

**REPUBLIC OF TRINIDAD AND TOBAGO**  
**CENTRAL STATISTICAL OFFICE**

**PRESENTATION TO THE EXPERT GROUP MEETING ON**  
**DISTRIBUTIVE TRADE STATISTICS –**  
**NEW YORK 22<sup>ND</sup> – 25<sup>TH</sup> AUGUST 2005**

**Characteristics of the Distributive Trade Industry**

- This industry comprises 19,695 establishments or 67% of the establishments on the Register of Establishments as at the end of 2004.
- Forty-one percent (41%) or 8160 are sole proprietorships.
- These establishments are broken down into the following industrial classifications in accordance with ISIC Rev 3.

| <b>Industry ISIC Rev 3</b>                                      | <b>TOTAL</b>  | <b>SOLE PROPRIETORSHIP</b> |
|---|---------------|----------------------------|
| 1120 - Service activities incidental to oil and gas extraction  | 205           | 15                         |
| 51/52 - Wholesale and Retail Trade                              | 11,833        | 3,609                      |
| 551 - Hotels, etc.  | 327           | 107                        |
| 502 - Maintenance and repair of motor Vehicles                  | 1,350         | 1,021                      |
| 552 - Restaurants, bars, canteens                               | 3,626         | 2,855                      |
| 630 - Supporting and auxiliary transport Activities             | 254           | 39                         |
| 642 - Telecommunications  | 32            | 0                          |
| 741 - Legal, accounting, market research etc.                   | 526           | 145                        |
| 742 - Architectural, engineering and other Technical activities | 573           | 98                         |
| 743 - Advertising   | 135           | 9                          |
| 749 - Business activities n.e.c.                                | 533           | 70                         |
| 930 - Other service activities                                  | 301           | 192                        |
| <b>TOTAL</b>  | <b>19,695</b> | <b>8,160</b>               |

## **Scope and Classifications**

The distributive trades and services industries comprise:

- All resident institutional units engaged in wholesale or retail trade, hotels and guest houses, service contractors to the oil and gas extraction industries and other selected services. The industries falling within the scope of the distributive trade are as follows:
  
- Service Contractors – Oil and Gas Exploration and Extraction
- Wholesale and retail trade.
- Restaurants, Bars etc.
- Hotel, guest houses and bed and breakfast establishments
- Rental of motor cars
- Telecommunication
- Radio and television broadcasting
- Real estate Services
- Legal Services
- Accountants, Actuaries and Tax Consultants
- Architects and Quantity Surveyors
- Engineers
- Data processing
- Advertising
- Miscellaneous Business Services
- Machinery and Equipment Rental
- Personal Services

Establishments are classified by the kind of activity carried out. For wholesalers and retailers the commodity sold/distributed determines the sub-industry to which it belongs. The following groupings are identified in the T.T.S.N.A., which is our local modification of ISIC Rev 3.

- Department, dry good store.
- Grain and prepared animal feeds.
- Supermarkets and Groceries, Provision Shops and Liquor Stores.
- Construction materials and hardware.
- Household appliances, furniture and other furnishings.
- Textiles and wearing apparel.

- Machinery and non-transport equipment – e.g. office equipment.
- Pharmaceuticals, cosmetics and chemicals.
- Books and Stationery.
- Jewellery.
- Computers – hardware and software.
- Other not elsewhere specified (n.e.s.).

Establishments are also classified according to:

- Numbers employed of which male/female.
- Type of ownership – Sole proprietorship, Partnership, Private Limited Company, Public Limited Company, State Enterprise, Co-operative, NPISH (Non Profit Institutions Serving Households).
- Ownership of equity, of which % national, % foreign and country of foreign ownership if applicable.

Numbers employed is used to determine the size of the establishment. Own account workers are classified as having zero employment; establishments with 1-5 employees are considered micro, those with 6-25 small, 26 – 50 medium and those with 50 or more employees, large.

Ownership of equity enables the Central Statistical Office to identify:

- (i) Direct foreign investment firms and those that are part of the local corporate sector.
- (ii) The output of direct foreign investment establishments and that of the local corporate sector.
- (iii) The output of FATS – foreign affiliate trade in services.

### **Statistical and Reporting Units and Data Collected**

The reporting unit is the establishment which in accordance with SNA 1993 is defined as “an enterprise, or part of an enterprise that is situated at a single location and in which only a single productive activity accounting for most of the value added is carried out”. Data are collected by a mailed annual survey (followed up by personal visits from field staff), a quarterly survey covering only wholesale and retail and a quarterly Accommodation Survey. These surveys are supplemented by data from the VAT Division which provides data on output and intermediate costs at the 3 digit level of the ISIC Rev 3 Classification. This information is vital given:

- (i) The abundance of establishments in the distributive trade industry
- (ii) The high level of non-response.

Data Collected in the annual mail survey include:

- Location
- Activity
- Employment – Male – Female
- Date began operation
- Type of ownership
- Ownership of equity - % national; % Foreign and Country of ownership
- Compensation of employees
- Purchases – Raw materials, Goods purchased for resale in same condition as purchased, Containers, Wrappers and Other packaging materials.
- All other current expenses (including consumption of fixed capital)
- Sales and Other Receipts
- Inventories
- Purchase less disposals of fixed assets
- Cash flow statement
- Assets and Liabilities broken down by type

With respect to the quarterly mailed survey, data are collected:

- Location
- Activity
- Employment
- Value of Sales

The Accommodation Survey which focuses primarily on hotels and guest houses and bread and breakfast establishments collects the following:

- Location
- Employment – Permanent – Casual and Foreign
- Number of rooms
- Room rates – single and double occupancy
- Room nights available
- Room nights sold
- Occupancy rate

## **Indices and Performance Indicators**

- Numbers of rooms in hotels in Trinidad and also in Tobago.
- Occupancy rates for hotels and guest houses in Trinidad and also in Tobago.
- Indices of Retail Sales at the 3 digit level of classification.
- Gross Output, Intermediate costs and Value Added for the Distributive Trades at the 3 digit level.
- Foreign Affiliate Trade in Services (FATS).

## **Concepts and Definitions**

As far as possible, Trinidad and Tobago adheres to the concepts and definitions of SNA 1993. However, certain modifications are sometimes made because of national objectives. Any departure from the ideal is stated in our methodology to our National Accounts. Some major concepts are defined below:

### **Establishment:**

The establishment which is the focus of all our surveys is defined as that unit of an enterprise carried on at a single location and under the control of one management which can be recognized as being engaged in a clearly identifiable form of economic activity. It should function as an independent accounting unit with separate records of its operating expenditure and receipts.

### **Enterprise:**

The enterprise is that business unit which independently exercises the highest degree of financial and managerial authority over its own activities and that of its branches and subsidiaries. It can be identified as the legal in the case of incorporated enterprises eg; corporation, joint stock company, co-operative, partnership, or the unit for which consolidated balance sheets, profit and loss statements are available.

## **Compensation of employees**

Compensation of employees comprises all payments in cash or in kind by producers to their employees. It includes:

- Wages and salaries in cash or in kind
- Employers' contributions to social security schemes in the account of their employees.
- Employer's contributions to private pensions, family allowance, health and other casualty insurance, life insurance and similar schemes in respect of their employees.

Wages and salaries include all payments which employees receive for their work, before deductions for their contributions to social security schemes, withholding taxes etc. It covers such payments as commissions, tips and bonuses, cost of living, vacation allowances, directors' fees and the cost to employers of food, lodging and ordinary clothing which is provided free of charge or at reduced cost. Ideally it should not include travel, entertainment or other expenditure incurred in conducting the business of the employer. However, in Trinidad and Tobago these items are included in wages and salaries as other labour income due to the view that these expenses are most times used to mask additional income to employees.

## **Gross Output**

Gross output is the total value of goods and services produced during the accounting period adjusted for changes in inventories of finished goods and work in progress. Output comprises only of those goods and services that are produced within an establishment that becomes available for use outside that establishment. The output of the distribution industry is measured by the total value of the trade margin realized on the goods they purchase for resale in the same condition as purchased. A trade margin is the difference between the sales value and the purchase value of the goods brought and resold adjusted for change in inventories.

## **Employees**

All paid personnel engaged in the provision of services or the selling of goods and other related activities of the establishment. Included are managerial, administrative, technical, clerical, manual workers and other workers. Working proprietors and unpaid family workers are excluded. Also excluded are directors paid by fees only and employees indefinitely away from their jobs without pay e.g. strikes, lockouts.

## **Raw Materials**

These include the purchases of all non-durable goods consumed in order to produce the goods/services of the establishments. Imported items are valued c.i.f.