

**THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**

**CENTRAL STATISTICAL AGENCY**

**REPORT ON**

**URBAN DISTRIBUTIVE TRADE SURVEY**

**2008/09 (2001 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 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 third time to alert policy interventionists on the changes taking place in this sector. As part of this task, this third sample survey of distributive trade for 2008/09 (2001 E.C) was conducted

to provide data on number of enterprises involved, magnitude of income, employment, value added, and other items of interest for the specified year.

Unlike its predecessors, the third survey excludes 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 this bulletin and on other 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. 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 enterprises involved, employment, income obtained, volume of trade, and other variables of interest. The specific objectives also enable to establish the number and distribution of enterprises 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 enterprises 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 2008/09 (2001 E.C) distributive trade sample survey comprises number of enterprises involved, employment, income obtained, volume of trade, distribution of enterprises in the regions and major towns of the country, the investment situation, and others within the distributive trade sector. Enterprises engaged in at least one or more of the activities of distributive trade were enumerated and data on the sector were acquired.

The 2010 distributive trade survey covered only urban parts of the country. Fifteen major urban centres (regional capitals and other major towns) and 106 other towns were covered in the survey. Totally 591 enumeration areas were planned to be covered in the survey and one EA was not covered for certain reasons. Thus, the survey succeeded to cover 590 EAS. A fresh list of housing units was prepared to identify trade enterprises eligible for the survey. All wholesale trade enterprises found in the sampled EA were covered by the survey where as 10 retail trade enterprises and 10 Motor vehicle repair & maintenance enterprises were covered in each sampled EA.

#### **2.2 Sample design**

The urban areas of the country were divided in to two broad categories. Regional capitals and big towns constitute one category where as other towns in the regions constitute the second category. The frame compiled from the 2009 small scale manufacturing survey and list of EAs from population census is used as a frame for this survey.

##### **Category one (regional capitals and big towns)**

This category consists of eleven regional capitals and four towns of the country. Each of them is considered to be the survey domain (reporting level) for which separate results are reported. Capitals and big towns included in this category are:-

- |             |                 |
|-------------|-----------------|
| 1. Mekele   | 9. Harar        |
| 2. Asayita  | 10. Addis Ababa |
| 3. Bahirdar | 11. Dire Dawa   |
| 4. Nazreth  | 12. Gonder      |
| 5. Jijiga   | 13. Dese        |
| 6. Asosa    | 14. Jimma       |
| 7. Awasa    | 15. Debre Zeit  |
| 8. Gambela  |                 |

For this category a three-stage stratified cluster sample design is used to select the samples in which the primary sampling units (PSUs) are the kebeles which are selected using systematic probability proportional to size sampling; size being number of trade enterprises obtained from the 2009 small scale industry survey. The secondary sampling units (SSUs) are the enumeration areas (EAs). EAs are selected by simple random sampling. Finally, at the third stage, establishments are selected systematically.

#### Category two (other towns)

This category consists of eight domains (reporting levels) of other towns that are not included in the first group, namely,

1. Tigray other towns
2. Afar other towns
3. Amhara other towns
4. Oromia other towns
5. Somali other towns
6. Benishangul-Gumuz other towns
7. SNNPR other towns
8. Gambella other towns

Three-stage stratified cluster sample design is adopted to select the sample from domains in category two. The PSUs are urban centers and they are selected using systematic probability proportional to size sampling; size being number of trade enterprises obtained from the 2009 small scale industry survey. The secondary sampling units are EAs that are selected using simple random sampling (SRS) method and the ultimate sampling units are the trade enterprises. In addition to the above categories survey results are produced for each regional capital, big towns, and other towns by combining the two categories in the region.

### Planned and covered EAs in the survey

Category	Domain (reporting level)	EA Planned	EA Covered
Category One- major urban	Mekele	20	20
	Asayita	16	16
	Gonder	24	24
	Dese	20	20
	Bahirdar	20	20
	Bishoftu	20	20
	Adama	25	25
	Jimma	20	20
	Jijiga	16	16
	Asosa	15	15
	Hawasa	22	22
	Gambela	15	15
	Harar	24	24
	Addis Ababa	100	100
	Dire Dawa	24	24
Category Two- other urbans	Tigray Others	20	20
	Afar Others	20	20
	Amhara Others	36	36
	Oromia Others	50	49
	Somali Others	20	20
	Benishangul - Gumuz Others	16	16
	SNNP Others	34	34
	Gambela Others	14	14
	Total	591	590

### **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.

**Enumeration Area (E.A):** an enumeration area in the urban parts of the country is a locality that is, in most of the cases less than, and only in some cases equal to an **Urban Dwellers' Association (Kebele)** in geographical area and usually consists of 150-200 households. During the survey an E.A. was assigned to an enumerator.

**Urban Centre:** - is a locality with 2000 or more inhabitants. However, for the purpose of this survey, urban centre includes the following regardless of the number of inhabitants.

a) All administrative capitals

- i) Regional capitals
- ii) Zone capitals not included in (i)
- iii) Woreda capitals not included in (i) and (ii)
- iv) Localities with Urban Dwellers Associations not included in (i – iii)

b) Municipal towns not included in all of the above.

c) All localities which are not included either in 'a' or 'b' above having a population of 1000 or more and whose inhabitants are not primarily engaged in agriculture.

**Household:** a household may be either:

a) a one person household, that is a person who makes provisions for his own living without combining with any other person to form part of a multi- person household or

b) a multi-person household, that is, a group of two or more persons who live together and make common provisions for food and other essentials of living. The persons in the group may pool their incomes and have a common budget to a greater or lesser extent. They may be related or unrelated persons or a combination of both. These persons are taken as members of the household.

**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.

**Enterprise:** - is an economic unit producing goods and services and owning assets, incurring liabilities and involving in economic activities and in transactions with other economic entities. It is an economic transactor 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 or more locations.

**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 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 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 money/assets and knowledge for and fully participate in the activity of the enterprise they own.

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

**Initial Capital:** - is capital that has been contributed by individual owner or share holders of an 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 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 enterprise. Anyone using hired labour for their enterprise and taking part in the productive activity is also included in this category.

**Employee:** - is any worker hired by an 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 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 enterprise working for the enterprise without payment.

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

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

**Contract worker:** - is a worker hired by an enterprise on written agreement to work for a limited period of time. However, his tenure could be extended or terminated depending on the agreement.

**Temporary worker:** - a worker hired on verbal agreement between himself and the enterprise to work for certain days or 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 enterprise.

**Fixed assets:** - are assets with a productive life of one year or more, which are intended for the use of distributive trade activity/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 2<sup>nd</sup> 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 621 enumerators, 125 field supervisors, 25 coordinators and 40 statisticians were involved in the data collection where on the average one supervisor was assigned to five enumeration areas for supervision of 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 60 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 7 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 2008/09(2001 E.C) was collected from enterprises in urban centres by interviewing the selected 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 a randomly selected enumeration area (EA) to list the entire housing units consisting of enterprises and households with the help of an EA map which was prepared for the 2007 Population and Housing Census and later updated to include changes that occurred since the census.

In order to identify the enterprises engaged in distributive trade activity to be surveyed, the following tasks were performed in the order they appear.

- i) All housing units (dwelling and non dwelling) were listed.
- ii) Among the housing units listed only those conducting distributive trade activity (enterprises) were screened out.
- iii) The screened enterprises were then categorized into three groups namely, wholesale trade, retail trade, and Motor vehicles and motorcycles sales and repair.

The reference year for the survey was 2008/09 (2001 E.C) despite the fact that the survey was conducted in April, 2009/10 (2002 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 30 editors-coders and verifiers were trained for one day in editing, coding and verification using the aforementioned manual as a reference and 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 20 data encoders and it took 15 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

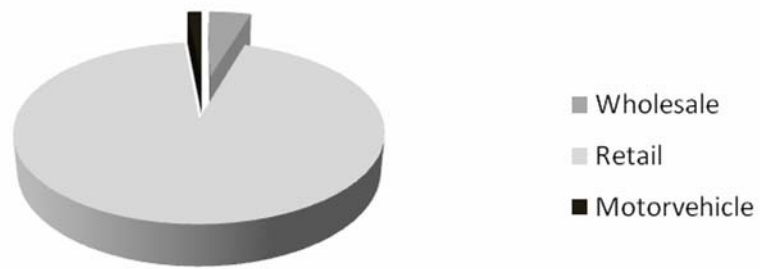
The sound performance of distributive trade warrants a steady supply and distribution of commodities. This accomplishment in trade does not only signify the availability and demand for products and service at affordable prices in the market, but also heralds a positive aspect of the economy. In regard 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 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 enterprises in 2008/09 (2001 E.F.Y.) The estimated number of wholesale enterprises for the year indicated was 12,094 about five percent of all distributive trade enterprises. This is 0.2% more than that of the 2001/02 corresponding estimate. The number of retail enterprises reported was also more than 247,000, about 94% of all enterprises. This demonstrates that most of the distributive trade enterprises were engaged in retail trade. This is 57.6% more than the 2001/02 parallel estimate. More than 4,000 of the trade enterprises, higher than one 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 enterprises by type and region. Of all wholesale enterprises 69.5% were reported to be domestic wholesalers and 27.1% were importers. The remaining percent was spread over exporters, exporters & importers, and others. The number of domestic wholesalers for 2008/09 was 20.7% less than that of 2001/02 similar result while the number of exporters and importers for 2008/09 was 989.5% and 603% greater than that of 2001/02 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 enterprises by region and type. More than 46.9% of these enterprises were reported to be dealing with motor vehicle maintenance, 26.7%, and 21.7% dealt with motor cycles' sales and maintenance, and motor vehicles spare parts sales, respectively. Regional breakdowns and further information are given in the table.

**Table 4** portrays the number and distribution of wholesale enterprises by commodity group and proprietorship. It shows that 44.6% and 29.6% of the wholesale enterprises were involved in food, beverage, and tobacco; and agricultural raw materials and live animals' wholesale trade, respectively. More than 85.6% of the wholesale enterprises were individually owned.

**Table 5** reveals the number and distribution of retail trade enterprises by commodity group and proprietorship. It shows that 51%, 11.4%, and 8.2% of the retail trade enterprises were involved in food; pharmaceutical & medical goods, cosmetic and toilet articles; clothing, foot wear, and leather articles retail trade, respectively. More than 96.4% of the retail trade enterprises were individually owned.

**Table 6** demonstrates the number and distribution of motor vehicles' sales and maintenance enterprises by commodity group and proprietorship. More than 46.9% and 26.6% of the enterprises were engaged in motor vehicles maintenance, and

motor cycles & spare parts sales and maintenance, respectively. More than 92% of these enterprises were individually owned.

**Table 7** describes the number and distribution of wholesale enterprises by commodity group and age of enterprises. It indicates the demography of distributive trade enterprises. More than 44.6% and 29.6% of the wholesale enterprises were reported to be dealers of food, beverage, tobacco; and agricultural raw materials and live animals' wholesale, respectively. More than 57.7% and 17.5% of the wholesale enterprises were between 1 & 5, and 6 & 10 years old, respectively.

**Table 8** describes the number and distribution of retail trade enterprises by commodity group and age of enterprises. More than 51.0%, 11.4%, and 8.2% of the retail trade enterprises were reported to be engaged in food; pharmaceutical & medical goods, cosmetic and toilet articles; clothing, foot wear, and leather articles retail trade, respectively. More than 66.9% and 13.7% of the retail enterprises were between 1 & 5, and 6 & 10 years old, respectively.

**Tables 9, 10, 11, and 12** illustrate similar demographic trend of enterprises to that of Table 8.

**Table 13** indicates the number and distribution of distributive trade enterprises reporting disruption of business by reason and type of enterprise. Of all wholesale enterprises reporting disruption of work 24.4%, and 22.9% reported that the disruption was caused by personal reasons and seasonality of business, respectively, while 35.8% of the retail trade enterprises said the problem on their part was caused by seasonality of business. More than 28.6% and 44.6% of the motor vehicles enterprises said that the disruption was caused by personal reasons and others in the same order.

**Tables 14, 15, and 16** show the number and distribution of trade enterprises by proprietorship and region similar to that described above in Tables 4, 5, and 6. The details are better illustrated in the tables themselves.

**Table 17** indicates the distribution of initial capital of wholesale enterprises by region and proprietorship. Of the total reported initial capital of more than 461 million 53.5% was reported for individual proprietorship, 17.1% for private limited and 14.3% for partnership. The initial capital of wholesale enterprises reported for 2008/09 is 34.3% less than the analogous data for 2001/02. The regional distribution is displayed in the table.

**Table 18** presents the same information as in Table 17 for retail trade enterprises. Of the total reported initial capital of more than two billion 85.0% was reported for individual proprietorship. The initial capital of retail trade enterprises reported for



2008/09 is 72.3% more than the analogous data for 2001/02. Similarly, the regional distribution is displayed in the table.

**Table 19** presents the same information as in Table 18 for motor vehicles sales & repair enterprises. Of the total reported initial capital of more than 87 million 59.5% was reported for individual proprietorship, and 38.7% for partnership. The regional distribution is displayed in the table in a similar fashion.

**Table 20** depicts the number and distribution of individually owned trade enterprises by region, enterprise, and sex of owner. Of all (263,218) trade enterprises 69.2% is owned by males and 30.8% by females. A more or less similar percentage (trend) of ownership by sex is observed in the retail trade enterprise alone.

**Table 21** exhibits number and distribution of wholesale trade enterprises by region and practice of keeping book of accounts. Of all (12,094) wholesale enterprises 72.6% did not keep any book of accounts. More than 13.9% and 13.4% had incomplete and complete book of accounts in that order. The number of wholesale enterprises with complete book of accounts in 2008/09 has increased by 80.6% compared with the equivalent of 2001/02.

**Table 22** paints the same picture as Table 21 for retail trade enterprises. Out of all (247,049) retail trade enterprises 90.3% did not have any book of accounts. Only 6.2% and 3.6% had incomplete and complete book of accounts in the same order. The number of retail trade enterprises with complete book of accounts in 2008/09 has increased by 877.6% compared with the corresponding result of 2001/02.

**Table 23** displays the same pattern of keeping book of accounts in the motor vehicle sales repair enterprises 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 by the table.

**Table 25** discloses the number and distribution of distributive trade enterprises by type and nationality of share holders. Almost all (99.9%) of the capital in wholesale, 99.8% of the capital in retail trade, and 98.4% of the capital in motor vehicle sales & repair enterprises is entirely owned by Ethiopians.

**Table 26** shows the number and distribution of persons engaged in wholesale trade by region, work status and sex. About 22,000 persons were permanently employed in the wholesale enterprises in 2008/09 of which about 15,000 were males. The total permanently employed workforce excluding seasonal / temporary workers involved in the wholesale business was estimated to be more than 42,000 of which about

20,000 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 enterprises. About 40,000 persons were permanently employed in the retail trade enterprises in 2008/09 of which about 27,000 were males. The total workforce involved in the retail trade business was estimated to be more than 413,000 of which about 374,000 were unpaid family workers excluding apprentice & seasonal workers. The number of family workers, and permanent employees engaged in retail trade in 2008/09 increased by 48.7% and 34.2% over the corresponding figures for 2001/02 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 enterprises by region, work status and sex. More than 23,000 persons were permanently employed in the motor vehicle sales & repair enterprises in 2008/09 of which more than 19,000 were males. The total workforce involved in the motor vehicle sales & repair business was estimated to be more than 28,000 of which about 5,000 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 enterprise and region. The salaries and wages paid to employees and seasonal workers by the wholesale trade enterprise totalled more than 75 million Birr in 2008/09 exceeding the parallel figure for 2001/02 by 9.4%. The similar remuneration given to employees by the retail trade enterprises in the same year amounted to more than 252 million Birr 276.5% more than the corresponding amount for 2001/02. The motor vehicle sales & repair enterprises paid more than 78 million to their employees and seasonal workers in 2008/09. 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 enterprises is almost half of the total value of goods purchased from all suppliers. As to the retail trade enterprises, purchases valued at more than half of the total value of all goods for sale were purchased from wholesalers. Most of the purchases made by motor vehicle and repair enterprises were from suppliers other than producers and wholesalers. The value of these transactions carried out in 2008/09 is much greater than the same transaction performed in 2001/02.

**Table 33** portrays operating cost of distributive trade enterprises by expenditure and enterprise type. During the survey year 55.8% of the wholesale enterprises' operating cost went for transport, 11.1% for house rent, and 10.2% for insurance,

interest and bank services. The retail trade enterprises spent 37.2% of their expenditure on transport, 24.8% on house rent, and 16.3% on energy. The motor vehicle sales and repair enterprises spent 28.7% of their expenses on house rent, 23.0% on transport, and 13.6% on energy. The operating cost of wholesale and retail trade enterprise in 2008/09 increased by 15.1%, and 426.3% over the corresponding expenses for 2001/02 in the same order.

**Table 34** presents investment by enterprises in 2008/09. The table indicates that 20.1% of the investment was in fixed assets while the remaining was working capital. The retail trade enterprises accounted for 74.4% of the total investment in fixed assets by all distributive trade enterprises. The investment made by wholesale enterprise in 2008/09 was twice the parallel for 2001/02, and that of the retail trade enterprises increased almost 14 fold for the same years.

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

**Table 36** demonstrates the value of fixed assets owned by the trade enterprises under study. The value of buildings accounted for 72.6% of all fixed assets owned by the enterprises of which 53.2% was that of the retail trade enterprises. The value of fixed assets of wholesale enterprises in 2008/09 decreased by 57.6% from that of 2001/02 while the retail trade enterprises' value of fixed assets increased by 206.5% for the same years.

**Table 37** depicts net fixed capital formation accumulated by the enterprises. Of the total capital formed by the three enterprises 78.2% was made by retail trade enterprises, 12.2% by wholesale enterprises and the remaining by the motor vehicle sales & repair enterprise. The capital formation made by wholesale enterprises in 2008/09 decreased by 57.5% from that of 2001/02 while the retail trade enterprises' capital formation increased by 190.4% for the same years.

**Tables 38, 39, and 40** show the sales income of the distributive trade enterprises surveyed in 2008/09. Of the total income of all the three enterprises 60.3% was that of retail trade enterprises, 32.0% that of wholesale enterprises and the remaining was that of motor vehicle sales & repair enterprises. The sales income earned by both wholesale and retail trade enterprises in 2008/09 increased by 215.7%, and 554.9% over that of 2001/02, respectively.

**Tables 41, 42, and 43** portray the gross value of income and its distribution by region and enterprises. Wholesale, retail, and motor vehicle sales & repair enterprises made up 60.5%, 31.9%, and 7.6% of all the income earned from distributive trade, respectively. The gross value of income received by wholesale and retail trade

enterprises in 2008/09 increased by 217.2%, and 561.1% over that of 2001/02 in the same order.

**Tables 44, 45, and 46** demonstrate the same pattern/trend of distribution of gross value of income by enterprises as in tables 41, 42, and 43 but by commodity group. More than 67.0% of the total income made by wholesale enterprises was drawn from sales of agricultural raw materials and live animals and 36.2% of the gross value of income acquired by retail trade enterprises was derived from the sale of food items.

**Table 47** points out the value added in the national account concept by distributive trade enterprises. Of all the value added (more than 30 billion Birr) by the enterprises 46.4% was contributed by wholesale enterprises, 41.0% by retail trade enterprises, and the remaining 12.6% by motor vehicle sales & repair enterprises. A similar trend is also displayed by operating surplus. The value added by wholesale and retail trade enterprises in 2008/09 increased by 1845.5%, and 915.3% over the corresponding value for 2001/02 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 III**

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

**APPENDIX II**

**ESTIMATES OF STANDARD ERRORS AND**

**COEFFICIENTS OF VARIATIONS**

**APPENDIX I**  
**QUESTIONNAIRE**





**Part II – Basic Information about the Enterprise**

1	2	3	
Serial No.	Questions	Code	
1	Type of enterprise 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 enterprise is wholesale, type of wholesale trade enterprise 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 enterprise sells more than one commodity, write the name of the first major commodity.  —————→	<input type="text"/>	
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 enterprise is individually owned, sex of owner Male = 1      Female = 2	<input type="text"/>	
6	Does the enterprise 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 enterprise been operational?	Years	Months
8	How many days has the enterprise been operational for?	<input type="text"/>	
9	If enterprise 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"/>	
10	What was the Initial capital (in Birr) of the enterprise?	<input type="text"/>	
11	Ownership of capital of the enterprise by nationality All Ethiopians = 1      All foreigners = 4 51% and above Ethiopians = 2      Others (specify) = 5 51% and above foreigners = 3	<input type="text"/>	

**Part III Employment in the Enterprise**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		<b>6</b>
Serial No.	Job Classification	Ethiopians		Foreigners		Person / month
		Male	Female	Male	Female	
1	Unpaid family members, proprietors, and partners working in the enterprise					
2	Unpaid apprentices					
3	Administrative, technical, clerical personnel and other permanent office workers					
4	Permanent employees directly involved in distributive trade					
5	Paid apprentices					
6	Temporary workers					
	<b>Total</b>					



**4.2 – Expenditure on Commodities Purchased for Sale**

1	2	3	4	5	6	7	8
Serial No.	Names of major commodities	Code	Expenditure by Supplier				Period of Expenditure in months
			Exporter, Importer & Wholesaler	Manufacture r	Others	Total	
1							
2							
3							
4							
5							
6	Others						
	<b>Total</b>						

### 4.3 – Miscellaneous Expenses

1	2	3	4
Serial No.	Expenditure Type	Expenditure in Birr	Period of expenditure
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		
<b>16</b>	<b>Total expenditure / 1 – 15/</b>		
17	Interest paid		
18	Own consumption not paid for		
19	Money paid in fines		
20	Other expenditure / licenses, etc.		
<b>21</b>	<b>Total / 17-20/</b>		
<b>22</b>	<b>Grand Total /16-21/</b>		
23	Income tax on profit		
24	Dividends paid to share holders		
25	Indirect taxes		

Form Distrade

#### 4.4 – Investment by Source of Fund

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

#### 4.5 – Payable and Receivable Money

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

#### Part 5 – Fixed Assets of the Enterprise

1	2	3	4	5	6	7
Serial No.	Type of fixed assets	Value in the beginning of year	Investment in fixed assets	Sold and disposed fixed assets	Depreciation	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	<b>Total</b>					

**Part VI – Value of Stock**

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

Form Distrade 2002/3

**Part VII –Revenue of the Enterprise**

**7.1 – Sales Revenue**

1	2	3	4	5
Serial No.	Type of commodities sold	code	Revenue in Birr	Period of revenue in months
1				
2				
3				
4				
5				
6	Other commodities sold			
	<b>Total</b>			



### 7.2 – Miscellaneous Revenue

1	2	3	4
Serial No.	Type of Revenue	Revenue in Birr	Period of revenue in months
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 data-bbox="1321 667 1419 743" 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 data-bbox="1321 1087 1419 1184" type="text"/>
3	Does the enterprise 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 data-bbox="1321 1451 1419 1526" type="text"/>
4	If the answer to question number 3 is 1, What is the major reason for changing? 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 data-bbox="1321 1633 1419 1709" type="text"/>

**Part 8 – Supplementary Information**

1	2	3
Serial No.	General questions	code
5	What is the major problem encountered by the enterprise to expand its business? No problems = 1 Excessive tax = 2 Restrictions of government rules and regulations = 3 Unfair competition among big enterprises = 4 Competition among small enterprises = 5 Shortage of commodity supplies = 6 Lack of working space/housing problem = 7 Lack of working 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: 60px; height: 60px; margin: 0 auto;"></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)	<div style="border: 1px solid black; width: 60px; height: 60px; margin: 0 auto;"></div>

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

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