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Key findings as at the end of September 2007

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

Estimates	September 2007 (R million)	% change between September 2006 and September 2007	July 2006 to September 2006 (R million)	July 2007 to September 2007 (R million)	% change between July 2006 to September 2006 and July 2007 to September 2007
Income from food sales	2 037,4	+5,9	5 531,6	5 953,1	+7,6
Income from bar sales	300,9	+11,0	790,6	876,5	+10,9
Other income	53,1	+9,9	133,4	154,9	+16,1
Total income	2 391,4	+6,6	6 455,5	6 984,5	+8,2

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 third quarter of 2007 amounted to R6 984,5 million. This was an increase of 8,2% (R529,0 million) compared with the third quarter of 2006. The increase was mainly due to a 7,6% (R421,5 million) increase in food sales, followed by bar sales (R85,9 million or 10,9%) and other income (R21,5 million or 16,1%). Total income in September 2007 increased by 6,6% (R148,1 million) compared to September 2006.

The increase in total income for the third quarter of 2007 compared with the third quarter of 2006 was reported by other catering services (+16,2%), followed by caterers (+8,4%), restaurants and coffee shops (+8,2%) and take-away outlets (+6,0%).

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

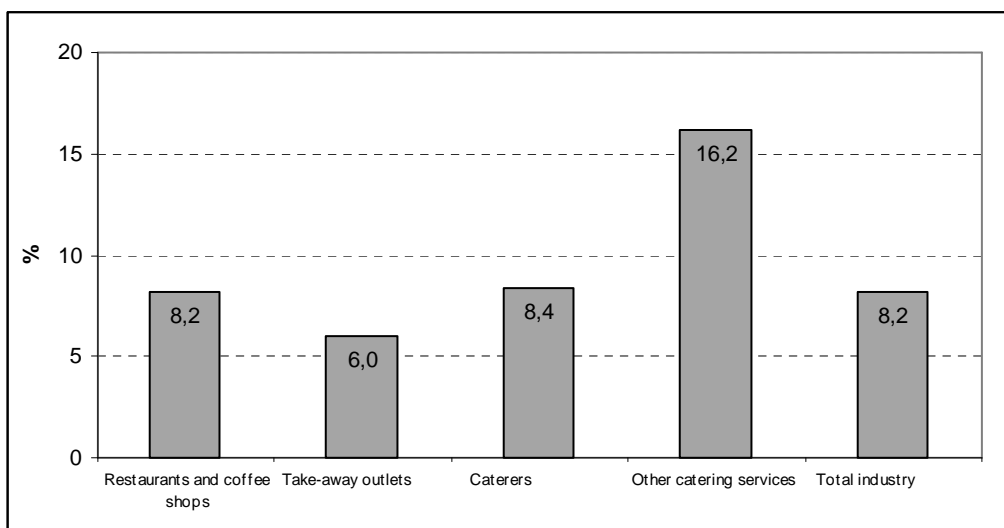


Table B - Contribution of the types of enterprise to the percentage change in total income for the third quarter of 2007 compared to the third quarter of 2006

Enterprise type	July 2006 to September 2006 (R million)	Weight	July 2007 to September 2007 (R million)	% change between July 2006 to September 2006 and July 2007 to September 2007	% change contribution
Restaurants and coffee shops	3 069,6	47,6	3 322,5	+8,2	+3,9
Take-away outlets	1 769,8	27,4	1 875,5	+6,0	+1,6
Caterers	1 175,5	18,2	1 274,5	+8,4	+1,5
Other catering services	440,6	6,8	512,0	+16,2	+1,1
Total industry	6 455,5	100,0	6 984,5	+8,2	+8,2

The main contributor to the increase of 8,2% in total income for the third quarter of 2007 compared to the third quarter of 2006 was restaurants and coffee shops (+3,9 percentage points), followed by take-away outlets (+1,6% percentage points), caterers (+1,5 percentage points) and other catering services (+1,1 percentage points).

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

Enterprise type	September 2006 (R million)	Weight	September 2007 (R million)	% change between September 2006 and September 2007	% change contribution
Restaurants and coffee shops	1 042,4	46,5	1 131,4	+8,5	+4,0
Take-away outlets	630,1	28,1	640,0	+1,6	+0,4
Caterers	411,8	18,4	438,1	+6,4	+1,2
Other catering services	158,9	7,1	181,9	+14,5	+1,0
Total industry	2 243,3	100,0	2 391,4	+6,6	+6,6

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

P J Lehohla
Statistician-General

Article: 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 results for the food and beverages survey based on the new sample drawn in April 2007, thus replacing the old sample that was drawn in August 2005. The sample is drawn from a business register that contains enterprises that are registered with the South African Revenue Service (SARS) for income tax.

Due to the dynamic nature of business, the business register has to be 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.

Comparing the results of the old and new samples

The level of total income between the old and new sample increased by +5,7%. The largest percentage increase in the level of total income was reported by 'other catering services' (+53,4%). The major reasons for the differences in the types of food and beverages data are:

- a) Demographic changes such as the 'births' of new enterprises, 'deaths' of enterprises, and change in economic activity of existing enterprises on the business register.
- b) Improved classification of enterprises on the business register.

Table D: Total income, old and new samples by type of food and beverages – April 2007 to June 2007

Enterprise type	Total income April 2007 to June 2007 Old sample (R million)	Total income April 2007 to June 2007 New sample (R million)	Difference in total income April 2007 to June 2007 Old and New sample (R million)	% change between April 2007 to June 2007 Old and New sample
Restaurants and coffee shops	3 017,6	3 273,6	256,0	+8,5
Take-away/fast food outlets	1 858,5	1 781,4	-77,1	-4,1
Caterers	1 184,5	1 218,6	34,1	+2,9
Other catering services	276,0	423,4	147,4	+53,4
Total	6 336,6	6 697,0	360,4	+5,7

Levels and movements in key variables

The reported level of total income for the months April to June 2007 based on the new sample was 5,7% higher than the level of income from the old sample (see table A above). This is a result of the replacement of the sample that was drawn in 2005 that has been in operation from August 2005. The movements in total income over the three overlapping months (April to June 2007) are very similar between the old and new samples. As a result, the series for total income moved largely in parallel for those months in which the survey was conducted based on the new and old samples (see figure 1 below).

Figure 1: Total income, old and new samples – April 2007 to June 2007

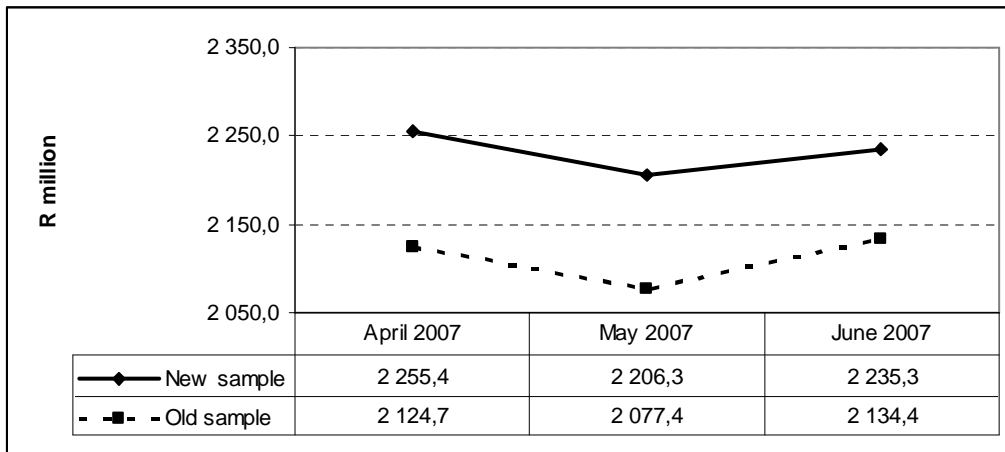
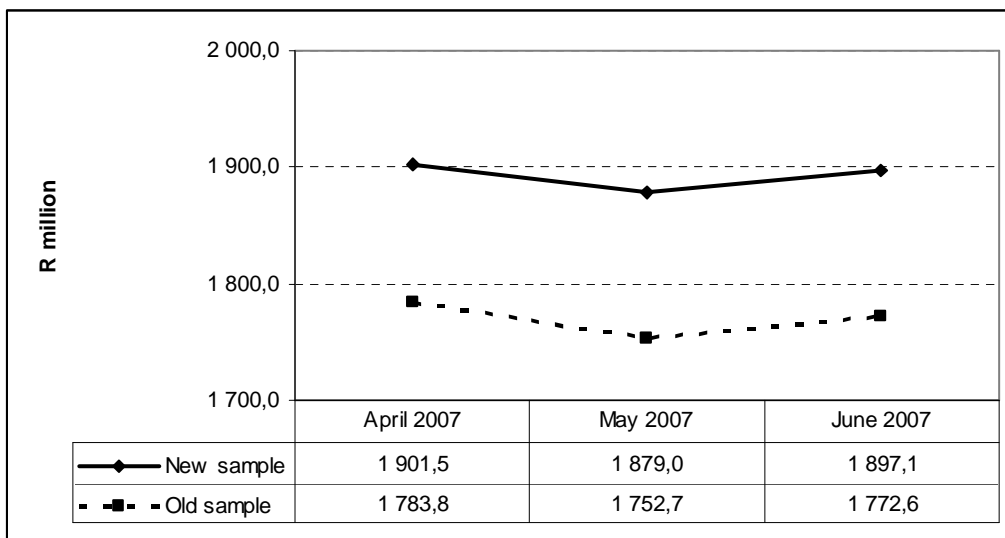


Figure 2 below is the reported income from food sales for the months April to June 2007 based on the new and old samples. The reported level of income from food sales based on the new sample was 6,9% higher than the level from the old sample. The movements in income from food sales over the three overlapping months (April to June 2007) are very similar between the old and new samples.

Figure 2: Income from food sales, old and new samples – April 2007 to June 2007



Back-casting

Under ideal conditions the growth in the series should reflect the performance of existing businesses within the population and any demographic events or changes in activity.

Since information about the birth of businesses was not available from SARS on a monthly basis from August 2005, (when the old sample was drawn) to April 2007 (when the new sample was introduced), it was decided that it would be more beneficial to users to adjust the levels of the series rather than to attempt to adjust their month to month movements. Accordingly, to assist users of the time series, the levels have been adjusted back to the start of the time series (August 2005), using the level for March 2007 as the end point of the back-cast series. Taking the series back to then prevents a break in the series at March 2007 when the new sample was introduced.

Detailed statistics

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

Enterprise type	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	
Restaurants and coffee shops	Income from food sales (R million)	898,3	884,6	1 059,5	1 323,9	963,4	915,5	960,8	953,3	914,3	909,3	929,1	942,3	971,0
	Income from bar sales (R million)	136,4	134,6	156,8	173,2	135,3	129,5	165,1	177,6	143,5	154,9	146,5	160,2	152,6
	Other income (R million)	7,7	7,5	7,6	6,8	5,2	5,9	7,2	6,9	6,8	7,0	6,9	6,1	7,8
	Total income (R million)	1 042,4	1 026,7	1 223,9	1 503,9	1 103,8	1 050,9	1 133,1	1 137,8	1 064,6	1 071,2	1 082,5	1 108,6	1 131,4
Take-away/fast food outlets	Income from food sales (R million)	600,7	539,3	571,8	704,8	548,6	506,2	549,9	560,9	549,8	574,1	582,6	583,3	607,9
	Income from bar sales (R million)	9,3	12,1	12,7	15,4	11,1	10,3	11,7	11,4	10,9	11,5	11,6	12,6	11,6
	Other income (R million)	20,1	18,2	19,9	22,7	17,3	19,5	21,1	19,8	21,5	21,5	23,4	22,0	20,5
	Total income (R million)	630,1	569,5	604,4	742,9	577,0	536,0	582,7	592,1	582,2	607,1	617,6	617,9	640,0
Caterers	Income from food sales (R million)	368,0	353,8	384,3	344,8	311,1	343,3	359,0	336,1	365,7	362,1	356,1	389,4	386,4
	Income from bar sales (R million)	23,4	23,5	24,3	22,9	23,3	23,3	25,5	25,7	26,9	27,4	23,0	24,8	27,2
	Other income (R million)	20,4	19,9	23,3	22,9	21,4	23,0	29,8	23,2	24,8	26,7	21,5	21,6	24,5
	Total income (R million)	411,8	397,2	431,8	390,6	355,7	389,6	414,3	385,0	417,4	416,2	400,6	435,8	438,1
Other catering services	Income from food sales (R million)	56,7	47,7	56,1	59,1	48,6	48,4	54,4	51,2	49,2	51,6	66,7	66,2	72,1
	Income from bar sales (R million)	102,0	104,4	88,8	108,5	78,4	79,6	84,9	89,1	92,7	89,1	94,0	102,9	109,5
	Other income (R million)	0,1	0,1	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,1	0,1	0,2	0,3
	Total income (R million)	158,9	152,3	145,1	167,8	127,2	128,2	139,4	140,5	142,1	140,8	160,8	169,3	181,9
Total	Income from food sales (R million)	1 923,8	1 825,4	2 071,6	2 432,6	1 871,7	1 813,4	1 924,2	1 901,5	1 879,0	1 897,1	1 934,5	1 981,2	2 037,4
	Income from bar sales (R million)	271,1	274,6	282,5	320,1	248,0	242,6	287,1	303,8	274,0	282,9	275,1	300,5	300,9
	Other income (R million)	48,3	45,7	51,1	52,6	44,1	48,6	58,2	50,1	53,3	55,3	51,9	49,9	53,1
	Total income (R million)	2 243,3	2 145,7	2 405,2	2 805,3	2 163,8	2 104,7	2 269,5	2 255,4	2 206,3	2 235,3	2 261,5	2 331,6	2 391,4

Note: All figures are preliminary.

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

Enterprise type		Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007
Restaurants and coffee shops	Income from food sales (%)	9,6	6,3	18,7	21,9	11,5	9,7	6,2	4,6	4,7	6,5	5,9	9,4	8,1
	Income from bar sales (%)	12,6	19,5	13,4	9,9	3,4	2,8	16,4	34,2	18,3	10,1	3,3	17,9	11,9
	Other income (%)	93,1	109,2	35,6	-9,6	-30,6	-37,6	-31,6	-8,6	10,4	-15,9	46,3	0,8	1,1
	Total income (%)	10,3	8,3	18,1	20,2	10,1	8,4	7,2	8,3	6,4	6,9	5,7	10,5	8,5
Take-away/fast food outlets	Income from food sales (%)	28,9	14,5	18,2	15,9	22,2	21,9	18,9	15,6	13,4	14,0	5,7	9,6	1,2
	Income from bar sales (%)	-27,7	-6,2	14,3	56,0	47,4	-8,8	-13,2	28,2	28,2	45,5	39,7	51,8	24,9
	Other income (%)	-19,2	-20,5	12,8	33,2	2,1	1,4	3,9	19,6	32,7	5,9	20,5	7,5	1,9
	Total income (%)	25,0	12,4	17,9	17,0	21,9	20,2	17,4	16,0	14,2	14,1	6,7	10,2	1,6
Caterers	Income from food sales (%)	16,1	17,9	12,3	23,0	12,1	14,5	14,0	18,8	24,1	22,1	13,4	4,8	5,0
	Income from bar sales (%)	11,8	17,3	16,7	13,5	14,6	12,6	21,9	27,3	13,7	14,6	8,0	10,0	16,2
	Other income (%)	-27,3	-8,2	28,0	14,6	50,0	39,2	80,0	37,1	63,8	22,0	31,0	22,1	20,3
	Total income (%)	12,5	16,3	13,3	21,8	14,0	15,6	17,5	20,3	25,1	21,5	13,9	5,8	6,4
Other catering services	Income from food sales (%)	29,6	14,3	27,5	10,5	1,1	15,9	24,6	6,2	6,1	12,6	35,9	29,9	27,1
	Income from bar sales (%)	24,6	20,9	3,9	36,3	15,3	9,1	17,0	21,6	22,5	0,3	4,4	12,6	7,3
	Other income (%)	-34,6	-13,6	7,1	-20,6	42,9	-14,7	-4,3	51,1	18,3	-53,1	-20,0	29,5	140,0
	Total income (%)	26,3	18,7	11,9	25,8	9,4	11,5	19,8	15,5	16,3	4,4	15,5	18,8	14,5
Total	Income from food sales (%)	16,8	11,0	17,5	20,0	14,2	14,0	11,5	10,1	10,6	11,6	8,0	9,1	5,9
	Income from bar sales (%)	14,5	18,4	10,5	19,7	9,4	5,1	15,4	29,4	19,6	8,3	5,2	16,5	11,0
	Other income (%)	-15,4	-5,3	22,5	17,4	13,6	7,0	22,5	21,7	41,5	9,0	27,6	12,5	9,9
	Total income (%)	15,6	11,5	16,8	19,9	13,7	12,7	12,2	12,6	12,2	11,1	8,0	10,0	6,6

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. 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 outlets,
- Caterers, and
- Other catering services.

Response rate The average response rate for the 'Food and beverages' survey for the third quarter of 2007 was 83,4%.

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 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 900 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 E2 – Estimate of total industry income by type of enterprise within 95% confidence limits – September 2007

Estimate R million	Lower limit R million	Income R million	Upper limit R million	Relative Standard Error (RSE) %
Total income	2 036,4	2 391,4	2 746,4	+7,7

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.

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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