

**1. SCOPE AND COVERAGE**

*The survey covered all registered establishments engaged in **food and beverage services** which included main activities as follows:*

- i. Food services activities;*
- ii. Catering services activities; and*
- iii. Beverage services activities.*

*Overall coverage in the survey for food and beverage services was 14 industries at 5-digit level under the Malaysia Standard Industrial Classification (MSIC), 2008 Ver 1.0. The complete lists of industries are shown in **Appendix**.*

**2. SOURCE OF ESTABLISHMENTS**

*The main source of updating statistical business frame namely Malaysia Statistical Business Register (MSBR). MSBR is a list of establishments operating in Malaysia which includes the Register of Companies (ROC), Register of Business (ROB) and Limited Liability Partnership (LLP) registered with the Companies Commission of Malaysia (CCM) as well as establishments registered with local authorities and professional bodies. The list in the MSBR is updated regularly based on surveys and censuses conducted by the Department of Statistics Malaysia and administrative data sources from other agencies. The main source of administrative data is from the Companies Commission of Malaysia (CCM). In addition DOSM also works together to obtain the latest information from other agencies such as the Employees' Provident Fund (EPF), the Royal Malaysian Customs Department, the Inland Revenue Board (IRB), local authorities and professional bodies.*

*The frame is updated to take into account new establishments and to record any changes in the status of the establishments such as closed down, not in operation, change in activity and location/ correspondence address so as to ensure that the frame is at the most current status.*

**3. TYPE OF BUSINESS ACTIVITY**

*Type of business activity refers to both principal and secondary activities. The principal activity refers to the activity to which the establishment devoted most of its resources or activity which derived most of its income. Secondary activities are defined as those incidental or ancillary to the principal activity. The classification of the industry of the establishment is based on the principal activity and in accordance with the Malaysia Standard Industrial Classification (MSIC), 2008 Ver 1.0. The MSIC 2008 conforms to the International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 4, United Nations, with modifications to suit local conditions.*

**4. CONCEPTS AND DEFINITIONS**

*The definition adopted in this publication based on the recommendations of the Malaysia Standard Industrial Classification 2008 (MSIC 2008) Version 1.0.*

**Food and beverage services** *includes food and beverage serving activities providing complete meals or drinks fit for immediate consumption, whether in traditional restaurants, self-service or take-away restaurants, whether as permanent or temporary stands with or without seating. Determinant is the fact that meals fit for immediate consumption are offered, not the kind of facility providing them.*

**i. Food service activities**

*This group includes provision of food service to customers, whether they are served while seated or serve themselves from a display of items, whether they eat the prepared meals on the premises, take them out or have them delivered. This includes restaurants and restaurant cum night clubs services; cafeterias/ canteens services; fast-food restaurants services; ice cream trucks services and food stalls services.*

**ii. Catering service activities**

*This group includes catering activities for individuals events or for specified period of time and the operation of food concessions, such as at sports or similar facilities. This*

*includes event/ foods caterers services and other food service activities such as canteens in schools, hospitals and factories.*

**iii. Beverage service activities**

*This group includes the preparation and serving beverages for immediate consumption on the premises. This includes pubs, bars, discotheques, coffee house, cocktail lounges and karaoke services; coffee shops services, and other drinking places n.e.c.*

- 5. SURVEY YEAR**      *Survey year refers to the year in which a survey was conducted.*
- 6. REFERENCE YEAR**      *The reference year of the survey was the calendar year 2021.*
- 7. METHOD OF COLLECTION**      *This survey is generally conducted through three (3) methods, namely:*
- i. Data collection method via Online method through the e-aes portal: This method targets respondents who have used this method for previous routine surveys.*
  - ii. Respondents were given a period of one month to complete and return the questionnaire to the Department.*
  - iii. Face-to-face data collection method: Field work operation is carried out to get feedback from organizations that have not yet given answers from the two methods above and this method also targets organizations that have never been involved in a routine DOSM survey.*
- 8. SAMPLING DESIGN**      *The sampling design of the survey is a one-stage stratified random sampling. Categories of industries at three (3) digit MSIC at state level have been classified as stratum and the establishment as the sampling unit.*
- Each stratum (industry) has been set up into four substrata to ensure the distributed sample takes into account the economic characteristics of the industry. The main substratum is*

heterogeneous and was fully covered. Whereas, other substratum that is homogeneous were sampled.

The main substratum includes large establishments that have significant total revenue in the industry while for the second to fourth substratum is based on micro, small and medium enterprise (SME) categories.

**9. SAMPLE SIZE**

The main statistics used to estimate the sample size is the total revenue. The formula used in the estimation of the sample size for a stratum is as follows:

$$n = \frac{(\sum N_i S_i)^2}{V + \sum N_i S_i^2}$$

where,

- $n$  = Sample size
- $N_i$  = Population size for stratum  $i$
- $S_i^2$  = Variance for stratum  $i$
- $V$  = Desired variance

$$V = RSE^2 \left( \frac{\hat{Y}_i}{Z} \right)^2$$

where,

- $\hat{Y}_i$  = Total revenues for stratum  $i$
- $RSE$  = Relative standard error
- $Z$  = Value of confidence level

Sample is distributed to substratum of the industry using Neyman Allocation Method as follows:

$$n_{hi} = \left( \frac{N_h S_h}{\sum N_h S_h} \right) n'_i$$

$h$  = 2, 3 and 4

$i$  = 1, 2, ...  $k$

where,

$n_{hi}$	=	Sample size for substratum $h$ of stratum $i$
$N_h$	=	Population size for substratum $h$
$S_h$	=	Standard deviation for substratum $h$
$n_i$	=	Sample size for stratum $i$
$h$	=	Substratum
$i$	=	Stratum

The optimum sample size for this survey is 79,481 establishments. Establishments of the large categories were fully covered while establishments of the second to fourth substratum were randomly selected using systematic random sampling.

## 10. WEIGHTS

Weighted analysis is done using sampling weight to ensure that the selected sample can reflect the population survey. The weights required are the sampling design weight and non-response weight.

The sampling design weight for the establishment at stratum  $h$  is as follows:

$$W_h = \frac{N_h}{n_h}, n = 1, \dots, 4$$

where,

$N_h$	=	Total population of substratum $h$
$n_h$	=	Total sample of substratum $h$

Non response weight at substratum  $h$  as below:

$$NRW_h = \frac{1}{n'_h/n_h}, h = 1, \dots, 4$$

where,

$n'_h$  = Number of response sample size for substratum  $h$

$n_h$  = Number of sample size for substratum  $h$

The method of calculating the sampling design weight after the survey (adjusted weight) on substratum  $h$  as below:

$$W'_h = W_h \times NRW_h, h = 1, \dots, 4$$

where,

$W_h$  = Sampling design weight at substratum  $h$

$NRW_h$  = Non response weight at substratum  $h$

**11. REPORTING UNIT** The reporting unit used in the survey was **establishment**. An establishment is defined as "an economic unit that engaged in one activity, under a single legal entity and operating in a single physical location". Each establishment was assigned to an industry classification based on its principal activity.

Each branch of a multi-branch organization at a different location was conceptually treated as a different establishment. The establishment was requested to give separate returns for each activity in terms of value. However, if in practice, the accounts were centrally kept such that it was not possible to obtain separate data for each individual unit or branch. That entity or enterprise was treated as a single reporting unit and allowed to submit a consolidated questionnaire covering all units or branches.

**12. VALUE OF GROSS OUTPUT** The value of gross output for food and beverage services is defined to include the following items:

- Income from sales of food and beverages
- + Value of sales (good / materials purchased for resale without undergoing further processing)
- Cost of goods purchased for resale
- + Royalties, copyrights, licensing and franchise fees
- + Income from management services

- + *Commissions and brokerage earned*
- + *Service charges received*
- + *Rental income received (except land)*
- + *Other operating income*
- + *In-house research and development expenditure*
- + *Built/ self-produced fixed assets*

**13. VALUE OF INTERMEDIATE INPUT**

*The value of intermediate input for food and beverage services is defined to include:*

- Cost of goods purchased for use in preparing food and beverages*
- + *All cost of other supplies consumed*
- + *Expenditure for electricity, water, fuel, lubricants and gas*
- + *Payments for current repairs and maintenance work done by others on fixed assets*
- + *Telecommunication and printing fees*
- + *Operation expenditure*
- + *Payment for data processing and other services related to information technology*
- + *Rental payments excludes rent for use of land*
- + *Advertising and promotion*
- + *Payment for security services*
- + *Royalties paid to non-government organizations / corporate sponsorship*
- + *GST on net purchases which are non-claimable as input tax*
- + *Other operating expenditure*
- + *Fees paid to non-working directors for their attendance at Board of Directors' meetings*
- + *Value of free wearing apparel provided and staff training cost*
- + *Payment to other establishment for providing workers*
- + *Opening stock*
- *Closing stock*

**14. VALUE ADDED**

*Value added is the increment to the value of commodities and services contributed by the establishment. This value added is derived as the difference between the value of gross output and intermediate input.*

**15. NUMBER OF PERSONS ENGAGED**

*Employment covers all persons engaged during December or the last pay period of the reference year. The number of persons engaged was classified under the following categories:*

**a. Working proprietors and active business partners**

*This category refers to all individual proprietors and partners, part-time or full time, who are actively engaged in the work of the establishment. Therefore, excludes silent and inactive partners.*

**b. Unpaid family workers**

*This is defined as all persons (full-time or part-time) in the household of any of the owners of the establishment who perform a specified job and work for a minimum of one third of the normal working time for the establishment, but do not receive regular payment either in cash or in kind for the work done. Such workers generally receive food, shelter and other support as part of the household of an owner but this would continue whether they worked in the establishment or not.*

**c. Paid employees (full-time)**

*This is defined as all paid workers who work for at least 6 hours a day and at least 20 days a month.*

**d. Paid employees (part-time)**

*This is defined as all paid workers who work for less than 6 hours a day and/or less than 20 days a month.*

**16. CATEGORY OF SKILLS**

*Job category has also been categorized according to Malaysia Standard Classification of Occupations 2020 (MASCO) as follow:*

**a. High-skilled**

*Managers, Professionals, Technicians and Associate Professionals;*



**b. Semi-skilled**

*Clerical Support Workers; Service & Sales Workers; Craft & Related Trades Workers; Plant and Machine Operators & Assemblers; and*

**c. Low-skilled**

*Elementary occupations*

**17. VALUE OF FIXED ASSETS**

*Fixed assets covers all goods, new or used, tangible or intangible and repeated & continuously that have a normal economic life span of more than one year. Included are land, buildings and structure, transport equipment, computer and peripheral equipment; other machinery, equipment and furniture and fittings. The research and development expenditure is also treated as capital asset in line with the recommendation of System of National Accounts (SNA) 2008. Value of assets as at the beginning and end of 2021 were based on net book value. Purchases, alterations and major repairs or capital expenditure during the year valued at actual cost incurred. Value of assets sold during the year refers to the realized value.*

**18. ROUNDING**

*The sum of the component figures may not tally with the subtotal or total figures due to rounding.*

**19. PERCENTAGE CHANGE YEAR-ON-YEAR**

*The calculation is based on the following formula:*

$$y_t = y_0 (1 + r)^t$$

*where,*

$$r = \left[ e^{\frac{1}{t} \ln \left( \frac{y_t}{y_0} \right)} - 1 \right] \times 100$$

*where,*

$y_t$	=	Value at current year
$y_0$	=	Value at previous year
$t$	=	Number of years, $y_t - y_0$
$r$	=	Compound annual growth rate

**20. SYMBOLS AND  
ABBREVIATIONS**

&	: <i>and</i>
%	: <i>per cent</i>
-	: <i>nil</i>
<i>etc.</i>	: <i>et cetera</i>
<i>RM</i>	: <i>Ringgit Malaysia</i>
<i>n.e.</i>	: <i>not elsewhere classified</i>
<i>W.P</i>	: <i>Wilayah Persekutuan</i>