

**THE FEDERAL DEMOCRATIC REPUBLIC OF
ETHIOPIA**

CENTRAL STATISTICAL AGENCY

REPORT ON

URBAN DISTRIBUTIVE TRADE SURVEY

2013/2014 (2006 E.C.)

ADDIS ABABA

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PART I

INTRODUCTION AND OBJECTIVES OF THE SURVEY

1.1 Introduction

Distributive trade is the exchange of goods and services from the point of production to the point of consumption to satisfy human wants. It is the supply of material goods to consumers, through retailing and wholesaling or the act or process of buying, selling or exchanging goods and services at either wholesale or retail, within a country or between countries. This activity has been a constant part of human life and a vital element for the proper functioning of markets.

Any exchange of items of value between persons or companies for money is a deal of distributive trade. When certain needed products / services are developed and / or offered, people trade money for those products or access to the services. This transaction speeds up the development of commodities by individuals and companies to profit from their trade, thus, making distributive trade more wide spread and one of the largest sectors of an economy.

The performance of distributive trade in Ethiopia has a major impact on the everyday lives of the citizens of the country. It engages a multitude of traders who provide the avenues for exchanging commodities and money between producers and consumers and transmit information from the final users to the producers on the trend in demand for and taste of the commodity. It also promotes new ideas, technologies, and investments through the prospect of making a profit.

The scale of turnover and employment opportunities rendered by distributive trade are two of the pivotal roles that have earned the sector a recognition by policy makers, researchers, traders, and others in the country. It is not disputable in the sense that it will even receive national prominence in the wake of the Growth and Transformation Plan and become an immediate domestic policy concern.

The role that distributive trade plays in a country's political, economic and social stability makes measures of the trade essential. Statistics collected on distributive trade are, therefore, required to be reliable by data users. To deal with this issue convincingly and dispel the doubts of users, information on distributive trade has to be collected using standard procedures of data collection.

With this principle in mind, the Central Statistical Agency (CSA) has provided statistical information on the country's distributive trade for the fifth time to alert policy interventionists on the changes taking place in this sector. As part of this task, this fifth sample survey of distributive trade for 2013/14 (2006 E.C) was conducted to provide data on number of establishments involved, magnitude of income, employment, value added, and other items of interest for the specified year.

The last three surveys exclude the service trade as per the guidance **of the International Recommendations for Distributive Trade Statistics, 2008, United Nations which recommends the service trade be dealt with separately.** Thus, in this survey, distributive trade corresponds to the wholesale and retail trade; repair of motor vehicles and motor cycles only. It includes the sale, maintenance and repair of motor vehicles and motorcycles; wholesale trade and commission trade, except of motor vehicles and motorcycles, and retail

trade, except of motor vehicles and motorcycles. The survey results are presented in print and on electronic media for data users.

The report comprises three parts. Part I contains Introduction and Objectives of the survey. Part II deals with survey methodology, data collection, and processing and Part III includes the survey results. The questionnaire is presented in Appendix I. Estimates of the standard errors with the corresponding coefficients of variations for key results of the survey are presented in Appendix II and the Estimation procedures and formulation of estimates of totals, and variance in Appendix III.

1.2 Objectives of the Survey

The general objective of Distributive Trade Sample Survey is to collect basic quantitative information on the country's trade that is essential for planning, policy formulation, monitoring and evaluation of the performance of the trade sector, ensure the smooth supply and distribution of commodities, and deal with the problems that crop up in the sector.

The specific objectives of Distributive Trade survey are to estimate the total number of establishments involved, employment, income obtained, volume of trade, and other variables of interest. The specific objectives also enable to establish the number and distribution of establishments in the regions and major towns of the country, the sector's contribution to the economy, the investment situation, etc. The report is based on establishments dealing with wholesale and retail trade; repair of motor vehicles and motor cycles in the country and compiled at regional level.

PART II

SURVEY METHODOLOGY, DATA COLLECTION & PROCESSING

2.1 Scope and Coverage

The scope of distributive trade defined in this survey is wholesale and retail trade; repair of motor vehicles and motor cycles. The range of data items that the 2013/14 (2006 E.C) distributive trade sample survey comprises are number of establishments involved, employment, income obtained, volume of trade, distribution of establishments in the regions and major towns of the country, the investment situation, and others within the distributive trade sector. Establishments engaged in at least one or more of the activities of distributive trade were enumerated and data on the sector was acquired.

The 2013/14 (2006 E.C) distributive trade survey covered only urban parts of the country. Sixteen major urban centers (regional capitals and other major towns) and other towns were covered in the survey. Time, cost, and manageability of field work taken into account, a sample of 2152 whole sale trade establishments, 5719 retail trade establishments and 418 motor vehicles, repair, and spare parts' establishments (an overall total of 8289 establishments) was planned to be covered at national level. But the survey actually covered a sample of 1906 whole sale trade establishments, 5751 retail trade establishments, and 441 motor vehicles, repair, and spare parts' establishments (an overall total of 8098 establishments). A total of 191 establishments were not covered owing to various reasons. This sample is allocated to each region based on the number of major and other urban centers located in the region and the number of whole sale, retail, and motor vehicles, repair and spare parts' establishments within each major and other urban centre in the region. The distribution of sampling units by type of establishments and urban centers at regional level is given in Table A.

2.2 Sampling Frame

The sampling frame which is a list of distributive trade establishments by type of trade was collected from the pertinent ministries, agencies, bureaus and authorities as shown below.

- Ministry of Trade,
- Ethiopian Revenue and Customs Authority
- Federal Small and Micro Enterprises Development Agency
- Regional Trade and Industry Bureaus.

2.3 Sample Design

The survey units were the set of selected establishments in the cities and towns of the country. The study utilized a two stage stratified sampling design for each region, major towns, and other towns, separately, to attain unbiased and precise estimates. In the first stage regional capitals, major towns, and other towns for each region were selected. In the second stage distributive trade establishments were randomly selected by trade type, type in this case being whole sale, retail, and motor vehicles, spare parts sales, and repair for each selected town. The estimation procedure and measure of precision are given in Appendix I

Table A: Number of planned and Covered Distributive Trade Establishments

Region	Wholesale		Retail		Motor Vehicles	
	Planned	Covered	Planned	Covered	Planned	Covered
Tigray	95	97	525	533	40	25
Mekele	70	69	285	284	33	19
Other towns	25	28	240	249	7	6
Afar	32	28	38	38		-
Asayita	5	5	16	18	-	-
Other towns	27	23	22	20	-	-
Amhara	314	304	938	921	125	100
Bahir Dar	25	27	90	107	18	15
Gonder	31	26	64	69	29	27
Dessie	28	27	65	76	16	14
Other towns	230	224	719	669	62	44
Oromia	307	295	1,779	1,742	62	76
Nazareth	30	28	33	210	20	20
Jimma	19	12	38	36	14	12
Debre Zeit	7	7	32	38	7	7
Shashemene	13	13	32	31	6	5
Other towns	238	235	1,644	1,637	15	
Somali	307	47	39	59	8	7
Jijiga	33	30	15	39	8	7
Other towns	19	17	24	20	-	-
Benishangul	22	24	90	87	3	3
Asosa	7	7	55	60	3	3
Other towns	15	17	35	27	-	-
SNNPR	152	130	573	507	54	42
Awasa	31	9	48	87	14	14
Other towns	121	121	525	420	40	28
Gambela	17	7	75	77	-	-
Gambela	7	2	21	21	-	-
Other towns	10	5	54	54	-	-
Harari	14	14	35	39	10	6
Addis Ababa	1,120	906	1,567	1,688	93	160
Dire Dawa	27	54	60	60	23	22
Total	2152	1,906	5719	5,751	418	441

2.3 Concepts and Definitions

Data items of distributive trade have to be distinctly defined and identified, so that the information about the items becomes accurate and useful. Stating data items and related terms is a prerequisite in the standard procedures of data collection and compilation. The purpose of using standard concepts and definitions is not only to provide quality data but also to ensure that the right items are enumerated and measured accurately to reflect the distributive trade situation.

Standard concepts and definitions used in a survey help to maintain consistent enumeration and measurement of variables of interest. To achieve this, the CSA communicates concepts and definitions to the field staff through training and instruction manuals. Thus, concepts and definitions used for the purpose of data collection during this survey included the following.

Distributive Trade: - is defined, for this survey, as an economic activity which includes wholesale and retail trade; repair of motor vehicles and motor cycles.

Productive activity: - is, for this survey, the act of selling or making available commodities/service (in whole or in part) to customers at the enterprise in cash or in kind.

Establishment: - is an economic unit producing goods and/or services and owning assets, incurring liabilities and involving in economic activities and in transactions with other economic entities. It is an economic entity performing transaction with autonomy in financial and investment decision making as well as allocating resources for the production of goods and services. It may be engaged in one or more productive activities at one location.

Wholesale trade: - is defined as the resale (sale without transformation) of new and used goods to retailers, businesses (industrial, commercial, institutional or professional users) and others.

Retail trade: - is defined as the resale (sale without transformation) of new and used goods mainly to the general public for personal or household consumption or utilization.

Repair of Motor Vehicles and Motorcycles: - is an economic activity which is part of distributive trade and includes sale of motor vehicles, maintenance and repair of motor vehicles, sale of motor vehicle parts and accessories, and sale, maintenance and repair of motorcycles and related parts and accessories.

Minor Repair: - is repair made to maintain the existing condition of fixed assets.

Work Permit (License): - is a legal document or certificate issued by a government office (Ministry of Trade and Industry, City Administration, etc.) as permission for the operation of an enterprise.

Partnership: - is a type of ownership where by an enterprise with legal status is run by more than one person. The responsibility / liability are equal for all the partners irrespective of their share.

Share Company: - is an establishment / enterprise with legal status and owned by five or more persons. A share can be transferred from one owner to another.

Private Limited Company (PLC):- is an establishment / enterprise with legal status owned by at least two and not more than 50 individuals. In order to transfer the share of a PLC a $\frac{3}{4}$ consensus (approval) of the share holders is required.

Cooperative: - is a union/group of more than one person or family where all members of the union centralise their energy/money/assets and knowledge for and fully participate in the activity of the establishment / enterprise they own.

Book of Accounts: - is a ledger containing details of financial activities of an establishment / enterprise including the balance sheet. It is usually opened and closed at the beginning and end of the budget year of the establishment / enterprise respectively.

Initial Capital: - is capital that has been contributed by individual owners or share holders of an establishment / enterprise at the start of its operation. Initial capital can be assets or cash.

Machinery: - is any power driven instrument used in production, and service delivery, e.g. washing machines, electric power driven saw mill, welding instruments, bakery hardware, etc.

Hand tools and equipment: - are tools which are not power driven, e.g. shovel, axe, hammer, etc.

Persons engaged: - are workers taking part in the activity of the establishment / enterprise with or without payment. They can be family members, and apprentices. This concept includes permanent, contract, and temporary workers.

Employer: - a person who hires at least one employee for their establishment / enterprise. Anyone using hired labour for their establishment / enterprise and taking part in the productive activity is also included in this category.

Employee: - is any worker hired by an establishment / enterprise on permanent, contract, and temporary basis. The compensation could be in cash or in kind on a monthly, weekly, and or daily basis.

Number employed: - are all employees on the payroll including seasonal/ temporary workers.

Self employed worker: - is an individual who works in his own establishment / enterprise without hiring anyone. For this survey this concept / definition also includes Enterprises using family labour without payment.

Unpaid family worker: - is any family member of the owner of an establishment / enterprise working for the establishment / enterprise without payment.

Apprentice: - includes workers working to gain experience with or without payment.

Permanent employee: - is a worker hired by an establishment/enterprise on salary basis to work for unlimited period of time.

Temporary worker: - a worker hired on verbal agreement between the worker and the establishment / enterprise to work for certain hours/days/weeks or even months. His compensation could be on a daily, weekly, or monthly basis.

Wages and Salaries: - are compensations made to employees in cash or in kind during the reference year for the work done for the establishment / enterprise.

Fixed assets: - are assets with a productive life of one year or more, which are intended for the use of distributive trade activity by establishments/enterprises.

Revenue from sales: - is the total sales value of all goods and services during the reference year valued at market price.

Gross value of income: - is the sales value of all products and services, rent of machinery and equipment, the net change in stocks between the beginning and end of the reference period in the value of merchandise goods and the value of work in progress and other income.

Intermediate cost: - is the cost of raw materials/merchandise goods, cost of energy and other costs of items consumed / sold.

Value Added (in the National Account Concept, at Factor Cost): - is the difference between the gross value of income and total intermediate costs and indirect taxes.

Operating Surplus: - is defined here as the difference between values added in the national account concept at factor cost and total wages and salaries and employees' benefits.

2.4 Organization of Field Work

The conduct of a survey cannot be executed without the arrangement of fieldwork. In recognition of this, the organization of fieldwork for this survey has been entrusted to the 25 Branch Statistical Offices spread across the regions. All Branch Offices took part in the survey execution especially in recruiting the enumerators, participating in the first stage training, organizing the 2nd stage training, assigning the field staff to their sites of

enumeration, supervising the data collection and retrieving completed questionnaires and submitting them to the Head Office for data processing.

The Branch Offices were also responsible for administering the financial and logistic aspects of the survey within their areas of operation. A total of 800 enumerators, 160 field supervisors, 25 coordinators and 50 statisticians were involved in the data collection where on the average one supervisor was assigned to supervise five enumerators during data collection. All the enumerators were supplied with the necessary survey equipment after the completion of the training to ensure the smooth operation of the survey. To facilitate the data collection activities, about 75 four-wheel drive vehicles were used.

2.5 Training of Field Staff

The execution of a survey and quality of data acquired from the survey highly depend on the type of training given to the enumerators and supervisors and the consequent understanding of the tasks to be performed and the standard procedures to be followed by the enumerators and supervisors in the survey undertaking. The quality and completeness of data are ensured when the training meets its objective of producing responsible and fervent enumerators and supervisors.

In light of this point, the training was given to the field staff in two stages. The first stage training, which took place at the Head Quarters of CSA and lasted 6 days targeted staff from the Head Office, statisticians and senior field supervisors from Branch Statistical Offices. The staff that took part in the first stage training was then assigned to conduct similar training for the enumerators and other supervisors for 10 days in all the twenty- five Branch Statistical Offices distributed across the country.

In the training, the field staff was given detailed classroom instruction on interviewing procedures, how to collect, edit and code data, and verify them, etc. The training also included demonstrations and classroom exercises to reinforce their understanding of concepts, definitions and theories discussed in the classroom with regard to interviewing methods, data collection, and other related activities.

2.6 Method of Data Collection

The distributive trade data for the year 2013/14 (2006 E.C) was collected from establishments/enterprises in urban centres by interviewing the selected establishments/enterprises and recording the data to obtain the required information on activities of distributive trade. The data obtained were recorded in a set of forms designed for this purpose.

For this purpose an enumerator was assigned to randomly selected enumeration area to list the entire establishments/enterprises with the help of a list frame which was obtained from the Ethiopian Revenue and Customs Authority and later updated to include changes that occurred after the registration with the authority.

In order to identify the establishments / enterprises engaged in distributive trade activity to be surveyed, the following tasks were performed in the order shown below.

- i) All the establishments on the list were first verified on the ground.
- ii) The missing establishments were replaced with similar existing ones.
- iii) The existing establishments / enterprises were then separated into three groups namely, wholesale trade, retail trade, and Motor vehicles and motorcycles sales and repair.

The reference year for the survey was 2013/14 (2006 E.C) despite the fact that the survey was conducted in April, 2015 (2007 E.C).

2.7 DATA PROCESSING

a) Editing, Coding and Verification

Statistical data editing plays an important role in ensuring the quality of the collected survey data. It minimizes the effects of errors introduced while collecting data in the field, hence the need for data editing, coding and verification. Although coding and editing are done by the enumerators and supervisors in the field, respectively, verification of this task is also done at the Head Office comprehensively.

An editing, coding and verification instruction manual was prepared and reproduced for this purpose. Then about 40 editors-coders and verifiers were trained for one day in editing, coding and verification using the aforementioned manual as a reference and power point as a teaching aid. The completed questionnaires were edited, coded and later verified on a 100 % basis before the questionnaires were passed over to the data entry unit. The editing, coding and verification exercise of all questionnaires took 20 days.

b) Data Entry, Cleaning and Tabulation

Before data entry, the Business Statistics Directorate of the CSA prepared edit specification for the survey for use on personal computers for data consistency checking purposes. The data on the edited and coded questionnaires were then entered into personal computers. The data were then checked and cleaned using the edit specifications prepared earlier for this purpose. The data entry operation involved about 30 data encoders and it took 20 days to finish the job. Finally, summarization of the data was done on personal computers to produce statistical tables as per the tabulation plan.

PART III

SUMMARY OF SURVEY RESULTS

3.1 Description of Results

The healthy performance of distributive trade affirms a steady supply and distribution of commodities. This accomplishment in trade does not only mean the availability and demand for products and service at affordable prices in the market, but also is an indication of a positive aspect of the economy. In regard to this, collective efforts are being geared to ensuring reliable supply and distribution of products and services of the desired level/quality at reasonable prices so that stability in the economy is maintained.

The major distributive trade items on which data are collected are number & type of trade enterprises & commodities involved in the business of distributive trade; proprietorship, age, & distribution of enterprises; initial capital, practice of keeping book of accounts, number of persons engaged, & remuneration of employees; value of goods purchased, operating cost of establishments/enterprises, investment, value of fixed assets, fixed capital formation, gross value of income, value added, etc.

In the statistical tables, these data items are categorized into various groups for simplicity of description, clarity, and comparison purposes. In this regard, the following statistical tables attempt to paint a picture of the functioning of distributive trade in Ethiopia.

Table 1 shows the number and distribution of distributive trade establishments in 2013/14 (2006 E.F.Y.) The estimated number of wholesale establishments for the year indicated was 51,994 nine percent of all distributive trade establishments. This is 116% more than that of the 2010/11 corresponding estimate. The number of retail establishments reported was also more than 511,219 more than 88% of all establishments. This demonstrates that most of the distributive trade establishments were engaged in retail trade. This is 94% more than the 2010/11 parallel estimate. More than 13,786 of the establishments, higher than two percent, were reported to be dealing with motor vehicles sales, repair & maintenance. More detailed information is portrayed in the table.

Distributive Trade Enterprises

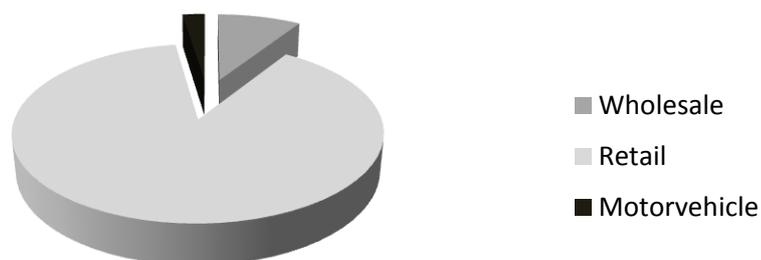


Table 2 illustrates the number & distribution of wholesale trade establishments by type and region. Of all wholesale establishments about 77% were reported to be domestic wholesalers and more than 18% were importers. The remaining percent was spread over exporters, exporters & importers, and others. The number of domestic wholesalers for 2013/14 was about 134% more than that of 2010/11 similar result while the number of exporters and importers for 2013/14 was 5% less and 53% greater than that of 2010/11 equivalent estimate, respectively. The regional distribution is depicted in more detail in the table.

Table 3 presents the number and distribution of motor vehicles sales, and maintenance establishments by region and type. About 30% of these establishments were reported to be dealing with motor vehicle maintenance, about 34%, and 15% dealt with motor vehicles spare parts' sales and motor cycles and their parts' sales and maintenance, respectively. Regional breakdowns and further information are given in the same table.

Table 4 portrays the number and distribution of wholesale establishments by commodity group and proprietorship. It shows that more than 52% and more than 11% of the wholesale establishments were involved in food, beverage, and tobacco; and agricultural raw materials and live animals' wholesale trade, respectively. About 86% of the wholesale establishments were individually owned.

Table 5 reveals the number and distribution of retail trade establishments by commodity group and proprietorship. It shows that more than 36%, 16%, and about 16% of the retail trade establishments were involved in food; clothing, foot wear, and leather articles; and beverages retail trade, respectively. More than 95% of the retail trade establishments were individually owned.

Table 6 demonstrates the number and distribution of motor vehicles' sales and maintenance establishments by commodity group and proprietorship. More than 33% and about 30% of the establishments were engaged in motor vehicles spare parts sales, and motor vehicles maintenance, respectively. More than 83% of these establishments were individually owned.

Table 7 describes the number and distribution of wholesale establishments by commodity group and age of establishments. It indicates the demography of distributive trade establishments. More than 52% and about 12% of the wholesale establishments were reported to be dealers of food, beverage, tobacco; and agricultural raw materials and live animals', respectively. More than 58% and about 22% of the wholesale establishments were between 5 & 9, and 10 & 14 years old, respectively.

Table 8 describes the number and distribution of retail trade establishments by commodity group and age of establishments. About 38%, 16%, and 16% of the retail trade establishments were reported to be engaged in food; clothing, foot wear, and leather articles; and beverages; retail trade, respectively. About 63% and 23% of the retail establishments were between 5 & 9, and 10 & 14 years old, respectively.

Tables 9, 10, 11, and 12 illustrate similar demographic trend of establishments by commodity group and region to that of Table 8.

Table 13 indicates the number and distribution of distributive trade establishments reporting disruption of operation by reason and type of trade. Of all wholesale establishments reporting disruption of work more than 32%, and 17% reported that the disruption was caused by seasonality of businesses, and delay in launching businesses respectively, while 21% of the retail trade establishments said the problem on their part was caused by seasonality of businesses. More than 37% and 17% of the motor vehicles establishments said that the disruption was caused by other reasons, lack of market, and delay in launching businesses, in the same order.

Tables 14, 15, and 16 show the number and distribution of trade establishments by proprietorship and region similar to that described above in Tables 4, 5, and 6. More than 95%, 85%, and 83% of the retail, wholesale, and motor vehicles establishments are individually owned. The details are better illustrated in the tables themselves.

Table 17 indicates the distribution of initial capital of wholesale establishments by region and proprietorship. Of the total reported initial capital of more than 28 billion about 37% was reported for individual proprietorship, and 23% for private limited. The initial capital of wholesale trade establishments reported for 2013/14 is 60% more than the analogous data for 2010/11. The regional distribution is displayed in the table.

Table 18 presents the same information as in Table 17 for retail trade establishments. Of the total reported initial capital of about 17 billion 77% was reported for individual proprietorship. The initial capital of retail trade establishments reported for 2013/14 is 240% more than the analogous data for 2010/11. Similarly, the regional distribution is displayed in the table.

Table 19 presents the same information as in Table 18 for motor vehicles sales & repair establishments. Of the total reported initial capital of about 4 billion about 67% was reported for private limited proprietorship, and 33% for individual proprietorship. The regional distribution is displayed in the table in a similar fashion.

Table 20 depicts the number and distribution of individually owned trade establishments by region, trade, and sex of owner. Of all (542,382) trade establishments about 73% is owned by males and 27% by females. A more or less similar percentage (trend) of ownership by sex is observed in the retail trade establishments alone.

Table 21 exhibits number and distribution of wholesale trade establishments by region and practice of keeping book of accounts. Of all (51,994) wholesale establishments 37% had complete book of accounts, 26% had incomplete book of accounts, and again 37% had no book of accounts at all. The number of wholesale establishments with complete book of accounts in 2013/14 has increased by about 94% compared with the equivalent of 2010/11.

Table 22 paints the same picture as Table 21 for retail trade establishments. Out of all (511,219) retail trade establishments 78% did not have any book of accounts. Only 15% and 7% had incomplete and complete book of accounts in the same order. The number of retail trade establishments with complete book of accounts in 2013/14 has increased by 85% compared with the corresponding result of 2010/11.

Table 23 displays the same pattern of keeping book of accounts in the motor vehicle sales, & repair establishments as in tables 21 and 22. The table offers more details.

Table 24 reveals similar pattern of keeping book of accounts in the wholesale, retail, and motor vehicle sales & repair enterprises by proprietorship. The same trend of keeping book of accounts by the different proprietors is observed in the table as in the above tables. More detailed illustrations are given in the table.

Table 25 discloses the number and distribution of trade establishments by type and nationality of share holders. Almost all (more than 99%) of the capital in wholesale, more than 99% of the capital in retail trade, and more than 99% of the capital in motor vehicle sales & repair establishments is entirely owned by Ethiopians.

Table 26 shows the number and distribution of persons engaged in wholesale trade by region, work status and sex. More than 236,000 persons were permanently employed in the wholesale establishments in 2013/14 of which about 153,000 were males. The total employed workforce excluding seasonal / temporary workers involved in the wholesale business was estimated to be more than 324,000 of which about 86,000 were unpaid family workers excluding apprentice & seasonal workers. More details are provided in the table.

Table 27 also gives the same information as Table 26 on retail trade establishments. About 220,000 persons were permanently employed in the retail trade establishments in 2013/14 of which about 149,000 were males. The total workforce involved in the retail trade business was estimated to be more than 1.1 million of which about 867,000 were unpaid family workers excluding apprentice & seasonal workers. The number of family workers, and permanent employees engaged in retail trade in 2013/14 increased by 102% and 314% over the corresponding figures for 2010/11 in the same order. Further details are afforded by the table.

Table 28 shows the number and distribution of persons engaged in motor vehicle sales & repair establishments by region, work status and sex. More than 50,000 persons were permanently employed in the motor vehicle sales & repair enterprises in 2013/14 of which more than 40,000 were males. The total workforce involved in the motor vehicle sales & repair business was estimated to be about 81,000 of which about 20,000 were unpaid family workers excluding apprentice & seasonal workers. More details are provided in the table.

Table 29 presents the amount of payments made to employees by type of trade and region. The salaries and wages paid to employees and seasonal workers by the wholesale trade establishments totalled more than 20 billion Birr in 2013/14 exceeding the parallel figure for 2010/11 by 987%. The same remuneration given to employees by the retail trade

establishments in the same year amounted to more than 3 billion Birr 389% more than the corresponding amount for 2010/11. The motor vehicle sales & repair establishments paid more than 2 billion to their employees and seasonal workers in 2013/14. More details are available in the table.

Tables 30, 31, and 32 illustrate the value of goods purchased for sale by commodity group and supplier. As indicated in the tables, the value of goods purchased for sale from producers by wholesale trade establishments is nearly half of the total value of goods purchased from all suppliers. As to the retail trade establishments, purchases valued at nearly half of the total value of all goods for sale were purchased from wholesalers. Most of the purchases made by motor vehicle and repair establishments were from producers. The value of these transactions carried out in 2013/14 is much greater than the same transaction performed in 2010/11 with the exception of motor vehicles & repair establishments.

Table 33 portrays operating cost of distributive trade establishments by expenditure and trade type. During the survey year 70% of the wholesale establishments' operating cost went for transport, 8% for house rent, and 7% for insurance, interest and bank services. The retail trade establishments spent 19% of their expenditure on transport, 44% on house rent, and 7% went for other expenditures. The motor vehicle sales and repair establishments spent 43% of their expenses on transport 19% on house rent, 9% on insurance, interest and bank services. The operating cost of wholesale and retail trade establishments in 2013/14 increased by 988%, and 366% over the corresponding expenses for 2010/11 in the same order.

Table 34 presents investment by trade in 2013/14. The table indicates that more than 5% of the investment was in fixed assets while the remaining was in working capital. The wholesale trade establishments accounted for 67% of the total investment in fixed assets by all distributive trade establishments. The investment made by wholesale trade establishments in 2013/14 was five times the parallel for 2010/11, and that of the retail trade enterprises increased almost six fold for the same years.

Table 35 shows payable and receivable accounts by establishments in the beginning and end of year.

Table 36 demonstrates the value of fixed assets owned by trade establishments under study. The value of buildings accounted for 43% of all fixed assets owned by the establishments of which 20% was that of the wholesale trade establishments and 18% that of retail trade. The value of fixed assets of wholesale trade establishments in 2013/14 increased by 742% from that of 2010/11 while the retail trade establishments' value of fixed assets increased by 775% for the same years.

Table 37 depicts net fixed capital formation accumulated by the establishments. Of the total capital formed by the three trade types 55% was made wholesale trade, 29% by retail trade and the remaining by the motor vehicle sales & repair enterprise. The capital formation made by wholesale trade establishments in 2013/14 increased by 431% from that of

2010/11 while the retail trade establishments' capital formation increased by 655% for the same years.

Tables 38, 39, and 40 show the sales income of the distributive trade establishments surveyed in 2013/14. Of the total income of all the three trade types 62% was that of wholesale trade establishments, 31% that of retail trade establishments and the remaining was that of motor vehicle sales & repair establishments. The sales income earned by both wholesale and retail trade establishments in 2013/14 increased by 162%, and 225% over that of 2010/11, respectively.

Tables 41, 42, and 43 portray the gross value of income and its distribution by region and establishment. Wholesale, retail, and motor vehicle sales & repair establishments made up 63%, 30%, and 7% of all the income earned from distributive trade, respectively. The gross value of income received by wholesale and retail trade establishments in 2013/14 increased by 160%, and 228% over that of 2010/11 in the same order.

Tables 44, 45, and 46 demonstrate the same pattern/trend of distribution of gross value of income by establishments as in tables 41, 42, and 43 but by commodity group. More than 33% of the total income made by wholesale establishments was drawn from sales of food, beverages, and tobacco, and 29% of the gross value of income acquired by retail trade establishments was derived from the sale of food items.

Table 47 points out the value added in the national account concept by distributive trade establishments. Of all the value added (more than 126 billion Birr) by all establishments 27% was contributed by wholesale establishments, 70% by retail trade establishments, and the remaining 3% by motor vehicle sales & repair establishments. A similar trend is also displayed by operating surplus. The value added by wholesale trade establishments decreased by 8%, and the value added by retail trade establishments increased by 709% in 2013/14 over the corresponding value for 2010/11 in the same order. The operating surplus also shows a similar pattern of percentage increase for the same years.

Tables 48 – 53 indicate the number of enterprises reporting problems and their intentions (plans) and the support they are seeking by type. Further details are available in the tables.

3.2 Statistical Tables (Tables 1-53)

APPENDIX I

**ESTIMATION PROCEDURES AND
FORMULATION OF ESTIMATES OF TOTALS
& VARIANCE**

Estimation Procedures of Total, Ratio and Sampling Errors

The following formulas were used to estimate the required variables by reporting levels.

1. Estimate of Total \hat{Y}_h in Major Urban Domain (Category I) is given by

$$\hat{Y}_h = \sum_i \frac{M_h}{M_{hin_h}} \frac{N_{hi}}{n_{hi}} \sum_j \frac{E_{hi}}{e_{hi}} \sum_k y_{hik} = \sum_i \sum_j \sum_k W_{hi} y_{hik}$$

Where,

$$W_{hi} = \frac{M_h}{M_{hin_h}} \frac{N_{hi}}{n_{hi}} \frac{E_{hi}}{e_{hi}} \text{ is the basic sampling weight}$$

2. Estimate of Total \hat{Y}_h in Other Urban Domain (Category II)

$$\hat{Y}_h = \sum_i \frac{M_h}{M_{hin_h}} \frac{N_{hi}}{n_{hi}} \sum_j \frac{E_{hij}}{e_{hij}} \sum_k y_{hijk} = \sum_i \sum_j \sum_k W_{hij} y_{hijk}$$

Where,

$$W_{hij} = \frac{M_h}{M_{hin_h}} \frac{N_{hi}}{n_{hi}} \frac{E_{hij}}{e_{hij}} \text{ is the basic sampling weight}$$

The following notations were used in the formula:

M_h = Total number of enterprise in stratum h obtained from the sampling frame.

M_{hi} = Total number of enterprises in distributive trade type i for major urban domain or in urban center i for other urban domain, stratum h obtained from the sampling frame.

E_{hi} = Total number of enterprises obtained from the survey of distributive trade type i stratum h for major urban domain/in sample urban center of distributive trade type i stratum h for other urban domain.

e_{hi} = Total number of enterprises successfully covered in distributive trade type i stratum h for major urban domain/in sample urban center distributive trade type i stratum h for other urban domain.

n_h = Number of successfully covered by type of distributive trade for other urban domain and for major urban domain in stratum h .

N_{hi} = Total number of distributive trade type i in stratum h for major urban/in other urban center stratum h obtained from the sampling frame

n_{hi} = Total number of sampled and covered distributive trade type in sampled distributive trade type i for major urban/urban center in stratum h

Y_{hik} = The observed value of characteristic y for enterprises k , in distributive trade type i , stratum h for major urban domain/ other urban domain stratum h .

Note: Estimate of total, \hat{Y} , is obtained by summing up stratum/domain total estimates.

$$\hat{Y} = \sum_h \hat{Y}_h$$

1. Sampling Variance of the Estimates:

Sampling variance of estimate of stratum total are given by the following formulas:

The variance of domain or reporting total estimate is:

$$Var(\hat{Y}_h) = \frac{n_h}{n_h - 1} \sum_{i=1}^{n_h} \left(\hat{Y}_{hi} - \frac{\hat{Y}_h}{n_h} \right)^2$$

in which

$$\hat{Y}_{hi} = \sum_j W_{hi} \sum_k y_{hik}$$

$$V(\hat{Y}) = \sum_h V(\hat{Y}_h)$$

$$SE(\hat{Y}_h) = \sqrt{Var(\hat{Y}_h)}$$

2. Coefficient of Variation (CV) and Confidence Interval (CI)

The following formulas were used to calculate CV and CI of the domain (reporting level) total.

The coefficient of variation (CV) of domain total in percentage is:

$$CV(\hat{Y}_h) = \frac{\sqrt{VAR(\hat{Y}_h)}}{\hat{Y}_h} * 100$$

and Ninety-five percent confidence interval (CI) of domain total:

$$\hat{Y}_h \pm 1.96 * SE(\hat{Y}_h)$$

3. Ratio Estimates:

$$\hat{R}_h = \frac{\hat{Y}_h}{\hat{X}_h} \text{ and } \hat{R} = \frac{\hat{Y}}{\hat{X}}$$

Where: the numerator and the denominator are estimates of domain totals of characteristic y and x, respectively.

$$Var(\hat{R}_h) = \frac{1}{\hat{X}_h^2} [Var(\hat{Y}_h) + \hat{R}_h^2 Var(\hat{X}_h) - 2\hat{R}_h Cov(\hat{Y}_h, \hat{X}_h)]$$

APPENDIX II

QUESTIONNAIRE

Appendix I

Form Distrade 2007/4

Central Statistical Agency

Distributive Trade Survey, 2014/15

Part I – Identification Particulars

1	2	3	4	5	6	7	8	9	10	11
Region	Zone	Wereda	City	Sub-city	Kebele	E.A.	House No.	Establishment serial number	SelectionNo.	Establishment's name

Part II – Basic Information about the Establishment

1	2	3				
Serial No.	Questions	Code				
1	Type of establishment Wholesale trade = 1 Retail trade = 2 Motor vehicles, motor cycles sales & maintenance = 3 <i>If the answer for this question is 2 or 3 skip to question 3</i>	<input type="text"/>				
2	If the trade establishment is wholesale, type of wholesale trade establishment Domestic wholesale = 1 Export = 2 Import = 3 Export & Import = 4 Others (specify) = 5	<input type="text"/>				
3	3.1 List 3 major commodities (in terms of value) that are sold by the enterprise 1. _____ 2. _____ 3. _____ 3.2 If the establishment sells more than one commodity, write the name of the first major commodity. →	For office use only <table border="1"> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>				
4	Form of proprietorship Individual ownership = 1 Government owned = 5 Partnership = 2 Cooperative ownership = 6 Share company = 3 Others (specify) = 7 Private limited company = 4	<input type="text"/>				
5	If establishment is individually owned, sex of owner Male = 1 Female = 2	<input type="text"/>				
6	Does the establishment keep book of accounts? Complete book of accounts = 1 Incomplete book of accounts = 2 No book of accounts = 3	<input type="text"/>				
7	How long has the establishment been operational?	Years Months <table border="1"> <tr> <td></td> <td></td> </tr> </table>				
8	How many days has the establishment been operational for?	<input type="text"/>				
9	If establishment was not operational for a certain period during the survey year, one major reason for operation Failure is Delay in operation = 1 Seasonality of the business = 6 Shortage of commodities = 2 Family problems = 7 No market = 3 Others (specify) = 8 Shortage of capital = 4 Restrictions of government rules and regulations = 5	<input type="text"/> Birr				
10	What was the Initial capital (in Birr) of the establishment?	<input type="text"/>				
11	Ownership of capital of the establishment by nationality All Ethiopians = 1 All foreigners = 4 51% and above Ethiopians = 2 Others (specify) = 5 51% and above foreigners = 3	<input type="text"/>				

4.2 – Expenditure on Commodities Purchased for Sale

1	2	3	4	5	6	7
Serial No.	Names of major commodities	Code	Expenditure by Supplier			
			Exporter, Importer & Wholesaler	Manufacturer	Others	Total
1						
2						
3						
4						
5						
6	Others					
	Total					

4.3 – Miscellaneous Expenses

1	2	3
Serial No.	Expenditure Type	Expenditure in Birr
1	Electricity bill	
2	Energy bill (wood, charcoal, etc.)	
3	Water	
4	Minor repair and maintenance	
5	House rent	
6	Machinery & other durable property rent	
7	Advertisement	
8	Stationery and packaging material	
9	Telephone, post, telex, etc.	
10	Accounting, auditing, and legal service	
11	Transportation	
12	Insurance / premium	
13	Commission paid	
14	Bank service charge	
15	Miscellaneous expenses	
16	Total expenditure / 1 – 15/	
17	Interest paid	
18	Own consumption not paid for	
19	Money paid in fines	
20	Other expenditure / licenses, etc.	
21	Total / 17-20/	
22	Grand Total /16-21/	
23	Income tax on profit	
24	Dividends paid to share holders	
25	Indirect taxes	

4.4 – Investment by Source of Fund

1 Serial No.	2 Source of fund	3 Fixed assets	4 Working capital	5 Total
1	Domestic (2+3+4)			
2	Own			
3	Bank loan			
4	Others			
5	Foreign			
6	Total			

4.5 – Payable and Receivable Money

1 Serial No.	2 Items	3 Beginning of year	4 End of year
		Amount of Money in Birr	
1	Payable debt		
2	Receivable		

Part 5 – Fixed Assets of the Establishment

1 Serial No.	2 Type of fixed assets	3 Value in the beginning of year	4 Investment in fixed assets	5 Sold and disposed fixed assets	6 Depreciation	7 Net value of fixed assets $7 = (3+4) - (5+6)$
1	Housing/buildings					
2	Other construction works					
3	Vehicles					
4	Machines/implements etc.					
5	Office furniture and the likes					
6	Total					

Part VI – Value of Stock

1 Serial No.	2 Item	3 Value in the Beginning of year	4 Value in the end of year	5 difference $5 = 4 - 3$
1	Commodities purchased for sale			
2	Other stocks (fuel, packaging material, etc.)			
3	Total			

Part VII –Revenue of the Establishment**7.1 – Sales Revenue**

1	2	3	4
Serial No.	Type of commodities sold	code	Revenue in Birr
1			
2			
3			
4			
5			
6	Other commodities sold		
7	Total		

7.2 – Miscellaneous Revenue

1	2	3
Serial No.	Type of Revenue	Revenue in Birr
1	Interest	
2	Commission	
3	Income from renting	
4	Share income	
5	Revenue obtained from insurance	
6	Others (specify)	
7	Total	
8	Aid from donors	
9	Total	

Part 8 – Supplementary Information

1	2	3
Serial No.	General questions	Code
1	What was the major problem encountered while launching the business? Lack of working space/housing problem = 1 Unavailability of commodities = 2 Lack of information / advisory service = 3 Increasing prices of commodities = 4 Restriction of government rules and regulations = 5 Lack of skill = 6 Shortage of capital = 7 Absence of loan services = 8 No problems encountered = 9 Others (specify) = 10	<input type="text"/> <input type="text"/>
2	What was the major problem encountered while running the business during the survey period? Lack of skill = 1 Labour union problems = 2 Lack of information / advisory service = 3 Problems posed by government functionaries = 4 Shortage of working capital = 5 Ambiguity of rules and regulations = 6 Not profitable = 7 Limited marketability = 8 Lack of working space/housing problem = 9 Limitation on mobility = 10 Problems with obtaining work permit = 11 Cultural influence = 12 Limited capacity of running the business = 13 Shortage of commodities = 14 Others (specify) = 15 No problems = 16	<input type="text"/> <input type="text"/>
3	Does the establishment have any plan of changing the current business? Yes = 1 No = 2 I don't know = 3 If the answer is 2 or 3 skip to question number 5.	<input type="text"/>
4	If the answer to question number 3 is 1, What is the major reason for change? To change to a better sphere of activity = 1 The current business is not profitable = 2 Shortage of customers = 3 Inconvenient location of the business = 4 Others (specify) = 5	<input type="text"/>

Part 8 – Supplementary Information

1	2	3
Serial No.	General questions	code
5	What is the major problem encountered by the establishment to expand its business? No problems = 1 Excessive tax = 2 Restrictions of government rules and regulations = 3 Unfair competition among big establishments = 4 Competition among small establishments = 5 Shortage of commodity supplies = 6 Lack of working space/housing problem = 7 Lack of production machines/instruments = 8 Shortage of working capital = 9 Unavailability of loans = 10 Shortage of markets = 11 Others (specify) = 12	<div style="border: 1px solid black; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; width: 50%; height: 50%;"></div> <div style="border: 1px solid black; width: 50%; height: 50%;"></div> </div>
6	How can the government offer help in running the business? Provision of working space = 1 Provision of house to rent = 2 Facilitating the availability of markets = 3 Facilitating the availability of loans = 4 Issuing rules and regulations that encourage businesses = 5 Facilitating the availability of commodities and services = 6 Provision of technical training = 7 Provision of training in accounting and trade businesses = 8 Others (specify) = 9	<div style="border: 1px solid black; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; width: 50%; height: 50%;"></div> </div>

Enumerator's name signature date/...../.....

Supervisor's name signature date/...../.....