

# **Food and beverages August 2005 to March 2006**

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In this publication, Stats SA releases the first results of the **new monthly food and beverages survey** for the months of August 2005 to March 2006. This is the first time that Stats SA publishes figures on the food and beverages industry.

This new survey covers enterprises that are registered for income tax (IT) and value added tax (VAT) and are primarily involved in the preparation of meals and drinks for immediate consumption. For example, restaurants, take-away outlets, coffee shops, caterers and bars are included in this category.

By introducing the new food and beverages survey, Stats SA has increased the scope and coverage of tourism related industries in South Africa. The results of the survey will be used to compile estimates of the Tourism Satellite Accounts (TSA) and the Gross Domestic Product (GDP) and its components.

**Note:** This publication excludes all enterprises not registered for tax and/or whose **main activity** is not providing meals and drinks for immediate consumption.

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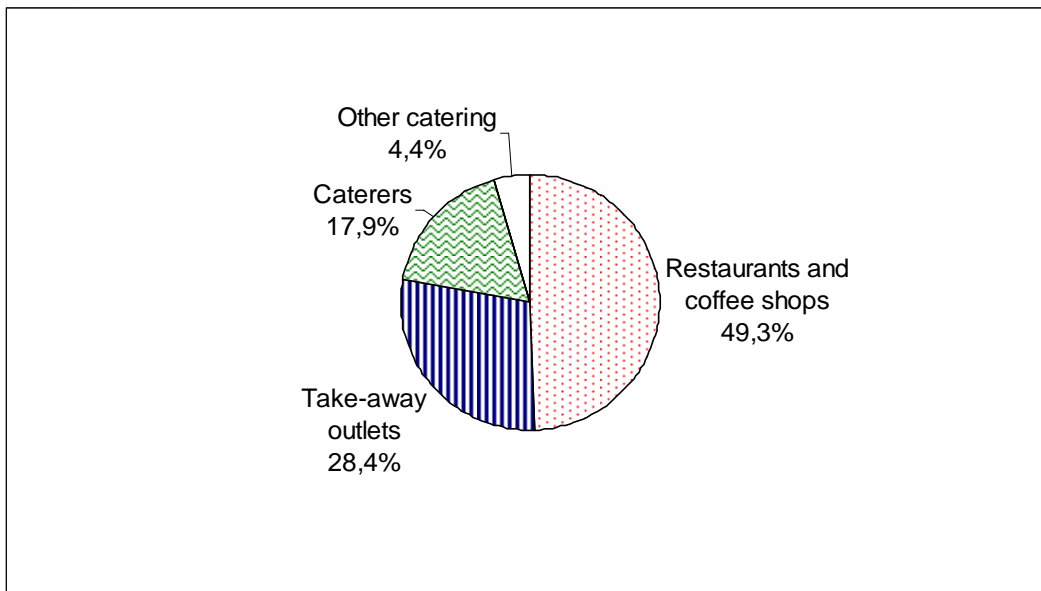
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**Key findings for the months August 2005 to March 2006**

**Average monthly income distribution by type of enterprise**

The average monthly total income in the food and beverages industry for the eight months was R1 868,5 million (see table 2). Most of the income was earned by restaurants and coffee shops (R921,4 million or 49,3%), followed by take-away outlets (R529,8 million or 28,4%), caterers (R334,7 million or 17,9%) and other catering services (R82,5 million or 4,4%) (see Figure 1).

**Figure 1 – Average monthly income distribution by type of enterprise**



**Average monthly income distribution by type of income**

Most of the income in the food and beverages industry was derived from food sales (R1 580,8 million or 84,6%), followed by income from bar sales (R234,9 million or 12,6%) and ‘other income’ (R52,8 million or 2,8%) (see Figure 2 and Table 1).

**Figure 2 – Average monthly income distribution by type of income**

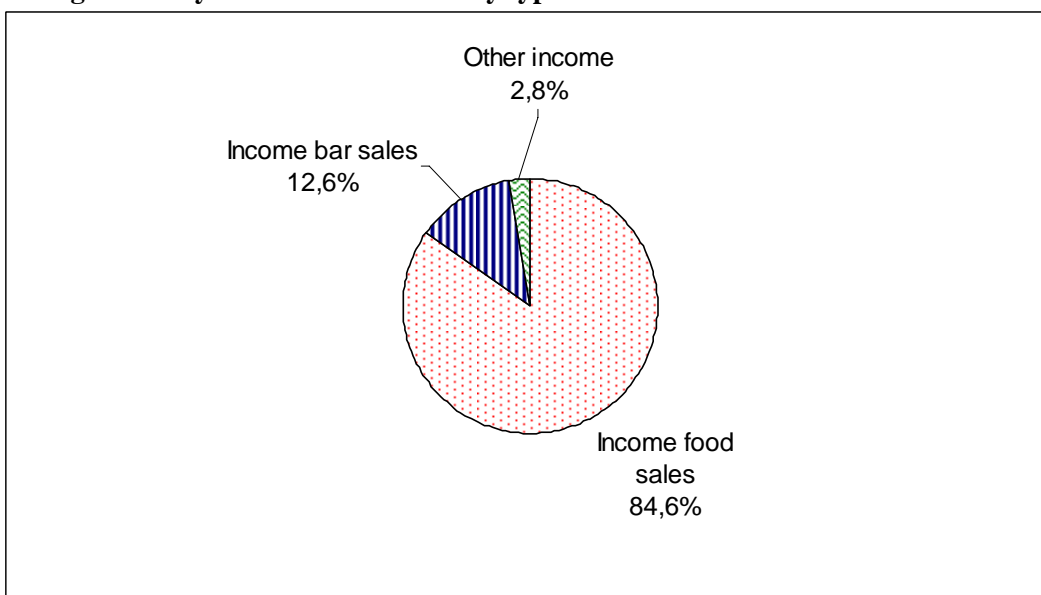


Table 1 gives the percentage income distribution for each of the income items per type of enterprise. On average, restaurants and coffee shops, take-away outlets and caterers earn most of their income from food sales. However, 'other catering services' derived most of its average income from bar sales (R52,4 million or 63,5%); followed by average income from food sales (R26,4 million or 32,0%) and other income (R3,7 million or 4,5%). This is because most of the enterprises in this category are taverns, bars and other drinking places.

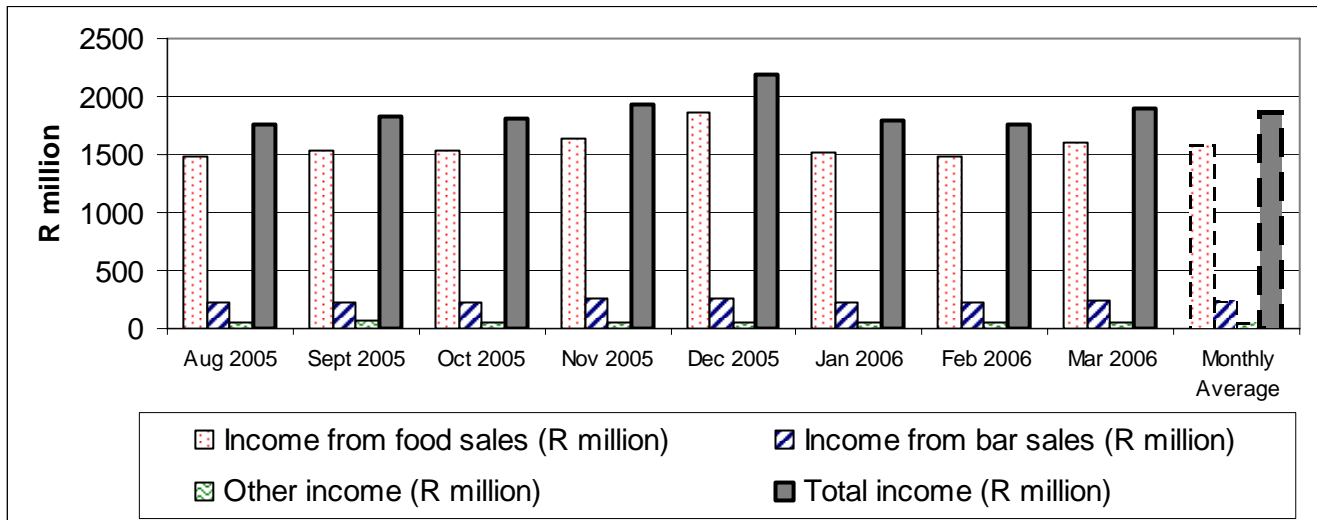
**Table 1: Percentage income distribution by type of income per type of enterprise**

Enterprise type	Month and Year								Monthly Average
	Aug 2005	Sept 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006	Mar 2006	
<b>Restaurants and coffee shops</b>									
Income from food sales (%)	81,4	81,9	83,3	81,0	82,0	81,1	80,9	80,9	81,6
Income from bar sales (%)	17,4	17,3	16,0	17,9	16,8	17,4	17,4	17,2	17,2
Other income (%)	1,1	0,8	0,8	1,1	1,2	1,5	1,7	1,8	1,3
Total income (%)	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
<b>Take-away/fast food outlets</b>									
Income from food sales (%)	93,3	92,9	93,4	94,9	95,9	95,3	94,2	94,2	94,3
Income from bar sales (%)	1,8	1,6	1,6	1,3	1,2	1,3	1,6	1,7	1,5
Other income (%)	4,9	5,4	5,0	3,8	2,9	3,4	4,3	4,1	4,2
Total income (%)	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
<b>Caterers</b>									
Income from food sales (%)	91,0	89,0	90,0	91,6	89,6	91,0	90,9	91,4	90,6
Income from bar sales (%)	4,8	4,8	4,9	4,5	5,3	5,3	5,1	4,8	4,9
Other income (%)	4,3	6,2	5,1	3,8	5,1	3,7	4,1	3,8	4,5
Total income (%)	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
<b>Other catering services</b>									
Income from food sales (%)	29,4	30,0	27,8	29,6	35,7	37,0	33,0	34,8	32,0
Income from bar sales (%)	64,1	63,8	66,1	67,1	60,5	60,1	62,4	63,0	63,5
Other income (%)	6,5	6,2	6,1	3,3	3,9	2,8	4,5	2,2	4,5
Total income (%)	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
<b>Total</b>									
Income from food sales (%)	84,2	84,0	84,7	84,6	85,4	84,9	84,2	84,6	84,6
Income from bar sales (%)	12,8	12,5	12,2	12,9	12,2	12,6	12,9	12,6	12,6
Other income (%)	3,1	3,5	3,1	2,5	2,4	2,5	3,0	2,8	2,8
Total income (%)	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Figure 3 gives the total monthly income distribution of the industry as well as the split between the types of income. The high increase of R244,7 million (12,6%) in total income in December 2005 compared to November 2005 could be due to the increase in sales during the Christmas and school holidays.

As the series progresses, Stats SA will be in a better position to monitor changes in patterns and seasonal variation over time.

**Figure 3 – Monthly income distribution by type of income**



**Notes****Forthcoming issue****Issue**

June 2006

**Expected release date**

26 October 2006

**Purpose of the survey**

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.

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: *Food and beverages*.

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

**Table 2: Summary of food and beverage statistics**

Enterprise type	Month and Year								Monthly Average
	Aug 2005	Sept 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006	Mar 2006	
<b>Restaurants and coffee shops</b>									
Income from food sales (R million)	688,5	703,4	710,7	763,7	918,4	737,1	716,9	772,8	751,4
Income from bar sales (R million)	147,4	148,3	136,4	168,8	188,3	158,2	154,1	164,5	158,3
Other income (R million)	9,7	7,2	6,5	10,3	13,9	13,7	15,2	17,4	11,7
Total income (R million)	845,6	858,9	853,6	942,8	1 120,6	909,0	886,2	954,7	921,4
<b>Take-away/fast food outlets</b>									
Income from food sales (R million)	474,3	488,7	493,7	508,1	637,2	472,2	437,0	486,5	499,7
Income from bar sales (R million)	8,9	8,5	8,6	7,0	7,9	6,4	7,2	8,8	7,9
Other income (R million)	25,1	28,6	26,3	20,3	19,6	17,0	19,8	21,0	22,2
Total income (R million)	508,3	525,8	528,6	535,4	664,7	495,6	464,0	516,3	529,8
<b>Caterers</b>									
Income from food sales (R million)	298,0	316,2	299,2	341,2	276,4	282,7	298,4	313,6	303,2
Income from bar sales (R million)	15,6	16,9	16,2	16,8	16,3	16,4	16,6	16,3	16,4
Other income (R million)	14,0	22,0	17,0	14,3	15,8	11,5	13,4	13,1	15,1
Total income (R million)	327,6	355,1	332,4	372,3	308,5	310,6	328,4	343,0	334,7
<b>Other catering services</b>									
Income from food sales (R million)	24,5	25,8	24,7	25,6	31,4	27,6	25,5	26,3	26,4
Income from bar sales (R million)	53,3	54,9	58,7	58,1	53,2	44,8	48,2	47,6	52,4
Other income (R million)	5,4	5,3	5,4	2,9	3,4	2,1	3,5	1,7	3,7
Total income (R million)	83,2	86,0	88,8	86,6	88,0	74,5	77,2	75,6	82,5
<b>Total</b>									
Income from food sales (R million)	1 485,3	1 534,1	1 528,3	1 638,6	1 863,4	1 519,6	1 477,8	1 599,2	1 580,8
Income from bar sales (R million)	225,2	228,6	219,9	250,7	265,7	225,8	226,1	237,2	234,9
Other income (R million)	54,2	63,1	55,2	47,8	52,7	44,3	51,9	53,2	52,8
Total income (R million)	1 764,7	1 825,8	1 803,4	1 937,1	2 181,8	1 789,7	1 755,8	1 889,6	1 868,5

**Notes**

1. All figures are preliminary.
2. **Total income** includes income from food sales, income from bar sales and other income.
3. **Monthly average** is the sum of all the months (August 2005 to March 2006) values divided by eight, for each of the income items.
4. **Total income** in the **Monthly average** column is the sum of all the income items for the relevant type of establishment.
5. **Other catering services** includes bars, taverns, ice-cream parlours etc.
6. **Other income** includes rentals and fees received for equipment, offices, shops, garages, billiard rooms, dance floors, telephone and fax services etc.

**Table 3: Percentage change in food and beverage statistics from September 2005 to March 2006**

Enterprise type	Month and Year						
	Sept 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006	Mar 2006
<b>Restaurants and coffee shops</b>							
Income from food sales (R million)	2,2	1,0	7,5	20,3	-19,7	-2,7	7,8
Income from bar sales (R million)	0,6	-8,0	23,8	11,6	-16,0	-2,6	6,7
Other income (R million)	-25,8	-9,7	58,5	35,0	-1,4	10,9	14,5
Total income (R million)	1,6	-0,6	10,4	18,9	-18,9	-2,5	7,7
<b>Take-away/fast food outlets</b>							
Income from food sales (R million)	3,0	1,0	2,9	25,4	-25,9	-7,5	11,3
Income from bar sales (R million)	-4,5	1,2	-18,6	12,9	-19,0	12,5	22,2
Other income (R million)	13,9	-8,0	-22,8	-3,4	-13,3	16,5	6,1
Total income (R million)	3,4	0,5	1,3	24,2	-25,4	-6,4	11,3
<b>Caterers</b>							
Income from food sales (R million)	6,1	-5,4	14,0	-19,0	2,3	5,6	5,1
Income from bar sales (R million)	8,3	-4,1	3,7	-3,0	0,6	1,2	-1,8
Other income (R million)	57,1	-22,7	-15,9	10,5	-27,2	16,5	-2,2
Total income (R million)	8,4	-6,4	12,0	-17,1	0,7	5,7	4,4
<b>Other catering services</b>							
Income from food sales (R million)	5,3	-4,3	3,6	22,7	-12,1	-7,6	3,1
Income from bar sales (R million)	3,0	6,9	-1,0	-8,4	-15,8	7,6	-1,2
Other income (R million)	-1,9	1,9	-46,3	17,2	-38,2	66,7	-51,4
Total income (R million)	3,4	3,3	-2,5	1,6	-15,3	3,6	-2,1
<b>Total</b>							
Income from food sales (R million)	3,3	-0,4	7,2	13,7	-18,5	-2,8	8,2
Income from bar sales (R million)	1,5	-3,8	14,0	6,0	-15,0	0,1	4,9
Other income (R million)	16,4	-12,5	-13,4	10,3	-15,9	17,2	2,5
Total income (R million)	3,5	-1,2	7,4	12,6	-18,0	-1,9	7,6

**Notes**

1. All figures are preliminary.



## Explanatory notes

### Introduction

The results presented in this publication are derived from the monthly ‘Food and beverages’ survey conducted from August 2005 to March 2006. This survey is based on a sample of private and public enterprises involved 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 A – Estimates of total industry income by type of enterprise within 95% confidence limits – March 2006**

Enterprise type	Lower Limit	Income	Upper Limit	Relative standard error
	R million	R million	R million	(RSE)
Restaurants and coffee shops	953,0	954,7	956,2	0,1
Take-away outlets	515,8	516,3	516,8	0,0
Caterers	342,5	343,0	343,3	0,1
Other catering services	75,5	75,6	76,1	0,1
<b>Total</b>	<b>1 886,8</b>	<b>1 889,6</b>	<b>1 892,4</b>	<b>0,1</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 the eight or twelve 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

## 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-aways</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.

## General information

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

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