

Agro-processing Quarterly Brief: No. 3, 2023

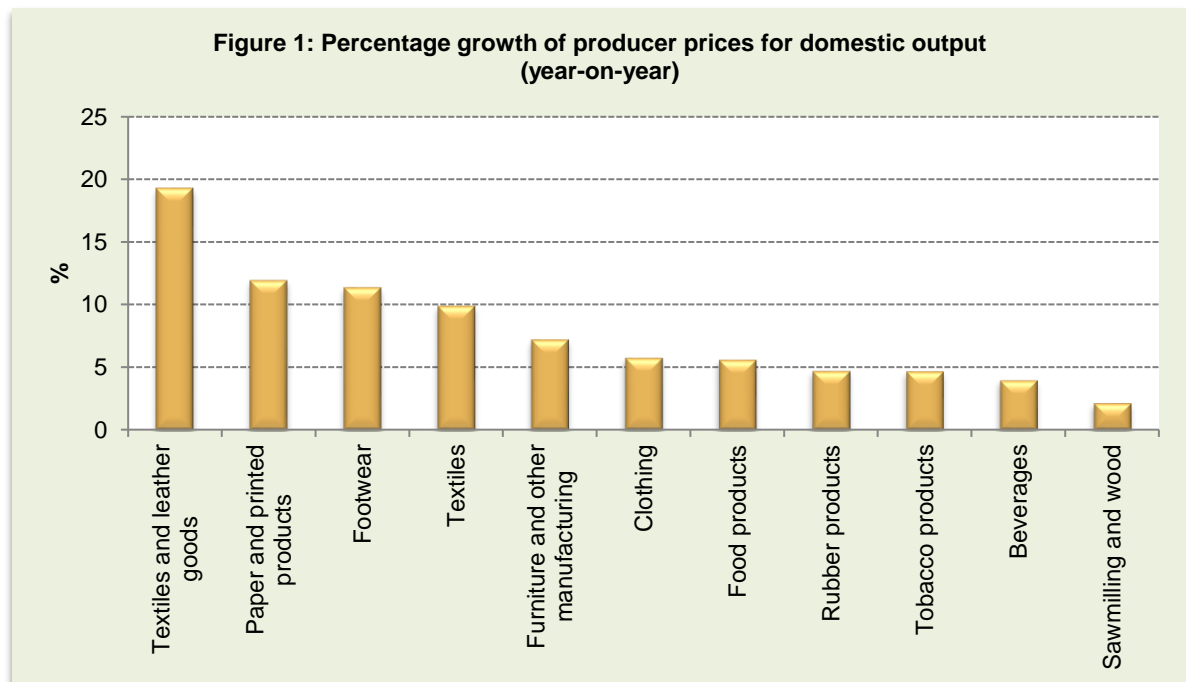
Directorate: Agro-processing Support

Highlights of 2023: Q3 (July to September)

- In 2023: Q3, the quarter-to-quarter producer price inflation for final manufactured goods grew by 4,0% from a 1,2% growth registered in the last quarter. However, it moderated by 4,0% year-on-year. The following divisions moderated in growth during the period: textiles and leather products, paper and printed products, furniture and other manufacturing, wearing apparel, food products, rubber products and sawmilling and wood. However, the footwear, textiles and beverages divisions grew during the period, while the tobacco products division stagnated in 2023: Q3.
- During 2023: Q3, the quarter-to-quarter seasonally adjusted volume of production agro-processing industry rebounded by 0,5% from a 0,3% contraction in the last quarter. However, it moderated by 0,3% year-on-year. The seasonally adjusted physical volume of production rebounded for leather and leather products, furniture and rubber. The footwear, food products and beverages divisions decelerated. However, wood and wood products and wearing apparel grew during the period, while paper stagnated, and textiles contracted in 2023: Q3.
- The seasonally adjusted value of sales for the agro-processing industry contracted by 2,3% in 2023: Q3 from a 1,6% growth in the last quarter. This represented an increase in nominal value of sales from R263 369,6 million in 2023: Q2 to R257 224,7 million in 2023: Q3. The seasonally adjusted value of sales contracted for the following divisions: food, wearing apparel, beverages and footwear. The rubber and leather and leather products divisions rebounded in growth. The paper and paper products and textiles divisions grew. Wood and wood products moderated, while the furniture division decelerated during the period.

- During 2023: Q3, the trade surplus of the agro-processing industry widened from R10 636,7 million in 2023: Q2 to R11 527,7 million in 2023: Q3. The divisions that recorded a trade surplus were paper and paper products (R2 489 million), beverages, (R2 381,0 million), food (R2 191,2 million), wood and wood products (R629,1 million) and tobacco (R486,8 million). However, wearing apparel (R7 980,8 million), footwear (R3 750,5 million), rubber (R3 182,8 million), textiles (R2 952,6 million), furniture (R1 419,8 million) and leather and leather products (R410,9 million) registered a deficit trade during the period.
- During 2023: Q3, formal employment in the agro-processing industry receded further by 1,3% following a 3,0% contraction in the last quarter. However, it contracted by 1,3% year-on-year. The divisions that rebounded were beverages and tobacco, textiles, rubber, wearing apparel and wood and wood products. footwear and food divisions receded further. Paper and paper products, leather and leather products and furniture divisions contracted during the period.

Producer Prices

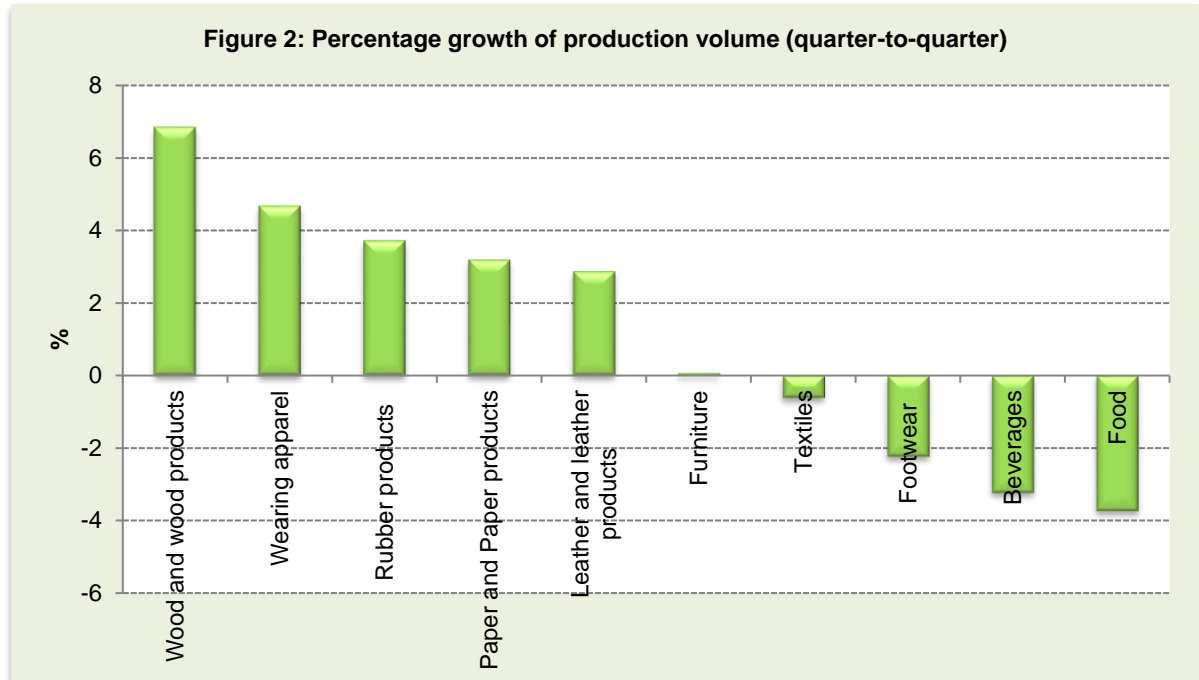


Source: Statistics SA, 2023

In 2023: Q3, the quarter-to-quarter producer price inflation for final manufactured goods grew by 4,0% from a 1,2% growth registered in the last quarter. However, it moderated by 4,0% year-on-year. The following divisions moderated in growth during the period: textiles and leather products (19,3%), paper and printed products (11,9%), furniture and other

manufacturing (7,2%), wearing apparel (5,8%), food products (5,6%), rubber products (4,7%) and sawmilling and wood (2,2%). However, the footwear (11,4%), textiles (9,9%) and beverages (4,0%) divisions grew during the period. The tobacco products division stagnated by 4,7% in 2023: Q3 (see Figure 1).

Volume of Production

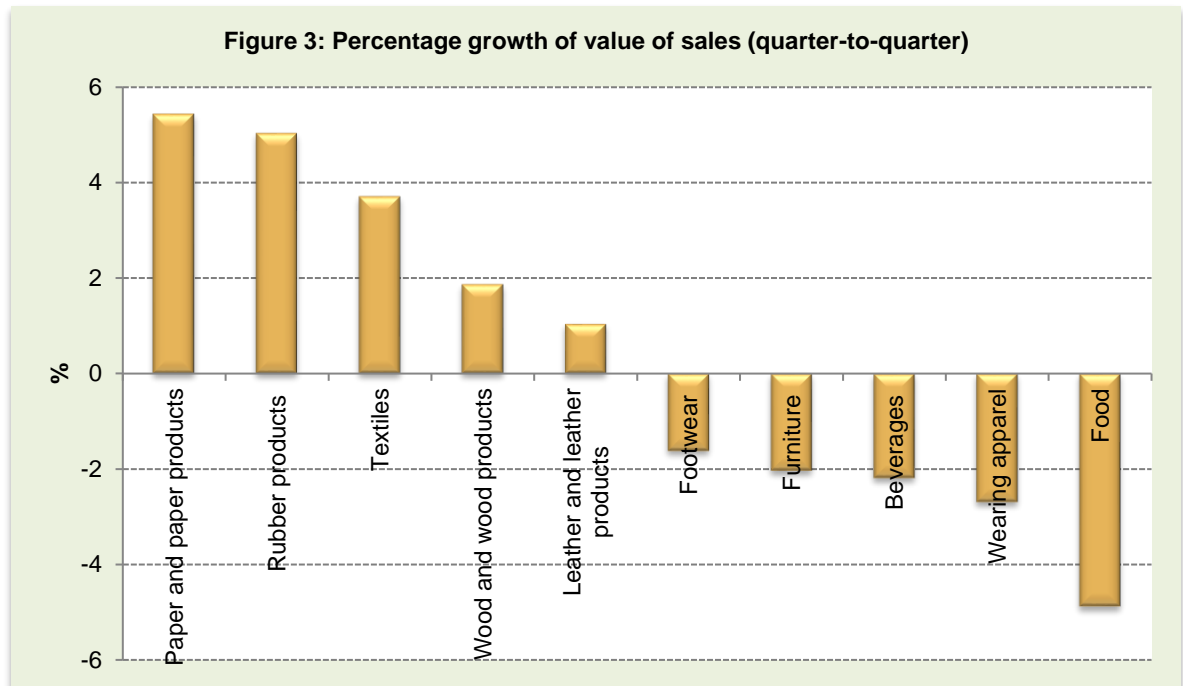


Source: Statistics SA, 2023

*tobacco data not supplied

Figure 2 above shows the seasonally adjusted physical volume of production for the agro-processing divisions in 2023: Q3. The agro-processing industry's volume of production rebounded by 0,5% in 2023: Q3 from a 0,3% contraction in the last quarter. However, it moderated by 0,3% year-on-year. The seasonally adjusted physical volume of production rebounded for leather and leather products (2,9%), furniture (0,1%) and rubber (3,7%). Footwear (2,2%), food (3,7%) and beverages (3,2%) divisions decelerated during the period. Wood and wood products and wearing apparel grew by 6,8% and 4,7%, respectively, while paper products stagnated by 3,2% and textiles contracted by 0,6% in 2023: Q3.

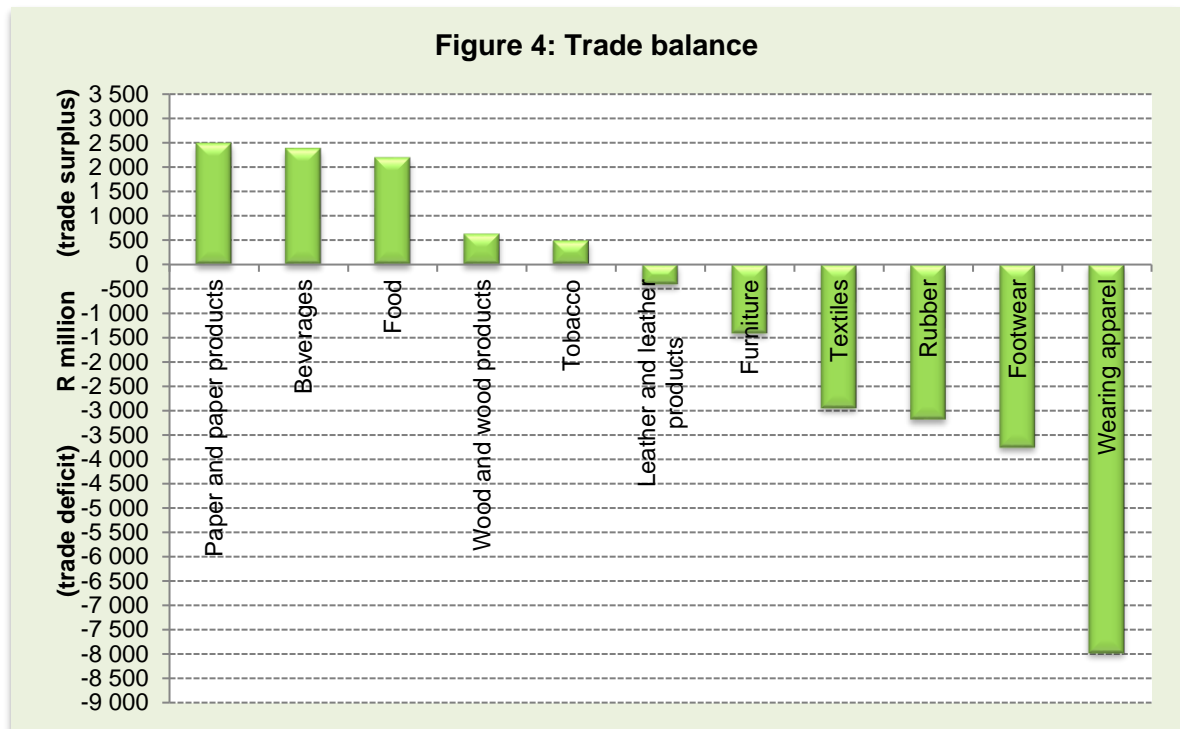
Value of sales



Source: Statistics SA, 2023

Figure 3 above shows the seasonally adjusted value of sales for the agro-processing divisions in 2023: Q3. The seasonally adjusted value of sales for the agro-processing industry contracted by 2,3% in 2023: Q3 from a 1,6% growth in the last quarter. This represented an increase in nominal value of sales from R263 369,6 million in 2023: Q2 to R257 224,7 million in 2023: Q3. The seasonally adjusted value of sales contracted for the following divisions: food (4,9%), wearing apparel (2,7%), beverages (2,2%) and footwear (1,6%). The rubber (5,0%) and leather and leather products (1,0%) divisions rebounded in growth. The paper and paper products (5,4%) and textiles (3,7%) divisions grew. Wood and wood products moderated by 1,9%, while the furniture division decelerated by 2,0%.

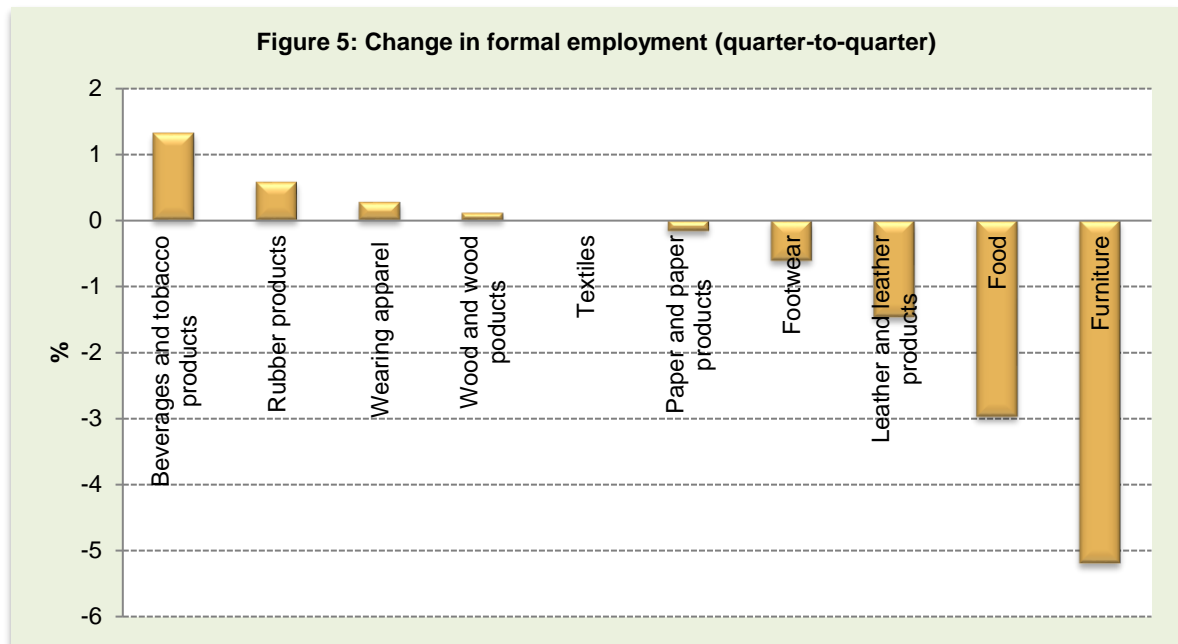
Trade



Source: Quantec, 2023

During 2023: Q3, the trade surplus of the agro-processing industry widened from R10 636,7 million in 2023: Q2 to R11 527,7 million in 2023: Q3, which represents a rebound of 8,4% from a 31,3% contraction in the last quarter. The divisions that recorded a trade surplus were paper and paper products (R2 489 million), beverages, (R2 381,0 million), food products (R2 191,2 million), wood and wood products (R629,1 million) and tobacco (R486,8 million). However, wearing apparel (R7 980,8 million), footwear (R3 750,5 million), rubber products (R3 182,8 million), textiles (R2 952,6 million), furniture (R1 419,8 million) and leather and leather products (R410,9 million) registered a trade deficit (see Figure 4).

Formal employment



Source: Stats SA, 2023

During 2023: Q3, the agro-processing industry recorded about 443 691 jobs from 436 992 jobs in 2023: Q2, representing 6 699 jobs shed in 2023: Q3. This can be attributed to job losses in the following divisions: food (6 632), furniture (1 263), leather and leather products (64), paper and paper products (54) and footwear (35). However, the following divisions gained jobs: textiles (588), beverages and tobacco (556), wearing apparel (84), rubber products (76) and wood and wood products (45) (see Figure 5).

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