

4

Value-added tax

Introduction

Value-added tax (VAT) is levied at a standard rate of 14 percent by registered vendors on most goods and services subject to certain exemptions, exceptions and zero-ratings provided for in the Value-Added Tax Act (1991). VAT is also levied on the importation of goods and services into South Africa.

This chapter gives an overview of:

- Number of registered VAT vendors
- Domestic VAT: Payments and refunds
- Turnover
- The debate around current VAT concessions.

Number of registered VAT vendors

The number of vendors registered for VAT shows a steady increase of 8 percent per year over the past five years. (See table 4.1.)

Table 4.1: Number of registered VAT vendors, 2002/03 – 2007/08

Number	Registered ¹	Active vendors	Percentage of registered
2002/03	506 098	487 736	96.4%
2003/04	536 281	507 203	94.6%
2004/05	578 138	530 865	91.8%
2005/06	633 703	618 417	97.6%
2006/07	677 153		
2007/08	745 487		

1. As per register as at 31 March of each year.

Excludes coded cases where status is in suspense, estate and address unknown.

Domestic VAT: Payments and refunds

Table 4.1.1¹ and table 4.1.2 show the number of vendors, payments and refunds per sector. The largest number of VAT vendors in 2005/06 was in the financing, insurance, real estate and business services sector (32.5 percent), followed by the agriculture, forestry and fishing (12.9 percent) and the retail trade (10.4 percent) sectors.

¹ Tables numbered in italics are included at the end of the chapter.

Companies in the mining and quarrying sector constitute 0.5 percent of the number of vendors and 3.8 percent of the total gross VAT payments for 2005/06, but are a negative contributor to net VAT (after refunds). The financing, insurance, real estate and business services sector made the largest gross domestic VAT payments in 2005/06, totalling R37.9 billion (29.1 percent).

By payment category

The requirement for monthly VAT payments applies primarily to larger vendors with taxable supplies (turnover) in excess of R30 million per year.

Around 90 percent of vendors submit returns on a bi-monthly basis (see *table 4.2.1*). *Tables 4.2.2 to 4.2.5* provide a breakdown of the various sectors' payments and refunds for the different payment periods.

By type of enterprise

Corporations (companies and close corporations) formed the bulk of VAT vendors in 2005/06 (66.3 percent in 2005/06), followed by individuals – sole proprietors (23.9 percent). Corporations accounted for 89.3 percent of gross domestic VAT collections. (See *table 4.3.1*.)

■ Turnover

For 2006/07, 47.1 percent of VAT vendors registered voluntarily; this means they had an annual turnover of less than R300 000. About 67 percent of VAT vendors had a turnover of R1 million or less, accounting for 1.6 percent of net domestic VAT collections. The top 5 percent of VAT vendors had an annual turnover in excess of R14 million and accounted for 73 percent of the total net domestic VAT collections. It should be noted that less than 1 percent of vendors had an annual turnover greater than R100 million and this category accounted for 44 percent of the net domestic VAT collections. (See *table 4.4.1*.)

Current VAT concessions

Based on the 2005/06 Income and Expenditure Survey (IES)² the poorest 10 percent of households spend on average 34.9 percent of their income on food, beverages and tobacco as opposed to 8 percent for the top 10 percent of high-income households. (See *table 4.5.1*.) The zero-rating of 19 basic foodstuffs and illuminating paraffin was intended to alleviate the impact of VAT on the poor. The basic food items are: brown bread, maize meal, samp, mealie rice, dried mealies, dried beans, lentils, pilchards, milk powder, dairy powder blend, rice, fresh vegetables, fresh fruit, vegetable oil, milk, cultured milk, brown wheaten meal, eggs, legumes and pulses³.

- *Bread and cereals* account for 27.8 percent of the poorest 10 percent of household expenditure on food, beverages and tobacco. The corresponding figure for the top 10 percent of households is 10 percent and 18.9 percent for all households. (See *table 4.5.2*.)
- *Meat* accounts for 19.8 percent of the poorest 10 percent of household expenditure on food, beverages and tobacco. The corresponding figure for the top 10 percent of households is 21.3 percent and 22.8 percent for all households.
- *Vegetables* account for 11.7 percent of the poorest 10 percent of household expenditure on food, beverages and tobacco. The corresponding figure for the top 10 percent of households is 7.5 percent and 9 percent for all households.
- *Milk, cheese and eggs* account for 8 percent of the poorest 10 percent of household expenditure on food, beverages and tobacco. The corresponding figure for the top 10 percent of households is 10 percent and 9 percent for all households.

2. *Statistics South Africa.*

3. *Value-Added Tax Act (1991), Schedule 2, Part B.*

While the VAT zero-rating of basic foodstuffs (and paraffin) is targeted to assist the poor, higher income households also benefit from these concessions. As the non-poor spend significantly more on food, high income households receive greater VAT relief in rand terms. The Katz Commission found that the highest income households benefit approximately six times more in monetary terms than the poorest households. The zero-rating reduces the VAT burden of the poorest households by about 18 percent, compared to a 6 percent reduction for the highest income groups. However, of the total estimated revenue forgone due to the zero-rating, only about a third benefits households in the bottom half of the income distribution⁴.

Impact of VAT zero-ratings

Further, empirical evidence based on household spending patterns suggests that existing VAT zero-ratings and exemptions, almost in all cases, confer substantially more benefits on higher income than on lower income groups. There are very few concessionary items where the absolute spending by lower income expenditure groups exceeds that of higher income expenditure groups. This is particularly true of some "basic foodstuff" items where the share of expenditure by the low income expenditure quintiles is relatively low, given the pattern of income inequality in South Africa⁵.

Table 4.5.3 indicates that the bottom 50 percent of households based on income, account for only 31.9 percent of the total expenditure on food, beverages and tobacco. The top 20 percent of households based on income, account for 37.8 percent of total expenditure on food, beverages and tobacco.

With the exception of maize meal, bread flour and maize rice, the savings derived by higher income groups from current zero-ratings are generally substantially higher than those enjoyed by lower income groups. In absolute terms the total savings from current VAT concessions enjoyed by the high and very high expenditure groups are estimated to have exceeded that accruing to the very low and low expenditure groups by almost R2 825 million in 2006⁶. It should be noted that suppliers of maize meal and fresh milk benefit more from the current zero-rating than consumers, whereas the bulk of the zero-rating benefits in respect of rice and brown bread accrue to consumers.

Efficacy of VAT zero-ratings

It needs to be noted, however, that revenue lost through zero-rating has to be made up elsewhere, most probably through a higher VAT standard rate or higher personal income taxes.

Arguments in favour of VAT zero-rating are based on the assumption that it results in lower absolute and relative prices of zero-rated goods than would have been obtained otherwise. But it is unrealistic to assume that the full benefit of zero-rating will accrue to the consumer in the form of lower prices. The extent of the price change will depend on the market structure and the relevant price elasticities of supply and demand. Even when the differential tax treatment of goods has significant immediate effects on relative prices, these effects normally diminish over time as shifts in demand from taxed goods to non-taxed substitutes tend to raise the prices of non-taxed goods. Also, a significant number of poor consumers purchase their basic necessities from informal businesses that are not VAT vendors or businesses that are subject to limited competition. This is true especially in rural areas, but also applies to urban informal settlements where consumers effectively have limited alternative sources of supply. In such cases the benefits of a VAT zero-rating are unlikely to be passed on to consumers. A prime example is paraffin, where very little of the VAT zero-rating benefit has been passed on to the poor despite the subsequent price regulation measures - the nationally prescribed maximum retail price.

Implications for tax compliance and administration

Differentiated VAT rates involve an increase in compliance costs for businesses, particularly small businesses. A firm that deals in products with different rates, for example, a grocer that sells zero-rated milk along with standard rated soft drinks, has to keep separate accounts for the different rated items. International experience indicates that firms with multiple-rate outputs have up to double the compliance costs of firms with single-rate outputs⁷.

4. *Katz Commission: Interim Report of the Commission of Inquiry into certain aspects of the Tax Structure of South Africa (1994) pg 113*

5. *National Treasury: The VAT Treatment of Merit Goods and Services (2007) pg 115.*

6. *Ibid.*

7. *Crossen S.: VAT in South Africa: Single, Dual or Multiple Rate Structure? (1999) pg. 8.*

It is apparent that relief through VAT zero-rating assists the poor modestly in absolute rand terms, while benefiting the non-poor by substantially greater amounts. There are compelling arguments against further VAT zero-rating of goods in a context where expenditure programmes can provide effective relief from poverty and where such programmes are under-funded or not appropriately targeted.

The impact of VAT on the poor should be considered alongside other components of public expenditure and other forms of tax, most notably the income tax system which is in its design infinitely more suited to address the distributional objectives of government. Further attempts to provide relief to the poor through VAT exemptions and zero-ratings are likely to be both unsound in terms of tax policy and ineffective in terms of social policy. Instead of trying to amend and distort the VAT system, its strengths should be used to generate revenue that will enable the government to help the poor in more effective ways, such as targeted expenditure programmes in the form of social grants. This would be a more positive approach than manipulating VAT to the point where its merits as a revenue-productive, neutral tax instrument are eroded⁸.

8. *Tait A.: Value-Added Tax: International Practice and Problems, IMF (1991) pg. 44*

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Table 4.1.1: Domestic VAT: Payments and refunds by sector, 2002/03 – 2005/06

Sector	2002/03			2003/04			2004/05			2005/06		
	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)
Agencies and other services	33 727	6 025	-4 470	35 994	7 306	-4 283	37 316	8 161	-4 579	43 040	10 852	-5 378
Agriculture, forestry and fishing	75 253	4 143	-4 236	75 957	3 891	-4 436	76 389	4 155	-4 768	80 028	5 412	-6 113
Bricks, ceramic, glass, cement and similar products	1 772	409	-119	1 785	488	-129	1 936	548	-229	2 448	723	-345
Catering and accommodation	15 853	1 235	-202	16 416	1 371	-297	17 267	1 555	-356	20 545	2 001	-462
Chemicals and chemical, rubber and plastic products	4 349	2 337	-1 364	4 443	2 503	-1 351	4 538	2 599	-1 258	4 885	2 787	-1 237
Clothing and footwear	2 319	495	-193	2 302	615	-143	2 293	636	-140	2 360	619	-80
Coal and petroleum products	568	547	-831	573	1 071	-1 273	603	1 713	-2 033	761	2 870	-2 767
Construction	32 535	3 224	-1 037	35 349	3 797	-1 060	37 664	4 574	-1 379	47 785	6 901	-1 930
Educational services	1 863	165	-93	2 035	221	-193	2 122	269	-170	2 474	309	-139
Electricity, gas and water	818	2 608	-182	885	2 502	-150	925	2 395	-110	1 117	2 123	-546
Financing, insurance, real estate and business services	134 605	21 626	-7 097	144 616	25 101	-7 719	158 250	29 456	-8 959	201 012	37 909	-13 125
Food, drink and tobacco	4 090	4 193	-1 720	4 091	4 419	-1 516	4 237	5 443	-1 435	4 805	5 884	-1 455
Leather, leather goods and fur (excl. footwear and clothing)	374	105	-97	369	108	-66	384	114	-88	396	96	-59
Long term insurance	508	1 599	-418	427	1 578	-462	428	1 432	-741	625	883	-1 372
Machinery and related items	9 414	2 571	-1 012	9 559	2 824	-848	9 835	3 054	-874	10 749	3 438	-1 172
Medical, dental and other health and veterinary services	16 585	2 135	-261	16 808	2 452	-160	16 973	2 800	-138	17 908	3 336	-198
Metal	8 159	2 626	-2 148	8 166	2 643	-2 587	8 316	3 546	-2 624	8 945	3 558	-4 272
Mining and quarrying	2 341	2 276	-8 869	2 427	2 430	-10 012	2 572	2 686	-9 757	3 113	5 005	-14 168
Other manufacturing industries	3 505	703	-1 174	3 576	832	-989	3 711	945	-1 034	4 164	1 074	-1 384
Paper, printing and publishing	4 597	1 445	-410	4 646	1 561	-406	4 841	1 706	-467	5 258	2 011	-494
Personal and household services	3 900	265	-24	4 041	287	-29	4 313	344	-32	5 236	403	-48
Recreation and cultural services	3 839	829	-215	3 938	895	-225	4 091	934	-284	4 579	1 237	-243
Research and scientific institutes	536	131	-106	557	176	-104	596	149	-127	709	301	-74
Retail trade	57 874	5 263	-2 343	58 314	6 183	-2 104	58 976	6 947	-2 470	64 581	8 548	-2 758
Scientific, optical and similar equipment	768	153	-120	773	209	-89	798	187	-106	870	237	-91
Social and related community services	2 436	174	-176	2 476	180	-217	2 549	212	-224	2 776	260	-211
Specialised repair services	10 783	707	-504	10 858	739	-215	10 940	871	-172	11 606	1 050	-141
Textiles	1 532	522	-282	1 574	590	-185	1 594	598	-181	1 687	568	-231
Transport equipment	1 065	213	-274	1 107	228	-262	1 203	262	-289	1 444	364	-291
Transport, storage and communications	14 973	5 977	-3 907	15 299	7 200	-3 860	16 270	8 011	-4 081	19 126	9 195	-4 008
Vehicles, parts and accessories	5 047	1 852	-4 505	5 178	2 079	-4 009	5 314	2 568	-4 018	5 987	2 700	-5 987
Wholesale trade	28 627	4 644	-3 425	29 444	5 360	-2 882	30 285	5 807	-2 886	33 514	6 824	-3 650
Wood, wood products and furniture	3 089	427	-246	3 187	466	-245	3 314	604	-262	3 862	774	-195
Other ¹	32	6	-6	33	16	-6	22	13	-4	22	10	-10
Total	487 736	81 631	-52 067	507 203	92 319	-52 528	530 865	105 294	-56 276	618 417	130 061	-74 636

1. Includes where the sector was indicated as Other or where the sector was left blank on the return.

Table 4.1.2: Domestic VAT: Payments and refunds by sector, 2002/03 – 2005/06 [percentage of total]

Sector	2002/03			2003/04			2004/05			2005/06		
	Number of vendors	Payments	Refunds	Number of vendors	Payments	Refunds	Number of vendors	Payments	Refunds	Number of vendors	Payments	Refunds
Percentage of total	6.9%	7.4%	8.6%	7.1%	7.9%	8.2%	7.0%	7.8%	8.1%	7.0%	8.2%	7.2%
Agencies and other services	15.4%	5.1%	8.1%	15.0%	4.2%	8.4%	14.4%	3.9%	8.5%	12.9%	4.2%	8.2%
Agriculture, forestry and fishing	0.4%	0.5%	0.2%	0.4%	0.5%	0.2%	0.4%	0.5%	0.4%	0.4%	0.6%	0.5%
Bricks, ceramic, glass, cement and similar products	3.3%	1.5%	0.4%	3.2%	1.5%	0.6%	3.3%	1.5%	0.6%	3.3%	1.5%	0.6%
Catering and accommodation	0.9%	2.9%	2.6%	0.9%	2.7%	2.6%	0.9%	2.5%	2.2%	0.8%	2.1%	1.7%
Chemicals and chemical, rubber and plastic products	0.5%	0.6%	0.4%	0.5%	0.7%	0.3%	0.4%	0.6%	0.2%	0.4%	0.5%	0.1%
Clothing and footwear	0.1%	0.7%	1.6%	0.1%	1.2%	2.4%	0.1%	1.6%	3.6%	0.1%	2.2%	3.7%
Coal and petroleum products	6.7%	3.9%	2.0%	7.0%	4.1%	2.0%	7.1%	4.3%	2.5%	7.7%	5.3%	2.6%
Construction	0.4%	0.2%	0.2%	0.4%	0.2%	0.4%	0.4%	0.3%	0.3%	0.4%	0.2%	0.2%
Educational services	0.2%	3.2%	0.3%	0.2%	2.7%	0.3%	0.2%	2.3%	0.2%	0.2%	1.6%	0.7%
Electricity, gas and water	27.6%	26.5%	13.6%	28.5%	27.2%	14.7%	29.8%	28.0%	15.9%	32.5%	29.1%	17.6%
Financing, insurance, real estate and business services	0.8%	5.1%	3.3%	0.8%	4.8%	2.9%	0.8%	5.2%	2.6%	0.8%	4.5%	2.0%
Food, drink and tobacco	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%
Leather, leather goods and fur (excl. footwear and clothing)	0.1%	2.0%	0.8%	0.1%	1.7%	0.9%	0.1%	1.4%	1.3%	0.1%	0.7%	1.8%
Long term insurance	1.9%	3.2%	1.9%	1.9%	3.1%	1.6%	1.9%	2.9%	1.6%	1.7%	2.6%	1.6%
Machinery and related items	3.4%	2.6%	0.5%	3.3%	2.7%	0.3%	3.2%	2.7%	0.2%	2.9%	2.6%	0.3%
Medical, dental and other health and veterinary services	1.7%	3.2%	4.1%	1.6%	2.9%	4.9%	1.6%	3.4%	4.7%	1.4%	2.7%	5.7%
Metal	0.5%	2.8%	17.0%	0.5%	2.6%	19.1%	0.5%	2.6%	17.3%	0.5%	3.8%	19.0%
Mining and quarrying	0.7%	0.9%	2.3%	0.7%	0.9%	1.9%	0.7%	0.9%	1.8%	0.7%	0.8%	1.9%
Other manufacturing industries	0.9%	1.8%	0.8%	0.9%	1.7%	0.8%	0.9%	1.6%	0.8%	0.9%	1.5%	0.7%
Paper, printing and publishing	0.8%	0.3%	0.0%	0.8%	0.3%	0.1%	0.8%	0.3%	0.1%	0.8%	0.3%	0.1%
Personal and household services	0.8%	1.0%	0.4%	0.8%	1.0%	0.4%	0.8%	0.9%	0.5%	0.7%	1.0%	0.3%
Recreation and cultural services	0.1%	0.2%	0.2%	0.1%	0.2%	0.2%	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%
Research and scientific institutes	11.9%	6.4%	4.5%	11.5%	6.7%	4.0%	11.1%	6.6%	4.4%	10.4%	6.6%	3.7%
Retail trade	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.2%	0.1%
Scientific, optical and similar equipment	0.5%	0.2%	0.3%	0.5%	0.2%	0.4%	0.5%	0.2%	0.4%	0.4%	0.2%	0.3%
Social and related community services	2.2%	0.9%	1.0%	2.1%	0.8%	0.4%	2.1%	0.8%	0.3%	1.9%	0.8%	0.2%
Specialised repair services	0.3%	0.6%	0.5%	0.3%	0.6%	0.4%	0.3%	0.6%	0.3%	0.3%	0.4%	0.3%
Textiles	0.2%	0.3%	0.5%	0.2%	0.2%	0.5%	0.2%	0.2%	0.5%	0.2%	0.3%	0.4%
Transport equipment	3.1%	7.3%	7.5%	3.0%	7.8%	7.3%	3.1%	7.6%	7.3%	3.1%	7.1%	5.4%
Transport, storage and communications	1.0%	2.3%	8.7%	1.0%	2.3%	7.6%	1.0%	2.4%	7.1%	1.0%	2.1%	8.0%
Vehicles, parts and accessories	5.9%	5.7%	6.6%	5.8%	5.8%	5.5%	5.7%	5.5%	5.1%	5.4%	5.2%	4.9%
Wholesale trade	0.6%	0.5%	0.5%	0.6%	0.5%	0.5%	0.6%	0.6%	0.5%	0.6%	0.6%	0.3%
Wood, wood products and furniture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 4.2.1: Domestic VAT: Payments and refunds by payment category, 2002/03 – 2005/06

Payment category	2002/03			2003/04			2004/05			2005/06		
	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)
A: Monthly	24 159	56 675	-42 571	24 524	64 800	-42 250	25 035	74 328	-44 349	31 016	89 703	-57 850
B: Bi-Monthly (Jan)	185 556	10 601	-3 610	192 637	11 746	-3 895	203 721	13 370	-4 791	238 497	17 332	-6 736
C: Bi-Monthly (Feb)	245 799	13 896	-5 590	258 621	15 415	-6 091	271 438	17 295	-6 869	318 177	22 599	-9 716
D: 4 Monthly	—	—	—	—	—	—	—	—	—	1 063	24	-12
E: 6 Monthly	31 196	444	-289	30 505	339	-287	29 776	284	-263	28 456	382	-318
F: Annually	1 026	15	-7	916	20	-5	895	18	-4	1 208	21	-5
Total	487 736	81 631	-52 067	507 203	92 319	-52 528	530 865	105 294	-56 276	618 417	130 061	-74 636
Percentage of total												
A: Monthly	5.0%	69.4%	81.8%	4.8%	70.2%	80.4%	4.7%	70.6%	78.8%	5.0%	69.0%	77.5%
B: Bi-Monthly (Jan)	38.0%	13.0%	6.9%	38.0%	12.7%	7.4%	38.4%	12.7%	8.5%	38.6%	13.3%	9.0%
C: Bi-Monthly (Feb)	50.4%	17.0%	10.7%	51.0%	16.7%	11.6%	51.1%	16.4%	12.2%	51.5%	17.4%	13.0%
D: 4 Monthly	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%
E: 6 Monthly	6.4%	0.5%	0.6%	6.0%	0.4%	0.5%	5.6%	0.3%	0.5%	4.6%	0.3%	0.4%
F: Annually	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 4.2.2: Domestic VAT: Payments and refunds by sector (for vendors that submit monthly returns), 2002/03 – 2005/06

Sector	2002/03			2003/04			2004/05			2005/06		
	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)
Agencies and other services	2 216	4 035	-3 788	2 284	5 005	-3 544	2 274	5 592	-3 763	2 645	7 426	-4 399
Agriculture, forestry and fishing	1 116	1 778	-1 590	1 140	1 675	-1 588	1 145	1 988	-1 791	1 338	2 477	-2 330
Bricks, ceramic, glass, cement and similar products	141	291	-95	130	349	-107	139	378	-187	186	516	-289
Catering and accommodation	485	608	-40	477	651	-87	469	722	-93	532	869	-88
Chemicals and chemical, rubber and plastic products	618	1 969	-1 250	624	2 095	-1 251	612	2 155	-1 159	703	2 299	-1 122
Clothing and footwear	165	299	-157	161	411	-117	162	430	-111	169	420	-55
Coal and petroleum products	105	523	-815	105	1 043	-1 251	114	1 681	-2 012	143	2 826	-2 741
Construction	1 390	1 561	-635	1 368	1 899	-548	1 393	2 329	-718	1 888	3 641	-1 002
Educational services	67	69	-60	67	83	-140	70	107	-117	74	125	-94
Electricity, gas and water	64	2 554	-158	65	2 441	-129	69	2 335	-74	93	2 039	-522
Financing, insurance, real estate and business services	5 044	13 842	-4 697	5 385	16 229	-4 962	5 731	18 978	-5 234	7 756	23 220	-6 769
Food, drink and tobacco	591	3 983	-1 591	566	4 185	-1 378	557	5 186	-1 289	635	5 590	-1 290
Leather, leather goods and fur (excl. footwear and clothing)	41	70	-91	40	72	-58	40	78	-78	42	63	-51
Long term insurance	207	1 556	-355	189	1 537	-373	189	1 401	-605	401	851	-1 204
Machinery and related items	671	1 808	-843	676	1 989	-708	664	2 154	-732	777	2 381	-999
Medical, dental and other health and veterinary services	414	1 035	-195	407	1 268	-84	401	1 496	-63	454	1 683	-95
Metal	773	1 851	-2 055	770	1 815	-2 499	762	2 660	-2 524	901	2 517	-4 113
Mining and quarrying	472	1 992	-8 702	498	2 147	-9 854	519	2 374	-9 583	656	4 607	-13 867
Other manufacturing industries	298	486	-1 116	309	589	-932	308	679	-965	347	754	-1 313
Paper, printing and publishing	344	1 089	-340	337	1 162	-342	337	1 271	-375	399	1 536	-424
Personal and household services	94	84	-3	91	99	-1	91	123	-3	97	127	-5
Recreation and cultural services	195	584	-108	192	600	-111	192	631	-176	229	864	-132
Research and scientific institutes	41	81	-90	43	119	-83	40	86	-102	47	232	-46
Retail trade	3 084	3 470	-1 734	3 100	4 182	-1 509	3 227	4 717	-1 785	4 059	5 883	-1 929
Scientific, optical and similar equipment	55	94	-110	54	141	-77	54	117	-95	68	154	-74
Social and related community services	217	41	-88	217	50	-115	221	62	-113	222	78	-80
Specialised repair services	263	203	-455	252	188	-168	243	254	-115	275	302	-63
Textiles	202	393	-249	198	455	-160	190	461	-158	220	431	-197
Transport equipment	84	150	-231	84	165	-218	85	191	-234	112	263	-230
Transport, storage and communications	1 170	5 076	-3 391	1 126	6 275	-3 312	1 169	6 943	-3 534	1 322	7 853	-3 288
Vehicles, parts and accessories	597	1 567	-4 449	601	1 770	-3 962	605	2 226	-3 963	745	2 329	-5 912
Wholesale trade	2 725	3 308	-2 888	2 751	3 855	-2 377	2 745	4 177	-2 375	3 246	4 894	-2 979
Wood, wood products and furniture	207	223	-199	214	242	-197	215	336	-220	232	446	-139
Other ¹	3	3	-5	3	13	-6	3	9	-4	3	6	-10
Total	24 159	56 675	-42 571	24 524	64 800	-42 250	25 035	74 328	-44 349	31 016	89 703	-57 850

1. Includes where the sector was indicated as Other or where the sector was left blank on the return.

Table 4.2.3: Domestic VAT: Payments and refunds by sector (for vendors that submit bi-monthly returns in January), 2002/03 – 2005/06

Sector	2002/03			2003/04			2004/05			2005/06		
	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)
Agencies and other services	13 863	870	-317	14 699	1 027	-330	15 410	1 158	-360	17 830	1 438	-440
Agriculture, forestry and fishing	13 960	554	-703	14 359	535	-766	14 805	555	-850	16 096	707	-980
Bricks, ceramic, glass, cement and similar products	729	47	-9	738	54	-8	812	69	-18	979	85	-23
Catering and accommodation	6 598	265	-70	6 801	304	-87	7 107	356	-112	8 454	475	-151
Chemicals and chemical, rubber and plastic products	1 648	162	-47	1 657	179	-40	1 702	192	-45	1 812	220	-52
Clothing and footwear	946	90	-15	926	94	-10	921	96	-11	962	92	-12
Coal and petroleum products	204	11	-8	197	12	-10	218	17	-9	269	21	-8
Construction	13 597	728	-151	14 780	833	-215	15 764	983	-267	19 938	1 463	-395
Educational services	774	44	-18	857	62	-27	902	64	-31	1 063	68	-27
Electricity, gas and water	303	22	-12	355	28	-8	371	25	-12	464	34	-11
Financing, insurance, real estate and business services	56 133	3 466	-970	59 952	3 882	-1 127	66 307	4 628	-1 650	84 054	6 527	-2 868
Food, drink and tobacco	1 502	93	-53	1 468	99	-54	1 573	110	-59	1 743	121	-88
Leather, leather goods and fur (excl. footwear and clothing)	139	14	-2	135	13	-2	141	16	-3	141	14	-5
Long term insurance	144	13	-36	110	16	-57	104	11	-71	99	13	-80
Machinery and related items	3 974	354	-74	4 021	398	-63	4 221	427	-61	4 558	507	-74
Medical, dental and other health and veterinary services	7 386	510	-30	7 456	550	-35	7 543	607	-38	7 877	741	-44
Metal	3 382	349	-36	3 344	372	-36	3 422	404	-42	3 572	475	-64
Mining and quarrying	752	116	-52	790	118	-48	846	128	-81	1 000	159	-127
Other manufacturing industries	1 469	98	-26	1 424	111	-25	1 533	118	-31	1 675	145	-32
Paper, printing and publishing	2 010	161	-33	2 010	183	-34	2 098	204	-56	2 259	228	-35
Personal and household services	1 660	91	-9	1 742	85	-12	1 868	105	-12	2 233	123	-16
Recreation and cultural services	1 597	113	-49	1 636	140	-50	1 739	137	-52	1 894	157	-57
Research and scientific institutes	224	22	-11	234	27	-15	260	31	-14	303	31	-9
Retail trade	24 286	784	-254	24 211	872	-249	24 332	988	-289	26 316	1 157	-360
Scientific, optical and similar equipment	331	30	-6	321	33	-6	327	31	-5	357	37	-7
Social and related community services	1 137	57	-43	1 153	60	-63	1 181	73	-62	1 291	83	-71
Specialised repair services	4 712	228	-23	4 668	251	-20	4 742	278	-25	5 009	333	-31
Textiles	621	58	-12	619	61	-10	618	59	-10	662	63	-14
Transport equipment	434	30	-21	441	27	-27	492	31	-26	574	45	-26
Transport, storage and communications	6 080	414	-234	6 210	417	-206	6 581	479	-209	7 709	593	-304
Vehicles, parts and accessories	2 036	125	-23	2 114	140	-22	2 131	153	-25	2 337	168	-30
Wholesale trade	11 673	596	-238	11 905	666	-221	12 289	722	-233	13 393	870	-271
Wood, wood products and furniture	1 234	86	-24	1 284	95	-22	1 351	116	-19	1 564	140	-24
Other ¹	18	0	-0	20	1	-0	10	0	-0	10	0	-0
Total	185 556	10 601	-3 610	192 637	11 746	-3 895	203 721	13 370	-4 791	238 497	17 332	-6 736

1. Includes where the sector was indicated as Other or where the sector was left blank on the return.

Table 4.2.4: Domestic VAT: Payments and refunds by sector (for vendors that submit bi-monthly returns in February), 2002/03 – 2005/06

Sector	2002/03			2003/04			2004/05			2005/06		
	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)
Agencies and other services	17 641	1 119	-364	19 000	1 272	-409	19 618	1 409	-455	22 477	1 786	-538
Agriculture, forestry and fishing	28 741	1 363	-1 651	29 713	1 337	-1 795	30 429	1 325	-1 864	33 779	1 840	-2 481
Bricks, ceramic, glass, cement and similar products	902	71	-16	917	85	-13	985	101	-24	1 280	122	-33
Catering and accommodation	8 767	361	-92	9 134	414	-123	9 685	474	-150	11 509	654	-223
Chemicals and chemical, rubber and plastic products	2 083	207	-67	2 162	228	-59	2 224	251	-55	2 368	269	-63
Clothing and footwear	1 208	106	-21	1 215	110	-15	1 210	111	-17	1 226	107	-13
Coal and petroleum products	259	13	-9	271	15	-12	270	16	-12	349	23	-17
Construction	17 547	934	-251	19 200	1 065	-297	20 505	1 263	-393	25 909	1 796	-533
Educational services	1 021	51	-15	1 111	77	-26	1 150	98	-22	1 329	116	-18
Electricity, gas and water	451	32	-12	465	32	-13	485	36	-24	559	50	-14
Financing, insurance, real estate and business services	72 778	4 310	-1 427	78 643	4 979	-1 627	85 596	5 839	-2 072	107 876	8 135	-3 479
Food, drink and tobacco	1 995	117	-76	2 055	134	-83	2 105	147	-87	2 421	173	-78
Leather, leather goods and fur (excl. footwear and clothing)	194	21	-4	194	23	-5	203	20	-7	213	20	-4
Long term insurance	156	30	-27	127	25	-32	134	19	-66	125	19	-87
Machinery and related items	4 769	409	-95	4 862	438	-77	4 950	473	-81	5 400	550	-100
Medical, dental and other health and veterinary services	8 784	591	-35	8 944	634	-41	9 029	696	-38	9 543	912	-58
Metal	4 004	427	-56	4 052	455	-52	4 132	482	-58	4 466	566	-95
Mining and quarrying	1 117	168	-115	1 138	166	-110	1 206	184	-93	1 455	238	-174
Other manufacturing industries	1 737	119	-32	1 842	132	-33	1 869	148	-38	2 134	175	-39
Paper, printing and publishing	2 243	196	-36	2 299	215	-30	2 406	231	-35	2 592	247	-34
Personal and household services	2 146	90	-12	2 208	103	-15	2 354	117	-17	2 895	153	-27
Recreation and cultural services	2 047	132	-58	2 110	154	-63	2 160	167	-56	2 440	215	-54
Research and scientific institutes	271	27	-5	280	29	-6	296	32	-11	351	38	-19
Retail trade	30 502	1 010	-355	30 998	1 128	-346	31 415	1 242	-397	34 115	1 506	-468
Scientific, optical and similar equipment	382	29	-5	398	35	-6	417	39	-6	444	47	-10
Social and related community services	1 081	76	-46	1 105	69	-49	1 146	77	-49	1 257	100	-60
Specialised repair services	5 807	276	-26	5 936	300	-27	5 954	339	-32	6 301	414	-47
Textiles	709	70	-21	757	74	-15	786	79	-13	805	74	-21
Transport equipment	545	33	-22	580	36	-31	624	40	-28	755	56	-35
Transport, storage and communications	7 611	486	-280	7 955	508	-342	8 511	588	-338	10 016	748	-416
Vehicles, parts and accessories	2 414	159	-33	2 463	170	-25	2 578	189	-30	2 900	202	-44
Wholesale trade	14 229	740	-300	14 788	839	-284	15 250	908	-277	16 821	1 059	-400
Wood, wood products and furniture	1 647	118	-23	1 689	130	-27	1 747	152	-24	2 058	187	-32
Other ¹	11	3	-0	10	2	-0	9	3	-0	9	3	-
Total	245 799	13 896	-5 590	258 621	15 415	-6 091	271 438	17 295	-6 869	318 177	22 599	-9 716

1. Includes where the sector was indicated as Other or where the sector was left blank on the return.

Table 4.2.5: Domestic VAT: Payments and refunds by sector (for vendors that submit quarterly, bi-annually, annually returns), 2002/03 – 2005/06

Sector	2002/03			2003/04			2004/05			2005/06		
	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)	Number of vendors	Payments (R million)	Refunds (R million)
Agencies and other services	7	0	-0	11	2	-0	14	1	-0	88	2	-0
Agriculture, forestry and fishing	31 436	448	-292	30 745	344	-288	30 010	286	-264	28 815	388	-321
Bricks, ceramic, glass, cement and similar products	-	-	-	-	-	-	-	-	-	3	0	-0
Catering and accommodation	3	2	-0	4	2	-1	6	2	-0	50	4	-1
Chemicals and chemical, rubber and plastic products	-	-	-	-	-	-	-	-	-	2	0	-
Clothing and footwear	-	-	-	-	-	-	-	-	-	3	0	-0
Coal and petroleum products	1	0	-	1	0	-	1	0	-0	-	-	-
Construction	1	0	-	1	0	-	2	0	-0	50	1	-1
Educational services	1	0	-	-	-	-	-	-	-	8	0	-0
Electricity, gas and water	-	-	-	-	-	-	-	-	-	1	0	-0
Financing, insurance, real estate and business services	650	9	-3	636	11	-3	616	11	-3	1 326	27	-8
Food, drink and tobacco	2	0	-0	2	0	-0	2	0	-	6	0	-0
Leather, leather goods and fur (excl. footwear and clothing)	-	-	-	-	-	-	-	-	-	-	-	-
Long term insurance	1	0	-0	1	0	-	1	0	-	-	-	-
Machinery and related items	-	-	-	-	-	-	-	-	-	14	0	-0
Medical, dental and other health and veterinary services	1	0	-0	1	-	-0	-	-	-	34	1	-0
Metal	-	-	-	-	-	-	-	-	-	6	0	-0
Mining and quarrying	-	-	-	1	0	-	1	0	-	2	0	-
Other manufacturing industries	1	-	-0	1	0	-	1	0	-	8	0	-0
Paper, printing and publishing	-	-	-	-	-	-	-	-	-	8	0	-0
Personal and household services	-	-	-	-	-	-	-	-	-	11	0	-0
Recreation and cultural services	-	-	-	-	-	-	-	-	-	16	0	-1
Research and scientific institutes	-	-	-	-	-	-	-	-	-	8	0	-0
Retail trade	2	0	-0	5	0	-0	2	0	-	91	1	-1
Scientific, optical and similar equipment	-	-	-	-	-	-	-	-	-	1	0	-
Social and related community services	1	0	-	1	0	-0	1	0	-	6	0	-0
Specialised repair services	1	0	-	2	0	-	1	0	-	21	0	-0
Textiles	-	-	-	-	-	-	-	-	-	-	-	-
Transport equipment	2	0	-	2	0	-	2	0	-0	3	0	-0
Transport, storage and communications	112	0	-1	8	0	-0	9	1	-0	79	1	-0
Vehicles, parts and accessories	-	-	-	-	-	-	-	-	-	5	0	-0
Wholesale trade	-	-	-	-	-	-	1	0	-	54	1	-0
Wood, wood products and furniture	1	0	-	-	-	-	1	0	-	8	1	-0
Other ¹	-	-	-	-	-	-	-	-	-	-	-	-
Total	32 222	459	-297	31 421	359	-292	30 671	301	-267	30 727	427	-334

1. Includes where the sector was indicated as Other or where the sector was left blank on the return.

Table 4.3.1: Domestic VAT: Payments and refunds by type of enterprise, 2002/03 – 2005/06

Type of enterprise	2002/03				2003/04				2004/05				2005/06			
	Number of vendors	Payments (R million)	Refunds (R million)		Number of vendors	Payments (R million)	Refunds (R million)		Number of vendors	Payments (R million)	Refunds (R million)		Number of vendors	Payments (R million)	Refunds (R million)	
A : Individual	142 581	3 828	-1 949		142 505	3 965	-2 116		141 435	4 304	-2 129		147 566	5 384	-2 592	
B : Partnership	17 942	2 083	-1 269		17 622	2 133	-1 419		17 429	2 224	-1 436		17 533	3 036	-2 096	
C : Company/Close corporation	291 199	70 981	-46 711		310 027	81 260	-46 603		333 451	93 578	-49 710		410 235	116 112	-65 746	
D : Local/Public authority	793	2 485	-819		725	2 560	-898		728	2 418	-1 254		880	2 207	-1 990	
E : Association not for gain	2 444	661	-372		2 511	789	-446		2 586	991	-566		2 841	1 044	-384	
F : Estate/Trust	30 588	1 257	-720		31 640	1 385	-808		33 060	1 532	-987		37 204	2 049	-1 446	
G : Club	947	131	-146		927	138	-145		918	156	-100		860	138	-221	
H : Welfare organisation	1 166	17	-74		1 170	18	-89		1 186	26	-92		1 235	29	-121	
Other	76	187	-7		76	72	-5		72	64	-4		63	62	-41	
Total	487 736	81 631	-52 067		507 203	92 319	-52 528		530 865	105 294	-56 276		618 417	130 061	-74 636	
Percentage of total																
A : Individual	29.2%	4.7%	3.7%		28.1%	4.3%	4.0%		26.6%	4.1%	3.8%		23.9%	4.1%	3.5%	
B : Partnership	3.7%	2.6%	2.4%		3.5%	2.3%	2.7%		3.3%	2.1%	2.6%		2.8%	2.3%	2.8%	
C : Company/Close corporation	59.7%	87.0%	89.7%		61.1%	88.0%	88.7%		62.8%	88.9%	88.3%		66.3%	89.3%	88.1%	
D : Local/Public authority	0.2%	3.0%	1.6%		0.1%	2.8%	1.7%		0.1%	2.3%	2.2%		0.1%	1.7%	2.7%	
E : Association not for gain	0.5%	0.8%	0.7%		0.5%	0.9%	0.8%		0.5%	0.9%	1.0%		0.5%	0.8%	0.5%	
F : Estate/Trust	6.3%	1.5%	1.4%		6.2%	1.5%	1.5%		6.2%	1.5%	1.8%		6.0%	1.6%	1.9%	
G : Club	0.2%	0.2%	0.3%		0.2%	0.1%	0.3%		0.2%	0.1%	0.2%		0.1%	0.1%	0.3%	
H : Welfare organisation	0.2%	0.0%	0.1%		0.2%	0.0%	0.2%		0.2%	0.0%	0.2%		0.2%	0.0%	0.2%	
Other	0.0%	0.2%	0.0%		0.0%	0.1%	0.0%		0.0%	0.1%	0.0%		0.0%	0.0%	0.1%	
Total	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%		100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	

Table 4.4.1: Domestic VAT: Vendors per annualised turnover (payments and refunds), 2006/07

Turnover category	Number of vendors	Turnover ¹ (R million)	Payments (R million)	Refunds (R million)
A: 0 to 100 000	222 306	2 683	1 830	-5 537
B: 100 001 to 200 000	39 018	5 726	514	-683
C: 200 001 to 300 000	30 987	7 675	593	-561
D: 300 001 to 500 000	49 320	19 433	1 303	-782
E: 500 001 to 700 000	35 968	21 385	1 329	-737
F: 700 001 to 1 000 000	38 118	31 951	1 857	-793
G: 1 000 001 to 2 000 000	68 457	97 279	5 211	-1 797
H: 2 000 001 to 3 000 000	32 573	79 657	3 896	-1 190
I: 3 000 001 to 5 000 000	31 960	123 393	5 583	-1 754
J: 5 000 001 to 10 000 000	29 737	208 438	8 636	-2 467
K: 10 000 001 to 14 000 000	10 534	124 225	4 730	-1 347
L: 14 000 001 to 20 000 000	8 381	139 757	5 001	-1 617
M: 20 000 001 to 30 000 000	7 232	175 919	5 840	-1 876
N: 30 000 001 to 50 000 000	6 009	231 596	7 787	-2 843
O: 50 000 000 to 100 000 000	4 922	342 989	11 009	-3 820
P: 100 million +	5 194	3 893 931	77 067	-47 843
Total	620 716	5 506 039	142 186	-75 645
Percentage of total				
A: 0 to 100 000	35.8%	0.0%	1.3%	7.3%
B: 100 001 to 200 000	6.3%	0.1%	0.4%	0.9%
C: 200 001 to 300 000	5.0%	0.1%	0.4%	0.7%
D: 300 001 to 500 000	7.9%	0.4%	0.9%	1.0%
E: 500 001 to 750 000	5.8%	0.4%	0.9%	1.0%
F: 750 001 to 1 000 000	6.1%	0.6%	1.3%	1.0%
G: 1 000 001 to 2 000 000	11.0%	1.8%	3.7%	2.4%
H: 2 000 001 to 3 000 000	5.2%	1.4%	2.7%	1.6%
I: 3 000 001 to 5 000 000	5.1%	2.2%	3.9%	2.3%
J: 5 000 001 to 10 000 000	4.8%	3.8%	6.1%	3.3%
K: 10 000 001 to 14 000 000	1.7%	2.3%	3.3%	1.8%
L: 14 000 001 to 20 000 000	1.4%	2.5%	3.5%	2.1%
M: 20 000 001 to 30 000 000	1.2%	3.2%	4.1%	2.5%
N: 30 000 001 to 50 000 000	1.0%	4.2%	5.5%	3.8%
O: 50 000 000 to 100 000 000	0.8%	6.2%	7.7%	5.0%
P: 100 million +	0.8%	70.7%	54.2%	63.2%
Total	100.0%	100.0%	100.0%	100.0%

1. VAT exclusive.

Table 4.5.1: Household consumption expenditure by main expenditure group and income deciles, 2005/06

Main expenditure group	Income deciles										Total
	Lower	2	3	4	5	6	7	8	9	Upper	
Food and non-alcoholic beverages	32.8%	33.2%	30.9%	29.7%	28.9%	26.1%	22.2%	16.8%	11.1%	7.3%	14.4%
Alcoholic beverages and tobacco	2.1%	2.2%	1.7%	1.8%	1.8%	2.1%	1.9%	1.4%	1.0%	0.7%	1.2%
Clothing and footwear	8.2%	8.0%	8.3%	8.2%	8.2%	7.6%	7.6%	6.2%	4.4%	3.1%	5.0%
Housing, water, electricity, gas and other fuels	18.9%	17.6%	19.0%	18.3%	18.3%	18.3%	19.9%	22.4%	24.7%	26.3%	23.6%
Furnishings, household equipment and routine maintenance of the dwelling	6.2%	7.2%	8.2%	8.3%	7.8%	8.4%	7.8%	7.3%	5.9%	6.6%	6.9%
Health	1.3%	1.7%	1.6%	1.6%	1.8%	1.7%	1.4%	1.6%	1.6%	1.8%	1.7%
Transport	10.5%	12.3%	10.9%	10.9%	11.4%	13.2%	14.3%	16.4%	22.9%	24.0%	19.9%
Communication	3.0%	2.9%	3.3%	3.2%	3.5%	3.4%	3.9%	3.7%	3.6%	3.5%	3.5%
Recreation and culture	2.2%	2.2%	3.1%	3.1%	3.6%	3.9%	4.2%	3.8%	4.3%	5.6%	4.6%
Education	2.2%	1.9%	1.8%	2.0%	2.0%	1.7%	2.4%	3.9%	2.7%	2.2%	2.4%
Restaurants and hotels	4.2%	2.3%	2.2%	2.1%	2.3%	2.7%	2.6%	2.0%	2.1%	2.1%	2.2%
Miscellaneous goods and services	8.2%	8.3%	8.7%	10.7%	10.3%	10.7%	11.5%	14.3%	15.4%	16.5%	14.4%
Other unclassified expenses	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Table 2.13 of 2005/06 Income and Expenditure Survey (IES), Statistics South Africa.

Table 4.5.2: Household consumption expenditure by third expenditure group and income deciles for Food, beverages and tobacco, 2005/06

Third expenditure group	Income deciles										Total
	Lower	2	3	4	5	6	7	8	9	Upper	
Food and non-alcoholic beverages	94.0%	93.8%	94.8%	94.3%	94.1%	92.6%	92.1%	92.3%	91.7%	91.3%	92.3%
Bread and cereals	27.8%	28.1%	28.1%	26.7%	24.6%	22.5%	21.0%	18.7%	14.0%	10.0%	18.9%
Meat	19.8%	19.9%	21.3%	22.5%	24.3%	24.6%	25.5%	25.8%	24.8%	21.3%	22.8%
Fish	3.2%	2.5%	2.8%	3.2%	2.9%	3.2%	2.9%	2.7%	4.1%	3.8%	3.2%
Milk, cheese and eggs	8.0%	7.6%	7.7%	7.9%	8.1%	8.2%	8.7%	9.3%	10.7%	10.0%	9.0%
Oils and fats	4.0%	4.0%	3.7%	3.8%	3.6%	3.2%	3.3%	2.7%	2.5%	2.5%	3.2%
Fruits	1.4%	1.7%	1.8%	1.6%	1.6%	1.8%	2.1%	2.2%	2.5%	3.8%	2.6%
Vegetables	11.7%	11.9%	10.7%	10.2%	9.4%	8.9%	8.3%	8.2%	7.4%	7.5%	9.0%
Sugar, jam, honey, chocolate and confectionery	5.4%	5.6%	5.8%	5.7%	4.9%	5.0%	4.6%	3.8%	4.1%	3.8%	4.5%
Food products n.e.c.	5.2%	5.1%	4.6%	4.4%	5.2%	4.6%	4.1%	4.4%	4.1%	3.8%	4.5%
Coffee, tea and cocoa	1.7%	1.7%	1.8%	1.6%	2.0%	1.8%	1.7%	1.6%	1.7%	1.3%	1.9%
Mineral waters, soft drinks, fruit and vegetable juices	3.4%	3.4%	3.7%	3.8%	4.2%	4.6%	5.0%	5.5%	5.8%	6.3%	5.1%
Unspecified food	2.3%	2.3%	2.8%	2.9%	3.3%	4.3%	5.0%	7.1%	9.9%	17.5%	7.7%
Alcoholic beverages and tobacco	6.0%	6.2%	5.2%	5.7%	5.9%	7.4%	7.9%	7.7%	8.3%	8.8%	7.7%
Spirits	0.3%	0.6%	0.3%	0.3%	0.3%	1.1%	0.8%	0.5%	0.8%	1.3%	0.6%
Wine	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.5%	0.8%	1.3%	0.6%
Beer	2.0%	1.4%	1.1%	1.9%	1.8%	2.1%	1.9%	1.6%	1.7%	1.3%	1.9%
Tobacco	3.4%	4.0%	3.5%	3.2%	3.4%	3.9%	4.8%	4.9%	5.0%	5.0%	4.5%
Total Food, beverages and tobacco	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Based on extract of data from Table 2.15 of 2005/06 Income and Expenditure Survey (IES), Statistics South Africa.

Table 4.5.3: Household consumption expenditure by third expenditure group and income deciles for Food, beverages and tobacco, 2005/06
[percentage across deciles]

Third expenditure group Percentage	Income deciles										Total
	Lower	2	3	4	5	6	7	8	9	Upper	
Food and non-alcoholic beverages	4.6%	5.7%	6.4%	7.5%	8.1%	9.1%	9.8%	11.4%	14.8%	22.5%	100.0%
Bread and cereals	6.6%	8.3%	9.2%	10.2%	10.3%	10.7%	10.7%	10.9%	11.1%	12.1%	100.0%
Meat	3.8%	4.9%	5.8%	7.1%	8.4%	9.8%	10.9%	12.7%	16.1%	20.6%	100.0%
Fish	4.6%	4.5%	5.1%	7.5%	7.2%	8.6%	8.4%	10.1%	17.6%	26.5%	100.0%
Milk, cheese and eggs	4.1%	4.9%	5.4%	6.6%	7.2%	8.3%	9.7%	12.0%	17.5%	24.3%	100.0%
Oils and fats	5.9%	7.3%	7.7%	9.5%	9.3%	9.7%	10.5%	11.4%	12.1%	16.6%	100.0%
Fruits	2.8%	3.8%	4.8%	5.2%	6.0%	6.6%	8.1%	10.5%	17.0%	35.2%	100.0%
Vegetables	6.0%	7.6%	7.5%	8.4%	8.5%	9.2%	9.0%	10.5%	13.0%	20.3%	100.0%
Sugar, jam, honey, chocolate and confectionery	5.4%	6.8%	7.7%	8.9%	8.7%	9.5%	9.5%	9.8%	13.0%	20.7%	100.0%
Food products n.e.c.	5.4%	6.4%	6.7%	7.6%	9.3%	9.3%	9.5%	11.5%	13.7%	20.7%	100.0%
Coffee, tea and cocoa	4.5%	5.7%	6.6%	7.3%	8.9%	8.9%	9.8%	9.7%	14.5%	24.1%	100.0%
Mineral waters, soft drinks, fruit and vegetable juices	3.1%	3.8%	4.5%	5.6%	6.4%	8.5%	9.6%	12.5%	17.5%	28.5%	100.0%
Unspecified food	1.3%	1.6%	2.2%	2.8%	3.3%	5.0%	6.3%	10.1%	18.0%	49.4%	100.0%
Alcoholic beverages and tobacco	3.7%	4.6%	4.5%	5.8%	6.4%	9.0%	10.6%	11.9%	17.3%	26.1%	100.0%
Spirits	2.1%	3.3%	3.3%	3.5%	2.6%	13.4%	7.5%	8.4%	14.1%	41.9%	100.0%
Wine	1.7%	2.2%	1.8%	3.9%	3.3%	3.9%	5.2%	6.3%	20.0%	51.7%	100.0%
Beer	5.3%	4.5%	4.4%	8.1%	9.3%	10.9%	12.4%	11.7%	17.5%	15.9%	100.0%
Tobacco	3.7%	5.3%	5.1%	5.6%	6.5%	8.2%	11.4%	13.5%	17.4%	23.3%	100.0%
Total Food, beverages and tobacco	4.5%	5.6%	6.3%	7.4%	8.0%	9.1%	9.8%	11.4%	15.0%	22.8%	100.0%
Cumulative percentage	4.5%	10.2%	16.4%	23.9%	31.9%	41.0%	50.8%	62.2%	77.2%	100.0%	

Based on extract of data from Table 2.33 of 2005/06 Income and Expenditure Survey (IES), Statistics South Africa.