51	65	67	46	56	**45**	-11	10
Smoothed	%	32	42	53	38	42	50	61	59	56	49	**51**	2	5
Sales volumes	Net %	-49	-27	-4	-18	-4	-24	-13	-1	-36	-48	**-42**	6	21
Smoothed	Net %	-45	-26	-8	-16	-15	-14	-13	-17	-28	-42	**-45**	-3	9
KwaZulu-Natal														
Confidence	%	35	53	71	52	25	43	46	70	10	31	**47**	16	22
Smoothed	%	41	53	65	49	40	38	53	42	37	29	**39**	10	9
Sales volumes	Net %	-60	-26	9	-40	-59	-29	4	-6	-65	-50	**27**	77	39
Smoothed	Net %	-50	-26	-1	-27	-43	-28	-10	-22	-40	-29	**-12**	17	18
Western Cape														
Confidence	%	40	54	68	36	52	68	48	68	57	52	**27**	-25	15
Smoothed	%	43	54	65	42	52	56	61	58	59	45	**40**	-5	6
Sales volumes	Net %	-34	-7	20	-32	8	5	-20	42	16	4	**-26**	-30	26
Smoothed	Net %	-29	-7	15	-24	-6	-2	9	13	21	-2	**-11**	-9	11





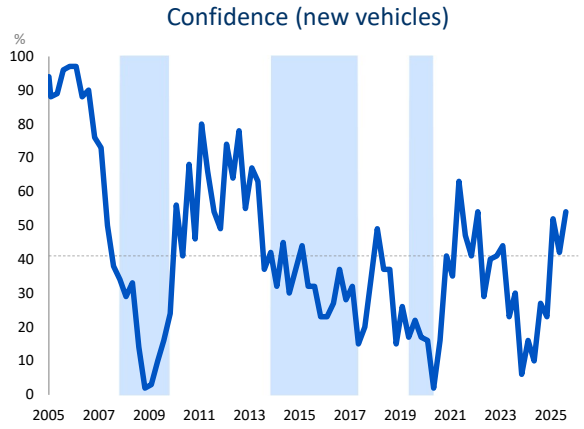


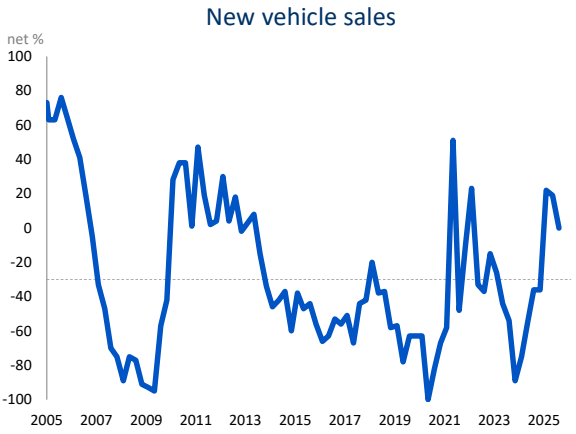


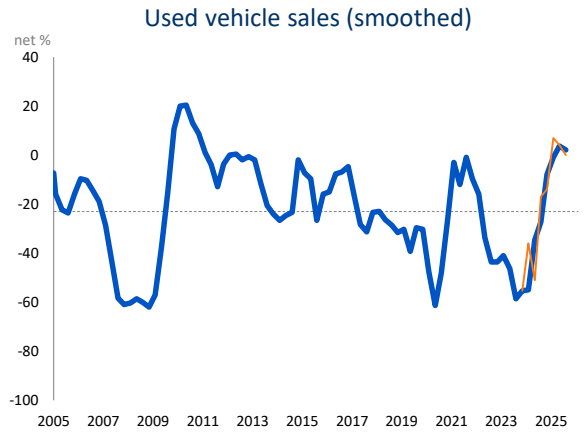
μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

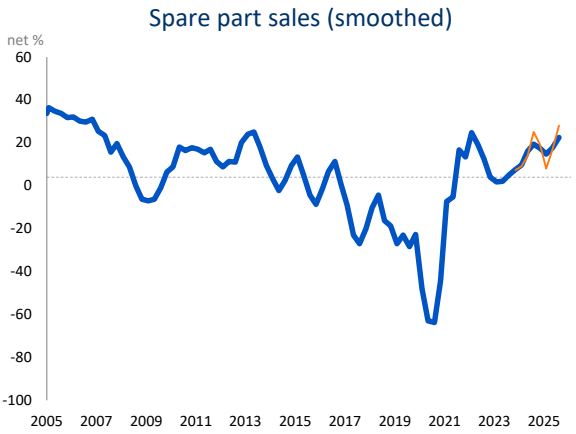
MOTOR TRADE[10]

Indicator	Unit	μ-σ	μ	μ+σ	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Δ	σ Δ
New vehicles														
Confidence	%	17	40	62	6	16	10	27	23	52	42	**54**	12	14
Sales volumes	Net %	-72	-32	9	-89	-75	-55	-36	-36	22	19	**0**	-19	27
Used vehicles														
Sales volumes	Net %	-48	-22	3	-78	-36	-51	-17	-14	7	4	**0**	-4	24
Smoothed	Net %	-44	-22	-1	-55	-55	-35	-27	-8	-1	4	**2**	-2	10
Spare parts														
Sales volumes	Net %	-20	4	27	6	9	14	25	19	8	17	**28**	11	20
Smoothed	Net %	-16	4	24	7	10	16	19	17	15	18	**23**	5	8







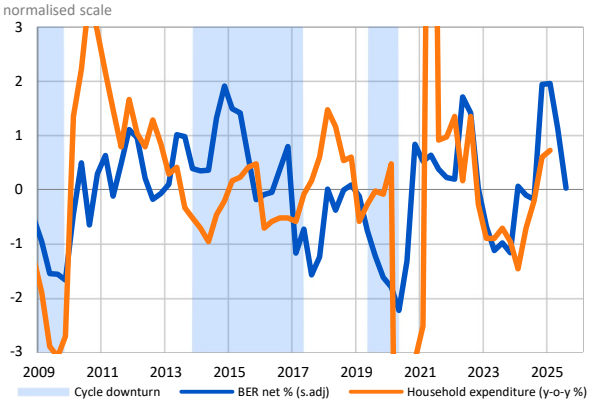


[10] The "motor trade" consists of the retail sales of new and used vehicles (SIC code 6312), as well as new spare parts and accessories (6331). The BER does not cover the wholesale sale of motor vehicles (6311), the maintenance and repair of motor vehicles (632), the sale of used parts and accessories (6332), the sale, maintenance and repair of motor cycles (634) and the retail sale of automotive fuel (635).

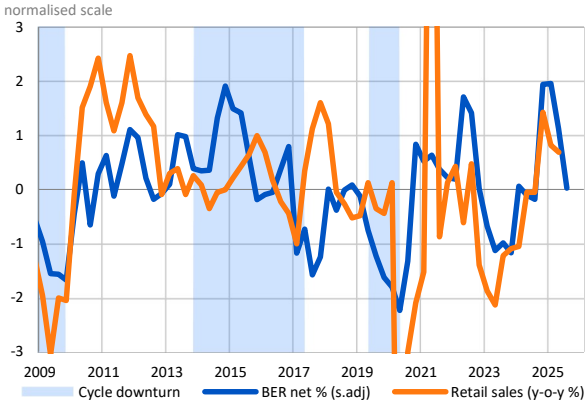
μ – average
σ – standard deviation
Δ – change from previous period
σΔ – volatility (standard deviation of the changes)
All of the above calculated over 2009 to the present
See Technical note for further details

SUMMARY

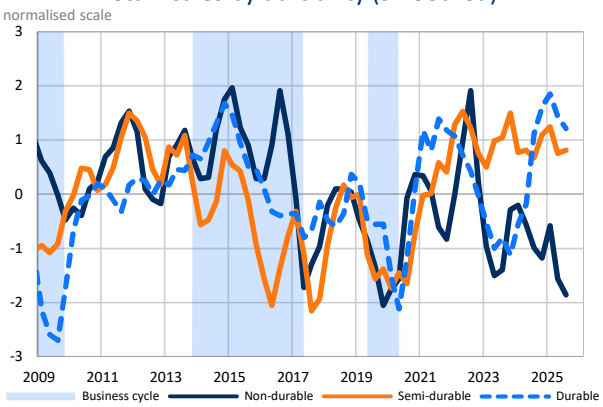
BER retail sales & FHCE*



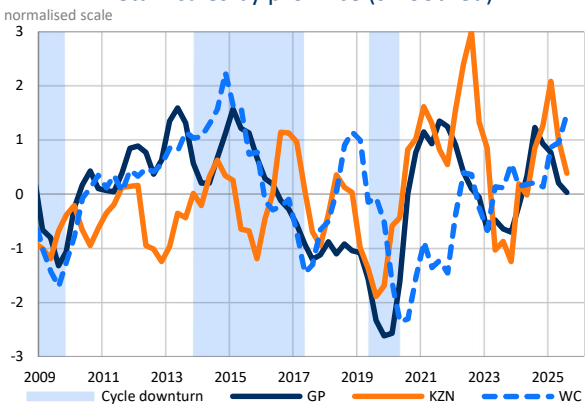
Retail sales



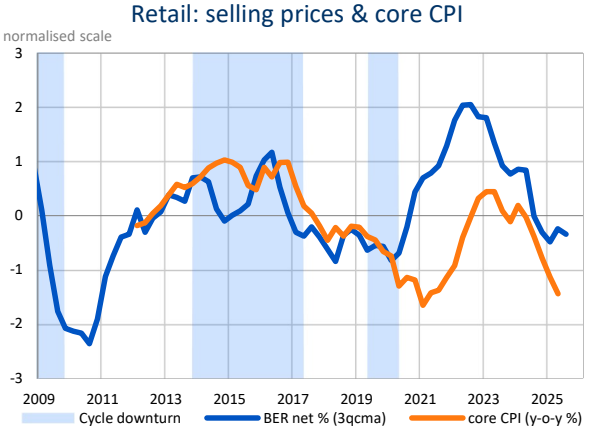
Retail: sales by durability (smoothed)



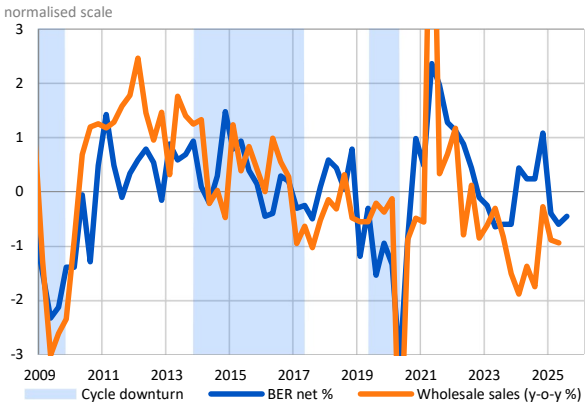
Retail: sales by province (smoothed)



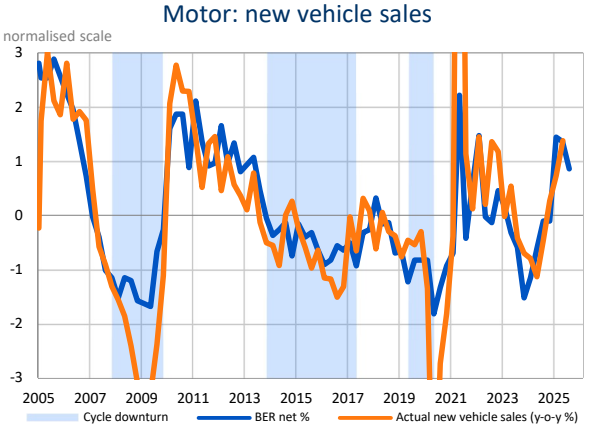
Retail: selling prices & core CPI



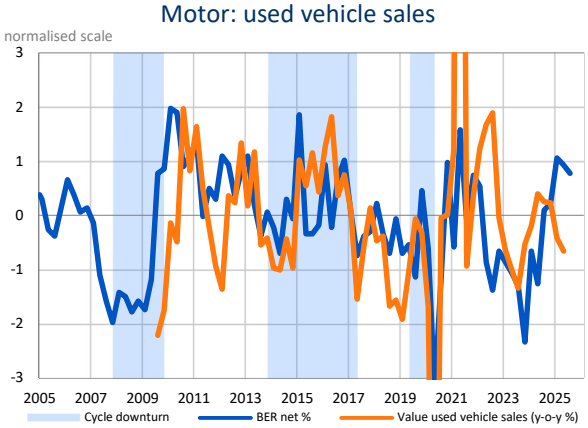
Wholesale sales



Motor: new vehicle sales



Motor: used vehicle sales



** Incl. spending on cars, petrol and services.*

Technical note

THE RETAIL, WHOLESALE AND MOTOR TRADE SURVEY METHOD

Short-term planning is hampered as official (quantitative or numeric) data is released with a time lag. Business tendency *survey* (BTS) *results reveal what happened between the release of the last official figures and the current state of affairs*. The survey results not only reveal earlier developments in activity, employment etc. (for which official figures are published), but also provide unique information, such as business confidence and respondents' expectations (or forecast) for the next quarter for which no official figures exist. It is now widely recognised that such subjective individual expectations play a key role in economic developments. Furthermore, the survey results of successive quarters *provide a means of tracking cyclical movements, pinpointing trend changes* and establishing forecasts.

The survey results are obtained from questionnaires completed by senior executives in the trade, manufacturing and building sector during the middle month of every calendar quarter.

The business survey questionnaire contains a small number of questions. These questions are qualitative in nature, e.g. "Compared to the same quarter a year ago, is the volume of sales up, the same or down?". No figures are requested.

The sample of executives remains the same from one survey to the next. A panel is in effect established. The sample provides for the main sectors. The list of participants is reviewed every few years to replace those firms that went out of business or stopped responding during the previous two years with new ones.

Participants have to complete a "participant details form" at the time of recruitment and every few years to ensure that their sector classification and turnover (optional) are correct. Each response is weighted according to the firm's size and the sector's contribution, and this is, in turn, adjusted for the response pattern. These weights are updated every 5 years. The new weights will apply from the third quarter of 2022 onwards. At the same time, the historical time series for the retail and wholesale trade going back to 2009 were revised to reflect the latest business census and other official results. No changes were made to the historical time series for the motor trade. The revision led to very small changes in the results relative to those published previously.

The BER conducted its first survey of the manufacturing and trade (i.e. retail, wholesale and motor trade) sectors in 1954. The sector coverage was expanded to the building sector (i.e. main contractors and sub-contractors) in 1969. Architects, quantity surveyors and civil engineering contractors were added later to the building survey.

Consult the BER web page (**www.ber.ac.za**) for more information about the business tendency survey method.

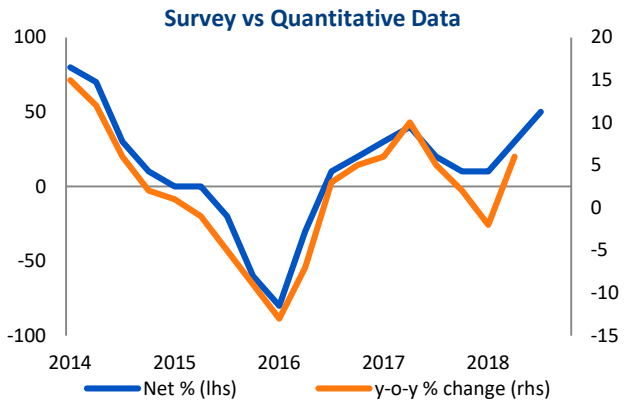
THE UNIQUE UNITS OF MEASUREMENT OF QUALITATIVE SURVEYS

Net percentage (net %)

The responses related to the change in activity, prices, employment, business conditions, expected economic performance etc. are presented as a "net percentage" (also called a "net balance" or a "net majority"). If, for example, the percentages of respondents rating the volume of sales as "higher", the "same" or "lower" compared to a year ago are 70%, 10% and 20% respectively, then one can conclude that the majority of participants experienced higher sales. The net percentage is calculated as the percentage of respondents rating "sales" as higher less the percentage rating it as "lower". The percentage rating it as the "same" is ignored. The net percentage in this example is therefore 50%, being the difference between the 70% "higher" and the 20% "lower". A net percentage of –10%, for instance, would indicate a decline in sales compared to a year ago. Take note that this does not mean a year-on-year contraction of 10%. It only means that the activity of a majority of 10% of the respondents was lower compared to a year ago.

The net percentage, or net balance statistic, can theoretically vary between a minimum of -100 (when all participants replied "lower") and a maximum of +100 (when all respondents replied "higher"). Theoretically a value of zero, therefore, indicates no change, between 0 and 100 reflects a rise (or improvement) and between 0 and –100 a decline (or deterioration) compared to the same quarter a year ago. The net balance statistic is a diffusion index, i.e. it indicates the degree to which the indicated change is "diffused" (spread) throughout the sample population. It indicates both the direction and size of the change.

Given that it reflects respondents' estimation of the change in the phenomenon/variable in the current quarter relative to the same quarter a year ago, the net percentage corresponds to a year-on-year percentage change/growth rate in the corresponding/equivalent official data series (see the figure on the right).



Percentage (%)

The responses relating to business confidence are presented as percentages.

In the case of business confidence, respondents have to rate prevailing business conditions as either "satisfactory" or "unsatisfactory". The percentage of respondents rating prevailing business conditions as satisfactory is taken as an indicator (proxy) for business confidence. A reading of 10 for business confidence, for instance, means that only 10% of the respondents indicated that they were satisfied. In this example, 90% were, therefore, unsatisfied.

Theoretically, the confidence series can vary between a minimum of zero and a maximum of 100. A value of zero would reflect an extreme lack of confidence and 100 extreme confidence. These results reflect respondents' evaluation of the phenomenon/the survey variable in respect to that specific survey quarter, i.e. not relative to some period in the past or future.

DESCRIPTIVE STATISTICS IN THE TABLES

Smoothed

Some series show erratic/volatile movements, i.e. data jumps around quite a bit between consecutive quarters. In such cases, it is necessary to smooth these movements over a longer period to obtain a general trend. Another case where we added moving averages is when the correlation between the survey results and the corresponding reference series is low or non-existent.

Three-quarter centred moving averages (3qcma) were selected in order to not disturb turning points too much, e.g. the moving average of 17Q4 is calculated as the average of 17Q3, 17Q4 and 18Q1, that of 18Q1 is calculated as the average of 17Q4, 18Q1 and 18Q2 etc. In order for the smoothed series to run up to the last unsmoothed data point, the last smoothed data point is only the average of two quarters, namely the previous and current quarter.

When a smoothed series is added, it is prudent not to attach too much value to the unsmoothed results of a particular quarter, but rather to evaluate it in its historical context.

Seasonal adjustment (SA)

In theory, the time series ought to display no seasonal patterns because respondents are instructed to compare the current quarter with the same one of a year ago (e.g. they have to compare the current Festive Season or wet/dry winter period with the same time a year ago). However, in practice, some series nevertheless reveal seasonal patterns, probably because some respondents incorrectly compare the survey quarter with the one directly preceding it. In such cases, a seasonally adjusted series (i.e. where such seasonal variation is eliminated with X12 ARIMA) is added.

Average (μ)

The neutral level of the time series for the two measurement types, net percentage and percentage, is 50 or zero respectively. The long-term average (mean) is often not equivalent to this neutral level. In such cases, it is more useful to evaluate the current results relative to such a long-term average than the neutral level.

One standard deviation below (μ-σ) and above (μ+σ) the average

The standard deviation indicates the common variation in or dispersion of the values. Data points falling between one standard deviation below and above the average could be regarded as common. Any data point falling outside these ranges, therefore, displays statistically significant variation.

Change (Delta: Δ)

This statistic indicates the change in the results of the latest quarter relative to the preceding quarter.

Volatility (standard deviation of the deltas: Δσ)

This statistic indicates the volatility of the quarter-on-quarter change. If the size (regardless if it is an increase or decline) of the change is greater than the standard deviation of the deltas, then it displays a statistically significant variation.

CONVENTIONS AND AIDS PROVIDED IN THE CHARTS

Shaded areas

Indicates cyclical downturns as demarcated by the South African Reserve Bank. Users need to take note that the business cycle could have already reversed course towards the end of the period covered in the chart, but usually we wait until the bank determines a turning point before changing the shaded areas.

Solid vs. dotted horizontal (X) axes:

A solid line indicates the theoretical mid-points of 50 or zero respectively, while a dotted line indicates the long-term average (mean). Also see the section on the "average" above.

Normalised scale

Time series data is normalised (standardised) when one wishes to observe the co-movement among indicators with different units of measurement, say for instance, between a diffusion index (confidence) and the growth rate in a volume index (GDP growth). Normalisation converts both series to the same scale (unit) by subtracting the long-term average from each series and dividing it by its standard deviation. This ensures that one compares "apples" with "apples" when making a visual inspection and not mistakenly identify co-movements or deviations that different scales could produce.