

# Statistical release

## P6411

# Accommodation industry, 2012 (Preliminary)

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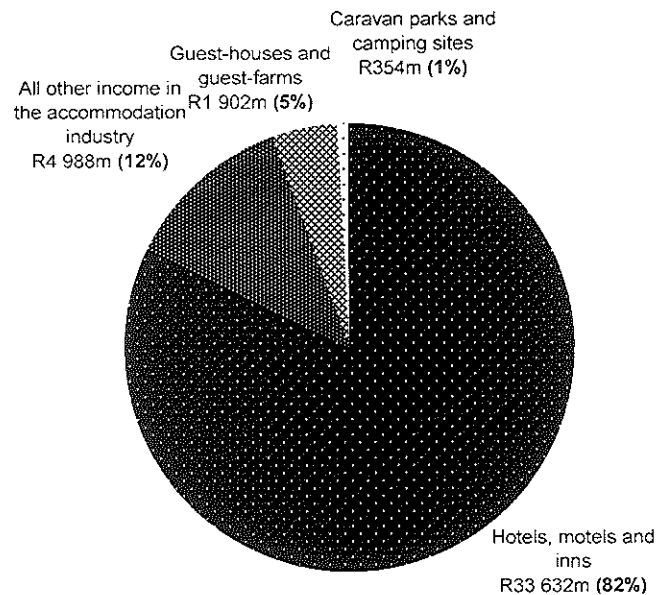
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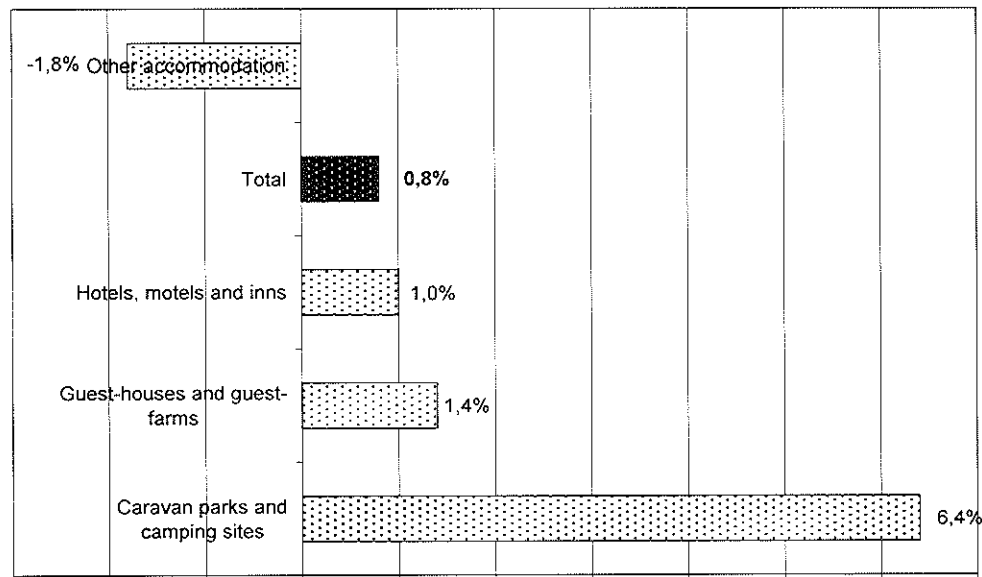
### 1. Summary of findings for the year 2012

**Figure 1 – Income in the accommodation industry, 2012**



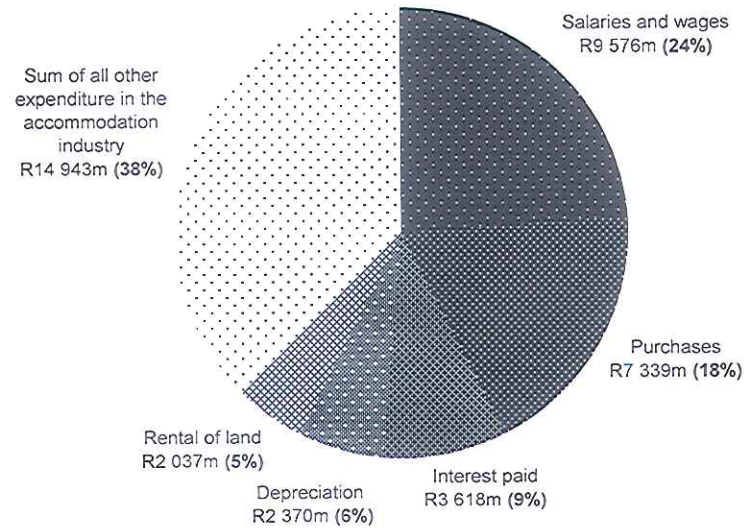
The total income for the accommodation industry in 2012 was R40 876 million. The largest contributor to the total income was 'hotels, motels and inns' (R33 632 million or 82%), followed by 'other accommodation' (R4 988 million or 12%) (Figure 1 and Table 1, page 5).

**Figure 2 – Profit margin in the accommodation industry, 2012**



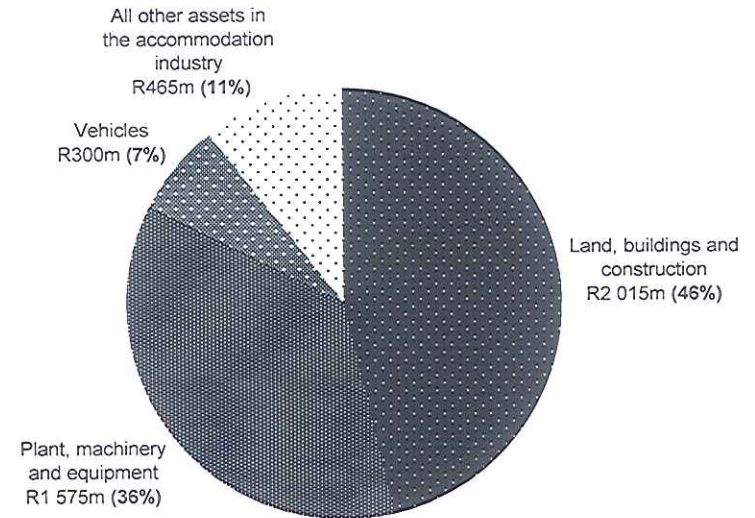
The profit margin for the accommodation industry was 0,8% in 2012. 'Caravan parks and camping sites' had the highest profit margin at 6,4%, followed by 'guest-houses and guest-farms' at 1,4%. 'Other accommodation' had the lowest profit margin of -1,8% (Figure 2 and Table 2, page 5).

**Figure 3 – Composition of expenditure in the accommodation industry, 2012**



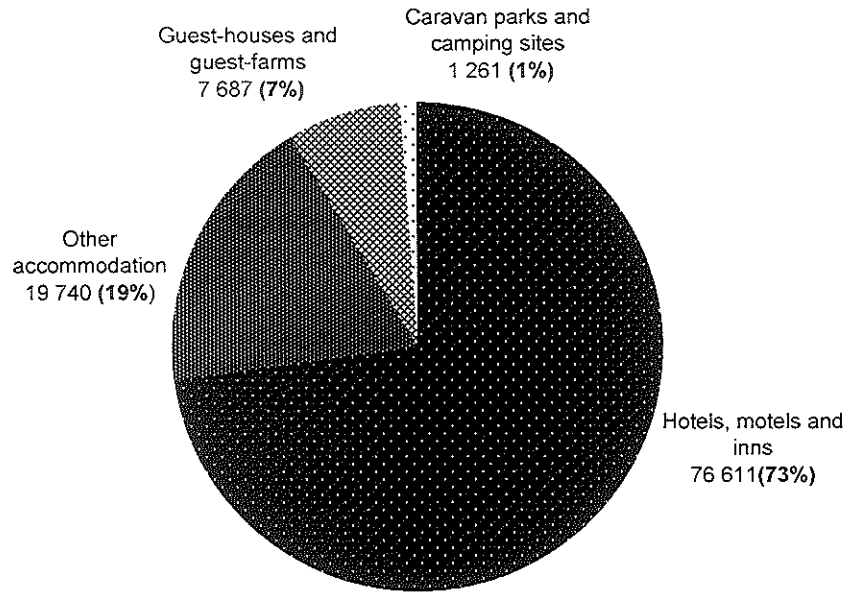
Expenditure in the accommodation industry in 2012 amounted to R39 883 million. The largest contributor to total expenditure was 'salaries and wages' (R9 576 million or 24%), followed by 'purchases' (R7 339 million or 18%) and 'interest paid' (R3 618 million or 9%) (Figure 3 and Table 4, page 6).

**Figure 4 – Capital expenditure on new assets in the accommodation industry, 2012**



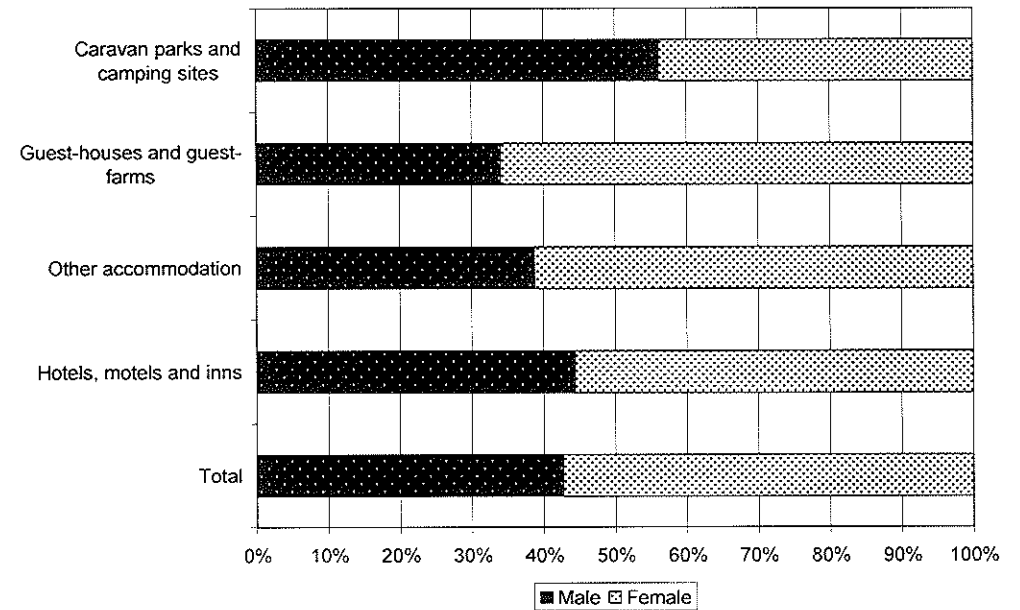
The total capital expenditure on new assets in the accommodation industry in 2012 was R4 355 million. The largest category of capital expenditure was 'land, buildings and construction' (R2 015 million or 46%), followed by 'plant, machinery and equipment' (R1 575 million or 36%) and 'vehicles' (R300 million or 7%) (Figure 4 and Table 8, page 8).

**Figure 5 – Employment in the accommodation industry, 2012**



The total number of persons employed in the accommodation industry at the end of June 2012 was 105 299. 'Hotels, motels and inns' employed the largest number of persons (76 611 or 73%), followed by 'other accommodation' (19 740 or 19%) (Figure 5 and Table 9, page 9).

**Figure 6 – Gender ratios in the accommodation industry, 2012**



The proportion of females out of the total persons employed was 57%. The industry with the highest proportion of females employed was 'guest-houses and guest-farms' (67%) (Figure 6 and Table 9, page 9).

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 Statistician-General

## 2. Tables

**Table 1 – Principal statistics in the accommodation industry, 2012**

Type of service	Total income	Total expenditure	Total value of opening inventories	Total value of closing inventories	Net profit or loss before tax	Carrying value of fixed assets at the beginning of the financial year	Capital expenditure on new assets	Carrying value of fixed assets at the end of the financial year
	R million							
Hotels, motels and inns	33 632	32 711	701	798	1 019	34 035	3 683	35 838
Caravan parks and camping sites	354	321	1	1	33	254	9	248
Guest-houses and guest-farms	1 902	1 834	27	27	68	2 429	171	2 499
Other accommodation	4 988	5 017	153	162	-20	6 342	492	6 581
<b>Total</b>	<b>40 876</b>	<b>39 883</b>	<b>882</b>	<b>988</b>	<b>1 100</b>	<b>43 060</b>	<b>4 355</b>	<b>45 166</b>

**Table 2 – Profit margin in the accommodation industry, 2012**

Type of service	Net profit/loss after tax	Turnover	Profit margin <sup>1</sup>
	R million		%
Hotels, motels and inns	335	32 413	1,0
Caravan parks and camping sites	22	346	6,4
Guest-houses and guest-farms	25	1 824	1,4
Other accommodation	-85	4 781	-1,8
<b>Total</b>	<b>297</b>	<b>39 364</b>	<b>0,8</b>

<sup>1</sup>Net profit after tax divided by turnover multiplied by 100.

**Table 3 – Income in the accommodation industry, 2012**

Type of service	Sales	Services	Rental and leasing income	Interest	Profit on sale or revaluation of assets	Other	Total
	R million						
Hotels, motels and inns	6 047	25 922	443	330	192	698	<b>33 632</b>
Caravan parks and camping sites	91	250	5	2	1	5	<b>354</b>
Guest-houses and guest-farms	393	1 410	21	11	33	34	<b>1 902</b>
Other accommodation	960	3 790	31	45	43	119	<b>4 988</b>
<b>Total</b>	<b>7 491</b>	<b>31 372</b>	<b>500</b>	<b>388</b>	<b>269</b>	<b>856</b>	<b>40 876</b>

**Table 4 – Expenditure in the accommodation industry, 2012**

Type of service	Purchases	Salaries and wages	Advertising	Depreciation	Interest paid	Rental of land	Rental of plant, machinery and equipment	Repairs and maintenance	Other	Total
	R million									
Hotels, motels and inns	5 777	7 772	1 179	1 956	3 297	1 655	554	734	9 787	<b>32 711</b>
Caravan parks and camping sites	83	94	4	13	2	13	3	24	85	<b>321</b>
Guest-houses and guest-farms	482	447	34	112	65	103	18	88	485	<b>1 834</b>
Other accommodation	997	1 263	143	289	254	266	91	248	1 466	<b>5 017</b>
<b>Total</b>	<b>7 339</b>	<b>9 576</b>	<b>1 360</b>	<b>2 370</b>	<b>3 618</b>	<b>2 037</b>	<b>666</b>	<b>1 094</b>	<b>11 823</b>	<b>39 883</b>

**Table 5 – Carrying value of fixed assets at the end of the financial year in the accommodation industry, 2012**

Type of service	Land, buildings and accommodation works	Computers and IT equipment	Motor vehicles	Plant, machinery and equipment	Intangible assets	Other assets	Total carrying value of fixed assets
	R million						
Hotels, motels and inns	23 319	224	598	5 479	5 416	802	35 838
Caravan parks and camping sites	208	0	10	15	14	1	248
Guest-houses and guest-farms	2 040	13	149	261	21	15	2 499
Other accommodation	5 239	32	186	729	315	80	6 581
<b>Total</b>	<b>30 806</b>	<b>269</b>	<b>943</b>	<b>6 484</b>	<b>5 766</b>	<b>898</b>	<b>45 166</b>

**Table 6 – Details of assets in the accommodation industry, 2012**

Type of service	Current assets					Non-current assets					Total assets
	Bank	Debtors	Inventory	Other	Total	Fixed	Goodwill	Long-term investment	Other	Total	
	R million										
Hotels, motels and inns	4 904	2 695	798	4 498	12 895	33 806	2 033	1 431	2 060	39 330	52 225
Caravan parks and camping sites	33	13	1	6	53	233	14	18	33	298	351
Guest-houses and guest-farms	191	94	27	42	354	2 478	21	235	89	2 823	3 177
Other accommodation	672	312	162	323	1 469	6 439	142	236	639	7 456	8 925
<b>Total</b>	<b>5 800</b>	<b>3 114</b>	<b>988</b>	<b>4 869</b>	<b>14 771</b>	<b>42 956</b>	<b>2 210</b>	<b>1 920</b>	<b>2 821</b>	<b>49 907</b>	<b>64 678</b>



**Table 7 – Details of liabilities and owners' equity in the accommodation industry, 2012**

Type of service	Current liabilities				Non-current liabilities			Total liabilities	Owners' equity	Liabilities and owners' equity
	Creditors	Overdraft	Other	Total	Long-term loans	Other	Total			
	R million									
Hotels, motels and inns	4 867	180	12 301	<b>17 348</b>	22 206	6 735	<b>28 941</b>	<b>46 289</b>	5 936	<b>52 225</b>
Caravan parks and camping sites	19	1	12	<b>32</b>	134	16	<b>150</b>	<b>182</b>	169	<b>351</b>
Guest-houses and guest-farms	174	71	286	<b>531</b>	1 271	651	<b>1 922</b>	<b>2 453</b>	724	<b>3 177</b>
Other accommodation	516	65	993	<b>1 574</b>	3 526	2 125	<b>5 651</b>	<b>7 225</b>	1 700	<b>8 925</b>
<b>Total</b>	<b>5 576</b>	<b>317</b>	<b>13 592</b>	<b>19 485</b>	<b>27 137</b>	<b>9 527</b>	<b>36 664</b>	<b>56 149</b>	<b>8 529</b>	<b>64 678</b>

**Table 8 – Capital expenditure on new assets in the accommodation industry, 2012**

Type of service	Land, buildings and construction	Computers and computer software	Vehicles	Plant, machinery and equipment	Intangible assets	Other	Total
	R million						
Hotels, motels and inns	1 640	67	198	1 415	75	288	<b>3 683</b>
Caravan parks and camping sites	5	0	3	1	0	0	<b>9</b>
Guest-houses and guest-farms	103	2	31	32	0	3	<b>171</b>
Other accommodation	267	9	68	127	3	18	<b>492</b>
<b>Total</b>	<b>2 015</b>	<b>78</b>	<b>300</b>	<b>1 575</b>	<b>78</b>	<b>309</b>	<b>4 355</b>

**Table 9 – Employment in the accommodation industry, 2012**

Type of service	Male employees	Female employees	Total employees
	Number		
Hotels, motels and inns	33 980	42 631	<b>76 611</b>
Caravan parks and camping sites	708	553	<b>1 261</b>
Guest-houses and guest-farms	2 618	5 069	<b>7 687</b>
Other accommodation	7 638	12 102	<b>19 740</b>
<b>Total</b>	<b>44 944</b>	<b>60 355</b>	<b>105 299</b>

## Explanatory notes

<b>Background</b>	<p>The results presented in this publication have been derived from the 2012 accommodation industry large sample survey. This is a periodic survey, which measures economic activity in the accommodation industry of the South African economy. This survey is based on a sample of private and public enterprises operating in the accommodation industry.</p> <p>The sample was drawn from Stats SA's business register. The business register is based mainly on the income tax (IT) and value added tax (VAT) databases of the the South African Revenue Service (SARS).</p> <p>All figures exclude VAT.</p>
<b>Reference period</b>	<p>The information was collected from enterprises for their financial year which ended on any date between 1 July 2011 and 30 June 2012.</p>
<b>Purpose of the survey</b>	<p>Results of the survey are used within Stats SA for compiling South Africa's national accounts, e.g. the gross domestic product (GDP) and gross fixed capital formation. These statistics are also used by the private sector in analyses of comparative business and industry performance.</p>
<b>Scope and coverage</b>	<p>This survey covers the following income tax-registered and value added tax-registered private and public enterprises that are mainly engaged in accommodation:</p> <ol style="list-style-type: none"><li>Hotels, motels and inns (SIC 64101).</li><li>Caravan parks and camping sites (SIC 64102).</li><li>Guest-houses and guest-farms (SIC 64103).</li><li>Other accommodation (SIC 64109).</li></ol>
<b>Classification by industry</b>	<p>The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities</i> (SIC), Fifth Edition, Report No. 09-09-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 <i>International Standard Industrial Classification of all Economic Activities</i> (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at 5-digit SIC level (group). Each enterprise is classified to an industry which reflects its predominant activity.</p>
<b>Statistical unit</b>	<p>The statistical unit for the collection of the information is an enterprise. An enterprise is a legal unit (or a combination of legal units) that includes and directly controls all functions necessary to carry out its activities.</p>

**Size groups**

The enterprises are divided into four size groups according to the value of their business register turnover. Large enterprises are enterprises with an annual turnover of R26 million and more. Table A presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points multiplied by two.

**Table A – Size groups for the accommodation industry**

Size group	Turnover
Large	≥ R26 000 000
Medium	R13 000 000 ≤ VAT Turnover < R26 000 000
Small	R3 000 000 ≤ VAT Turnover < R13 000 000
Micro	< R3 000 000

**Survey methodology and design**

The survey was conducted by post, email, fax, telephone and personal visits.

A sample of approximately 2 000 enterprises was drawn using stratified simple random sampling. The enterprises were first stratified at 5-digit level according to the SIC and then by size of enterprise. All large, medium and small enterprises were completely enumerated. Business register turnover was used as the measure of size for stratification. The collection rate was 81,2%.

**Collection rate**

Collection rate = ((collected + finalised investigations) / sample size) x 100.

**Weighting methodology**

For micro enterprises, that is those who were not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates were calculated and then aggregated with the completely enumerated stratum to form group estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at [www.statssa.gov.za/publications/publicationsearch.asp](http://www.statssa.gov.za/publications/publicationsearch.asp).

**Relative standard error**

Data presented in this publication are based on information obtained from a sample and are, therefore, subject to sampling variability; that is they may differ from the figures that would have been produced if the data had been obtained from all enterprises in the accommodation industry in South Africa.

One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of enterprises was used. The relative standard error (RSE) provides an immediate indication of the percentage errors likely to have accrued due to sampling.

**Table B – Income in the accommodation industry within 95% confidence limits, 2012**

Type of service	Lower limit	Total income	Upper limit	Relative standard error (RSE)
	R million			%
Hotels, motels and inns	32 380	33 632	34 884	1,9
Caravan parks and camping sites	289	354	419	9,4
Guest-houses and guest-farms	1 745	1 902	2 059	4,2
Other accommodation	4 607	4 988	5 369	3,9
<b>Total</b>	<b>39 514</b>	<b>40 876</b>	<b>42 238</b>	<b>1,7</b>

**Non-sampling errors**

Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in the collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to minimise non-sampling errors by careful design of questionnaires, testing them in pilot studies, editing reported data and implementing efficient operating procedures. Non-sampling errors occur in both sample surveys and censuses.

**Rounding-off of figures**

The figures in the tables have, where necessary, been rounded off to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items and the totals shown.

**Symbols and abbreviations**

BR	Business register
DTI	Department of Trade and Industry
GDP	Gross domestic product
ISIC	International Standard Industrial Classification of all Economic Activities
IT	Income tax
RSE	Relative standard error
SARS	South African Revenue Service
SE	Standard error
SIC	Standard Industrial Classification of all Economic Activities
SNA	System of National Accounts
Stats SA	Statistics South Africa
VAT	Value added tax
0	Nil or less than half the final digit shown

## Glossary

<b>Current assets</b>	Assets that are expected to be turned into cash within one year during the normal course of business. They include: <ul style="list-style-type: none"><li>• trade and other receivables;</li><li>• cash and bank;</li><li>• inventories; and</li><li>• other current assets.</li></ul>
<b>Current liabilities</b>	Debts or obligations that are due within one year. They include: <ul style="list-style-type: none"><li>• trade and other payables;</li><li>• bank overdraft; and</li><li>• other current liabilities.</li></ul>
<b>Employees</b>	Persons employed by a business or organisation and who received payment (in salaries, wages, commission, piece rates or payments in kind) for the last pay period ended on or before 30 June 2012.
<b>Enterprise</b>	A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
<b>Equity</b>	The residual interest in the entity's assets after deducting its liabilities.
<b>Exports</b>	Outward flow of goods and services leaving the economic territory of a country to the outside world.
<b>Imports</b>	Inward flow of goods and services entering the economic territory of a country from the outside world.
<b>Income from rental and leasing</b>	Includes: Income from rental and leasing of land, buildings and other structures and income from leasing and hiring of motor vehicles, other transport equipment, plant, machinery and equipment.
<b>Industry</b>	An industry consists of a group of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the <i>System of National Accounts (SNA)</i> in the same way as in the <i>Standard Industrial Classification of all Economic Activities, Fifth Edition, Report No. 09-90-02 of January 1993 (SIC)</i> .
<b>Net profit or loss after tax</b>	Net profit or loss after tax is derived as:  Net profit or loss before tax <i>minus</i> company tax

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<b>Net profit or loss before tax</b>	Net profit or loss before tax is derived as:  Total income <i>plus</i> closing inventories <i>minus</i> total expenditure <i>minus</i> opening inventories
<b>Non-current assets</b>	Assets which are not easily convertible to cash or not expected to become cash within the next year. They include: <ul style="list-style-type: none"><li>• property, plant and equipment and intangible assets;</li><li>• long-term investments; and</li><li>• other non-current assets.</li></ul>
<b>Non-current liabilities</b>	Liabilities not due to be paid within one year during the normal course of business. They include: <ul style="list-style-type: none"><li>• long-term loans; and</li><li>• other non-current liabilities.</li></ul>
<b>Other accommodation</b>	Includes:  Conference centres, which are not part of a hotel, with accommodation units, e.g. rooms. Holiday resorts where facilities and equipment are provided for guests to cater for themselves.
<b>Other expenditure</b>	Includes:  Accommodation; administration and management fees; amortisation; bursaries; computer expenditure; containers and packaging materials; total paper, printing and stationery; postal and courier services; property tax; provisions; research and development; customs duty paid; excise duty paid; losses on financial and other liabilities: redemption, liquidation or revaluation of liabilities; losses on foreign exchange as a result of variations in foreign exchange rates or foreign exchange transactions; mineral rights leases; royalties, franchise fees, copyright, trade names, trademarks and patent rights paid; severance, termination and redundancy payments; skills development levy; staff training; subscriptions; donations, sponsorships and social investment for non-employees; and other expenditure.
<b>Other income</b>	Includes:  Dividends; government subsidies and incentives; government capital transfers; mineral rights leases; profit on financial and other liabilities: redemption, liquidation and revaluation; profit on foreign loans as a result of variations in foreign exchange rates; provisions; royalties and franchise fees, copyright, trade names and patent rights received; customs duty received; excise duty received; and other income.

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<b>Profit margin</b>	Profit margin is derived as: Net profit or loss after tax <i>divided by</i> turnover <i>multiplied by</i> 100
<b>Statistical unit</b>	A unit about which statistics are tabulated, compiled or published. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.
<b>Stratum</b>	A stratum is constructed by concatenating the SIC classification and size group variables.
<b>Turnover</b>	Turnover includes: <ul style="list-style-type: none"><li>• the value of sales;</li><li>• amounts received for work done;</li><li>• amounts received for services rendered;</li><li>• rent and/or lease payments received for land and buildings; and</li><li>• rent, leasing and hiring received for machinery, vehicles and other equipment.</li></ul> Turnover excludes: <ul style="list-style-type: none"><li>• value added tax (VAT);</li><li>• net profit or loss on sales or revaluation of fixed assets (including profit or loss on foreign exchange);</li><li>• export freight charges;</li><li>• interest received; and</li><li>• excise duty.</li></ul>

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