

Agro-processing

Quarterly Brief: No. 3, 2012

Directorate: Agro-processing Support

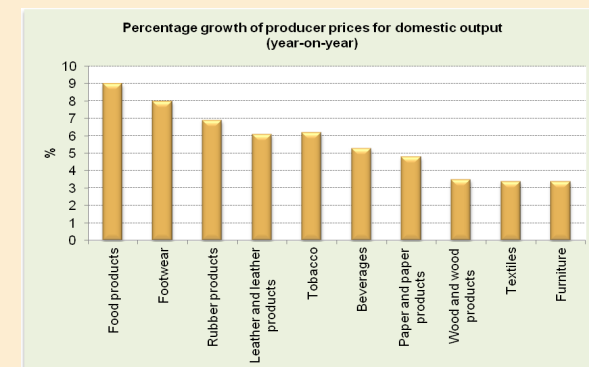


Highlights of quarter 3, 2012 (July-September):

- The average producer and consumer prices increased by 4,9% and 5,2%, respectively. When compared to the average producer and consumer price inflation, the growth in the producer price was higher for manufactured food (9%), footwear (8%), rubber products (6,9%), tobacco (6,2%), leather and leather products (6,1%) and beverages (5,3%).
- The volume of production growth of most of the agro-processing industry was lower compared to the previous quarter. Among the few agro-processing divisions that expanded production during the quarter are beverages, wearing apparel, furniture and wood products.
- Except for rubber and wood products, whose export growth surpassed import growth, for all the remaining divisions, the quarter-to-quarter import growth was higher than the export growth. As a result, the trade deficit of agro-processing widened from R9 435 million in the previous quarter to R12 820 during 2012: Q3.
- The contraction of production and exports during the third quarter in most of the agro-processing divisions induced the loss of 3 171 formal jobs compared to the previous quarter. Most of the jobs were lost in the food, wood products and wearing apparel divisions.

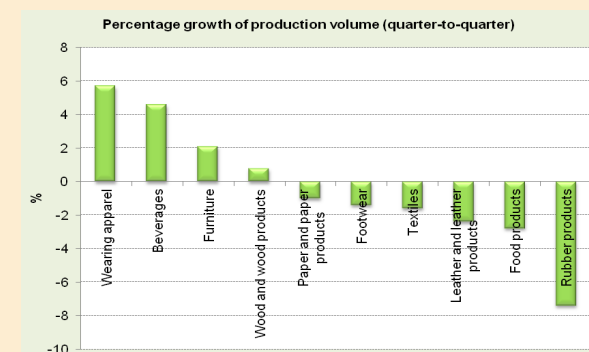


The producer price for the domestic output of agro-processing showed a growth above the average producer price growth (4,9%) for manufactured food (9%), footwear (8%), rubber products (6,9%), tobacco (6,2%), leather and leather products (6,1%) and beverages (5,3%). Other agro-processing products that showed a lower growth rate than the average producer price are paper products (4,8%), wood products (3,5%), furniture (3,4%), textiles (3,4%)



Source: Statistics SA

Compared to the previous quarter, wearing apparel and beverages showed a moderate production growth of 5,7% and 4,6%, respectively. The production growth was modest for furniture (2,1%) and wood products (0,7%). Production, however, decreased for paper products (-1%), footwear (-1,4%), textiles (-1,6%), leather products (-2,4%), food products (-2,8%) and rubber products (-7,4%).



Source: Statistics SA

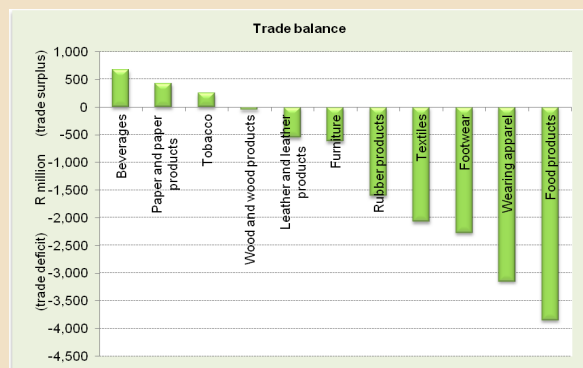


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Export growth was robust for wood products (47%), rubber products (13%) and footwear (12%). It was modest for wearing apparel (5%), paper products (4,4%), furniture (3,3%), food products (3,5%) and negligible for beverages (0,2%). The export of tobacco (-25,6%) and leather products (-13,7%), however, declined considerably, while export of textiles (-2%) decreased modestly.

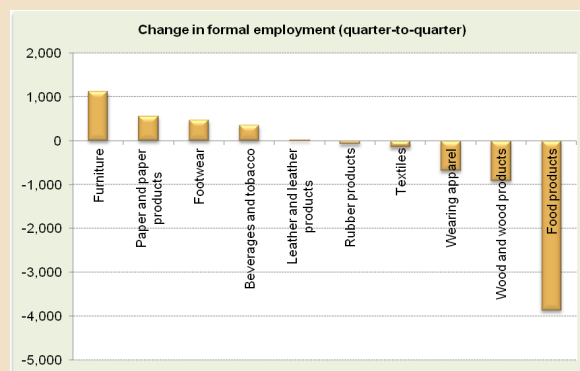
Apart from the imports of tobacco and rubber products that contracted by 10% and 2,3%, respectively, during the third quarter of 2012, imports increased considerably for most of the remaining agro-processing products; beverages (72,4%), footwear (54,5%), leather products (47,4%), furniture (31,3%), wearing apparel (25%), textiles (26,6%), paper products (13,8%), wood products (6,1%) and food products (4%). As a result, the trade deficit of agro-processing widened from R9 435 million in the previous quarter to R12 820 during 2012: Q3.



Source: Quantec EasyData



Agro-processing lost 3 171 formal jobs compared to the previous quarter following a dismal production and export growth in most divisions during the third quarter. Among the divisions, however, additional formal employment was created in the furniture (1 133 jobs), paper and paper products (561 jobs), footwear (468 jobs), beverages and tobacco (355 jobs) and leather and leather product (26 jobs) divisions. A significant number of formal jobs were lost in the food products (3877 jobs), wood products (916 jobs) and wearing apparel (686 jobs) divisions. In addition, rubber products and textiles lost 78 and 157 formal jobs, respectively.



Source: Statistics SA



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