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# Statistical release

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# Food and beverages

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## Key findings as at the end of March 2008

**Table A – Key estimates as at the end of March 2008**

Estimates	March 2008	% change between March 2007 and March 2008	January to March 2007 (R million)	January to March 2008 (R million)	% change between January to March 2007 and January to March 2008
Income from food sales	2 443,1	27,0	5 609,2	6 590,5	17,5
Income from bar sales	318,8	11,0	778,0	849,7	9,2
Other income	64,2	10,1	151,0	187,4	24,1
<b>Total income</b>	<b>2 826,1</b>	<b>24,5</b>	<b>6 538,2</b>	<b>7 627,6</b>	<b>16,7</b>

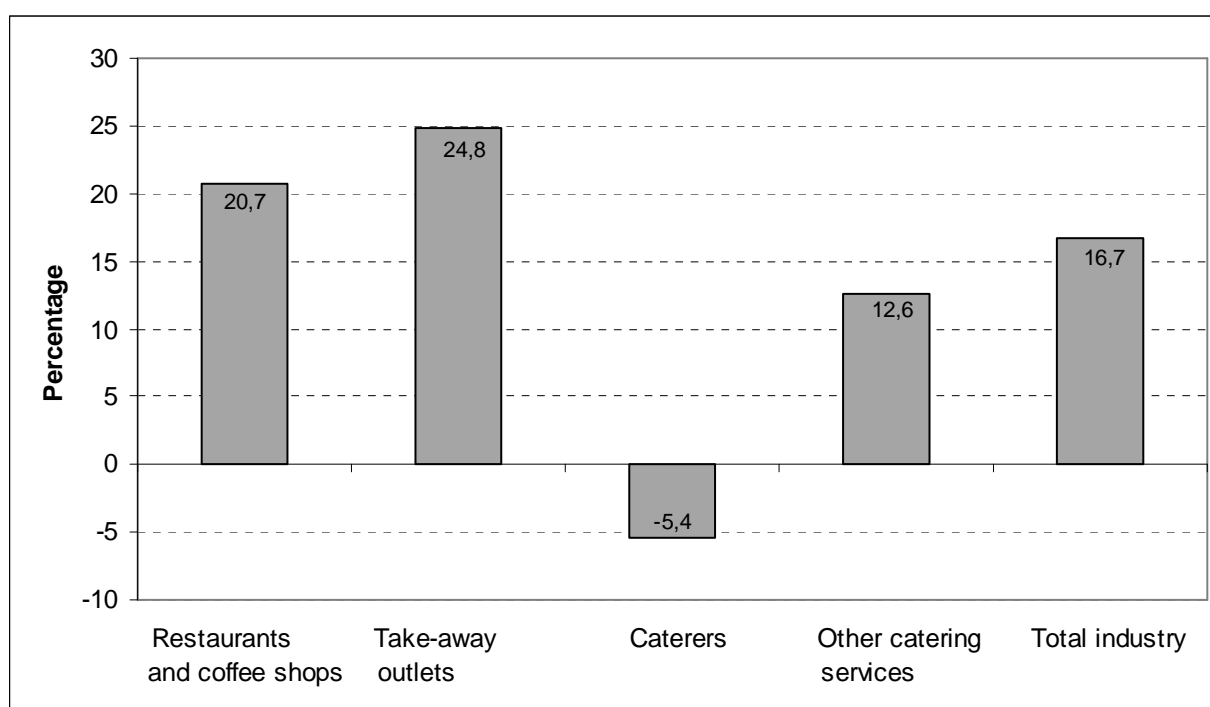
Note: Figures have been rounded off. Therefore, discrepancies may occur between sums of the component items and the totals.

### Total income increases

The total income generated by the food and beverages industry in the first quarter of 2008 amounted to R7 627,6 million indicating an increase of 16,7% compared with the first quarter of 2007. The reported increase of 16,7% is partly a reflection of rising prices with food inflation having risen strongly in the reported period.

With reference to figure 1, all types of enterprises contributed positively to the first quarter annual increase of 16,7% except caterers. One of the reasons for the negative contribution by caterers is that most of them serve meals to the corporate sector, and the switch of Easter and the bulk of school holidays from April in 2007 to March in 2008 meant fewer working days and therefore fewer days available for catering services. Furthermore, figure 1 indicates that take-away outlets increased by 24,8%, restaurants and coffee shops by 20,7% and other catering services by 12,6%.

**Figure 1 – Percentage change in total income per enterprise type for the first quarter of 2008 compared to the first quarter of 2007**



**Table B – Contribution of the types of enterprise to the percentage change in total income for the first quarter of 2008 compared to the first quarter of 2007**

Enterprise type	January 2007 to March 2007 (R million)	Weight 1/	January 2008 to March 2008 (R million)	% change between January to March 2007 and January to March 2008	Contribution (percentage points) to the percentage change in total income 2/
<b>Restaurants and coffee shops</b>	3 287,9	50,3	3 969,9	20,7	10,4
<b>Take-away outlets</b>	1 695,7	25,9	2 116,7	24,8	6,4
<b>Caterers</b>	1 159,7	17,7	1 096,5	-5,4	-1,0
<b>Other catering services</b>	394,9	6,0	444,5	12,6	0,8
<b>Total industry 3/</b>	<b>6 538,2</b>	<b>100,0</b>	<b>7 627,6</b>	<b>16,7</b>	<b>16,7</b>

1/ Weight is the percentage contribution of each enterprise type to the total income for the three months up to the current month of the previous year.

2/ The contribution to the percentage change is calculated by multiplying the percentage change of each enterprise type with the corresponding weight and divide by 100.

3/ The figures have been rounded off. Therefore, discrepancies may occur between the sums of the component items and totals.

From Table B above, the main contributor to the increase of 16,7% in total income for the first quarter of 2008 compared to the first quarter of 2007 was restaurants and coffee shops (+10,4 percentage points), followed by take-away outlets (+6,4 percentage points), and other catering services (+0,8 of a percentage point).

**Table C – Contribution of the types of enterprise to the percentage change in total income for March 2008 compared to March 2007**

Enterprise type	March 2007 (R million)	Weight 1/	March 2008 (R million)	% change between March 2007 and March 2008	Contribution (percentage points) to the percentage change in total income 2/
<b>Restaurants and coffee shops</b>	1 133,1	49,9	1 437,8	26,9	13,4
<b>Take-away outlets</b>	582,7	25,7	849,6	45,8	11,8
<b>Caterers</b>	414,3	18,3	380,6	-8,1	-1,5
<b>Other catering services</b>	139,5	6,1	158,1	13,3	0,8
<b>Total industry 3/</b>	<b>2 269,6</b>	<b>100,0</b>	<b>2 826,1</b>	<b>24,5</b>	<b>24,5</b>

1/ Weight is the percentage contribution of each enterprise type to the total income for the current month of the previous year.

2/ The contribution to the percentage change is calculated by multiplying the percentage change of each enterprise type with the corresponding weight and divide by 100.

3/ The figures have been rounded off. Therefore, discrepancies may occur between the sums of the component items and totals.

From Table C above, the contributors to the increase of 24,5% in total income for March 2008 compared to March 2007 were restaurants and coffee shops (+13,4 percentage points), take-away outlets (+11,8 percentage points), and other catering services (+0,8 of a percentage point).

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

**Detailed statistics**

**Table 1 – Food and beverage statistics from March 2007 to March 2008**

Enterprise type		Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008
Restaurants and coffee shops	Income from food sales (R million)	960,8	953,3	914,3	909,3	929,1	942,3	971,0	1 020,2	1 165,6	1 357,8	1 090,1	1 081,7	1 214,2
	Income from bar sales (R million)	165,1	177,6	143,5	154,9	146,5	160,2	152,6	154,4	176,2	213,3	169,9	177,5	217,5
	Other income (R million)	7,2	6,9	6,8	7,0	6,9	6,1	7,8	5,3	5,5	6,4	8,0	4,9	6,1
	<b>Total income (R million)</b>	<b>1 133,1</b>	<b>1 137,8</b>	<b>1 064,6</b>	<b>1 071,2</b>	<b>1 082,5</b>	<b>1 108,6</b>	<b>1 131,4</b>	<b>1 179,9</b>	<b>1 347,3</b>	<b>1 577,5</b>	<b>1 268,0</b>	<b>1 264,1</b>	<b>1 437,8</b>
Take-away/fast food outlets	Income from food sales (R million)	549,9	560,9	549,8	574,1	582,6	583,3	607,9	614,8	635,3	780,6	586,9	601,1	804,6
	Income from bar sales (R million)	11,7	11,4	10,9	11,5	11,6	12,6	11,6	10,7	11,0	11,8	10,5	12,0	12,6
	Other income (R million)	21,1	19,8	21,5	21,5	23,4	22,0	20,5	26,3	27,0	28,7	26,3	30,3	32,4
	<b>Total income (R million)</b>	<b>582,7</b>	<b>592,1</b>	<b>582,2</b>	<b>607,1</b>	<b>617,6</b>	<b>617,9</b>	<b>640,0</b>	<b>651,8</b>	<b>673,3</b>	<b>821,1</b>	<b>623,7</b>	<b>643,4</b>	<b>849,6</b>
Caterers	Income from food sales (R million)	359,0	336,1	365,7	362,1	356,1	389,4	386,4	345,5	388,9	330,5	294,8	334,0	335,0
	Income from bar sales (R million)	25,5	25,7	26,9	27,4	23,0	24,8	27,2	23,9	27,4	29,3	16,7	17,1	20,1
	Other income (R million)	29,8	23,2	24,8	26,7	21,5	21,6	24,5	29,4	33,4	35,0	28,5	24,8	25,5
	<b>Total income (R million)</b>	<b>414,3</b>	<b>385,0</b>	<b>417,4</b>	<b>416,2</b>	<b>400,6</b>	<b>435,8</b>	<b>438,1</b>	<b>398,8</b>	<b>449,7</b>	<b>394,8</b>	<b>340,0</b>	<b>375,9</b>	<b>380,6</b>
Other catering services	Income from food sales (R million)	54,4	51,2	49,2	51,6	66,7	66,2	72,1	65,8	65,4	69,3	76,5	82,3	89,3
	Income from bar sales (R million)	84,9	89,1	92,7	89,1	94,0	102,9	109,5	118,7	125,7	172,6	64,7	62,5	68,6
	Other income (R million)	0,2	0,2	0,2	0,1	0,1	0,2	0,3	0,2	0,2	0,0	0,2	0,2	0,2
	<b>Total income (R million)</b>	<b>139,5</b>	<b>140,5</b>	<b>142,1</b>	<b>140,8</b>	<b>160,8</b>	<b>169,3</b>	<b>181,9</b>	<b>184,7</b>	<b>191,3</b>	<b>241,9</b>	<b>141,4</b>	<b>145,0</b>	<b>158,1</b>
<b>Total</b>	Income from food sales (R million)	1 924,1	1 901,5	1 879,0	1 897,1	1 934,5	1 981,2	2 037,4	2 046,3	2 255,2	2 538,2	2 048,3	2 099,1	2 443,1
	Income from bar sales (R million)	287,2	303,8	274,0	282,9	275,1	300,5	300,9	307,7	340,3	427,0	261,8	269,1	318,8
	Other income (R million)	58,3	50,1	53,3	55,3	51,9	49,9	53,1	61,2	66,1	70,1	63,0	60,2	64,2
	<b>Total income (R million)</b>	<b>2 269,6</b>	<b>2 255,4</b>	<b>2 206,3</b>	<b>2 235,3</b>	<b>2 261,5</b>	<b>2 331,6</b>	<b>2 391,4</b>	<b>2 415,2</b>	<b>2 661,6</b>	<b>3 035,3</b>	<b>2 373,1</b>	<b>2 428,4</b>	<b>2 826,1</b>

Note: All figures are preliminary.

**Table 2 – Percentage change in food and beverage statistics from March 2007 to March 2008**

Enterprise type		Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008
<b>Restaurants and coffee shops</b>	<b>Income from food sales (%)</b>	6,2	4,6	4,7	6,5	5,9	9,4	8,1	15,3	10,0	2,6	13,2	18,2	26,4
	<b>Income from bar sales (%)</b>	16,3	34,1	18,3	10,1	3,3	18,0	11,9	14,7	12,4	23,2	25,6	37,1	31,7
	<b>Other income (%)</b>	-31,4	-8,0	9,7	-15,7	46,8	1,7	1,3	-29,3	-27,6	-5,9	53,8	-16,9	-15,3
	<b>Total income (%)</b>	7,2	8,3	6,4	6,9	5,7	10,5	8,5	14,9	10,1	4,9	14,9	20,3	26,9
<b>Take-away/fast food outlets</b>	<b>Income from food sales (%)</b>	18,9	15,6	13,4	14,0	5,7	9,6	1,2	14,0	11,1	10,8	7,0	18,7	46,3
	<b>Income from bar sales (%)</b>	-12,7	28,1	28,2	45,6	39,8	51,8	24,7	-11,6	-13,4	-23,4	-5,4	16,5	7,7
	<b>Other income (%)</b>	3,9	20,0	32,7	5,9	20,6	7,3	2,0	44,5	35,7	26,4	52,0	55,4	53,6
	<b>Total income (%)</b>	17,4	16,0	14,2	14,1	6,7	10,2	1,6	14,4	11,4	10,5	8,1	20,0	45,8
<b>Caterers</b>	<b>Income from food sales (%)</b>	14,0	18,8	24,1	22,0	13,4	4,8	5,0	-2,3	1,2	-4,1	-5,2	-2,7	-6,7
	<b>Income from bar sales (%)</b>	22,0	27,2	13,5	14,6	8,0	10,2	16,2	1,7	12,8	27,9	-28,3	-26,6	-21,2
	<b>Other income (%)</b>	80,6	37,3	64,2	21,9	31,1	22,0	20,1	47,7	43,3	52,8	33,2	7,8	-14,4
	<b>Total income (%)</b>	17,6	20,4	25,2	21,5	13,9	5,8	6,4	0,4	4,1	1,1	-4,4	-3,5	-8,1
<b>Other catering services</b>	<b>Income from food sales (%)</b>	24,8	6,2	6,3	12,7	35,8	29,8	27,2	37,9	16,6	17,3	57,4	70,0	64,2
	<b>Income from bar sales (%)</b>	17,1	21,6	22,5	0,3	4,4	12,6	7,4	13,7	41,6	59,1	-17,5	-21,5	-19,2
	<b>Other income (%)</b>	0,0	100,0	0,0	-50,0	0,0	0,0	200,0	100,0	0,0	-100,0	0,0	0,0	0,0
	<b>Total income (%)</b>	19,9	15,5	16,3	4,5	15,5	18,7	14,5	21,4	31,8	44,2	11,2	13,1	13,3
<b>Total</b>	<b>Income from food sales (%)</b>	11,5	10,1	10,6	11,6	8,0	9,1	5,9	12,1	8,9	4,3	9,4	15,8	27,0
	<b>Income from bar sales (%)</b>	15,5	29,4	19,5	8,3	5,2	16,5	11,0	12,1	20,4	33,4	5,5	10,9	11,0
	<b>Other income (%)</b>	22,7	22,2	41,4	9,1	27,8	12,4	9,9	33,9	29,6	33,3	42,9	23,9	10,1
	<b>Total income (%)</b>	12,3	12,6	12,2	11,1	8,0	10,0	6,6	12,6	10,7	8,2	9,7	15,4	24,5

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 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT) and income tax (IT), obtained from the South African Revenue Services (SARS).

**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. The results of this monthly survey are 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-away outlets,
- Caterers, and
- Other catering services.

**Response rate** The average response rate for the 'Food and beverages' survey for the first quarter of 2008 was 88,7%.

**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 D1 – Size groups for the food and beverages industry**

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 and establishments.

**Survey methodology and design**

The survey was conducted by mail, fax and telephone.

A sample of approximately 850 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 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/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 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 D2 – Estimate of total industry income within 95% confidence limits – March 2008**

Estimate	Lower limit R million	Income R million	Upper limit R million	Relative Standard Error (RSE) %
<b>Total income</b>	2 455,2	2 826,1	3 197,0	+6,7

**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
- 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.



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## Glossary

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

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