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# Statistical release

## P6420

### Food and beverages

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**Table A - Key findings as at the end of December 2006**

Estimates R million	December 2006	% change between December 2006 and December 2006	October 2005 to December 2005	October 2006 to December 2006	% change between October 2005 to December 2005 and October 2006 to December 2006
Income from food sales	2 244,0	+19,1	5 060,8	5 931,5	+17,2
Income from bar sales	292,3	+8,3	740,5	833,6	+12,6
Other income	59,1	+13,7	151,6	169,0	+11,5
Total income	2 595,4	+17,7	5 952,9	6 934,1	+16,5

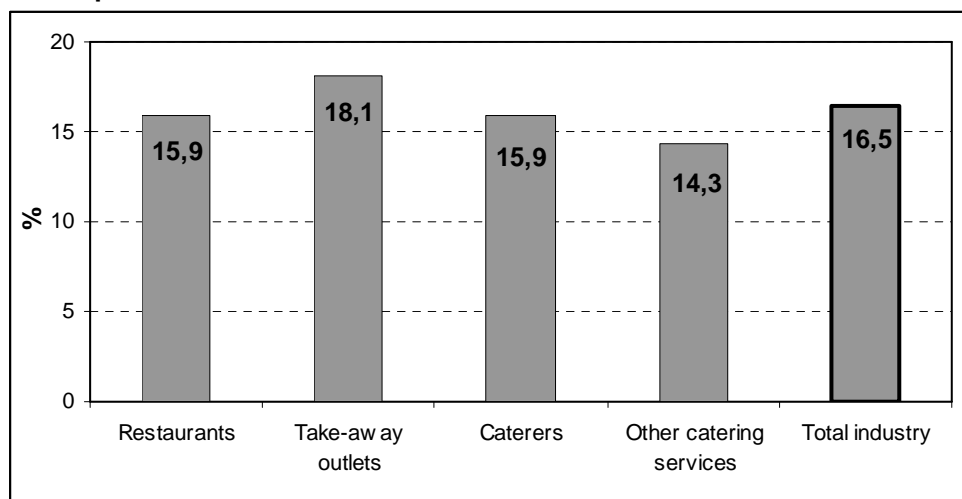
**Key findings as at the end of December 2006**

**Total income increases**

The total income generated by the food and beverages industry in the fourth quarter of 2006 amounted to R6 934,1 million. This was an increase of 16,5% (R981,2 million) compared with the fourth quarter of 2005. The increase was due to a 17,2% (R870,7 million) increase in income from food sales, a 12,6% (R93,1 million) increase in income from bar sales and a 11,5% (R17,4 million) increase in other income.

The largest percentage increase in total income for the fourth quarter of 2006 compared with the fourth quarter of 2005 was reported by take-away outlets (18,1%), followed by restaurants and caterers (both at 15,9%), and other catering services (14,3%). See figure 1 below.

**Figure 1 - Percentage change in total income per enterprise type for the fourth quarter of 2006 compared to the fourth quarter of 2005**



**Table B – Contribution of the types of enterprise to the percentage change in total income for the fourth quarter of 2006 compared to the fourth quarter of 2005**

Enterprise type R million	October 2005 to December 2005	Weight	October 2006 to December 2006	% change between October 2005 to December 2005 and October 2006 to December 2006	% change contribution
Restaurants and coffee shops	2 955,3	49,6	3 426,1	+15,9	+7,9
Take-away outlets	1 724,1	29,0	2 036,3	+18,1	+5,3
Caterers	1 016,4	17,1	1 177,8	+15,9	+2,7
Other catering services	257,1	4,3	293,9	+14,3	+0,6
<b>Total industry</b>	<b>5 952,9</b>	<b>100,0</b>	<b>6 934,1</b>	<b>+16,5</b>	<b>+16,5</b>

The contributors to the increase of 16,5% in total income for the fourth quarter of 2006 compared to the fourth quarter of 2005 were restaurants and coffee shops (+7,9 percentage points), take-away outlets (+5,3 percentage points), caterers (+2,7 percentage points) and other catering services (+0,6 of a percentage point).

**Table C – Contribution of the types of enterprise to the percentage change in total income for December 2006 compared to December 2005**

Enterprise type R million	December 2005	Weight	December 2006	% change between December 2005 and December 2006	% change contribution
Restaurants and coffee shops	1 143,5	51,8	1 362,9	+19,2	+10,0
Take-away outlets	662,9	30,1	761,7	+14,9	+4,5
Caterers	311,7	14,1	371,8	+19,3	+2,7
Other catering services	87,5	4,0	99,0	+13,1	+0,5
<b>Total industry</b>	<b>2 205,6</b>	<b>100,0</b>	<b>2 595,4</b>	<b>+17,7</b>	<b>+17,7</b>

Total income in December 2006 increased by 17,7% (R389,8 million) compared with December 2005 (see Table A above).

The contributors to the increase of 17,7% in total income for December 2006 compared to December 2005 were restaurants and coffee shops (+10,0 percentage points), take-away outlets (+4,5 percentage points), caterers (+2,7 percentage points) and other catering services (+0,5 of a percentage point).

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**Notes**

<b>Forthcoming issue</b>	<b>Issue</b> March 2007	<b>Expected release date</b> 14 June 2007
<b>Purpose of the survey</b>	<p>The Food and beverages survey is a monthly survey covering a sample of public and private enterprises involved in the preparation of meals and drinks for immediate consumption in South Africa. The purpose of the new survey is to monitor trends in the food and beverages industry.</p> <p>The results of the survey are used to compile estimates of the Tourism Satellite Accounts (TSA), and the Gross Domestic Product (GDP) and its components, which are used to develop and monitor government policy. These statistics are also used in the analysis of comparative business and industry performance. In future the results of this monthly survey will be published quarterly in the statistical release P6420: <i>Food and beverages</i>.</p>	
<b>Response rate</b>	The average response rate for the survey for the fourth quarter of 2006 was 79,7%.	

**P J Lehohla**  
**Statistician-General**

**Table 1 - Food and beverage statistics from December 2005 to December 2006**

Enterprise type	Month and Year												
	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006
<b>Restaurants and coffee shops</b>													
Income from food sales (R million)	934,3	743,4	718,0	778,3	784,0	751,6	734,4	754,8	741,4	773,0	759,8	915,0	1 144,8
Income from bar sales (R million)	195,7	162,4	156,3	176,1	164,3	150,6	174,6	176,0	168,6	169,3	166,2	195,0	205,9
Other income (R million)	13,5	13,4	17,0	19,0	13,6	11,1	15,0	8,5	10,9	13,9	13,6	13,6	12,2
Total income (R million)	1 143,5	919,2	891,3	973,4	961,9	913,3	924,0	939,3	920,9	956,2	939,6	1 123,6	1 362,9
<b>Take-away/fast food outlets</b>													
Income from food sales (R million)	638,3	470,3	436,1	485,7	509,3	509,3	528,9	578,7	558,8	630,8	621,7	596,8	728,0
Income from bar sales (R million)	5,0	4,9	5,7	6,8	4,5	4,3	4,0	4,2	4,2	4,7	6,0	6,3	7,6
Other income (R million)	19,6	19,5	22,1	23,3	19,0	18,6	23,3	22,3	23,5	23,1	20,9	22,9	26,1
Total income (R million)	662,9	494,7	463,9	515,8	532,8	532,2	556,2	605,2	586,5	658,6	648,6	626,0	761,7
<b>Caterers</b>													
Income from food sales (R million)	279,7	276,8	299,1	314,2	282,1	294,0	295,9	313,3	370,7	367,1	352,4	381,1	337,2
Income from bar sales (R million)	16,3	16,4	16,7	16,9	16,3	19,1	19,3	17,2	18,2	18,9	19,0	19,6	16,6
Other income (R million)	15,7	11,2	13,0	13,0	13,3	11,9	17,2	12,9	13,9	16,0	15,6	18,3	18,0
Total income (R million)	311,7	304,4	328,8	344,1	311,7	325,0	332,4	343,4	402,8	402,0	387,0	419,0	371,8
<b>Other catering services</b>													
Income from food sales (R million)	31,4	28,2	24,5	25,6	28,3	27,2	26,9	28,8	29,9	33,3	27,9	32,8	34,0
Income from bar sales (R million)	52,9	45,2	48,5	48,2	48,7	50,3	59,0	59,8	60,7	67,8	68,6	60,6	62,2
Other income (R million)	3,2	2,1	3,4	2,3	1,8	2,3	2,9	1,7	2,1	1,7	2,0	3,0	2,8
Total income (R million)	87,5	75,5	76,4	76,1	78,8	79,8	88,8	90,3	92,7	102,8	98,5	96,4	99,0
<b>Total</b>													
Income from food sales (R million)	1 883,7	1 518,7	1 477,7	1 603,8	1 603,7	1 582,1	1 586,1	1 675,6	1 700,8	1 804,2	1 761,8	1 925,7	2 244,0
Income from bar sales (R million)	269,9	228,9	227,2	248,0	233,8	224,3	256,9	257,2	251,7	260,7	259,8	281,5	292,3
Other income (R million)	52,0	46,2	55,5	57,6	47,7	43,9	58,4	45,4	50,4	54,7	52,1	57,8	59,1
Total income (R million)	2 205,6	1 793,8	1 760,4	1 909,4	1 885,2	1 850,3	1 901,4	1 978,2	2 002,9	2 119,6	2 073,7	2 265,0	2 595,4

**Notes**

1. All figures are preliminary.
2. **Total income** includes income from food sales, income from bar sales and other income.
3. **Other catering services** includes bars, taverns, ice-cream parlours etc.
4. **Other income** includes rentals and fees received for equipment, offices, shops, garages, billiard rooms, dance floors, telephone and fax services etc.

**Table 2 – Percentage change in food and beverage statistics from December 2005 to December 2006**

Enterprise type	Month and Year												
	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006
<b>Restaurants and coffee shops</b>													
Income from food sales (R million)	21,6	-20,4	-3,4	8,4	0,7	-4,1	-2,3	2,8	-1,8	4,3	-1,7	20,4	25,1
Income from bar sales (R million)	14,0	-17,0	-3,8	12,7	-6,7	-8,3	15,9	0,8	-4,2	0,4	-1,8	17,3	5,6
Other income (R million)	33,7	-0,7	26,9	11,8	-28,4	-18,4	35,1	-43,3	28,2	27,5	-2,2	0,0	-10,3
Total income (R million)	20,4	-19,6	-3,0	9,2	-1,2	-5,1	1,2	1,7	-2,0	3,8	-1,7	19,6	21,3
<b>Take-away/fast food outlets</b>													
Income from food sales (R million)	25,6	-26,3	-7,3	11,4	4,9	0,0	3,8	9,4	-3,4	12,9	-1,4	-4,0	22,0
Income from bar sales (R million)	-10,7	-2,0	16,3	19,3	-33,8	-4,4	-7,0	5,0	0,0	11,9	27,7	5,0	20,6
Other income (R million)	-3,4	-0,5	13,3	5,4	-18,5	-2,1	25,3	-4,3	5,4	-1,7	-9,5	9,6	14,0
Total income (R million)	24,1	-25,4	-6,2	11,2	3,3	-0,1	4,5	8,8	-3,1	12,3	-1,5	-3,5	21,7
<b>Caterers</b>													
Income from food sales (R million)	-18,0	-1,0	8,1	5,0	-10,2	4,2	0,6	5,9	18,3	-1,0	-4,0	8,1	-11,5
Income from bar sales (R million)	-3,0	0,6	1,8	1,2	-3,6	17,2	1,0	-10,9	5,8	3,8	0,5	3,2	-15,3
Other income (R million)	9,8	-28,7	16,1	0,0	2,3	-10,5	44,5	-25,0	7,8	15,1	-2,5	17,3	-1,6
Total income (R million)	-16,3	-2,3	8,0	4,7	-9,4	4,3	2,3	3,3	17,3	-0,2	-3,7	8,3	-11,3
<b>Other catering services</b>													
Income from food sales (R million)	21,7	-10,2	-13,1	4,5	10,5	-3,9	-1,1	7,1	3,8	11,4	-16,2	17,6	3,7
Income from bar sales (R million)	-6,9	-14,6	7,3	-0,6	1,0	3,3	17,3	1,4	1,5	11,7	1,2	-11,7	2,6
Other income (R million)	10,3	-34,4	61,9	-32,4	-21,7	27,8	26,1	-41,4	23,5	-19,0	17,6	50,0	-6,7
Total income (R million)	2,3	-13,7	1,2	-0,4	3,5	1,3	11,3	1,7	2,7	10,9	-4,2	-2,1	2,7
<b>Total</b>													
Income from food sales (R million)	14,6	-19,4	-2,7	8,5	0,0	-1,3	0,3	5,6	1,5	6,1	-2,4	9,3	16,5
Income from bar sales (R million)	7,6	-15,2	-0,7	9,2	-5,7	-4,1	14,5	0,1	-2,1	3,6	-0,3	8,4	3,8
Other income (R million)	9,2	-11,2	20,1	3,8	-17,2	-8,0	33,0	-22,3	11,0	8,5	-4,8	10,9	2,2
Total income (R million)	13,6	-18,7	-1,9	8,5	-1,3	-1,9	2,8	4,0	1,2	5,8	-2,2	9,2	14,6

**Notes**

1. The 'percentage change' is the change in food and beverage statistics of the relevant month, from table 1, compared with food and beverage statistics of the previous month expressed as a percentage.
2. All figures are preliminary.

## Explanatory notes

### Introduction

The results presented in this publication are derived from the monthly 'Food and beverages' survey. This survey is based on a sample of private and public enterprises involved mainly in the preparation of meals and drinks for immediate consumption in South Africa.

The sample was drawn from Stats SA's business sampling frame, which contains all enterprises that are registered for income tax (IT) and value added tax (VAT). Thus, enterprises that are not registered for tax are excluded from this survey.

### Scope of the survey

This survey covers the following **tax registered** private and public enterprises that are **mainly** engaged in providing food and beverages for immediate consumption:

- Restaurants and coffee shops,
- Take-aways,
- Caterers, and
- Other catering services.

### Classification by industry

The 1993 edition of the *Standard Industrial Classification of all Economic Activities (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 *International Standard Industrial Classification of all Economic Activities (ISIC)* with suitable adaptations for local conditions. Statistics in this publication are presented at 5-digit SIC level. Each enterprise is classified to an industry, which reflects its predominant activity.

### Size groups

The enterprises are divided into four size groups according to turnover. Large enterprises are enterprises with an annual turnover of R13 million and more. The Department of Trade and Industry (DTI) cut-off points defining the size groups, namely large, medium, small and micro enterprises, are given in table B.

**Table B – Size groups for the food and beverages survey**

Size group	Turnover
Large	> R13 000 000
Medium	R6 000 000 to < R13 000 000
Small	R5 100 000 to < R6 000 000
Micro	< R5 100 000

### Statistical unit

The statistical units for the collection of the information are enterprises.

### Survey methodology and design

The survey was conducted by mail, email, fax and telephone.

A sample of approximately 900 enterprises was drawn from a population of approximately 8 200 enterprises using stratified simple random sampling. The enterprises were first stratified at 5-digit level according to the SIC and then by size of enterprises. Large enterprises are completely enumerated. Turnover was used as the measure of size.

### Weighting methodology

For those strata 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 are calculated and then aggregated with the completely enumerated stratum to form division estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at: <http://www.statssa.gov.za/publications/statsdownload.asp?ppn=DiscussSamplingMeth&SCH=2286>



**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 food and beverages 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 occurred due to sampling, and thus avoids the need to refer to the size of the estimate.

**Table C – Relative standard error (RSE) of the estimates of total income within 95% confidence limits – December 2006**

Estimate (R million)	Lower Limit	Income	Upper Limit	Relative standard error (RSE)
	R million	R million	R million	%
<b>Total income</b>	<b>2 338,4</b>	<b>2 595,4</b>	<b>2 852,4</b>	<b>5,1</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.

**Revised figures** Revised figures are due to respondents reporting revisions or corrections to their figures and late submission of their data to Stats SA. Figures for all months will be regarded as preliminary.

**Seasonal adjustment** Seasonally adjusted estimates will not be published until there are sufficient data points for the new survey. As soon as sufficient data points are available, Stats SA will consider publishing seasonally adjusted estimates. International best practice requires at least 36 data points before seasonally adjusted estimates can be considered to be published.

**Symbols and abbreviations**

- GDP Gross Domestic Product
- IT Income Tax
- SARS South African Revenue Services
- SIC Standard Industrial Classification of all Economic Activities
- Stats SA Statistics South Africa
- VAT Value added tax
- .. Figures not available
- \* Revised figures

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## Glossary

<b>Industry</b>	It is made up 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>Enterprise</b>	A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.
<b>Income from food sales</b>	Refers to income from the sale of meals and non-alcoholic drinks.
<b>Income from bar sales</b>	Refers to income from liquor sales.
<b>Other income</b>	Includes all income not earned from food sales or bar sales.
<b>Total income</b>	Includes income from food sales, income from bar sales and other income.
<b>Restaurants and coffee shops</b>	Enterprises involved in the sale and provision of meals and drinks, ordered from a menu, prepared on the premises for immediate consumption and with provided seating.
<b>Take-away outlets</b>	Enterprises involved in the sale and provision of meals and drinks, ordered from a menu, prepared on the premises for take-away purposes in a packaged format (not on plates), at a stand or in a location, with or without provided seating.
<b>Caterers</b>	Enterprises involved in the sale and supply of meals and drinks prepared on the premises on a contract basis and brought to other premises chosen by the person ordering it, to be served for immediate consumption to guests or customers.
<b>Other catering services</b>	Includes bars, taverns, other drinking places, ice-cream parlours etc.

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## Enquiries

Telephone number: (012) 310 8600/ 8390/ 8351/ 4892/ 8496/ 8095 (user information services)  
(012) 310 8985/ 310 8985 (technical enquiries)  
(012) 310 8161 (orders)  
(012) 310 8490 (library)

Fax number: (012) 310 8310 (technical enquiries)

email address: [azamk@statssa.gov.za](mailto:azamk@statssa.gov.za) (technical enquiries)  
[info@statssa.gov.za](mailto:info@statssa.gov.za) (user information services)  
[distribution@statssa.gov.za](mailto:distribution@statssa.gov.za) (orders)

Postal address: Private Bag X44, Pretoria, 0001

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