

Statistical release

P6420

Food and beverages (Preliminary)

July 2014

The results published today are based on a new sample. This is an annual procedure which typically affects the level of income at current prices. To avoid breaks in time series and to preserve historical growth rates, historical income levels were revised (i.e. they were linked to the estimates based on the new sample).

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Results for July 2014

Table A – Year-on-year percentage change in food and beverages income at current prices by type of income

Type of income	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Food sales	9,7	3,4	8,2	8,6	4,3	7,5
Bar sales	-1,4	-7,2	4,2	0,8	-8,3	-5,3
Other income	-5,7	9,4	9,4	12,1	-0,4	-4,0
Total	7,8	2,2	7,7	7,7	2,7	5,7

Measured in nominal terms (current prices), total income generated by the food and beverages industry increased by 5,7% in July 2014 compared with July 2013. A positive annual growth rate was recorded for food sales (7,5%) – see Table A.

Table B – Year-on-year percentage change in food and beverages income at current prices by type of enterprise

Type of enterprise	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Restaurants and coffee shops	6,7	2,4	10,0	8,1	1,9	5,5
Takeaway and fast-food outlets	11,9	4,2	10,8	11,1	7,0	11,2
Catering services	2,8	-3,0	-4,4	-0,2	-4,7	-5,6
Total	7,8	2,2	7,7	7,7	2,7	5,7

In July 2014, positive annual growth rates were recorded for takeaway and fast-food outlets (11,2% and contributing 4,1 percentage points) and restaurants and coffee shops (5,5% and contributing 2,5 percentage points). Catering services recorded a decrease of 5,6% (contributing -1,0 percentage point) over the same period – see Tables B and 5.

Table C – Food and beverages income at current prices for the latest three months by type of enterprise

Type of enterprise	May – Jul 2013 (R million)	Weight	May – Jul 2014 (R million)	% change between May – Jul 2013 and May – Jul 2014	Contribution (% points) to the total % change
Restaurants and coffee shops	4 742,8	45,4	4 988,3	5,2	2,4
Takeaway and fast-food outlets	3 886,1	37,2	4 264,7	9,7	3,6
Catering services	1 815,8	17,4	1 752,3	-3,5	-0,6
Total	10 444,7	100,0	11 005,3	5,4	5,4

Total income increased by 5,4% in the three months ended July 2014 compared with the three months ended July 2013. Positive contributors to this increase were:

- takeaway and fast-food outlets (9,7% and contributing 3,6 percentage points); and
- restaurants and coffee shops (5,2% and contributing 2,4 percentage points) – see Table C.

Figure 1 – Food and beverages income at current prices: year-on-year percentage change

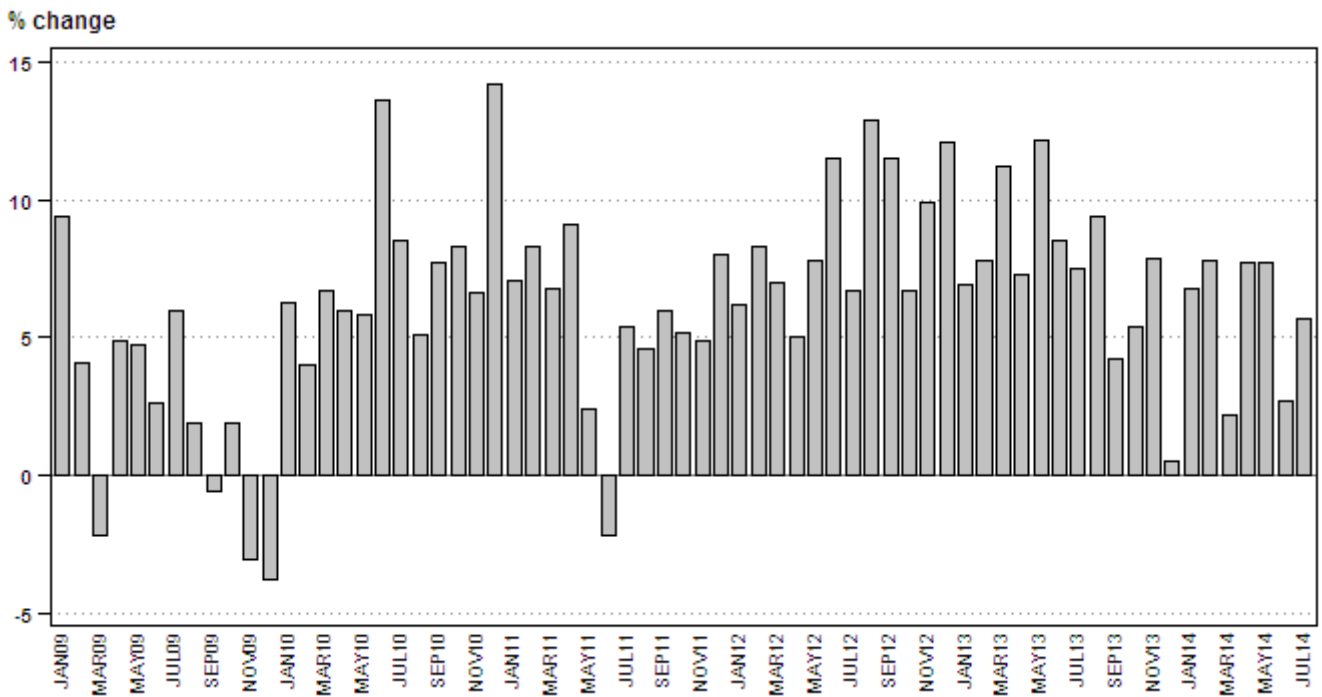
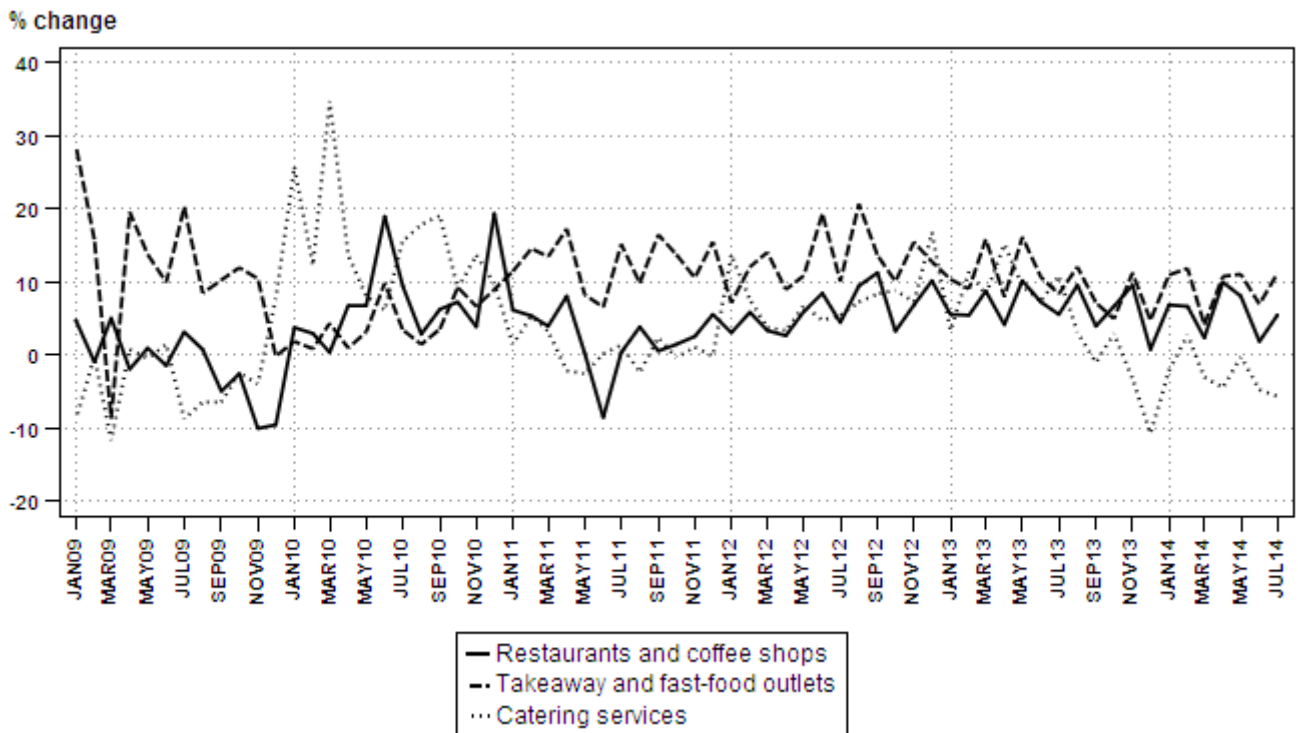


Figure 2 – Food and beverages income at current prices: year-on-year percentage change by type of enterprise



PJ Lehohla
Statistician-General

Note: Changes to the monthly current indicator survey and the impact on the statistical series

Business register and samples

Today Statistics South Africa (Stats SA) publishes the results for the monthly survey of food and beverages from a new sample drawn in April 2014 which replaces the previous sample that was drawn in April 2013. The sample is drawn from a business register of enterprises with an annual turnover of at least R358 239 and that are required to register with the South African Revenue Service (SARS) for value added tax.

Owing to the evolving nature of business, the business register is maintained on a continuous basis. The maintenance process is aimed, amongst other things, at capturing changes related to new businesses, ceased businesses, merged businesses and classification changes. In addition, Stats SA undertakes quality improvement surveys related to the business register, the primary objective of which is to capture up-to-date information about the structures and activities of large and complex businesses. This process enables Stats SA to review classification codes for these businesses. These changes are an essential part of the statistical architecture.

Comparison between the previous and new samples for the food and beverages industry

The food and beverages industry comprises a large proportion of small and micro enterprises which are susceptible to high birth and death rates. The number of enterprises on the 2014 sampling frame decreased by 3,6% compared with the 2013 sampling frame. Decreases in the number of enterprises between the two sampling frames were recorded for takeaway and fast-food outlets and catering services.

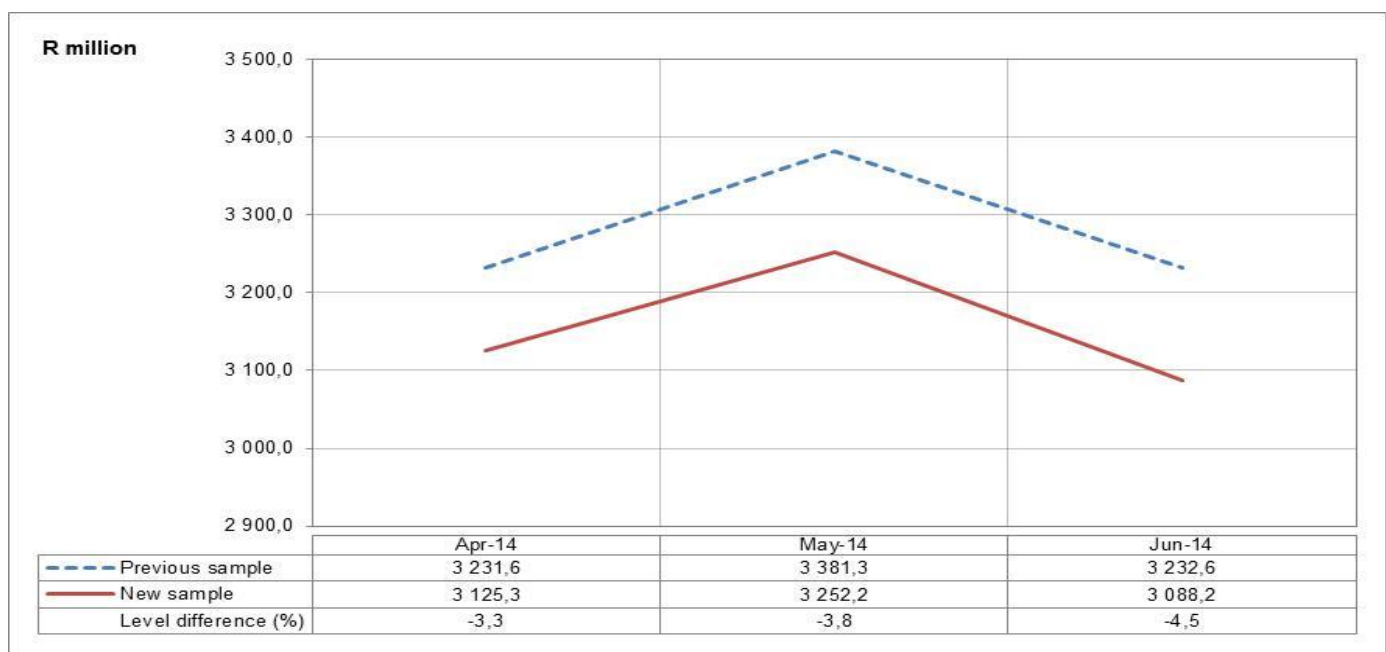
The reported level of food sales for the monthly survey of food and beverages for the months April to June 2014 based on the new sample was 3,9% lower than the level of food sales from the previous sample (see Table D and Figure 3).

Table D –Total food sales for the previous and new samples for April to June 2014

Food and beverages industry	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference 1/ (%)
Food sales	9 845,5	9 465,7	-379,8	-3,9
Total income	11 170,3	10 959,8	-210,5	-1,9

1/ The percentage difference is the difference between the April to June 2014 income as recorded in the new sample divided by the April to June 2014 income as recorded in the previous sample, expressed as a percentage.

Figure 3 – Food sales: monthly levels of previous and new samples for April to June 2014



The reported level of total income for the monthly survey of food and beverages for the months April to June 2014 based on the new sample was 1,9% lower than the level of total income from the previous sample (see Table D on page 4 and Figure 4).

Figure 4 – Total income: monthly levels of previous and new samples for April to June 2014

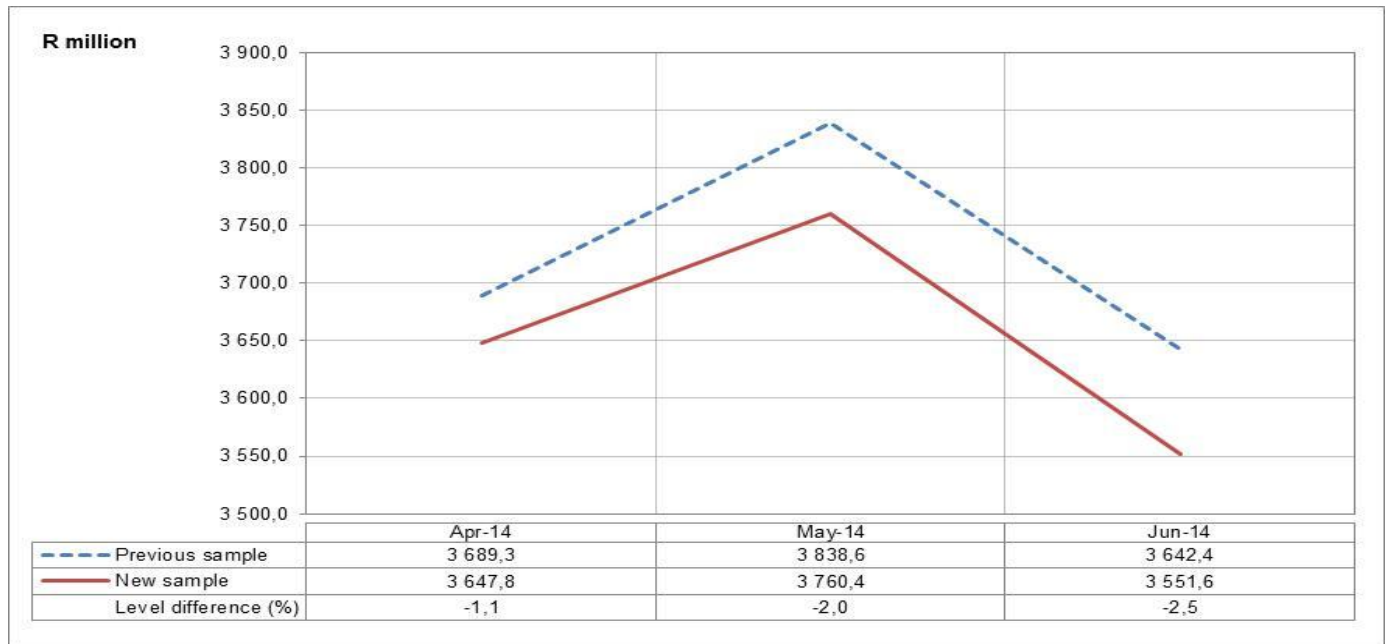


Table E – Total income for the previous and new samples by type of enterprise for April to June 2014

Type of enterprise	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference 1/ (%)
Restaurants and coffee shops	5 108,2	5 033,2	-75,0	-1,5
Takeaway and fast-food outlets	4 187,3	4 170,7	-16,6	-0,4
Catering services	1 874,8	1 755,9	-118,9	-6,3
Total	11 170,3	10 959,8	-210,5	-1,9

1/ The percentage difference is the difference between the April to June 2014 income as recorded in the new sample divided by the April to June 2014 income as recorded in the previous sample, expressed as a percentage.

The largest percentage difference in total income between the previous and new samples was in catering services (-6,3% or -R118,9 million).

Table F – Total income for the previous and new samples by type of income for April to June 2014

Type of income	Previous sample (R million)	New sample (R million)	Difference (R million)	Difference 1/ (%)
Food sales	9 845,5	9 465,7	-379,8	-3,9
Bar sales	1 102,5	1 247,8	145,3	13,2
Other income	222,3	246,3	24,0	10,8
Total income	11 170,3	10 959,8	-210,5	-1,9

1/ The percentage difference is the difference between the April to June 2014 income as recorded in the new sample divided by the April to June 2014 income as recorded in the previous sample, expressed as a percentage.

The largest percentage differences in total income between the previous and new samples were in the following types of income:

- bar sales (13,2% or R145,3 million); and
- 'other' income (10,8% or R24,0 million).

Backcasting

In order to assist users of time series, the levels of the previous sample have been adjusted from August 2005 up to March 2014, using the ratio between the new and previous sample estimates for April to June 2014.

Tables

Table 1 – Food and beverages income at current prices (R million)

Month	2009	2010	2011	2012	2013	2014 1/
Jan	2 538,9	2 697,8	2 890,0	3 068,8	3 279,9	3 504,5
Feb	2 456,8	2 554,1	2 766,5	2 994,9	3 229,5	3 480,3
Mar	2 676,2	2 856,8	3 051,4	3 263,5	3 628,2	3 706,3
Apr	2 595,5	2 752,5	3 003,4	3 154,3	3 386,0	3 647,8
May	2 664,0	2 818,3	2 885,9	3 111,5	3 490,8	3 760,4
Jun	2 572,1	2 921,5	2 858,0	3 187,5	3 459,6	3 551,6
Jul	2 664,8	2 890,9	3 046,7	3 249,8	3 494,3	3 693,3
Aug	2 669,6	2 804,5	2 933,9	3 312,7	3 623,1	
Sep	2 653,7	2 856,9	3 027,6	3 377,1	3 518,6	
Oct	2 765,3	2 994,6	3 150,2	3 361,8	3 544,0	
Nov	2 889,3	3 079,6	3 230,9	3 552,2	3 833,3	
Dec	3 201,2	3 655,0	3 948,4	4 427,0	4 451,0	
Total	32 347,4	34 882,5	36 792,9	40 061,1	42 938,3	

1/ Latest month is preliminary.

Table 2 – Year-on-year percentage change in food and beverages income at current prices

Month	2010	2011	2012	2013	2014	2014 year-to-date
Jan	6,3	7,1	6,2	6,9	6,8	6,8
Feb	4,0	8,3	8,3	7,8	7,8	7,3
Mar	6,7	6,8	7,0	11,2	2,2	5,5
Apr	6,0	9,1	5,0	7,3	7,7	6,0
May	5,8	2,4	7,8	12,2	7,7	6,4
Jun	13,6	-2,2	11,5	8,5	2,7	5,7
Jul	8,5	5,4	6,7	7,5	5,7	5,7
Aug	5,1	4,6	12,9	9,4		
Sep	7,7	6,0	11,5	4,2		
Oct	8,3	5,2	6,7	5,4		
Nov	6,6	4,9	9,9	7,9		
Dec	14,2	8,0	12,1	0,5		
Total	7,8	5,5	8,9	7,2		

Table 3 – Food and beverages income at current prices by type of enterprise (R million)

		Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14 1/
Restaurants and coffee shops	Food sales	1 281,5	1 401,5	1 403,2	1 402,1	1 313,8	1 388,9
	Bar sales	274,9	290,5	292,0	274,7	260,2	266,9
	Other income	35,7	36,9	31,2	30,4	25,6	25,7
	Total	1 592,1	1 728,9	1 726,4	1 707,2	1 599,6	1 681,5
Takeaway and fast-food outlets	Food sales	1 243,1	1 352,2	1 325,7	1 420,4	1 359,6	1 412,0
	Bar sales	16,7	16,9	15,8	18,0	17,9	22,7
	Other income	3,3	3,9	4,4	4,4	4,5	5,2
	Total	1 263,1	1 373,0	1 345,9	1 442,8	1 382,0	1 439,9
Catering services	Food sales	440,4	420,2	396,4	429,7	414,8	413,2
	Bar sales	137,2	131,7	132,0	129,5	107,7	111,9
	Other income	47,5	52,5	47,1	51,2	47,5	46,8
	Total	625,1	604,4	575,5	610,4	570,0	571,9
Total industry	Food sales	2 965,0	3 173,9	3 125,3	3 252,2	3 088,2	3 214,1
	Bar sales	428,8	439,1	439,8	422,2	385,8	401,5
	Other income	86,5	93,3	82,7	86,0	77,6	77,7
	Total	3 480,3	3 706,3	3 647,8	3 760,4	3 551,6	3 693,3

1/ Preliminary.

Table 4 – Year-on-year percentage change in food and beverages income at current prices by type of enterprise

		Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Restaurants and coffee shops	Food sales	9,7	4,3	10,3	9,3	2,4	7,0
	Bar sales	-2,1	-6,2	8,9	2,1	-1,7	-1,3
	Other income	-17,4	7,9	8,7	10,1	17,4	1,2
	Total	6,7	2,4	10,0	8,1	1,9	5,5
Takeaway and fast-food outlets	Food sales	11,6	4,0	10,4	10,8	6,7	10,5
	Bar sales	27,5	18,2	17,9	25,0	26,1	66,9
	Other income	22,2	11,4	266,7	33,3	36,4	57,6
	Total	11,9	4,2	10,8	11,1	7,0	11,2
Catering services	Food sales	4,7	-1,4	-4,7	-0,2	2,7	-0,1
	Bar sales	-2,8	-11,8	-6,0	-4,4	-24,0	-20,1
	Other income	3,7	10,3	3,1	11,8	-10,0	-10,3
	Total	2,8	-3,0	-4,4	-0,2	-4,7	-5,6
Total industry	Food sales	9,7	3,4	8,2	8,6	4,3	7,5
	Bar sales	-1,4	-7,2	4,2	0,8	-8,3	-5,3
	Other income	-5,7	9,4	9,4	12,1	-0,4	-4,0
	Total	7,8	2,2	7,7	7,7	2,7	5,7

Table 5 – Contribution of each type of income to the year-on-year percentage change in food and beverages income at current prices (percentage points)

		Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Restaurants and coffee shops	Food sales	3,5	1,6	3,9	3,4	0,9	2,6
	Bar sales	-0,2	-0,5	0,7	0,2	-0,1	-0,1
	Other income	-0,2	0,1	0,1	0,1	0,1	0,0
	Total	3,1	1,1	4,6	3,6	0,9	2,5
Takeaway and fast-food outlets	Food sales	4,0	1,4	3,7	4,0	2,5	3,8
	Bar sales	0,1	0,1	0,1	0,1	0,1	0,3
	Other income	0,0	0,0	0,1	0,0	0,0	0,1
	Total	4,1	1,5	3,9	4,1	2,6	4,1
Catering services	Food sales	0,6	-0,2	-0,6	0,0	0,3	0,0
	Bar sales	-0,1	-0,5	-0,3	-0,2	-1,0	-0,8
	Other income	0,1	0,1	0,0	0,2	-0,2	-0,2
	Total	0,5	-0,5	-0,8	0,0	-0,8	-1,0
Total industry	Food sales	8,1	2,9	7,0	7,4	3,7	6,4
	Bar sales	-0,2	-0,9	0,5	0,1	-1,0	-0,6
	Other income	-0,2	0,2	0,2	0,3	0,0	-0,1
	Total	7,8	2,2	7,7	7,7	2,7	5,7

Survey information

Introduction	The results presented in this publication are derived from the monthly survey of the food and beverages industry. This survey is based on a sample drawn from the 2014 business sampling frame (BSF) that contains businesses registered for value added tax (VAT).
Purpose of the survey	<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 this survey is to monitor trends in the food and beverages industry.</p> <p>The results of the food and beverage 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.</p>
Scope of the survey	<p>This survey covers the following tax registered private and public enterprises, that are mainly engaged in providing food and beverages for immediate consumption:</p> <ul style="list-style-type: none">• restaurants and coffee shops;• takeaway and fast-food outlets; and• catering services.
Classification by industry	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. Each enterprise is classified to an industry which reflects its predominant activity. Statistics in this publication are presented at 5-digit SIC level.
Collection rate	The preliminary collection rate for the survey on food and beverages for July 2014 was 77,1%. The collection rate for June 2014 for the new sample was 84,6%.
Statistical unit	The statistical unit for which information is compiled and published is an enterprise, defined as a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its income activities. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.
Revised figures	Revised figures are mainly due to late submission of data to Stats SA, or respondents reporting revisions or corrections to their figures. Preliminary figures, as indicated in the relevant tables, are subject to change and when revised will not be indicated as such. Data are edited at the enterprise level.
Rounding-off of figures	Where figures have been rounded off, discrepancies may occur between sums of the component items and the totals.
Historical data	Historical food and beverages data are available on the Stats SA website. To access the data electronically, use the following link: http://beta2.statssa.gov.za/?page_id=1849
Past publications	Past food and beverages releases are available on the Stats SA website. To access the releases electronically, use the following link: http://beta2.statssa.gov.za/?page_id=1866&PPN=P6420&SCH=5705

Technical notes

Survey methodology and design

The survey was conducted by mail, fax and telephone.

A sample of 900 enterprises was drawn from a population of 7 808 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.

Class limits

The enterprises are divided into four size groups according to turnover. Large enterprises are enterprises with an annual turnover of R26 million and more. The cut-off points which define the size groups, namely large, medium, small and very small enterprises are given in Table G.

Table G – Measure of size classes (Rand)

Enterprise size	Size group	Lower limits	Upper limits
Very small	4	358 239	10 200 000
Small	3	10 200 001	12 000 000
Medium	2	12 000 001	26 000 000
Large	1	26 000 001	

Sample weighting

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-collection in the survey. Stratum estimates are calculated and then aggregated with the completely enumerated stratum to form subgroup estimates. These procedures are in line with international best practice.

Reliability of estimates

Data presented in this publication are based on information obtained from a sample and are, therefore, subject to sampling variability; that is, it 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.

Relative standard error

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 H – Estimate of total food and beverages industry income within 95% confidence limits – July 2014

	Lower limit (R million)	Income (R million)	Upper limit (R million)	Relative standard error (RSE) %
Total income	3 533,8	3 693,3	4 206,4	4,4

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.

Year-on-year percentage change

The year-on-year percentage change in a variable for any given period is the change between that period and the corresponding period of the previous year, expressed as a percentage of the latter.

Contribution (percentage points)	The contribution (percentage points) to the annual percentage change for any given period is calculated by multiplying the percentage change of each type of enterprise by its corresponding weight, divided by 100. The weight is the percentage contribution of each type of enterprise to total income in the corresponding period of the previous year.														
Seasonal adjustment	Seasonally adjusted estimates will not be published until there are sufficient data points for this survey. As soon as sufficient data points are available, Stats SA will consider publishing seasonally adjusted estimates.														
 Glossary															
Enterprise	A legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.														
Industry	It is 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 09-09-02 of May 1993 (SIC)</i> .														
Income from food sales	Refers to income from the sale of meals and non-alcoholic drinks.														
Income from bar sales	Refers to income from liquor sales.														
Other income	Includes all income not earned from bar or food sales.														
Symbols and abbreviations	<table border="0"> <tr> <td>BSF</td> <td>Business sampling frame</td> </tr> <tr> <td>GDP</td> <td>Gross domestic product</td> </tr> <tr> <td>SARS</td> <td>South African Revenue Service</td> </tr> <tr> <td>SIC</td> <td>Standard Industrial Classification of all Economic Activities</td> </tr> <tr> <td>Stats SA</td> <td>Statistics South Africa</td> </tr> <tr> <td>TSA</td> <td>Tourism satellite accounts</td> </tr> <tr> <td>VAT</td> <td>Value added tax</td> </tr> </table>	BSF	Business sampling frame	GDP	Gross domestic product	SARS	South African Revenue Service	SIC	Standard Industrial Classification of all Economic Activities	Stats SA	Statistics South Africa	TSA	Tourism satellite accounts	VAT	Value added tax
BSF	Business sampling frame														
GDP	Gross domestic product														
SARS	South African Revenue Service														
SIC	Standard Industrial Classification of all Economic Activities														
Stats SA	Statistics South Africa														
TSA	Tourism satellite accounts														
VAT	Value added tax														
Restaurants and coffee shops	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.														
Takeaway and fast-food outlets	Enterprises involved in the sale and provision of meals and drinks, ordered from a menu, prepared on the premises for takeaway purposes in a packaged format, at a stand or in a location, with or without provided seating.														
Catering services	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 them, to be served for immediate consumption to guests or customers. Catering services also include bars, taverns, other drinking places, ice-cream parlours, etc.														
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