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Key findings as at the end of March 2007

Table A - Key estimates as at the end of March 2007

Estimates R million	March 2007	% change between March 2006 and March 2007	January 2006 to March 2006	January 2007 to March 2007	% change between January 2006 to March 2006 and January 2007 to March 2007
Income from food sales	1 870,1	+16,6	4 601,3	5 307,4	+15,3
Income from bar sales	284,2	+14,5	703,0	765,7	+8,9
Other income	59,9	+3,9	159,3	162,9	+2,2
Total income	2 214,2	+15,9	5 463,6	6 236,0	+14,1

Note:

1. Figures have been rounded off. Therefore, discrepancies may occur between sums of the component items and the totals.

Total income increases

The total income generated by the food and beverages industry in the first quarter of 2007 amounted to R6 236,0 million. This was an increase of 14,1% (R772,4 million) compared with the first quarter of 2006. The increase was due to a 15,3% (R706,1 million) increase in income from food sales, an 8,9% (R62,7 million) increase in income from bar sales and a 2,2% (R3,6 million) increase in other income.

The largest percentage increase in total income for the first quarter of 2007 compared with the first quarter of 2006 was reported by take-away outlets (20,2%), followed by caterers (14,5%), other catering services (13,6%) and restaurants and coffee shops (10,8%). See figure 1 below.

Figure 1 - Percentage change in total income per enterprise type for the first quarter of 2007 compared to the first quarter of 2006

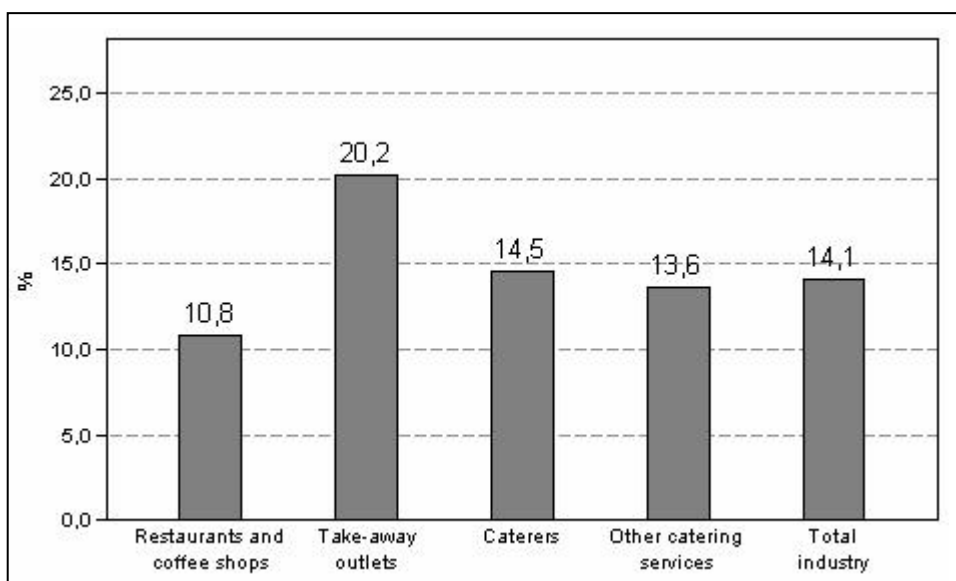


Table B - Contribution of the types of enterprise to the percentage change in total income for the first quarter of 2007 compared to the first quarter of 2006

Enterprise type R million	January 2006 to March 2006	Weight	January 2007 to March 2007	% change between January 2006 to March 2006 and January 2007 to March 2007	% change contribution
Restaurants and coffee shops	2 783,9	50,9	3 084,8	+10,8	+5,5
Take-away outlets	1 474,4	26,9	1 772,4	+20,2	+5,4
Caterers	977,3	17,8	1 119,7	+14,5	+2,6
Other catering services	228,0	4,1	259,1	+13,6	+0,5
Total industry	5 463,6	100,0	6 236,0	+14,1	+14,1

The contributors to the increase of 14,1% in total income for the first quarter of 2007 compared to the first quarter of 2006 were restaurants and coffee shops (+5,5 percentage points), take-away outlets (+5,4 percentage points) caterers (+2,6 percentage points) and other catering services (+0,5 of a percentage point).

Table C - Contribution of the types of enterprise to the percentage change in total income for March 2007 compared to March 2006

Enterprise type R million	March 2006	Weight	March 2007	% change between March 2006 and March 2007	% change contribution
Restaurants and coffee shops	973,4	50,9	1 116,1	+14,6	+7,4
Take-away outlets	515,8	27,0	611,6	+18,5	+5,0
Caterers	344,1	18,0	395,8	+15,0	+2,7
Other catering services	76,1	3,9	90,7	+19,1	+0,7
Total industry	1 909,4	100,0	2 214,2	+15,9	+15,9

Total income in March 2007 increased by 15,9% (R304,8 million) compared to March 2006 (see Table A above).

The contributors to the increase of 15,9% in total income for March 2007 compared to March 2006 were restaurants and coffee shops (+7,4 percentage points), take-away outlets (+5,0 percentage points), caterers (+2,7 percentage points) and other catering services (+0,7 of a percentage point).

P J Lehohla
Statistician-General

Detailed statistics

Table 1: Food and beverage statistics from March 2006 to March 2007

Enterprise type		Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007
Restaurants and coffee shops	Income from food sales (R million)	778,3	784,0	751,6	734,4	754,8	741,4	773,0	761,2	911,7	1 139,2	829,0	793,5	901,0
	Income from bar sales (R million)	176,1	164,3	150,6	174,6	176,0	168,6	169,3	167,0	194,6	215,0	167,9	158,4	202,1
	Other income (R million)	19,0	13,6	11,1	15,0	8,5	10,9	13,9	13,6	13,7	12,2	9,3	10,6	13,0
	Total income (R million)	973,4	961,9	913,3	924,0	939,3	920,9	956,2	941,8	1 120,0	1 366,4	1 006,2	962,5	1 116,1
Take-away/fast food outlets	Income from food sales (R million)	485,7	509,3	509,3	528,9	578,7	558,8	630,8	566,3	600,4	740,1	576,2	529,7	580,4
	Income from bar sales (R million)	6,8	4,5	4,3	4,0	4,2	4,2	4,7	6,1	6,4	7,8	6,7	5,9	7,0
	Other income (R million)	23,3	19,0	18,6	23,3	22,3	23,5	23,1	20,9	22,9	26,1	19,9	22,4	24,2
	Total income (R million)	515,8	532,8	532,2	556,2	605,2	586,5	658,6	593,3	629,7	774,0	602,8	558,0	611,6
Caterers	Income from food sales (R million)	314,2	282,1	294,0	295,9	313,3	370,7	367,1	352,9	383,3	343,9	310,5	340,9	356,3
	Income from bar sales (R million)	16,9	16,3	19,1	19,3	17,2	18,2	18,9	19,0	19,6	18,5	18,8	18,8	19,0
	Other income (R million)	13,0	13,3	11,9	17,2	12,9	13,9	16,0	15,6	18,3	18,0	16,8	18,1	20,5
	Total income (R million)	344,1	311,7	325,0	332,4	343,4	402,8	402,0	387,5	421,2	380,4	346,1	377,8	395,8
Other catering services	Income from food sales (R million)	25,6	28,3	27,2	26,9	28,8	29,9	33,3	28,0	32,9	34,7	28,8	28,7	32,4
	Income from bar sales (R million)	48,2	48,7	50,3	59,0	59,8	60,7	67,8	69,4	59,0	72,1	52,1	52,9	56,1
	Other income (R million)	2,3	1,8	2,3	2,9	1,7	2,1	1,7	1,9	3,0	2,7	3,0	2,9	2,2
	Total income (R million)	76,1	78,8	79,8	88,8	90,3	92,7	102,8	99,3	94,9	109,5	83,9	84,5	90,7
Total	Income from food sales (R million)	1 603,8	1 603,7	1 582,1	1 586,1	1 675,6	1 700,8	1 804,2	1 708,4	1 928,3	2 257,9	1 744,5	1 692,8	1 870,1
	Income from bar sales (R million)	248,0	233,8	224,3	256,9	257,2	251,7	260,7	261,5	279,6	313,4	245,5	236,0	284,2
	Other income (R million)	57,6	47,7	43,9	58,4	45,4	50,4	54,7	52,0	57,9	59,0	49,0	54,0	59,9
	Total income (R million)	1 909,4	1 885,2	1 850,3	1 901,4	1 978,2	2 002,9	2 119,6	2 021,9	2 265,8	2 630,3	2 039,0	1 982,8	2 214,2

Note: All figures are preliminary.

Table 2: Percentage change in food and beverage statistics from August 2006 to March 2007

Enterprise type		Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007
Restaurants and coffee shops	Income from food sales (R million)	+7,8	+9,5	+6,3	+18,6	+21,9	+11,5	+10,5	+15,7
	Income from bar sales (R million)	+14,4	+12,6	+19,5	+13,4	+9,8	+3,3	+1,3	+14,7
	Other income (R million)	+13,5	+93,0	109,2	+35,6	-9,6	-30,5	-37,6	-31,5
	Total income (R million)	+9,0	+10,8	+9,2	+17,9	+19,4	+9,4	+7,9	+14,6
Take-away/fast food outlets	Income from food sales (R million)	+17,3	+28,8	+14,5	+18,1	+15,9	+22,2	+21,4	+19,4
	Income from bar sales (R million)	-38,2	-27,6	-6,1	+14,2	+56,0	+76,3	+3,5	+2,9
	Other income (R million)	-6,3	-19,2	-20,5	+12,8	+33,1	+2,0	+1,3	+3,8
	Total income (R million)	+15,4	+25,5	+12,5	+17,9	+16,7	+21,8	+20,2	+18,5
Caterers	Income from food sales (R million)	+22,1	+16,0	+17,9	+12,3	+22,9	+12,1	+13,9	+13,3
	Income from bar sales (R million)	+16,6	+11,8	+17,2	+16,6	+13,4	+14,6	+12,5	+12,4
	Other income (R million)	-1,4	-27,2	-8,2	+27,9	+14,6	+50,0	+39,2	+57,6
	Total income (R million)	+20,8	+13,2	+16,5	+13,1	+22,0	+13,6	+14,9	+15,0
Other catering services	Income from food sales (R million)	-0,0	+29,5	+14,2	+27,5	+10,5	+2,1	+17,1	+26,5
	Income from bar sales (R million)	+3,5	+24,6	+20,9	+3,8	+36,2	+15,2	+9,0	+16,3
	Other income (R million)	-16,0	-34,6	-13,6	+7,1	-20,5	+42,8	-14,7	-4,3
	Total income (R million)	+1,8	+24,3	+18,0	+11,1	+24,8	+11,1	+10,6	+19,1
Total	Income from food sales (R million)	+13,6	+17,4	+11,3	+17,3	+19,8	+14,7	+14,5	+16,6
	Income from bar sales (R million)	+10,2	+14,2	+18,9	+11,4	+16,1	+7,7	+3,8	+14,5
	Other income (R million)	-1,7	-9,4	-0,0	+21,8	+13,0	+6,0	-2,7	+3,9
	Total income (R million)	+12,7	+16,1	+11,9	+16,7	+19,2	+13,6	+12,6	+15,9

Note: The percentage change is the change in food and beverage statistics of the relevant month compared with the food and beverage statistics of the same month in the previous year expressed as a percentage.

Explanatory notes

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 2005 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT) and income tax.

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 this 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*.

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.

Response rate The average response rate for the 'Food and beverages' survey for the first quarter of 2007 was 86,6%.

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 E1.

Table E1 – Size groups for the tourist accommodation industry

Size group	Turnover
Large	> R 13 000 000
Medium	R 6 000 000 to < R 13 000 000
Small	R 5 100 000 to < R 6 000 000
Micro	< R 5 100 000

Statistical unit The statistical units for the collection of the information are enterprises and establishments.

Survey methodology and design The survey was conducted by mail, 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 E2 – Estimate of total industry income by type of enterprise within 95% confidence limits – March 2007

Estimate R million	Lower limit R million	Income R million	Upper limit R million	Relative standard error (RSE) %
Total Income	2 004,5	2 214,2	2 423,5	4,8

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. All figures 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.

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
- * Revised figures

Rounding of figures

Where figures have been rounded off, discrepancies may occur between sums of the component items and the totals.

Glossary

Caterers	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.
Enterprise	A legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
Income from bar sales	Refers to income from liquor sales.
Income from food sales	Refers to income from the sale of meals and non-alcoholic drinks.
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 January 1993 (SIC)</i> .
Other catering services	Includes bars, taverns, other drinking places, ice-cream parlours etc.
Other income	Includes all income not earned from food sales or bar sales.
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.
Total income	Includes income from food sales, income from bar sales and other income.
Take-away outlets	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.

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Enquiries

Telephone number: (012) 310 8600/ 8390/ 8351/ 4892/ 8496/ 8095 (user information services)
(012) 310 8985/8191 (technical enquiries)
(012) 310 8161 (orders)
(012) 310 4883/4885/8018 (library)

Fax number: (012) 310 8697/8309 (technical enquiries)

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

Postal address: Private Bag X44, Pretoria, 0001

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