

ECONOMIC SURVEYS SERIES

Reference Year 2010

Introduction

The Singapore Department of Statistics conducts an annual survey on the services industries to collect a wide range of data for studies and analyses. The survey on the services industries was first conducted in 1968 for the reference year 1967 and subsequently at regular intervals. Since 1984, the inquiry was carried out on an annual basis.

The latest survey was carried out in 2011 for reference year 2010. This year, the reports will focus on several services industries of importance to the Singapore economy. This report on *Food & Beverage Services* is the Department's second issue in the series. A final consolidated report on *The Services Sector* will provide a performance overview of the services sector.

24 November 2011

FOOD & BEVERAGE SERVICES

Key Indicators of Food & Beverage Services

	<i><u>% Change</u></i>	<i><u>2009</u></i>	<i><u>2010</u></i>
<i>Establishments (No.)</i>	<i>↑ 3.8 %</i>	<i>5,969</i>	<i>6,197</i>
<i>Employment (No.)</i>	<i>↑ 1.9 %</i>	<i>89,563</i>	<i>91,264</i>
<i>Operating Receipts</i>	<i>↑ 10.6 %</i>	<i>\$5,640 mil</i>	<i>\$6,240 mil</i>
<i>Operating Expenditure</i>	<i>↑ 10.2 %</i>	<i>\$5,371 mil</i>	<i>\$5,918 mil</i>
<i>Operating Surplus</i>	<i>↑ 12.6 %</i>	<i>\$446 mil</i>	<i>\$503 mil</i>
<i>Value Added</i>	<i>↑ 11.2 %</i>	<i>\$1,985 mil</i>	<i>\$2,207 mil</i>

In 2010, the food & beverage (F&B) services industry comprised about 6,200 establishments, an increase of 3.8 per cent compared with 2009. The industry employed some 91,300 workers, or an average of about 15 workers per establishment.

I. ECONOMIC PERFORMANCE

Total operating receipts in the F&B services industry rose 10.6 per cent to \$6,240 million in 2010. On a per establishment basis, operating receipts also increased by 6.6 per cent to \$1 million in 2010.

Total operating expenditure incurred was \$5,918 million in 2010, an increase of 10.2 per cent over 2009. Operating expenditure per establishment also increased from \$899,900 in 2009 to \$954,900 in 2010.

Total operating surplus stood at \$503 million in 2010, registering an increase of 12.6 per cent compared to 2009. Operating surplus per establishment grew by 8.4 per cent to \$81,100 in 2010.

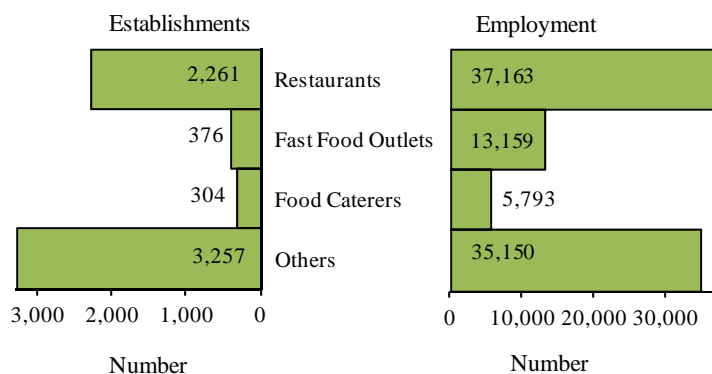
Total value added recorded by the F&B services industry was \$2,207 million in 2010, an increase of 11.2 per cent compared to 2009. On a per establishment basis, value added rose by 7.1 per cent to \$356,100 in 2010.

FOOD & BEVERAGE SERVICES

II . MAIN ACTIVITIES IN FOOD & BEVERAGE SERVICES

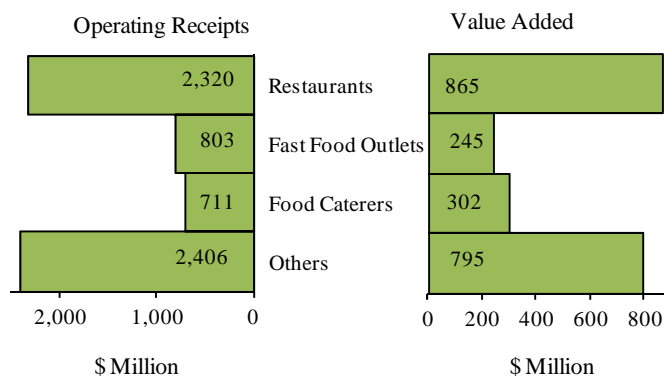
Restaurants constituted a significant 36.5 per cent of the total number of establishments in the F&B services industry in 2010 (Chart 1). They were the largest employer, employing some 37,200 workers in 2010, or an average of 16 workers per establishment. On a per establishment basis, fast food outlets registered the largest average employment size of 35 workers, of which 27 were part-time employees.

Chart 1 - Establishments & Employment, 2010



Operating receipts and value added of restaurants stood at \$2,320 million and \$865 million respectively in 2010, accounting for 37.2 per cent of total operating receipts and 39.2 per cent of total value added of the F&B services industry (Chart 2). Fast food outlets registered growth of 11.0 per cent in turnover and 9.7 per cent in value added over the previous year. Turnover and value added of food caterers increased by 13.1 per cent to \$711 million and 9.9 per cent to \$302 million respectively in 2010.

Chart 2 - Operating Receipts & Value Added, 2010



FOOD & BEVERAGE SERVICES

Purchases of food & beverages and remuneration were the top two business cost items for all F&B services groups in 2010 (Table 1). Together, these two expenses accounted for between 51 per cent and 63 per cent of total operating expenses in the various F&B services groups. Rental payment was the third largest cost item for all F&B services groups except food caterers.

Table 1 : Main Business Costs, 2010

F&B Services	Cost Type and % Share				
	1 st	2 nd	3 rd	4 th	5 th
Restaurants	Rem 31.5	Pur 30.6	Rental 16.3	Utilities 3.9	Dep 3.5
Fast Food Outlets	Pur 27.1	Rem 24.5	Rental 20.5	Royalties 7.1	Utilities 4.1
Food Caterers	Pur 34.4	Rem 27.6	Royalties 9.6	Rental 5.1	Utilities 4.8
Others	Pur 36.2	Rem 26.4	Rental 18.0	Utilities 4.2	Dep 2.6

Notation

Dep:	Depreciation	Rental:	Renting of offices, shops & other premises
Pur:	Purchases of food & beverages for sale	Royalties:	Royalties / franchise & management fees
Rem:	Remuneration	Utilities:	Utilities charges

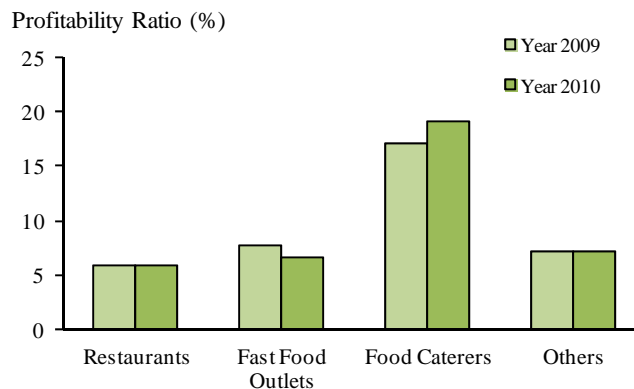
III . KEY PERFORMANCE RATIOS

Profitability Ratio¹ for overall F&B services stood at 8.1 per cent in 2010. Food caterers recorded the highest profitability ratio of 19.2 per cent among all F&B services groups in 2010 (Chart 3). The profitability ratios of restaurants and fast food outlets stood at 6.0 per cent and 6.7 per cent respectively.

¹ Defined as the ratio of operating surplus to operating receipts

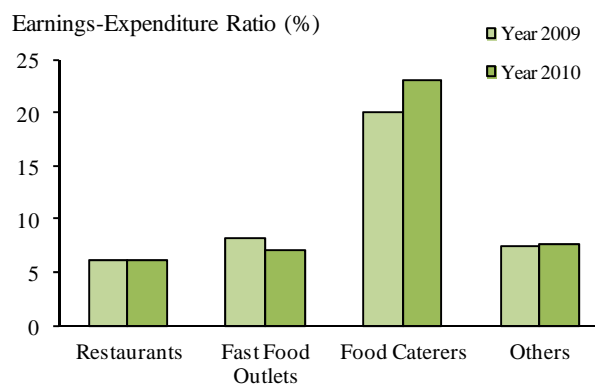
FOOD & BEVERAGE SERVICES

Chart 3 – Profitability Ratio, 2009 & 2010



Earnings-Expenditure Ratio² for overall F&B services was 8.5 per cent in 2010, slightly higher than the 8.3 per cent registered in 2009. Within the F&B services industry, food caterers registered the highest earnings-expenditure ratio of 23.0 per cent in 2010 (Chart 4). The ratios ranged from 6.2 per cent to 7.6 per cent for the other F&B services groups.

Chart 4 - Earnings-Expenditure Ratio, 2009 & 2010



Average Annual Remuneration per Employee was \$18,600 for the F&B services industry in 2010. The average annual remuneration per employee was the highest for food caterers at \$29,300 in 2010 (Table 2). In contrast, fast food outlets which employed a large number of part-timers, had an average annual remuneration of \$14,500.

² Defined as the ratio of operating surplus to operating expenditure

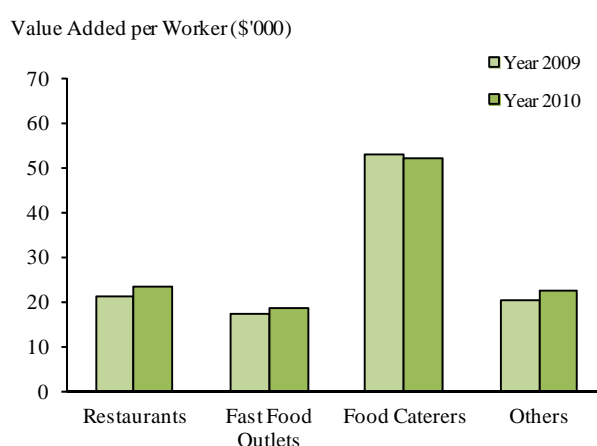
FOOD & BEVERAGE SERVICES

Table 2 : Average Annual Remuneration per Employee, 2009 & 2010

F&B Services	2009 (\$'000)	2010 (\$'000)	Change (%)
Restaurants	18.3	19.4	6.0
Fast Food Outlets	13.3	14.5	9.0
Food Caterers	32.3	29.3	-9.3
Others	15.9	17.7	11.3

Value Added per Worker was \$24,200 for overall F&B services in 2010. Within the industry, food caterers generated the highest value added per worker of \$52,100 in 2010 (Chart 5). The other three F&B groups recorded value added per worker of between \$18,600 and \$23,300.

Chart 5 - Value Added per Worker, 2009 & 2010



IV . PERFORMANCE BY FIRM SIZE

Nearly 99 per cent of F&B establishments were firms with less than 100 workers in 2010 (Table 3). These firms contributed 78.6 per cent and 76.2 per cent of operating receipts and value added of the overall F&B services industry respectively.

Table 3 : Establishments, Operating Receipts & Value Added by Employment Size, 2010

Employment Size	Establishments (Number)	Operating Receipts (\$ Million)	Value Added (\$ Million)
Less than 10	3,515	1,310	430
10 – 99	2,613	3,597	1,250
100 & above	70	1,333	526

The publication on “Food & Beverage Services” containing more detailed statistical tables will be released in 4th Quarter 2011.

FOOD & BEVERAGE SERVICES

Summary Tables

Key Indicators of Food & Beverage Services, 2008-2010

F&B Services	Establishments (Number)			Employment (Number)			Operating Receipts (\$ Million)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Total F&B Services	5,854	5,969	6,197	83,552	89,563	91,264	5,571	5,640	6,240
Restaurants	2,041	2,091	2,261	34,502	36,910	37,163	2,077	2,082	2,320
Fast Food Outlets	306	335	376	11,726	12,930	13,159	678	723	803
Food Caterers	286	289	304	5,106	5,186	5,793	676	629	711
Others	3,221	3,254	3,257	32,218	34,537	35,150	2,139	2,207	2,406

F&B Services	Operating Expenditure (\$ Million)			Operating Surplus (\$ Million)			Value Added (\$ Million)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Total F&B Services	5,351	5,371	5,918	394	446	503	1,930	1,985	2,207
Restaurants	2,038	2,029	2,259	112	123	139	774	785	865
Fast Food Outlets	653	692	775	48	56	54	210	223	245
Food Caterers	569	536	591	124	108	136	278	275	302
Others	2,091	2,114	2,293	109	159	174	668	701	795

Key Indicators of Food & Beverage Services by Employment Size of Firm, 2010

Employment Size	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	6,197	91,264	6,240
Less than 10 persons	3,515	17,804	1,310
10 to 99 persons	2,613	58,985	3,597
100 persons & above	70	14,475	1,333

Employment Size	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	5,918	503	2,207
Less than 10 persons	1,222	102	430
10 to 99 persons	3,432	248	1,250
100 persons & above	1,264	152	526

FOOD & BEVERAGE SERVICES

Key Indicators of Food & Beverage Services by Size of Operating Receipts of Firm, 2010

Size of Operating Receipts	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	6,197	91,264	6,240
Less than \$200,000	1,199	3,989	144
\$200,000 to \$999,999	3,802	37,616	1,971
\$1,000,000 to \$1,999,999	529	11,219	757
\$2,000,000 to \$4,999,999	545	21,648	1,611
\$5,000,000 & above	122	16,793	1,757

Size of Operating Receipts	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	5,918	503	2,207
Less than \$200,000	146	3	61
\$200,000 to \$999,999	1,948	53	651
\$1,000,000 to \$1,999,999	722	50	239
\$2,000,000 to \$4,999,999	1,516	148	560
\$5,000,000 & above	1,587	249	696

Note:

1. Data for 2010 are preliminary.
2. Industries are classified according to the Singapore Standard Industrial Classification (SSIC) 2010.
3. Figures may not add up to the total due to rounding.

FOOD & BEVERAGE SERVICES

Explanatory Note

Objective

The data presented in this report are compiled from the results of the Annual Survey of Services 2010. The objective of the survey is to gather information on the services sector for studying the structure and performance of the various activities in the sector. The data are also used for the compilation of national accounts, input-output tables and other related studies. In addition, the results are used by policy makers, economic planners, academicians, the business community and other interested users in their work.

Scope & Coverage

Food & beverage services comprise establishments engaged in the sale of prepared food and drinks for immediate consumption. The various types of food and beverage services are:

Restaurants

Fast food restaurants

Food caterers

Others

Cafes, coffee houses and snack bars

Food courts, coffee shops and eating houses (with mainly food & beverage income)

Pubs (including bars)

Other restaurants, cafes and bars

Canteens

Hawkers and stall-holders which are not registered with the Accounting & Corporate Regulatory Authority (ACRA) are excluded. Also excluded from the group are eating and drinking places which operate in connection with the provision of lodging.

FOOD & BEVERAGE SERVICES

Definition of Terms

Establishment	Defined as a business or organisation unit engaged in one activity and operating in a single location.
Employment	Refers to paid employees, working directors, working proprietors/partners and unpaid family workers. It includes those temporarily away on medical or casual leave.
Employees	Employment excluding working proprietors and partners.
Operating Receipts	Includes those arising from services rendered, commission charges, sale of goods and rental of premises, machinery and equipment.
Operating Expenditure	Refers to all current expenses connected to the business operations such as purchases of goods and services, remuneration, utilities and professional services. It includes depreciation and adjustment for changes in stocks.
Operating Surplus	Refers to the amount of operating receipts less operating expenditure plus depreciation of fixed assets.
Value Added (At Basic Price)	Comprises operating surplus, remuneration and taxes (less subsidies) on production.
Remuneration	Comprises wages and salaries, employers' contribution to Central Provident Fund/pension funds and other benefits of all employees as well as fees paid to non-working directors.
Depreciation	The value, at current replacement cost, of reproducible fixed assets such as buildings, plants and machinery used during a period of time as a result of normal wear and tear, foreseen obsolescence and the normal rate of accidental damage.
Profitability Ratio	Defined as the ratio of operating surplus to operating receipts. It shows the proportion of operating receipts that is converted to profits.
Earnings-Expenditure Ratio	Defined as the ratio of operating surplus to operating expenditure.