

Agro-processing Quarterly

Brief: No. 4, 2012

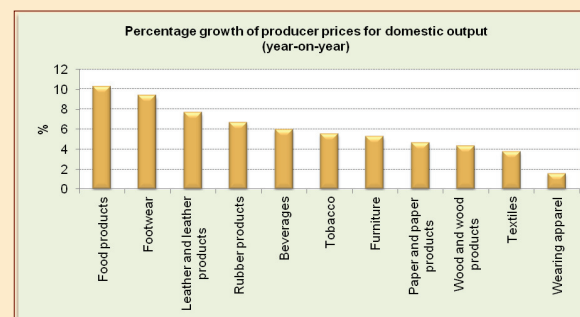
Directorate: Agro-processing Support



Highlights of quarter 4, 2012 (October-December)

- Compared to the average producer price inflation (5,2%), the producer price increased higher for food products (10%), footwear (9,4%), leather products (7,7%), beverages (6%), rubber products (6,7%), tobacco (5,6%) and furniture (5,3%).
- The volume of production for most of the divisions in the agro-processing industry contracted during the fourth quarter of 2012 compared to the previous quarter. However, volume of production increased in the beverages, leather, paper, and wood products divisions.
- The total value of sales for the agro-processing industry increased from R114 771 million in the preceding quarter to R118 305 million in the fourth quarter of 2012 mainly supported by the rise in producer prices.
- As a result of a faster import (10,3%) growth than export (5,4%) of agro-processing products, the trade deficit of agro-processing products increased from R12 820 million in the previous quarter to R14 818 million in the fourth quarter of 2012.
- The agro-processing industry created 7 767 additional formal jobs during the fourth quarter of 2012 following 1 870 formal jobs losses in the previous quarter.

Producer prices

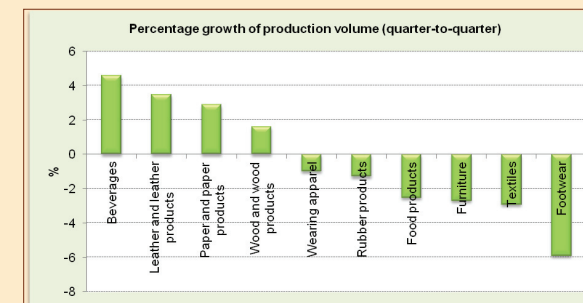


Source: Statistics SA

The average producer and consumer price inflation was 5,2% and 5,7%, respectively, during the fourth quarter of 2012. When compared with the average producer price inflation, the producer price increased higher for food products (10%), footwear (9,4%), leather products (7,7%), beverages (6%), rubber products (6,7%), tobacco (5,6%) and furniture (5,3%). However, it in-

creased at a slower pace for paper products (4,7%), wood products (4,4%), textiles (3,8%) and wearing apparel (1,6%).

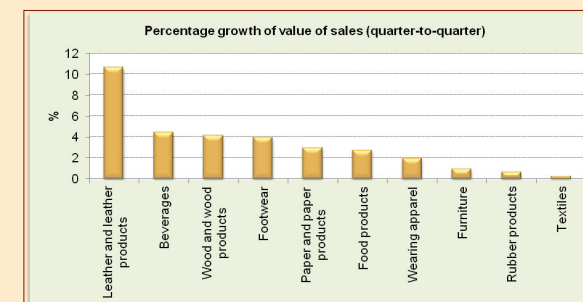
Volume of production



Source: Statistics SA

The volume of production for most of the divisions in the agro-processing industry contracted during the fourth quarter of 2012 compared to the previous quarter. However, the volume of production increased in the beverages (4,6%), leather (3,5%), paper (2,9%) and wood (1,6%) products divisions. Conversely, it decreased in the wearing apparel (-1%), rubber products (-1,3%), food (-2,5%), furniture (-2,7%), textiles (-0,3%), and footwear (-5,9%) divisions.

Value of sales



Source: Statistics SA

Mainly supported by the increase in producer prices, the nominal value of sales of agro-processing increased by 3% during the fourth quarter of 2012 compared to the previous quarter. The value of sales for the

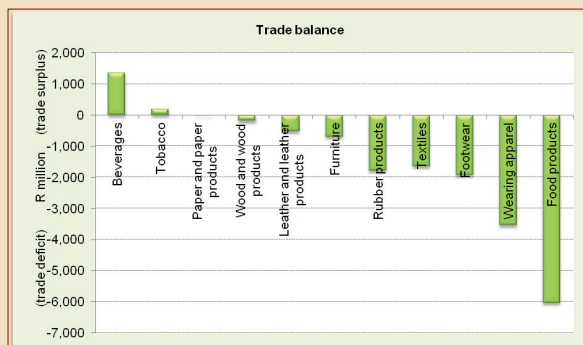


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leather (10,7%), beverages (4,5%), wood (4,2%) and footwear (4%) divisions was relatively higher than the paper products (3%), food products (2,8%), wearing apparel (2%), furniture (1%), rubber products (0,7%) and textiles (0,3%) divisions. Therefore, the total value of sales for the agro-processing industry increased from R114 771 million in the preceding quarter to R118 305 million in the fourth quarter of 2012.

Trade

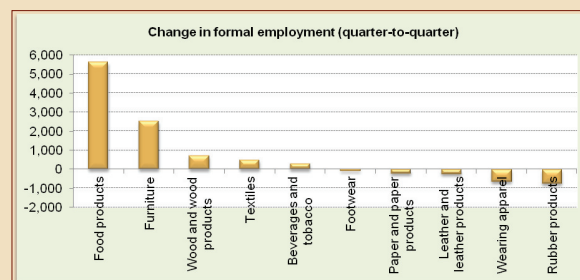


Source: Quantec EasyData

During the fourth quarter of 2012, export grew markedly for leather products (36%), footwear (25%), textiles (18,8%), beverages (16,2%), food products (11,8%) and wearing apparel (7%) compared to the previous quarter. It, however, contracted for wood products (-16%), rubber products (-13,4%), paper products (-6,5%), tobacco (-6,2%) and furniture (-4%). While import subsidised for beverages (-20%), footwear (-14%) and textiles (-12%), it surged for food products (30,8%), tobacco (35,7%), wearing apparel (12%) and paper products (12,6%). It also grew moderately for leather products (6,2%), wood products (4,9%), rubber products (2,5%) and furniture (3,5%). Because of a faster import growth (10,3%) of agro-processing products compared to the export (5,4%), the trade deficit of agro-processing products increased from R12 820 million in the previous quarter to R14 818 million during the fourth quarter of 2012. The trade balance of beverages, textiles, leather products and footwear, however, improved during the fourth quarter of 2012.



Formal employment



Source: Statistics SA

During the fourth quarter of 2012, additional formal jobs were created in the food (3,4%: 5 639 jobs), furniture (7,1%: 2 536 jobs), wood (2%: 723 jobs), textiles (1,6%: 503 jobs) and beverages and tobacco (0,8%: 309 jobs) divisions. However, jobs were lost in rubber products (5,4%: 743 jobs), paper products (-0,7%: 224 jobs), wearing apparel (-1,3: 654 jobs), leather products (-5,2%: 240 jobs) and footwear (-1%: 80 jobs) divisions. In aggregate, the agro-processing industry created 7 767 additional formal jobs during the fourth quarter of 2012.



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