

Statistical release

P6421

Food and beverages industry, 2009

(Preliminary)

**Embargoed until:
2 December 2010
9:00**

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Table of contents

1. Summary of findings for the year 2009 2

Figure 1 – Income in the food and beverages industry, 2009..... 2

Figure 2 – Income by enterprise size in the food and beverages industry, 2009..... 2

Figure 3 – Composition of expenditure in the food and beverages industry, 2009 3

Figure 4 – Profit margin in the food and beverages industry, 2009 3

Figure 5 – Capital expenditure on new assets in the food and beverages industry, 2009 4

Figure 6 – Employment in the food and beverages industry, 2009 4

Figure 7 – Employment by enterprise size in the food and beverages industry, 2009..... 5

Figure 8 – Gender ratios in the food and beverages industry, 2009..... 5

2. Tables 6

Table 1 – Principal statistics in the food and beverages industry, 2009 6

Table 2 – Income in the food and beverages industry, 2009..... 7

Table 3 – Income by enterprise size in the food and beverages industry, 2009 8

Table 4 – Expenditure in the food and beverages industry, 2009 9

Table 4 – Expenditure in the food and beverages industry, 2009 (concluded) 10

Table 5 – Carrying value of assets at the end of the financial year in the food and beverages industry, 2009 11

Table 6 – Details of assets in the food and beverages industry, 2009 12

Table 7 – Details of liabilities and owners’ equity in the food and beverages industry, 2009..... 13

Table 8 – Capital expenditure on new assets in the food and beverages industry, 2009 14

Table 9 – Employment in the food and beverages industry as at the end of June 2009..... 15

Table 10 – Employment by enterprise size in the food and beverages industry as at the end of June 2009..... 16

Explanatory notes..... 17

Table A – Size groups for the food and beverages industry 18

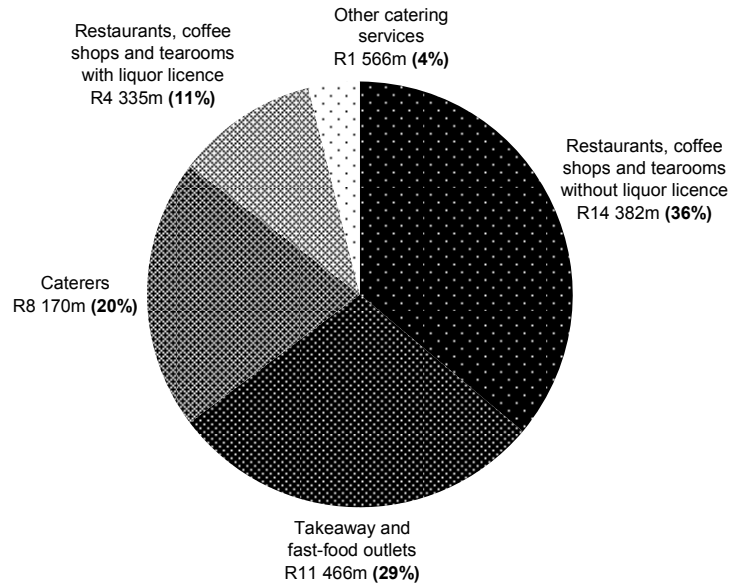
Table B – Income in the Food and beverages industry within 95% confidence limit: 2009..... 18

Glossary 20

General information..... 24

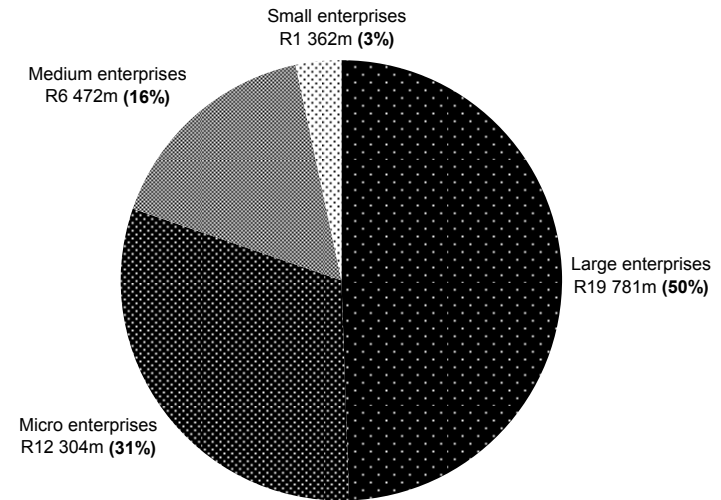
1. Summary of findings for the year 2009

Figure 1 – Income in the food and beverages industry, 2009



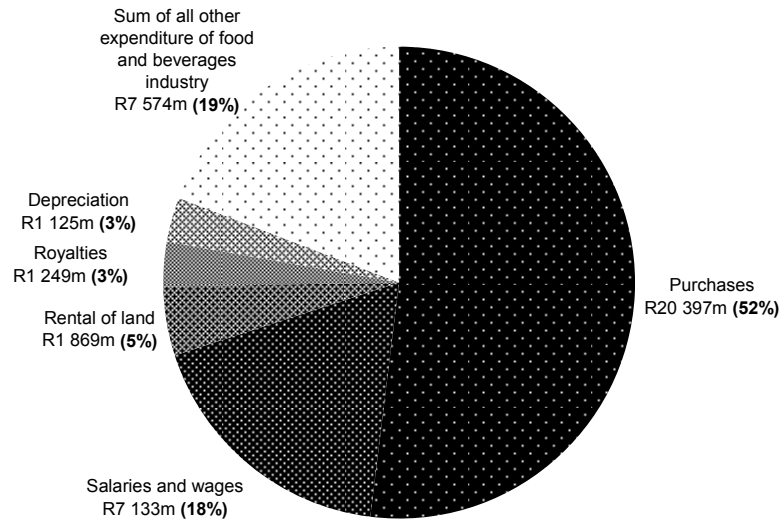
The total income for the food and beverages industry in 2009 was R39 919 million. The largest contributor to the total income was restaurants, coffee shops and tearooms without liquor licence (R14 382 million or 36%), followed by takeaway and fast-food outlets (R11 466 million or 29%), caterers (R8 170 million or 20%), restaurants, coffee shops and tearooms with liquor licence (R4 335 million or 11%) and other catering services (R1 566 million or 4%) (Figure 1 and Table 2, page 7).

Figure 2 – Income by enterprise size in the food and beverages industry, 2009



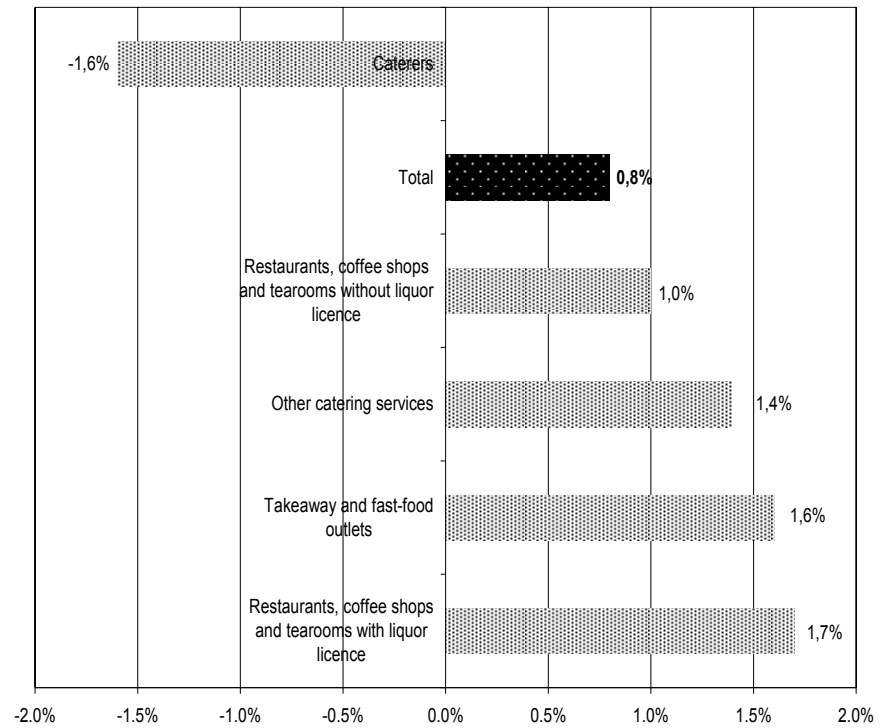
Large enterprises (those with turnover equal to or greater than R13 million) generated 50% or R19 781 million of the total income of the food and beverages industry in 2009 (Figure 2 and Table 3, page 8).

Figure 3 – Composition of expenditure in the food and beverages industry, 2009



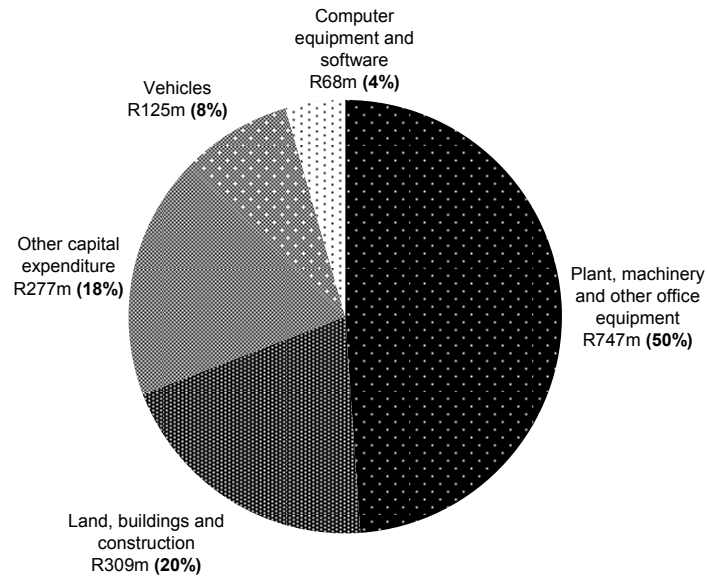
Expenditure in the food and beverages industry in 2009 amounted to R39 347 million. The expenditure consisted primarily of purchases (R20 397 million or 52%), followed by salaries and wages (R7 133 million or 18%), rental of land (R1 869 million or 5%), royalties (R1 249 million or 3%) and depreciation (R1 125 million or 3%) (Figure 3 and Table 4, pages 9).

Figure 4 – Profit margin in the food and beverages industry, 2009



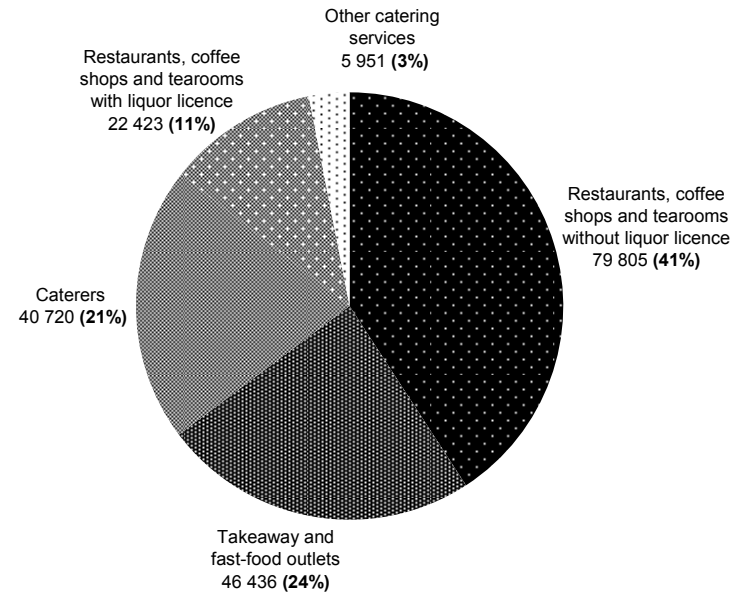
The profit margin for the food and beverages industry was 0,8% in 2009. Restaurants, coffee shops and tearooms with liquor licence had the highest profit margin at 1,7%, followed by takeaway and fast-food outlets at 1,6% and other catering services at 1,4% (Figure 4 and Table 1, page 6).

Figure 5 – Capital expenditure on new assets in the food and beverages industry, 2009



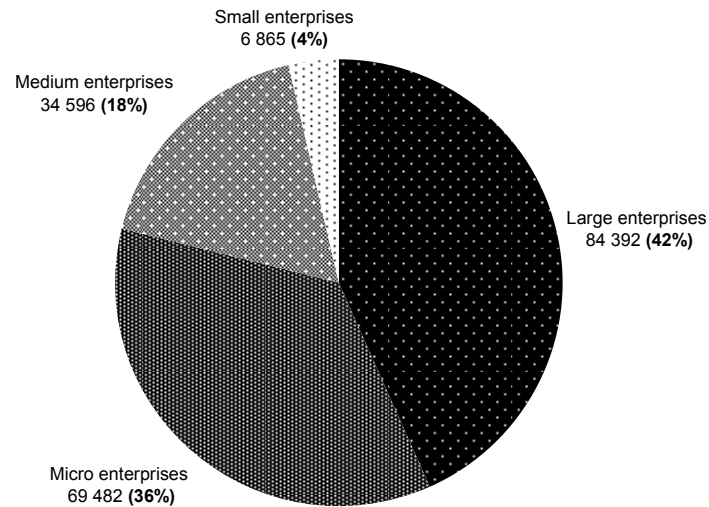
The total capital expenditure on new assets in the food and beverages industry in 2009 was R1 526 million. The largest category of capital expenditure was plant, machinery and other office equipment (R747 million or 50%), followed by land, buildings and construction (R309 million or 20%), other capital expenditure (R277 million or 18%), vehicles (R125 million or 8%) and computer equipment and software (R68 million or 4%) (Figure 5 and Table 8, page 14).

Figure 6 – Employment in the food and beverages industry, 2009



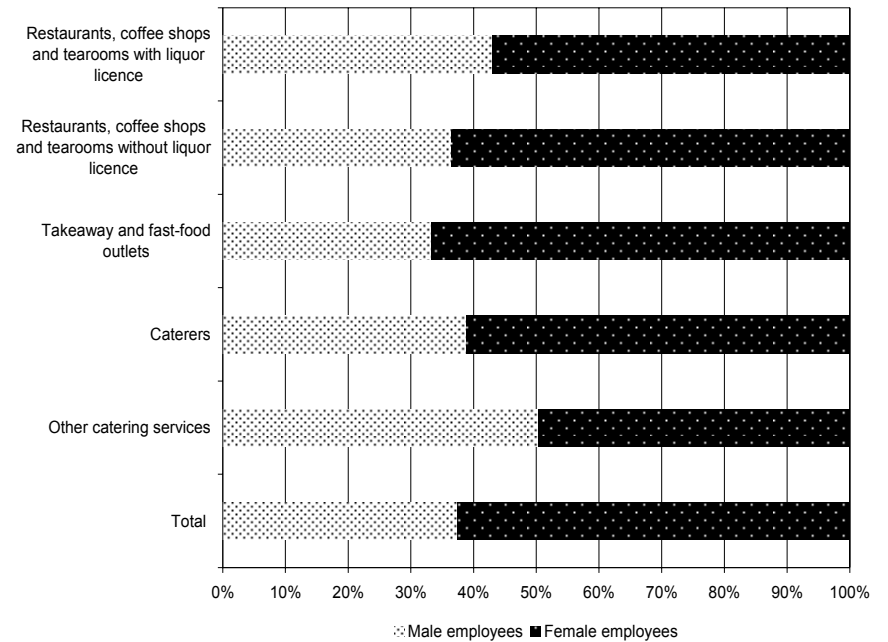
The total number of persons employed in the food and beverages industry at the end of June 2009 was 195 335. Restaurants, coffee shops and tearooms without liquor licence had the largest number of employees (79 805 or 41%), followed by takeaway and fast-food outlets (46 436 or 24%), caterers (40 720 or 21%), restaurants, coffee shops and tearooms with liquor licence (22 423 or 11%) and other catering services (5 951 or 3%) (Figure 6 and Table 9, page 15).

Figure 7 – Employment by enterprise size in the food and beverages industry, 2009



Employment by enterprise size indicates that large enterprises (those with turnover greater than or equal to R13 million) had the highest number of employees (84 392 or 42%), followed by micro enterprises (69 482 or 36%) and medium enterprises (34 596 or 18%) (Figure 7 and Table 10, page 16).

Figure 8 – Gender ratios in the food and beverages industry, 2009



The proportion of females out of the total persons employed was 63% and that of males was 37%. The industry with the highest proportion of females employed was takeaway and fast-food outlets (67%), whilst other catering services had equal proportions of males and females employed (Figure 7 and Table 9, page 15).

PJ Lehohla
Statistician-General

2. Tables

Table 1 – Principal statistics in the food and beverages industry, 2009

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	R million					
Total income	4 335	14 382	11 466	8 170	1 566	39 919
Total expenditure	4 227	14 108	11 206	8 269	1 537	39 347
Total value of opening inventories	88	332	161	149	57	787
Total value of closing inventories	84	324	186	156	54	804
Net profit or loss before tax	104	266	285	-92	26	589
Carrying value of assets at the beginning of the financial year	583	3 084	2 621	1 771	271	8 330
Carrying value of assets at the end of the financial year	587	3 087	2 946	1 720	263	8 603
Capital expenditure on new assets	111	470	724	194	27	1 526
Net profit after tax	72	143	183	-117	22	303
Turnover	4 281	14 081	11 299	7 474	1 556	38 691
Profit margin¹ (%)	1,7	1,0	1,6	-1,6	1,4	0,8

¹Profit margin = (Net profit after tax *100) / Turnover

Table 2 – Income in the food and beverages industry, 2009

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	R million					
Sales	4 208	13 731	11 160	7 053	1 498	37 650
Services	64	296	12	403	50	825
Lease income	9	54	127	18	8	216
Interest	19	52	46	25	1	143
Other income	35	249	121	671	9	1 085
Total income	4 335	14 382	11 466	8 170	1 566	39 919

Table 3 – Income by enterprise size in the food and beverages industry, 2009

Enterprise size	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	R million					
Large enterprises	2 246	3 375	7 015	6 967	178	19 781
Medium enterprises	1 407	3 371	1 107	325	262	6 472
Small enterprises	161	715	309	63	114	1 362
Micro enterprises	521	6 921	3 035	815	1 012	12 304
Total of all enterprises	4 335	14 382	11 466	8 170	1 566	39 919

Table 4 – Expenditure in the food and beverages industry, 2009

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	R million					
Purchases	1 892	6 905	5 947	4 667	986	20 397
Salaries and wages	916	2 646	1 604	1 761	206	7 133
Rental of land	342	893	481	83	70	1 869
Royalties	139	488	607	4	11	1 249
Depreciation	131	429	397	131	37	1 125
Advertising	111	283	419	21	9	843
Interest	72	166	230	184	9	661
Operational leasing and hiring of plant, machinery and equipment	47	216	149	110	17	539
Water and electricity	66	233	180	35	20	534
Labour/employment brokers	25	62	7	602	19	715
Motor vehicle running expenditure	13	71	48	61	11	204
Bank charges	41	144	82	12	14	293

Table 4 – Expenditure in the food and beverages industry, 2009 (concluded)

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	R million					
Total telecommunication services	22	91	52	44	12	221
Repair and maintenance	57	212	142	50	18	479
Insurance	25	92	47	27	10	201
Containers and packaging materials	28	55	74	3	2	162
Other expenditure	300	1 122	740	474	86	2 722
Total expenditure	4 227	14 108	11 206	8 269	1 537	39 347

Table 5 – Carrying value of assets at the end of the financial year in the food and beverages industry, 2009

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	R million					
Land, buildings and construction	92	513	793	145	66	1 609
Computers and other IT equipment	29	69	68	24	3	193
Motor vehicles	45	207	141	128	47	568
Plant, machinery and other office equipment	239	1 237	996	162	78	2 712
Intangible assets	152	898	832	1 207	48	3 137
Other assets	30	163	116	54	21	384
Total carrying value	587	3 087	2 946	1 720	263	8 603

Table 6 – Details of assets in the food and beverages industry, 2009

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	Current assets (R million)					
Bank	85	373	381	439	32	1 310
Debtors	89	448	164	928	28	1 657
Inventory	83	324	186	157	54	804
Other current assets	71	228	166	89	15	569
Total current assets	328	1 373	897	1 613	129	4 340
Non-current assets (R million)						
Fixed non-current assets	469	2 186	2 372	762	219	6 008
Goodwill	127	811	567	943	43	2 491
Long-term investment	230	365	127	84	10	816
Other non-current assets	122	268	812	132	11	1 345
Total non-current assets	948	3 630	3 878	1 921	283	10 660
Total assets	1 276	5 003	4 775	3 534	412	15 000

Table 7 – Details of liabilities and owners' equity in the food and beverages industry, 2009

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	Current liabilities (R million)					
Creditors	216	606	682	1 233	48	2 785
Overdraft	42	123	104	64	7	340
Other current liabilities	502	646	568	385	59	2 160
Total current liabilities	760	1 375	1 354	1 682	114	5 285
Non-current liabilities (R million)						
Long-term loans	408	1 757	1 061	1 392	163	4 781
Other non-current liabilities	133	704	1 311	164	62	2 374
Total non-current liabilities	541	2 461	2 372	1 556	225	7 155
Total liabilities	1 301	3 836	3 726	3 238	339	12 440
Owners' equity	-25	1 167	1 049	296	73	2 560
Equity and liabilities	1 276	5 003	4 775	3 534	412	15 000

Table 8 – Capital expenditure on new assets in the food and beverages industry, 2009

Item	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	R million					
Land, buildings and construction	9	72	170	58	0	309
Computer equipment and software	4	21	33	10	0	68
Vehicles	6	49	42	14	14	125
Plant, machinery and equipment	64	233	372	69	9	747
Other capital expenditure	28	95	107	43	4	277
Total capital expenditure on new assets	111	470	724	194	27	1 526

Table 9 – Employment in the food and beverages industry as at the end of June 2009

Employment type		Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
		Number of employees					
Permanent	Male	7 676	23 586	14 090	12 386	2 331	60 069
	Female	10 319	42 405	28 346	20 155	2 352	103 577
	Total	17 995	65 991	42 436	32 541	4 683	163 646
Temporary	Male	646	1 489	326	2 269	109	4 839
	Female	1 089	2 850	782	3 254	168	8 143
	Total	1 735	4 339	1 108	5 523	277	12 982
Casual	Male	1 325	4 072	1 017	1 174	554	8 142
	Female	1 368	5 403	1 875	1 482	437	10 565
	Total	2 693	9 475	2 892	2 656	991	18 707
Total	Male	9 647	29 147	15 433	15 829	2 994	73 050
	Female	12 776	50 658	31 003	24 891	2 957	122 285
	Total	22 423	79 805	46 436	40 720	5 951	195 335

Table 10 – Employment by enterprise size in the food and beverages industry as at the end of June 2009

Enterprise size	Restaurants, coffee shops and tearooms with liquor licence	Restaurants, coffee shops and tearooms without liquor licence	Takeaway and fast-food outlets	Caterers	Other catering services	Total
	Number of employees					
Large enterprises	10 453	14 157	25 031	34 686	65	84 392
Medium enterprises	8 174	20 426	4 179	1 183	634	34 596
Small enterprises	613	4 044	1 292	429	487	6 865
Micro enterprises	3 183	41 178	15 934	4 422	4 765	69 482
Total of all enterprises	22 423	79 805	46 436	40 720	5 951	195 335

Explanatory notes

Background	<p>The results presented in this publication have been derived from the 2009 Food and beverages large sample survey. This is a periodic survey, which measures economic activity in the food and beverages industry of the South African economy. This survey is based on a sample of private and public enterprises operating in the food and beverages industry.</p> <p>The sample was drawn from Stats SA's business register. Stats SA continuously upgrades its business register, based on units registered for value added tax (VAT) and income tax (IT) at the South African Revenue Service (SARS).</p> <p>All figures exclude value added tax (VAT).</p>
Reference period	<p>The information was collected from enterprises for their financial year, which ended on any date between 1 July 2008 and 30 June 2009.</p>
Purpose of the survey	<p>Results of the survey are used within Stats SA for compiling South Africa's national accounts, e.g. the gross domestic product (GDP) and gross fixed capital formation. These statistics are also used by the private sector in analyses of comparative business and industry performance.</p>
Scope and coverage	<p>This survey covers the following income tax-registered private and public enterprises that are mainly engaged in the food and beverages industry:</p> <ol style="list-style-type: none">i. Restaurants, coffee shops or tearooms, with liquor licence (SIC 64201).ii. Restaurants, coffee shops or tearooms, without liquor licence (SIC 64202).iii. Takeaway and fast-food outlets (SIC 64203).iv. Caterers (SIC 64204).v. Other catering services (64209).
Classification by industry	<p>The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities</i> (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 <i>International Standard Industrial Classification of all Economic Activities</i> (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at 5-digit SIC level (subgroup). Each enterprise is classified to an industry which reflects its predominant activity.</p>
Statistical unit	<p>The statistical unit for the collection of the information is an enterprise. An enterprise is a legal unit (or a combination of legal units) that includes and directly controls all functions necessary to carry out its activities.</p>

Size groups

The enterprises are divided into four size groups according to the value of their business register turnover. Large enterprises are enterprises with an annual turnover of R13 million and more. Table A presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points.

Table A – Size groups for the food and beverages industry

Size group	Turnover
Large	≥ R13 000 000
Medium	R6 000 000 ≤ VAT turnover < R13 000 000
Small	R5 100 000 ≤ VAT turnover < R6 000 000
Micro	< R5 100 000

Survey methodology and design

The survey was conducted by post, email, fax, telephone and personal visits. A sample of approximately 2 000 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 enterprise. All large enterprises were completely enumerated. Business register turnover was used as the measure of size for stratification.

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 were calculated and then aggregated with the completely enumerated stratum to form group estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at 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 accrued due to sampling.

Table B – Income in the Food and beverages industry within 95% confidence limit: 2009

Type of service	Lower limit	Total income	Upper limit	Relative standard error (RSE)
	R million			%
Restaurants, coffee shops and tearooms with liquor licence	4 012	4 335	4 658	3,8
Restaurants, coffee shops and tearooms without liquor licence	13 114	14 382	15 650	4,5
Takeaway and fast-food outlets	10 792	11 466	12 140	3,0
Caterers	7 385	8 170	8 955	4,9
Other catering services	1 388	1 566	1 744	5,8
All services	38 276	39 919	41 562	2,1

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 minimize 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.	
Rounding-off of figures	The figures in the tables have, where necessary, been rounded off to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items and the totals shown.	
Symbols and abbreviations	DTI	Department of Trade and Industry
	GDP	Gross domestic product
	ISIC	International Standard Industrial Classification of all Economic Activities
	IT	Income tax
	RSE	Relative standard error
	SARS	South African Revenue Service
	SE	Standard error
	SIC	Standard Industrial Classification of all Economic Activities
	SNA	System of National Accounts
	Stats SA	Statistics South Africa
	VAT	Value added tax
	0	Nil or less than half the final digit shown

Glossary

Current assets	Assets on the balance sheet which are expected to be sold or otherwise used up in the near future, usually within one year. They include: <ul style="list-style-type: none">• trade and other receivables;• cash and bank;• inventories; and• other current assets.
Current liabilities	Current liabilities are debts or obligations that are due within one year. They include: <ul style="list-style-type: none">• trade and other payables;• bank overdraft; and• other current liabilities.
Employees	Employees are those people employed by the business or organisation who received payment (in salaries, wages, commission, piece rates or payments in kind) for the last pay period ended on or before 30 June 2009.
Permanent employees	Employees appointed on an open-ended contract with stipulated termination date or a fixed-term contract for periods of more than one year.
Temporary employees	Employees appointed on a short-term contract basis with a stipulated termination date for periods not exceeding one year.
Casual employees	Employees who fall neither within the 'permanent employees' category nor the 'temporary employees' category. Such employees are typically working daily or hourly.
Labour brokers	Agents who recruit and administer workers on behalf of the enterprise. They do not provide any other service.
Enterprise	The enterprise is a legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
Industry	An industry consists of 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</i> , Fifth Edition, Report No. 09-90-02 of January 1993 (SIC).

Net profit or loss after tax

Net profit or loss after tax is derived as:

Total income
plus closing value of inventories
minus total expenditure
minus opening value of inventories
minus company tax

Net profit or loss before tax

Net profit or loss before tax is derived as:

Total income
plus closing value of inventories
minus total expenditure
minus opening value of inventories

Non-current assets

Non-current assets are assets which are not easily convertible to cash or not expected to become cash within the next year. They include:

- property, plant and equipment and intangible assets;
- long-term investments; and
- other non-current assets.

Non-current liabilities

Non-current liabilities are liabilities not due to be paid within one year during the normal course of business. They include:

- long-term loans; and
- other non-current liabilities.

Other expenditure

Other expenditure includes:

- bursaries;
- excise and custom duty;
- losses on financial and other liabilities: redemption, liquidation or revaluation;
- mineral rights leases;
- research and development;
- severance, termination and redundancy;
- security services (including IT security services);
- aromatisation;
- paper, printing and stationery;
- computers;
- travelling;
- losses on assets;
- entertainment;
- railage and transport-out;
- subscriptions;
- provisions;
- accommodation;
- staff training;
- postal and courier services;
- Skills development levy
- losses on foreign exchange;
- donations;
- property taxes; and
- other.

Other income

Other income includes:

- government subsidies and incentives received from the South African government;
- profit on financial and other liabilities: redemption, liquidation and revaluation and other liabilities;
- provision;
- mineral rights leases;
- profit on foreign loans as a result of variations in foreign exchange rates or transactions;
- royalties;
- profit on financial and other assets;
- dividends; and
- other.

Owners' equity

Owners' equity is the residual interest in the entity's assets after deducting its liabilities.

Profit margin

Profit margin is derived as:

Net profit after tax

divided by turnover

multiplied by 100

Statistical unit

A statistical unit is a unit about which statistics are tabulated, compiled or published. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.

Stratum

A stratum is constructed by concatenating the SIC classification and size group variables.

Turnover

Turnover includes:

- value of sales of goods;
- amount received for services rendered;
- rent and lease payments received for land and buildings; and
- rent, leasing and hiring received for machinery, vehicles and other equipment.

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