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Food and beverages industry, 2015

1. Introduction

This publication presents estimates in respect of the 2015 food and beverages large sample survey (LSS). The 2015 food and beverages industry LSS collected data from a sample of approximately 1 500 enterprises. The reporting period was the financial year ended on any date between 1 July 2014 and 30 June 2015. The data for the number of employees were provided for the last pay period ended on or before 30 June 2015. The sample was stratified in such a way that all large enterprises (those with turnover greater than R39 million) were included.

The last food and beverages LSS was conducted for 2012 (Report No. 64-20-01 [2012]).

1.1 Scope and coverage

The 2015 food and beverages industry LSS 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:

- Restaurants, coffee shops or tearooms, with liquor licence (SIC 64201).
- Restaurants, coffee shops or tearooms, without liquor licence (SIC 64202).
- Takeaway counters and fast-food outlets (SIC 64203).
- Caterers (SIC 64204).
- Other catering services (SIC 64209).

The following activities are excluded:

- Wholesale trade in food, beverages and tobacco (SIC 6122).
- Non-specialised stores with food, beverages and tobacco predominating (SIC 6211).
- Food, beverages and tobacco in specialised stores (SIC 6220).

1.2 Data items

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

1.3 Reference period

The questionnaires were completed for the financial year of the enterprise which **ended on any date between 1 July 2014 and 30 June 2015**, according to the usual reporting schedule of the enterprise.

Examples

- 1 October 2013–30 September 2014
- 1 January 2014–31 December 2014
- 1 February 2014–31 January 2015
- 1 March 2014–28 February 2015
- 1 April 2014–31 March 2015

1.4 Current prices

The rand values are at current prices.

1.5 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 errors 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.

1.6 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.

1.7 Reporting unit

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.

2. Summary of findings for the year 2015

2.1 Income

Table A – Income in the food and beverages industry, 2007–2015

Type of service	2007		2009		2012		2015	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Restaurants and coffee shops	12 440	46,8	17 227	46,1	24 496	55,6	30 027	55,1
Takeaway and fast-food outlets	7 619	28,6	11 030	29,5	13 645	31,0	17 396	31,9
Caterers and other catering services	6 545	24,6	9 103	24,4	5 884	13,4	7 110	13,0
Total	26 604	100,0	37 360	100,0	44 025	100,0	54 533	100,0

Source: Report No. 64-20-01

The total income for the food and beverages industry in 2015 was R54,5 billion. The total income represents an increase of 7,4% per annum over the income reported in the corresponding survey of 2012 (R44 billion). Comparing 2012 and 2015, increases were reported for 'restaurants and coffee shops' (+R5,5 billion), 'takeaway and fast-food outlets' (+R3,8 billion) and 'caterers and other catering services' (+R1,2 billion).

Since 2007, 'restaurants and coffee shops' gained the biggest percentage share (+8,3 percentage points) in income from the food and beverages industry compared with the results of 2015 (from a percentage contribution of 46,8% in 2007 to 55,1% in 2015). 'Caterers and other catering services' lost the biggest percentage share (-11,6 percentage points) in the same period (from 24,6% in 2007 to 13,0% in 2015).

Table B – Concentration ratios for total income in the food and beverages industry, 2007–2015

Concentration ratio	2007		2009		2012		2015	
	%							
CR5	13,9	14,7	11,2	10,1				
CR10	18,6	19,5	16,0	15,2				
CR20	24,0	25,7	21,6	21,4				
CR50	30,7	32,2	28,7	29,7				
CR100	36,0	37,2	34,5	36,4				

Source: Report No. 64-20-01

In 2015, the top 100 enterprises in the food and beverages industry contributed 36,4% to the total income. The concentration ratios of all the top 5, 10, 20, 50 and 100 enterprises were the highest in 2009 at 14,7%, 19,5%, 25,7%, 32,2% and 37,2%, respectively. There is considerable variation in concentration ratios between the different types of service, as shown in Table 9.

Table C – Profit margin in the food and beverages industry, 2007–2015

Type of service	Net profit/loss after tax				Turnover				Profit margin			
	2007	2009	2012	2015	2007	2009	2012	2015	2007	2009	2012	2015
	R million								%			
Restaurants and coffee shops	133	264	523	648	12 092	16 985	23 916	29 175	1,1	1,6	2,2	2,2
Takeaway and fast-food outlets	584	175	338	257	7 474	10 872	13 444	17 040	7,8	1,6	2,5	1,5
Caterers and other catering services	297	-37	-26	172	6 439	8 435	5 820	6 889	4,6	-0,4	-0,4	2,5
Total	1 014	402	835	1 077	26 005	36 292	43 180	53 104	3,9	1,1	1,9	2,0

Source: Report No. 64-20-01

The profit margin for the food and beverages industry was 2,0% in 2015. 'Caterers and other catering services' had the highest profit margin at 2,5%, followed by 'restaurants and coffee shops' at 2,2%. 'Takeaway and fast-food outlets' had the lowest profit margin at 1,5%.

Between 2007 and 2015, the food and beverages industry recorded a highest profit margin of 3,9% in 2007. The highest profit margin by type of service was for 'takeaway and fast-food outlets' at 7,8% in 2007.

2.2 Employment

Table D – Employment in the food and beverages industry for the last pay period ended on or before 30 June, 2007–2015

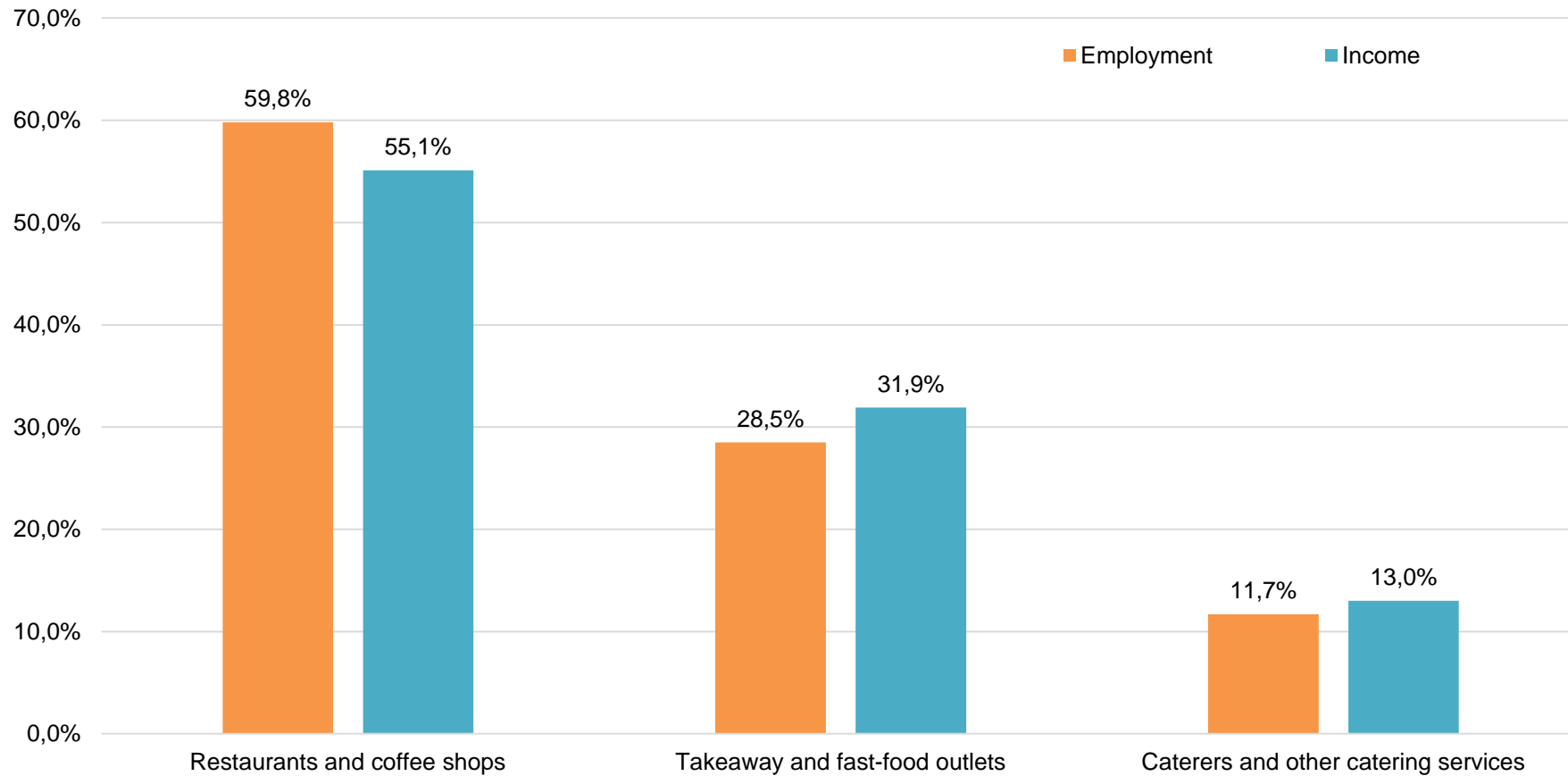
Type of service	2007		2009		2012		2015	
	Number	% contribution	Number	% contribution	Number	% contribution	Number	% contribution
Restaurants and coffee shops	92 674	51,1	97 167	52,2	109 122	59,1	104 352	59,8
Takeaway and fast-food outlets	34 426	19,0	44 895	24,1	49 704	26,9	49 749	28,5
Caterers and other catering services	54 273	29,9	44 041	23,7	25 837	14,0	20 500	11,7
Total	181 373	100,0	186 103	100,0	184 663	100,0	174 601	100,0

Source: Report No. 64-20-01

The total number of persons employed in the food and beverages industry as at the end of June 2015 was 174 601. 'Restaurants and coffee shops' employed the largest number of persons (104 352 or 59,8%), followed by 'takeaway and fast-food outlets' (49 749 or 28,5%) and 'caterers and other catering services' (20 500 or 11,7%).

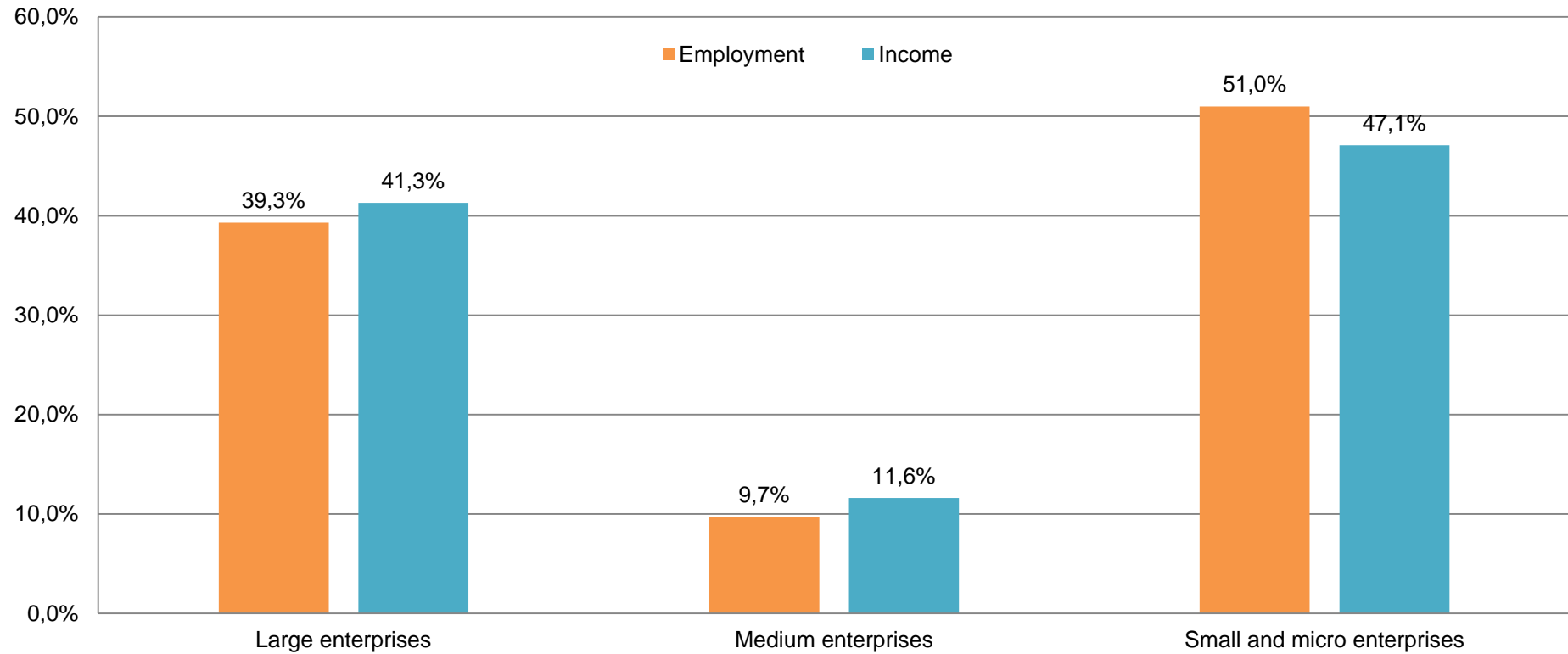
Formal employment increased from 181 373 in 2007 to 184 663 in 2012 before showing a decline to 174 601 in 2015 (a gain of 3 290 jobs between 2007 and 2012 and a loss of 10 062 jobs between 2012 and 2015). The highest growth in employment since 2007 was in 'takeaway and fast-food outlets' (+15 323 jobs) and 'restaurants and coffee shops' (+11 678 jobs). The biggest loss in employment between 2007 and 2015 was in 'caterers and other catering services' (-33 773 jobs).

Figure 1 – Income and employment by type of service (% contribution) in the food and beverages industry, 2015



'Restaurants and coffee shops' (contributing 59,8% of employment and 55,1% of income) was the only division with the proportion of employment higher than the proportion of income.

Figure 2 – Income and employment by enterprise size (% contribution) in the food and beverages industry, 2015



Large enterprises (those with turnover equal to or greater than R39 million) contributed 41,3% of the total income of the industry in 2015, whereas their contribution to employment was 39,3%. Small, medium and micro enterprises (SMMEs) contributed 60,7% of total employment in the food and beverages industry in 2015.

Table E – Average salaries and wages in the food and beverages industry, 2007–2015

Type of service	2007			2009			2012			2015		
	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
Restaurants and coffee shops	2 285	92 674	24 656	3 300	97 167	33 962	5 204	109 122	47 690	6 425	104 352	61 570
Takeaway and fast-food outlets	1 020	34 426	29 629	1 540	44 895	34 302	2 101	49 704	42 270	2 719	49 749	54 654
Caterers and other catering services	1 619	54 273	29 831	1 778	44 041	40 371	1 381	25 837	53 450	1 465	20 500	71 463
Total	4 924	181 373	27 148	6 618	186 103	35 561	8 686	184 663	47 037	10 609	174 601	60 761

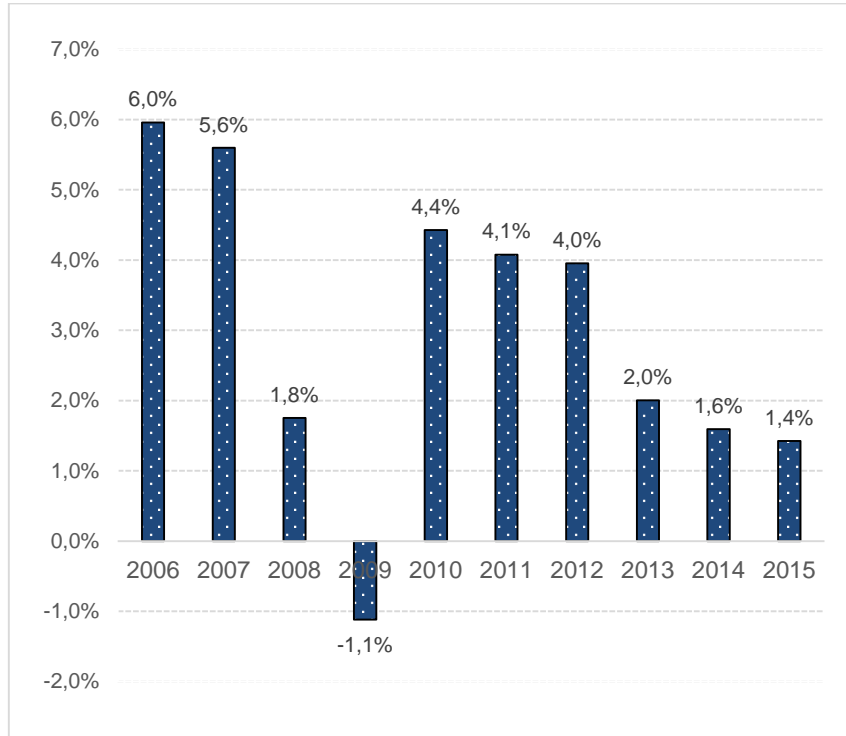
Source: Report No. 64-20-01

The average value of salaries and wages in the food and beverages industry in 2015 was R60 761. The type of service with the highest average salaries and wages in 2015 was 'caterers and other catering services' (R71 463), followed by 'restaurants and coffee shops' (R61 570). The type of service with the lowest average salaries and wages in 2015 was 'takeaway and fast-food outlets' (R54 654).

Total average salaries and wages increased from R27 148 in 2007 to R60 761 in 2015, an annualised growth rate of 10,6%.

2.3 Trade industry value added

Figure 3 – Trade value added, annual percentage change (constant 2010 prices), 2006–2015



Source: P0441, GDP annual and regional tables, 2016

Trade value added at constant 2010 prices increased from R334 billion in 2006 to R421,4 billion in 2015. During this period, the increase was only recorded between 2009 and 2010 (+5,5%). The biggest decline was recorded between 2007 and 2008 (-3,8%), followed by a decrease between 2008 and 2009 (-2,9%).

Figure 4 – Percentage contribution of trade to total value added (current prices), 2006–2015



Source: P0441, GDP annual and regional tables, 2016

In the period 2006–2015, the average contribution of the trade industry to total value added was 14,6%. The contribution ranged from 13,7% in 2007 to 15% in 2015 (P0441, GDP annual and regional tables, 2016).

2.4 Capital expenditure on new assets

Table F – Capital expenditure on new assets in the food and beverages industry, 2007–2015

Type service	2007		2009		2012		2015	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Restaurants and coffee shops	600	44,4	526	38,0	573	38,8	929	46,8
Takeaway and fast-food outlets	285	21,1	697	50,3	796	54,0	967	48,8
Caterers and other catering services	467	34,5	162	11,7	106	7,2	87	4,4
Total	1 352	100,0	1 385	100,0	1 475	100,0	1 983	100,0

Source: Report No. 64-20-01

The total capital expenditure on new assets in the food and beverages industry in 2015 was R2 billion. The largest contributor to total capital expenditure was 'takeaway and fast-food outlets' (R967 million or 48,8%), followed by 'restaurants and coffee shops' (R929 million or 46,8%) and 'caterers and other catering services' (R87 million or 4,4%).

The capital expenditure on new assets represents an increase of 10,4% per annum over the expenditure reported in the corresponding survey of 2012 (R1,5 billion). Comparing 2012 and 2015, the largest increase was reported for 'restaurants and coffee shops' (+R356 million).

Since 2007, 'takeaway and fast-food outlets' gained the biggest percentage share (+27,7 percentage points) in capital expenditure on new assets when compared with the results of 2015. 'Caterers and other catering services' lost the biggest percentage share (-30,1 percentage points) in the same period (from 34,5% in 2007 to 4,4% in 2015).

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3. Tables

Table 1 – Principal statistics in the trade industry¹, 2012 and 2015

Year	Turnover	Total income	Total expenditure	Total value of opening inventory	Total value of closing inventory	Net profit before tax	Capital expenditure on new assets	Number of employees
	R million							Number
2012*	2 338 013	2 394 956	2 339 558	214 520	253 336	94 214	41 557	1 726 634
2015**	3 109 440	3 172 330	3 086 337	304 104	334 360	116 249	49 975	1 856 378
Annualised % change	10,0	9,8	9,7	12,3	9,7	7,3	6,3	2,4

¹ The trade industry comprises wholesale trade, retail trade, motor trade, maintenance and repairs, hotels and restaurants.

*Revised figures.

**Preliminary figures.

Table 2 – Principal statistics in the food and beverages industry, 2012 and 2015

Year	Turnover	Total income	Total expenditure	Total value of opening inventory	Total value of closing inventory	Net profit before tax	Capital expenditure on new assets	Number of employees
	R million							Number
2012*	43 180	44 025	42 876	863	965	1 251	1 475	184 663
2015**	53 104	54 533	53 703	1 014	1 709	1 525	1 983	174 601
Annualised % change	7,1	7,4	7,8	5,5	21,0	6,8	10,4	-1,9

*Revised figures.

**Preliminary figures.

Table 3 – Principal statistics in the food and beverages industry, 2012 and 2015

Type of service	Total income			Total expenditure			Total value of opening inventory		
	2012*	2015**	Annualised % change	2012*	2015**	Annualised % change	2012*	2015**	Annualised % change
	R million			R million			R million		
Restaurants and coffee shops	24 496	30 027	7,0	23 757	29 429	7,4	609	681	3,8
Takeaway and fast-food outlets	13 645	17 396	8,4	13 175	17 338	9,6	147	193	9,5
Caterers and other catering services	5 884	7 110	6,5	5 944	6 936	5,3	107	140	9,4
Total	44 025	54 533	7,4	42 876	53 703	7,8	863	1 014	5,5

*Revised figures.

**Preliminary figures.

Table 3 – Principal statistics in the food and beverages industry, 2012 and 2015 (concluded)

Type of service	Total value of closing inventory			Net profit/loss before tax		Capital expenditure on new assets		
	2012*	2015**	Annualised % change	2012*	2015**	2012*	2015**	Annualised % change
	R million			R million		R million		
Restaurants and coffee shops	631	953	14,7	761	870	573	929	17,5
Takeaway and fast-food outlets	169	574	50,3	492	439	796	967	6,7
Caterers and other catering services	165	182	3,3	-2	216	106	87	-6,4
Total	965	1 709	21,0	1 251	1 525	1 475	1 983	10,4

*Revised figures.

**Preliminary figures.

Table 4 – Principal statistics in the food and beverages industry, 2015

Type of service	Total income	Total expenditure	Total value of opening inventory	Total value of closing inventory	Net profit before tax	Capital expenditure on new assets
	R million					
Restaurants and coffee shops	30 027	29 429	681	953	870	929
Takeaway and fast-food outlets	17 396	17 338	193	574	439	967
Caterers and other catering services	7 110	6 936	140	182	216	87
Total	54 533	53 703	1 014	1 709	1 525	1 983

Table 5 – Profit margin in the food and beverages industry, 2012 and 2015

Type of service	Net profit/loss after tax		Turnover		Profit margin ²	
	2012*	2015**	2012*	2015**	2012*	2015**
	R million				%	
Restaurants and coffee shops	523	648	23 916	29 175	2,2	2,2
Takeaway and fast-food outlets	338	257	13 444	17 040	2,5	1,5
Caterers and other catering services	-26	172	5 820	6 889	-0,4	2,5
Total	835	1 077	43 180	53 104	1,9	2,0

² Net profit after tax divided by turnover multiplied by 100.

*Revised figures.

**Preliminary figures.

Table 6 – Income in the food and beverages industry, 2012 and 2015

Item	2012*	2015**	2012*	2015**	Annualised % change
	R million		% contribution		
Sales of goods	37 490	44 731	85,2	82,0	6,1
Services	5 395	8 041	12,3	14,7	14,2
Rental and leasing income	295	332	0,7	0,6	4
Interest received	108	170	0,2	0,3	16,3
Other income	737	1 259	1,7	2,3	19,5
Total	44 025	54 533	100	100	7,4

*Revised figures.

**Preliminary figures.

Table 7 – Income in the food and beverages industry, 2015

Type of service	Sales	Services	Rental and leasing income	Interest received	Other income	Total
	R million					
Restaurants and coffee shops	25 746	3 391	38	100	752	30 027
Takeaway and fast-food outlets	16 668	88	284	56	300	17 396
Caterers and other catering services	2 317	4 562	10	14	207	7 110
Total	44 731	8 041	332	170	1 259	54 533

Table 8 – Income by enterprise size in the food and beverages industry, 2015

Type of service	Large enterprises	Medium enterprises	Small and micro enterprises	Total
	R million			
Restaurants and coffee shops	7 774	4 416	17 837	30 027
Takeaway and fast-food outlets	11 207	1 140	5 049	17 396
Caterers and other catering services	3 546	773	2 791	7 110
Total	22 527	6 329	25 677	54 533

Table 9 – Concentration ratios (relative contribution of large enterprises) in the food and beverages industry, 2015

Type of service	Total income	Income of 5 largest enterprises ³	Relative contribution of 5 largest enterprises ⁴	Income of 10 largest enterprises ³	Relative contribution of 10 largest enterprises ⁴	Income of 20 largest enterprises ³	Relative contribution of 20 largest enterprises ⁴
	R million		%	R million	%	R million	%
Restaurants and coffee shops	30 027	3 209	10,7	4 196	14,0	5 401	18,0
Takeaway and fast-food outlets	17 396	4 597	26,4	6 835	39,3	8 358	48,0
Caterers and other catering services	7 110	1 622	22,8	2 444	34,4	3 175	44,7
Total	54 533	5 481	10,1	8 268	15,2	11 697	21,4

³These figures reflect the income of the 5, 10 and 20 largest enterprises respectively, and not the column totals.

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

Table 10 – Expenditure in the food and beverages industry, 2012 and 2015

Item	2012*	2015**	2012*	2015**	Annualised % change
	R million		% contribution		
Purchases	21 376	27 070	49,9	50,4	8,2
Employment costs	8 686	10 609	20,3	19,8	6,9
Leasing and hiring of plant, machinery, equipment and vehicles	363	425	0,8	0,8	5,4
Rental and leasing of land, buildings and other structures under operating leases	2 467	2 988	5,8	5,6	6,6
Interest paid	402	532	0,9	1,0	9,8
Advertising	997	991	2,3	1,8	-0,2
Water and electricity	935	1 180	2,2	2,2	8,1
Other expenditure	7 650	9 908	17,8	18,4	9,0
Total	42 876	53 703	100,0	100,0	7,8

*Revised figures.

**Preliminary figures.

Table 11 – Expenditure in the food and beverages industry, 2015

Type of service	Purchases	Employment costs	Leasing and hiring of plant, machinery, equipment and vehicles	Rental and leasing of land, buildings and other structures	Interest paid	Advertising	Water and electricity	Other expenditure	Total
	R million								
Restaurants and coffee shops	14 452	6 425	267	1 692	212	512	698	5 171	29 429
Takeaway and fast-food outlets	8 400	2 719	110	1 133	274	458	395	3 849	17 338
Caterers and other catering services	4 218	1 465	48	163	46	21	87	888	6 936
Total	27 070	10 609	425	2 988	532	991	1 180	9 908	53 703

Table 12 – Capital expenditure in the food and beverages industry, 2012 and 2015

Item	2012*	2015**	2012*	2015**	Annualised % change
	R million		% contribution		
Plant, machinery and equipment	720	1 017	48,8	51,3	12,2
Land, buildings and construction	283	327	19,2	16,5	4,9
Computers	74	102	5,0	5,1	11,3
Motor vehicles	139	240	9,4	12,1	20,0
Other	259	297	17,6	15,0	4,7
Total	1 475	1 983	100,0	100,0	10,4

*Revised figures.

**Preliminary figures.

Table 13 – Capital expenditure in the food and beverages industry, 2015

Type of service	Plant, machinery and equipment	Land, buildings and construction	Computers	Motor vehicles	Other	Total
	R million					
Restaurants and coffee shops	456	138	65	54	216	929
Takeaway and fast-food outlets	530	183	23	158	73	967
Caterers and other catering services	31	6	14	28	8	87
Total	1 017	327	102	240	297	1 983

Table 14 – Employment in the food and beverages industry for the last pay period ended on or before 30 June, 2012 and 2015

Type of service	Female employees			Male employees			Total employees		
	2012*	2015**	Annualised % change	2012*	2015**	Annualised % change	2012*	2015**	Annualised % change
	Number			Number			Number		
Restaurants and coffee shops	65 422	60 044	-2,8	43 700	44 308	0,5	109 122	104 352	-1,5
Takeaway and fast-food outlets	32 613	30 683	-2,0	17 091	19 066	3,7	49 704	49 749	0,0
Caterers and other catering services	14 214	11 975	-5,6	11 623	8 525	-9,8	25 837	20 500	-7,4
Total	112 249	102 702	-2,9	72 414	71 899	-0,2	184 663	174 601	-1,9

*Revised figures.
 **Preliminary figures.

Table 15 – Details of employment in the food and beverages industry for the last pay period ended on or before 30 June 2015

Type of service	Permanent employees			Temporary employees			Casual employees			Total employees
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
	Number of employees									
Restaurants and coffee shops	53 460	39 062	92 522	3 649	2 958	6 607	2 935	2 288	5 223	104 352
Takeaway and fast-food outlets	27 477	17 524	45 001	2 354	831	3 185	852	711	1 563	49 749
Caterers and other catering services	9 797	6 842	16 639	1 226	782	2 008	952	901	1 853	20 500
Total	90 734	63 428	154 162	7 229	4 571	11 800	4 739	3 900	8 639	174 601

Table 16 – Employment by enterprise size in the food and beverages industry for the last pay period ended on or before 30 June 2015

Type of service	Large enterprises	Medium enterprises	Small and micro enterprises	Total
	Number of employees			
Restaurants and coffee shops	27 284	12 669	64 399	104 352
Takeaway and fast-food outlets	31 894	2 392	15 463	49 749
Caterers and other catering services	9 467	1 874	9 159	20 500
Total	68 645	16 935	89 021	174 601

Table 17 – Details of income from sales of goods by commodity type in the food and beverages industry, 2012 and 2015

Commodity type	2012*	2015**	2012*	2015**	Annualised % change
	R million		% contribution		
Food and snacks	30 234	36 152	80,6	80,8	6,1
Non-alcoholic beverages	3 555	4 149	9,5	9,3	5,3
Fermented alcoholic beverages	1 544	1 637	4,1	3,7	2,0
Distilled beverages and wines	1 822	2 346	4,9	5,2	8,8
Other sales	335	447	0,9	1,0	10,1
Total sales of goods	37 490	44 731	100,0	100,0	6,1

*Revised figures.

**Preliminary figures.

Table 18 – Details of income from sales of goods by commodity type in the food and beverages industry, 2015

Commodity type	Restaurants and coffee shops	Takeaway and fast-food outlets	Caterers and other catering services	Total
	R million			
Food and snacks	20 168	15 399	585	36 152
Non-alcoholic beverages	2 653	1 194	302	4 149
Fermented alcoholic beverages	1 176	0	461	1 637
Distilled beverages and wines	1 514	13	819	2 346
Other sales	235	62	150	447
Total sales of goods	25 746	16 668	2 317	44 731

Table 19 – Details of purchases by commodity type in the food and beverages industry, 2012 and 2015

Commodity type	2012*	2015**	2012*	2015**	Annualised % change
	R million		% contribution		
Meat and fish	9 004	11 498	42,1	42,5	8,5
Vegetables, fruits and nuts	2 856	2 915	13,4	10,8	0,7
Dairy products	858	914	4,0	3,4	2,1
Bakery products	1 347	1 396	6,3	5,2	1,2
Other food products	2459	3 581	11,5	13,2	13,3
Alcoholic beverages	2 033	2 459	9,5	9,1	6,5
Non-alcoholic beverages	1 649	2 617	7,7	9,7	16,6
Gas	193	307	0,9	1,1	16,7
Other purchases	977	1 383	4,6	5,1	12,3
Total purchases	21 376	27 070	100,0	100,0	8,2

*Revised figures.

**Preliminary figures.

Table 20 – Details of purchases by commodity type in the food and beverages industry, 2015

Commodity type	Restaurants and coffee shops	Takeaway and fast-food outlets	Caterers and other catering services	Total
	R million			
Meat and fish	6 164	4 192	1 142	11 498
Vegetables, fruits and nuts	1 283	1 019	613	2 915
Dairy products	464	358	92	914
Bakery products	574	574	248	1 396
Other food products	2 175	997	409	3 581
Alcoholic beverages	1 445	7	1 007	2 459
Non-alcoholic beverages	1 384	750	483	2 617
Gas	185	86	36	307
Other purchases	778	417	188	1 383
Total purchases	14 452	8 400	4 218	27 070

Table 21 – Income from sales of goods and services by client base in the food and beverages industry, 2012 and 2015

Type of client	2012*	2015**	2012*	2015**	Annualised % change
	R million		% contribution		
Individuals and households	36 062	41 609	84,1	78,8	4,9
Businesses (including parastatals)	6 411	10 607	14,9	20,1	18,3
Government	412	556	1,0	1,1	10,5
Total	42 885	52 772	100,0	100,0	7,2

*Revised figures.

**Preliminary figures.

Table 22 – Income from sales of goods and services by client base in the food and beverages industry, 2015

Type of service	Individuals and households	Businesses	Government	Total
	R million			
Restaurants and coffee shops	22 739	6 120	278	29 137
Take away and fast-food outlets	15 468	1 222	66	16 756
Caterers and other catering services	3 402	3 265	212	6 879
Total	41 609	10 607	556	52 772

Table 23 – Information and communication technology usage in the food and beverages industry as at the end of June 2015

Type of service	Use computer	Use internet	Use internet banking	Have web page	Receive orders over internet	Place orders over internet	IT outsourced
	% of enterprises						
Restaurants and coffee shops	91,3	89,5	77,7	42,8	19,3	25,0	26,8
Takeaway and fast-food outlets	92,5	91,5	82,1	25,5	4,7	23,6	17,9
Caterers and other catering services	84,7	81,6	64,3	27,6	19,4	19,4	19,4
Total	90,3	88,4	76,1	36,6	16,4	23,7	23,7

Table 24 – Information and communication technology usage in the food and beverages industry as at the end of June 2015

Enterprise size	Use computer	Use internet	Use internet banking	Have web page	Receive orders over internet	Place orders over internet	IT outsourced
	% of enterprises						
Large enterprises	98,1	98,1	89,5	46,8	17,1	26,7	23,8
Medium enterprises	85,5	83,3	65,9	50,0	15,2	30,4	32,6
Small enterprises and micro enterprises	89,7	87,3	76,1	26,6	16,7	19,4	19,4
Total	90,3	88,4	76,1	36,6	16,4	23,7	23,7

Explanatory notes**Background**

The results presented in this publication have been derived from the 2015 food and beverages large sample survey. This is a periodic survey which measures economic activity in the food and beverage sector of the South African economy. This survey is based on a sample of private and public enterprises operating in the food and beverage industry.

The sample was drawn from Stats SA's business register, based on the units registered for value added tax (VAT).

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 1 July 2014 and 30 June 2015.

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, and by private sector users in analyses of 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 recorded for them on the Stats SA business register. Large enterprises are those with an annual recorded turnover of R39 million and above. Table 25 presents the size groups defined using the Department of Trade and Industry (DTI) cut-off points as a guideline.

Table 25 – Size groups for the food and beverages industry, 2015

Size group	Turnover
Large	≥ R39 000 000
Medium	R18 000 000 ≤ VAT turnover < R39 000 000
Small	R15 300 000 ≤ VAT turnover < R18 000 000
Micro	< R15 300 000

Survey methodology and design

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

A sample of approximately 1 500 enterprises was drawn from a frame of enterprises using stratified simple random sampling. The enterprises were first stratified at the five-digit level according to the SIC, and then by size of enterprise. All large, medium and small enterprises were completely enumerated. Turnover as recorded on the business register was used as a measure of size for stratification. The collection rate was 84,3%.

Collection rate

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

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 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 as a result of sampling, and thus avoids the need to refer to the size of the estimate.

Table 26 – Income in the food and beverages industry within 95% confidence limits, 2015

Type of service	Lower limit	Total income	Upper limit	Relative standard error
	R million			%
Restaurants and coffee shops	26 849	30 027	33 205	5,4
Takeaway and fast-food outlets	15 930	17 396	18 862	4,3
Caterers and other catering services	6 316	7 110	7 904	5,7
All food and beverages	50 899	54 533	58 167	3,4

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.

Rounding of figures

The figures in the tables have, where necessary, been rounded to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items of the totals shown.

Abbreviations

BR	Business Register
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

Glossary

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 2015.
Employment costs	The total cost of employment, including salaries, wages, service and other bonuses, allowances (including car allowances), overtime payments, retirement benefits, contributions to medical, pension and provident funds, unemployment insurance and accident funds, and housing subsidies.
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</i> (SNA) in the same way as in the <i>Standard Industrial Classification of all Economic Activities (SIC)</i> , Fifth Edition, Report No. 09-90-02 of January 1993.
Motor vehicles	Motor vehicles include cars, trucks, aircraft, boats, trailers, locomotives and other transport equipment.
Net profit or loss after tax	Total income plus closing value of inventories minus total expenditure minus opening value of inventories minus company tax
Net profit or loss before tax	Total income plus closing value of inventories minus total expenditure minus opening value of inventories

Other expenditure	<p>Other expenditure includes:</p> <p>Custom duties; excise duties; cleaning services (contracted out); interest; pest control; security; repairs and maintenance; management and administration fees; motor vehicle running expenditure, including parts and fuel if not part of operating expenditure; insurance; royalties; franchise fees; severance, termination and redundancy payments; advertising, marketing, promotions; railage and transport-out; professional services, e.g. accounting, audit and other professional services, legal expenses and data processing services; and staff welfare, including amenities (canteen, crèche, gym).</p>
Other income	<p>Other income includes:</p> <p>Custom duties; excise duties; railage and transport-out, pest control; grants received from institutions other than government; donations or sponsorships; and royalties received from enterprises based in South Africa.</p>
Other purchases	<p>Other purchases include:</p> <p>Catering equipment (e.g. tableware, kitchenware, glassware, cutlery, crockery); fruits and nuts; cleaning and polishing materials; glassware and cutlery, crockery and cooking equipment (pans, pots, etc.); consumables (e.g. protective clothing, uniforms, small tools); containers and packaging materials, including load boards and trolleys; electrical and lighting apparatus (e.g. batteries, bulbs, fluorescent tubes, lamps); hard furnishings (e.g. furniture, decorations); paper products (e.g. toilet paper, tissues, paper towels, serviettes); soft furnishings (e.g. curtains, rugs), napery (e.g. tablecloths, napkins) and household linen (e.g. towels, dishcloths); toiletries and cosmetic preparations; other consumer products for resale; and other purchases and transfers-in of goods.</p>
Other sales	<p>Other sales include:</p> <p>Sales from vending machines; tobacco and tobacco products; other sales.</p>
Permanent employees	<p>Permanent employees are employees appointed on an open-ended contract with no stipulated termination date or a fixed-term contract for periods of more than one year.</p>
Profit margin	<p>Profit margin is derived as:</p> <p>Net profit after tax <i>divided by</i> turnover <i>multiplied by</i> 100.</p>
Statistical unit	<p>A statistical unit is a unit of observation or measurement for which statistical data are collected or derived.</p>
Stratum	<p>A stratum is constructed by concatenating the SIC classification and size group variables.</p>

Temporary employees	Temporary employees are employees appointed on a short-term contract basis with a stipulated termination date for periods not exceeding one year.
Turnover	Turnover includes: <ul style="list-style-type: none">• 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.
Working proprietors	Working proprietors include all individual proprietors and partners, whether they earn a salary or not, actively engaged in the work of the enterprise, excluding silent or inactive partners whose principal activity is outside of the enterprise.
Zero values	All rand values less than R500 000.

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