



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

2025: Q1

DIRECTORATE: AGRO-PROCESSING SUPPORT



agriculture

Department:
Agriculture
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, specifically on economic transformation and job creation, the agro-processing industry as a key pillar for inclusive economic growth. At sector 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 the sector.

Consequently, the Department of Agriculture, (DoA) 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 a quarterly economic review of the agro-processing industry.

This publication, “*Quarterly Economic Review of the Agro-processing Industry in South Africa 2025: Q1*”, by the directorate evaluates the economic performance of the eleven agro-processing divisions during 2025: Q1. These divisions, which are categorised consistent with the *Standard Industrial Classification*, are 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 prices, 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.

Agro-processing Support

Pretoria

Disclaimer: The Department of Agriculture did everything to ensure the accuracy of the information reported in this publication. The department will, however, not be held liable for the results of actions based on this publication.

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EXECUTIVE SUMMARY

The South African economy moderated by 0,1% in 2025: Q1, following a growth of 0,4% in 2024: Q4. The real gross value added (GVA) by the primary and tertiary sectors moderated and expanded respectively, while that of the secondary sector contracted further in 2025: Q1 (SA Reserve Bank, 2025).

In 2025: Q1, the year-on-year consumer price inflation for all items rose by 3,8% in 2025: Q1 from a 3,5% growth in 2024: Q4. The following items' consumer price inflation moderated during the period under review: meat, milk, eggs and cheese, fruits and nuts, sugar, confectionery and desserts and cold beverages. Fish and other seafood, oils and fats, hot beverages, alcoholic beverages and tobacco, spirits and liqueurs, wine and beer expanded during the period, while cereals remained unchanged as compared to a growth of 3,7% in the preceding quarter

The year-on-year producer price inflation for final manufactured goods rose by 0,9% as compared to a stagnated growth in the preceding quarter. The following items' producer price inflation moderated during the period under review: fish and fish products, fruit and vegetables, dairy products, grain mill products and bakery products. Food products, starches and starch products, animal feeds and "other food products" rose during the period, meat and meat products and oils and fats rebounded, while sugar receded further in 2025: Q1.

In 2025: Q1, most of the divisions' seasonally adjusted volume of production rebounded, and those divisions were: food products, furniture, leather and leather products, footwear and wearing apparel. However, textiles division receded further, beverages division contracted, rubber division expanded, while wood and wood products and paper and paper products divisions moderated

The seasonally adjusted value of sales contracted for the beverages and wood and wood products divisions in 2025: Q1. The food products, wearing apparel, textiles and rubber products divisions rose, footwear division moderated, while furniture and paper and paper products divisions rebounded during the period.

The utilisation capacity of the agro-processing sector decreased for the following divisions in 2025: Q1: food products, beverages, textiles, wearing apparel, leather and leather products, footwear, wood and wood products and furniture. However, textiles, paper and paper products and rubber products division increased.

In 2025: Q1, the divisions that recorded a trade deficit were wearing apparel, footwear, textiles, rubber, furniture and leather and leather products. However, the following divisions registered a trade surplus during the period: paper and paper products, beverages, food, tobacco and wood and wood products.

In 2025: Q1, jobs were created in the following divisions: food products (8 083), beverages (7 817), wood and wood products (477) and furniture (146). However, paper and paper products (1 377), wearing apparel (450), footwear (419), rubber products (382), textiles (236) and leather and leather products (27) divisions shed jobs during the period.

1. INTRODUCTION

In 2025: Q1, the economic activity in South Africa moderated by 0,1%. The real output of the primary sector moderated by 3,0% in 2025: Q1 following a growth of 5,6% in 2024: Q4. The output of the secondary sector, however, contracted further by 2,4%, while that of the tertiary sector grew slightly by 0,4% (SA Reserve Bank, 2025).

This quarterly economic review of the agro-processing industry in South Africa assesses how the performance of the domestic economy during 2025: Q1 affected the producer price, consumer price, production volume, sales, capacity utilisation, trade and the employment of the agro-processing divisions. This quarterly review is organised as follows: section two summarises the state of the domestic economy during 2025: Q1. 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. In 2025: Q1, the primary sector moderated by 3,0% from a growth of 5,6% in the last quarter. The real output of the agricultural sector expanded for a second consecutive quarter, while that of the mining sector contracted further. The agricultural expansion was because of an increased production of horticultural and animal products during 2025: Q1, boosted by good rainfall (SA Reserve Bank, 2025).

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

Sector	2024				2025	
	Q1	Q2	Q3	Q4	Year*	Q1
Primary sector	4,1	-1,9	-7,2	5,6	-3,0	3,0
Agriculture	14,0	-3,9	-20,5	17,7	-8,7	15,8
Mining	-1,2	-0,7	0,7	-0,1	0,4	-4,1
Secondary sector	-1,2	0,6	0,4	-1,0	-0,6	-2,4
Manufacturing	-1,2	0,5	0,1	-1,1	-0,4	-2,0
Construction	-2,9	0,3	0,8	-0,5	-5,4	-3,8
Tertiary sector	0,0	0,4	0,3	0,2	1,1	0,4

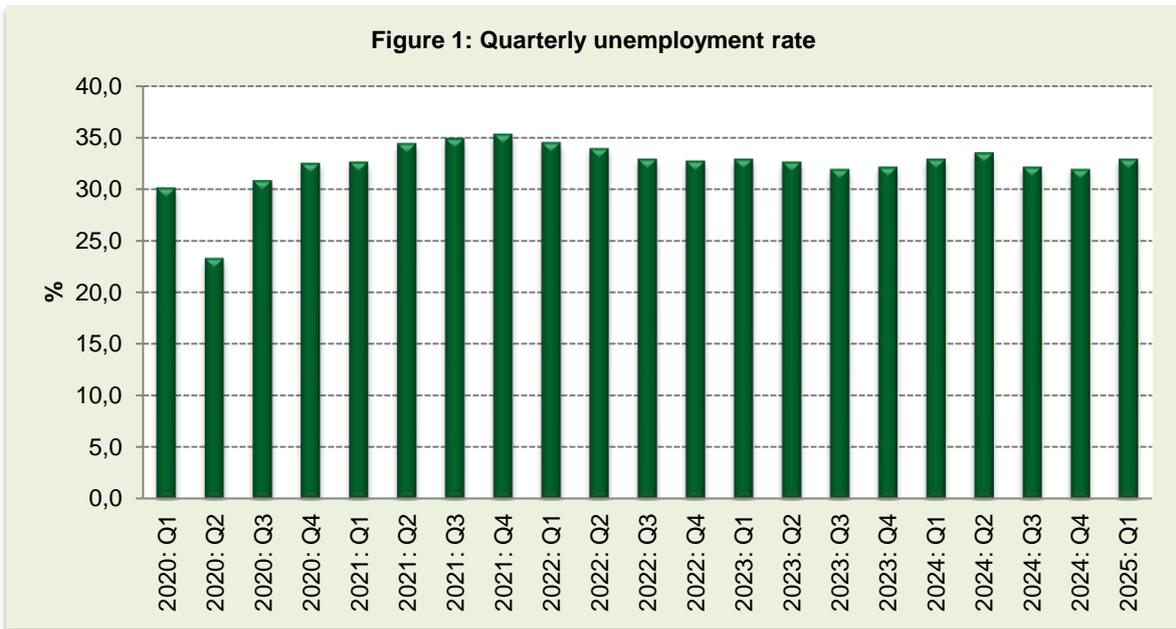
Non-primary sector	-0,2	0,5	0,3	0,0	0,8	-0,1
Non-agricultural sector	-0,3	0,4	0,3	0,0	0,8	-0,3
Total	0,1	0,3	-0,3	0,4	0,5	0,1

Source: SA Reserve Bank (2025)

*Percentage change over one year

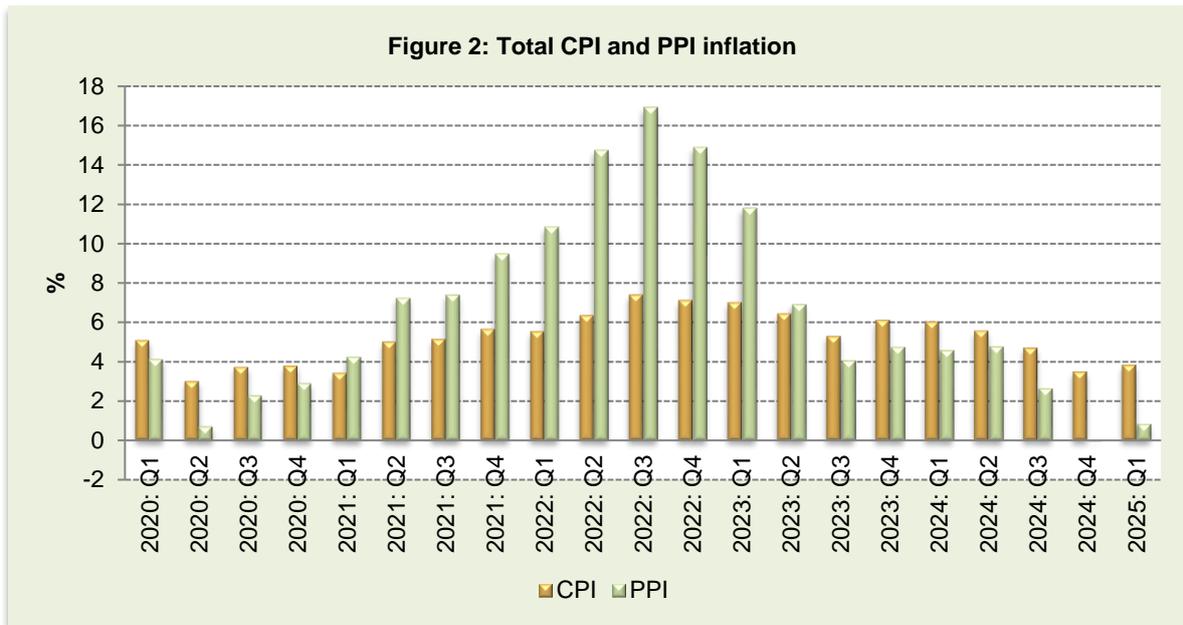
** The non-primary sector is total GVA excluding agriculture and mining

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



Source: Statistics SA (2025)

In 2025: Q1, the South Africa's unemployment rate rose by 32,9% as compared to a 31,9% growth in the preceding quarter, which translates to an increase of 1,0 percentage points. The first quarter of 2025 recorded that formal sector employment declined in the trade (133 000), community and social services (98 000), construction (79 000), mining (41 000) and manufacturing (40 000) industries compared with the fourth quarter of 2024. During the same period, increases in the formal sector employment were registered in the transport (73 000), finance (43 000) and utilities (30 000) (Stats SA, 2025) (see Figure 1).



Source: Statistics SA (2025)

Figure 2 above presents the producer price index and consumer price index from 2020: Q1 to 2025: Q1. In 2025: Q1, the year-on-year producer price inflation for final manufactured goods rose by 0,9% from an unchanged producer price index in the preceding quarter. The following items moderated during the period under review: fish and fish products (7,4%), fruit and vegetables (7,5%), dairy products (2,6%), grain mill products (6,3%) and bakery products (4,9%). Food products (4,7%), starches and starch products, animal feeds (6,5%) and “other food products” (4,8%) rose during the period, meat and meat products (3,0%) and oils and fats (2,3%) rebounded, while sugar (1,4%) receded further in 2025: Q1.

The year-on-year consumer price inflation for all items rose by 3,8% in 2025: Q1 from a 3,5% growth in 2024: Q4. The following items moderated during the period under review: meat (1,4%), milk, other dairy products and eggs (1,8%), fruits and nuts (17,6%), sugar, confectionery and desserts (5,8%), “other food products” (0,9%), and cold beverages (4,4%). Fish and other seafood (6,4%), oils and fats (3,0%), hot beverages (13,8%), alcoholic beverages and tobacco (4,9%), spirits and liqueurs (4,7%), wine (4,4%) and beer (5,4%) expanded during this period, while cereals remained unchanged as compared to a growth of 3,7% in the preceding quarter.

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 these divisions during 2025: Q1 as influenced by the global and domestic economic environments.

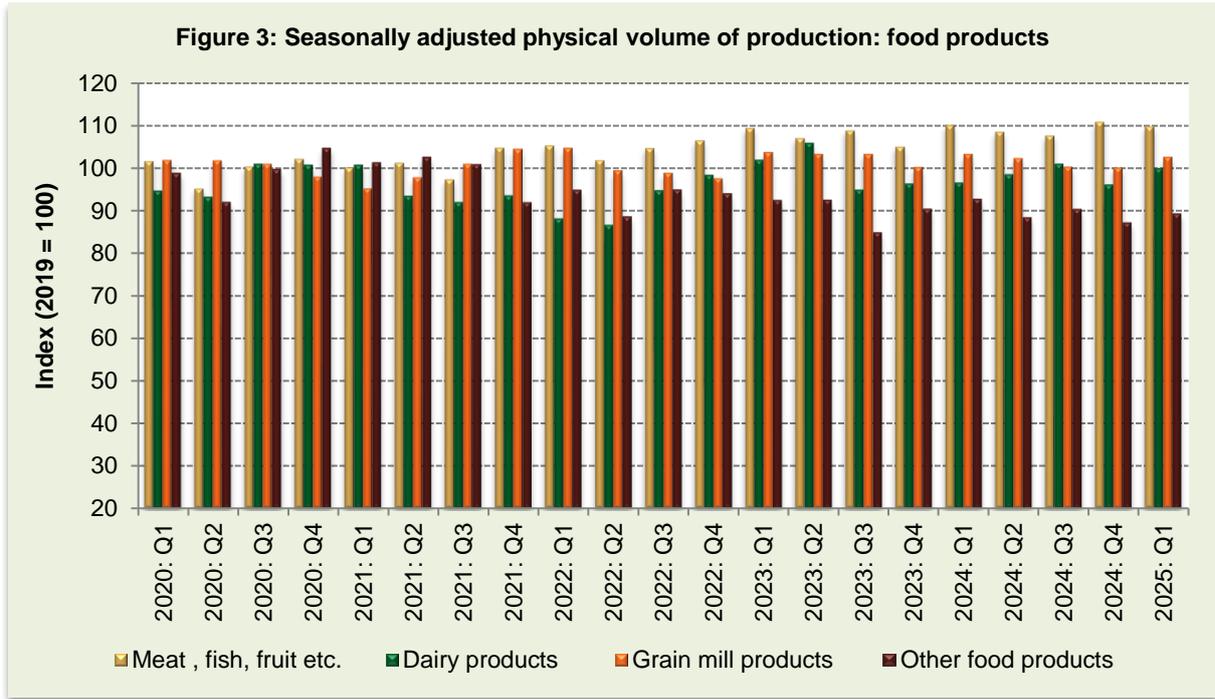
3.1 FOOD

Table 2 below shows the producer price index for food products in 2025: Q1. The quarter-to-quarter and year-on-year price index for food products rose by 0,9% and 4,7%, respectively, in 2025: Q1.

Table 2: Producer price index for food products (base 2023=100)

Indices			% Change between	
2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
100,3	104,1	105,0	4,7	0,9

Source: Statistics SA, 2025



Source: Quantec, 2025

Figure 3 above shows the quarter-to-quarter seasonally adjusted physical volume of production for food products. In 2025: Q1, the quarter-to-quarter seasonally adjusted volume of production for meat, fish, fruit, etc. and “other food products” contracted by 0,9% following a 3,0% growth in 2024: Q4, dairy products, grain mill products and “other food products” rebounded by 4,0%, 2,5% and 2,3% as compared to a 4,9%, 0,2% and 3,5% contraction, respectively, in 2024: Q4.

In terms of year-on-year, meat, fish, fruit, etc. contracted by 0,3%, dairy rebounded by 3,5%, grain mill products and “other food products” decelerated by 0,6% and 3,7%, respectively, in 2025: Q1.

The division as a whole rebounded quarter-to-quarter by 1,9% following a 1,3% contraction in 2025: Q1, however, it contracted by 0,3% year-on-year.

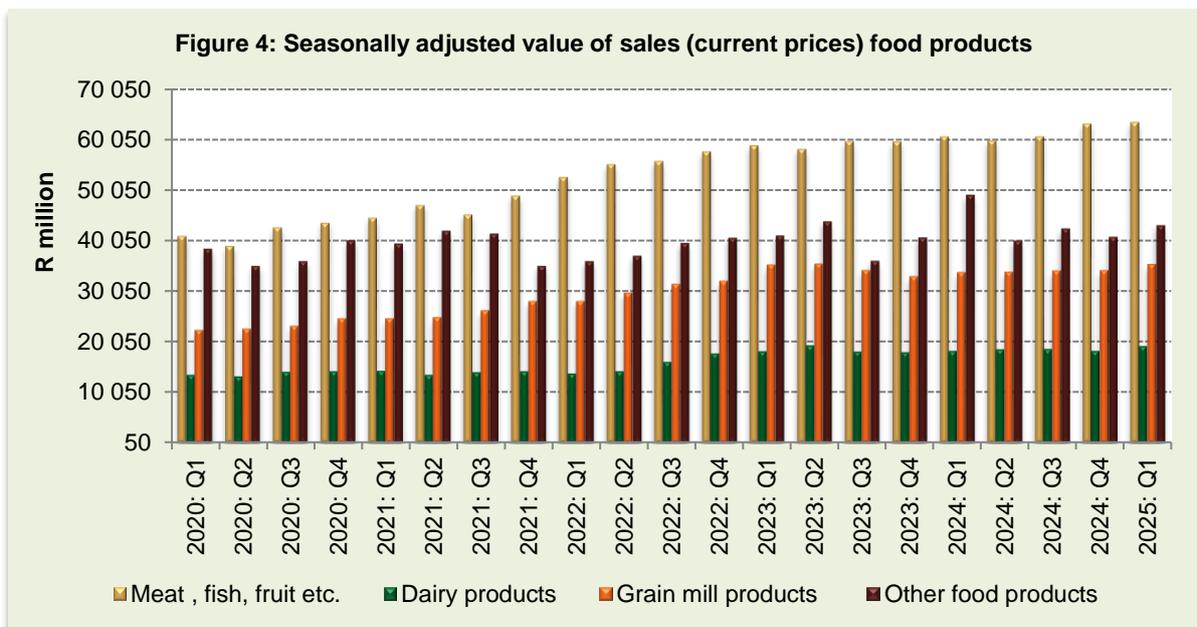
Table 3: Utilisation and reasons for underutilisation of production capacity by large enterprises: Food (percentage)

Period	Utilisation	Reasons for underutilisation				
		Total underutilisation	Shortage of:		Insufficient demand	Other
			Raw materials	Labour:		
				Skilled	Semi and unskilled	

2024: Q1	77,1	22,9	3,7	1,2	0,2	9,3	8,5
2024: Q4	82,6	17,4	1,5	1,1	0,2	10,4	4,2
2025: Q1	77,5	22,5	3,8	0,6	0,1	9,9	8,0

Source: Statistics SA (2025)

Table 3 above presents utilisation and reasons for underutilisation of production capacity by large enterprises for the food products division. In 2025: Q1, the utilisation capacity by large enterprises in the food products division increased year-on-year by 0,5 percentage points. However, the quarter-to-quarter utilisation capacity decreased by 5,1 percentage points. Insufficient demand remains the main reason for underutilisation, followed by other reasons such as seasonal factors.

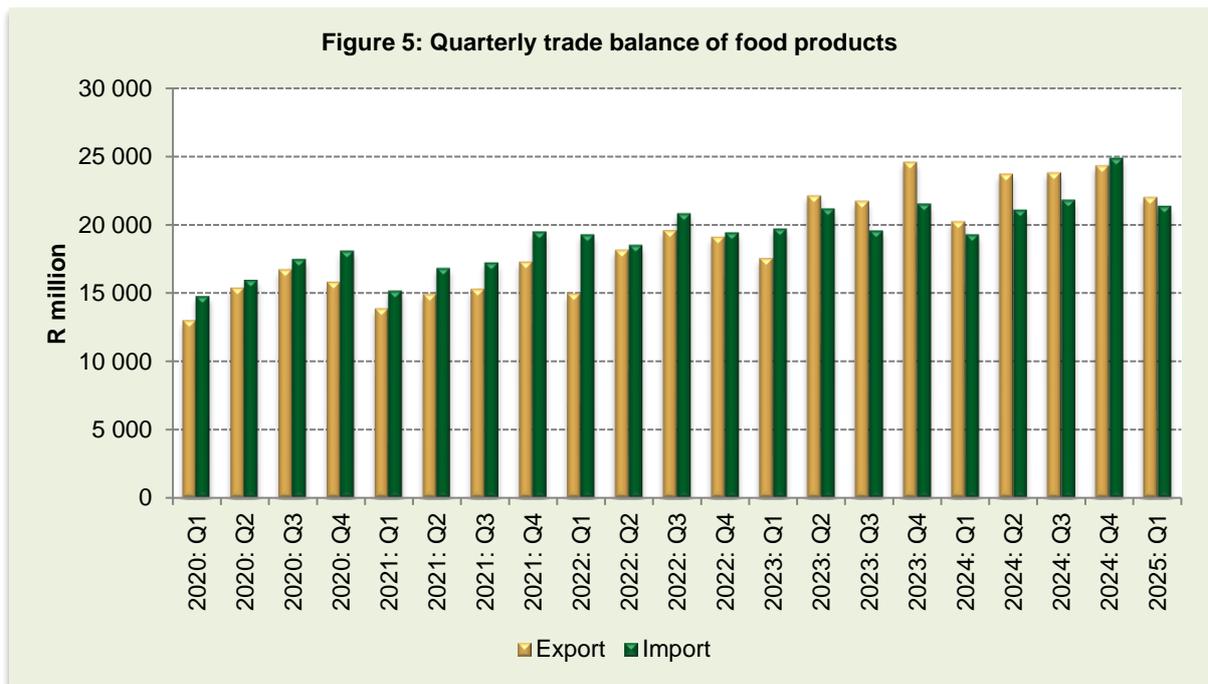


Source: Quantec, 2025

Figure 4 above shows the seasonally adjusted value of sales for the food division. In 2025: Q1, the quarter-to-quarter seasonally adjusted value of sales for meat, fish, fruit, etc. “moderated by 0,5% from a 4,1% growth in the preceding quarter, dairy products and “other food products” rebounded by 5,2% and 5,6% from a 1,8% and 3,9% contraction in the preceding quarter respectively, while and grain mill products rose by 3,6% from a 0,2% growth in the last quarter.

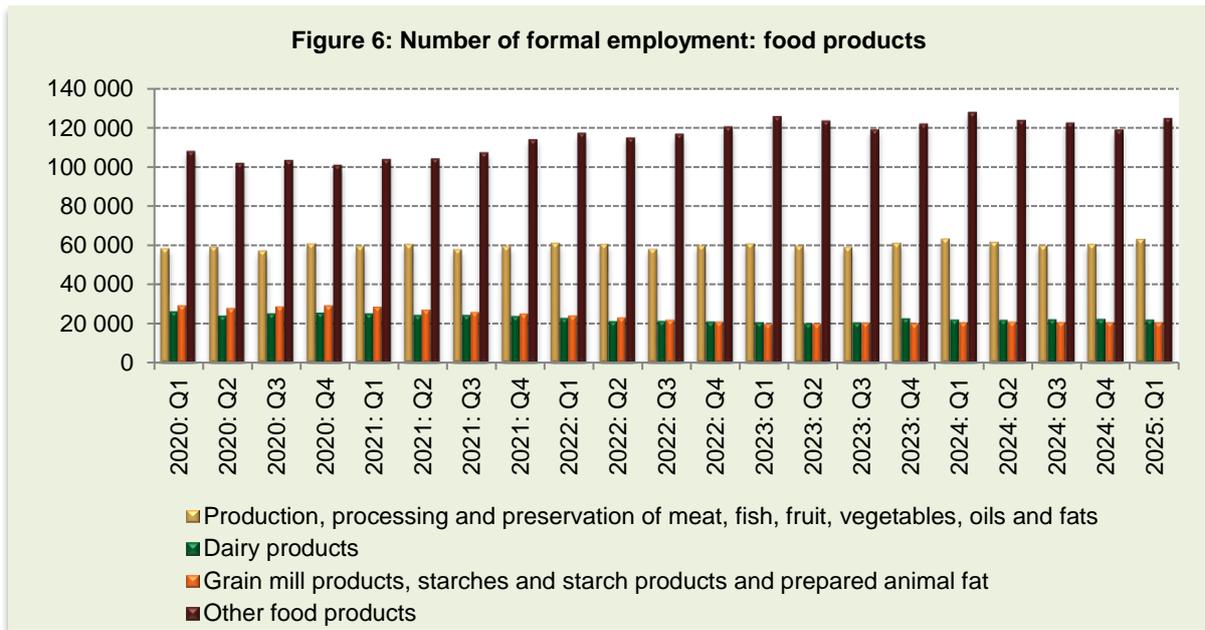
In terms of year-on-year, value of sales for meat, fish, fruit, etc. moderated by 4,7%, dairy products and grain mill products rose by 5,1% and 4,7% respectively, while “other food products” rebounded by 12,2% in 2025: Q1.

The division as a whole rose quarter-to-quarter by 3,1% from a 0,4% growth in 2024: Q4. However, the division contracted by 0,4% year-on-year. Therefore, sales for the division as a whole increased to R160 836,7 million in 2025: Q1 from R156 070,8 million in 2024: Q4.



Source: Quantec, (2025)

Figure 5 above shows the trade balance of the food products division from 2020: Q1 to 2025: Q1. In 2025: Q1, the quarter-to-quarter exports and imports of food products contracted by 9,5% and 14,1% from a growth of 2,2% and 14,1%, respectively, in 2024: Q4. The year-on-year food exports rebounded by 8,8%, while imports moderated by 10,8%. Therefore, a trade surplus for the food products division was R662,3 million in 2025: Q1 from a trade deficit of R536,3 million in 2024: Q4.



Source: Quantec, 2025

Figure 6 above shows the employment in the food products division from 2020: Q1 to 2025: Q1. In 2025: Q1, the quarter-to-quarter formal employment in the production, processing and preservation of meat, fish, fruit, vegetables, oils and fats rose by 4,5% following a 1,1% growth in 2024: Q4, dairy products rebounded by 1,5% from a growth of 1,0% in 2024: Q4, grain mill products recede further by 0,3% from a contraction of 0,8% in 2024: Q4. “Other food products” rebounded by 4,9% from a 2,9% contraction in 2024: Q4

In terms of year-on-year, employment in meat, fish, fruit, vegetables, oils and fats and “other food products” receded further by 0,2% and 2,5%, respectively, dairy products stagnated as compared to a contraction of 1,2% in the preceding year and grain mill products moderated by 0,2%.

Total employment for the food division as a whole rebounded quarter-to-quarter by 3,7% from a 1,3% contraction in 2024: Q4, however, the division receded further by 1,4% year-on-year. Therefore, approximately 8 083 jobs were created in 2025: Q1.

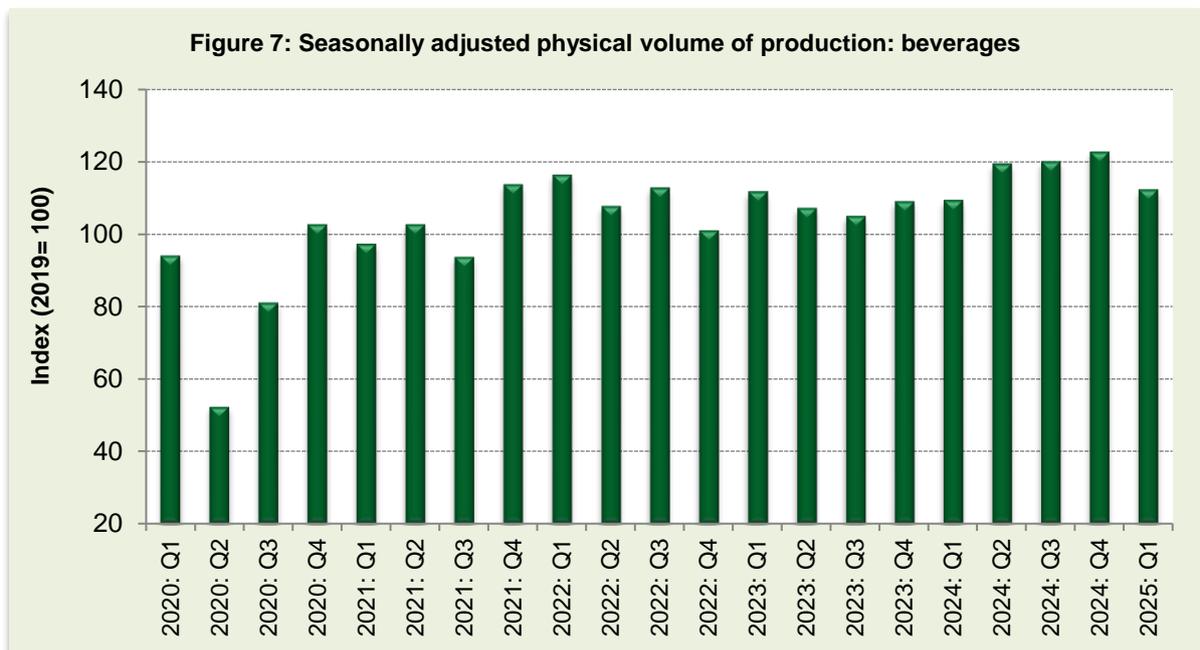
3.2 BEVERAGES

Table 4 below shows the producer price index for the beverages division in 2025: Q1. The quarter-to-quarter producer price index for beverages stagnated to a 0,8% growth in 2025: Q1 as compared to the last quarter. However, the producer price index moderated by 3,7% year-on-year.

Table 4: Producer price index for beverages products (base 2023=100)

Indices			% Change between	
2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
101,3	104,2	105,0	3,7	0,8

Source: Statistics SA, 2025



Source: Quantec, 2025

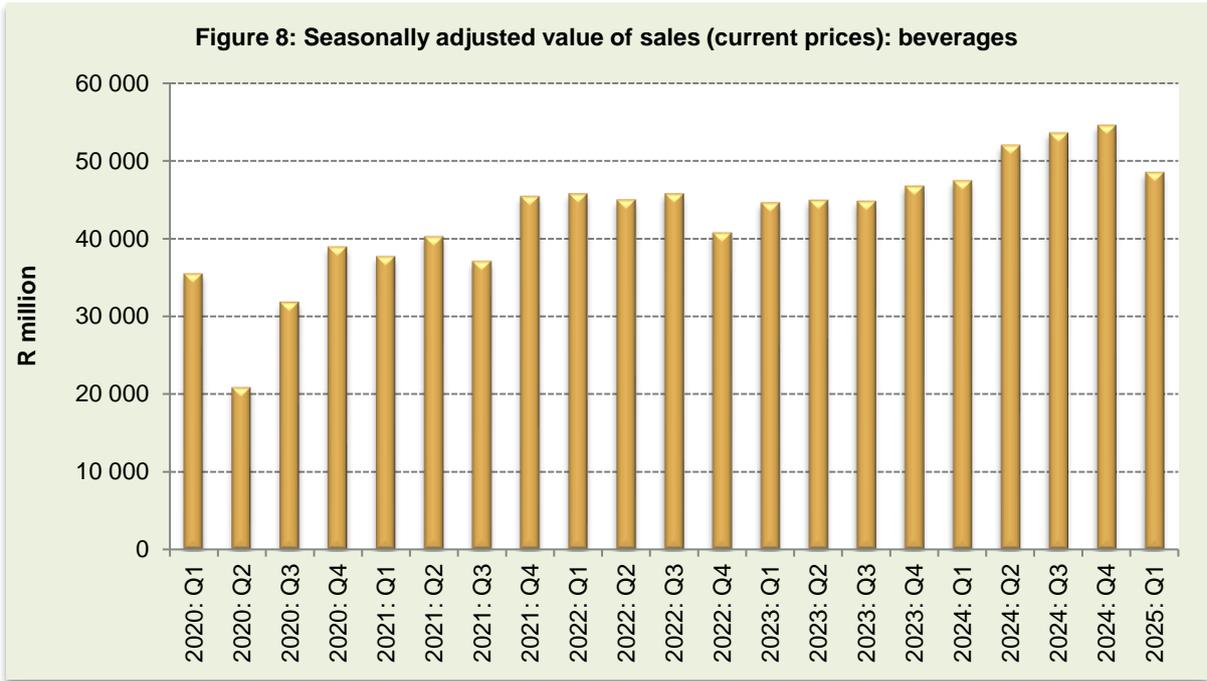
Figure 7 above shows the quarter-to-quarter seasonally adjusted physical volume of production for the beverages division. In 2025: Q1, the seasonally adjusted volume of production for the beverages division contracted by 8,5% following a 2,2% growth in 2024: Q4. However, the division moderated by 2,6% year-on-year in 2025: Q1.

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

Period	Utilisation	Reasons for underutilisation					
		Total underutilisa tion	Shortage of:			Insufficient demand	Other
			Raw materials	Labour:			
				Skilled	Semi and unskilled		
2024: Q1	82,6	17,4	2,0	3,2	0,2	9,4	2,6
2024: Q4	84,2	15,8	2,0	3,3	0,2	7,6	2,7
2025: Q1	82,2	17,8	2,0	3,2	0,3	9,8	2,6

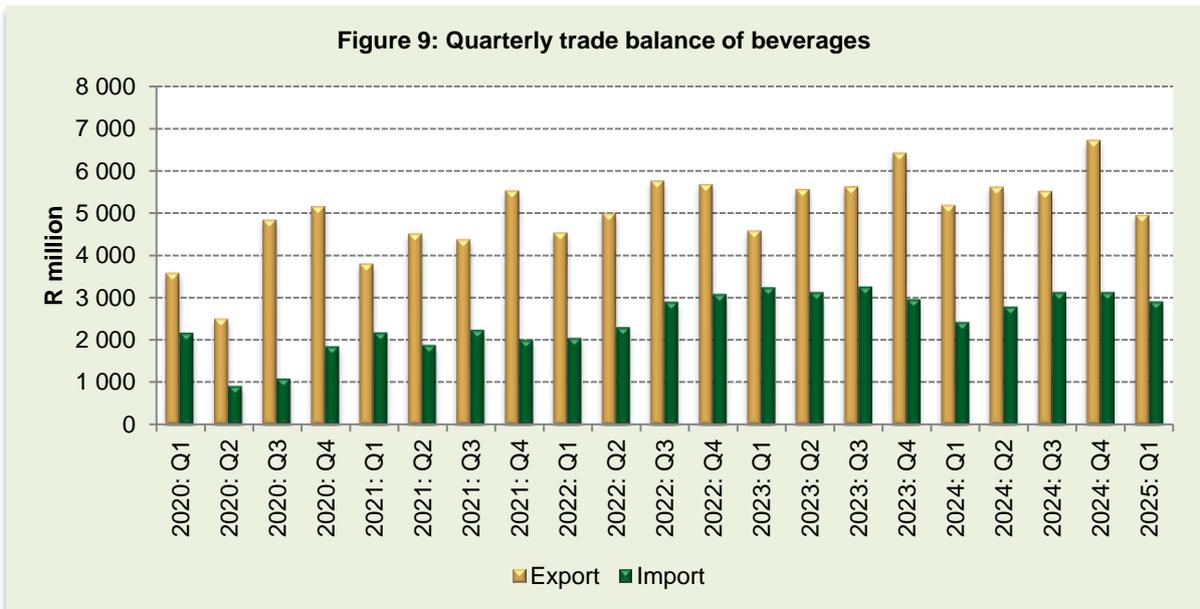
Source: Statistics SA (2025)

Table 5 above shows the utilisation of production capacity by large enterprises in the beverages division. The utilisation of production capacity decreased year-on-year by about 0,4 percentage points, similarly, it decreased quarter-to-quarter by 0,2 percentage points. Insufficient demand remains the main reason for underutilisation during the period, followed by a shortage of skilled labour.



Source: Quantec, 2025

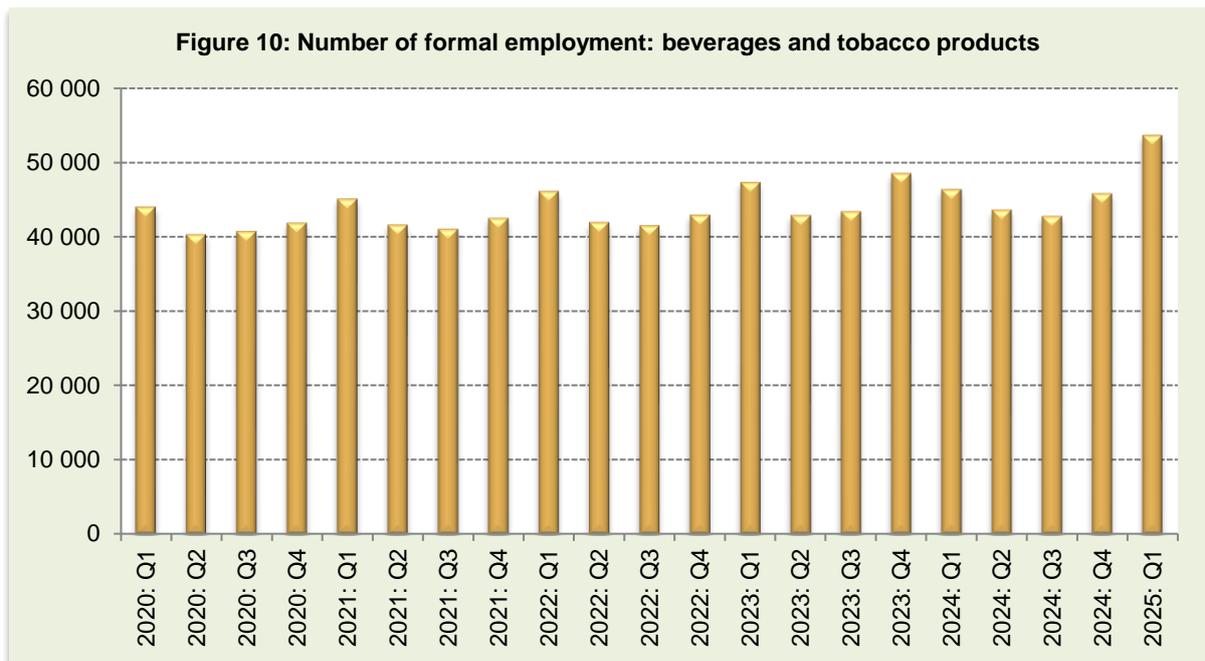
Figure 8 above shows the seasonally adjusted value of sales for the beverages division in 2025: Q1. In 2025: Q1, the seasonally adjusted value of sales for the beverages division contracted by 11,1% from a 1,8% growth in 2024: Q4, however, the division moderated by 2,3% year-on-year. Therefore, sales for the beverages division increased from R2 446,3 million in 2024: Q4 to R2 495,9 million in 2025: Q1.



Source: Quantec, 2025

As Figure 9 shows, in 2025: Q1, the quarter-to-quarter exports of the beverages division contracted by 26,3% from a 21,7% growth in 2024: Q4, similarly, the imports contracted by 7,1% in 2025: Q1 from a stagnation in 2024: Q4.

The year-on-year exports of beverages contracted by 4,6%, while imports expanded by 20,2% in 2025: Q1. Consequently, the trade surplus of the beverages division narrowed from R3 609,8 million in 2024: Q4 to R2 061,3 million in 2025: Q1.



Source: Statistics SA, (2025)

In 2025: Q1, the quarter-to-quarter employment in the beverages and tobacco products division expanded by 17,1% following a 7,2% growth in 2024: Q4, however, the division rebounded by 15,6% year-on-year in 2025: Q1. As a result, the division created a further 7 817 jobs in 2025: Q1 (see Figure 10).

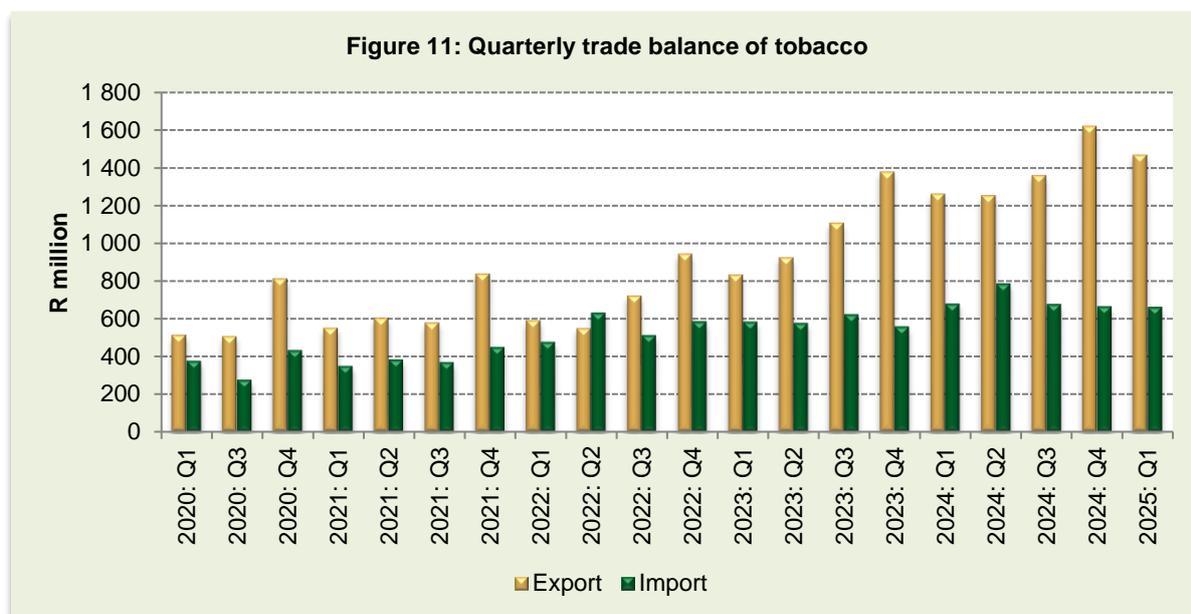
3.3 TOBACCO

Table 6 below shows the producer price index for the tobacco products division. The quarter-to-quarter and year-on-year producer price index of tobacco products rose by 2,1% and 3,4%, respectively, in 2025: Q1.

Table 6: Producer price index for tobacco products (base 2023=100)

Indices			% Change between	
2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
100,7	102,0	104,1	3,4	2,1

Source: Statistics SA (2025)



Source: Quantec, 2025

Figure 11 shows the trade balance of the tobacco division. The quarter-to-quarter tobacco exports contracted by 9,4% from a 19,1% growth in 2024: Q4, however, imports of tobacco receded further by 0,4% following a 1,8% contraction in 2024: Q4. The year-on-year tobacco division exports moderated by 16,4%, imports, however, contracted by 2,5%. Therefore, the trade surplus of the division narrowed from R958,7 million in 2024: Q4 to R809,4 million in 2025: Q1

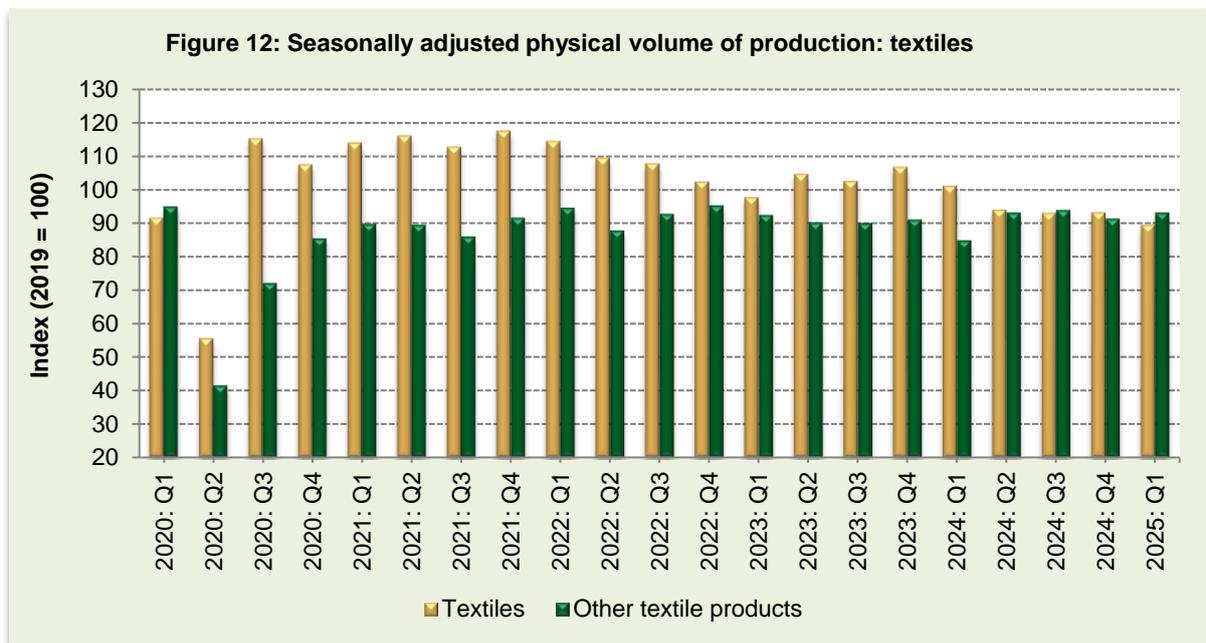
3.4 TEXTILES

Table 7 presents the producer price index for textiles during 2025: Q1. The quarter-to-quarter producer price index for textiles rose by 5,0%, however, it moderated by 5,0% year-on-year in 2025: Q1.

Table 7: Producer price index for textiles (base 2023=100)

	Indices			% Change between	
	2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
Textiles	107,5	107,5	112,9	5,0	5,0

Source: Statistics SA (2025)

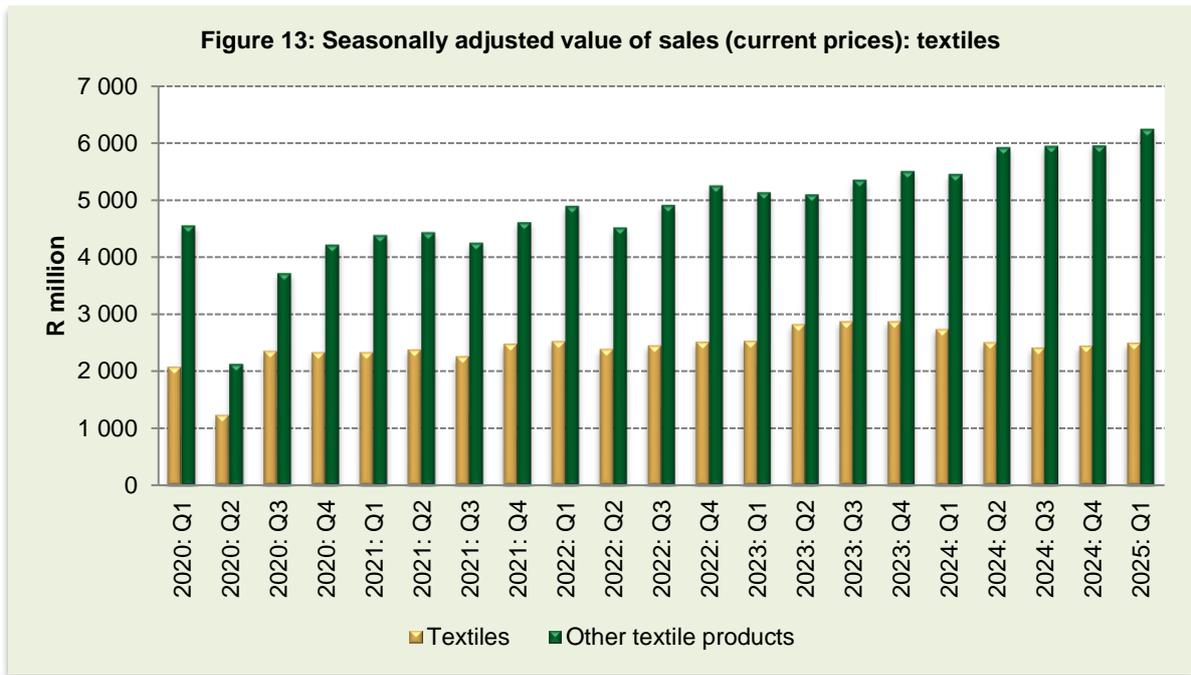


Source: Quantec, 2025

In 2025: Q1, the quarter-to-quarter seasonally adjusted volume of production for the textiles division contracted by 4,0% following a 0,2% growth in 2024: Q4. “Other textiles”, on the other hand, rebounded by 2,0% from a 2,8% contraction registered in 2024: Q4.

In terms of year-on-year, the textiles division receded further by 11,6%, while the “other textiles” division rose by 9,8%.

The division as a whole receded further quarter-to-quarter by 0,1% from a 1,3% contraction in 2024: Q4, similarly, the division receded further by 1,8% year-on-year in 2025: Q1 (see Figure 12).



Source: Quantec, 2025

In 2025: Q1, the quarter-to-quarter seasonally adjusted value of sales for the textiles division expanded by 2,0% from a 1,5% growth in 2024: Q4. “Other textiles” rose by 4,9% following a 0,1 growth in 2024: Q4.

In terms of year-on-year, the textiles division receded further by 8,8%, while “other textiles” rose by 14,5% in 2025: Q1.

The division as a whole rose quarter-to-quarter by 4,1% in 2025: Q1 from a 0,5% growth in 2024: Q4, similarly, the division rose by 6,7% year-on-year in 2025: Q1. Therefore, sales for the textiles division as a whole increased from R8 404,3 million in 2024: Q4 to R8 746,9 million in 2025: Q1 as illustrated in Figure 13.

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	

2024: Q1	66,3	33,7	2,0	0,6	0,0	22,7	8,3
2024: Q4	67,0	33,0	1,9	0,6	0,1	23,1	7,4
2025: Q1	67,4	32,6	2,2	0,7	0,2	23,5	6,1

Source: Statistics SA (2025)

Table 8 presents the utilisation of production capacity by large enterprises in the textiles division in 2025: Q1. The year-on-year utilisation of production capacity increased by 1,1 percentage points, however, it increased quarter-to-quarter by 0,4 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 lower productivity.



Source: Quantec, 2025

Figure 14 above shows the quarterly trade balance of the textiles division. In 2025: Q1, the quarter-to-quarter textiles exports contracted by 6,4% following a 2,7% growth in 2024: Q4, however, the textile imports receded further by 2,9% as compared to a 10,6% contraction in 2024: Q4.

The year-on-year exports textiles division rebounded by 8,1%, imports, however, moderated by 2,7% in 2025: Q1. As a result, the trade deficit of the textiles division widened from R3 795,73 million in 2024: Q4 to R3 823,7 million in 2025: Q1.



Source: Quantec, 2025

In 2025: Q1, quarter-to-quarter employment in the “other textiles” division contracted by 0,2% as compared to a 0,1% growth in 2024: Q4. The preparation and spinning of textile fibre; weaving of textiles division, however, decelerated by 2,7% following a contraction of 1,1% in 2024: Q4.

The year-on-year “other textiles” division moderated by 0,8%, while the preparation and spinning of textiles fibre; weaving of textiles division decelerated by 4,5% following a contraction of 1,9% in 2024: Q4.

The division as a whole decelerated quarter-to-quarter by 0,8% following a 0,2% contraction in 2024: Q4, however, it contracted 0,5% year-on-year, therefore 236 jobs were shed in 2025: Q1 (see Figure 15).

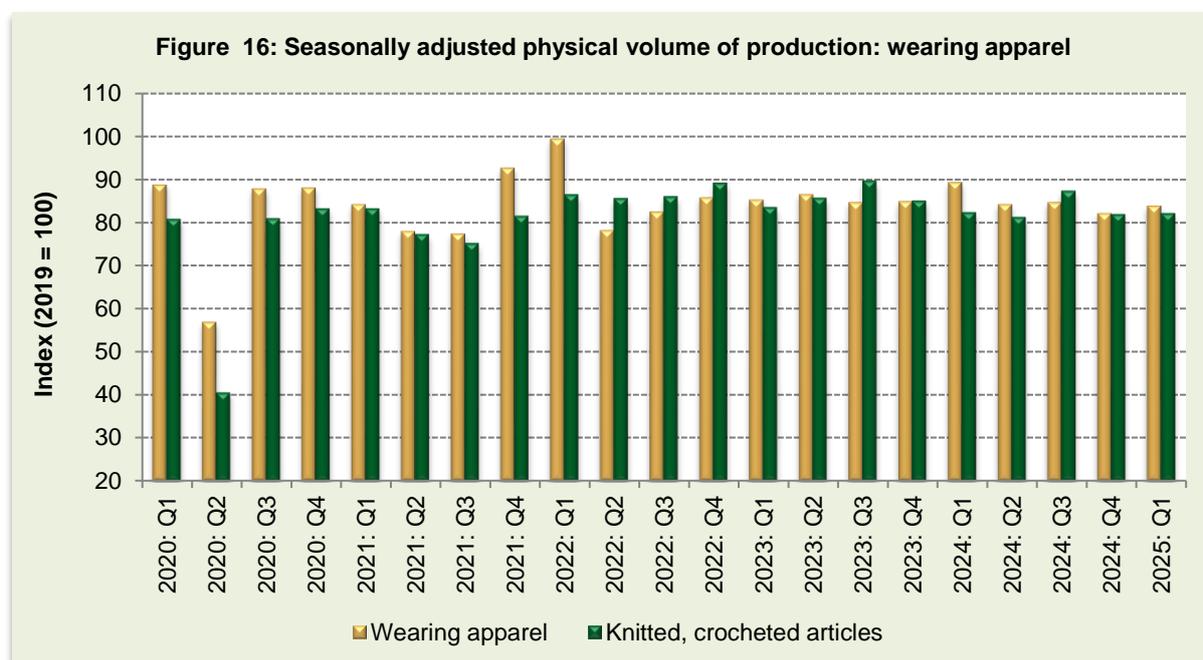
3.5 WEARING APPAREL

Table 9 below shows the producer price index for the wearing apparel division in 2025: Q1. The quarter-to-quarter producer price index for wearing apparel moderated by 1,0%. However, it rose by 5,6% year-on-year in 2025: Q1.

Table 9: Producer price index for wearing apparel (base 2023=100)

	Indices			% Change between	
	2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
Domestic output					
Wearing apparel	100,0	104,6	105,6	5,6	1,0

Source: Statistics SA (2025)



Source: Quantec, 2025

Figure 16 shows the seasonally adjusted physical volume of production for wearing apparel. In 2025: Q1, the quarter-to-quarter seasonally adjusted volume of production for the wearing apparel division rebounded by 2,1% as compared to a contraction of 3,0% in 2024: Q4. The knitted, crocheted articles division, similarly, rebounded by 0,3% from a contraction of 6,2% in 2024: Q4.

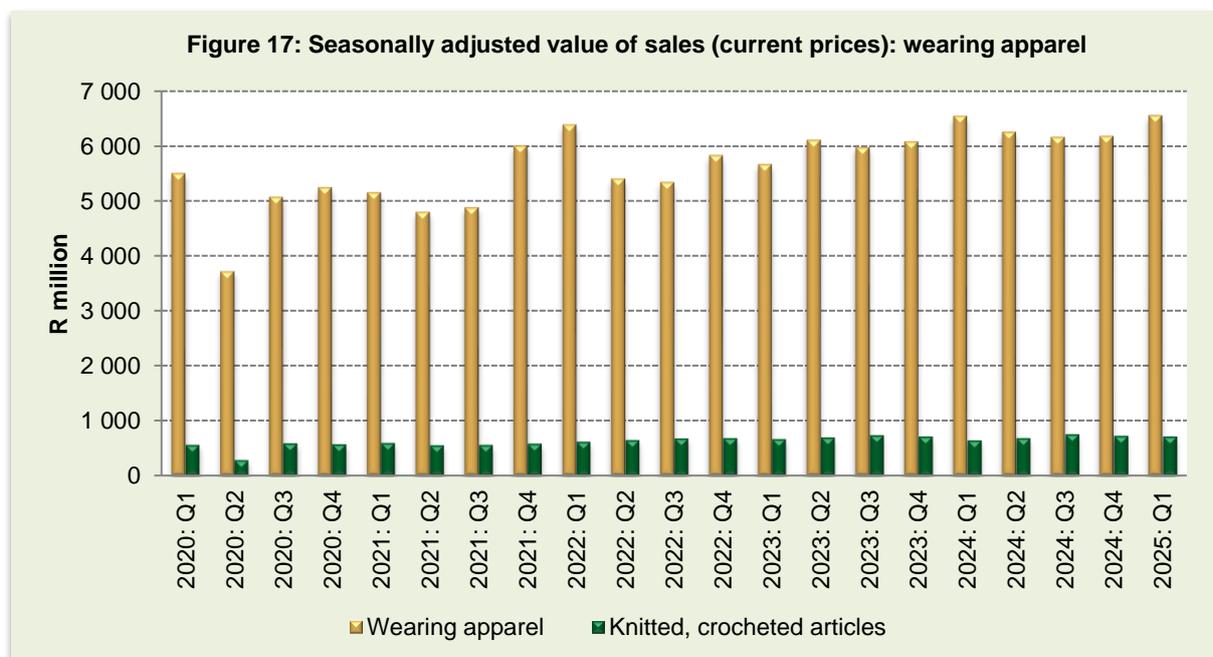
The seasonally adjusted physical volume of production for wearing apparel division remained decelerated year-on-year by 6,1%, while that of knitted, crocheted articles division receded further by 0,3%. The division as a whole rebounded quarter-to-quarter by 1,2% from a 4,6% contraction in 2024: Q4. However, the division receded further by 3,3% year-on-year in 2025: Q1.

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		
2024: Q1	74,7	25,3	0,6	1,3	0,4	18,7	4,2
2024: Q4	74,8	25,2	0,6	1,3	0,4	18,7	4,1
2025: Q1	74,7	25,3	0,7	1,3	0,4	18,5	4,3

Source: Statistics SA (2025)

Table 10 shows the percentage of utilisation and reasons for underutilisation of production capacity by large enterprises for the wearing apparel division in 2025: Q1. The year-on-year utilisation of production capacity stagnated in percentage points, however, it decreased quarter-to-quarter by 0,1 percentage points. Insufficient demand remained the key reason for underutilisation of production capacity, followed by other reasons such as seasonal factors.

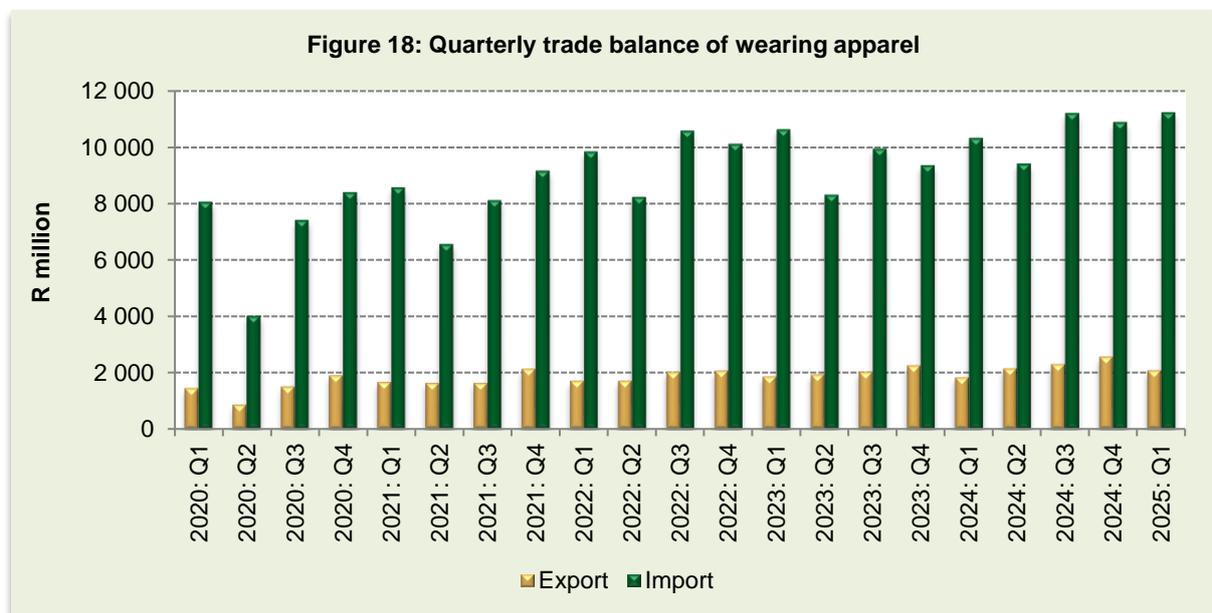


Source: Quantec, 2025

Figure 17 presents the seasonally adjusted value of sales for the wearing apparel division in 2025: Q1. In 2025: Q1, the quarter-to-quarter seasonally adjusted value of sales for the knitted, crocheted articles division receded further by 1,6% from a 3,7% contraction in 2024: Q4; the wearing apparel division, on the other hand, rose by 6,0% in 2025: Q1 following a 0,3% growth in 2024: Q4.

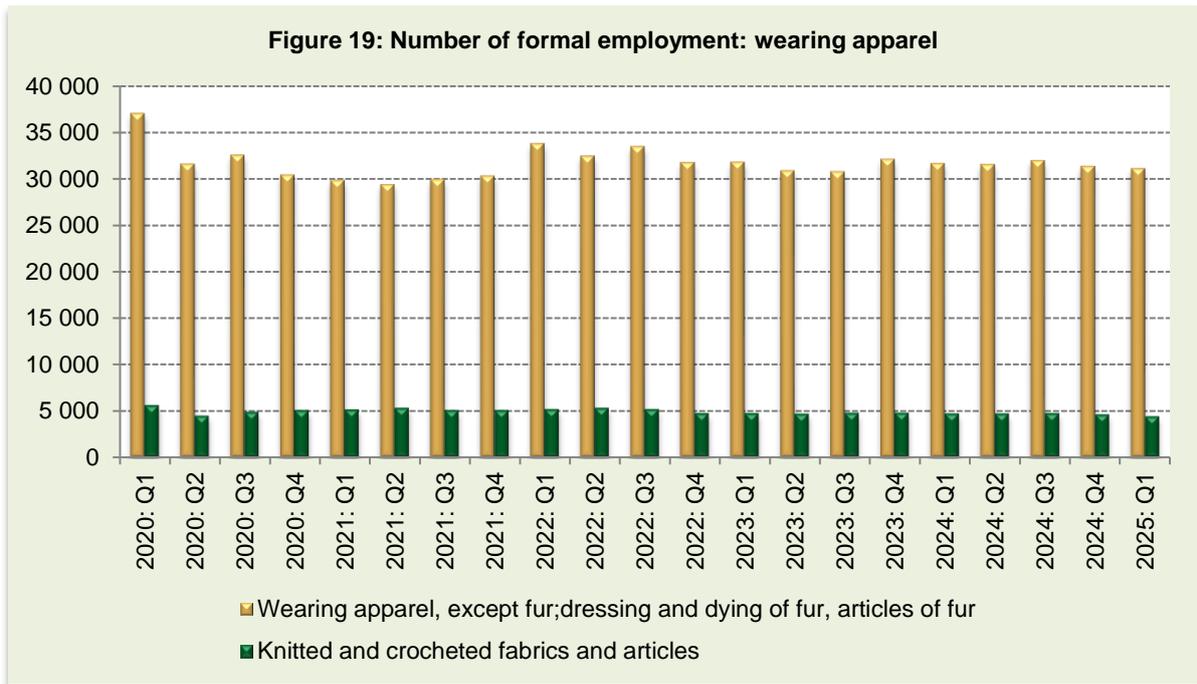
The year-on-year wearing apparel division moderated by 0,1%, while the knitted, crocheted articles division rose by 10,8%.

The wearing apparel division as a whole rebounded by 5,2% quarter-to-quarter in 2025: Q1 as compared to a 0,1% contraction in 2024: Q4, however, the division moderated by 1,1% year-on-year in 2025: Q1. The sales in the wearing apparel division as a whole increased from R6 896,2 million in 2024: Q4 to R7 258,1 million in 2025: Q1.



Source: Quantec, 2025

Figure 18 shows the quarterly trade balance for the wearing apparel division. In 2025: Q1, the quarter-to-quarter exports of wearing apparel rebounded by 18,5% from a 11,1% growth in 2024: Q4, however, imports rebounded by 3,1% from a 2,8% contraction in 2024: Q4. The year-on-year exports expanded by 14,0%, while imports moderated by 8,9% in 2025: Q1. As a result, the trade deficit widened from R8 341,2 million in 2024: Q4 to R9 149,3 million in 2025: Q1.



Source: Statistics SA (2025)

In 2025: Q1, the quarter-to-quarter formal employment for the knitted, crocheted articles and wearing apparel divisions, except the fur division, decelerated by 4,3% following a 2,9% contraction in 2024: Q4. However, wearing apparel division receded further by 0,8% in 2025: Q1 from a 1,9% contraction in 2024: Q4.

The year-on-year knitted, crocheted fabric and articles and wearing apparel divisions, except the fur division, decelerated by 6,7%, while wearing apparel division receded further by 1,8% in 2025: Q1.

The division as a whole receded further quarter-to-quarter by 1,3% following a 2,1% contraction in 2024: Q4, however, the whole division receded further by 2,4% year-on-year, as a result, a further 450 jobs were shed in 2025: Q1 as Figure 19 shows.

3.6 LEATHER AND LEATHER PRODUCTS



Source: Quantec, 2025

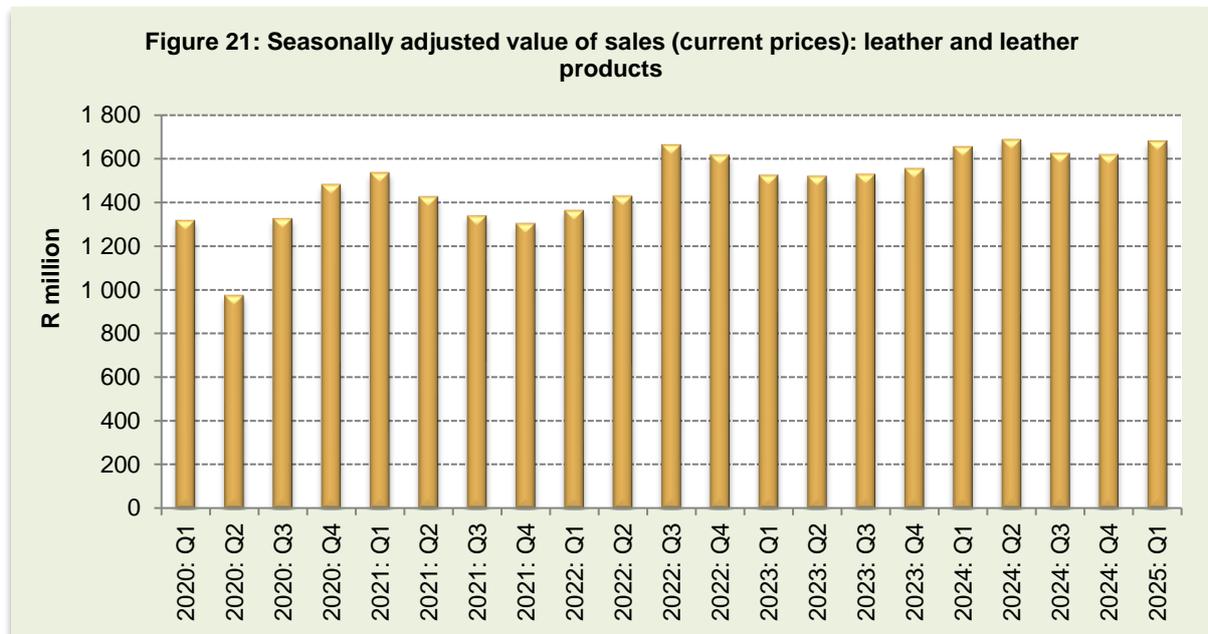
In 2025: Q1, the seasonally adjusted physical volume of production for the leather and leather products division rebounded by 1,3% from a 5,7% contraction in 2024: Q4. However, the division decelerated by 5,6% year-on-year (see Figure 20).

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		
2024: Q1	64,1	35,9	2,8	0,5	0,9	31,6	0,2
2024: Q4	65,0	35,0	1,6	0,5	1,3	31,5	0,2
2025: Q1	58,7	41,3	6,4	2,9	1,4	30,5	0,1

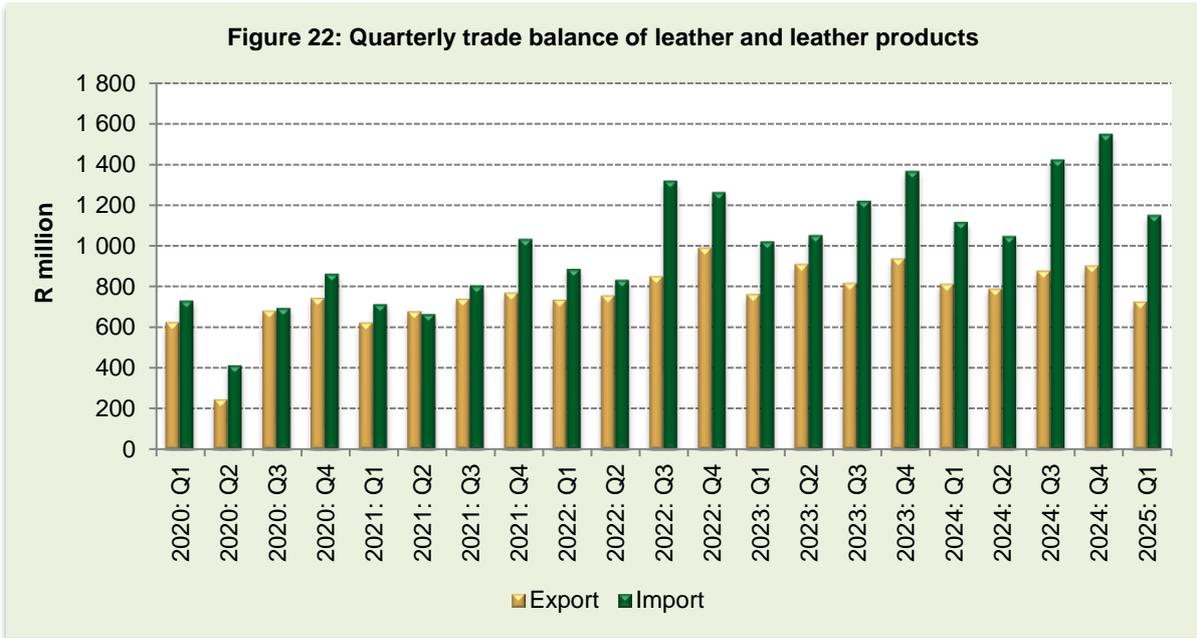
Source: Statistics SA (2025)

The utilisation of production capacity by large enterprises in the leather and leather products division decreased year-on-year and quarter-to-quarter by 5,4 and 6,3 percentage points, respectively, in 2025: Q1. Insufficient demand and a shortage of raw materials remain the reasons for underutilisation during 2025: Q1 (see Table 11).



Source: Quantec, 2025

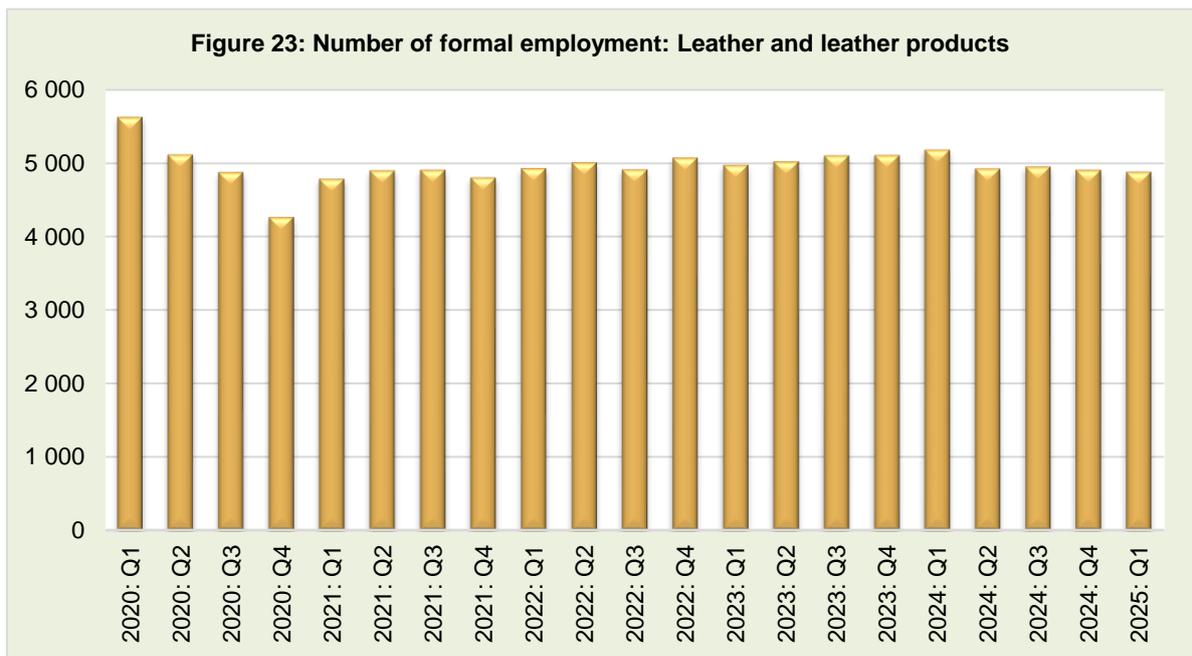
The quarter-to-quarter seasonally adjusted value of sales for the leather and leather products division rebounded by 3,8% in 2025: Q1 from a 0,3% contraction in 2024: Q4, however, the division moderated year-on-year by 1,5% (see Figure 21). Therefore, the value of sales for leather and leather products division increased from about R1 618,4 million in 2024: Q4 to R1 680,4 million in 2025: Q1.



Source: Quantec, 2025

Figure 22 above presents the quarterly trade balance of the leather and leather products division. In 2025: Q1, the quarter-to-quarter leather and leather products division exports and imports contracted by 19,6% and 25,6% from a 2,9% and 8,8% growth in 2024: Q4, respectively.

The year-on-year exports decelerated by 10,6%, however, imports moderated by 3,1%, as a result, the trade deficit widened from R649,8 million in 2024: Q4 to R428,8 million in 2025: Q1.



Source: Statistics SA (2025)

The quarter-to-quarter formal employment in the leather and leather products division receded further by 5,0% in 2025: Q1 from a 0,8% growth in 2024: Q4, however, the division decelerated by 5,8% year-on-year, as a result, 27 jobs were lost in 2025: Q1 for the division (see Figure 23).

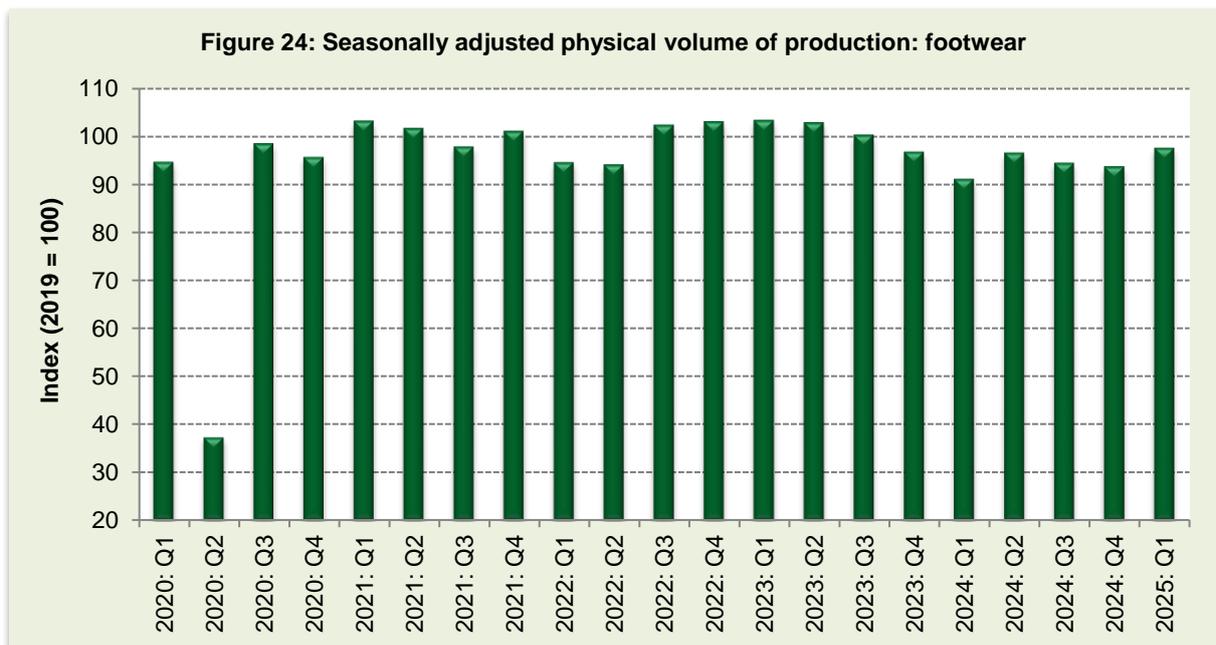
3.7 FOOTWEAR

Table 12 presents the producer price index for the footwear division. In 2025: Q1 the quarter-to-quarter producer price index for the domestic output of the footwear remained unchanged as compared to a 6,5% growth in 2024: Q4. However, the index moderated by 6,5% year-on-year in 2025: Q1.

Table 12: Producer price index for footwear (base 2023=100)

Indices			% Change between	
2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
Domestic output				
102,8	109,5	109,5	6,5	0,0

Source: Statistics SA (2025)



Source: Quantec, 2025

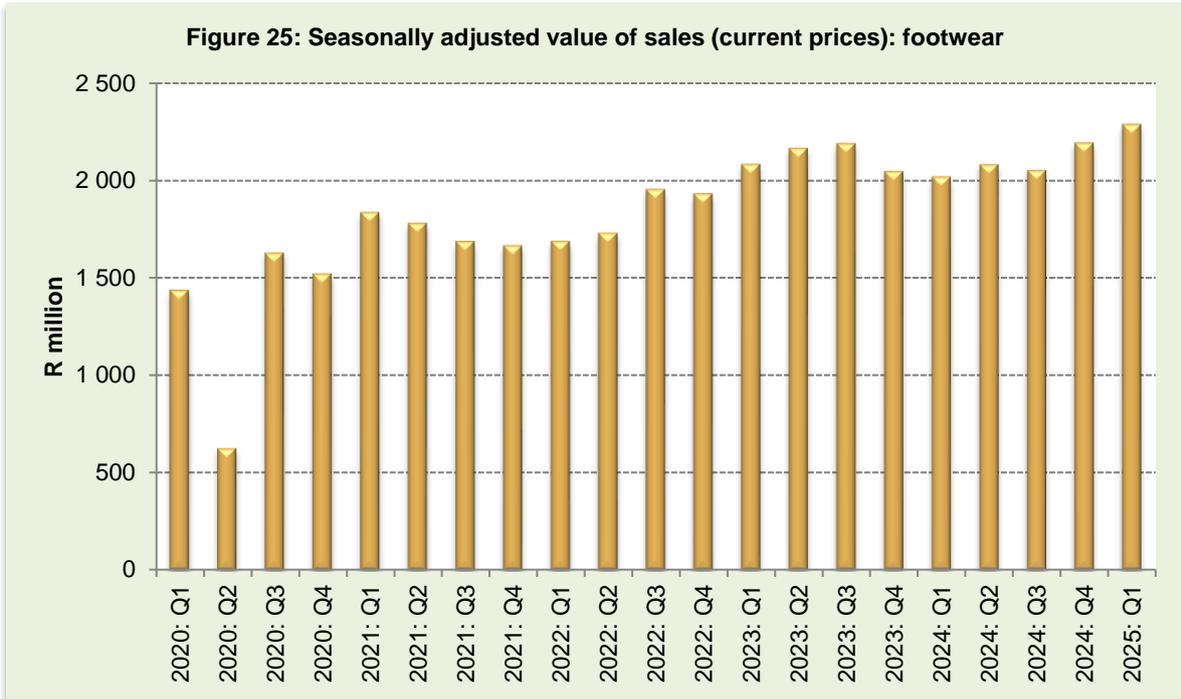
In 2025: Q1, the quarter-to-quarter seasonally adjusted physical volume of production for the footwear division rebounded by 4,1% from a 0,8% contraction in 2024: Q4, similarly, the division rebounded by 7,1% year-on-year (see Figure 24).

Table 13: 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		
2024: Q1	82,8	17,2	5,4	0,7	0,0	11,1	0,0
2024: Q4	83,3	16,7	3,0	1,0	0,0	12,5	0,3
2025: Q1	79,4	20,6	4,0	0,7	0,0	13,1	2,8

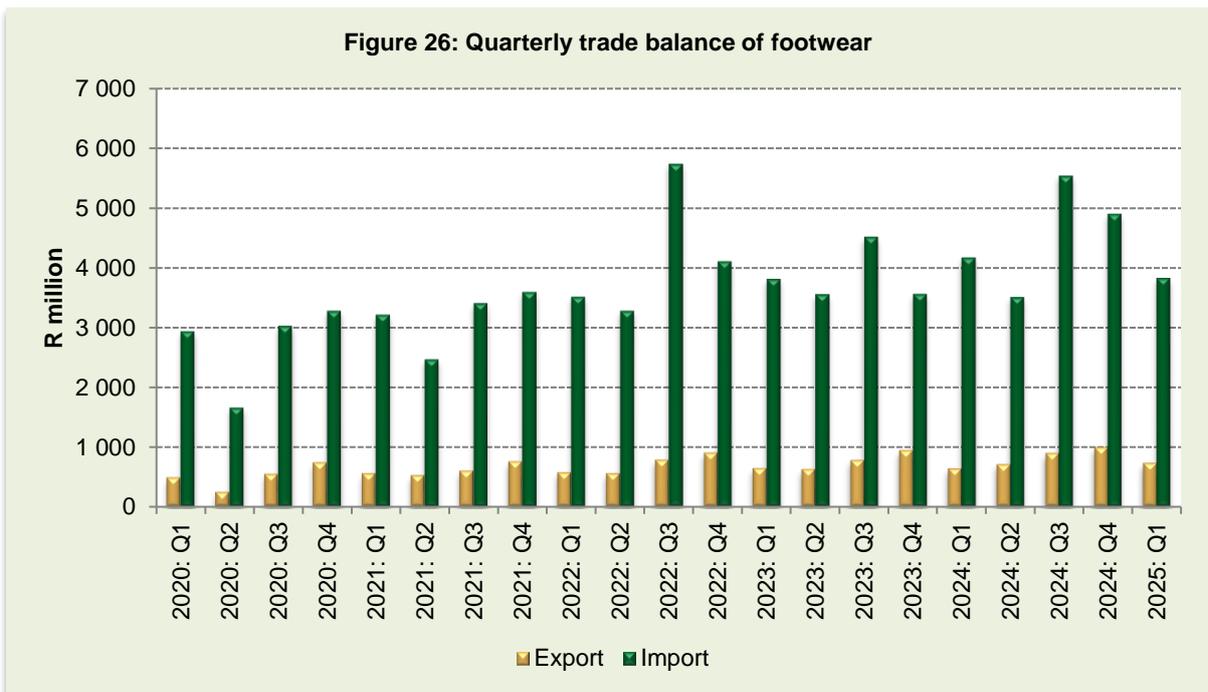
Source: Statistics SA (2025)

During 2025: Q1, the utilisation of production capacity by large enterprises in the footwear division decreased year-on-year and quarter-to-quarter by 3,4 and 3,9 percentage points, respectively. Insufficient demand remains the main reason behind low-capacity utilisation, followed by a shortage of raw materials (see Table 13).



Source: Quantec, 2025

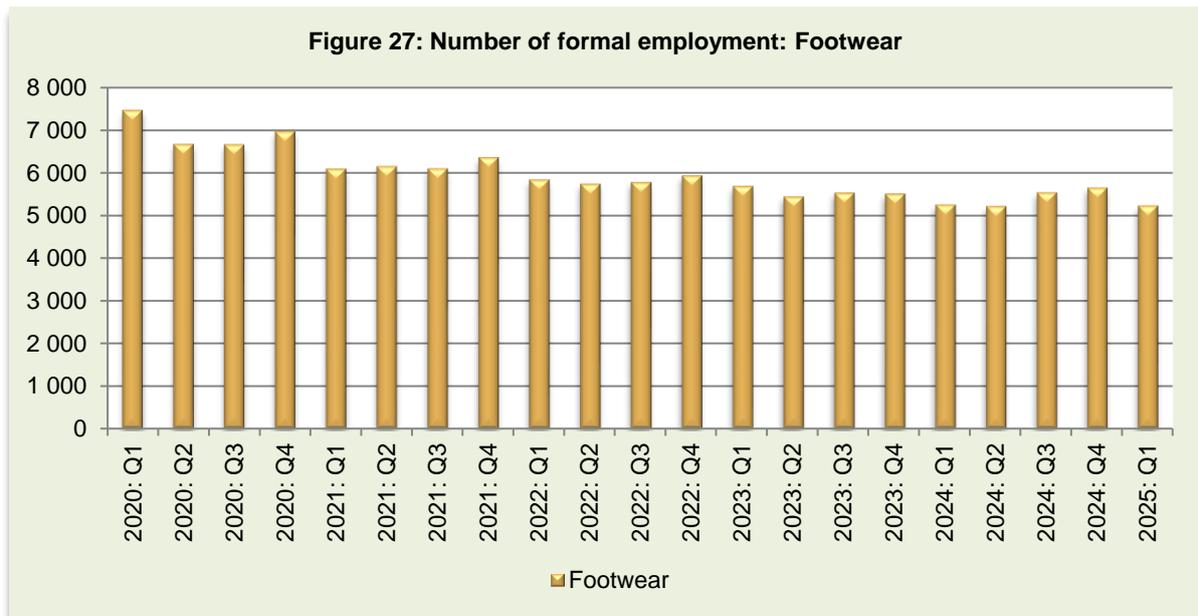
In 2025: Q1, the quarter-to-quarter seasonally adjusted value of sales for the footwear division moderated by 4,4% following a 6,8% growth in 2024: Q4, however, the division expanded year-on-year by 13,4%. Therefore, value of sales for the footwear division decreased from R2 192,5 million in 2024: Q4 to R2 288,6 million in 2025: Q1 (see Figure 25).



Source: Quantec, 2025

In 2025: Q1, the quarter-to-quarter exports for the footwear division contracted by 26,6% from a 10,3% growth in 2024: Q4. Imports, however, decelerated by 21,8% following an 11,5% contraction in 2024: Q4.

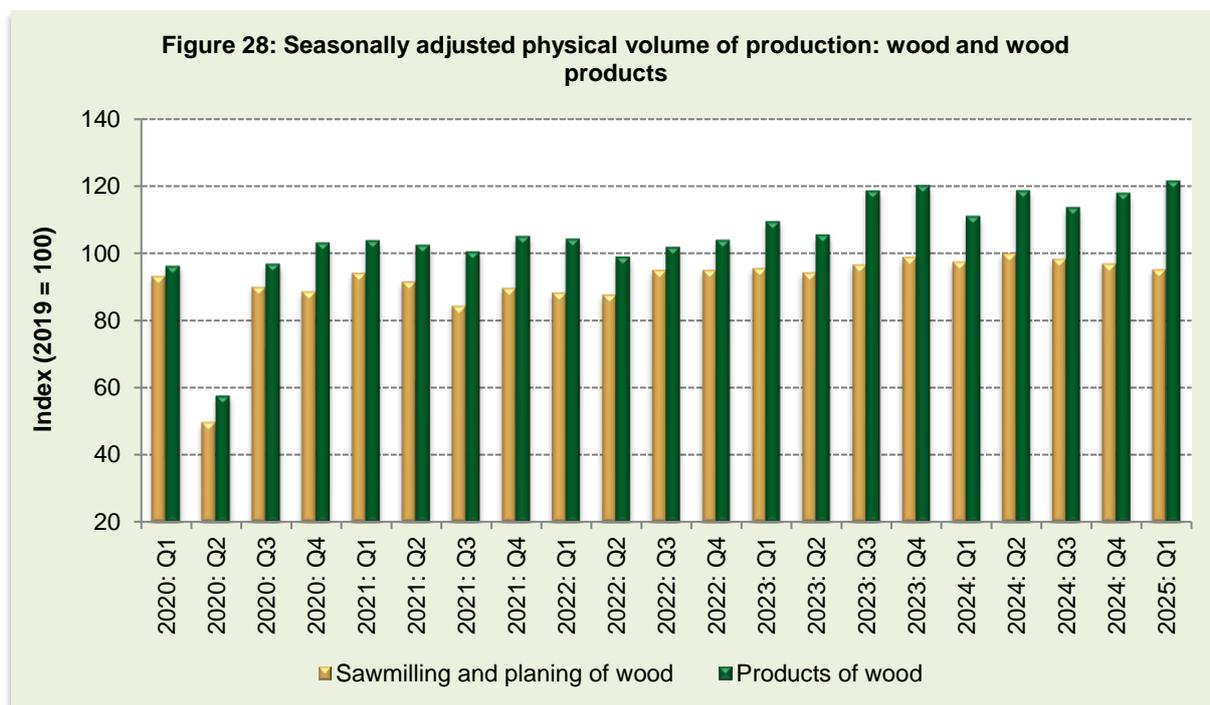
The year-on-year footwear division exports rose by 14,0%, however, imports contracted by 8,1% in 2025: Q1. As a result, the trade deficit narrowed from R3 912,68 million in 2024: Q4 to R3 104,7 million in 2025: Q1 (see Figure 26).



Source: Statistics SA (2025)

In 2025: Q1, the quarter-to-quarter formal employment in the footwear division contracted by 7,4% from a 2,0% growth in 2024: Q4. Similarly, the formal employment of the footwear division contracted year-on-year by about 0,5%. As a result, the footwear division shed a further 419 jobs in 2025: Q1 (see Figure 27).

3.8 WOOD AND WOOD PRODUCTS



Source: Quantec, 2025

During 2025: Q1, the quarter-to-quarter seasonally adjusted physical volume of production for sawmilling and planing of woods division receded further by 1,7% following a 1,5% contraction in 2024: Q4. The products of wood division, on the other hand, moderated by 3,1% from an 3,8% growth in 2024: Q4.

The year-on-year seasonally adjusted physical volume of production for sawmilling and planing of woods division decelerated by 2,3%, while products of wood rebounded by 9,5%.

The division as a whole moderated by 1,0% quarter-to-quarter following a growth of 1,3% in 2024: Q4. However, the division as a whole rebounded by 4,0% year-on-year (see Figure 28).

Table 14: Utilisation and reasons for underutilisation of production capacity by large enterprises: Wood and wood products (percentage)

Period	Utilisation	Reasons for underutilisation		
		Shortage of:	Insufficient demand	Other

		Total underutilisation	Raw materials	Skilled	Semi and unskilled		
2024: Q1	81,6	18,4	2,4	0,8	0,0	9,2	6,1
2024: Q4	81,1	18,9	2,0	0,7	0,0	9,2	7,0
2025: Q1	80,6	19,4	2,3	0,7	0,0	9,8	6,6

Source: Statistics SA (2025)

Table 14 shows the utilisation of production capacity by large enterprises in the wood and wood products division in 2025: Q1. The utilisation of production capacity decreased year-on-year and quarter-to-quarter by 1,0 and 0,5 percentage points respectively in 2025: Q1. Insufficient demand remained a reason for underutilisation, followed by other reasons such as seasonal factors.



Source: Quantec, 2025

During 2025: Q1, the quarter-to-quarter seasonally adjusted value of sales for sawmilling and planing of wood division contracted by 7,0% from a 2,5% growth in 2024: Q4. Sales for the products of wood division, however, moderated quarter-to-quarter by 1,9% in 2025: Q1 as compared to an 8,7% growth in 2024: Q4.

The year-on-year value of sales for sawmilling and planing of wood division decelerated by 9,4%, while products of wood rose by 11,2% in 2025: Q1.

The division as a whole contracted quarter-to-quarter by 1,4% in 2025: Q1 from a 4,3% growth in 2024: Q4 (see Figure 29). However, the division rose by 3,0% year-on-year. As a result, the value of sales in the wood division decreased from R11 752,9 million in 2024: Q4 to R11 587,8 million in 2025: Q1.



Source: Quantec, 2025

The quarter-to-quarter exports of wood and wood products moderated by 0,6% following a 21,4% growth in 2024: Q4, however, imports of the wood and wood products division receded further by 0,1% from a 2,4% growth in 2024: Q4.

The year-on-year exports of wood and wood products moderated by 27,6%, while imports contracted by 0,3%. As a result, the trade surplus widened from R910,3 million in 2024: Q4 to approximately R925,7 million in 2025: Q1 (see Figure 30).



Source: Statistics SA (2025)

In 2025: Q1, the quarter-to-quarter employment in products of wood, cork, straw and plaiting materials rebounded by 0,7% from a 2,0% contraction in 2024: Q4. The sawmilling and planing of wood division, however, contracted by 7,4% from a 2,0% growth in 2024: Q4.

In terms of year-on-year, products of wood, cork, straw and plaiting materials receded further by 4,2%, while sawmilling and planing of wood division rebounded by 0,5% in 2025: Q1.

The division as a whole rebounded quarter-to-quarter by 1,1%, in 2025: Q1, however, it receded further by 1,2% year-on-year, as a result, the division as a whole created 477 jobs in 2025: Q1 (see Figure 31).

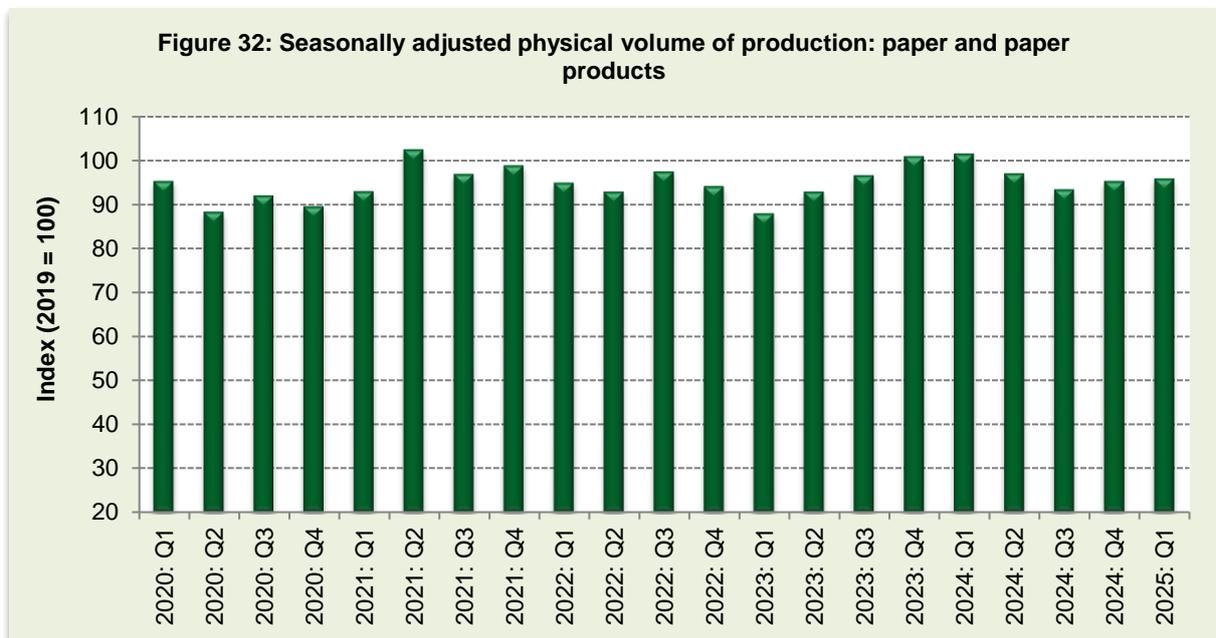
3.9 PAPER AND PAPER PRODUCTS

In 2025: Q1, the quarter-to-quarter producer price for paper and paper products receded further by 0,3%. However, the index decelerated by 2,7% year-on-year in 2025: Q1 as illustrated in Table 15.

Table 15: Producer price index for paper and paper products (base 2023=100)

	Indices			% Change between	
	2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
Domestic output					
Paper and paper products	101,1	98,7	98,3	-2,7	-0,3

Source: Statistics SA (2025)



Source: Quantec, 2025

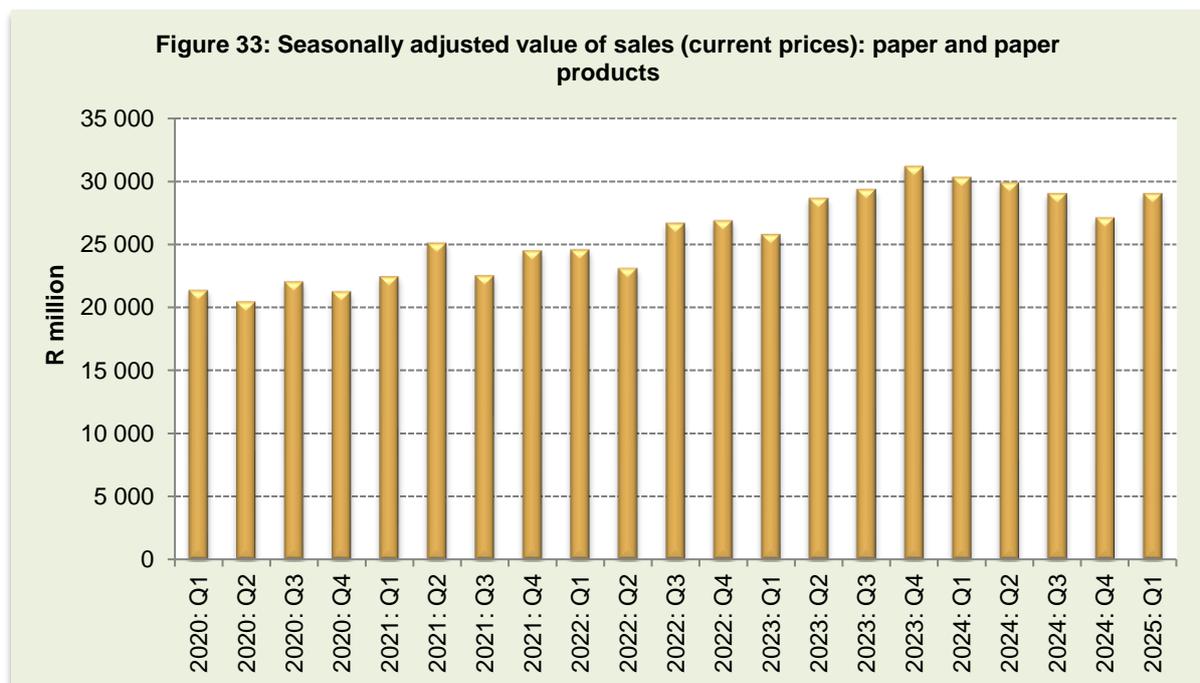
In 2025: Q1, the quarter-to-quarter seasonally adjusted physical volume of production for the paper and paper products division moderated by 0,6% as compared to a 2,0% growth in 2024: Q4. However, the division receded further by 5,5% year-on-year in 2025: Q1 (see Figure 32).

Table 16: 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		
2024: Q1	83,4	16,6	0,8	0,8	0,0	8,9	6,2
2024: Q4	81,8	18,2	0,7	1,0	0,2	10,1	6,3
2025: Q1	82,2	17,8	0,4	1,1	0,0	9,3	7,0

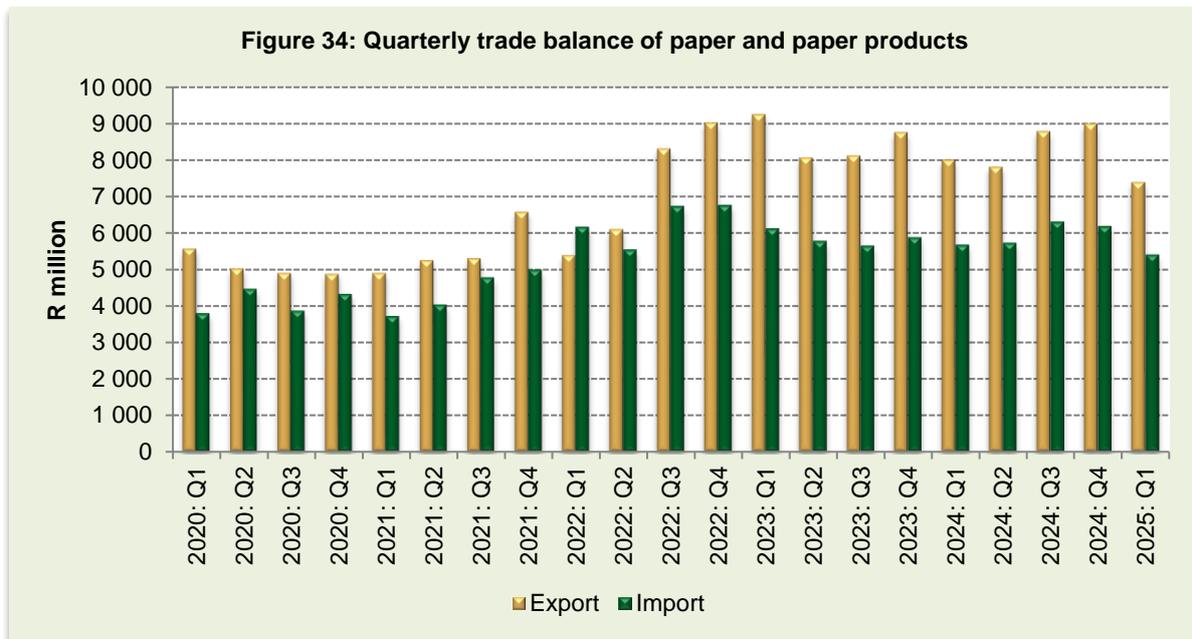
Source: Statistics SA (2025)

Table 16 shows utilisation of production capacity by large enterprises in the paper and paper products division. Utilisation of production capacity decreased year-on-year by approximately 1,2 percentage points, however, it increased quarter-to-quarter by 0,4 percentage points in 2025: Q1. Insufficient demand remained the main reason for underutilisation during the period under review, followed by other reasons such as seasonal factors.



Source: Quantec, 2025

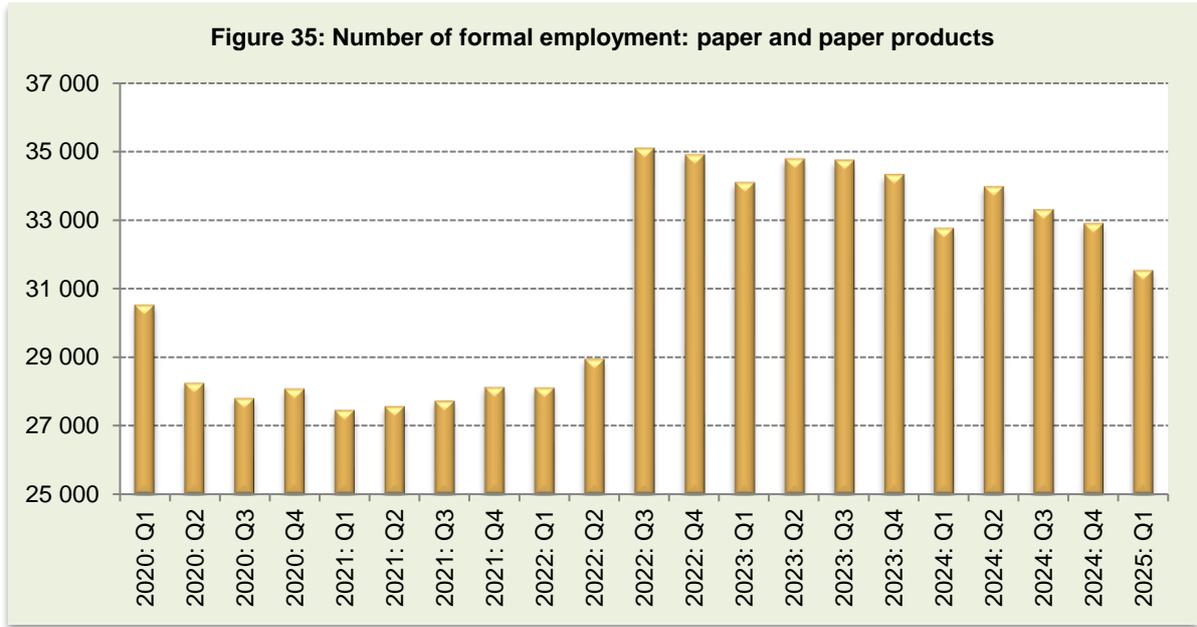
In 2025: Q1, the quarter-to-quarter seasonally adjusted value of sales for paper and paper products division rebounded by 7,0% from a 6,6% contraction in 2024: Q4. However, the division contracted year-on-year by 4,3% (see Figure 33). As a result, seasonally adjusted value of sales for the paper and paper products division increased from R27 135,4 million in 2024: Q4 to R29 041,0 million in 2025: Q1.



Source: Quantec, 2025

In 2025: Q1, the quarter-to-quarter exports of paper and paper products division contracted by 17,9% from a 2,4% growth in 2024: Q4, however, imports of the paper and paper products division decelerated by 12,6% following a 1,9% contraction in 2024: Q4.

The year-on-year exports and imports contracted by 7,7% and 4,9%, respectively in 2025: Q1. As a result, the trade surplus narrowed from R2 803,2 million in 2024: Q4 to R1 977,8 million in 2025: Q1 (see Figure 34).



Source: Statistics SA (2025)

The quarter-to-quarter formal employment in the paper and paper products division decelerated by 4,2% in 2025: Q1 as compared to a 1,2% contraction in 2024: Q4, however, the division receded further by 3,8% year-on-year. As a result, the paper and paper products division shed about 1 377 jobs in 2025: Q1 (see Figure 35).

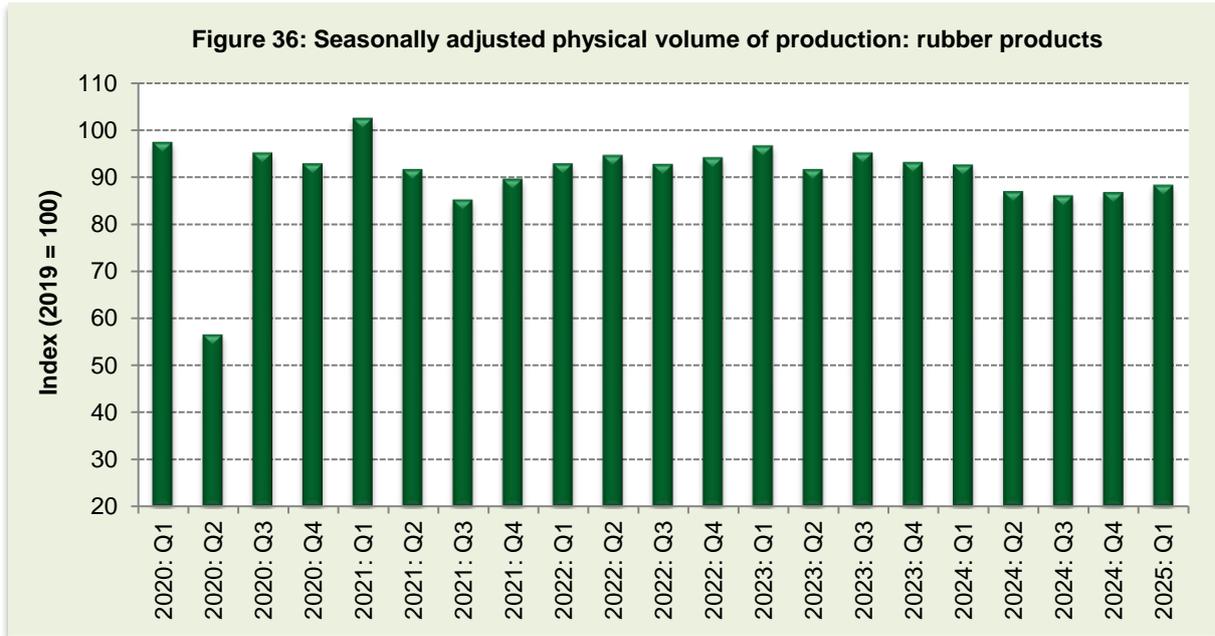
3.9 RUBBER PRODUCTS

The quarter-to-quarter producer price index for domestic output of the rubber and plastic products division decelerated by 0,6%, however, it rebounded by 1,3% year-on-year in 2025: Q1 (see Table 17).

Table 17: Producer price index for rubber products (base 2023=100)

	Indices			% Change between	
	2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
Domestic output					
Rubber products	98,6	100,5	99,9	1,3	-0,6

Source: Statistics SA (2025)



Source: Quantec, 2025

In 2025: Q1, the quarter-to-quarter seasonally adjusted physical volume of production for the rubber products division rose by 1,8%, following a 0,8% growth in 2024: Q4. However, the division receded further by 4,7% year-on-year in 2025: Q1 (see Figure 36).

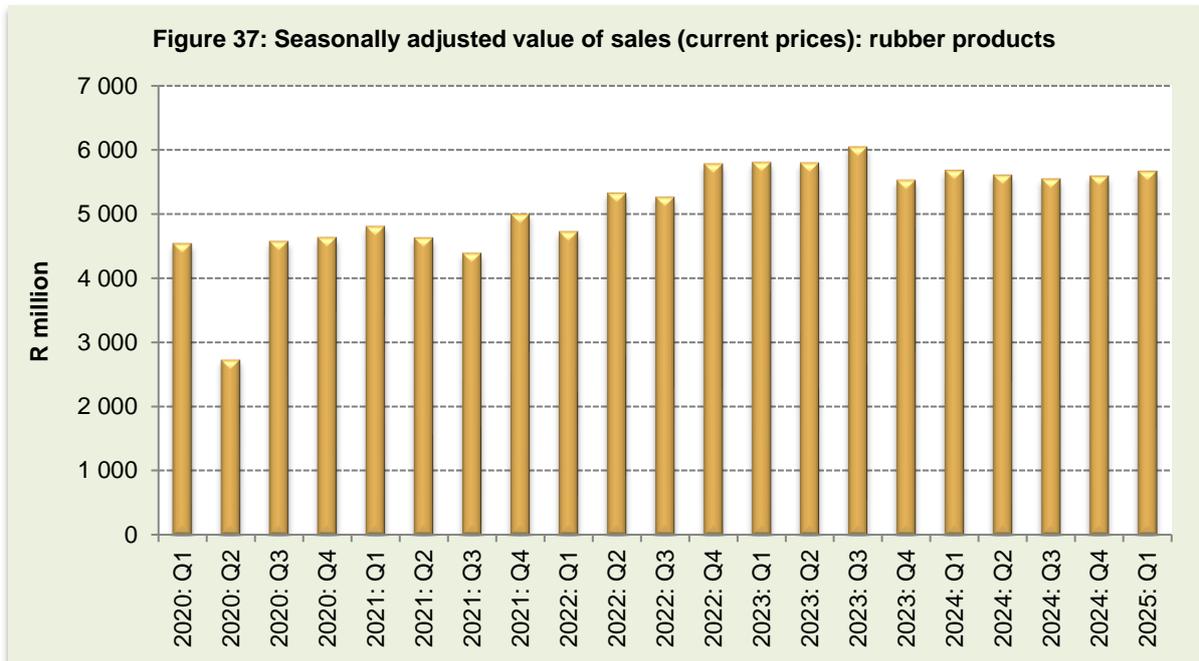
Table 18: Utilisation and reasons for underutilisation of production capacity by large enterprises: Rubber products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of:			Insufficient demand	Other
			Raw materials	Labour:			
				Skilled	Semi and unskilled		
2024: Q1	79,6	20,4	0,2	0,0	0,0	11,6	8,6
2024: Q4	77,4	22,6	0,0	0,1	0,0	14,4	8,1
2025: Q1	77,6	22,4	0,1	0,2	0,0	12,0	10,1

Source: Statistics SA (2025)

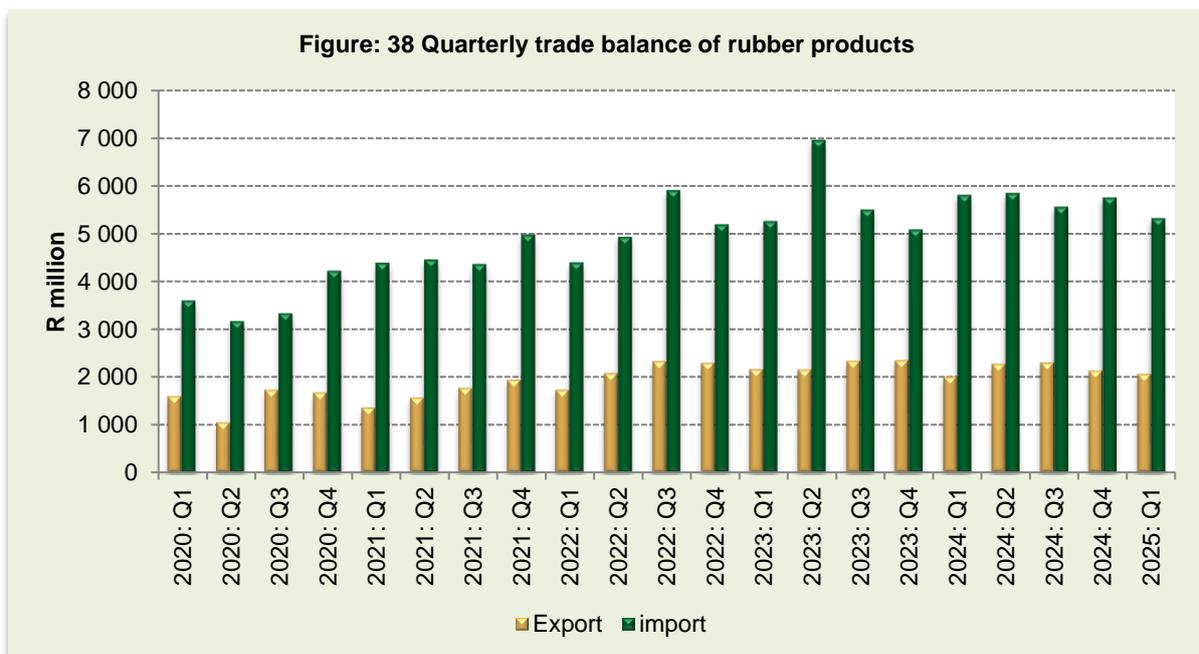
As shown in Table 18, the utilisation of production capacity by large enterprises in the rubber products division decreased year-on-year by 2,0 percentage points, however, it increased quarter-to-quarter by 0,2 percentage points in 2025: Q1. Insufficient demand remained the

main reason for underutilisation during the period under review, followed by other reasons such as seasonal factors.



Source: Quantec, 2025

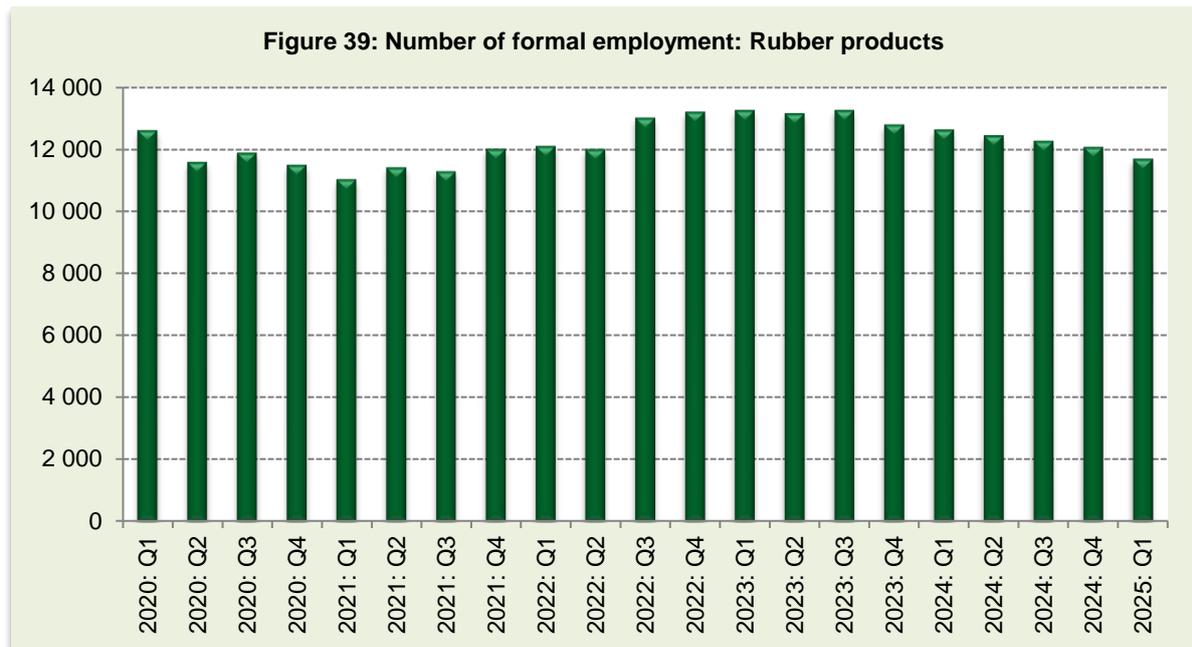
In 2025: Q1, the quarter-to-quarter seasonally adjusted value of sales in the rubber products division rose by 1,3% from a 0,8% growth in 2024: Q4. However, the division contracted by 0,2% year-on-year. Therefore, sales in the rubber products division increased from R5 593,2 million in 2024: Q4 to R5 668,0 million in 2025: Q1 (see Figure 37).



Source: Quantec, 2025

The quarter-to-quarter exports of the rubber products division receded further by 3,5% in 2025: Q1 from a 7,2% contraction registered in 2024: Q4, however, imports of the rubber products division contracted by 7,5% following a 3,5% growth in 2024: Q4.

The year-on-year exports rebounded by 2,6%, while imports contracted by 8,4% in 2025: Q1. As a result, the trade deficit widened from R3 628,4 million in 2024: Q4 to R3 268,5 million in 2025: Q1 (see Figure 38).



Source: Statistics SA (2025)

The quarter-to-quarter formal employment in the rubber products division decelerated by 3,2% in 2025: Q1 as compared to a 1,6% contraction recorded in 2024: Q4, however, the division decelerated by 7,5% year-on-year (see Figure 39). As a result, about 382 further jobs were shed in the rubber products division in 2025: Q1.

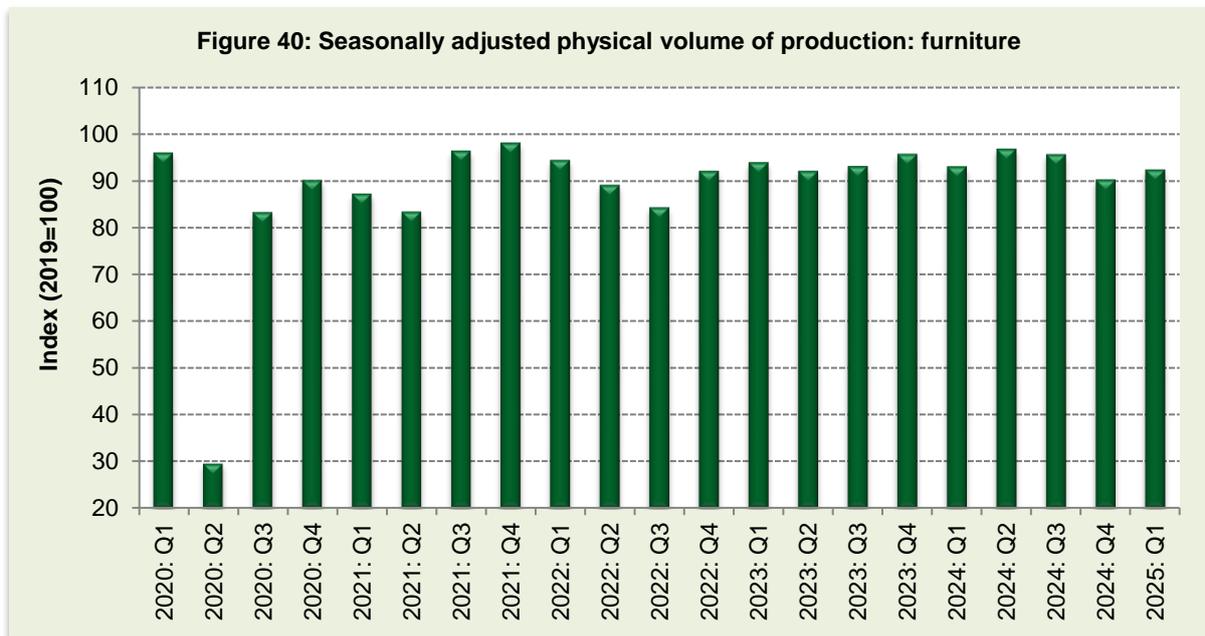
3.10 FURNITURE

The quarter-to-quarter and year-on-year producer price index for domestic output of furniture and other manufacturing expanded by 2,9% and 7,6%, respectively, in 2025: Q1 (see Table 19).

Table 19: Producer price index for furniture and other manufacturing (base 2023=100)

Indices			% Change between	
2024: Q1	2024: Q4	2025: Q1	2024: Q1 and 2025: Q1	2024: Q4 and 2025: Q1
Domestic output				
100,5	105,1	108,2	7,6	2,9

Source: Statistics SA (2025)



Source: Quantec, 2025

In 2025: Q1, the quarter-to-quarter seasonally adjusted physical volume of production for the furniture division rebounded by 2,3% from a 5,7% contraction in the preceding quarter, however, it contracted by 0,8% year-on-year (see Figure 40).

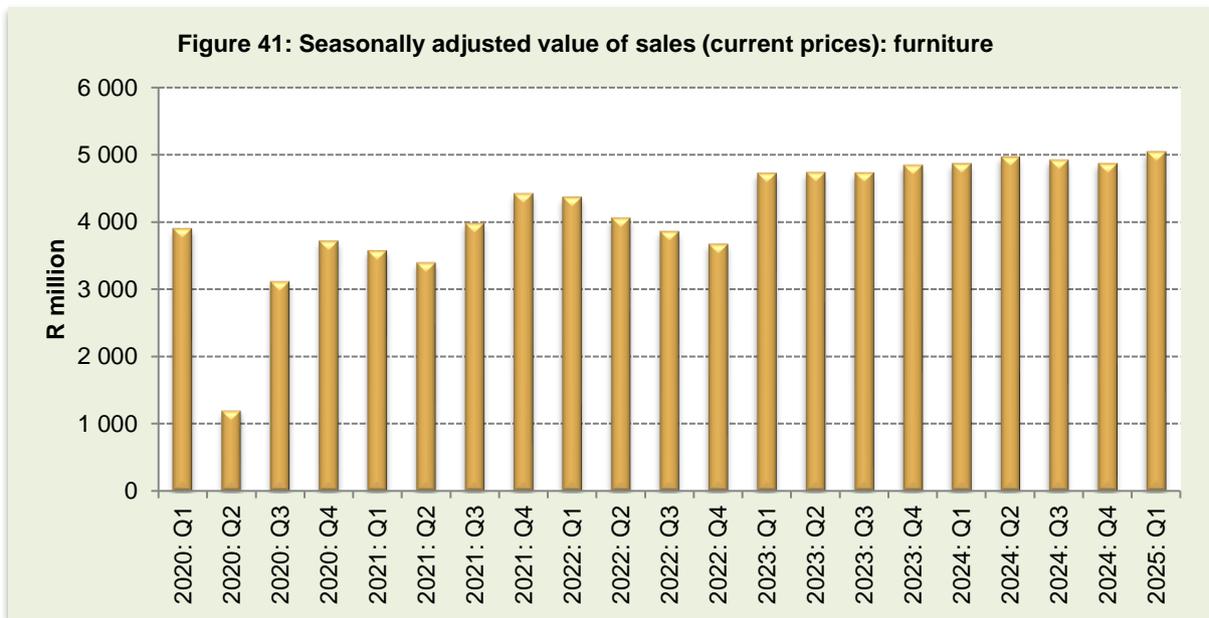
Table 20: Utilisation and reasons for underutilisation of production capacity by large enterprises: Furniture (percentage)

Period	Utilisation	Reasons for underutilisation				
		Total underutilisation	Shortage of:		Insufficient demand	Other
			Raw materials	Labour:		
				Skilled	Semi and unskilled	

2024: Q1	73,8	26,2	2,2	0,0	0,0	24,0	0,0
2024: Q4	77,2	22,8	2,2	0,0	0,0	20,7	0,0
2025: Q1	72,5	27,5	3,0	0,0	0,0	24,5	0,0

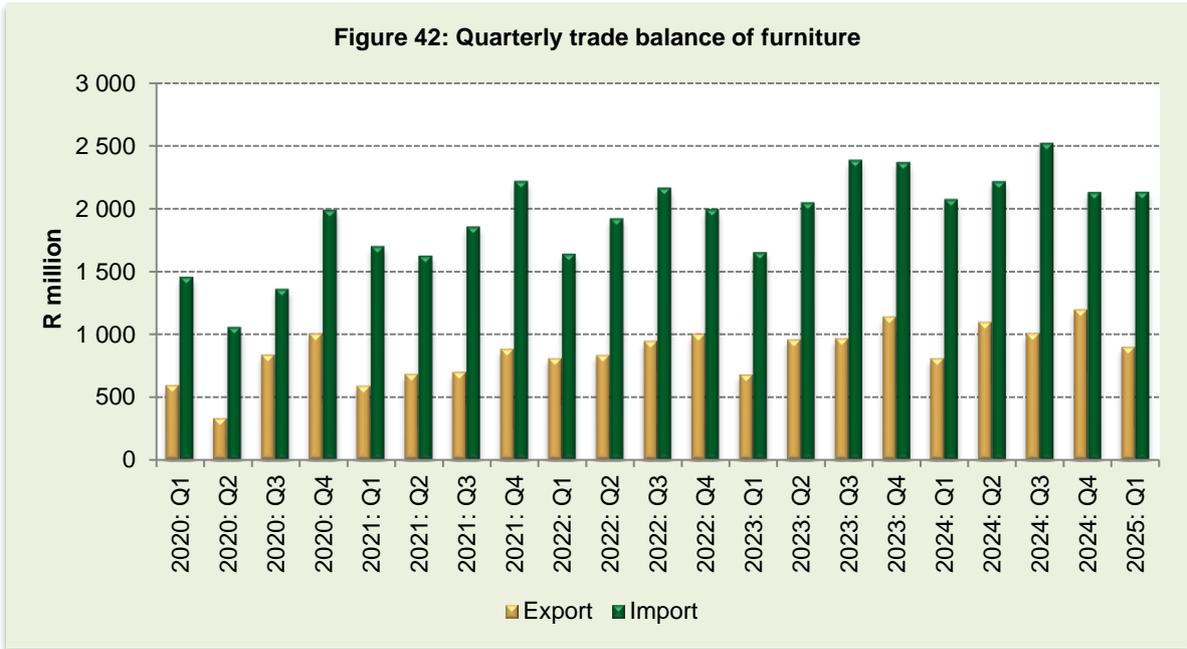
Source: Statistics SA (2025)

The utilisation of production capacity by large enterprises in the furniture division declined year-on-year and quarter-to-quarter by 1,3 and 4,7 percentage points in 2025: Q1, respectively. Insufficient demand remained the main reason for underutilisation of production capacity, followed by a shortage of raw materials (see Table 20).



Source: Quantec, 2025

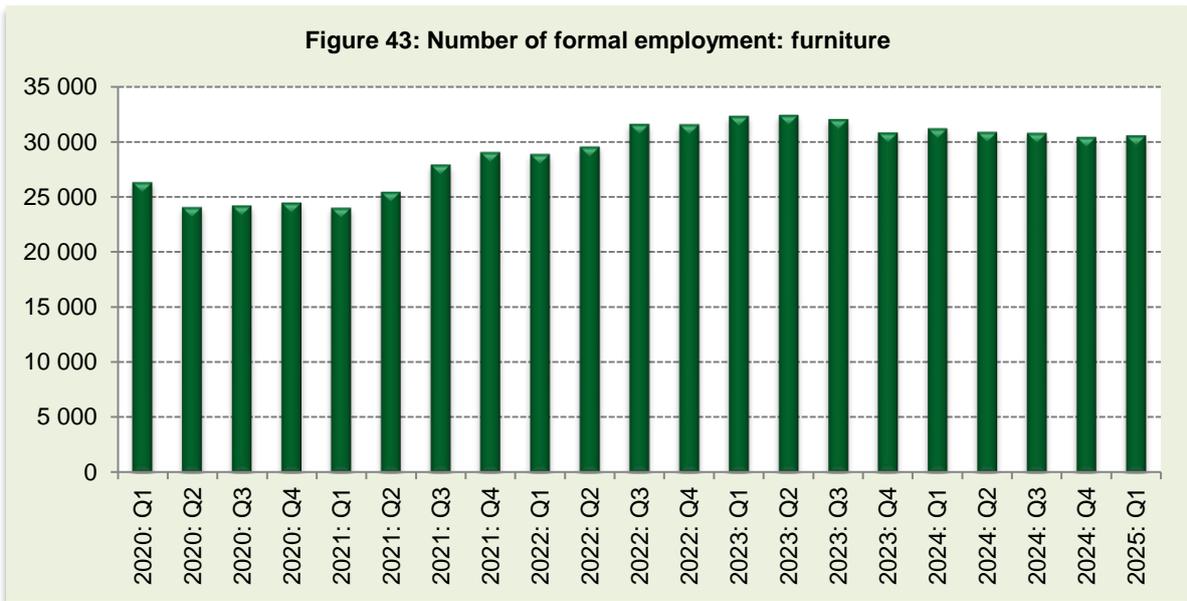
The quarter-to-quarter seasonally adjusted value of sales for the furniture division rebounded by 3,6% in 2025: Q1 following a 1,1% contraction in 2024: Q4. However, the division expanded by 3,6% year-on-year. As a result, the value of sales in the division increased from R4 863,9 million in 2024: Q4 to R5 040,3 million in 2025: Q1 (see Figure 41).



Source: Quantec, 2025

The quarter-to-quarter exports of the furniture division contracted by 24,8% in 2025: Q1 as compared to a 18,5% growth in 2024: Q4. However, imports rebounded by 0,1% in 2025: Q1 from a 15,5% growth in 2024: Q4.

The year-on-year exports rose by 11,0% following a growth of 4,9% in 2024: Q4, however, imports rebounded by 2,8% in 2025: Q1 (see Figure 42). As a result, the trade deficit widened from R939,3 million in 2024: Q4 to about R1 237,2 million in 2025: Q1.



Source: Statistics SA (2025)

In 2025: Q1, quarter-to-quarter formal employment in the furniture division rebounded by 0,5% following a 1,2% contraction in 2024: Q4, however, the division's employment decelerated by 2,0% year-on-year. As a result, approximately 146 jobs were created during the period under review (see Figure 43).

3. CONCLUSION

In 2025: Q1, the South Africa economy moderated by 0,1%. The real output of the primary sector moderated by 0,3%, the secondary sector contracted further by 2,4%, while the tertiary sector grew marginally by 0,4%.

The agro-processing industry's seasonally adjusted volume of production rebounded by 0,2% in 2025: Q1 from a 1,2% contraction in 2024: Q4, however, the seasonally adjusted value of sales for the agro-processing sector rose by 0,6% in 2025: Q1 from a 0,1% growth in 2024: Q4.

The trade deficit of the agro-processing industry widened from R13 521,2 million in 2024: Q4 to R14 575,5 million in 2025: Q1.

The agro-processing industry in total created 13 632 jobs in 2025: Q1.

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