



Quarterly Economic Review of the Agro-processing industry in South Africa.

2021: Q3

DIRECTORATE: AGRO-PROCESSING SUPPORT



**agriculture, land reform
& rural development**

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

PREFACE

The National Development Plan (NDP) identifies the agro-processing industry for its potential to spur economic growth and create sustainable employment. The agriculture and agro-industries are postulated as having the latent potential to contribute to inclusive economic growth through forward and backward linkages by providing various opportunities for earning income in the food production, processing, distribution and retailing phases of the agro/food value chain. At policy level, the Medium Term Strategic Framework (MTSF), **specifically outcome 1: Economic transformation and job creation** notes the agro-processing industry as a key pillar for inclusive economic growth. At sectoral level, the Agriculture and Agro-processing Master Plan (AAMP), **specifically pillars 5 and 6**, notes the crucial role the agro-processing industry should play towards mitigating post-harvest losses, providing access to markets for farmers and ensuring household food security. At operational level, the competitive performance of agribusinesses is directly linked to the competitiveness of the industry and sector.

Consequently, the Department of Agriculture, Land Reform and Rural Development (DALRRD) established the Directorate: Agro-processing Support within the Branch: Economic Development, Trade and Marketing (EDTM) to develop and facilitate implementation of policies and strategies to enhance competitive performance of agro-processing agribusinesses. Among others, the function of the directorate is to provide timely and updated agro-processing, economic and statistical information geared to monitor the performance of the industry and provide insight into the effects of economic policies and exogenous factors. To achieve this purpose, the directorate publishes annual economic reviews of the agro-processing industry.

This publication, "*Quarterly Economic Review of the Agro-processing Industry in South Africa*," by the directorate evaluates the economic performance of the eleven agro-processing divisions during 2020. These divisions are categorised consistent with the *Standard Industrial Classification*: food products, beverages, tobacco, textiles, wearing apparel, leather and leather products, footwear, wood and wood products, paper and paper products, rubber products and furniture. The main economic indicators reviewed are the changes in the volume of production, value of sales, utilisation capacity by large enterprises, formal employment and trade balance

Any comments and suggestions on the content of the publication are welcome.

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Disclaimer: The Department of Agriculture, Land Reform and rural development did everything to ensure the accuracy of the information reported in this publication. The department will, however, not be liable for the results of action based on this publication.

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EXECUTIVE SUMMARY

The South African economy declined during 2021: Q3. The primary sector contracted by 5,6% while the secondary and tertiary sector contracted by (3,0%) and (0,6%), respectively, in 2021: Q3. The agricultural sector recorded a decline of about 13,6% , this is due lower production of field crops and animal products, maize, sugar cane and citrus commodities.

The producer price inflation for final manufactured goods moderated quarter-to-quarter by 2,1% in 2021: Q3 from a 2,3% recorded in the preceding quarter. However, it increased to 7,4% year-on-year . The consumer price stagnated year-on-year at 4,9%. The producer price inflation increased year-on-year for sawmilling and wood products (10,5%), rubber products(13,1%) and textiles(3,5%) in 2021: Q3. However, it moderated year-on-year, for food products (7,0%), tobacco products (5,5%) and paper and printed products (3,6%), while it stagnated for beverages(2,2%) and footwear(3,9) division. The producer price inflation for furniture division rebounded by 0,7% in 2021: Q3.

The utilisation capacity of the following divisions declined for textiles, wearing apparel and wood and wood products during 2021: Q3. However, it increased for food products, beverages, leather and leather products, footwear and rubber division. Conversely, it stagnated for furniture division.

The seasonally adjusted value of sales for agro-processing industry contracted quarter-to-quarter by 2,7% in 2021: Q3 as compared to 2,9% growth in 2021 :Q2. However, year-on-year, it moderated by 9,2%. The nominal value of sales for agro-processing industry declined to R208 351,4 million in 2021: Q3 from about R214 164,0 million in 2021: Q2. The seasonally adjusted value of sales contracted quarter-to-quarter for wearing apparel (0,7%) and footwear(3,6%) division. However, it decelerated for textiles (4,5%) and rubber products(7,3%) division, while it rebounded for leather and leather products (2,3%), wood and wood products (3,1%) and furniture (18,1%) division. Food products division, it moderate by 0,4% in 2021: Q3.

The trade deficit for the agro-processing industry widened from R11 049,2 million in 2021: Q2 to R16 766,4 million in 2021: Q3, which represented a 51,8% growth in 2021: Q3 from a 19,8% growth in 2021: Q2. The divisions that recorded a trade deficit were wearing apparel, rubber products, footwear, textiles, food products, paper and paper products, furniture and leather and leather products. However, beverages, tobacco products and wood and wood products divisions recorded a positive trade balance in 2021: Q3.

The formal employment in the agro-processing industry declined further by 0,4% as compared to a 1,6% contraction in 2021: Q2. The total number of employment decreased to 449 809 in 2021: Q3 from 451 469 in 2021: Q2, representing job losses of about 1 660 in 2021: Q3. However, formal employment decelerated by 1,2% year-on-year. The divisions that lost jobs were: food products (1 375), beverages (328), textiles (742), wearing apparel (185), wood and wood products (272) and leather and leather products (53). However, furniture, paper and paper products and footwear division created 109, 265 and 55 jobs, respectively.

1. INTRODUCTION

The South African economy contracted during 2021:Q3. The primary and tertiary sector of the economy contracted, while the secondary sector decelerated in growth resulting in the overall decline in the real gross domestic product output by 1,5%. The decline in the primary sector comes after two consecutive growths in the last two quarters. Manufacturing declined by 4,2% (SA Reserve Bank, 2021).

This quarterly economic review of the agro-processing industry in South Africa assesses how the performance of the domestic economy during 2021: Q3 affected the producer price, consumer price, production volume, sales, capacity utilisation, trade and employment of the agro-processing divisions. This quarterly review is organised as follows: section two summarises the state of the domestic economy during 2021: Q3. Section three provides the impact of the global and domestic economy on the eleven divisions of the agro-processing industry.

2. STATE OF THE DOMESTIC ECONOMY

Table 1 below shows the South African growth rate at seasonally adjusted annualised rates. During 2021: Q3, the real economic growth in South Africa contracted by 1,5% following two consecutive quarterly growths. The contraction was primarily noted in all sectors with agriculture contracting by 13,6% from a 6,2% growth in the last quarter. The decrease in agricultural output the third quarter reflected the lower production of field crops and animal products. Maize, sugar cane and citrus commodities production were largely affected by fires during the civil unrest in KwaZulu-Natal in July, while chicken and pig production were also impacted (SA Reserve Bank, 2019).

Table 1: South African economic growth rate (percentage change at seasonally adjusted annualised rates)

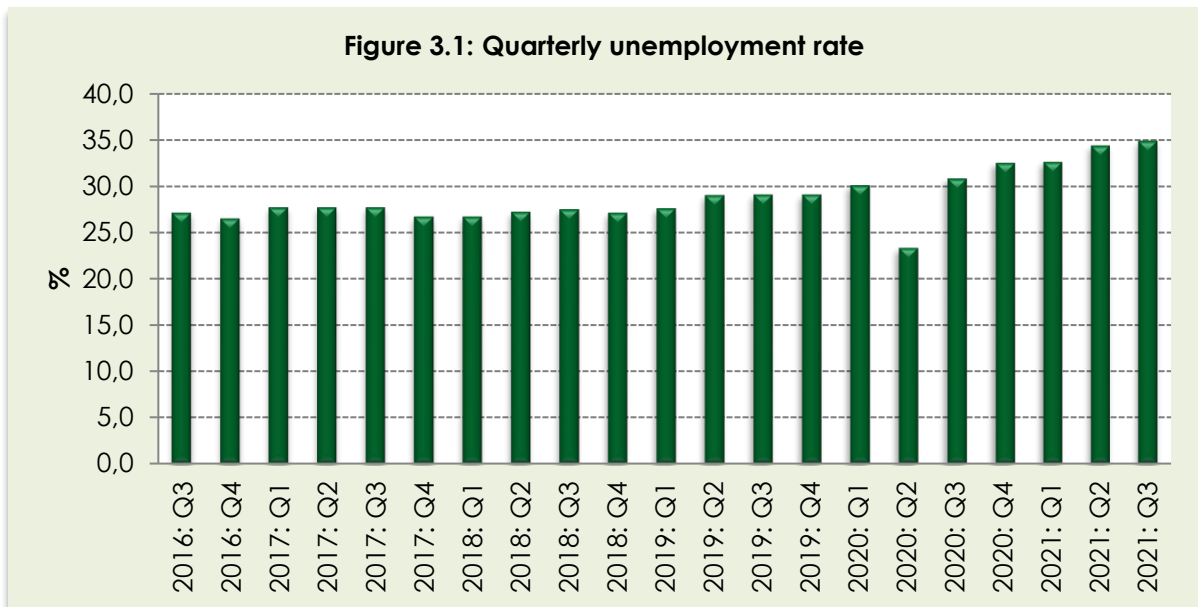
Sector	2020			2021		
	Q3	Q4	YEAR	Q1	Q2	Q3
Primary sector	25.0	1.8	-3.7	1.0	2.9	-5.6
Agriculture	-0.1	6.6	13.4	-1.0	6.2	-13.6
Mining	45.0	-0.9	-11.9	2.2	1.0	-0.9
Secondary sector	28.3	4.0	-12.8	0.4	-0.8	-3.0
Manufacturing	35.3	5.3	-12.3	0.5	-1.0	-4.2
Construction	16.0	1.9	-19.8	0.5	-1.2	-0.5
Tertiary sector	9.1	20.	-4.3	1.0	1.4	-0.6
Non-primary sector	12.4	2.4	-6.1	0.9	1.0	-1.1
Non-agricultural sector	13.9	2.2	-6.4	0.9	1.0	-1.1
Total	13.9	2.5	-6.4	0.9	1.1	-1.5

Source: SA Reserve Bank (2021)

*Percentage change over one year

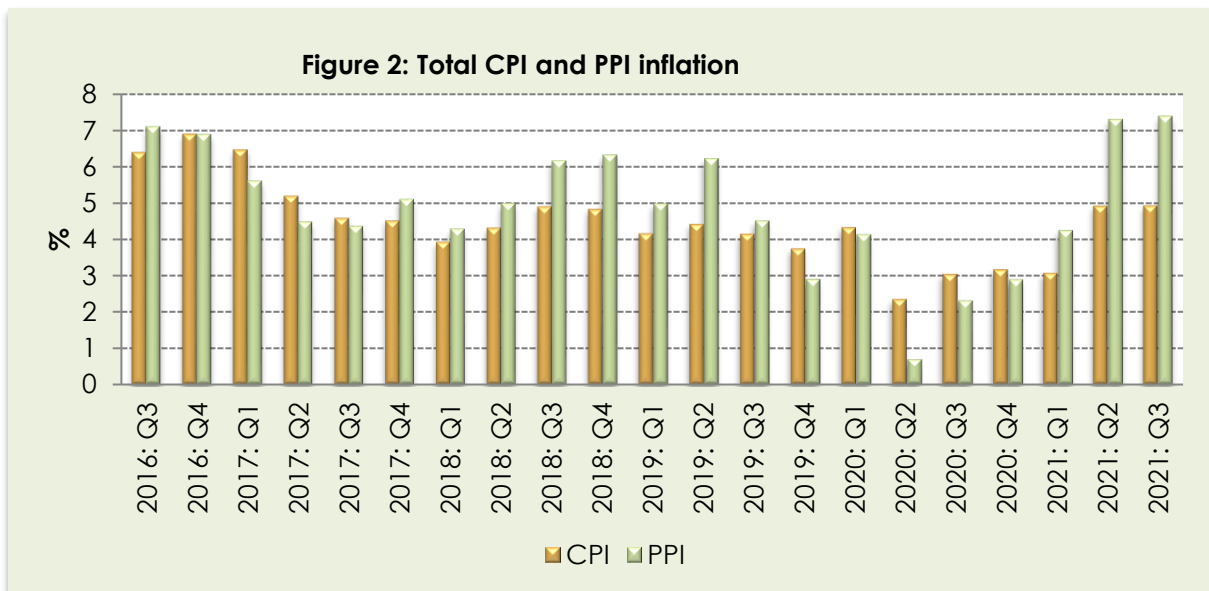
** The non-primary sector is total GVA excluding agriculture and mining

*** The non-agricultural sector is total GVA excluding agriculture



Source: Statistics SA (2021)

During 2021: Q3, South Africa's unemployment rate increased to 34,9% as compared to a 34,4% in the preceding quarter. This represents an increase of about 0,5 percentage point. However, as compared to the same quarter in the previous year, unemployment increased by about 4,1 percentage points.



Source: Statistics SA (2021)

Figure 2 above presents quarterly CPI and PPI for South Africa. During 2021: Q3, the producer price inflation for final manufactured goods moderated quarter-to-quarter to 2,1% from 2,3% recorded in the preceding quarter. However, year-on-year, the producer price inflation for

final manufactured goods was 7,4% in 2021: Q3 as compared to 7,3% recorded in 2021: Q2. The consumer price, year-on-year, stagnated at 4,9% in 2021: Q3.

3. THE AGRO-PROCESSING INDUSTRY

The FAO (1997) defines agro-processing as a subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector. Therefore, the agro-processing industry transforms products originating from the agriculture, forestry and fisheries sectors. According to the Standard Industrial Classification, the agro-processing industry comprises of the following 11 divisions: food products, beverages, tobacco, textiles, wearing apparel, leather and leather products, footwear, paper and paper products, wood and wood products, rubber products and furniture. This section reviews the economic performance of eleven divisions during 2021: Q3 as influenced by the global and domestic economic environment.

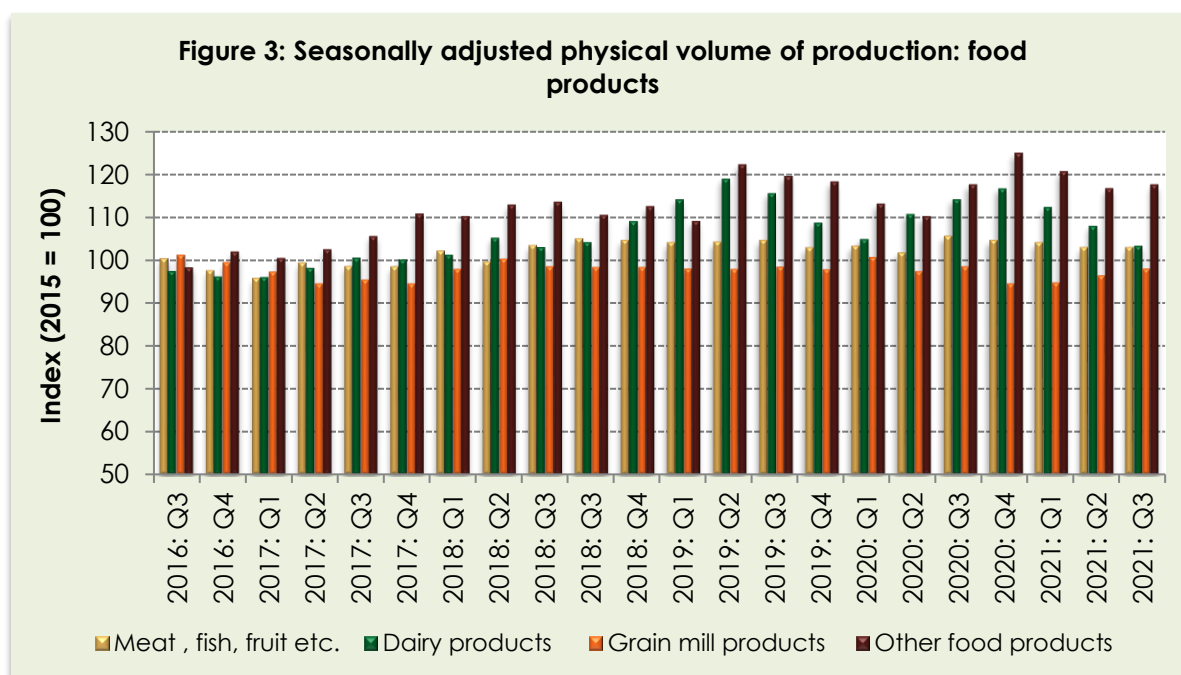
3.1 FOOD

Table 2 below shows the producer price index for food products in 2021: Q3. During 2021:Q3 the producer price index for food products increased by 0,8% quarter-to-quarter. Similarly, the producer price index for food products increased by 7,0% year-on-year in 2021:Q3.

Table 2: Producer price index for food products (base 2020= 100)

Indices			% change between	
2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
96.8	102.7	103.5	7.0	0.8

Source: Statistics SA, 2021



Source: Statistics SA (2021)

Figure 3 above shows the seasonally adjusted physical volume of production for food products during 2021: Q3. The quarter-to-quarter seasonally adjusted volume of production for meat, fruit and fish, etc. remained unchanged as compared to 1,1% contraction in the preceding quarter. However, the seasonally adjusted volume of production for dairy products decelerated quarter-to-quarter by 4,3% in 2021: Q3 following a 3,9% contraction in 2021: Q2. Production of grain mill products, on the other hand, moderated quarter-to-quarter by 1,6% following a 1,8% growth in the preceding quarter. Production of other food products rebounded quarter-to-quarter by 0,8% as compared to 3,2% contraction in the previous quarter.

As compared to the same period in the previous year, production of meat, fish and fruit, etc. contracted by 2,5% in 2021:Q3. However, production of dairy products and grain mill products decelerated year-on-year by 9,5% and 0,6%, respectively. Conversely, production of other food products year-on-year remained unchanged in 2021: Q3 as compared to 5,9% growth in 2021: Q2.

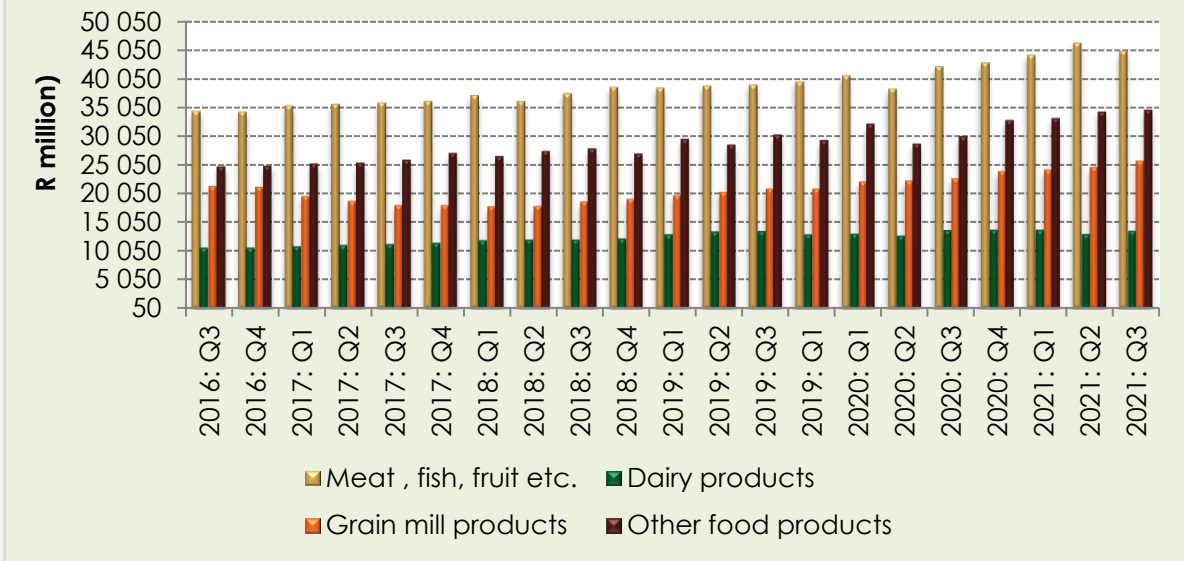
Table 3: Utilisation and reasons for underutilisation of production capacity by large enterprises: Food (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	80.3	19.7	2.4	0.6	0.1	12.3	4.2
2021: Q2	82.4	17.6	1.5	0.7	0.1	10.0	5.3
2021: Q3	82.7	17.3	3.0	0.9	0.1	9.5	3.7

Source: Statistics SA (2021)

Table 3 above presents utilisation and reasons for underutilisation of production capacity by large enterprises for the food products division. The utilisation of production capacity by large enterprises in the food products division slightly increased year-on-year from 80,3 % in 2020: Q3 to about 82,7% in 2021: Q3. Similarly, quarter-to-quarter, the utilisation of production capacity by large enterprises in the food products division increased marginally from 82,4% in 2021: Q2 to 82,7% in 2021 :Q3. This is an increase of about 0,3 percentage point. The main reason, amongst other, for underutilisation of production capacity is insufficient demand.

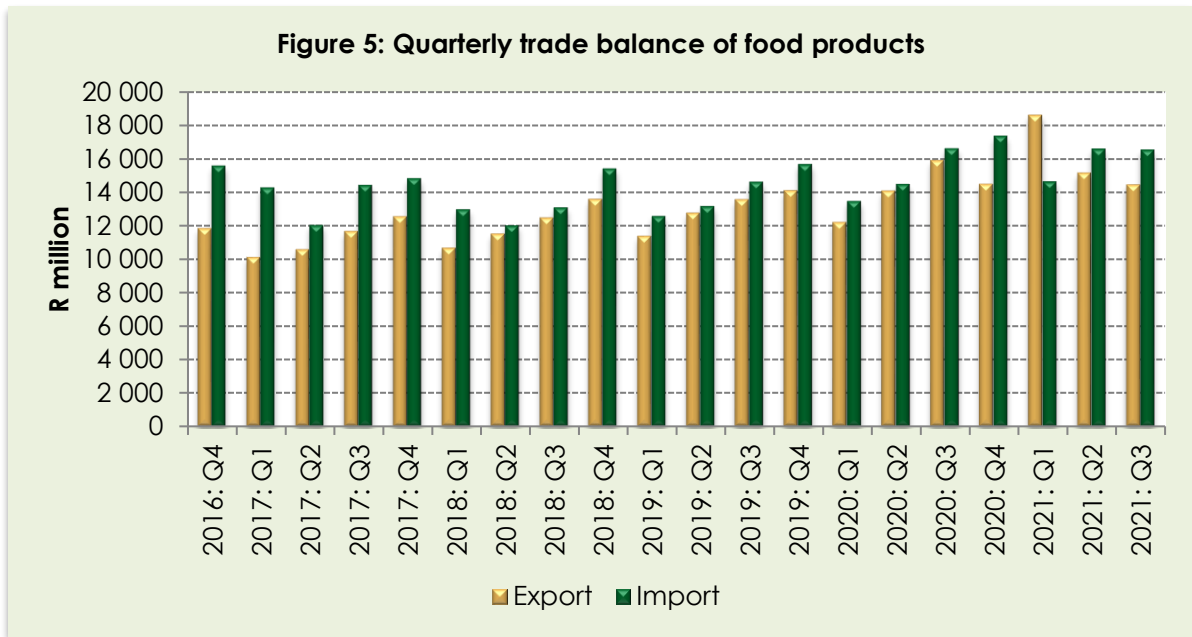
Figure 4.: Seasonally adjusted value of sales (current prices) food products



Source: Statistics SA (2021)

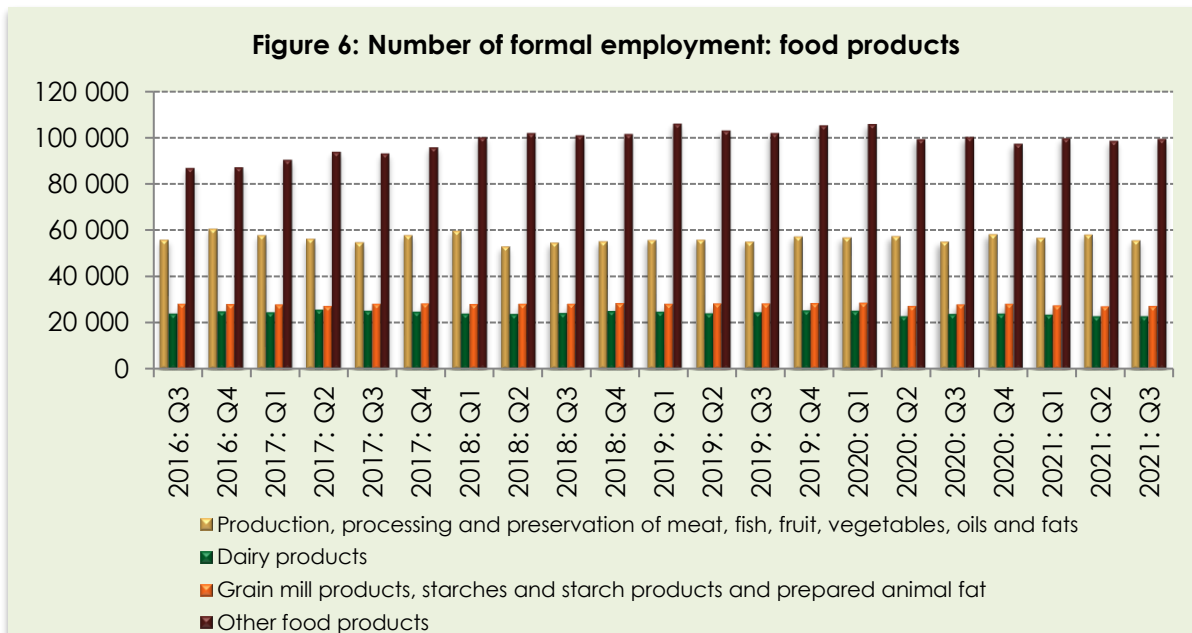
During 2021: Q3, the quarter-to-quarter seasonally adjusted value of sales for meat, fish, fruit, etc. contracted by 3,0% following a 4,7% growth in 2021: Q2. However, sales for dairy products rebounded quarter-to-quarter by 4,1% in 2021: Q3 from a 5,4% contraction in 2021: Q2. Sales for grain mill products grew quarter-to-quarter by 4,3% in 2021:Q3 following a 1,9% growth in 2021: Q2. However, sales for other food products moderated quarter-to-quarter by 1,0% in 2021:Q3 from a 3,4% growth in the preceding quarter. Thus sales for food division as a whole moderated quarter-to-quarter by 0,4% in 2021: Q3, from a 2,5% growth in 2021: Q2.

The year-on-year seasonally adjusted value of sales for meat, fish and fruit; and "other food products" moderated by 6,4% and 15,4%, respectively, in 2021: Q3. However, sales for dairy products contracted by 0,9% year-on-year. Sales for grain mill products, on the other hand, increased year-on-year by 13,5% in 2021: Q3. The food products division as a whole realised a moderation in sales. Sales for food division moderated by 9,4% year-on-year. Therefore, sales for the food products division increased to R118 287,8 million in 2021:Q3 from R117 773.3 million in the previous quarter.



Source: Trade Maps, (2021)

Figure 5 above shows the trade balance of the food products division over the period 2016: Q4 to 2021: Q3. In 2021: Q3, the quarter-to-quarter and year-on-year imports of food products contracted by 0,4% and 0,5% following a 13,5% and 14,6% growth, respectively, as recorded in the last quarter. However, quarter-to-quarter exports receded further by 4,7% in 2021: Q3 from a 18,6% contraction in the last quarter, while year-on-year exports contracted by 9,3%. Therefore, the trade deficit for the food products division widened from R1 446,2 million in 2021: Q2 to R2 097,8 million in 2021: Q3.



Source: Trade map, (2021)

Figure 6 above shows formal employment in the food products division over the period 2016: Q3 to 2021: Q3. During 2021: Q3, the quarter-to-quarter formal employment in the production, processing and preservation of meat, fish, fruit, vegetables, oils and fats registered a

contraction of 4,2% from a 2,4% growth in the preceding quarter. The formal employment, quarter-to-quarter, in dairy products, grain mill products and other food products divisions rebounded by 0,2%, 0,8% and 0,8% from a 3,0%, 1,7% and 1,1% contraction in 2021: Q2, respectively. The formal employment in dairy products, grain mill products and other food products divisions decelerated year-on-year by 4,1%, 2,3% and 0,8%. The formal employment in the food products division as a whole decelerated quarter-to-quarter by 0,7% in 2021: Q3 from a contraction of 0,4% in 2021: Q2. Similarly, year-on-year, the formal employment in food products division decelerated by 0,9% in 2021: Q3. As a result, the food products division lost about 1 375 jobs during 2021: Q3.

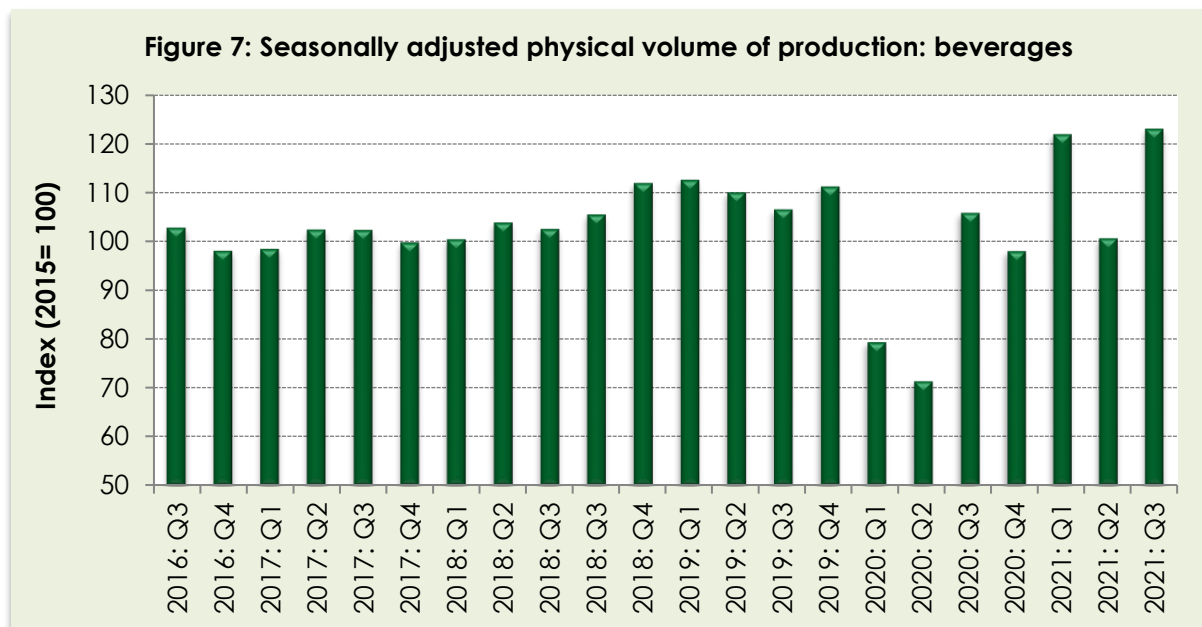
3.2 BEVERAGES

Table 4 below shows the producer price index for the beverages division in 2021: Q3. The producer price index for beverages rose by 2,2% year-on-year. However, the producer price index remained unchanged quarter-to-quarter.

Table 4: Producer price index for beverages products (base 2020= 100)

Indices			% change between	
2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
99.6	101.8	101.8	2.2	0.0

Source: Statistics SA (2021)



Source: Statistics SA, (2021)

Figure 7 above shows the seasonally adjusted physical volume of production for beverages division. The quarter-to-quarter volume of production for beverages division rebounded by 22,3% in 2021:Q3 as compared to a 17,5% contraction recorded in 2021: Q2. However, volume

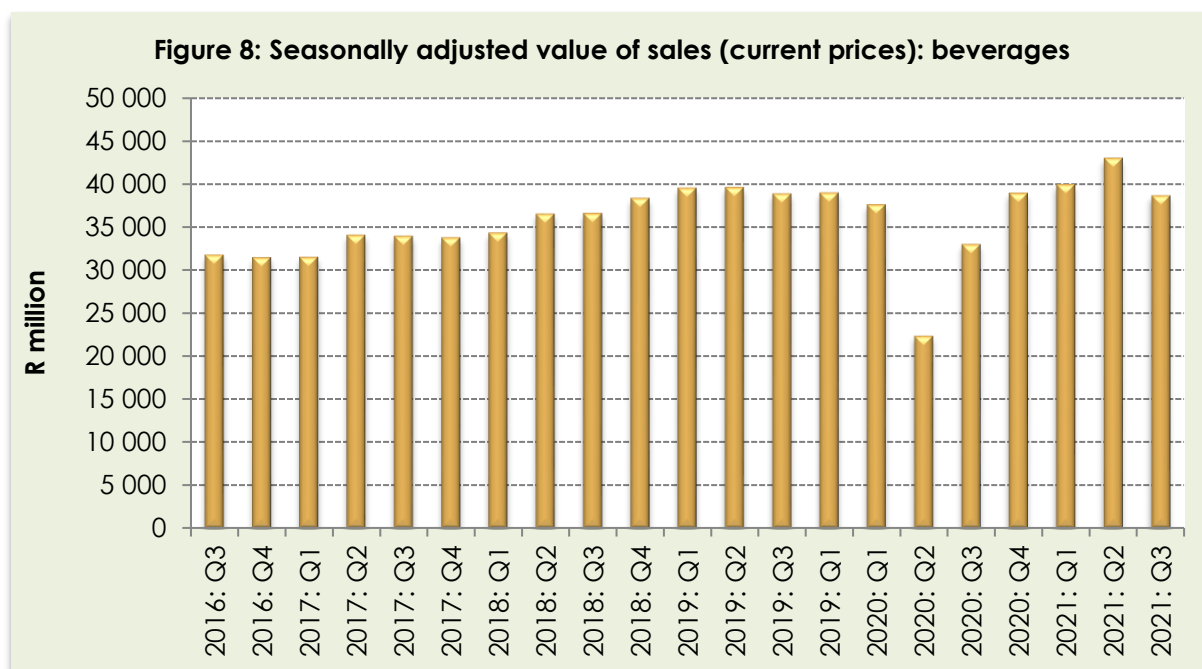
of production for beverages division moderated year-on-year by 16,2% in 2021: Q3 following a 41,0% growth in 2021 Q2.

Table 5: Utilisation and reasons for underutilisation of production capacity by large enterprises: Beverages (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	57.8	42.2	2.5	1.3	0.2	26.4	11.8
2021: Q2	82.1	17.9	4.0	0.7	0.2	11.0	.02
2021: Q3	82.3	17.7	2.2	1.6	0.2	11.3	2.5

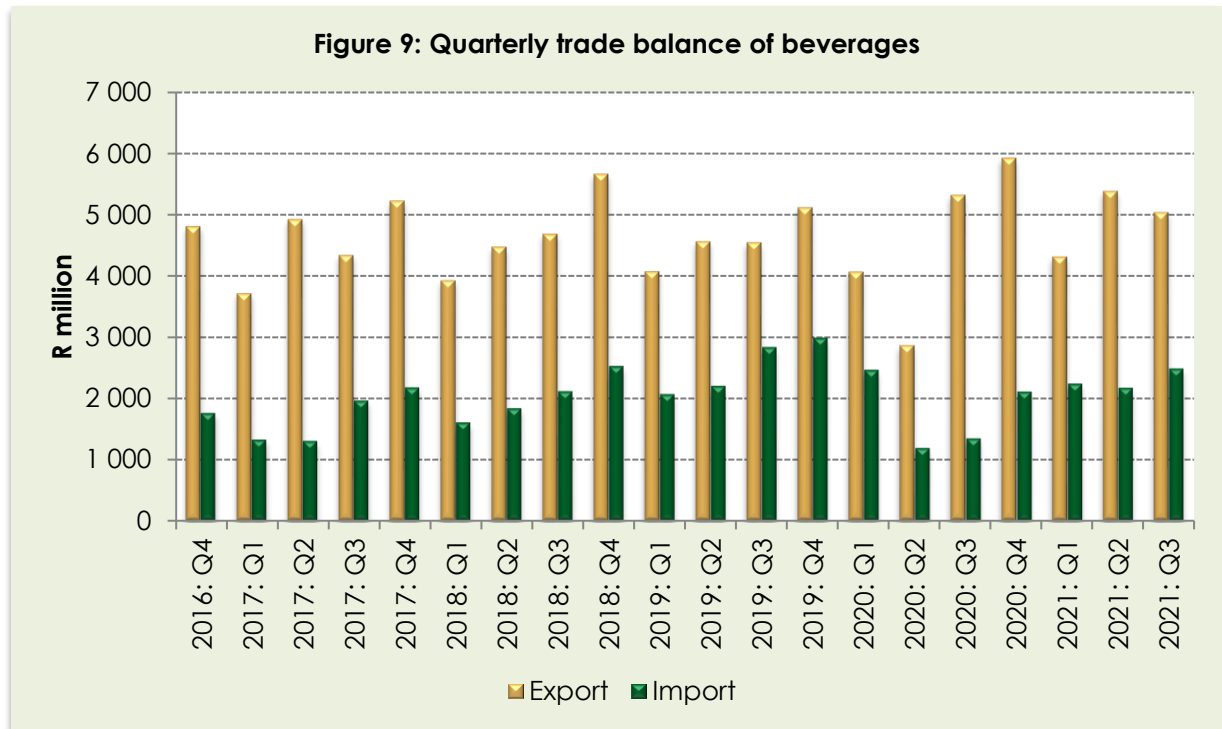
Source: Statistics SA (2021)

Table 5 above shows the utilisation of production capacity by large enterprises in the beverages division. The utilisation of production capacity increased from 82,1% in 2021: Q2 to 82,3% in 2021: Q3. This is an increase of about 0,2 percentage point. Similarly, as compared to the same quarter in the previous year, the utilisation of production capacity by large enterprises in the beverages division increased by 24,5 percentage points. Insufficient demand remains the main reason for underutilisation during the period under review.



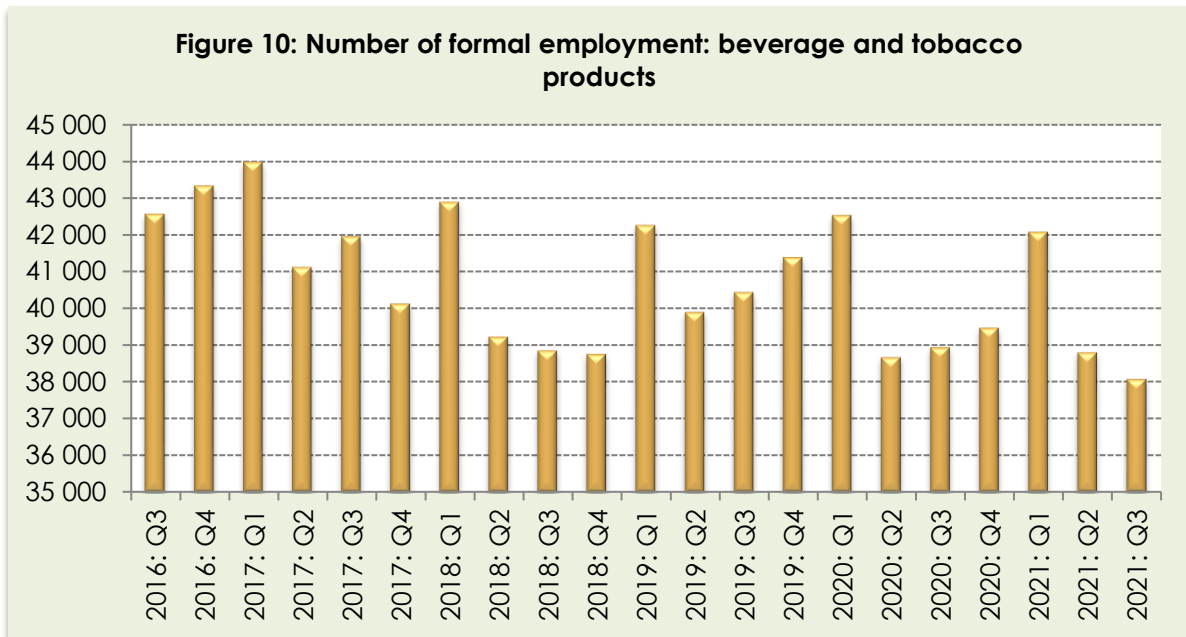
Source: Statistics SA (2021)

Figure 8 above shows the seasonally adjusted value of sales for the beverages division in 2021: Q3. During the period under review, the quarter-to-quarter value of sales for the beverages division contracted by 10,2% from a 7,7% growth in 2021: Q2. However, year-on-year, sales for the beverages division moderated by 17,2% in 2021: Q3 as compared to a 92,7% growth in 2021: Q2. As a results of contraction in sales for the beverages division, value of sales declined from R43 029,6 million in 2021: Q2 to R38 661,9 million in 2021: Q3.



Source: Trade Maps, (2021)

As Figure 9 shows that beverages exports contracted quarter-to-quarter and year-on-year by 6,4% and 5,3%, respectively, in 2021: Q3 from a growth of 24,8% and 87,8% in the last quarter. However, the quarter-to-quarter imports of beverages division rebounded by 14,3% in 2021: Q3 from a 2,9% contraction recorded in the last quarter. Beverages imports, year-on-year, on the other hand, increased by 84,9% in 2021: Q3 from a growth of 83,1% in 2021: Q2. Consequently, trade surplus of beverages division narrowed from R3219,8 million in 2021:Q2 to R2565,0 million in 2021:Q3.



Source: Statistics SA, (2021)

During 2021: Q3, the formal employment in the beverages and tobacco products division further contracted quarter-to-quarter by 1,6% from a 4,8% contraction in 2021: Q2. However, year-on-year, the formal employment in beverages and tobacco products division increased by 5,9% in 2021: Q3. As compared to the previous quarter, the beverages and tobacco products division shed about 328 jobs in 2021: Q3 as illustrated in Figure 10.

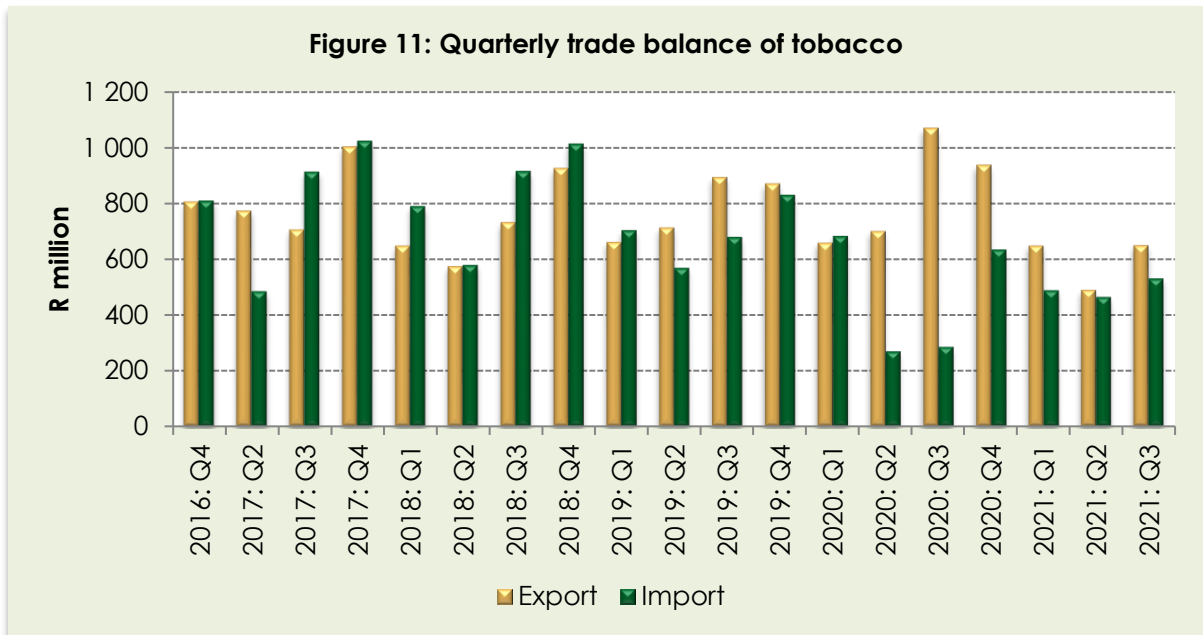
3.3 TOBACCO

Table 6 below shows the producer price index for tobacco products division. During 2021:Q3, the producer price index for tobacco division rose, year-on-year, by 5,5%. However, the producer price index for tobacco products division, quarter-to-quarter, remained unchanged.

Table 6: Producer price index for tobacco products (base 2020= 100)

Indices			% change between	
2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
99.9	105.4	105.4	5.5	0.0

Source: Statistics SA (2021)



Source: Trade Maps, (2021)

The quarter-to-quarter imports and exports of tobacco rebounded by 14,4% and 32,4% in 2021: Q3, following a contraction of 4,8% and 24,4%, respectively, in 2021: Q2. However, imports of tobacco grew year-on-year by 86,5% in 2021: Q3 from 72,3% growth in 2021: Q2. Conversely, tobacco exports decelerated year-on-year by 39,2% in 2021: Q3. As a result, the trade surplus widened from R25,6 million in 2021: Q2 to R117,6 million in 2021: Q3 as shown in Figure 11.

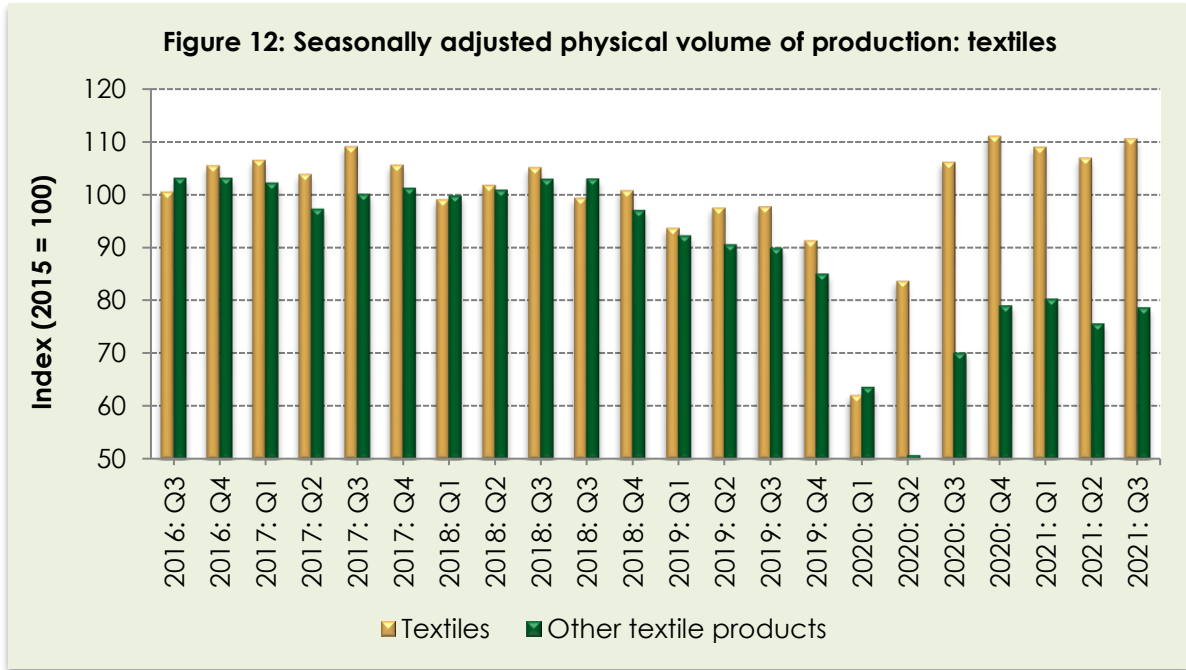
3.4 TEXTILES

Table 7 presents the producer price index for textiles during 2021: Q3. The year-on-year and quarter-to quarter producer price index for textiles increased by 3,5% and 0,6%, respectively, in 2021: Q3.

Table 7: Producer price index for textiles (base 2020=100)

	Indices			% change between	
	2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
Textiles	100.0	102.9	103.5	3.5	0.6

Source: Statistics SA (2021)



Source: Statistics SA (2021)

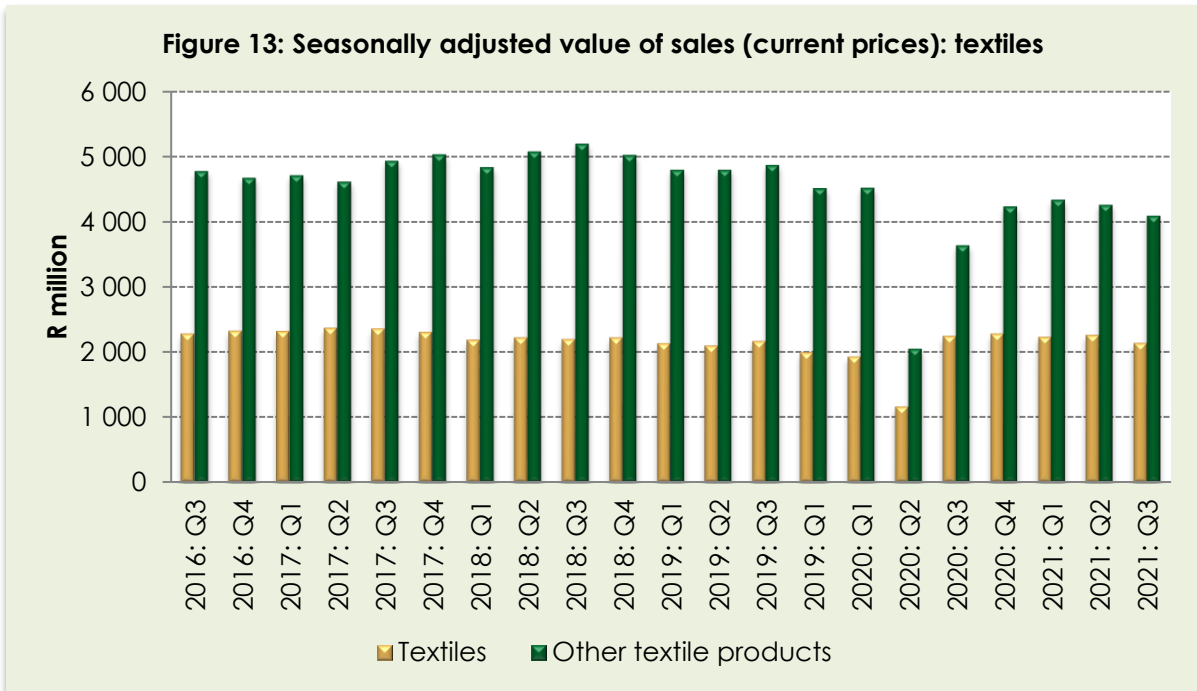
The seasonally adjusted volume of production for the textiles and “other textiles” division rebounded, quarter-to-quarter, by 3,4% and 4,0% in 2021: Q3 from 1,9% and 5,8% contraction in 2021: Q2, respectively. The volume of production of textiles and other textiles division, however, moderated year-on-year by 4,2% and 12,3% in 2021: Q3, respectively. However, during 2021:Q3, the volume of production for textiles division as a whole rebounded quarter-to-quarter by 3,7%, while it moderated by 7,4% year-on-year as present in Figure 12.

Table 8: Utilisation and reasons for underutilisation of production capacity by large enterprises: Textiles (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	54.5	45.5	3.3	1.1	0.0	32.5	8.6
2021: Q2	67.3	32.7	3.9	1.4	0.0	23.5	3.9
2021: Q3	66.3	33.7	3.2	1.2	0.4	23.0	5.9

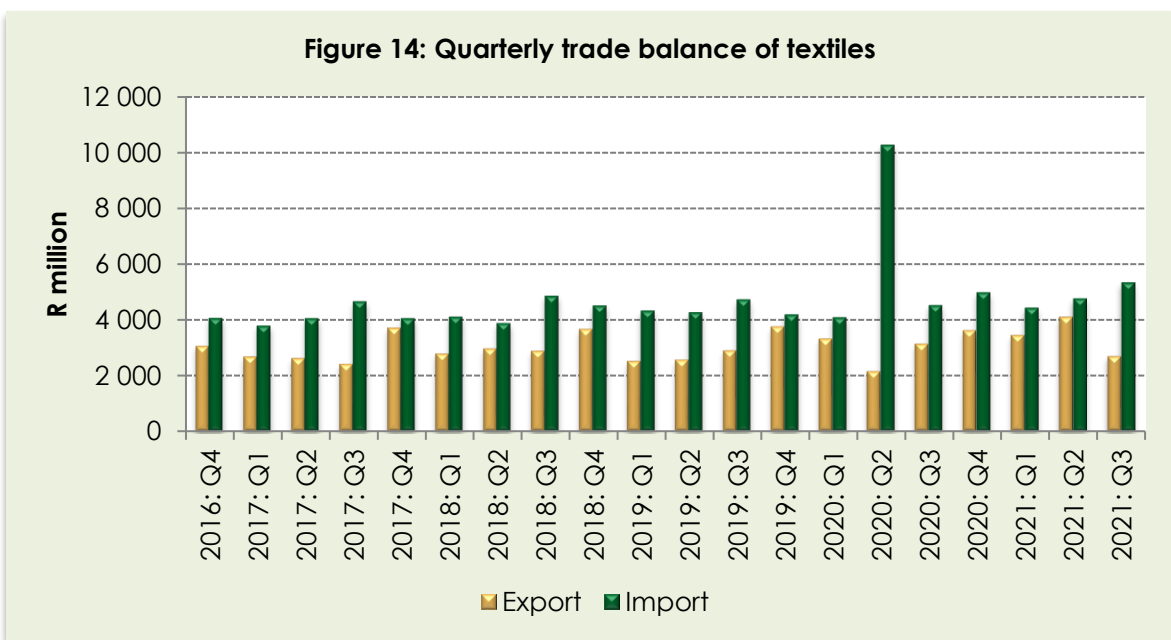
Source: Statistics SA (2021)

Table 8 presents the utilisation of production capacity by large enterprises in the textiles division. The utilisation of production capacity declined quarter-to-quarter by 1,0 percentage point in 2021: Q3. However, year-on-year, it increased by 11,8 percentage points. Insufficient demand remains the main reason for the underutilisation of production capacity by large enterprises of the textiles division, followed by other reasons such as seasonal factors.



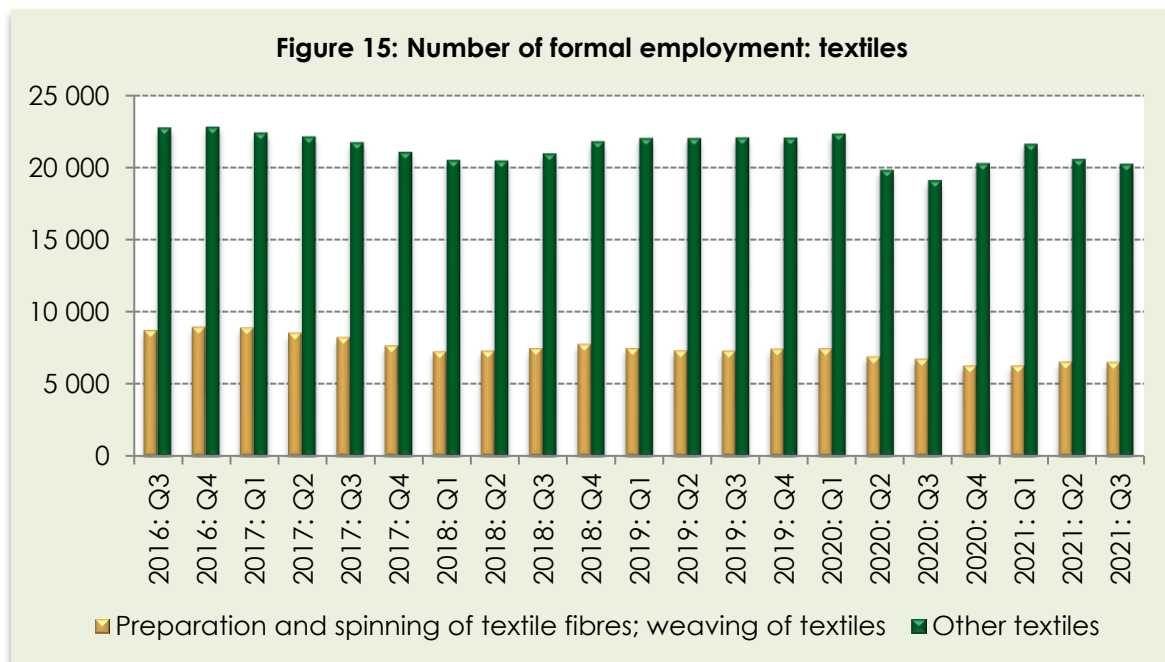
Source: Statistics SA (2021)

During 2021: Q3, the seasonally adjusted value of sales for textiles division contracted quarter-to-quarter and year-on-year by 5,5% and 5,0% from a respective growth of about 1,2% and 94,1% in 2021: Q2. However, sales for other textile division decelerated quarter-to-quarter by 3,9% in 2021: Q3 following a contraction of about 1,9% in 2021: Q2. Differently, sales for other textiles division moderated year-on-year by 12,4% in 2021: Q3 from a 107,2% growth in 2021: Q2. The textiles divisions combined decelerated quarter-to-quarter by 4,5% in 2021: Q3 from a 0,8% contraction in 2021: Q2, however, it grew marginally year-on-year by 5,8% in 2021: Q3. Consequently, the value of sales for the textiles divisions declined from R6 566,3 million in 2021: Q2 to R6,215,6 million in 2021: Q3.



Source: Trade Maps (2021)

Figure 14 above shows the quarterly trade balance of textiles division during 2021: Q3. The exports of textiles division contracted quarter-to-quarter and year-on-year by 34,5% and 14,4% in 2021: Q3 from 19,0% and 91,1% growth registered in 2021: Q2, respectively. On the contrary, in 2021: Q3, imports of textiles registered a growth, quarter-to-quarter, of about 12,0% following a growth of 7,4% in the preceding quarter. However, textiles imports rebounded year-on-year by 18,0% in 2021: Q3 as compared to a contraction of 53,6% in the preceding quarter. As a result, the trade deficit of the textiles division widened from R651,5 million in 2021: Q2 to R2 643,7 million in 2021: Q3.



Source: Statistics SA (2021)

During 2021: Q3, the formal employment in the other textiles division and preparation and spinning of textile fibre; weaving of textiles division contracted quarter-to-quarter by 0,3% and 1,9% respectively. However, the formal employment in other textiles division decelerated year-on-year by 3,5% in 2021: Q3 following a contraction of around 5,4% in 2021: Q2. Conversely, formal employment in preparation and spinning of textile fibre; weaving of textiles division rebounded year-on-year by 2,2% in 2021: Q3.

Therefore, formal employment of the textiles division as a whole decelerate quarter-to-quarter and year-on-year by 1,6% and 2,4%, respectively. As a result, about 742 jobs were lost during the period under review as shown in Figure 15.

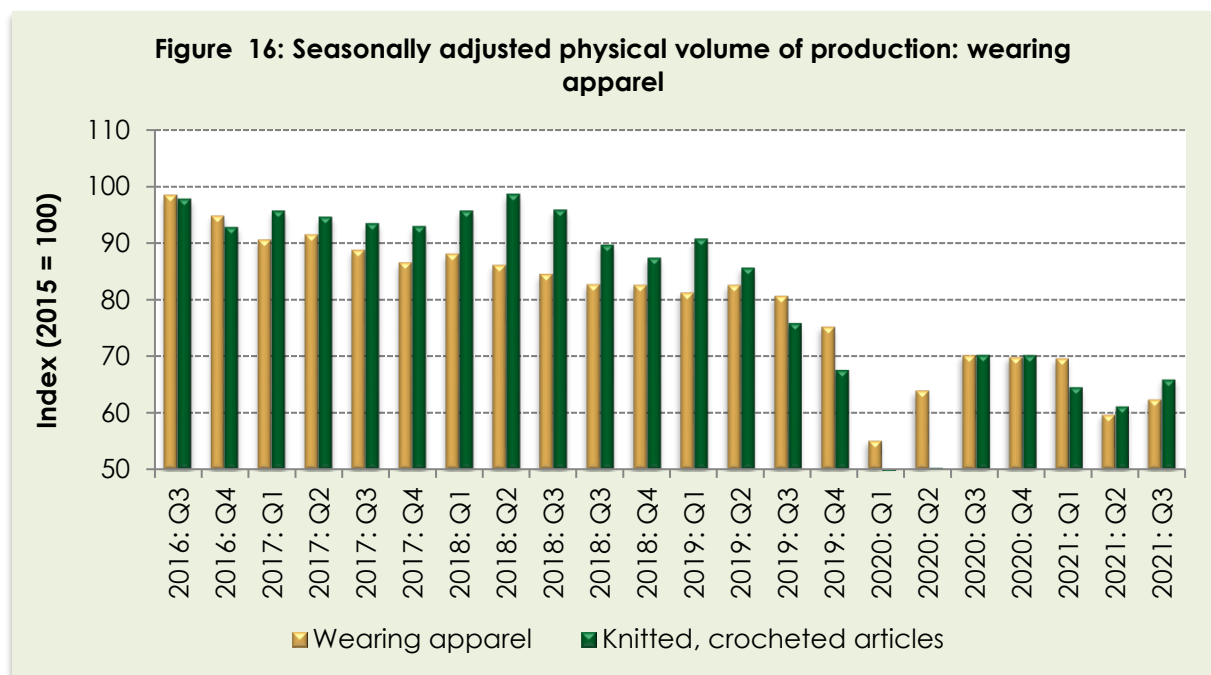
3.5 WEARING APPAREL

Table 9 below shows the producer price index for wearing apparel division in 2021: Q3. The producer price index for wearing apparel rose by 4,5% year-on-year and 0,8% quarter-to-quarter in 2021: Q3.

Table 9: Producer price index for wearing apparel (base 2020 = 100)

	Indices			% change between	
	2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
Domestic output					
Wearing apparel	99.7	103.3	104.2	4.5	0.8

Source: Statistics SA (2021)



Source: Statistics SA (2021)

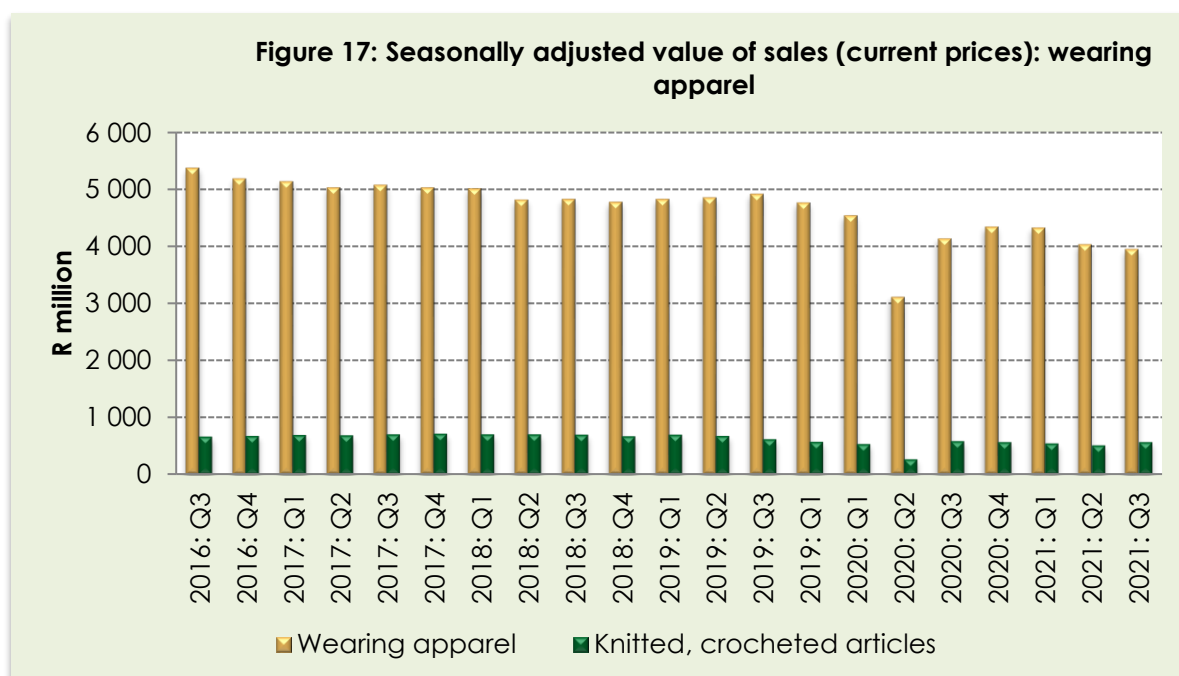
Figure 16 shows the seasonally adjusted physical volume of production for wearing apparel division in 2021: Q3. The seasonally adjusted volume of production for wearing apparel and knitted, crocheted articles division rebounded quarter-to-quarter by 4,6% and 7,7% in 2021: Q3 as compared to a contraction of 14,4% and 5,2% in 2021: Q2, respectively. Conversely, the seasonally adjusted physical volume of production for wearing apparel decelerated by 11,1% year-on-year in 2021: Q3, from a contraction of 6,7% in 2021: Q2. However, it contracted by 6,2% year-on-year for knitted, crocheted articles in 2021: Q3. The seasonally adjusted physical volume of production for the division as a whole rebounded quarter-to-quarter by 6,2% in 2021: Q3 from a contraction of 10,0% in 2021: Q2, however, it contracted by 8,7% year-on-year.

Table 10: Utilisation and reasons for underutilisation of production capacity by large enterprises: Wearing apparel (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	56.9	43.1	0.5	0.7	0.2	23.2	18.5
2021: Q2	72.4	27.6	0.9	1.7	0.4	20.4	4.3
2021: Q3	71.5	28.5	1.6	1.7	0.4	20.6	4.2

Source: Statistics SA (2021)

Table 10 shows the percentage of utilisation and reasons for underutilisation of production capacity by large enterprises for the wearing apparel division in 2021: Q3. The utilisation of production capacity declined quarter-to-quarter by 0,9 percentage point in 2021: Q3. However, the utilisation of production capacity increased year-on-year by 14.6 percentage points. Insufficient demand remained the key reason behind low capacity utilisation, followed by other reasons such as seasonal factors.

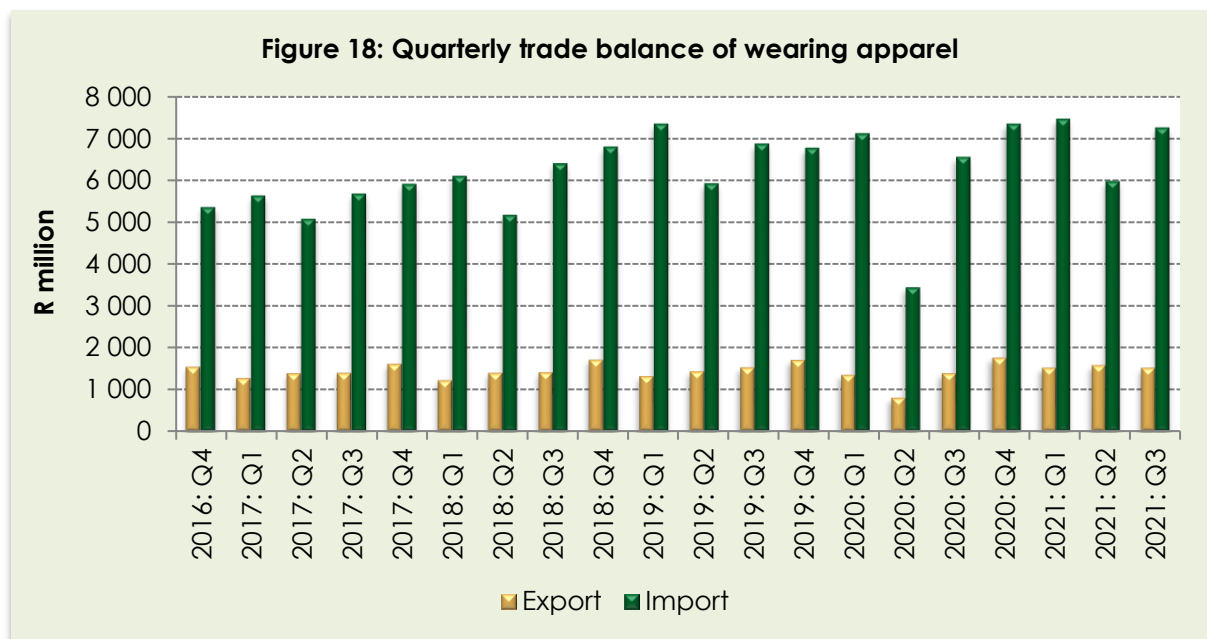


Source: Statistics SA (2021)

Figure 17 presents seasonally adjusted value of sales for the wearing apparel division in 2021: Q3. During 2021: Q3, the seasonally adjusted value of sales for the wearing apparel division further decelerated quarter-to-quarter by 2,1% from 6,8% contraction in 2021: Q2. However,

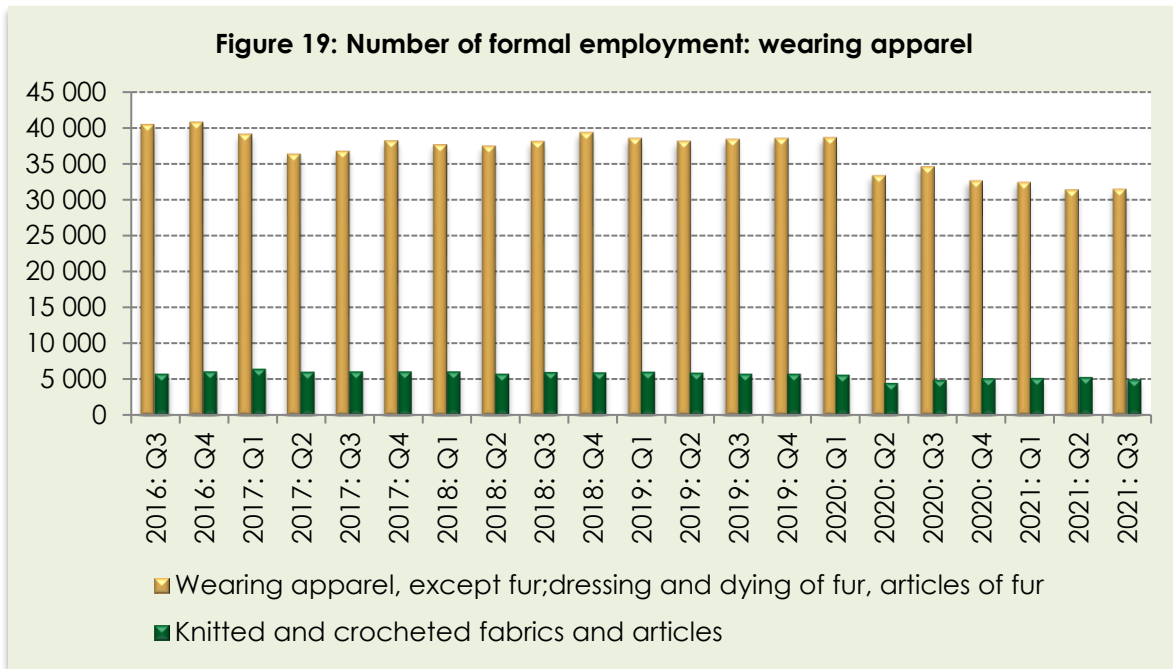
the seasonally adjusted value of sales rebounded quarter-to-quarter by 10,4% for knitted, crocheted articles in 2021: Q3 from a contraction of about 5,7% in 2021: Q2.

Likewise, the seasonally adjusted value of sales for wearing apparel and knitted, crocheted articles contracted year-on-year by 4,6% and 3,0% in 2021: Q3 from a 29,5% and 93,0% growth in 2021: Q2, respectively. The seasonally adjusted value of sales for the division as a whole further contracted by 0,7% quarter-to-quarter in 2021: Q3 from a 6,7% contraction in 2021: Q2. Similarly, However, the seasonally adjusted value of sales for the division as a whole contracted by 4,4% year-on-year in 2021: Q3. Consequently, value of sales for the division as a whole declined to R4 511,8 million in 2021: Q3 from R4 545,2 million in 2021: Q2.



Source: Trade Maps, (2021)

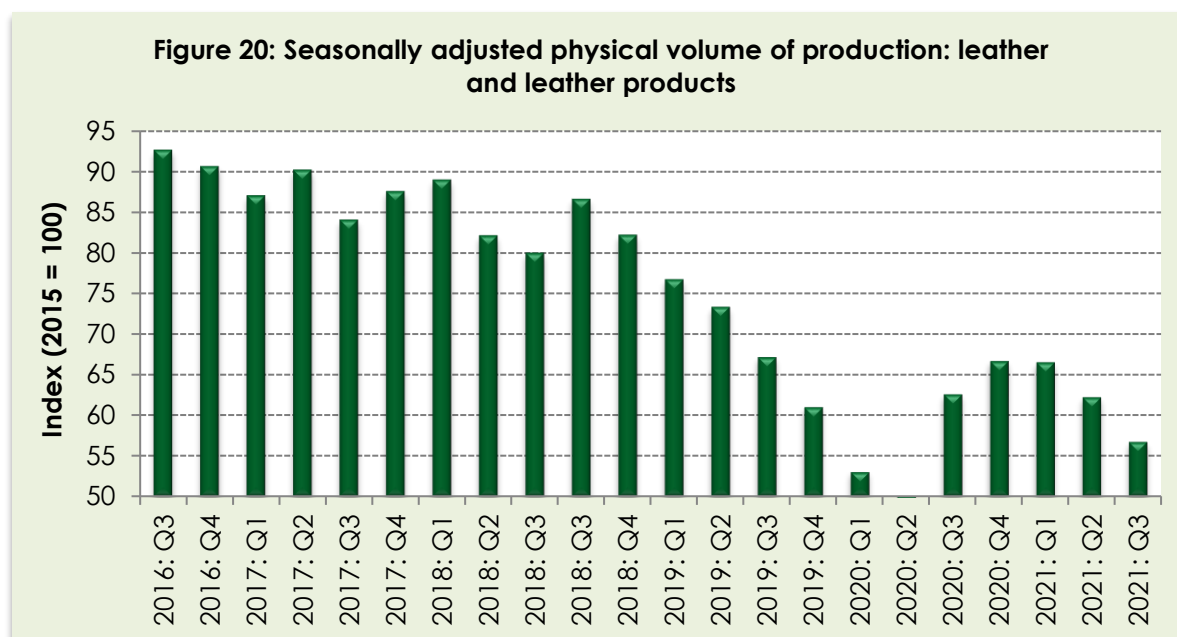
Figure 18 shows the quarterly trade balance for the wearing apparel division. During 2021: Q3 the imports of wearing apparel rebounded quarter-to-quarter by 21,2% from a 19,8% contraction in the preceding quarter. However, it moderated year-on-year by 10,7% from a 73,4% growth in 2021: Q2. Exports, on the other hand, contracted quarter-to-quarter by 3,8% from a 4,0% growth in the previous quarter, while it moderated year-on-year by 9,7% from a growth of 97,0%. As a result, the trade deficit widened from R4 400,1 million in the last quarter to R5 729,0 million in 2021: Q3.



Source: Statistics SA (2021)

During 2021: Q3, the formal employment for knitted and crocheted fabric and articles of fur contracted quarter-to-quarter by 5,9% from a growth of about 2,4% in 2021:Q2, while it moderated year-on-year by 1,4% in 2021: Q3 from a 17,7% growth in 2021: Q2. However, the quarter-to-quarter formal employment for wearing apparel rebounded by 0,4% from a 3,2% contraction in the preceding quarter. The formal employment for wearing apparel, on the other hand, decelerated year-on-year by 9,0% in 2021: Q3 from a contraction of around 5,9% in the preceding quarter. Therefore, the formal employment for the division as a whole further contracted by 0,5% quarter-to-quarter, likewise, it decelerated by 7,8% year-on-year in 2021: Q3. As a result, the whole division shed about 185 jobs in 2021: Q3.

3.6 LEATHER AND LEATHER PRODUCTS



Source: Statistics SA (2021)

During 2021: Q3, the seasonally adjusted physical volume of production for the leather and leather products division decelerated quarter-to-quarter by 8,8% from a 6,5% contraction in 2021: Q2. Likewise, year-on-year, the seasonally adjusted physical volume of production for the leather and leather products division contracted by 9,3% in 2021: Q3 after a growth of about 28,2% in 2021: Q2 as presented in Figure 20.

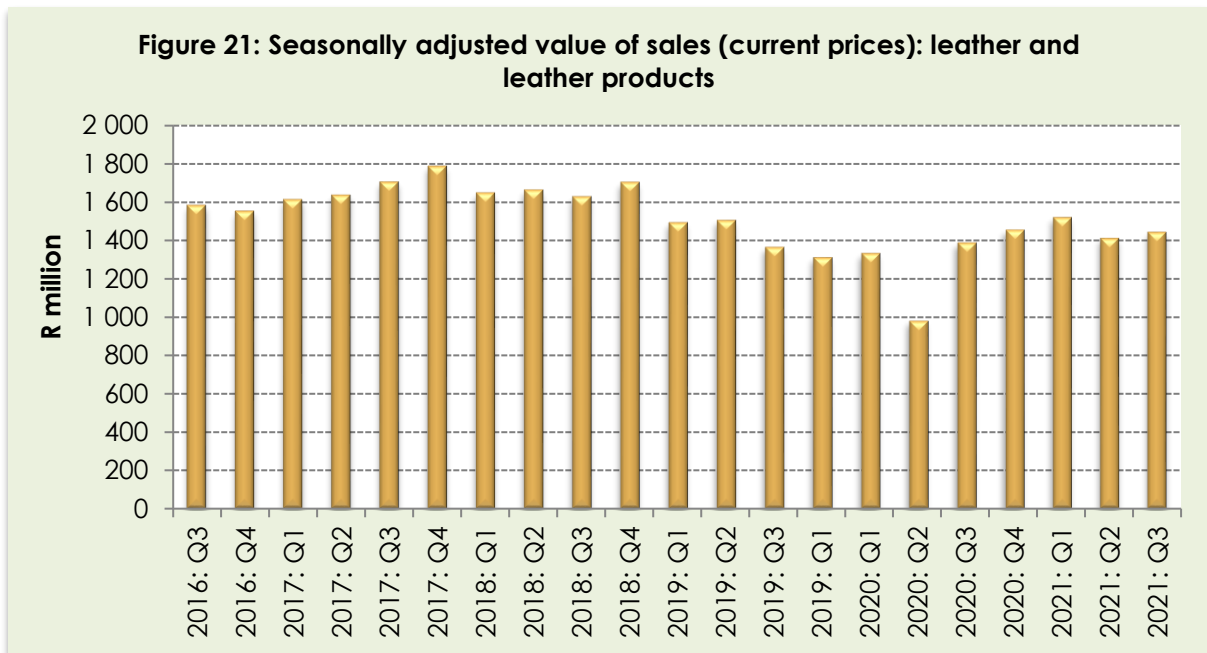
Table 11: Utilisation and reasons for underutilisation of production capacity by large enterprises: Leather and leather products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
			Skilled	Semi and unskilled			
2020: Q3	56.7	43.3	3.6	0.6	1.2	31.5	6.5
2021: Q2	50.2	49.8	9.4	0.5	1.4	16.1	22.5
2021: Q3	56.2	43.8	8.6	0.5	1.4	26.5	6.9

Source: Statistics SA (2021)

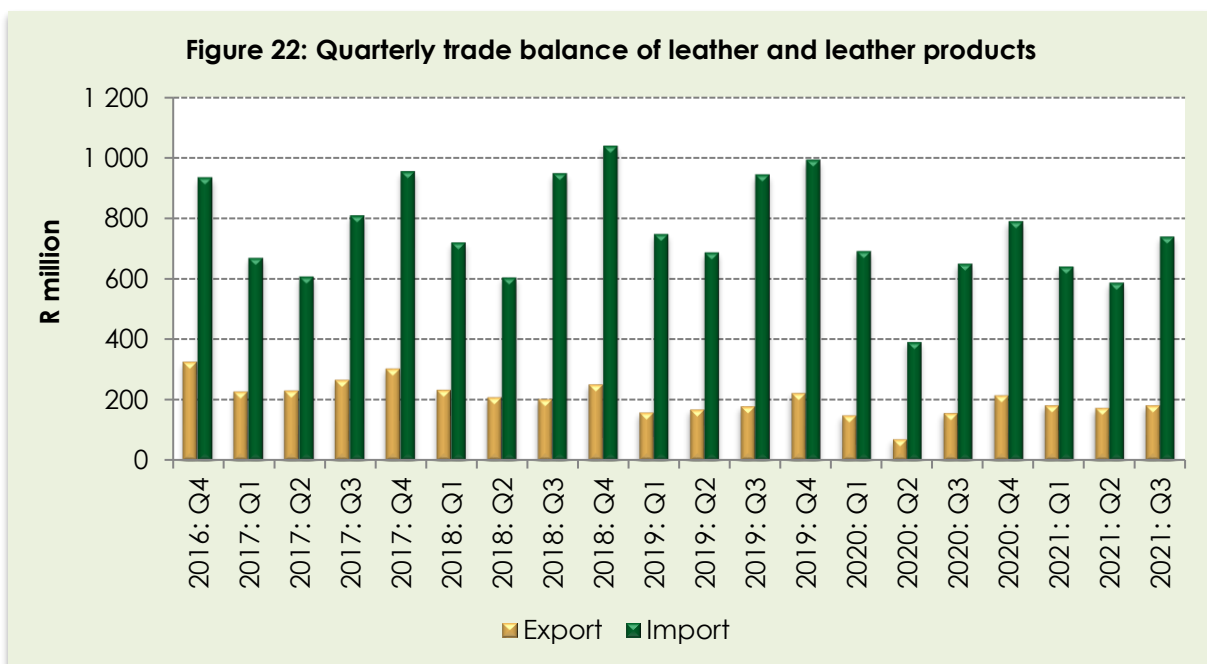
The utilisation of production capacity by large enterprises in the leather and leather products division increased quarter-to-quarter by 6,0 percentage points. However, the utilisation of production capacity by large enterprises in the leather and leather products division declined

year-on-year by 0,5 percentage point. Insufficient demand and other reasons such as lower productivity remain the reasons for underutilisation during 2021: Q3.



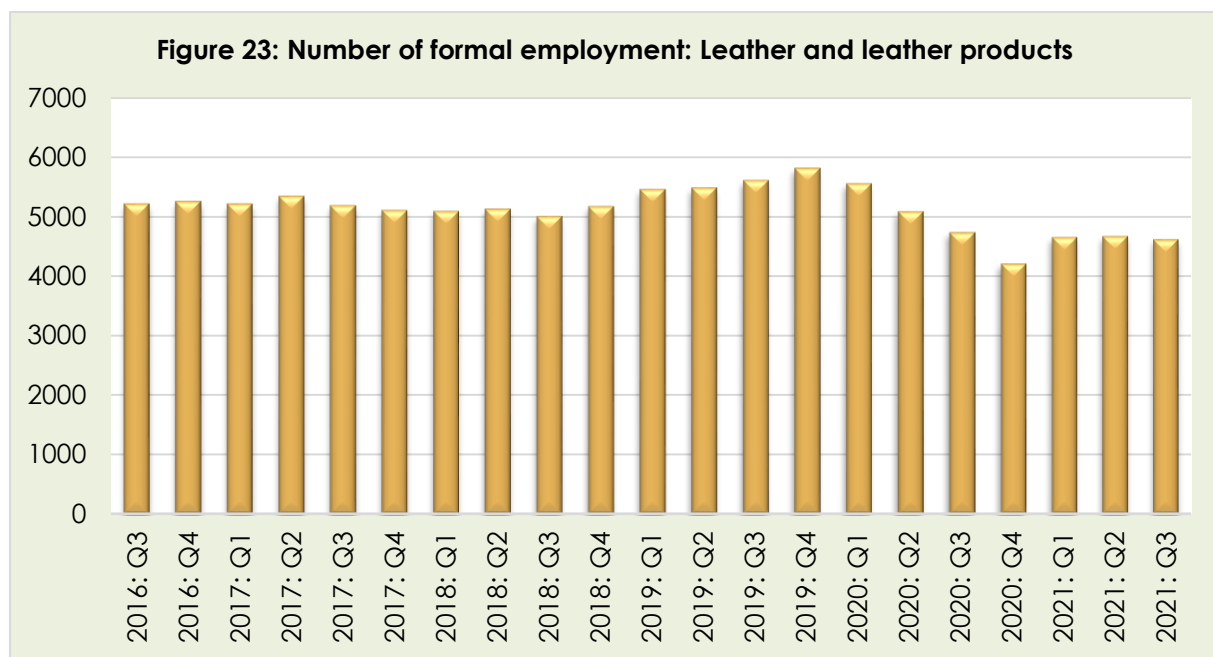
Source: Statistics SA (2021)

The seasonally adjusted value of sales for the leather and leather products division rebounded quarter-to-quarter by 2,3% in 2021: Q3, from a contraction of around 7,2% in 2021: Q2. However, year-on-year, the seasonally adjusted value of sales for the leather and leather products division moderated by 4,0% from a growth of 43,9% in the preceding quarter (see Figure 21). As result of quarter-to-quarter rebound, the value of sales of leather and leather products increased from about R1 411,5 million in 2021: Q2 to R1 444,4 million in 2021: Q3.



Source: Trade Maps, (2021)

Figure 22 above presents the quarterly trade balance for leather and leather products division. During 2021: Q3, the imports and exports of the leather and leather products division rebounded quarter-to-quarter by 25,8% and 4,5% in 2021: Q3 as compared to 8,2% and 4,5% contraction in the last quarter, respectively. However, year-on-year, imports and exports of leather and leather products moderated by 13,8% and 15,7%, following 50,2% and 147,3% growth, respectively, in the previous quarter. As a result, trade deficit widened from R415,8 million in 2021: Q2 to R559,9 million in 2021: Q3.



Source: Statistics SA (2021)

The formal employment in the leather and leather products division contracted quarter-to-quarter by 1,1% in 2021: Q3 from a 0,4% growth in the last quarter. However, year-on-year, formal employment contracted by 2,4% following a decline of about 8,2% in 2021: Q2. As a result, approximately 53 jobs were shed in 2021: Q3 (see Figure 23).

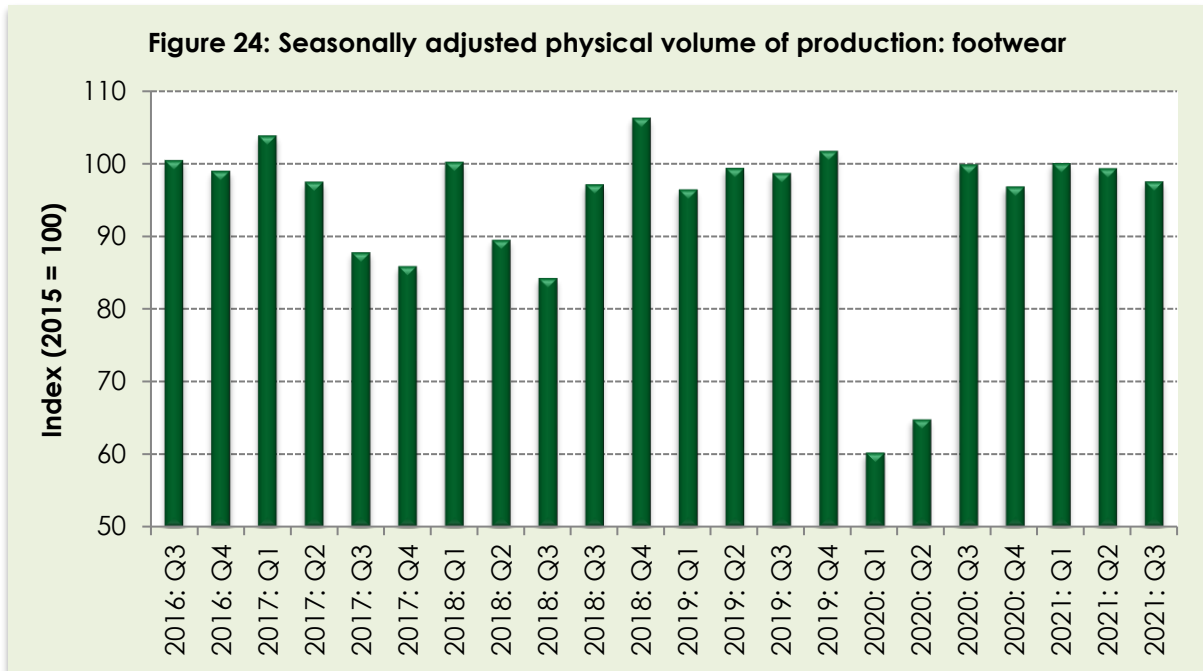
3.7 FOOTWEAR

The producer price index for the domestic output of the footwear division in 2021: Q3 rose by 3,9% year-on-year. However, the producer price index for the domestic output of the footwear division remained unchanged quarter-to-quarter as illustrated in Table 12.

Table 12: Producer price index for footwear (base 2020 = 100)

Indices			% change between	
2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
Domestic output				
100.0	103.9	103.9	3.9	0.0

Source: Statistics SA (2021)



Source: Statistics SA (2021)

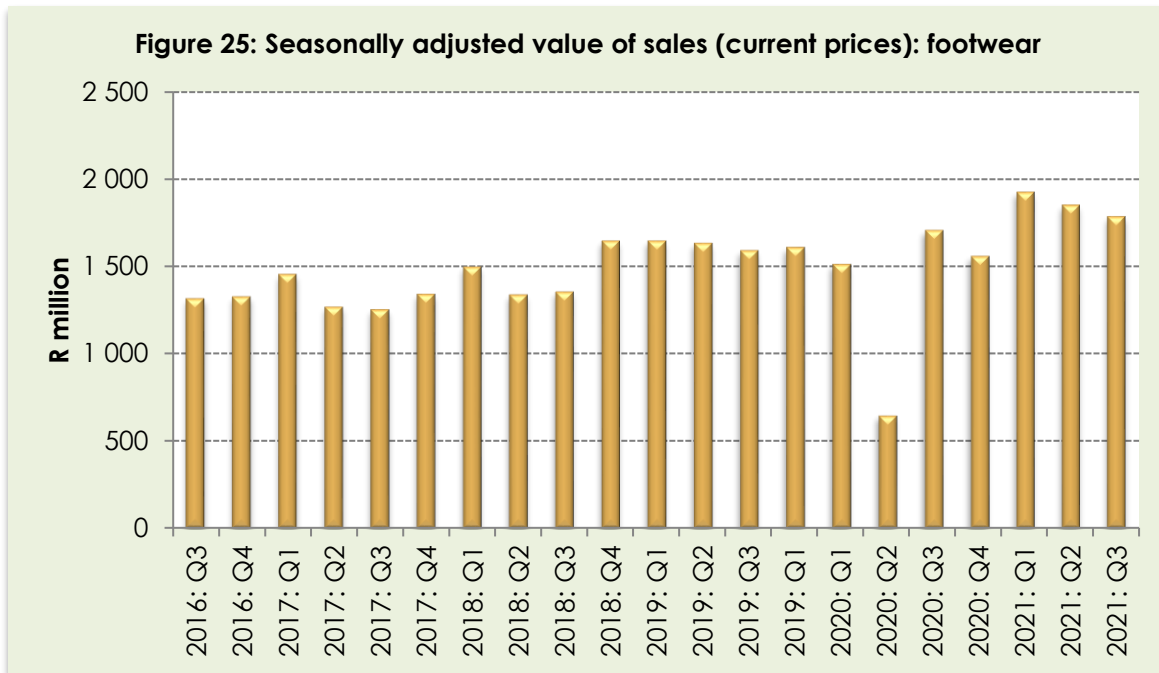
The seasonally adjusted physical volume of production for the footwear division decelerated quarter-to-quarter by 1,8% in 2021: Q3 following a 0,7% contraction in 2021: Q2. Likewise, year-on-year, the seasonally adjusted physical volume of production for the footwear division contracted by 2,3% in 2021: Q3 (see Figure 24).

Table 12: Utilisation and reasons for underutilisation of production capacity by large enterprises: Footwear (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	80.4	19.6	2.2	0.7	0.0	13.6	3.0
2021: Q2	81.7	18.3	2.5	1.3	0.0	14.5	0.0
2021: Q3	84.6	15.4	3.3	1.0	0.0	11.2	0.0

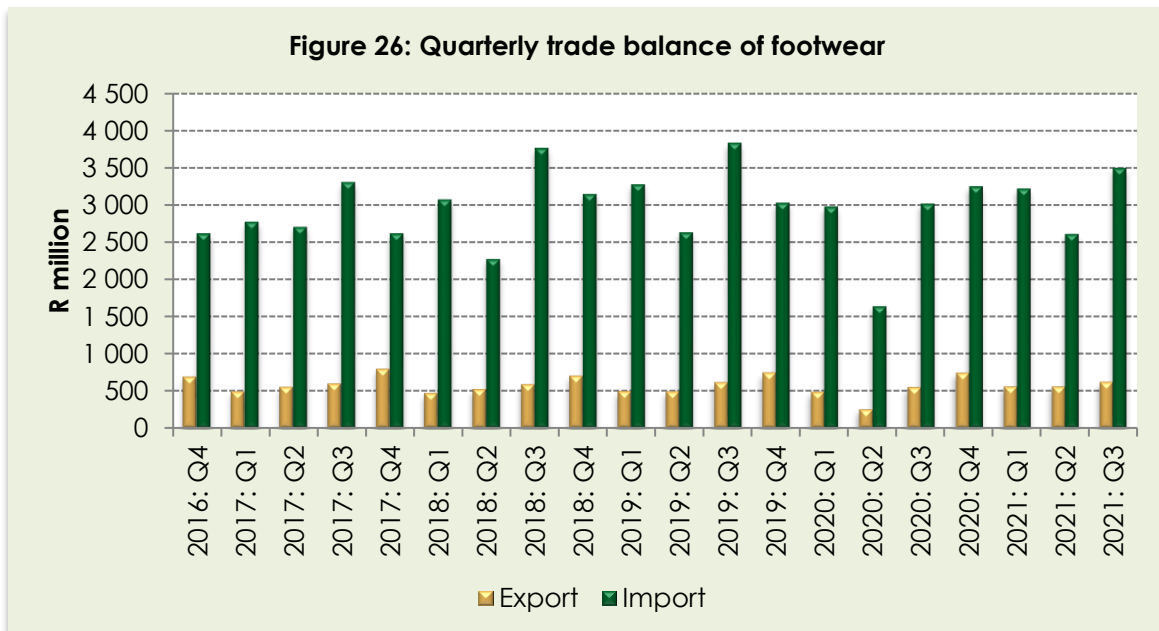
Source: Statistics SA (2021)

During 2021: Q3, the utilisation of production capacity by large enterprises in the footwear division increased quarter-to-quarter by 2,9 percentage points. Similarly, year-on-year, the utilisation of production capacity by large enterprises in the footwear division increased by 4,2 percentage points in 2021: Q3. Insufficient demand remains the main reason behind under-utilisation of production, followed by shortage of raw materials as presented in Table 12.



Source: Statistics SA (2021)

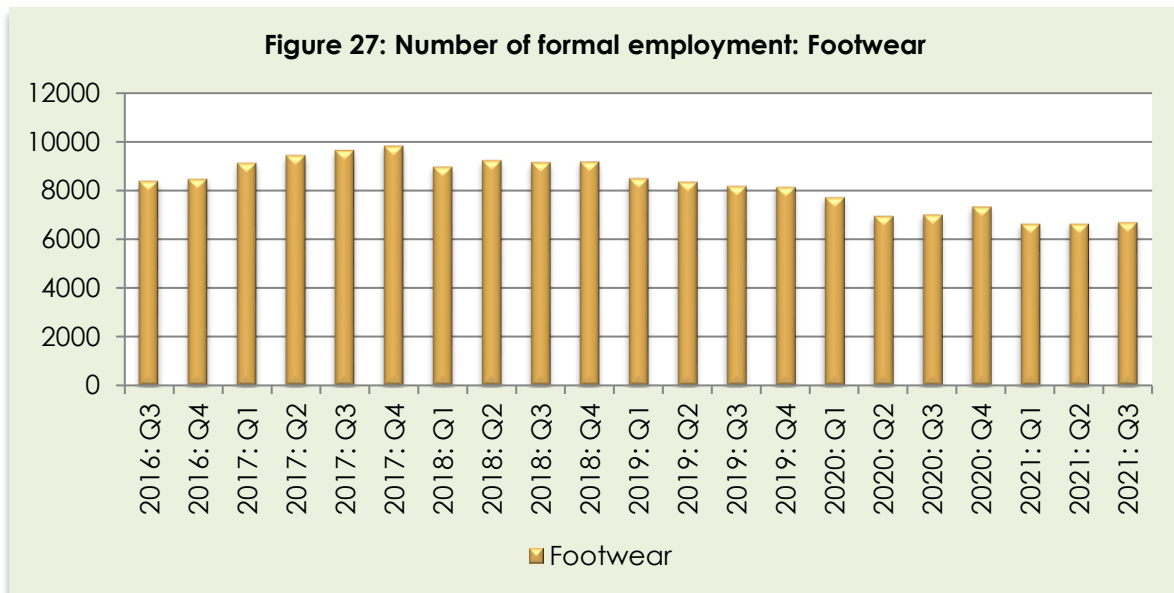
The seasonally adjusted value of sales for the footwear division further declined quarter-to-quarter by 3,6% in 2021: Q3 following a contraction of 3,8% registered in 2021: Q2. However, year-on-year, the seasonally adjusted value of sales for the footwear division moderated by 4,6% following a growth of about 187,2% in the previous quarter. Therefore, the value of sales for the footwear division decreased from R1 851,7 million in 2021: Q2 to R1 785,0 million in 2021: Q3 (see Figure 25).



Source: Trade Maps, (2021)

During 2021: Q3, the imports of footwear division rebounded quarter-to-quarter by 33,8% from a 18,9% contraction in the preceding quarter. However, year-on-year, imports of footwear division moderated by 15,8% following a 58,9% growth in 2021: Q2. Exports of footwear division,

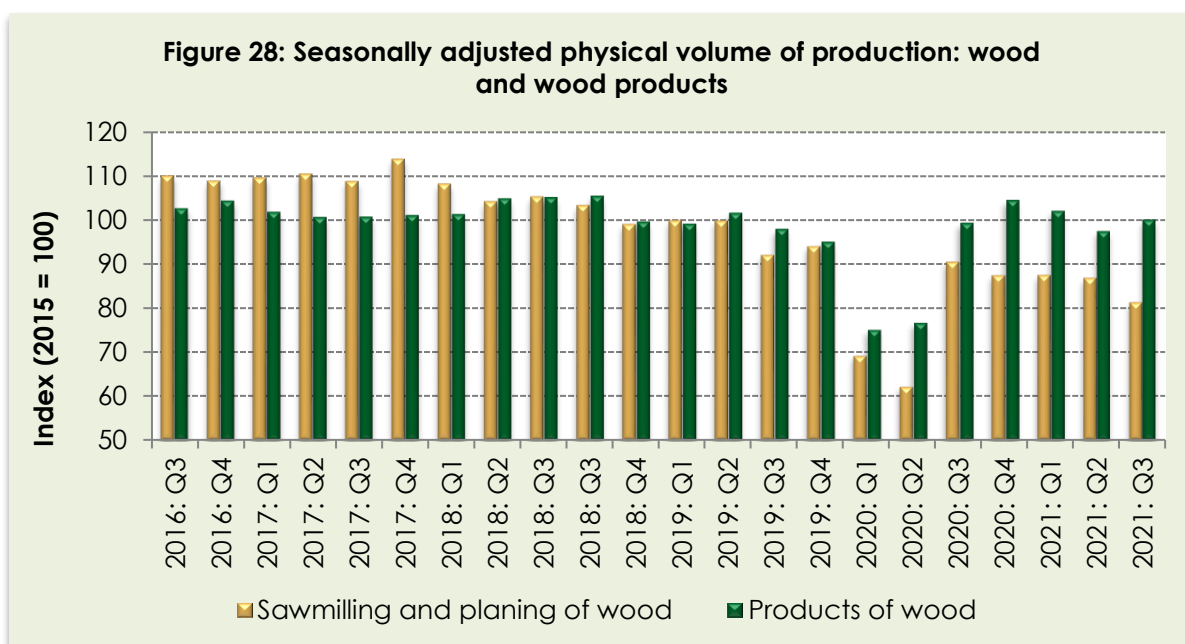
on the other hand, increased by 10,7% quarter-to-quarter in 2021: Q3 following a marginal growth of about 0,3%. Likewise, year-on-year, exports of footwear division moderated by 12,5% as compared to a growth of about 58,9% in the last quarter. As a result, the trade deficit widened from R2 060,2 million in 2021: Q2 to R2 883,3 million in 2021: Q3 (see Figure 26).



Source: Statistics SA (2021)

During 2021: Q3, the formal employment in footwear division slightly increased by 0,8% quarter-to-quarter, following an unchanged growth in the preceding quarter. Conversely, year-on-year, the formal employment in the footwear division further declined by 4,5% in 2021: Q3, which is a similar decline recorded in 2021: Q2 (see Figure 27). As a result of a marginal increase in quarter-to-quarter formal employment, the footwear division gained about 55 jobs in 2021: Q3.

3.8 WOOD AND WOOD PRODUCTS



Source: Statistics SA (2021)

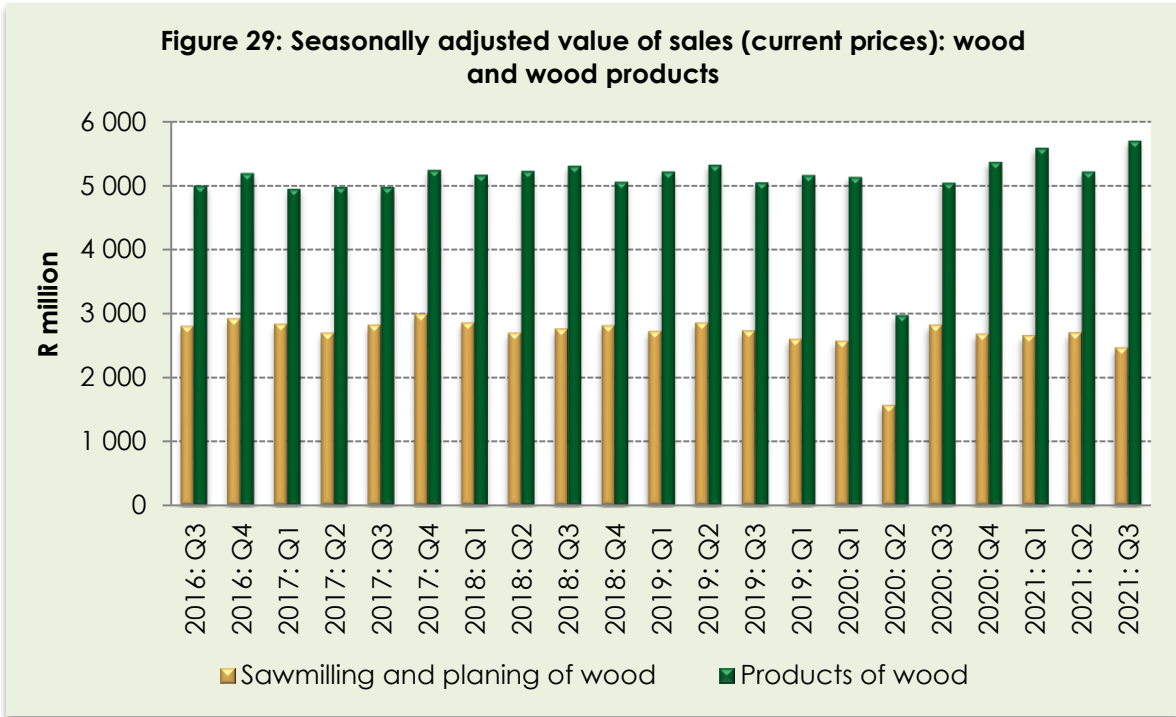
During, 2021: Q3, the seasonally adjusted physical volume of production for sawmilling and planning of woods division decelerated quarter-to-quarter by 6,4% from 0,8% contraction in 2021: Q2. Likewise, year-on-year, it contracted by 10,2% in 2021: Q3 from 39,8% growth in 2021: Q2. The volume of production of products of wood bounced back quarter-to-quarter by 2,7% in 2021: Q3 from 4,5% contraction in 2021: Q2. However, year-on-year, the volume of production of products of wood division moderated by 0,8% in 2021: Q3. The volume of production wood divisions combined contracted quarter-to-quarter by 1,6% in 2021: Q3 following a decline of about 2,8% in 2021: Q2. Similarly, year-on-year, it contracted by 4,4% in 2021: Q3.

Table 13: Utilisation and reasons for underutilisation of production capacity by large enterprises: Wood and wood products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	79.1	20.9	2.7	1.0	0.0	11.4	5.8
2021: Q2	84.0	16.0	2.2	0.8	0.0	9.0	4.0
2021: Q3	83.5	16.5	1.8	0.8	0.0	9.7	4.2

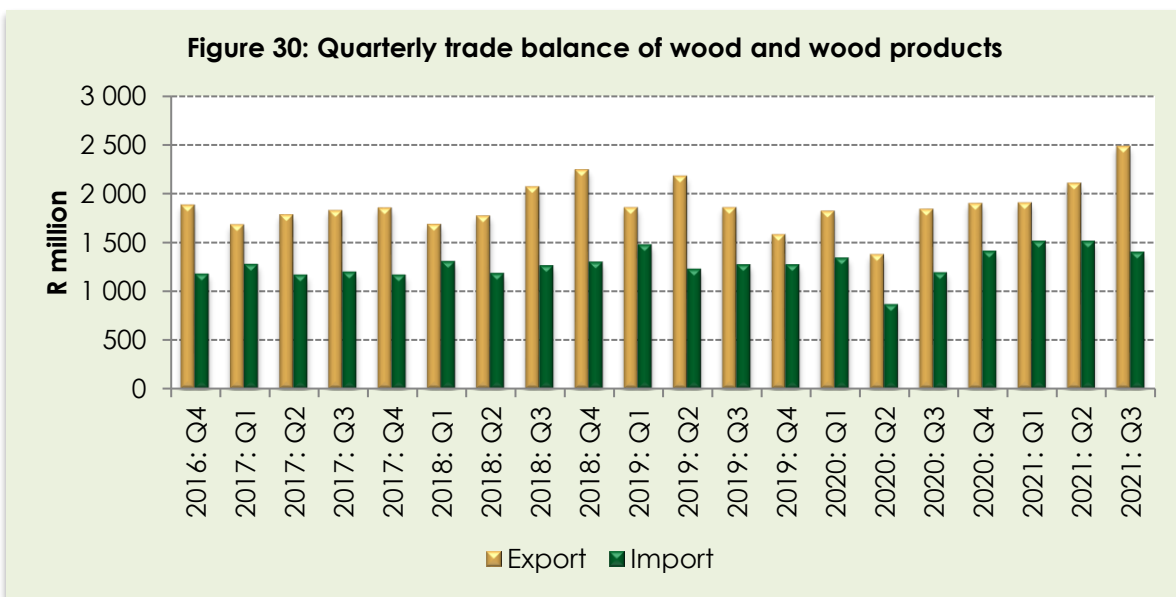
Source: Statistics SA (2021)

Table 13 shows the utilisation of production capacity by large enterprises in the wood and wood products division. The utilisation of production capacity declined quarter-to-quarter by 0.5 percentage point. However, year-on-year, the utilisation capacity increased by 4.4 percentage points. Insufficient demand remained a reason for underutilisation, followed by other reasons and shortage of raw materials.



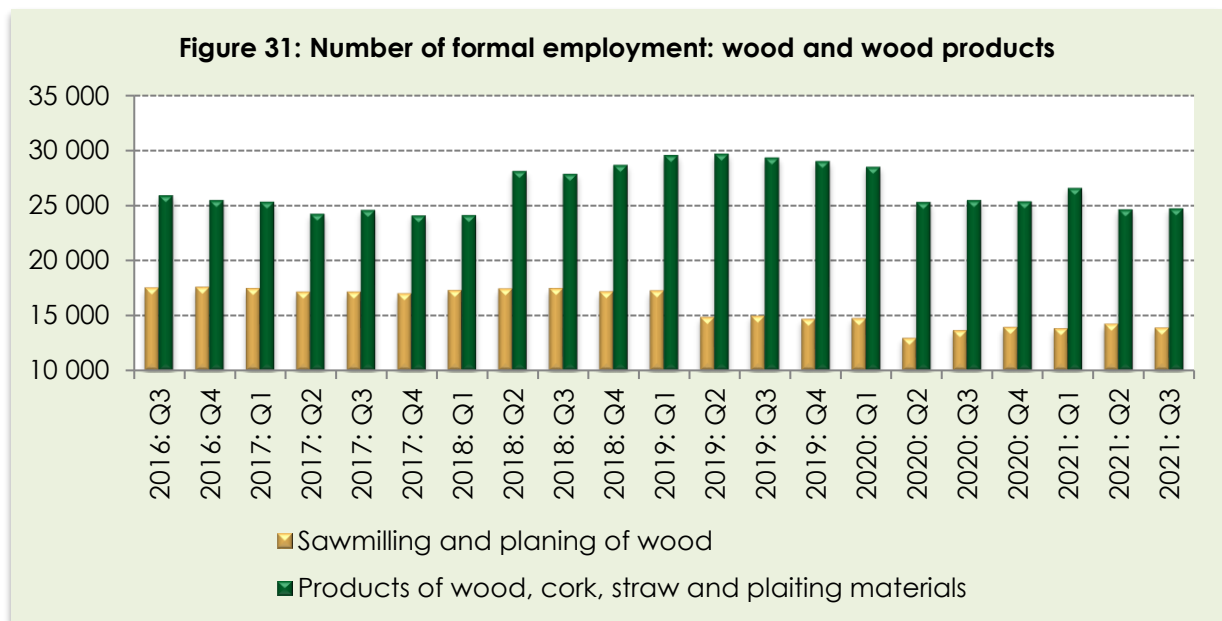
Source: Statistics SA (2021)

During 2021: Q3, the quarter-to-quarter and year-on-year seasonally adjusted value of sales for sawmilling and planing of wood division contracted by 8,8% and 12,7% from a 1,8% and 72,9% growth in 2021: Q2. However, it rebounded quarter-to-quarter for the products wood division by 9,2% in 2021: Q3 from a 6,7% contraction in the last quarter. On the other hand, year-on-year, sales for products of woods division moderated year-on-year by 13,0% in 2021: Q3 from a 75,4% growth in 2021: Q2. Sales for wood and wood products division as a whole bounced rebounded by 3,1% quarter-to-quarter in 2021: Q3, from a 3,9% contraction in 2021: Q2. However, year-on-year, sales for wood and wood products division as a whole moderated by 3,8% in 2021: Q3. Sales for wood and wood products increased from R7 917,8 million in 2021: Q2 to R8 162,6 million in 2021: Q3.



Source: Trade Maps, (2021)

During 2021:Q3, exports of wood and wood products increased quarter-to-quarter by 18,0% in 2021: Q3 from a 10,5% growth in the previous quarter. Likewise, year-on-year, exports of wood and wood products moderated by 35,0% in 2021: Q3 following a growth of around 52,9% in the preceding quarter. However, imports of wood and wood products decelerated quarter-to-quarter by 7,4% in 2021: Q3 from a contraction of 0,1% in 2021: Q2. However, year-on-year, imports of wood and wood products moderated by 17,8% in 2021: Q3 as compared to a growth of around 75,0% in the preceding quarter. As a result, the trade surplus widened from R594.6 million in the previous quarter to R1 085,7 million in 2021: Q3 (see Figure 30).



Source: Statistics SA (2021)

In 2021: Q3, the quarter-to-quarter formal employment of products of wood, cork, straw and plaiting material bounced back by 0,3% from a 7,3% contraction in the last quarter while it decelerated year-on-year by 2,9% from a contraction of 2,6% in 2021: Q2. However, the formal employment in sawmilling and planning of wood contracted quarter-to-quarter by 2,4% as compared to a 2,8% growth in the previous quarter. On the other hand, it moderated by 1,8% year-on-year from a 9,9% growth in 2021: Q2.

The employment in the wood and wood products division as a whole contracted by 0,7% quarter-to-quarter in 2021:Q3 following a 3,9% contraction in 2021: Q2. Similarly, year-on-year, it contracted by in 2021: Q3 from a 1,6% growth in the last quarter. As a result, the wood and wood products division as whole lost approximately 272 jobs in 2021: Q3 (see Figure 31).

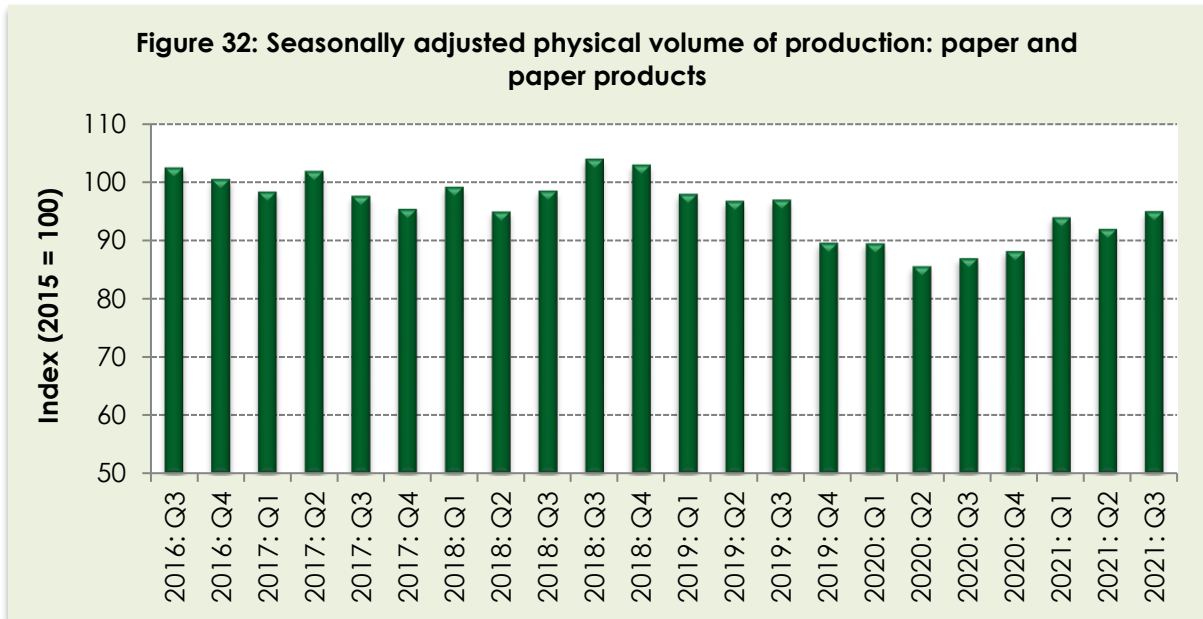
3.9 PAPER AND PAPER PRODUCTS

In 2021: Q3, producer price for domestic output of paper and printed products rose by 0,6% quarter-to-quarter. Likewise, year-on-year, the producer price for domestic output of paper and paper and printed products rose by 3,6% as shown in Table 14.

Table 14: Producer price index for paper and printed products (base 2020= 100)

	Indices			% change between	
	2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
Domestic output					
Paper and paper products	98.0	100.9	101.5	3.6	0.6

Source: Statistics SA (2021)



Source: Statistics SA (2021)

The physical volume of production for the paper and paper products division rebounded quarter-to-quarter by 3,3% in 2021: Q3 from a 2,1% contraction in 2021: Q2. However, year-on-year, it accelerated by 9,2% in 2021: Q3 from a growth of about 7,4% in 2021: Q2 (see Figure 32).

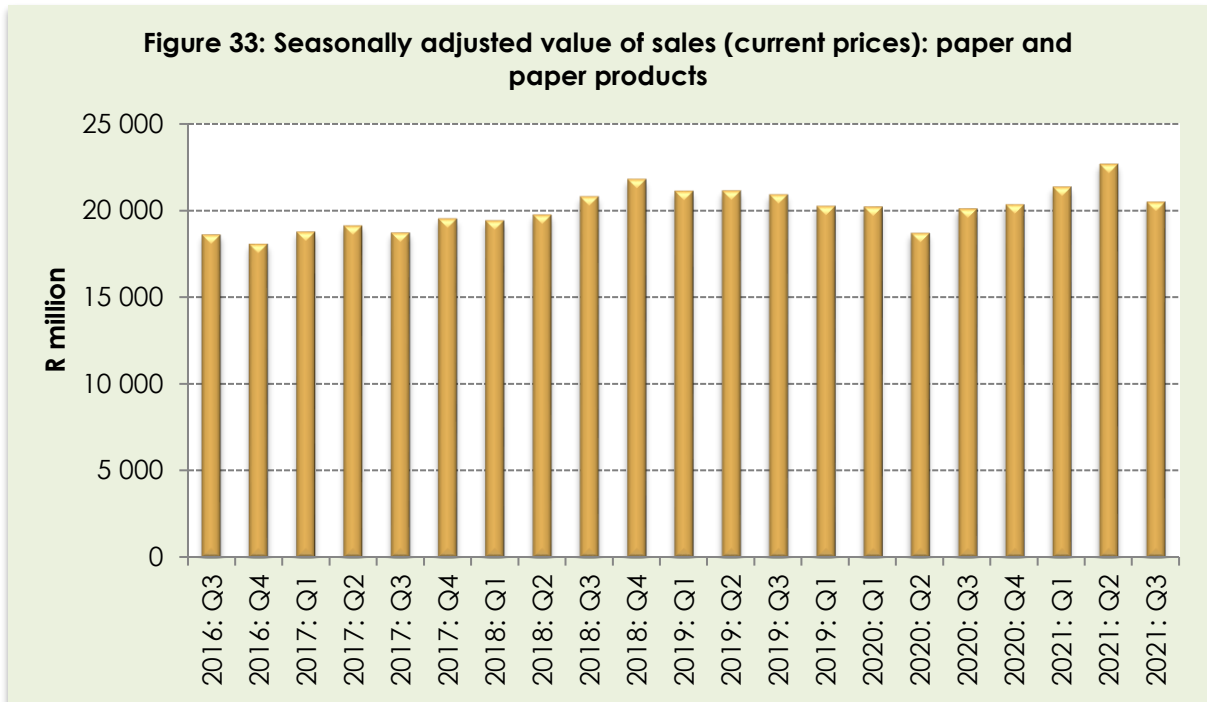
Table 15: Utilisation and reasons for underutilisation of production capacity by large enterprises: Paper and paper products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	73.1	26.9	1.8	0.9	0.1	15.9	8.2
2021: Q2	86.6	13.4	0.6	0.8	0.0	7.2	4.8

2021: Q3	87.8	12.2	1.2	0.6	0.1	6.0	4.3
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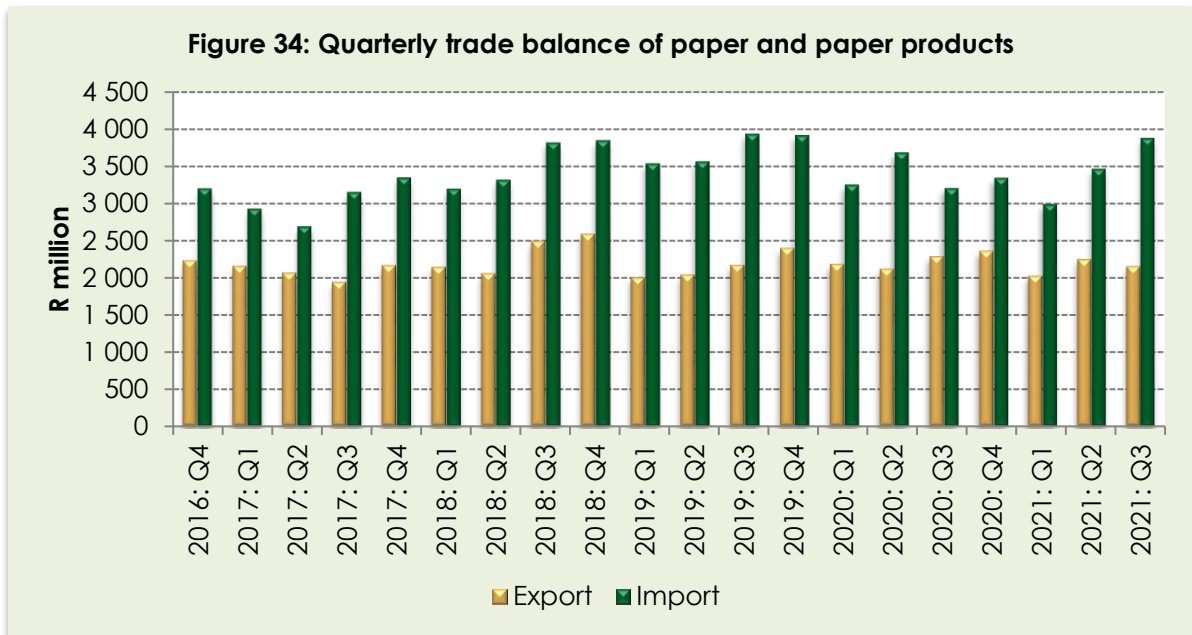
Source: Statistics SA (2021)

Table 15 shows utilisation of production capacity by large enterprises in the paper and paper products division. The utilisation of production capacity increased quarter-to-quarter by 1,2 percentage points. Similarly, year-on-year, it increased by 15,7 percentage points. The leading reasons for underutilisation are insufficient demand, followed by other reasons (such as seasonal factors) and shortage of raw materials.



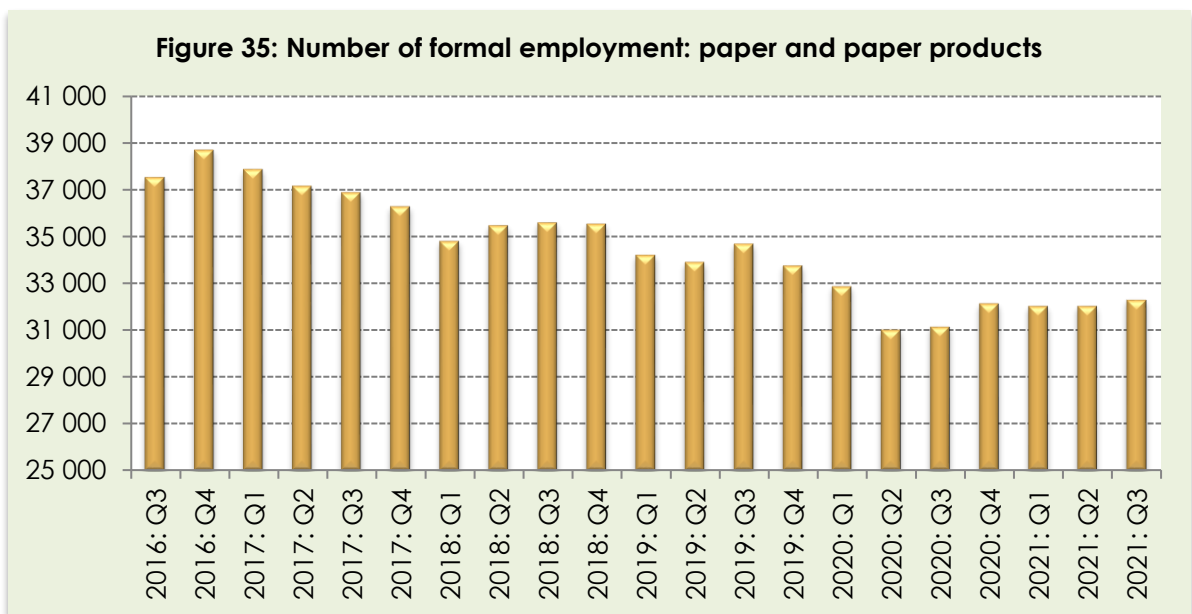
Source: Statistics SA (2021)

During 2021: Q, the quarter-to-quarter seasonally adjusted value of sales for paper and paper products division contracted by 9,7% from a 6,2% growth in the previous quarter. However, it moderated year-on-year by 1,9% from a 21,4% growth in 2021: Q2 (see Figure 33). Sales for the paper and paper products division declined to R20 453,2 million in 2021: Q3 from R22 640.6 million in 2021: Q2.



Source: Trade Maps, (2021)

During 2021:Q3, exports of paper and paper products division contracted quarter-to-quarter and year-on-year by 4,3% and 6,0% in 2021: Q3 from an 11,1% and 6,1% growth recorded in the previous quarter. Conversely, imports of paper and paper products division moderated quarter-to-quarter by 11,9% in 2021: Q3, from a 15,8% growth as recorded in the last quarter. However, year-on-year, imports rebounded by 21,0% from a 6,0% contraction in 2021:Q2 . As a result, the trade deficit of paper and paper products division widened from R1 211,1 million in 2021: Q2 to R1 719,4 million in 2021: Q3 (see Figure 34).



Source: Statistics SA (2021)

The formal employment in the paper and paper products division grew marginally quarter-to-quarter by 0,8% in 2021: Q3. Similarly, year-on-year, formal employment in the paper and paper products division increased 3,7% in 2021: Q3. Consequently, about 265 jobs gained in the paper and paper products division in 2021: Q3 as presented in Figure 35.

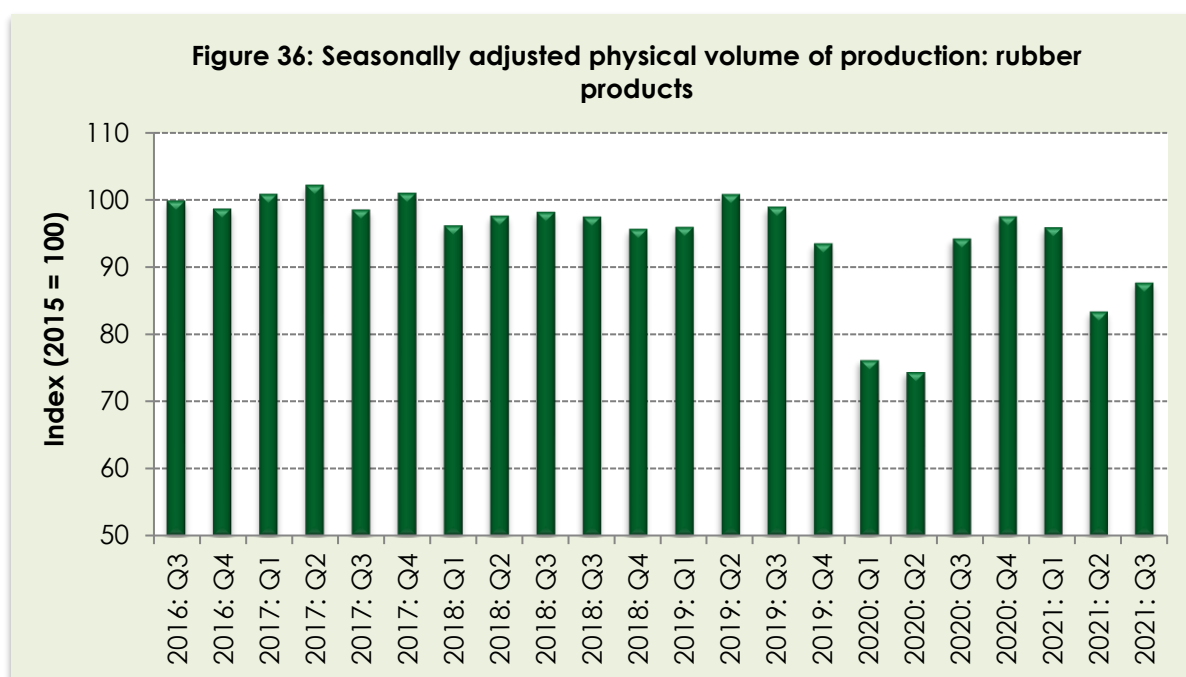
3.9 RUBBER PRODUCT

The producer price for domestic output of rubber products rose by 2,8% quarter-to-quarter in 2021: Q3. Likewise, year-on-year, the producer price for domestic output of rubber products increased by 13,1% in 2021: Q3 as depicted in see Table 16.

Table 16: Producer price index for rubber products (base 2020 = 100)

	Indices			% change between	
	2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
Domestic output					
Rubber products	97.7	107.5	110.5	13.1	2.8

Source: Statistics SA (2021)



Source: Statistics SA (2021)

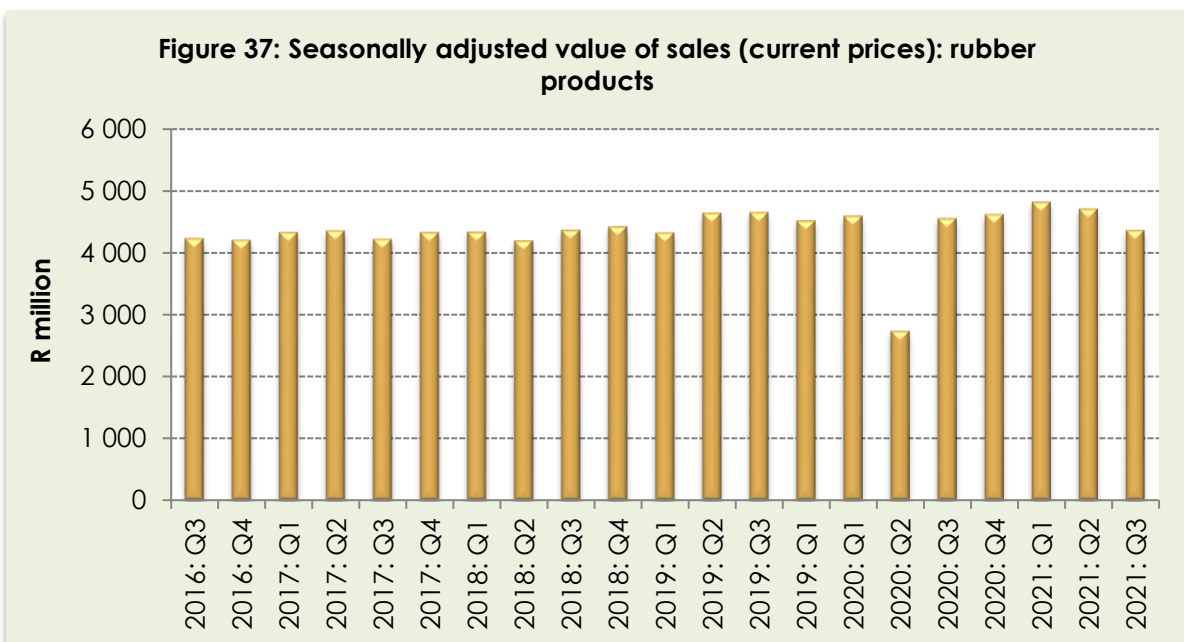
The seasonally adjusted physical volume of production for rubber products division rebounded quarter-to-quarter by 5,1% in 2021: Q3, following a 13,0% contraction in 2021: Q2. However, year-on-year, it contracted by 6,9% in 2021: Q3 after a growth of a about 12,1% in 2021: Q2 (see Figure 36).

Table 17: Utilisation and reasons for underutilisation of production capacity by large enterprises: Rubber products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisa tion	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	67.9	32.1	2.4	4.7	0.0	20.0	5.0
2021: Q2	79.6	20.4	5.9	5.4	0.0	4.9	4.2
2021: Q3	83.5	16.5	8.2	1.2	0.4	2.8	3.9

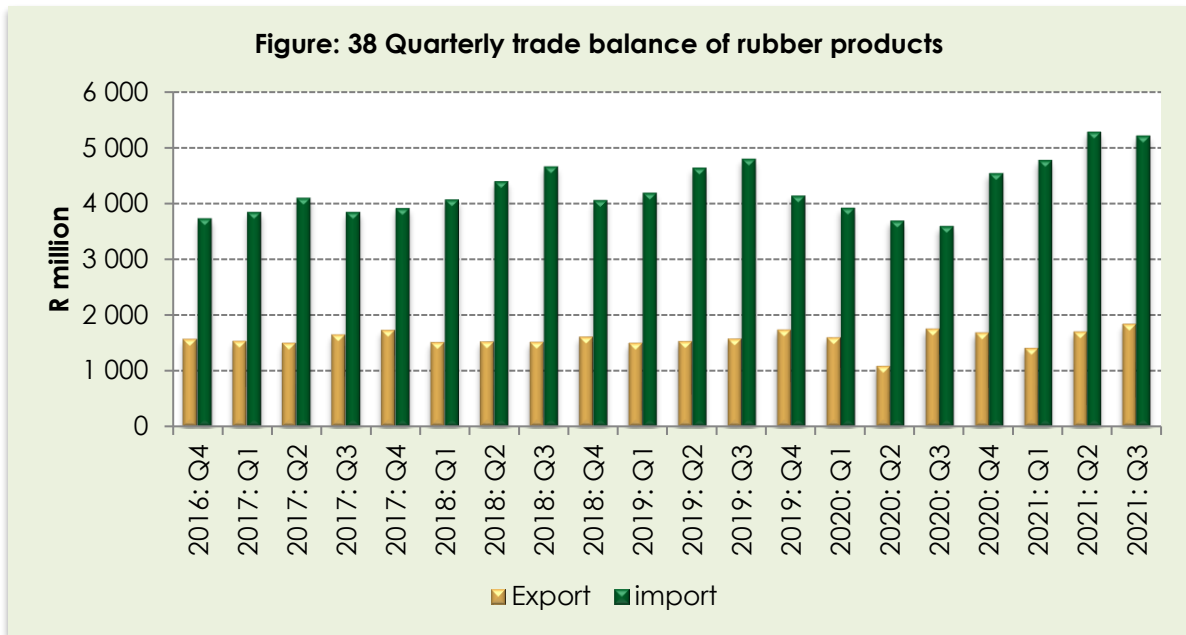
Source: Statistics SA (2021)

As seen in Table 17, the utilisation of production capacity by large enterprises in the rubber products division increased quarter-to-quarter by 3,9 percentage points in 2021: Q3. Likewise, year-on-year, the utilisation of production capacity by large enterprises in the rubber products division increased by 15,6 percentage points. During 2021: Q3, the leading reason for underutilisation of production capacity by large enterprises is shortage of raw materials, followed by other reasons such as seasonal factors.



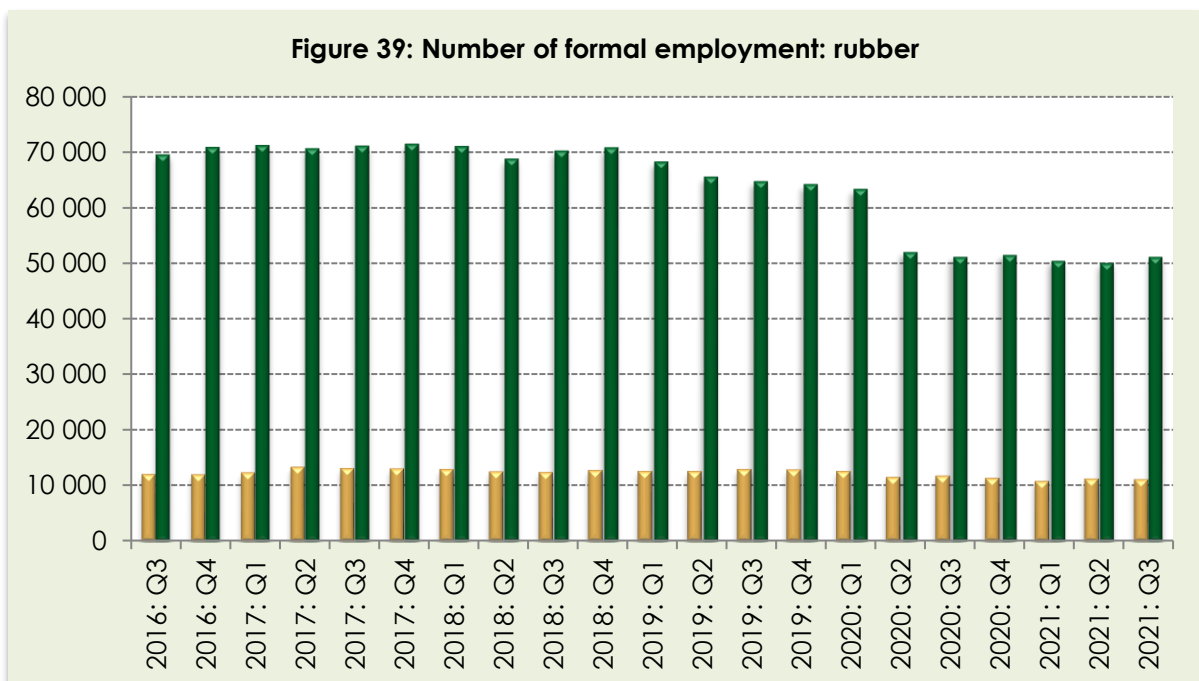
Source: Statistics SA (2021)

The seasonally adjusted value of sales for the rubber products division decelerated quarter-to-quarter by 7,3% in 2021: Q3 from a 2,2% contraction in 2021: Q2. On other hand, year-on-year, the seasonally adjusted value of sales for the rubber products the division contracted by 4,2% in 2021: Q3 from a growth of about 71,7% in 2021: Q2. The seasonally adjusted value of sales for the rubber products division declined from R4 706,5 million in 2021: Q2 to R4 362,3 million in 2021: Q3 (see Figure 37).



Source: Trade Maps, (2021)

During 2021: Q3, exports of rubber products, quarter-to-quarter and year-on-year, moderated by 8,0% and 5,1%, respectively, in 2021: Q3 from a 21,1% and 57,4% growth in the preceding quarter. However, quarter-to-quarter, imports of the rubber products division contracted by 1,3% in 2021: Q3 as compared to a 10,6% growth in the preceding quarter. Conversely, year-on-year, imports of rubber products grew by 45,2% in 2021: Q3, following a growth of about 43,3% in 2021: Q2. As a result, the trade deficit narrowed from R3 576,6 million in 2021: Q2 to R3 373,2 million in 2021: Q3.



Source: Statistics SA (2021)

The formal employment in the rubber products division contracted quarter-to-quarter by 1,1% in 2021: Q3 as compared to a 3,7% growth recorded in the last quarter, however, it

decelerated by 5,4% year-on-year following a 2,3% contraction in the previous quarter). As a result, about 116 jobs were shed in the rubber products division in 2021: Q3.

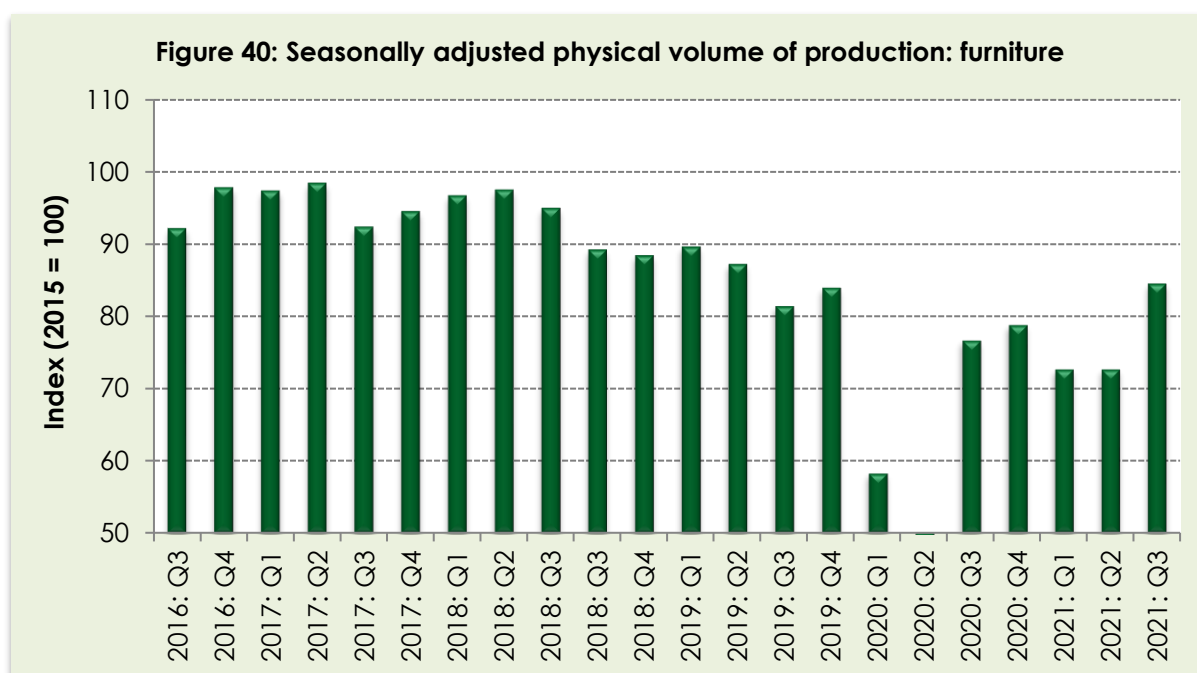
3.10 FURNITURE

The quarter-to-quarter producer price index for domestic output of furniture and other manufacturing rose marginally by 0,4% in 2021: Q3. Similarly, year-on-year, producer price index for domestic output of furniture and other manufacturing rose slightly by about 0,7% in 2021: Q3 (see Table 18).

Table 18: Producer price index for furniture and other manufacturing (Base 2020=100)

Indices			% change between	
2020: Q3	2021: Q2	2021: Q3	2020: Q3 and 2021: Q3	2021: Q2 and 2021: Q3
Domestic output				
99.9	100.2	100.6	0.7	0.4

Source: Statistics SA (2021)



Source: Statistics SA (2021)

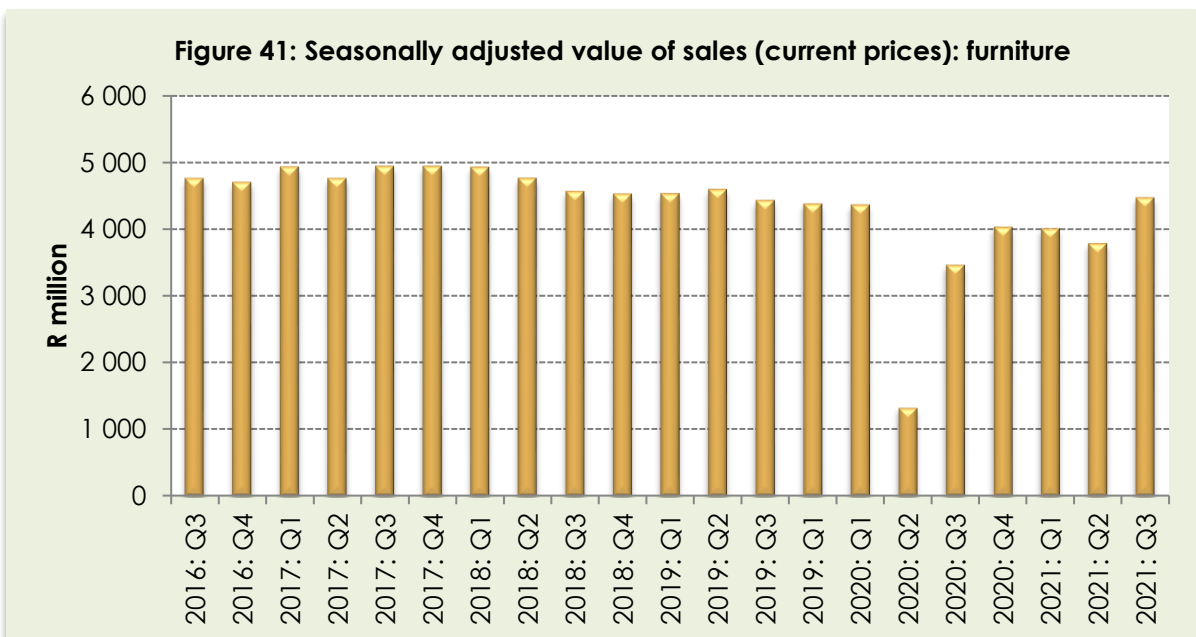
The seasonally adjusted physical volume of production for the furniture division accelerated quarter-to-quarter by 16,3% in 2021: Q3 as compared to 0,1% growth in 2021: Q2. However, year-on-year, the seasonally adjusted volume of production for the furniture division moderated by 10,3% in 2021: Q3 from a growth of about 78,3% in 2021: Q2 (see Figure 40).

Table 19: Utilisation and reasons for underutilisation of production capacity by large enterprises: Furniture (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisa- tion	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi and unskilled		
2020: Q3	71.7	28.3	0.0	2.3	0.8	25.2	0.0
2021: Q2	79.4	20.6	0.0	0.0	0.0	20.6	0.0
2021: Q3	76.7	23.3	2.9	0.0	2.0	18.4	0.0

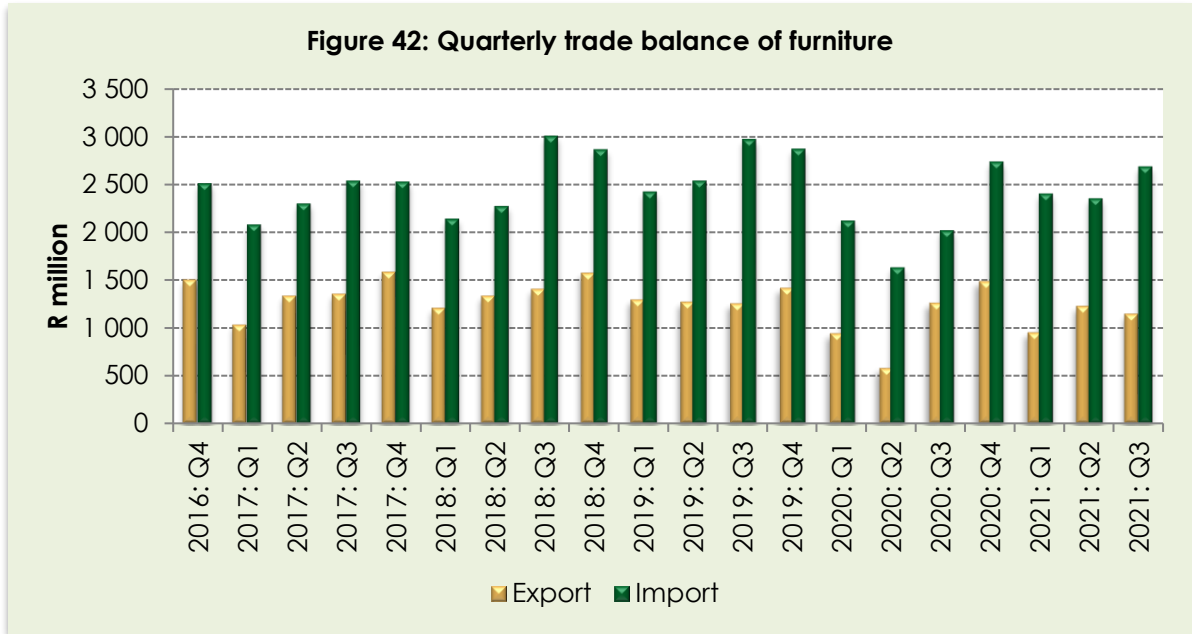
Source: Statistics SA (2021)

The utilisation of production capacity by large enterprises in the furniture division grew year-on-year by 5 percentage points. However, it declined quarter-to-quarter by 2,7 percentage points. Insufficient demand remained the main reasons for underutilisation of production capacity followed by shortage of raw materials (see Table 19).



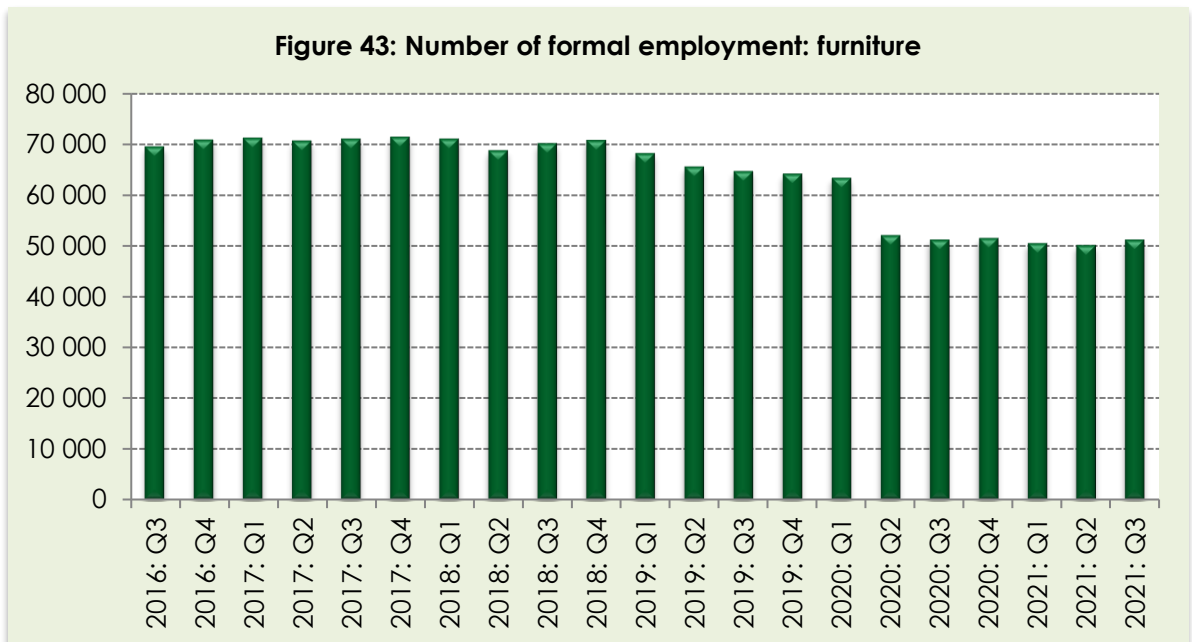
Source: Statistics SA (2021)

The seasonally adjusted value of sales for furniture division rebounded quarter-to-quarter by 18,1% in 2021: Q3 as compared to a 5,5% contraction in 2021: Q2. However, year-on-year, the seasonally adjusted value of sales for furniture division moderated by 29,0% in 2021: Q3 from a 186,1% growth in 2021: Q2. The seasonally adjusted value of sales for furniture division increased to R4 466,6 million in 2021: Q3 from about R3 781,5 million in 2021: Q2. (See Figure 41).



Source: Trade Maps, (2021)

During 2021: Q3, exports of furniture contracted quarter-to-quarter and year-on-year by 6,6% and 9,2% from a growth of 29,1% and 112,5% in 2021: Q2, respectively. The imports of furniture division, on the other hand, rebounded quarter-to-quarter by 14,1% in 2021: Q3 as compared to a 2,1% contraction in 2021: Q2. However, year-on-year, imports of furniture moderated by 32,9%. As a result of imports increasing while exports contracted, the trade deficit of the furniture division widened from R1 127,8 million in 2021: Q2 to R1 538,5 million in 2021: Q3.



Source: Statistics SA (2021)

During 2021: Q3, the formal employment in the furniture division rebounded quarter-to-quarter by 2,2% following a 0,8% contraction in 2021: Q2. However, year-on-year, it slightly declined. Because of an increased in formal employment quarter-to-quarter, approximately 1 091 jobs were created during 2021: Q3 (see Figure 43).

4. CONCLUSION

The South African economy contracted by 1,5% in 2021: Q3. Primary, secondary and tertiary sectors all witnessed a decline in output. The agricultural endured a substantial decline of about 13,6% as a result of lower production of field crops and animal products, maize, sugar cane and citrus commodities.

The producer price inflation for final manufactured goods moderated year-on-year by 2,1%, while consumer price remained at 4,9% in 2021: Q3. The producer price inflation increased year-on-year for sawmilling and wood products (10,5%), rubber products(13,1%) and textiles(3,5%) in 2021: Q3. However, it moderated year-on-year, for food products (7,0%), tobacco products (5,5%) and paper and printed products (3,6%), while it stagnated for beverages(2,2%) and footwear(3,9) division. The producer price inflation for furniture division rebounded by 0,7% in 2021: Q3.

The seasonally adjusted volume of production for agro-processing industry rebounded quarter-to-quarter by 3,0% in 2021: Q3. However, it contracted by 0,2% year-on-year. The seasonally adjusted value of sales, on other hand, contracted quarter-to-quarter by 2,7%, however, it moderated year-on-year by 9,2%.

The trade deficit for the agro-processing industry widened during 2021: Q3. Most of agro-processing divisions recorded a trade deficit, with the exception of beverages, tobacco products and wood and wood products divisions, which recorded a trade surplus in 2021: Q3. The formal employment in the agro-processing industry contracted further by 0,4% as compared to a 1,6% growth registered in the last quarter, representing job losses of about 1 660.

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