



**Statistics
South Africa**

Preferred supplier of quality statistics



Statistical release

P6420

Food and beverages

September 2008

Embargoed until:

11 December 2008

11:30

Enquiries:

User Information Services
(012) 310 8600/8930/8351

Forthcoming issue:

December 2008

Expected release date

12 March 2009

Statistics South Africa • Mbalo-mbalo ya Afrika Tshipembe • Tinhlayo-tiko ta Afrika-Dzonga • Dipalopalo tsa Aforika Borwa • Ezezibalo zaseNingizimu Afrika
Dipalopalo tša Afrika Borwa • Dipalopalo tsa Afrika Borwa • Ubalo lwaseMzantsi Afrika • Telubalo eNingizimu Afrika • iNanimbalo leSewula Afrika • Statistiek Suid-Afrika

Contents	Page
Key findings as at the end of September 2008	3
Table A - Key estimates as at the end of September 2008	3
Table B - Contribution by types of enterprise to the percentage change in total income for the third quarter of 2008 compared to the third quarter of 2007	4
Table C - Contribution of the types of enterprise to the percentage change in total income for September 2008 compared to September 2007	4
Article: Changes to the monthly current indicator survey and the impact on the statistical series.....	5
Detailed statistics	8
Table 1: Food and beverages statistics from September 2007 to September 2008	8
Table 2: Percentage change in food and beverages statistics from September 2007 to September 2008.....	9
Explanatory notes	10
Glossary	12
General information	13

Key findings as at the end of September 2008

Table A - Key estimates as at the end of September 2008

Estimates	September 2008 (R million)	% change between September 2007 and September 2008	July to September 2007 (R million)	July to September 2008 (R million)	% change between July to September 2007 and July to September 2008
Income from food sales	2 395,4	+19,7	5 853,0	6 988,4	+19,4
Income from bar sales	216,3	-15,7	750,7	703,5	-6,3
Other income	45,2	17,8	111,0	131,9	+18,8
Total income 1/	2 656,9	+15,7	6 714,6	7 823,8	+16,5

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 2008 amounted to R7 823,8 million. This was an increase of 16,5% (R1 109,2 million) compared with the third quarter of 2007. The increase was mainly due to a 19,4% (R1 135,4 million) increase in food sales followed by an increase of 18,8% (R20,9 million) in other income. Total income in September 2008 increased by 15,7% (R359,9 million) compared to September 2007.

The 16,5% increase in total income for the third quarter of 2008 compared with the third quarter of 2007 was due to increases reported by restaurants and coffee shops (+20,2%), take-away outlets (+16,1%) and caterers (+11,5%).

Figure 1 - Percentage change in total income per enterprise type for the third quarter of 2008 compared to the third quarter of 2007



Table B - Contribution by types of enterprise to the percentage change in total income for the third quarter of 2008 compared to the third quarter of 2007

Enterprise type	July to September 2007 (R million)	Weight	July to September 2008 (R million)	% change between July to September 2007 and July to September 2008	Contribution to the percentage change
Restaurants and coffee shops	3 432,4	51,1	4 126,3	+20,2	+10,3
Take-away and fast food outlets	1 724,0	25,7	2 001,8	+16,1	+4,1
Caterers	1 261,5	18,8	1 406,0	+11,5	+2,2
Other catering services	296,6	4,4	289,7	-2,3	-0,1
Total industry	6 714,6	100,0	7 823,8	+16,5	+16,5

The main contributor to the increase of 16,5% in total income for the third quarter of 2008 compared to the third quarter of 2007 was restaurants and coffee shops (+10,3 percentage points), followed by take-away and fast food outlets (+4,1 percentage points) and caterers (+2,2 percentage points).

Table C - Contribution by the types of enterprise to the percentage change in total income for September 2008 compared to September 2007

Enterprise type	September 2007 (R million)	Weight	September 2008 (R million)	% change between September 2007 and September 2008	Contribution to the percentage change
Restaurants and coffee shops	1 168,8	50,9	1 432,9	+22,6	+11,5
Take-away and fast food outlets	589,0	25,6	664,4	+12,8	+3,3
Caterers	433,5	18,9	470,5	+8,5	+1,6
Other catering services	105,7	4,6	89,1	-15,7	-0,7
Total industry	2 297,0	100,0	2 656,9	+15,7	+15,7

The main contributors to the increase of 15,7% in total income for September 2008 compared to September 2007 were restaurants and coffee shops (+11,5 percentage points), take-away and fast food outlets (+3,3 percentage points) and caterers (+1,6 percentage points).

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 the results for the food and beverages survey based on the new sample drawn in April 2008, thus replacing the previous sample that was drawn in April 2007. The sample is drawn from a business register that contains enterprises that are registered with the South African Revenue Service (SARS) for VAT.

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 previous and new samples

The level of total income between the previous and new samples decreased by 3,4%. However, there were varying level differences between enterprise types in the food and beverages industry. The reasons for the differences 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.
- c) More efficient sampling design.

Table D: Total income, previous and new samples by enterprise type – April to June 2008

Enterprise type	Total income April to June 2008 previous sample (R million)	Total income April to June 2008 new sample (R million)	Difference in total income April to June 2008 previous and new sample (R million)	% change between April to June 2008 previous and new sample
Restaurants and coffee shops	3 872,0	3 999,2	127,2	+3,3
Take-away and fast food outlets	2 104,7	1 933,8	-170,9	-8,1
Caterers	1 331,8	1 314,2	-17,6	-1,3
Other catering services	485,0	279,1	-205,9	-42,5
Total	7 793,5	7 526,3	-267,2	-3,4

Levels and movements in key variables

The reported level of total income for the months April to June 2008, based on the new sample, was 3,4% less than the level of income from the previous sample (see table D on page 5). This is a result of the replacement of the sample that was drawn in 2007 and has been in operation since April 2007. The movements in total income over the three overlapping months (April to June 2008) are similar between the previous 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 previous samples (see figure 2 below).

Figure 2: Total income, previous and new samples – April to June 2008

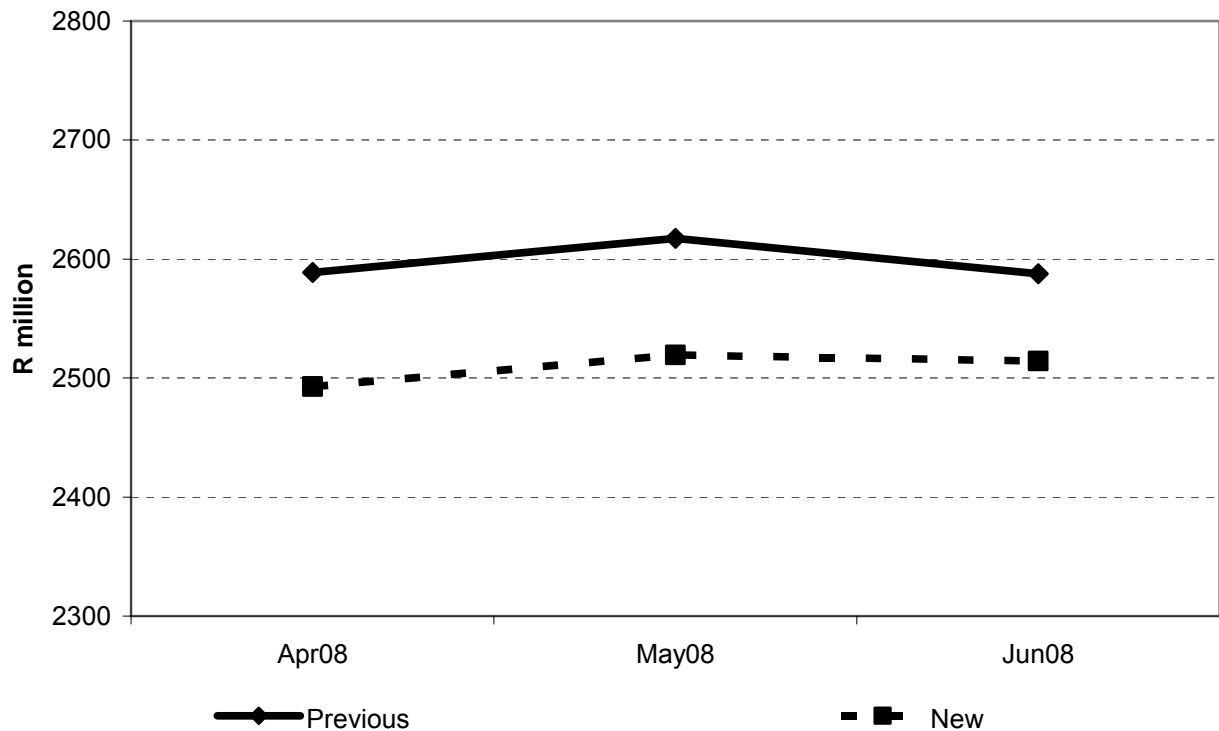
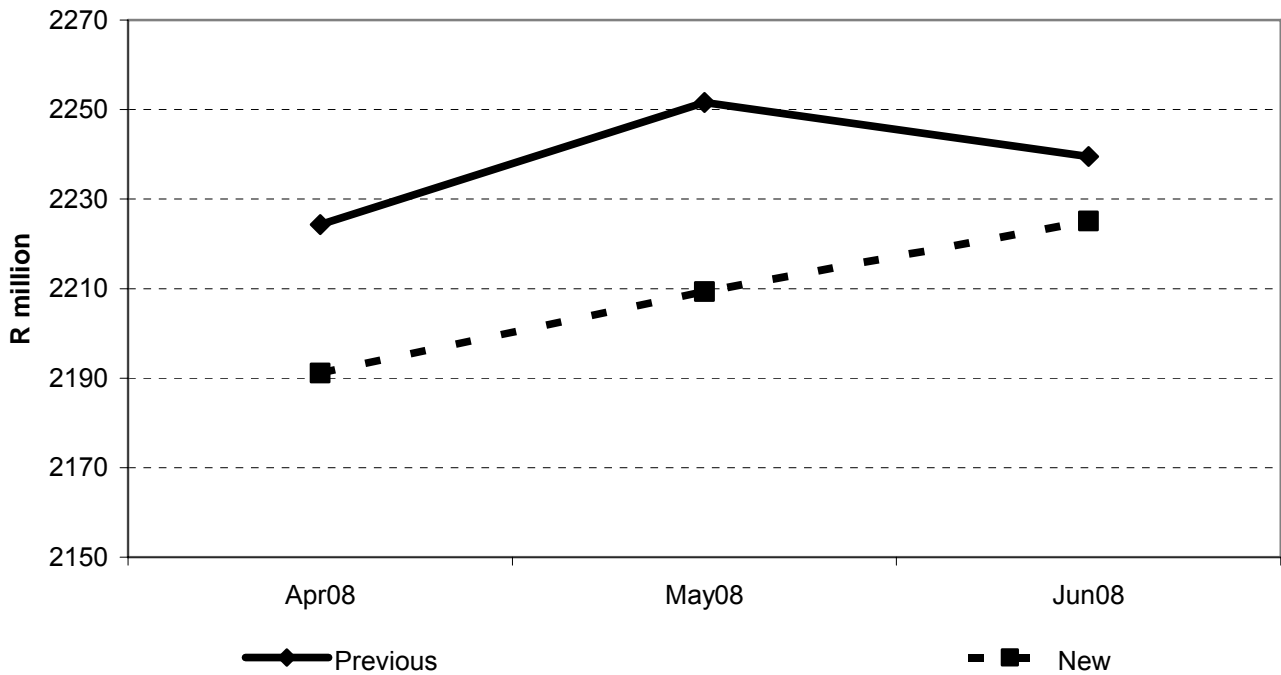


Figure 3 below is the reported income from food sales for the months April to June 2008 based on the new and previous samples. The reported level of income from food sales based on the new sample was 1,3% less than the level from the previous sample.

Figure 3: Income from food sales, previous and new samples – April to June 2008



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 April 2007, (when the previous sample was drawn) to April 2008 (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 the 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 2008 as the end point of the back-cast series. Taking the series back to then prevents a break in the series at April 2008 when the new sample was introduced.

Detailed statistics

Table 1: Food and beverages statistics from September 2007 to September 2008

Enterprise type	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	
Restaurants and coffee shops	Income from food sales (R million)	1 016,9	1 068,5	1 220,8	1 422,1	1 142,9	1 126,8	1 251,3	1 190,6	1 146,6	1 166,4	1 166,0	1 197,0	1 286,0
	Income from bar sales (R million)	147,3	149,1	170,1	205,9	166,9	174,1	181,5	168,2	158,2	149,5	156,4	157,0	137,1
	Other income (R million)	4,5	3,1	3,2	3,7	4,6	2,8	4,6	4,6	7,7	7,4	9,0	8,0	9,8
	Total income (R million)	1 168,8	1 220,6	1 394,1	1 631,7	1 314,5	1 303,7	1 437,4	1 363,4	1 312,5	1 323,3	1 331,4	1 362,0	1 432,9
Take-away/fast food outlets	Income from food sales (R million)	566,9	573,3	592,4	727,9	547,3	560,5	749,7	592,3	646,8	618,6	616,6	670,6	646,3
	Income from bar sales (R million)	10,1	9,3	9,6	10,3	9,2	10,5	11,0	10,6	10,2	9,8	9,7	10,2	10,4
	Other income (R million)	12,0	15,4	15,9	16,8	15,4	17,8	19,0	21,3	11,1	13,1	13,5	16,8	7,7
	Total income (R million)	589,0	598,1	617,9	755,1	571,9	588,8	779,7	624,2	668,1	641,5	639,8	697,6	664,4
Caterers	Income from food sales (R million)	385,2	344,4	387,7	329,5	293,9	334,8	331,8	379,3	385,2	407,3	432,6	446,1	435,3
	Income from bar sales (R million)	26,4	23,2	26,6	28,5	16,2	16,6	19,5	8,3	14,6	14,3	8,7	8,7	7,5
	Other income (R million)	21,8	26,2	29,8	31,2	25,4	21,6	28,7	27,1	48,0	30,1	19,7	19,7	27,7
	Total income (R million)	433,5	393,8	444,1	389,1	335,5	373,0	380,0	414,7	447,8	451,7	461,0	474,5	470,5
Other catering services	Income from food sales (R million)	32,9	30,0	29,8	31,6	34,9	37,6	40,6	28,9	30,7	32,8	30,4	33,7	27,8
	Income from bar sales (R million) ^{1/}	72,8	78,6	83,2	113,6	59,3	62,4	66,6	61,5	60,3	64,9	66,0	70,5	61,3
	Total income (R million)	105,7	108,6	113,0	145,2	94,2	99,9	107,2	90,4	91,0	97,7	96,4	104,2	89,1
Total	Income from food sales (R million)	2 001,9	2 016,2	2 230,7	2 511,1	2 019,0	2 059,7	2 373,4	2 191,1	2 209,3	2 225,1	2 245,6	2 347,4	2 395,4
	Income from bar sales (R million)	256,7	260,2	289,5	358,2	251,6	263,5	278,6	248,6	243,3	238,5	240,8	246,4	216,3
	Other income (R million)	38,4	44,7	48,8	51,7	45,4	42,3	52,3	53,0	66,8	50,6	42,2	44,5	45,2
	Total income (R million)	2 297,0	2 321,2	2 569,1	2 921,1	2 316,0	2 365,5	2 704,3	2 492,7	2 519,4	2 514,2	2 528,6	2 638,3	2 656,9

1/ Other income for Other catering services is too small to provide any meaningful comparison and has thus been added to Income from bar sales

Table 2: Percentage change in food and beverages statistics from September 2007 to September 2008

Enterprise type		Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008
Restaurants and coffee shops	Income from food sales (%)	8,1	15,3	10,0	2,6	13,3	17,5	24,4	19,2	19,7	22,5	19,8	21,3	26,5
	Income from bar sales (%)	11,9	14,7	12,4	23,2	27,8	39,2	13,9	-1,9	14,2	0,0	10,6	1,5	-6,9
	Other income (%)	1,3	-29,3	-27,6	-5,9	51,9	-16,9	9,7	15,1	95,4	82,5	125,1	126,3	116,8
	Total income (%)	8,5	15,1	10,2	4,7	15,0	19,9	22,9	16,1	19,3	19,7	19,0	18,9	22,6
Take-away/fast food outlets	Income from food sales (%)	1,2	14,0	11,1	10,8	7,0	18,7	46,2	13,2	26,2	15,5	13,5	23,3	14,0
	Income from bar sales (%)	24,7	-11,6	-13,4	-23,4	-5,4	16,5	7,7	6,7	7,3	-2,3	-4,1	-7,1	2,8
	Other income (%)	2,0	44,5	35,7	26,4	52,0	55,4	53,6	83,2	-12,1	3,8	-1,7	30,1	-36,0
	Total income (%)	1,5	14,1	11,1	10,4	7,6	19,6	45,6	14,6	24,9	15,0	12,8	22,9	12,8
Caterers	Income from food sales (%)	5,0	-2,3	1,2	-4,1	-5,2	-2,2	-7,3	13,2	5,7	12,8	21,9	14,9	13,0
	Income from bar sales (%)	16,2	1,7	12,8	27,9	-28,3	-26,6	-21,2	-66,7	-44,1	-46,3	-61,1	-63,9	-71,6
	Other income (%)	20,1	47,7	43,3	52,8	33,2	5,7	8,1	31,1	117,3	26,6	2,9	2,4	26,9
	Total income (%)	6,3	0,1	3,9	0,7	-4,6	-3,2	-7,1	8,9	8,5	9,8	16,3	10,0	8,5
Other catering services	Income from food sales (%)	27,2	37,9	16,6	17,3	57,4	70,2	63,8	23,8	36,8	39,4	-0,1	11,6	-15,5
	Income from bar sales (%)	8,1	14,0	41,2	57,9	13,8	17,9	18,1	4,0	-2,0	10,2	6,3	3,3	-15,8
	Total income (%)	13,4	19,8	33,7	46,8	26,8	33,3	32,1	9,6	8,4	18,5	4,2	5,9	-15,7
Total	Income from food sales (%)	5,7	11,8	8,7	4,0	9,0	14,7	24,8	16,6	19,0	18,8	18,1	20,4	19,7
	Income from bar sales (%)	11,7	12,0	18,2	30,4	17,0	25,8	11,1	-6,4	3,2	-2,7	2,0	-4,5	-15,7
	Other income (%)	11,5	36,5	32,4	37,4	40,9	19,6	21,3	46,1	72,8	25,1	14,4	24,7	17,8
	Total income (%)	6,4	12,2	10,1	7,1	10,3	16,0	23,2	14,3	18,2	16,5	16,3	17,6	15,7

Note: The percentage change is the change in food and beverages statistics of the relevant month compared with the food and beverages 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 2008 Business Sampling Frame (BSF) that contains businesses registered for value-added tax (VAT).

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

Response rate

The average response rate for the 'Food and beverages' survey for the third quarter of 2008 was 82,8%.

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 000 001
Medium	R6 000 001 ≤ R13 000 000
Small	R5 100 001 ≤ 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 2008

Estimate (R million)	Lower limit (R million)	Income (R million)	Upper limit (R million)	Relative Standard Error (RSE) %
Total income	2 226,4	2 656,9	3 087,6	+8,3

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.

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.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data wherever they process, apply, utilise, publish or distribute the data; and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data.

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Nelspruit
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data are available via on-line services, diskette and computer printouts. For more details about our electronic data services, contact (012) 310 8600/8390/8351/4892/8496/8095.

You can visit us on the Internet at: www.statssa.gov.za

Enquiries

Telephone number: (012) 310 8600/ 8390/ 8351/ 4892/ 8496/ 8095 (user information services)
(012) 310 4775/8155/8191 (technical enquiries)
(012) 310 8161 (orders)
(012) 310 4883/4885/8018 (library)

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

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

Postal address: Private Bag X44, Pretoria, 0001

Produced by Stats SA