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Statistics South Africa
REPUBLIC OF SOUTH AFRICA

Accommodation industry, 2018

Embargoed until:
30 September 2020
13:00

Report No. 64-11-01 (2018)

Statistics South Africa

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Accommodation industry, 2018 / Statistics South Africa

Published by Statistics South Africa, Private Bag X44, Pretoria 0001

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Stats SA Library Cataloguing-in-Publication (CIP) Data

Accommodation industry, 2018 / Statistics South Africa. Pretoria: Statistics South Africa, 2020

Report No. 64-11-01 (2018)

41 pages

ISBN: 978-0-621-48756-5

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1. Introduction

1.1 Aim and collection unit

This publication presents estimates in respect of the accommodation industry, 2018. The survey aims to provide financial, production, employment and related information for the accommodation industry in South Africa.

The last survey was conducted in 2015 (Report No. 64-11-01 (2015)).

The statistical unit for the collection of 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. Each industry is classified to an industry that reflects its predominant activity.

1.2 Scope and coverage

The 2018 accommodation industry large sample survey covers enterprises registered for value added tax (VAT) that are mainly engaged in the following activities classified according to the January 1993 edition of the Standard Industrial Classification of All Economic Activities (SIC), Fifth edition, Report No. 09-09-02:

- Hotels, motels and inns (SIC 64101).
- Guest-houses and guest-farms (SIC 64103).
- Other accommodation (SIC 64102 and 64109).

1.3 Data items

The following categories of data items were collected: industrial classification, details of employment, trading income, expenditure, profit or loss, inventories, capital expenditure on new assets, sales, services, purchases, client base, salaries and wages, and information and communication technology usage.

N.B.: The 2015 figures are revised, while the 2018 figures are preliminary.

1.4 Reference period

The questionnaires were completed for the financial year ended on any date between 1 July 2017 and 30 June 2018, according to the usual reporting schedule of the enterprise, with the following exception:

- Employment as at 30 June 2018.

1.5 Current prices

The rand values are at current prices.

1.6 Reliability of data

All estimates compiled for this industry are subject to both sampling and non-sampling errors.

The estimates presented in this publication are subject to sampling variability since they are based on information obtained from a sample. That is, they might 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 error likely to have occurred due to sampling, and thus avoids the need to refer to the size of the estimate. The larger the RSE, the less reliable the estimate. The following are some of the likely sources of non-sampling errors: sampling frame not up to date, wrong definitions and classification, phrasing of questions, non-response, processing and estimation. Every effort is made to minimise non-sampling errors by the 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.

1.7 Confidentiality

According to section 17 of the Statistics Act, 1999 (Act No. 6 of 1999), completed questionnaires remain confidential to Statistics South Africa (Stats SA). Individual business information is never disclosed. Results are presented in aggregated form only.

2. Summary of findings

2.1 Income

Table A – Income in the accommodation industry, 2009 – 2018

Type of service	2009		2012		2015		2018	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Hotels, motels and inns	23 076	83,4	33 733	85,3	36 854	80,8	40 806	77,6
Guest-houses and guest-farms	1 455	5,3	1 541	3,9	2 132	4,7	2 122	4,0
Other accommodation	3 125	11,3	4 279	10,8	6 616	14,5	9 703	18,4
Total	27 656	100,0	39 553	100,0	45 601	100,0	52 631	100,0

(Sources: Report No. 64-11-01)

The total income for the accommodation industry in 2018 was R52,6 billion. The total income represents an increase of 4,9% per annum over the income reported in the corresponding survey of 2015 (R45,6 billion). Comparing 2015 and 2018, large increases were reported for 'hotels, motels and inns' (+R4,0 billion) and 'other accommodation' (+R3,1 billion).

Between 2009 and 2018, 'other accommodation' gained the biggest percentage share (7,1 percentage points) in income from the accommodation industry (from a percentage contribution of 11,3% in 2009 to 18,4% in 2018). 'Hotels, motels and inns' lost the biggest percentage share (-5,8 percentage points) over the same period (from 83,4% in 2009 to 77,6% in 2018).

Table B – Concentration ratio for total income in the accommodation industry, 2009 – 2018

Concentration ratio	2009	2012	2015	2018
	%			
CR5	44,6	37,9	30,8	24,1
CR10	50,3	44,4	41,8	33,3
CR20	56,4	49,3	50,2	40,8
CR50	76,2	58,3	62,3	51,8
CR100	84,7	65,5	72,6	62,2

(Sources: Report No. 64-11-01)

In 2018 the top 100 enterprises in the accommodation industry contributed 62,2% to the total income, the lowest since 2009. The concentration ratios of the top 5, 10, 20, 50 and 100 enterprises were the lowest in 2018 at 24,1%, 33,3%, 40,8%, 51,8% and 62,2%, respectively. This represents a decline in the domination of large enterprises in the accommodation industry.

Table C – Profit margin in the accommodation industry, 2009-2018

Type of service	Net profit/loss after tax				Turnover				Profit margin			
	2009	2012	2015	2018	2009	2012	2015	2018	2009	2012	2015	2018
	R million				R million				%			
Hotels, motels and inns	2 787	1 067	3 515	4 382	32 488	28 893	34 744	38 870	8,6	3,7	10,1	11,3
Guest-houses and guest-farms	126	27	140	60	1 474	1 426	2 067	2 021	8,5	1,9	6,8	3,0
Other accommodation	-23	-2	363	916	4 129	4 704	6 389	9 145	-0,6	0,0	5,7	10,0
Total	2 890	1 092	4 018	5 358	38 091	35 023	43 200	50 036	7,6	3,1	9,3	10,7

(Sources: Report No. 64-11-01)

The profit margin for the accommodation industry was 10,7% in 2018. 'Hotels, motels and inns' had the highest profit margin at 11,3%, followed by 'other accommodation' at 10,0%.

Between 2009 and 2018, the accommodation industry recorded a highest profit margin of 10,7% in 2018. The highest profit margin by type of accommodation was 'hotels, motels and inns' at 11,3% in 2018. The lowest profit margin by type of accommodation was recorded for 'other accommodation' at -0,6% in 2009.

2.2 Employment

Table D – Employment as at the end of June in the accommodation industry, 2009-2018

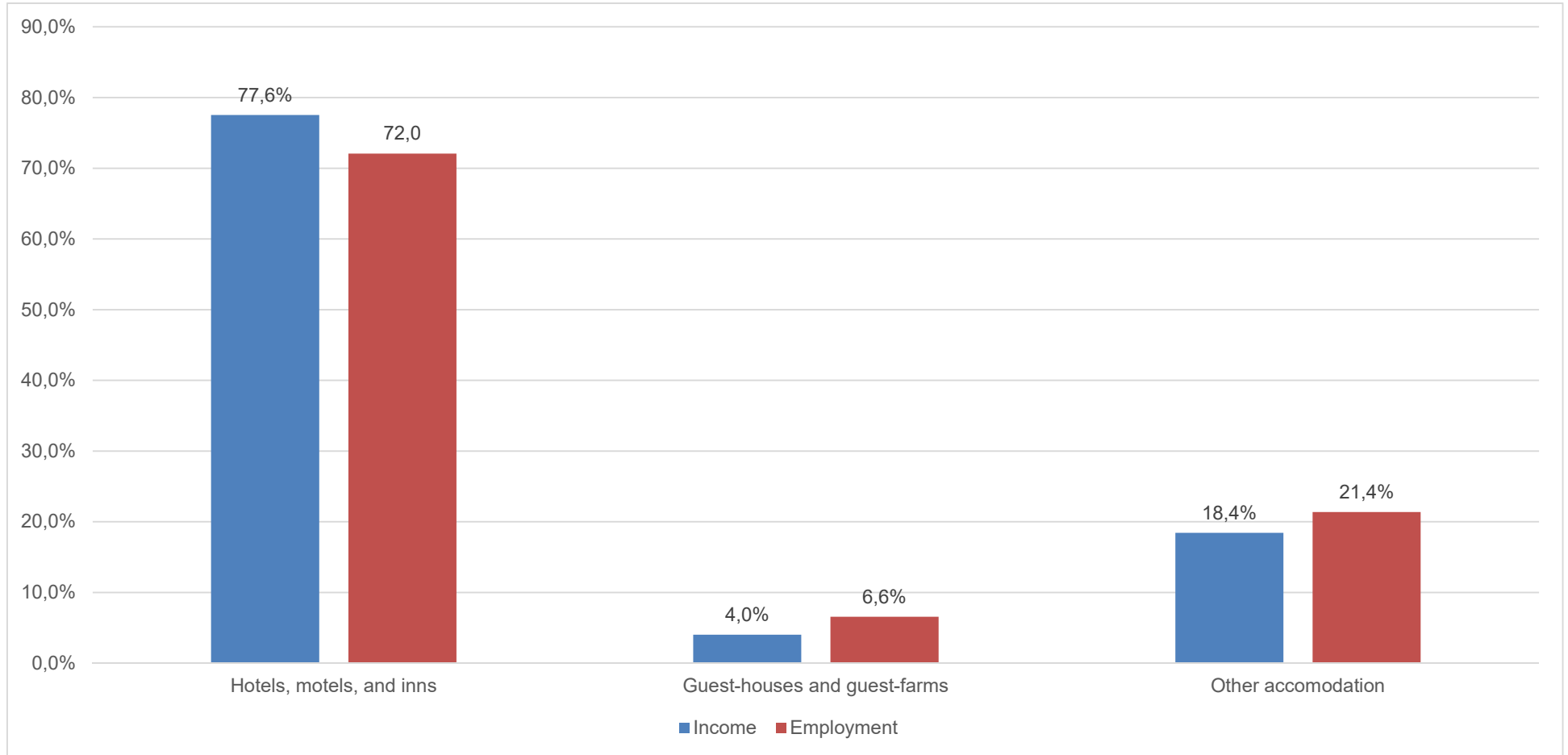
Type of service	2009		2012		2015		2018	
	Number	% contribution	Number	% contribution	Number	% contribution	Number	% contribution
Hotels, motels and inns	60 941	70,5	71 723	72,9	66 383	67,5	75 463	72,0
Guest-houses and guest-farms	7 255	8,4	7 195	7,3	8 615	8,8	6 865	6,6
Other accommodation	18 255	21,1	19 526	19,8	23 348	23,7	22 386	21,4
Total	86 451	100,0	98 444	100,0	98 346	100,0	104 714	100,0

(Sources: Report No. 64-11-01)

The total number of persons employed in the accommodation industry as at end of June 2018 was 104 714. This represents an increase of 4,3% per annum over the employment recorded in 2015 (98 346 persons). 'Hotels, motels and inns' reported a large increase of the number persons employed (+9 080).

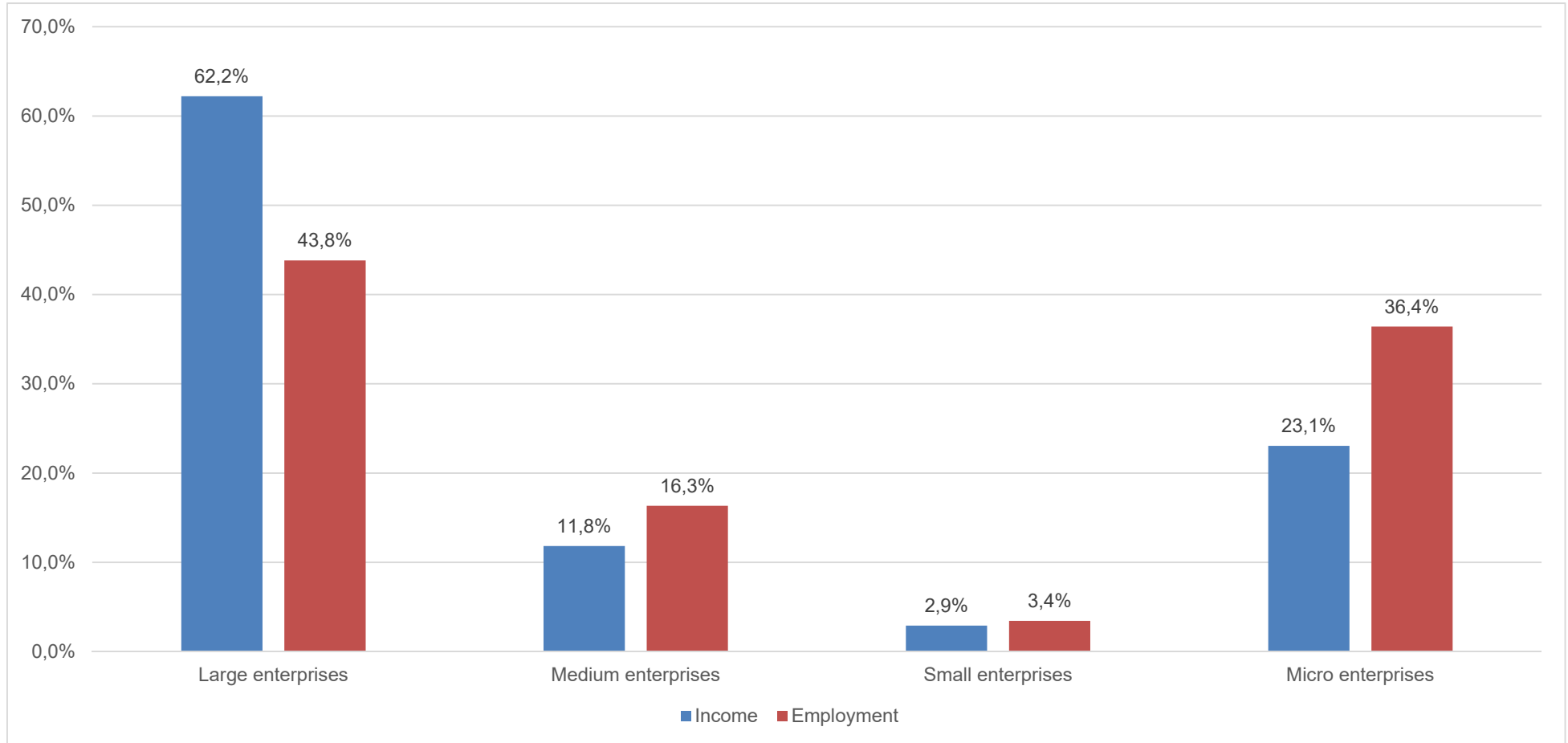
Formal employment increased from 86 451 in 2009 to 104 714 in 2018 (a gain of 18 200 jobs). The biggest gain in persons employed between 2009 and 2018 was in 'hotels, motels and inns' (+14 522 persons), followed by 'other accommodation' (+4 131). 'Guest-houses and guest-farms' had a loss in employment during the same period (-390 jobs).

Figure 1 – Income and employment by type of service (% contribution) in the accommodation industry, 2018



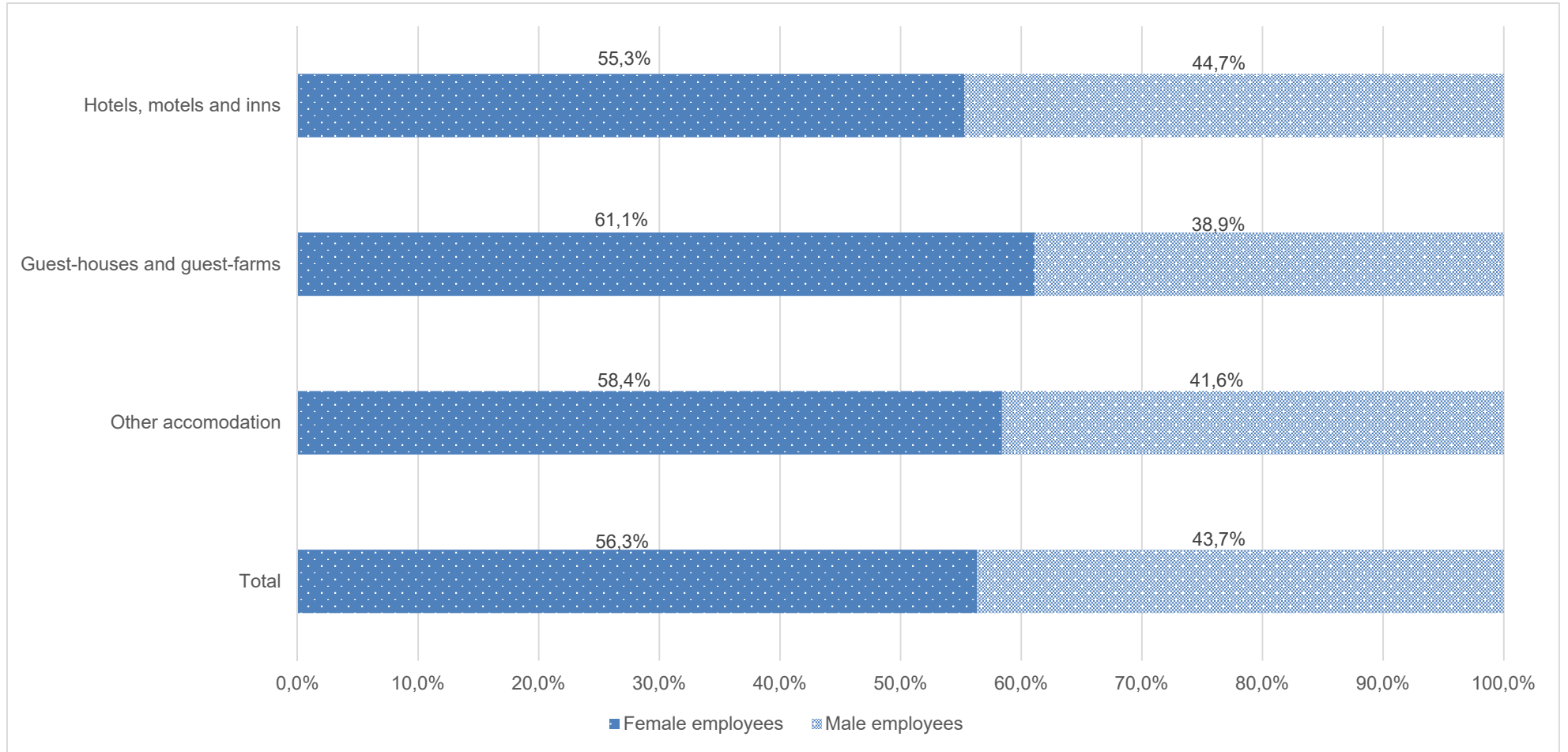
The types of accommodation with the highest proportion of employment compared with the proportion of income were ‘guest-houses and guest-farms’ (6,6% of employment and 4,0% of income) and ‘other accommodation’ (21,4% of employment and 18,4% of income). ‘Hotels, motels and inns’ had a higher proportion of income compared with employment (77,6% of income and 72,0% of employment).

Figure 2 – Income and employment by enterprise size (% contribution) in the accommodation industry, 2018



Large enterprises (those with annual turnover greater than R130 million) contributed 62,2% to the total income of the accommodation industry in 2018, but their contribution to employment was only 43,8%. The majority (56,2%) of the employment in the industry was created by small, medium and micro enterprises (SMMEs) whilst their contribution to income was 37,8%.

Figure 3 – Gender ratios in the accommodation industry, 2018



The proportion of females out of the total persons employed in the accommodation industry in 2018 was 56,3%. The type of service with the highest proportion of females employed was 'guest-houses and guest-farms' (61,1%). 'Hotels, motels and inns' had the highest proportion of males employed (44,7%).

Table E – Average salaries and wages in the accommodation industry, 2009-2018

Type of service	2009			2012			2015			2018		
	Salaries and wages	Total employees	Average salaries and wages	Salaries and wages	Total employees	Average salaries and wages	Salaries and wages	Total employees	Average salaries and wages	Salaries and wages	Total employees	Average salaries and wages
	R million	Number	Rands	R million	Number	Rands	R million	Number	Rands	R million	Number	Rands
Hotels, motels and inns	4 224	60 941	69 246	5 599	71 723	108 361	6 973	66 383	105 042	9 228	75 463	122 285
Guest-houses and guest-farms	332	7 255	47 429	393	7 195	56 143	524	8 615	60 824	569	6 865	82 884
Other accommodation	782	18 255	43 444	1 138	19 526	56 900	1 763	23 348	75 510	2 336	22 386	104 351
Total	5 338	86 451	62 070	7 130	98 444	72 755	9 259	98 346	94 147	12 133	104 714	115 868

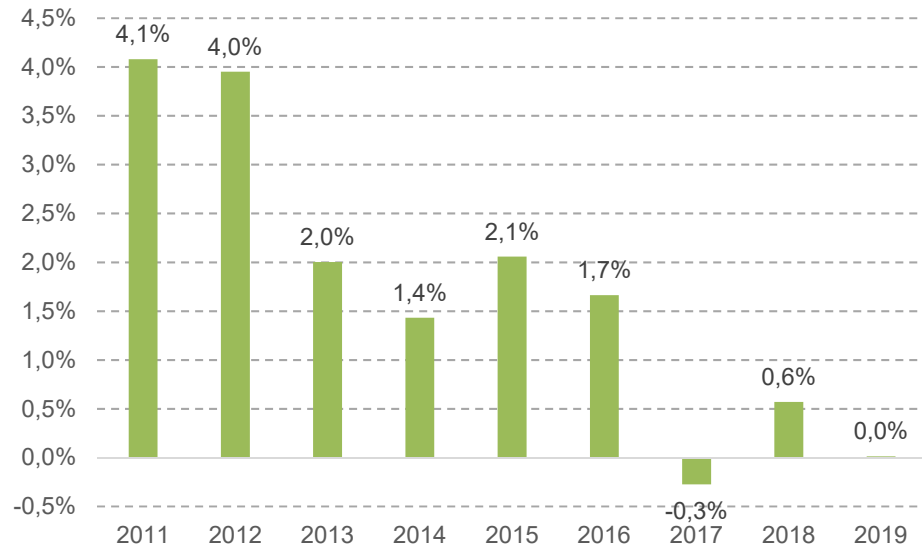
(Sources: Report No. 64-11-01)

The average for salaries and wages in the accommodation industry in 2018 was R115 868. The type of accommodation with the highest average salaries and wages in 2018 was 'hotels, motels and inns' (R122 285), followed by 'other accommodation' (R104 351).

Total average salaries and wages increased from R62 070 in 2009 to R115 868 in 2018, an annualised growth rate of 7,2%. The highest annualised growth rate between surveys in the accommodation industry was 9,0% between 2012 and 2015.

2.3 Trade industry value added ¹

Figure 4 – Trade industry value added, annual percentage change (constant 2010 prices), 2011–2019

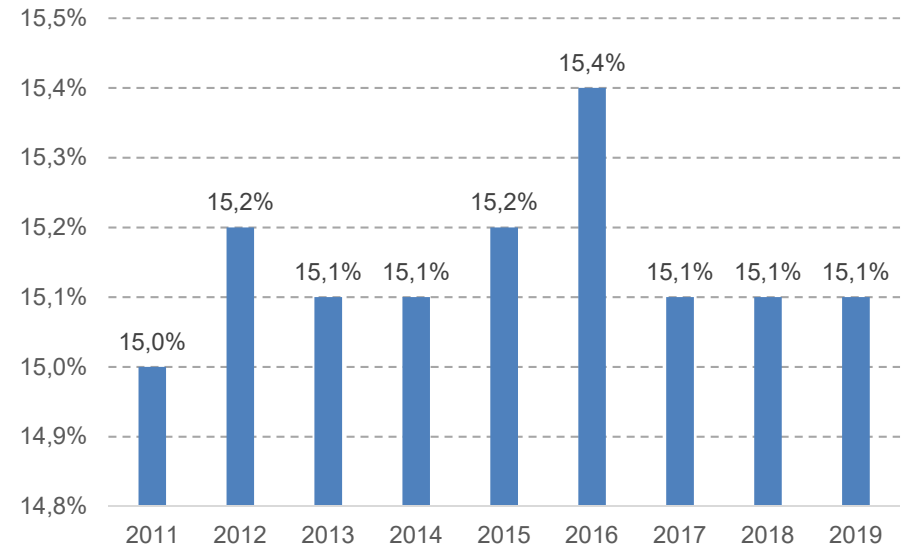


Source: P0441, GDP annual and regional tables, 2020

Trade industry value added at constant 2010 prices increased from R385,7 billion in 2011 to R431,7 billion in 2019. The annual growth rate fell from 4,0% in 2012 to 2,0% in 2013, and in 2017 there was a contraction of 0,3%. The average annual growth rate during 2011–2019 was 1,7% (P0441, GDP annual and regional tables, 2020).

¹ Wholesale, retail, motor, tourist accommodation, and food and beverages.

Figure 5 – Percentage contribution of the trade industry to total value added (current prices), 2011–2019



Source: P0441, GDP annual and regional tables, 2020

Between 2015 and 2018, the contribution of the trade industry to total value added declined slightly from 15,2% to 15,1%. For the period 2011 to 2019, the highest contribution of the trade industry to total value added was 15,4% in 2016.

2.4 Capital expenditure on new assets

Table F – Capital expenditure on new assets in the accommodation industry, 2009–2018

Type of service	2009		2012		2015		2018	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Hotels, motels and inns	5 313	86,4	3 699	86,9	4 515	86,9	7 449	80,3
Guest-houses and guest-farms	384	6,2	150	3,5	152	2,9	218	2,4
Other accommodation	451	7,3	409	9,6	527	10,1	1 606	17,3
Total	6 148	100,0	4 258	100,0	5 194	100,0	9 273	100,0

(Sources: Report No. 64-11-01)

The capital expenditure on new assets in 2018 (R9,3 billion) represents an increase of 21,3% per annum over the expenditure reported in the corresponding survey of 2015 (R5,2 billion). The largest contributor to capital expenditure on new assets in 2018 was 'hotels, motels and inns' (R7,4 billion or 80,3%).

Between 2009 and 2018, 'other accommodation' gained the biggest percentage share (+10,0 percentage points) in capital expenditure on new assets (from a percentage contribution of 7,3% in 2009 to 17,3% in 2018). 'Hotels, motels and inns' lost the biggest percentage share (-6,1 percentage points) over the same period (from 86,4% in 2009 to 80,3% in 2018).



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3. Tables

Table 1 – Principal statistics in the trade industry, 2015 and 2018 ¹

	Turnover	Total income	Total expenditure	Total value of opening inventories	Total value of closing inventories	Net profit or loss before tax	Capital expenditure on new assets	Number of employees
	R million							Number
2015	3 049 350	3 109 038	3 015 407	294 042	315 865	115 454	54 548	1 821 779
2018	3 628 691	3 710 988	3 604 059	395 054	418 625	130 500	60 106	1 856 290
Annualised % change	6,0	6,1	6,1	10,3	9,8	4,2	3,3	0,6

¹The trade industry comprises wholesale trade, retail trade, motor trade, tourist accommodation, and food and beverages.

Table 2 – Principal statistics in the accommodation industry, 2015 and 2018

	Turnover	Total income	Total expenditure	Total value of opening inventories	Total value of closing inventories	Net profit or loss before tax	Capital expenditure on new assets	Number of employees
	R million							Number
2015	43 268	45 601	39 932	1 042	1 111	5 738	5 194	98 346
2018	50 036	52 631	45 192	1 698	1 239	6 980	9 273	104 714
Annualised % change	5,0	4,9	4,2	17,7	3,7	6,8	21,3	2,1

Table 3 – Principal statistics by type of service in the accommodation industry, 2015 and 2018

Type of service	Total income			Total expenditure			Total value of opening inventories		
	2015	2018	Annualised % change	2015	2018	Annualised % change	2015	2018	Annualised % change
	R million			R million			R million		
Hotels, motels and inns	36 854	40 806	3,5	31 823	34 761	3,0	696	1 492	28,9
Guest-houses and guest-farms	2 132	2 122	-0,2	1 963	2 032	1,2	56	25	-23,6
Other accommodation	6 616	9 703	13,6	6 147	8 399	11,0	310	181	-16,4
Total	45 601	52 631	4,9	39 932	45 192	4,2	1 111	1 698	15,2

Table 3 – Principal statistics in the accommodation industry, 2015 and 2018 (concluded)

Type of service	Total value of closing inventories			Net profit or loss before tax			Capital expenditure on new assets		
	2015	2018	Annualised % change	2015	2018	Annualised % change	2015	2018	Annualised % change
	R million			R million			R million		
Hotels, motels and inns	749	1 019	10,8	5 084	5 572	3,1	4 515	7 449	18,2
Guest-houses and guest-farms	52	34	-13,2	165	99	-15,6	152	218	12,9
Other accommodation	310	186	-15,6	489	1 309	38,9	527	1 606	45,0
Total	1 111	1 239	3,7	5 738	6 980	6,8	5 194	9 273	21,3

Table 4 – Profit margin in the accommodation industry, 2015 and 2018

Type of service	Turnover		Net profit after tax		Profit margin ²	
	2015	2018	2015	2018	2015	2018 ²¹
	R million				%	
Hotels, motels and inns	34 812	38 870	3 515	4 382	10,1	11,3
Guest-houses and guest-farms	2 067	2 021	140	60	6,8	3,0
Other accommodation	6 389	9 145	363	916	5,7	10,0
Total	43 268	50 036	4 018	5 358	9,3	10,7

² Profit margin = net profit after tax divided by turnover multiplied by 100

Table 5 – Income by type of service in the accommodation industry, 2015 and 2018

Type of income	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Sales of goods	7 666	8 897	16,8	16,9	5,1
Services rendered	35 045	40 532	77,0	77,0	5,0
Rental and leasing income	670	690	1,5	1,3	1,0
Interest	557	607	1,2	1,2	2,9
Other	1 604	1 905	3,5	3,6	5,9
Total	45 542	52 631	100,0	100,0	4,9

Table 6 – Income by type of service in the accommodation industry, 2018

Type of service	Sales	Services	Interest	Rental	Other income total	Total
	R million					
Hotels, motels and inns	7 187	31 168	514	515	1 422	40 806
Guest-houses and guest-farms	317	1 691	24	13	77	2 122
Other accommodation	1 393	7 673	152	79	406	9 703
Total	8 897	40 532	690	607	1 905	52 631

Table 7 – Income by enterprise size in the accommodation industry, 2018

Type of service	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total
	R million				
Hotels, motels and inns	28 602	4 682	835	6 687	40 806
Guest-houses and guest-farms	83	370	247	1 422	2 122
Other accommodation	4 055	1 170	453	4 025	9 703
Total	32 740	6 222	1 535	12 134	52 631

Table 8 – Concentration ratios (relative contribution of large enterprises) in the accommodation industry, 2018

Type of service	Total income	Income of 5 largest enterprises	Relative contribution of 5 largest enterprises ⁴	Income of 10 largest enterprises	Relative contribution of 10 largest enterprises ⁴	Income of 20 largest enterprises	Relative contribution of 20 largest enterprises ⁴	Income of 50 largest enterprises	Relative contribution of 50 largest enterprises ⁴	Income of 100 largest enterprises	Relative contribution of 100 largest enterprises ⁴
	R million		%	R million	%	R million	%	R million	%	R million	%
Hotels, motels and inns	40 806	12 659	31,0	16 595	40,7	19 962	48,9	25 233	61,8	29 791	73,0
Guest-houses and guest-farms	2 122	353	16,6	543	25,6	778	36,7	991	46,7	1 095	51,6
Other accommodation	9 703	2 719	28,6	3 441	36,2	4 377	46,0	5 707	60,0	5 977	62,8
Total	52 631	12 659³	24,1	17 516³	33,3	21 463³	40,8	27 275³	51,8	32 725³	62,2

³ Note: These figures reflect the income of the 5, 10, 20, 50 and 100 largest enterprises respectively, and not the column totals

⁴ Relative contribution = income of the largest enterprises divided by total income and multiplied by 100

Table 9 – Expenditure in the accommodation industry, 2015 and 2018

Type of expenditure	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Salaries and wages	9 499	12 136	23,8	26,9	8,5
Interest paid	2 544	3 435	6,4	7,6	10,5
Leasing and hiring	217	334	0,5	0,7	15,5
Purchases	7 329	7 494	18,4	16,6	0,7
Rental	2 501	2 508	6,3	5,5	0,1
Utilities (water and electricity)	1 996	1 901	5,0	4,2	-1,6
Subcontractors paid	594	699	1,5	1,5	5,6
Advertising	1 241	987	3,1	2,2	-7,4
Other expenditure	13 943	15 698	35,0	34,7	4,0
Total	39 863	45 192	100,0	100,0	4,3

Table 10 – Expenditure in the accommodation industry, 2018

Type of service	Salaries and wages	Interest paid	Leasing and hiring	Purchases	Rental	Utilities (water and electricity)	Subcontractors paid	Advertising	Other expenditure	Total
	R million									
Hotels, motels and inns	9 228	3 435	254	5 450	2 508	1 901	578	762	10 645	34 761
Guest-houses and guest-farms	569	27	12	446	94	101	50	35	698	2 032
Other accommodation	2 336	518	68	1 598	398	756	71	190	2 464	8 399
Total	12 133	3 980	334	7 494	3 000	2 758	699	987	13 807	45 192

Table 11 – Capital expenditure on new assets in the accommodation industry, 2015 and 2018

Type of asset	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Land, buildings and construction	1 982	2 971	38,2	32,0	14,5
Plant, machinery and equipment	1 477	3 158	28,4	34,1	28,8
Computers	350	555	6,7	6,0	16,6
Motor vehicles	787	1 729	15,2	18,6	30,0
Other	597	860	11,5	9,3	12,9
Total	5 193	9 273	100,0	100,0	21,3

Table 12 – Capital expenditure on new assets in the accommodation industry, 2018

Type of service	Land and buildings	Plant and machinery	Computers	Vehicles	Capex work in progress	Other	Total
	R million						
Hotels, motels and inns	2 006	2 481	525	1 659	412	366	7 449
Guest-houses and guest-farms	134	41	3	28	11	1	218
Other accommodation	831	636	27	42	47	23	1 606
Total	2 971	3 158	555	1 729	470	390	9 273

Table 13 – Employment in the accommodation industry for the last pay period ended on or before 30 June, 2015 and 2018

Type of service	Female employees			Male employees			Total		
	2015	2018	Annualised % change	2015	2018	Annualised % change	2015	2018	Annualised % change
	Number of employees								
Hotels, motels and inns	37 241	41 711	3,9	29 142	33 752	5,0	66 383	75 463	4,4
Guest-houses and guest-farms	5 997	4 196	-11,2	2 618	2 669	0,6	8 615	6 865	-7,3
Other accommodation	13 935	13 075	-2,1	9 413	9 311	-0,4	23 348	22 386	-1,4
Total	57 172	58 982	1,0	41 174	45 732	3,6	98 346	104 714	2,1

Table 14 – Details of employment in the accommodation industry for the last pay period ended on or before 30 June 2018

Type of service	Full-time employees			Part-time employees			Total
	Female	Male	Total	Female	Male	Total	
	Number of employees						
Hotels, motels and inns	38 318	30 890	69 208	3 397	2 858	6 255	75 463
Guest-houses and guest-farms	3 944	2 511	6 455	241	169	410	6 865
Other accommodation	12 203	8 542	20 745	842	799	1 641	22 386
Total	54 465	41 943	96 408	4 480	3 826	8 306	104 714

Table 15 – Employment by enterprise size in the accommodation industry for the last pay period ended on or before 30 June, 2018

Type of service	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total
	Number of employees				
Hotels, motels and inns	40 836	14 401	2 070	18 156	75 463
Guest-houses and guest-farms	42	1 182	577	5 064	6 865
Other accommodation	5 006	1 523	951	14 906	22 386
Total	45 884	17 106	3 598	38 126	104 714

Table 16 – Details of income from sales of goods by commodity type in the accommodation industry, 2015 and 2018

Commodity type	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Sales of food	4 975	5 869	64,9	66,0	5,7
Alcoholic beverages	1 000	1 495	13,0	16,8	14,3
Non-alcoholic beverages	286	438	3,7	4,9	15,3
Sales of other goods	1 405	1 095	18,3	12,3	-8,0
Total	7 666	8 897	100,0	100,0	5,1

Table 17 – Details of income from sales of goods by commodity and service type in the accommodation industry, 2018

Type of service	Sales of food	Alcoholic beverages	Non-alcoholic beverages	Sales of other goods	Total
	R million				
Hotels, motels and inns	5 096	1 249	363	533	7 241
Guest-houses and guest-farms	157	25	25	110	317
Other accommodation	616	221	50	452	1 339
Total	5 869	1 495	438	1 095	8 897

Table 18 – Details of income from services rendered in the accommodation industry, 2015 and 2018

Type of service	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Accommodation	21 434	25 353	61,2	62,6	5,8
Functions	971	1 097	2,8	2,7	4,1
Casino facilities	11 614	12 748	33,1	31,5	3,2
Health, spa and beauty treatment	182	187	0,5	0,5	1,0
Tours	225	250	0,6	0,6	3,6
Other services	619	897	1,8	2,2	13,1
Total	35 045	40 532	100,0	100,0	5,0

Table 19 – Details of income from services rendered in the accommodation industry, 2018

Type of service	Accommodation	Functions	Casino facilities	Health, spa and beauty treatment	Tours	Other services	Total
	R million						
Hotels, motels and inns	18 500	864	11 013	171	57	563	31 168
Guest-houses and guest-farms	1 616	10	0	3	18	44	1 691
Other accommodation	5 237	223	1 735	13	175	290	7 673
Total	25 353	1 097	12 748	187	250	897	40 532

Table 20 – Details of purchases by commodity group in the accommodation industry, 2015 and 2018

Commodity group	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Soft and hard furnishings	415	511	5,6	6,8	7,2
Food	4 097	4 217	55,5	56,1	1,0
Alcoholic beverages	748	783	10,1	10,4	1,5
Non-alcoholic beverages	373	399	5,1	5,3	2,3
Toiletries	269	269	3,6	3,6	0,0
Cleaning materials	238	240	3,2	3,2	0,2
Other purchases and transfers-in of goods	1 238	1 103	16,8	14,7	-3,8
Total	7 378	7 522	100,0	100,0	0,6

Table 21 – Details of purchases by commodity and type of service group in the accommodation industry, 2018

Type of service	Soft and hard furnishings	Food	Alcoholic beverages	Non-alcoholic beverages	Toiletries	Cleaning materials	Other purchases and transfers-in	Total
	R million							
Hotels, motels and inns	460	2 991	584	299	218	188	734	5 474
Guest-houses and guest-farms	18	240	15	10	7	11	145	446
Other accommodation	33	986	184	90	44	41	224	1 602
Total	511	4 217	783	399	269	240	1 103	7 522

Table 22 – Stay units in the accommodation industry, 2015 and 2018

	2015	2018	Annualised % change
	Number ('000)		
Stay units available	120	121	0,3
Stay unit nights sold	22 490	23 060	0,8
Number of beds available	240	246	0,9
Bed nights sold	35 412	34 348	-1,0

Table 23 – Stay units and beds in the accommodation industry, 2018

Type of service	Stay units available	Stay unit nights sold	Beds available	Bed nights sold
	Number ('000)			
Hotels, motels and inns	80	16 479	179	24 260
Guest-houses and guest-farms	13	2 229	21	3 524
Other accommodation	28	4 352	46	6 564
Total	121	23 060	246	34 348

Table 24 – Income from sales of goods and services by client base in the accommodation industry, 2015 and 2018

Client base	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Individuals and households	28 986	35 662	67,8	72,0	7,2
Businesses (including parastatals)	10 245	10 458	24,0	21,1	0,7
Government	3 538	3 394	8,3	6,9	-1,4
Total	42 769	49 514	100,0	100,0	5,0

Table 25 – Income from sales of goods and services by client base in the accommodation industry, 2018

Type of service	Individuals	Businesses (including NGOs)	Government (including parastatals)	Total
	R million			
Hotels, motels and inns	26 311	9 067	3 061	38 440
Guest-houses and guest-farms	150	17	9	2 008
Other accommodation	9 201	1 374	321	9 066
Total	35 662	10 458	3 391	49 514

Table 26 – Facilities and other guest amenities available in the accommodation industry, 2018

Type of service	Accommodation facilities	Conference and events catering	Health and spa facilities	Sports facilities	Casino facilities	Restaurants	Laundromat facilities	Other facilities
	% of enterprises							
Hotels, motels and inns	98,9	87,0	57,1	62,7	14,7	94,4	56,5	31,6
Guest-houses and guest-farms	96,3	25,9	3,7	51,9	0,0	37,0	44,4	11,1
Other accommodation	93,0	42,6	17,4	27,8	2,6	50,4	25,2	9,6
Total	96,7	48,9	17,8	27,8	2,2	57,8	28,9	13,3

Table 27 – Sales of goods and services by province in the accommodation industry, 2015 and 2018

Province	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Western Cape	10 069	12 061	23,6	24,4	6,2
Eastern Cape	2 815	3 146	6,6	6,4	3,8
Northern Cape	474	552	1,1	1,1	5,2
Free State	1 790	2 020	4,2	4,1	4,1
KwaZulu-Natal	7 477	7 938	17,5	16,1	2,0
North West	1 975	2 254	4,6	4,6	4,5
Gauteng	13 451	15 799	31,5	32,0	5,5
Mpumalanga	2 862	3 268	6,7	6,6	4,5
Limpopo	1 798	2 391	4,2	4,8	10,0
Total	42 711	49 429	100,0	100,0	5,0

Table 28 – Sales of goods and services rendered by province in the accommodation industry, 2018

Type of service	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Total
	R million									
Hotels, motels and inns	9 698	2 668	276	1 973	5 488	1 962	12 997	1 850	1 071	37 983
Guest-houses and guest-farms	711	66	15	22	304	88	217	351	155	1 929
Other accommodation	1 652	412	261	25	2 146	204	2 585	1 067	1 165	9 517
Total	12 061	3 146	552	2 020	7 938	2 254	15 799	3 268	2 391	49 429

Table 29 – Salaries and wages by province in the accommodation industry, 2015 and 2018

Province	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Western Cape	2 212	3 001	23,3	24,6	10,7
Eastern Cape	707	715	7,4	5,9	0,4
Northern Cape	116	154	1,2	1,3	9,9
Free State	174	252	1,8	2,1	13,1
KwaZulu-Natal	1 593	2 281	16,8	18,7	12,7
North West	519	536	5,5	4,4	1,1
Gauteng	3 230	4 102	34,0	33,7	8,3
Mpumalanga	549	697	5,8	5,7	8,3
Limpopo	399	443	4,2	3,6	3,6
Total	9 499	12 181	100,0	100,0	8,6

Table 30 – Salaries and wages by province in the accommodation industry, 2018

Type of service	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Total
	R million									
Hotels, motels and inns	2 255	587	83	230	1 796	461	3 246	344	274	9 276
Guest-houses and guest-farms	213	21	2	5	96	27	58	103	44	569
Other accommodation	533	107	69	17	389	48	798	250	125	2 336
Total	3 001	715	154	252	2 281	536	4 102	697	443	12 181

Table 31 – Employment by province in the accommodation industry for the last pay period ended on or before 30 June 2015 and 2018

Province	2015	2018	2015	2018	Annualised % change
	R million		% contribution		
Western Cape	23 488	25 460	23,9	25,9	2,7
Eastern Cape	7 503	7 055	7,6	7,2	-2,0
Northern Cape	1 745	1 545	1,8	1,6	-4,0
Free State	5 296	5 601	5,4	5,7	1,9
KwaZulu-Natal	17 723	19 265	18,0	19,6	2,8
North West	5 510	6 183	5,6	6,3	3,9
Gauteng	24 459	26 063	24,9	26,5	2,1
Mpumalanga	6 772	6 060	6,9	6,2	-3,6
Limpopo	5 850	7 482	5,9	7,6	8,5
Total	98 346	104 714	100,0	100,0	2,1

Table 32 – Employment by province in the accommodation industry for the last pay period ended on or before 30 June, 2018

Type of service	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Total
	Number of employees									
Hotels, motels and inns	17 659	7 055	619	5 318	14 383	5 370	19 414	2 490	3 155	75 463
Guest-houses and guest-farms	2 161	326	43	64	1 032	342	958	1 296	643	6 865
Other accommodation	5 640	1 291	883	219	3 850	471	5 691	2 274	2 067	22 386
Total	25 460	7 055	1 545	5 601	19 265	6 183	26 063	6 060	7 482	104 714

Table 33 – Information and communication technology (ICT) usage in the accommodation industry, 2015 and 2018

ICT usage	2015	2018
	%	
Use computers	98,4	99,8
Use internet	97,9	99,5
Use internet banking	92,0	87,5
Have web page	80,3	90,5
Receive orders over internet	76,4	68,7
IT outsourced	40,6	56,6

Table 34 – Information and communication technology (ICT) usage by type of service in the accommodation industry, 2018

Type of service	Use computer	Use internet	Use internet banking	Have web page	Receive orders over internet	IT outsourced	E-commerce
	Percentage (%) of enterprises						
Hotels, motels and inns	100,0	100,0	90,4	97,7	76,8	60,5	23,2
Guest houses and guest farms	100,0	100,0	85,2	88,9	59,3	63,0	17,4
Other accommodation	99,5	99,5	84,8	86,1	57,5	52,6	9,8
Total	99,8	99,5	87,5	90,5	68,7	56,6	18,1

Table 35 – Information and communication technology (ICT) usage by size group in the accommodation industry, 2018

Enterprise size	Use computer	Use internet	Use internet banking	Have web page	Receive orders over internet	IT outsourced	E-commerce
	Percentage (%) of enterprises						
Large enterprise	100,0	100,0	88,4	97,9	67,4	55,8	25,3
Medium enterprise	100,0	100,0	89,3	94,0	72,6	67,9	19,0
Small enterprise	100,0	100,0	96,4	96,4	71,4	75,0	25,0
Micro enterprise	99,0	98,5	85,1	84,7	67,3	49,5	13,4
Total	99,8	99,5	87,5	90,5	68,7	56,6	18,1

Explanatory notes**Background**

The results presented in this publication have been derived from the 2018 accommodation industry large sample survey. This is a periodic survey which measures economic activity in the accommodation industry of the South African economy. The survey is based on a sample of private and public enterprises operating in the accommodation industry.

The sample was drawn from Stats SA's business register. The business register is based mainly on the value-added tax (VAT) database of the South African Revenue Service (SARS). Enterprises are legally bound to register for VAT. Enterprises registered in the taxation system are included on the business register, and hence were given a chance of selection in the sample for the survey.

Value added tax (VAT)

All figures exclude value added tax (VAT).

Reference period

The information was collected from enterprises for their financial year, which ended on any date between 01 July 2017 and 30 June 2018.

Purpose of the survey

Results of the survey are used within Stats SA for benchmarking the gross domestic product (GDP) and its components. These statistics are also used by government policy advisors in monitoring the performance and contribution of individual industries to the South African economy and the effectiveness of industry policies. The private sector uses the data to analyse comparative business and industry performance.

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 SIC group (five-digit) level. Each enterprise is classified to an industry, which reflects its predominant activity.

Statistical unit

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 production activities.

Size groups

The enterprises are divided into four size groups according to the value of turnover on Stats SA's business register. Large enterprises are those with an annual turnover above R130 million. Table 36 presents Department of Trade, Industry and Competition (DTIC) cut-off points adjusted by a factor of 6,0.

Table 36 – Size groups for the accommodation industry, 2018

Size group	Annual turnover
Large	Turnover > R130 000 000
Medium	R36 000 000 < turnover ≤ R130 000 000
Small	R30 600 000 < turnover ≤ R36 000 000
Micro	Turnover ≤ R30 600 000

Survey methodology and design

The survey was conducted by post, email, fax, telephone and personal visits.

A sample of approximately 1 000 enterprises was drawn using stratified simple random sampling. The enterprises were first stratified at the four-digit level according to the SIC and then by size of enterprise. All large and medium enterprises were completely enumerated. Turnover as recorded on the business register was used as the measure of size for stratification. The collection rate was 81,1%.

Collection rate

Collection rate = ((collected + finalised investigations)/ sample size) x 100.

Turnover collection rate

Turnover collection rate = ((weighted collected enterprises BR turnover + weighted finalised investigations BR turnover)/population turnover) x 100. The turnover collection rate was 89,1%.

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 division estimates.

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 accommodation 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 error likely to have occurred as a result of sampling, and thus avoids the need to refer to the size of the estimate.

Table 37 – Income in the accommodation industry within 95% confidence limits, 2018

Type of motor trade	Lower limit	Total income	Upper limit	Relative standard error
	R million		%	
Hotels, motels and inns	37 127	40 806	44 485	4,6
Guest-houses and guest-farms	1 814	2 122	2 430	7,4
Other accommodation	8 296	9 703	11 110	7,4
Total	48 710	52 631	56 550	3,8

Revisions to previous results

Revisions were made to previous results due to new information obtained after publication.

Abbreviations

BR	Business Register
DTIC	Department of Trade, Industry and Competition
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

Glossary

Bed nights sold	Bed nights sold is the total number of beds per stay unit charged out to one or more guests for every night during the financial period of 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.
Concentration ratio	The ratio of the income of the <i>n</i> largest enterprises to the total income.
Employees	Persons employed by a business or organisation and who received payment (in salaries, wages, commission, piece rates or payments in kind) for the last pay period ended on or before 30 June 2018.
Enterprise	A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
Full-time employees	Full-time employees are those (permanent, temporary or casual) who normally work 40 hours or more per week.
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</i> (SNA) in the same way as in the <i>Standard Industrial Classification of all Economic Activities</i> (SIC), Fifth Edition, Report No. 09-90-02 of January 1993.
Net profit or loss after tax	Total income plus closing value of inventories minus total expenditure minus opening value of inventories minus company tax
Other accommodation	Other accommodation includes: <ul style="list-style-type: none"> • conference centres, which are not part of a hotel, with accommodation units, e.g. rooms; • holiday resorts where facilities and equipment are provided for guests to cater for themselves; • caravan parks and camping sites; and • other accommodation not elsewhere classified.

Other expenditure	<p>Other expenditure includes:</p> <ul style="list-style-type: none"> • accommodation; • administration and management fees; • amortisation; • bank charges; • bursaries; • computer expenditure; • customs duty paid; • donations; • entertainment; • excise duty paid; • losses on financial and other assets; • losses on liabilities; • losses on foreign exchange; • motor vehicle running expenditure; • mineral rights leases; 	<ul style="list-style-type: none"> • paper, printing and stationery; • postal and courier services; • property tax; • provisions; • railage and transport-out; • research and development; • royalties; • security services (including IT security services); • severance, termination and redundancy payments; • skills development levy; • staff training (payment to outside organisations); • subscriptions; • telecommunication services; • travelling; and • other expenditure.
Other facilities	Includes: WIFI, crèche, boat trips, garage parking, and wine cellar.	
Other income	<p>Other income includes:</p> <ul style="list-style-type: none"> • dividends received; • government subsidies and incentives; • capital transfers received from the government; • profit for redemption, liquidation or revaluation of liabilities; • profit on foreign exchange; • mineral rights leases; 	<ul style="list-style-type: none"> • provisions; • royalties; • custom duty; • excise duty; and • other income.
Part-time employees	Part-time employees are those (permanent, temporary or casual) who usually work less than 40 hours per week.	
Profit margin	<p>Profit margin is derived as:</p> <p>Net profit or loss after tax <i>divided by</i> turnover <i>multiplied by</i> 100</p>	

Rental, leasing and hiring income	Rental, leasing and hiring income includes: <ul style="list-style-type: none">• leasing and hiring of motor vehicles and other transport equipment;• leasing and hiring of plant, machinery, equipment and vehicles;• rental of land, buildings and other structures; and• other rental, leasing and hiring income.
Statistical unit	A statistical unit is a unit of observation or measurement for which statistical data are collected or derived.
Stay unit	Stay unit is the unit of accommodation that is available to be charged out to guests, for example, a powered site in a caravan park, camping site or a room in a hotel.
Stay unit nights sold	Stay unit nights sold is the total number of stay units occupied (charged out to guests) for every night during the financial period of one year.
Stratum	A stratum is constructed by concatenating the SIC classification and size group variables.
Turnover	Turnover includes: <ul style="list-style-type: none">• the value of sales;• amounts received for services rendered;• rent and/or lease payments received for land and buildings; and• rent, leasing and hiring received for machinery, vehicles and other equipment.
Working proprietors	Owners, members or partners actively engaged in the work of the enterprise, excluding silent or inactive partners whose principal activity is outside of the enterprise.
Zero values	All income values less than R500 000.