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

DIRECTORATE: AGRO-PROCESSING SUPPORT

2025: Q3

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 is 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: Q3",* by the directorate evaluates the economic performance of the eleven agro-processing divisions during 2025: Q3. 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.

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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The real gross value added (GVA) by the primary sector grew by 1,8% in 2025: Q3, following a 3,1% revised growth in 2025: Q2. This growth was largely driven by a sustained increase in both the agricultural and mining sectors. (*SA Reserve Bank, 2025*).

The quarter-to-quarter consumer price inflation for all items rose by 3,4% in 2025: Q3 from a 2,9% growth in 2025: Q2. In 2025: Q3, the following items moderated during the period under review: cereal products, fish and other seafood, oils and fats, fruits and nuts, vegetables, sugar, confectionery and desserts, non-alcoholic beverages, hot beverages, cold beverages and beer. Food products, meat, "other food products'' and wine expanded, while alcoholic beverages and spirits and liqueurs grew the same as the previous quarter.

In 2025: Q3, the year-on-year producer price inflation for final manufactured goods increase by 1,1%. The following items moderated during the period under review: food products, fish and fish products, fruit and vegetables, oils and fats, starches and starch products, animal feeds, "other food products" and bakery products. Meat and meat products, dairy products and grain mill products contracted, while sugar decelerated in 2025: Q3.

The quarter-to-quarter agro-processing industry's seasonally adjusted volume of production decelerated by 0,4% in 2025: Q3 from a 0,1% contraction in 2025: Q2. Most divisions receded further during the period under review, and those were: footwear, food products, wood and wood products and rubber products, however, furniture and textiles moderated, leather and leather products and paper and paper products contracted, beverages and wearing apparel expanded in 2025: Q3.

The quarter-to-quarter seasonally adjusted value of sales for the agro-processing industry rose by 0,5% in 2025: Q3 from a 1,9% growth in 2025: Q2. The seasonally adjusted value of sales rebounded for the following divisions: wood and wood products, wearing apparel and footwear, however, beverages and textiles rose, furniture moderated, food products and leather and leather products contracted, while rubber products and paper and paper products decelerated in 2025: Q3.

The utilisation capacity of the agro-processing sector increased for the following divisions in 2025: Q3: food products, wearing apparel, paper and paper products, rubber and furniture, however, beverages, leather and leather products, textiles and wood and wood products decreased, while footwear grew the same as the previous quarter.
The divisions that recorded a trade deficit during the period were: wearing apparel, footwear, textiles, rubber products, furniture and leather products, however, the following divisions

recorded a trade surplus: tobacco, wood and wood products, food products, paper and paper products and beverages in 2025: Q3.

In 2025: Q3, jobs were shed in the following divisions: food products (3 951), rubber products (798), leather and leather products (111), wearing apparel (87), paper and paper products (43) and beverages and tobacco products (5), however, furniture (1 594), textiles (318), wood and wood products (111) and footwear (75) created jobs.

1. INTRODUCTION

The South African economic activity continued to expand in 2025: Q3, though growth in real gross domestic product (GDP) moderated by 0,5% from a revised 0,9% in 2025: Q2. The real gross value added (GVA) by the primary and tertiary sectors moderated by 1,8% and 0,5%, respectively, while real output in the secondary sector contracted by 0,1% (*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: Q3 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 in 2025: 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. The real output of the agricultural sector moderated by 1,1% in 2025: Q3, following a growth of 2,5% in 2025: Q2. This growth mainly resulted from higher yields in field crops as well as horticultural and animal products, supported by favourable weather conditions and delayed harvesting. Despite these, adverse conditions such as animal disease outbreaks, uncertainties in global trade and rising input costs continued to burden the overall agricultural output (*SA Reserve Bank, 2025*).

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

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

Tertiary sector	0,3	0,2	1,1	0,4	0,7	0,5
Non-primary sector	0,3	0,0	0,8	-0,1	0,7	0,4
Non-agricultural sector	0,3	0,0	0,8	-0,3	0,9	0,5
Total	-0,3	0,4	0,5	0,1	0,9	0,5

Source: SA Reserve Bank (2025)

**Percentage change over one year*

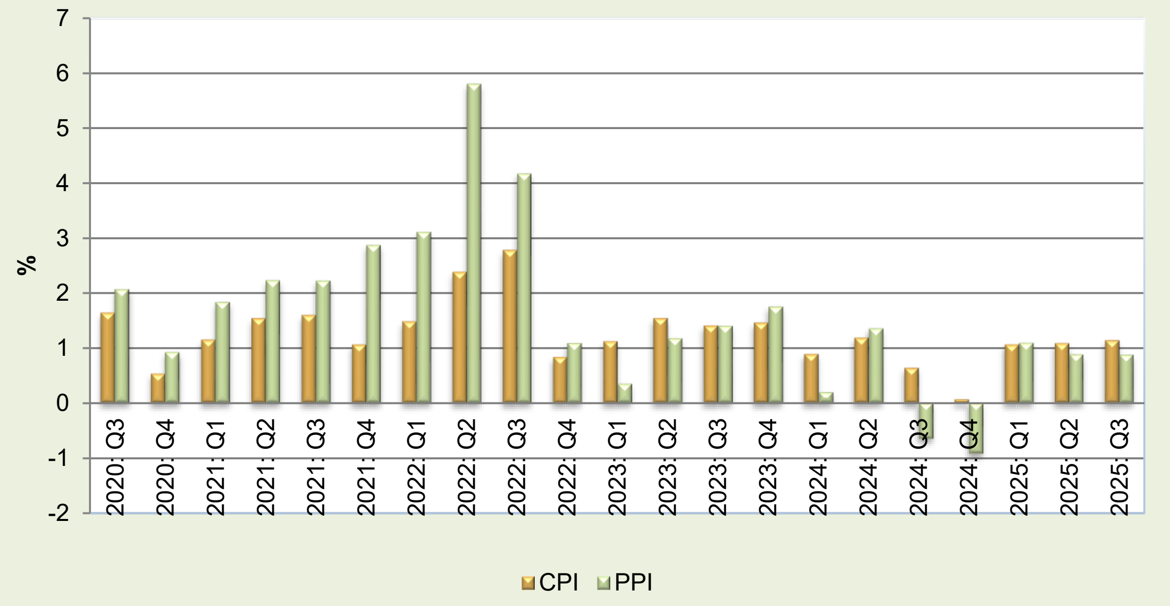
*** The non-primary sector is total GVA excluding agriculture and mining*

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

Source: Statistics SA (2025)

In 2025: Q3, South Africa's unemployment rate declined to 31,9% as compared to a 33,2% growth in the preceding quarter, which translates to a decrease of 1,3 percentage points. The industries that recorded gains in employment over the period under review were construction (130 000), services (116 000) and trade (108 000), however, the manufacturing (62 000), finance (54 000) and utilities (30 000) industries recorded losses (*Stats SA, 2025*).

Figure 2: Total CPI and PPI inflation



Source: Statistics SA (2025)

Figure 2 above presents the producer price index and consumer price index from 2020: Q3 to 2025: Q3. In 2025: Q3, the year-on-year producer price inflation for final manufactured goods grew by 1,1%. The producer price inflation moderated for the following items: food products (3,5%), fish and fish products (6,4%), fruit and vegetables (2,9%), oils and fats (1,0%), starches and starch products, animal feeds (0,3%), “other food products” (2,5%) and bakery products (2,1%). However, it contracted for meat and meat products (18,0%), dairy products (0,9%) and grain mill products (2,7%), while it decelerated for sugar (5,0%).

The year-on-year consumer price inflation for all items rose by 3,4% in 2025: Q3 from a 2,9% growth in 2025: Q2. In 2025: Q3, the following items moderated during the period under review: cereal products (2,3%), fish and other seafood (2,8%), oils and fats (5,0%), fruits and nuts (7,4%), vegetables (8,0%), sugar, confectionery and desserts (3,8%), non-alcoholic beverages (4,3%), hot beverages (9,2%), cold beverages (2,1%) and beer (4,1%). Food products (5,1%), meat (10,9%), “other food products” (2,4%) and wine (5,6%) expanded, while alcoholic beverages (4,5%) and spirits and liqueurs (4,1%) grew the same as the previous 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: Q3 as influenced by the global and domestic economic environments.

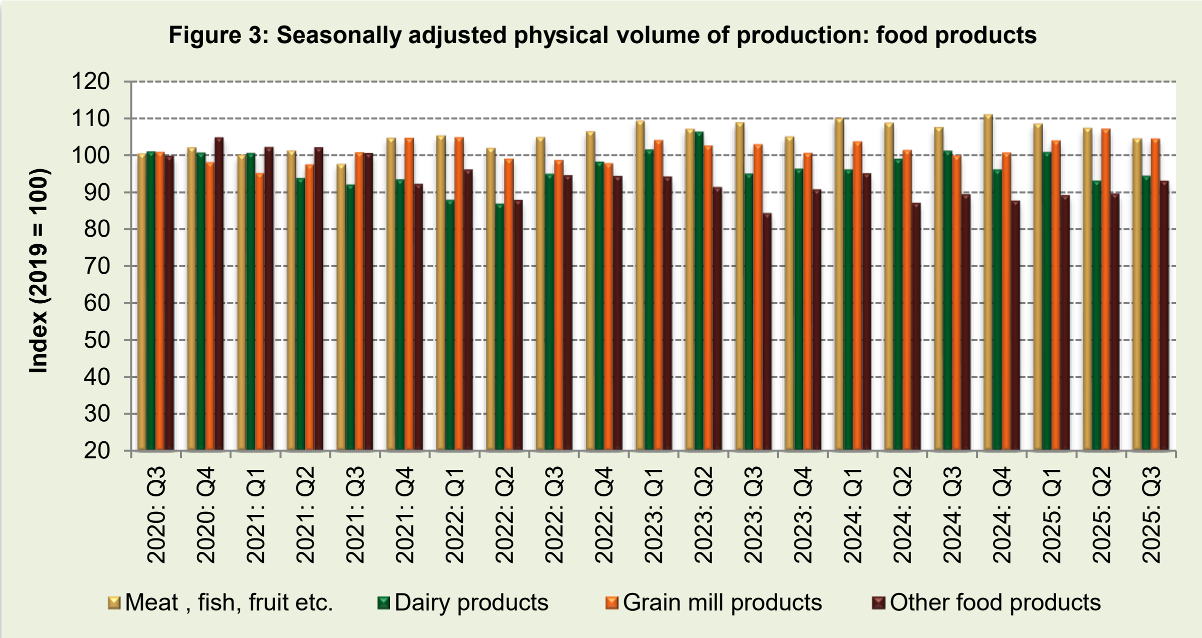
3.1 FOOD

Table 2 below shows the producer price index for food products in 2025: Q3. The quarter-to-quarter and year-on-year price index for food products moderated by 0,5% and 3,5%, respectively, in 2025: Q3.

Table 2: Producer price index for food products (base 2024=100)

Indices			% Change between	
2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3	2025: Q2 and 2025: Q3
100,3	104,1	105,0	3,5	0,5

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: Q3, the quarter-to-quarter seasonally adjusted volume of production for meat, fish, fruit, etc. decelerated by 2,6% following a 1,0% contraction in 2025: Q2; dairy products rebounded by 1,4% from a 7,7% contraction in 2025: Q2; grain mill products contracted by 2,4% from a growth of 3,0% in 2025: Q2, while “other food products” rose by 3,9% from a 0,5% growth in 2025: Q2.

In terms of year-on-year, meat, fish, fruit, etc. and dairy products decelerated by 2,8% and 6,7%, respectively, grain mill products and “other food products” rose by 4,6% and 4,0%, respectively, in 2025: Q3.

The division as a whole receded further quarter-to-quarter by 0,2% following a 1,3% contraction in 2025: Q2, however, it contracted by 0,4% year-on-year.

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

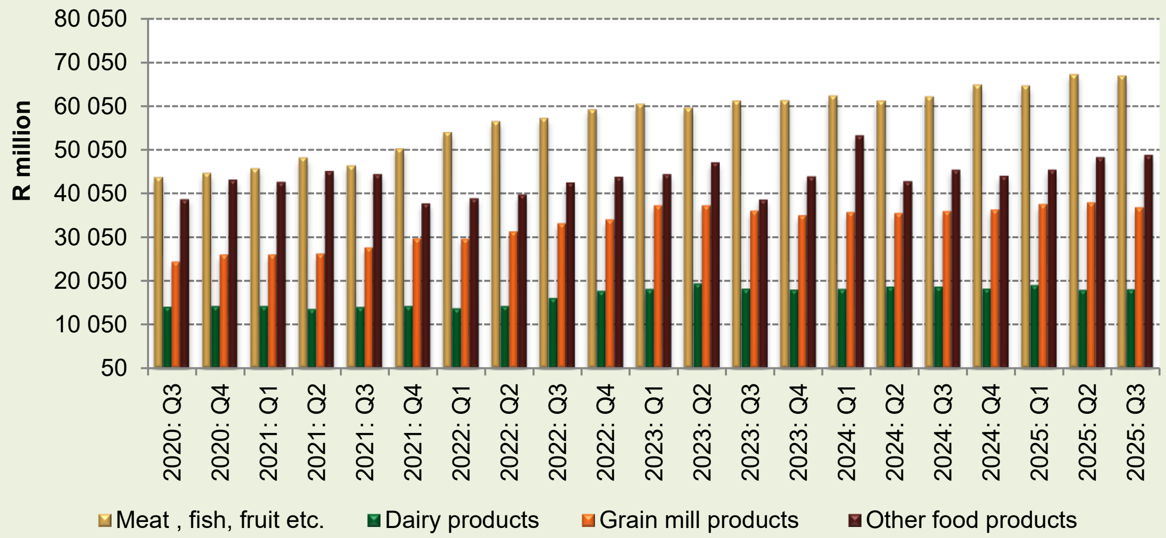
Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of:			Insufficient demand	Other
			Raw materials	Labour:			
				Skilled	Semi and unskilled		
2024: Q3	83,3	16,7	1,3	1,2	0,2	10,3	3,6

2025: Q2	83,3	16,7	1,8	0,9	0,3	9,2	4,5
2025: Q3	83,6	16,4	1,7	0,8	0,2	9,3	4,5

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: Q3, the utilisation capacity by large enterprises in the food products division increased quarter-to-quarter and year-on-year by 0,3 percentage points each. Insufficient demand remains the main reason for underutilisation, followed by other reasons such as seasonal factors in 2025: Q3.

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



Source: Quantec, 2025

Figure 4 above shows the seasonally adjusted value of sales for the food division. In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for meat, fish, fruit, etc. contracted by 0,4% from a 3,9% growth in the preceding quarter; dairy products rebounded by 0,7% from a 5,6% contraction in 2025: Q2, grain mill products contracted by 2,4% from a 3,0% growth in 2025: Q3, while “other food products” contracted by 1,0% following a 6,3% growth in 2025: Q2.

In terms of year-on-year, in 2025: Q3, meat, fish, fruit, etc. moderated by 7,7%; dairy products receded further by 3,3% and grain mill products and “other food products” moderated by 2,4% and 7,3% respectively, in 2025: Q3.

The division as a whole contracted quarter-to-quarter by 0,5% in 2025: Q3 from a 2,8% growth in 2025: Q2. However, the division moderated by 5,2% year-on-year in 2025: Q3. Therefore, sales for the division as a whole decreased from R171 308,3 million in 2025: Q2 to R170 516,1 million in 2025: Q3.

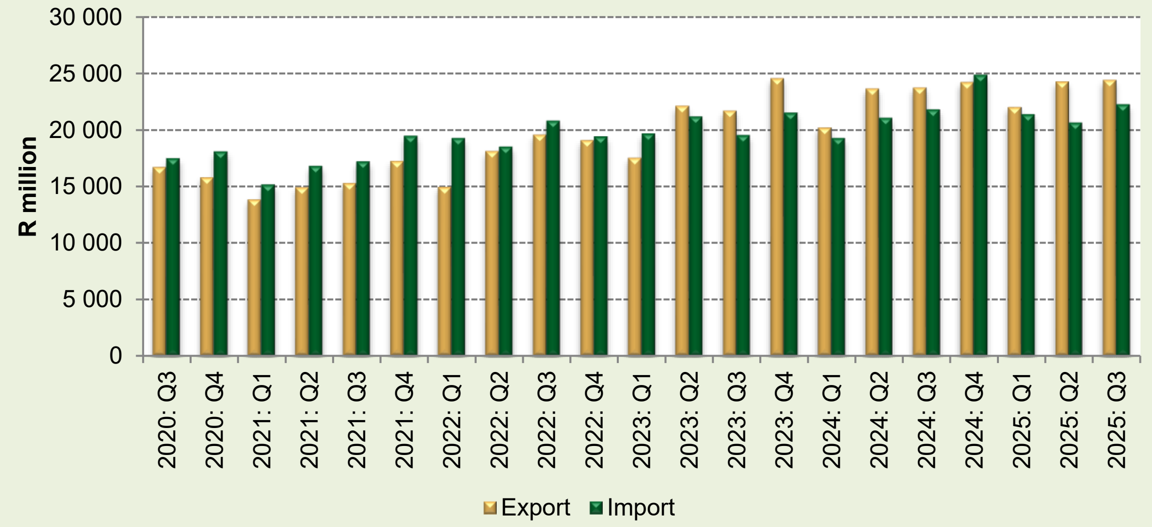
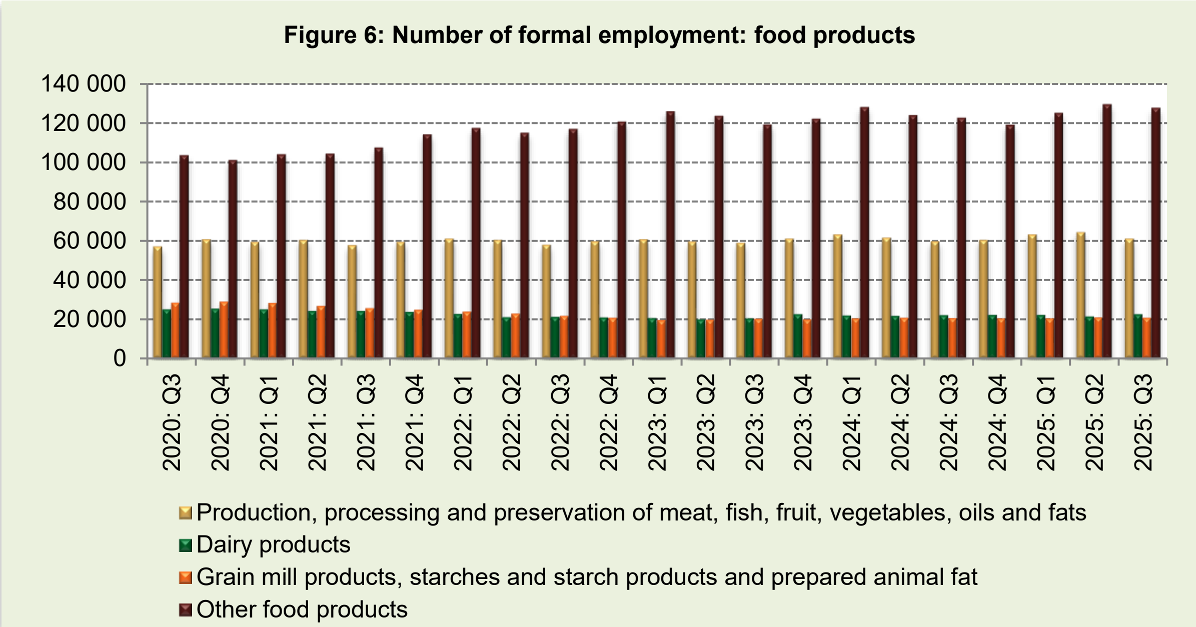


Figure 5: Quarterly trade balance of food products

Source: Quantec, (2025)

Figure 5 above shows the trade balance of the food products division from 2020: Q3 to 2025: Q3. In 2025: Q3, the quarter-to-quarter exports of food products moderated by 0,4% from a growth of 10,4% in 2025: Q2, however, food products imports rebounded by 7,8% as compared to a contraction of 3,4% in 2025: Q2.

The year-on-year food exports rose by 2,8%, while imports rebounded by 2,1% in 2025: Q3. Therefore, the trade surplus narrowed from R3 651,9 million in 2025: Q2 to R2 189,9 million in 2025: Q3.



Source: Quantec, 2025

Figure 6 above shows the employment in the food products division from 2020: Q3 to 2025: Q3. In 2025: Q3, the quarter-to-quarter formal employment in the production, processing and preservation of meat, fish, fruit, vegetables, oils and fats; grain mill products and "other food products" contracted by 5,0%, 0,4% and 1,4% following a 1,8%, 2,5% and 3,5% growth in 2025: Q2, respectively. Dairy products, however, rebounded by 5,3% following a 4,0% contraction in 2025: Q2.

In terms of year-on-year, employment in meat, fish, fruit, vegetables, oils and fats and "other food products" moderated by 2,3% and 4,2%, respectively; dairy products rebounded by 2,2% while grain mill products rose by 1,1%.

The employment in the food products division as a whole contracted quarter-to-quarter by 1,7% from a 2,2% growth in 2025: Q2, however, the division as a whole moderated by 3,2% year-on-year. Therefore, approximately 3 951 jobs were shed in 2025: Q3.

3.2 BEVERAGES

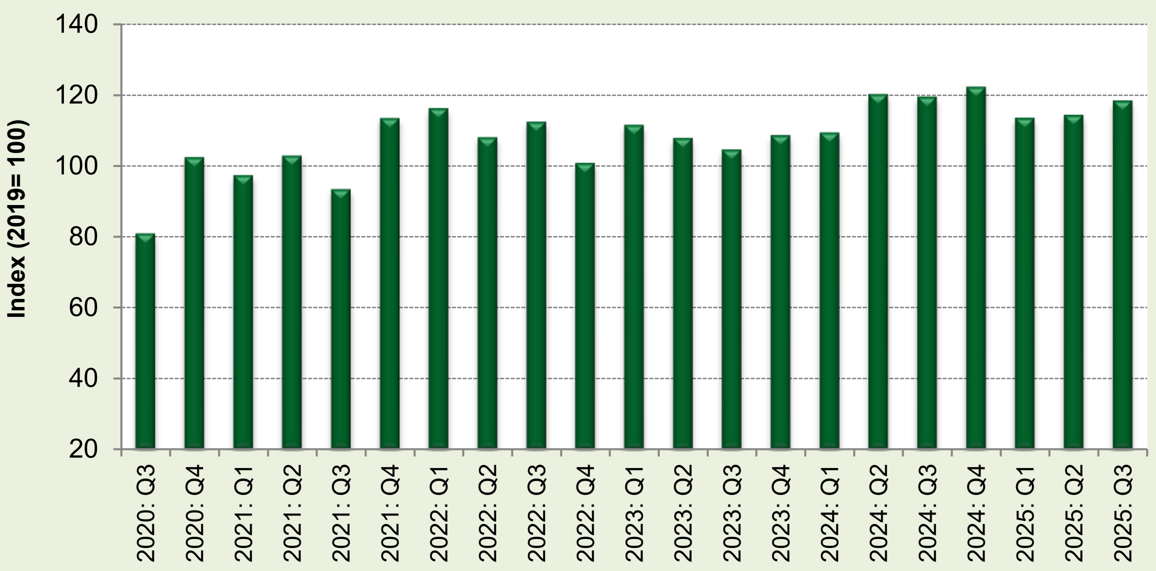
Table 4 below shows the producer price index for the beverages division in 2025: Q3. The quarter-to-quarter producer price index for beverages moderated by 0,2% in 2025: Q3. However, the producer price index rose by 4,3% year-on-year.

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

Indices			% Change between	
2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3	2025: Q2 and 2025: Q3
103,3	104,2	105,0	4,3	0,2

Source: Statistics SA, 2025

Figure 7: Seasonally adjusted physical volume of production: beverages



Source: Quantec, 2025

Figure 7 above shows the quarter-to-quarter seasonally adjusted physical volume of production for the beverages division. In 2025: Q3, the seasonally adjusted volume of production for the beverages division rose by 3,6% following a 0,7% growth in 2025: Q2. However, the division receded further by 0,9% year-on-year.

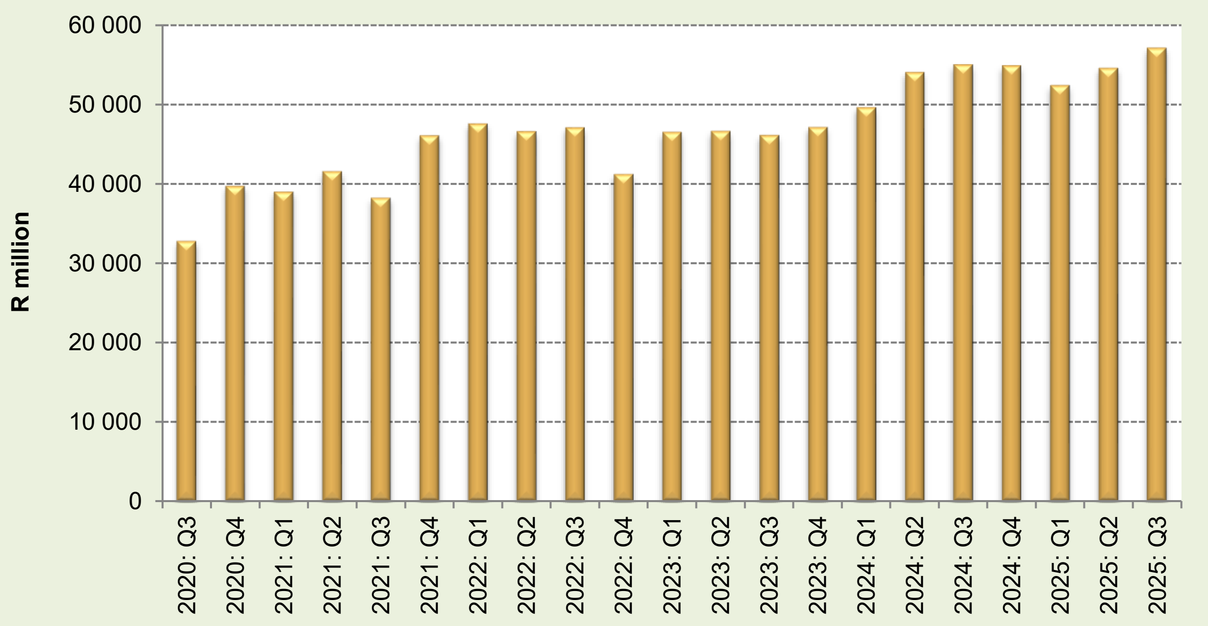
Table 5: Utilisation and reasons for underutilisation of production capacity by large enterprises: Beverages (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of:			Insufficient demand	Other
			Raw materials	Labour:			
				Skilled	Semi and unskilled		
2024: Q3	82,3	17,7	1,8	3,3	0,2	9,9	2,6
2025: Q2	81,7	18,3	2,1	3,3	0,2	10,2	2,6
2025: Q3	81,4	18,6	2,3	3,3	0,2	10,2	2,6

Source: Statistics SA (2025)

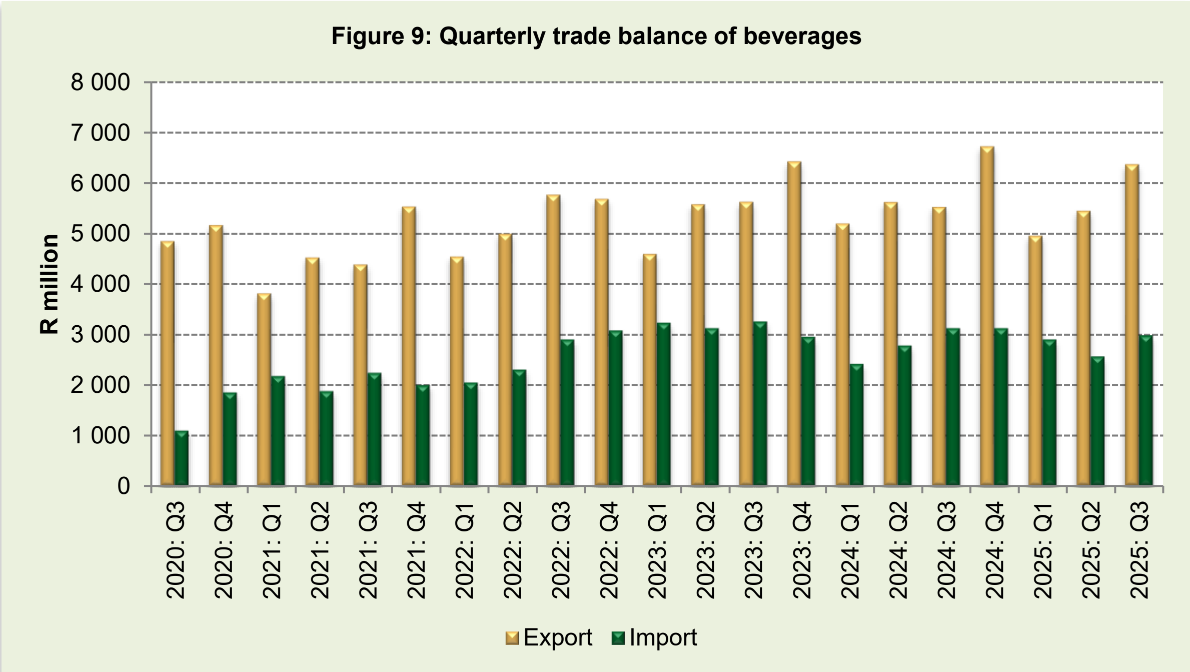
Table 5 above shows the utilisation of production capacity by large enterprises in the beverages division. The utilisation of production capacity decreased quarter-to-quarter and year-on-year by about 0,3 and 0,9 percentage points, respectively, in 2025: Q3. Insufficient demand remains the main reason for underutilisation during the period, followed by other reason such as seasonal factors.

Figure 8: Seasonally adjusted value of sales (current prices): beverages



Source: Quantec, 2025

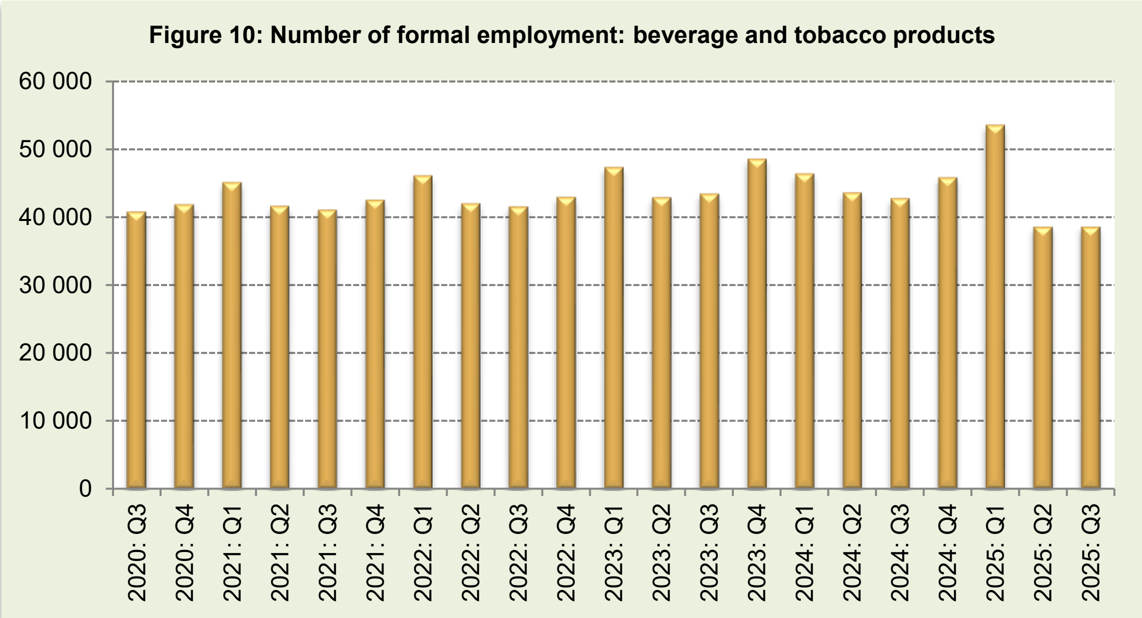
Figure 8 above shows the seasonally adjusted value of sales for the beverages division in 2025: Q3. In 2025: Q3, the seasonally adjusted value of sales for the beverages division rose by 4,6% from a 4,2% growth in 2025: Q2, however, the division rose by 3,8% year-on-year. Therefore, sales for the beverages division increased from R2 483,9 million in 2024: Q2 to R2 551,3 million in 2025: Q3.



Source: Quantec, 2025

As Figure 9 shows, in 2025: Q3, the quarter-to-quarter exports of the beverages division rose by 17,3% following a growth of 9,6% in 2025: Q2; beverages imports, on the other hand, rebounded by 29,7% following an 11,7% contraction in 2025: Q2.

The year-on-year exports of beverages rebounded by 15,2%, while imports rebounded by 5,6% in 2025: Q3. Consequently, the trade surplus of the beverages division widened from R2 873,9 million in 2025: Q2 to R3 081,1 million in 2025: Q3.



Source: Statistics SA, (2025)

In 2025: Q3, the quarter-to-quarter employment in the beverages and tobacco products division remained unchanged as compared to a contraction of 28,0% in 2025: Q2. However, the division receded further by 9,8% year-on-year. As a result, the division shed a further 5 jobs in 2025: Q3 (see Figure 10).

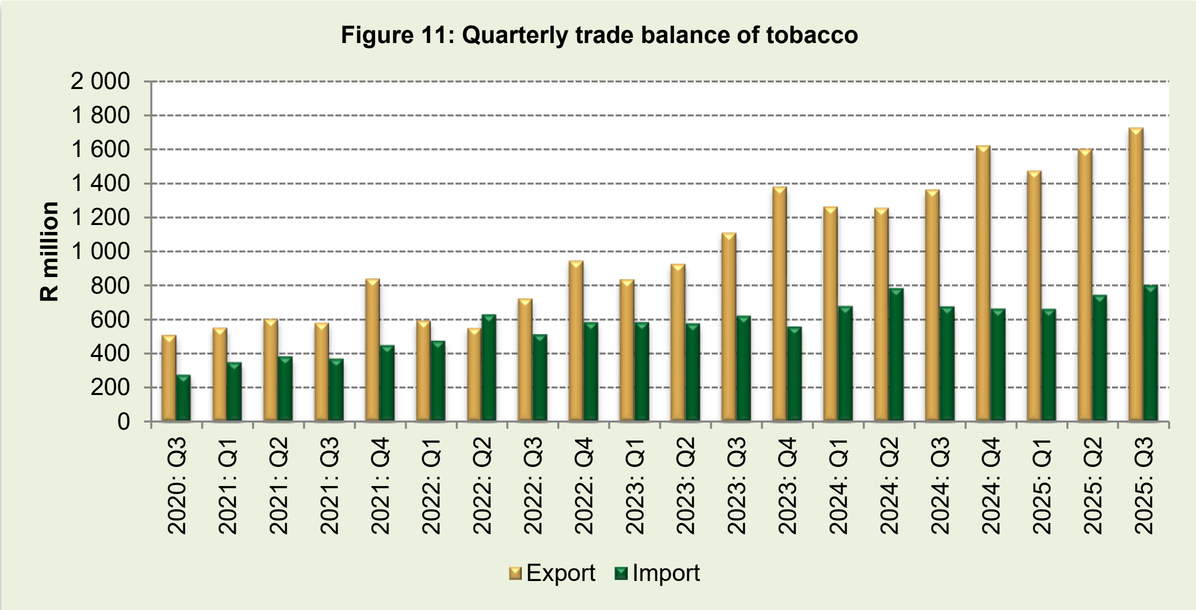
3.3 TOBACCO

Table 6 below shows the producer price index for the tobacco products division. The quarter-to-quarter producer price index of tobacco products stagnated as compared to a growth of 4,0% in 2025: Q2. However, the year-on-year producer price index grew the same as last quarter by 6,2%.

Table 6: Producer price index for tobacco products (base 2024=100)

Indices			% Change between	
2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3	2025: Q2 and 2025: Q3
102,0	102,0	104,1	6,2	0,0

Source: Statistics SA (2025)



Source: Quantec, 2025

Figure 11 shows the trade balance of the tobacco division. In 2025: Q3, the quarter-to-quarter tobacco exports moderated by 7,6% from an 8,5% growth in 2025: Q2, similarly, imports of tobacco moderated by 7,4% following a 12,7% growth in 2025: Q2. The year-on-year tobacco division exports moderated by 26,6%; imports, however, rebounded by 18,4%. Therefore, the trade surplus of the division widened from R857,8 million in 2025: Q2 to R927,7million in 2025: Q3.

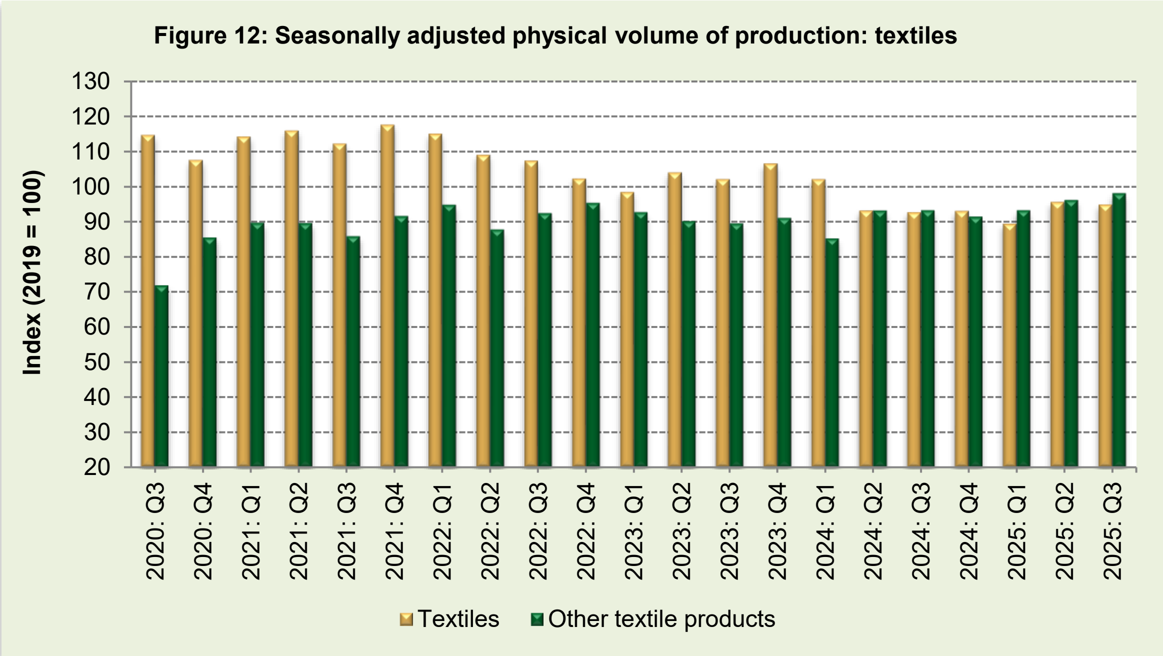
3.4 TEXTILES

Table 7 presents the producer price index for textiles during 2025: Q3. The year-on-year producer price index grew the same as last quarter by 5,0%.

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

	Indices			% Change between	
	2024: Q1	2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3
Textiles	107,5	107,5	112,9	5,0	0,0

Source: Statistics SA (2025)

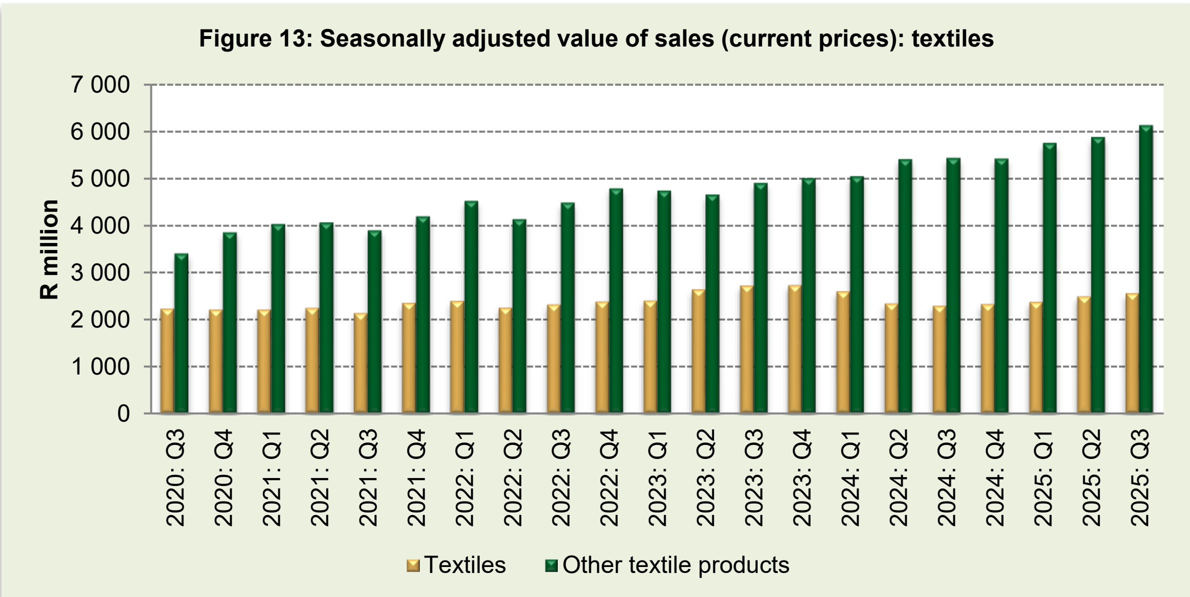


Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted volume of production for the textiles division contracted by 0,7% following a 6,9% growth in 2025: Q2. “Other textiles”, on the other hand, moderated by 2,0% from a 3,1% growth registered in 2025: Q2.

In terms of year-on-year, the textiles division moderated by 2,4%, while the “other textiles” division expanded by 5,1% in 2025: Q3.

The division as a whole moderated quarter-to-quarter by 0,6% in 2025: Q3 from a 5,0% growth in 2025: Q2, conversely, the division rose by 3,8% year-on-year (see Figure 12).



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for the textiles division moderated by 2,7% from a 4,9% growth in 2025: Q2. “Other textiles”, on the other hand, rose by 4,3% following a 2,2 growth in 2025: Q2.
In terms of year-on-year, the textiles and “other textiles” divisions rose by 11,6% and 12,9%, respectively, in 2025: Q3.
The division as a whole rose quarter-to-quarter by 3,8% in 2025: Q3 from a 3,0% growth in 2025: Q2. Similarly, the division rose by 12,5% year-on-year. Therefore, sales for the textiles division as a whole increased from R8 357,7 million in 2025: Q3 to R8 676,2 million in 2025: Q3, 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: Q3	65,8	34,2	2,5	0,8	0,1	22,8	8,0
2025: Q2	69,3	30,7	2,4	0,8	0,2	21,2	6,1
2025: Q3	67,1	32,9	2,0	1,0	0,1	22,3	7,6

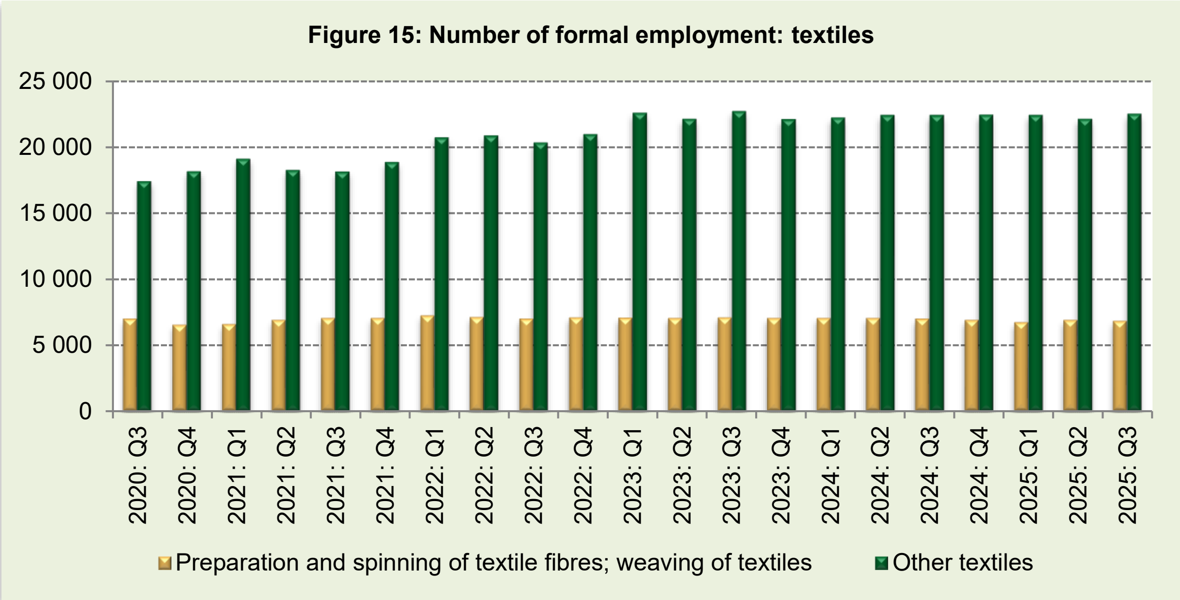
Source: Statistics SA (2025)

Table 8 presents the utilisation of production capacity by large enterprises in the textiles division in 2025: Q3. The quarter-to-quarter utilisation of production capacity decreased by 2,2 percentage points; however, it increased by 1,3 percentage points year-on-year. 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: Q3, the quarter-to-quarter textiles exports division contracted by 9,3% following an 18,2% growth in 2025: Q2. However, the textiles division imports rebounded by 14,0% as compared to a 3,7% contraction in 2025: Q2.

The year-on-year exports textiles division moderated by 3,1%. Imports, however, decelerated by 4,5% in 2025: Q3. As a result, the trade deficit of the textiles division widened from R2 883,3 million in 2025: Q2 to R4 290,4 million in 2025: Q3.



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter employment in the "other textiles" division rebounded by 1,7% as compared to a 1,3% contraction in 2025: Q2. The preparation and spinning of textile fibre; weaving of textiles division, however, contracted by 0,9% following a growth of 2,6% in 2025: Q2.

The year-on-year "other textiles" division rebounded by 0,4%, while the preparation and spinning of textiles fibre; weaving of textiles division decelerated by 2,2% in 2025: Q3.

The division as a whole rebounded quarter-to-quarter by 1,1% following a 0,4% contraction in 2025: Q2, however, it receded further by 0,2% year-on-year. As a result, approximately 318 jobs were created in 2025: Q3.

3.5 WEARING APPAREL

Table 9 below shows the producer price index for the wearing apparel division in 2025: Q3. The quarter-to-quarter producer price index for wearing apparel remained unchanged following a 15% growth in 2025: Q2. However, the producer price index moderated by 4,2% year-on-year in 2025: Q3.

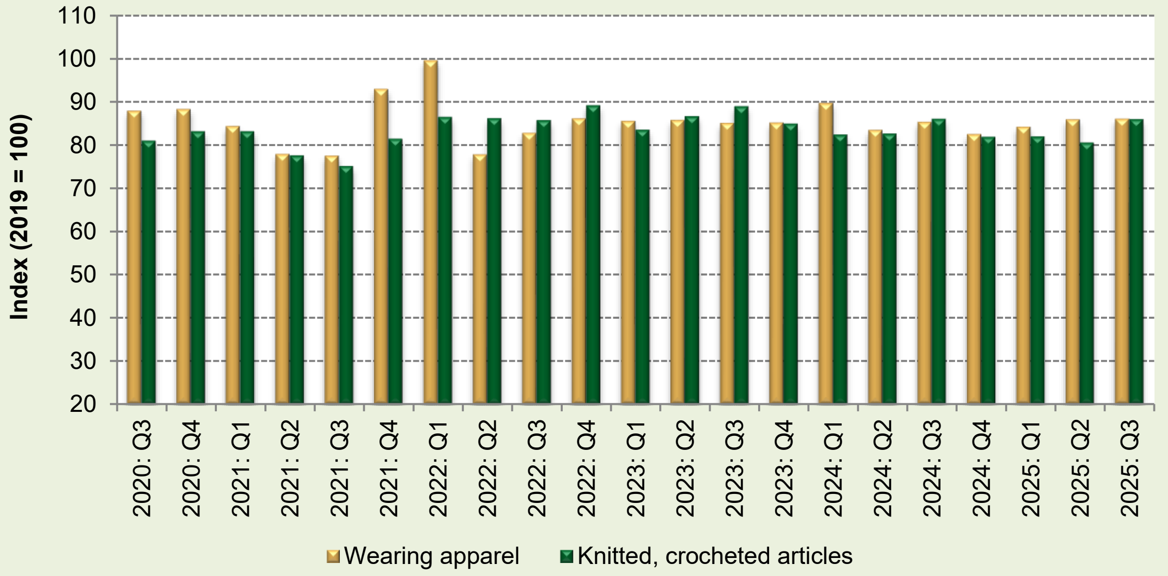
Table 9: Producer price index for wearing apparel (base 2024=100)

	Indices			% Change between	
	2024: Q3	2025: Q2	2025: Q3	2024: Q3 and	2025: Q2 and

				2025: Q3	2025: Q3
			Domestic output		
Wearing apparel	102,9	107,1	107,2	4,2	0,0

Source: Statistics SA (2025)

Figure 16: Seasonally adjusted physical volume of production: wearing apparel



Source: Quantec, 2025

Figure 16 shows the seasonally adjusted physical volume of production for wearing apparel. In 2025: Q3, the quarter-to-quarter seasonally adjusted volume of production for the wearing apparel division moderated by 0,2% as compared to a growth of 2,1% in 2025: Q2. The knitted, crocheted articles division, however, rebounded by 6,8% from a contraction of 1,8% in 2025: Q3.

The seasonally adjusted physical volume of production for wearing apparel division moderated year-on-year by 0,9%, while that of knitted, crocheted articles division remained unchanged as compared to the 2,5% contraction in 2025: Q2.

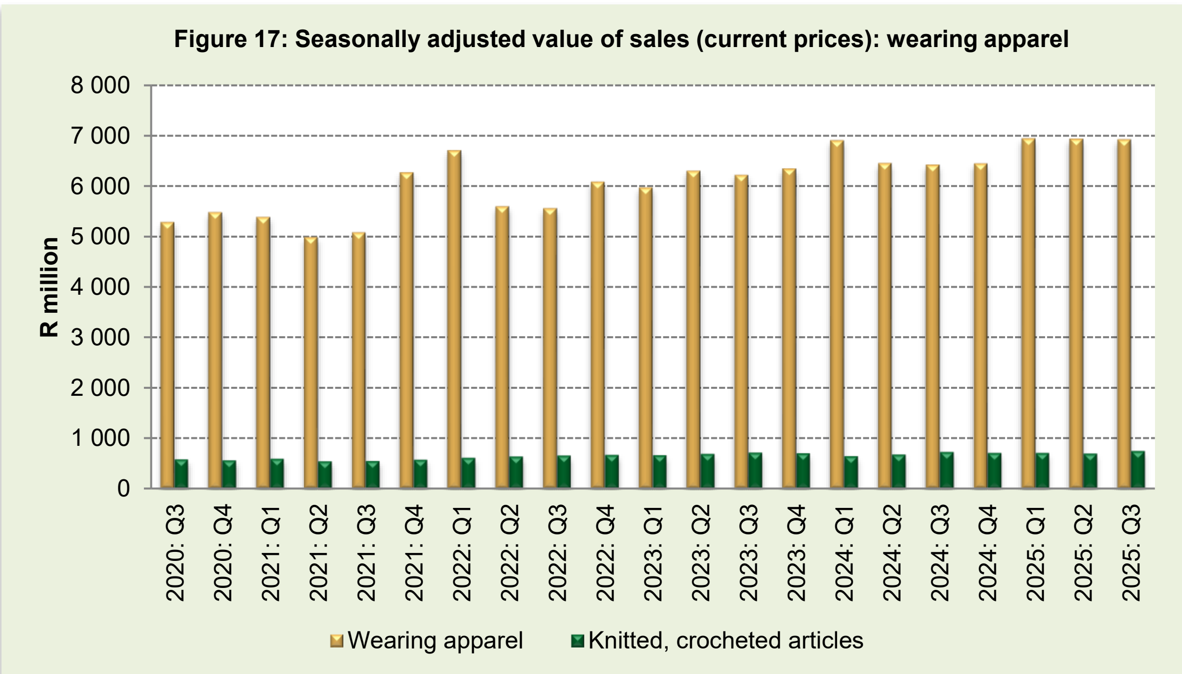
In 2025: Q3, the division as a whole expanded quarter-to-quarter by 3,4% from a 0,2% growth in 2025: Q2. Similarly, the division expanded by 0,4% year-on-year in 2025: Q3.

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: Q3	74,8	25,2	0,7	1,3	0,4	18,7	4,2
2025: Q2	74,5	25,5	0,4	1,3	0,4	19,1	4,3
2025: Q3	74,6	25,4	0,4	1,3	0,4	18,9	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: Q3. The quarter-to-quarter utilisation of production capacity increased by 0,1 percentage points; however, it declined year-on-year by 0,2 percentage points. Insufficient demand remained the key reason for underutilisation of production capacity, followed by other reasons such as seasonal factors in 2025: Q3.

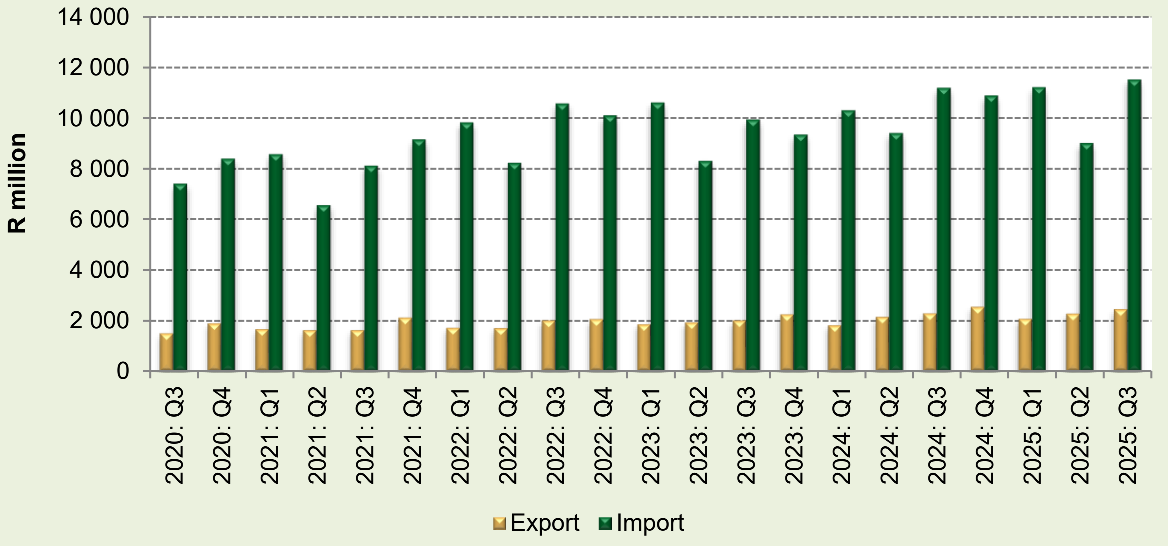


Source: Quantec, 2025

Figure 17 presents the seasonally adjusted value of sales for the wearing apparel division in 2025: Q3. In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for the knitted, crocheted articles division rebounded by 7,6% from a 1,3% contraction in 2025: Q2. The wearing apparel division, on the other hand, decelerated by 0,2% in 2025: Q3 following a 0,1% contraction in 2025: Q2.
The seasonally adjusted value of sales for wearing apparel division rose year-on-year by 7,8%, while the knitted, crocheted articles division moderated by 3,0% in 2025: Q3.

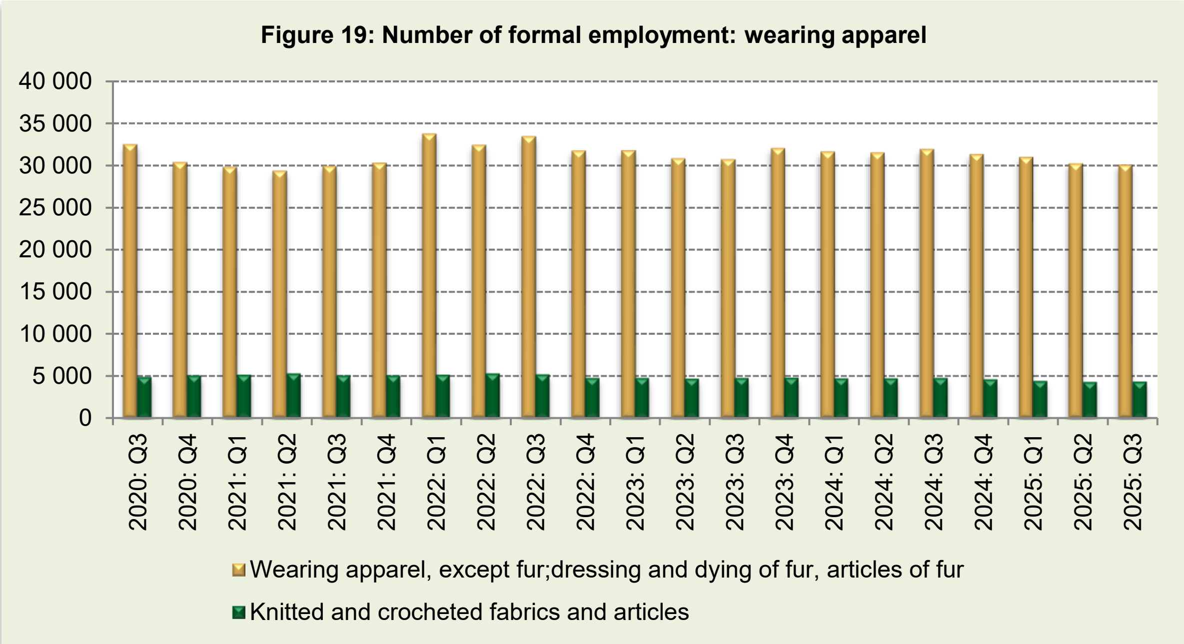
in 2025: Q3, the seasonally adjusted value of sales for wearing apparel division as a whole rebounded by 0,5% quarter-to-quarter as compared to a 0,2% contraction in 2025: Q2, however, the division rose by 7,3% year-on-year. The sales in the wearing apparel division as a whole increased from R7 628,6 million in 2025: Q2 to R7 666,7 million in 2025: Q3.

Figure 18: Quarterly trade balance of wearing apparel



Source: Quantec, 2025

Figure 18 shows the quarterly trade balance for the wearing apparel division. In 2025: Q3, the quarter-to-quarter exports of wearing apparel division moderated by 7,4% from a 9,9% growth in 2025: Q2; however, imports rebounded by 27,8% from a 19,6% contraction in 2025: Q2. The year-on-year exports rose by 6,9%, while imports rebounded by 2,8% in 2025: Q3. As a result, the trade deficit widened from R6 739,1 million in 2025: Q2 to R9 071,6 million in 2025: Q3.



Source: Statistics SA (2025)

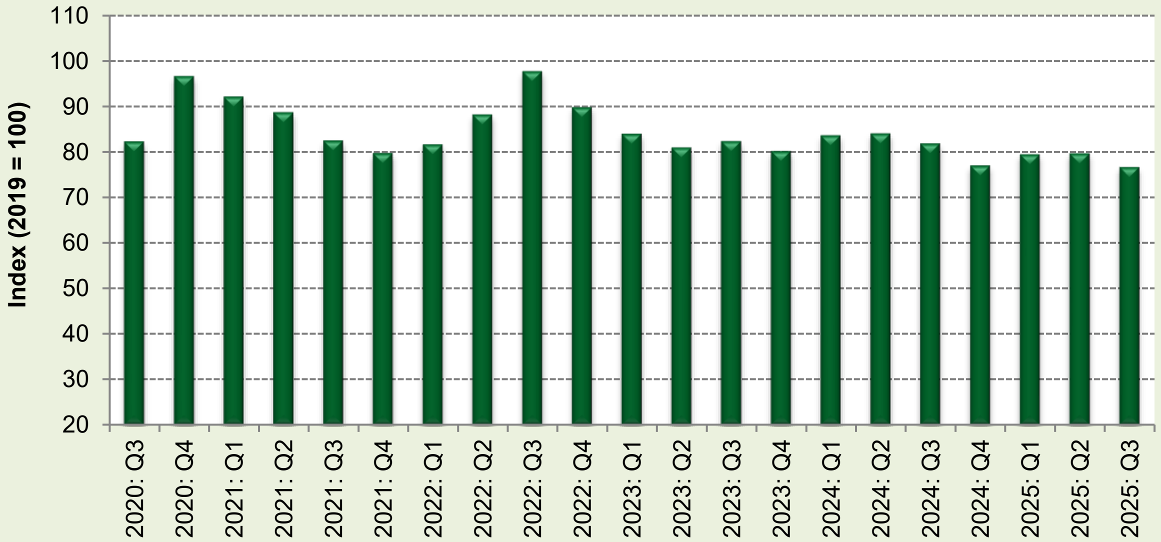
In 2025: Q3, the quarter-to-quarter formal employment for the knitted, crocheted articles and wearing apparel divisions, except the fur division, rebounded by 1,0% following a 2,7% contraction in 2025: Q2. However, wearing apparel division receded further by 0,4% in 2025: Q3 from a 2,5% contraction in 2025: Q2.

The year-on-year knitted, crocheted fabric and articles and wearing apparel divisions, except the fur division, receded further by 8,7%, while wearing apparel division decelerated by 5,8% in 2025: Q3.

The division as a whole receded further quarter-to-quarter by 0,3% following a 2,5% contraction in 2025: Q2. Similarly, the whole division receded further by 6,2% year-on-year. As a result, approximately 87 jobs were shed in 2025: Q3.

3.6 LEATHER AND LEATHER PRODUCTS

Figure 20: Seasonally adjusted physical volume of production: leather and leather products



Source: Quantec, 2025

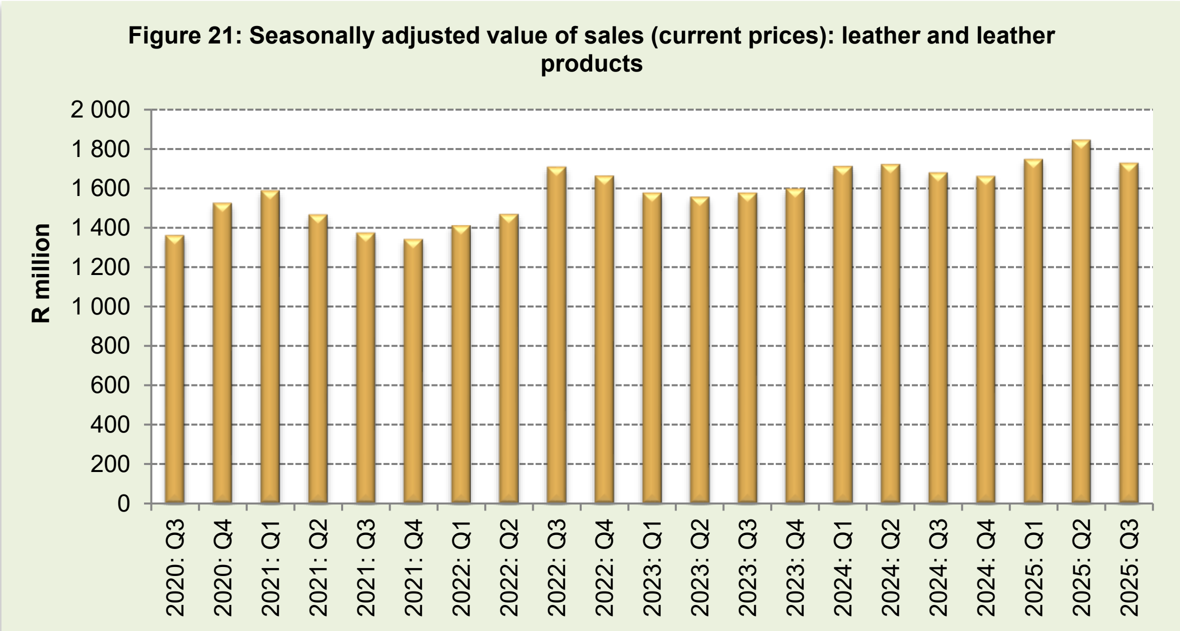
In 2025: Q3, the seasonally adjusted physical volume of production for the leather and leather products division contracted by 3,7% from a 0,2% growth in 2025: Q2. However, the division decelerated by 6,3% year-on-year in 2025: Q3 (see Figure 20).

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: Q3	64,9	35,1	2,8	0,5	1,3	30,5	0,1
2025: Q2	58,8	41,2	3,7	0,5	1,7	35,3	0,1
2025: Q3	58,6	41,4	2,7	0,5	1,7	36,3	0,1

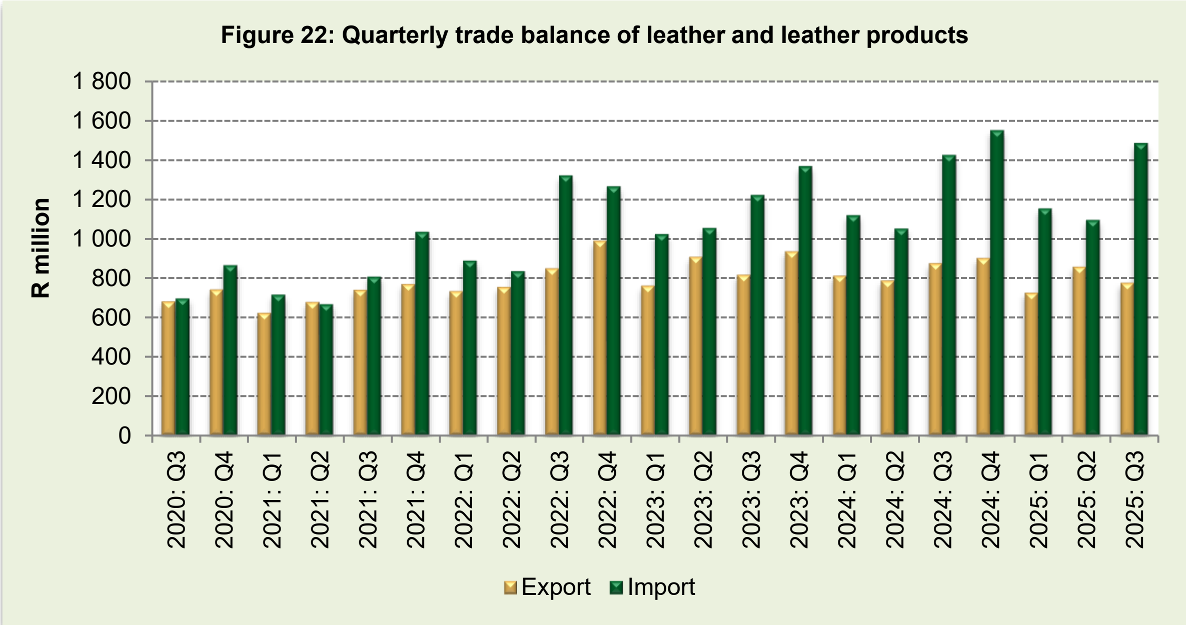
Source: Statistics SA (2025)

The utilisation of production capacity by large enterprises in the leather and leather products division decreased quarter-to-quarter and year-on-year by 0,2 and 6,3 percentage points, respectively, in 2025: Q3. Insufficient demand and a shortage of raw materials remain the reasons for underutilisation followed by shortage of raw materials in 2025: Q3 (see Table 11).



Source: Quantec, 2025

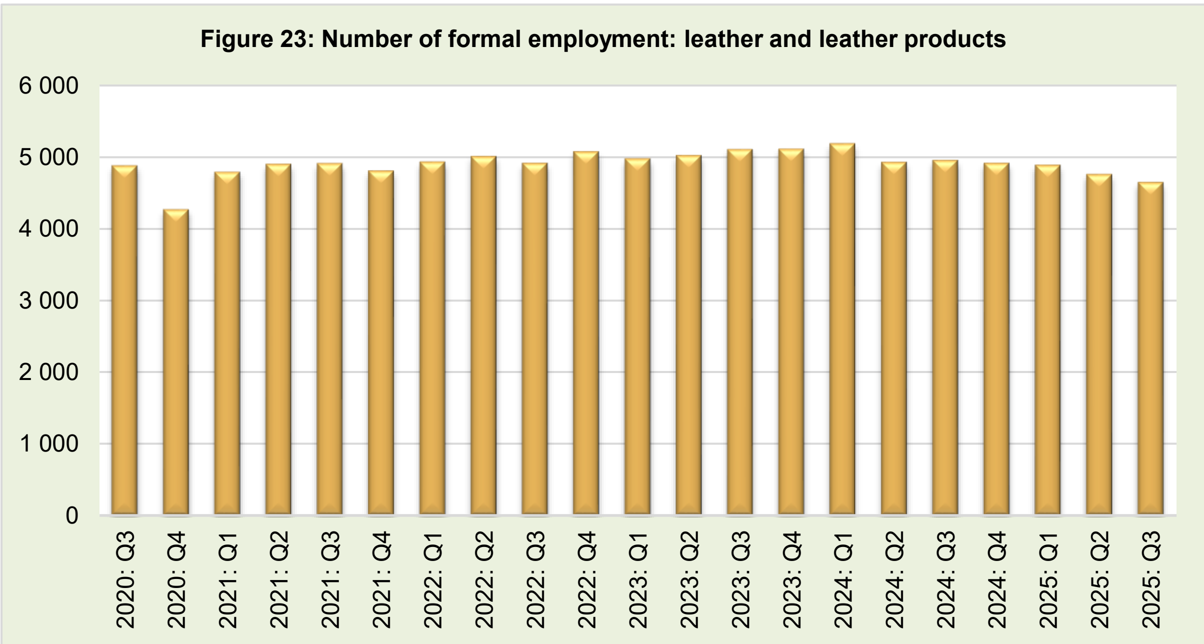
in 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for the leather and leather products division contracted by 6,3% from a 5,6% growth in 2025: Q2, however, the division moderated year-on-year by 2,9% (see Figure 21). Therefore, the value of sales for the leather and leather products division decreased from about R1 845,5 million in 2025: Q2 to R1 729,3 million in 2025: Q3.



Source: Quantec, 2025

Figure 22 above presents the quarterly trade balance of the leather and leather products division. In 2025: Q3, the quarter-to-quarter leather and leather products division exports contracted by 9,6% from a 18,3% growth in 2025: Q2. Imports, on the other hand, rebounded by 35,7% as compared to a contraction of 5,0% in 2025: Q2.

The year-on-year exports contracted by 11,5%, however, imports moderated by 4,0%. As a result, the trade deficit widened from R237,5 million in 2025: Q2 to R710,3 million in 2025: Q3.



Source: Statistics SA (2025)

The quarter-to-quarter formal employment in the leather and leather products division receded further by 2,3% in 2025: Q3 from a 2,6% contraction in 2025: Q2, however, the division decelerated by 6,2% year-on-year. As a result, 111 jobs were lost in 2025: Q3 for the division (see Figure 23).

3.7 FOOTWEAR

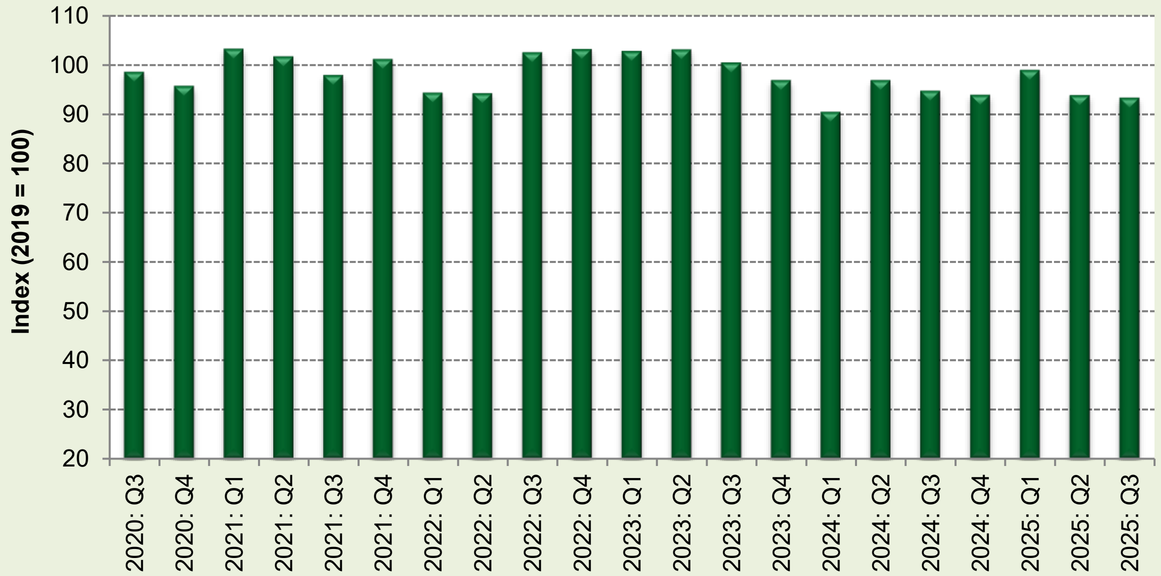
Table 12 presents the producer price index for the footwear division. During 2025: Q3, the quarter-to-quarter producer price index for the domestic output of the footwear division remained unchanged as compared to a 0,9% growth in 2025: Q2. However, the producer price index increased by 7,5% in 2025: Q3.

Table 12: Producer price index for footwear (base 2024=100)

Indices			% Change between	
2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3	2025: Q2 and 2025: Q3
Domestic output				
102,8	110,5	110,5	7,5	0,0

Source: Statistics SA (2025)

Figure 24: Seasonally adjusted physical volume of production: footwear



Source: Quantec, 2025

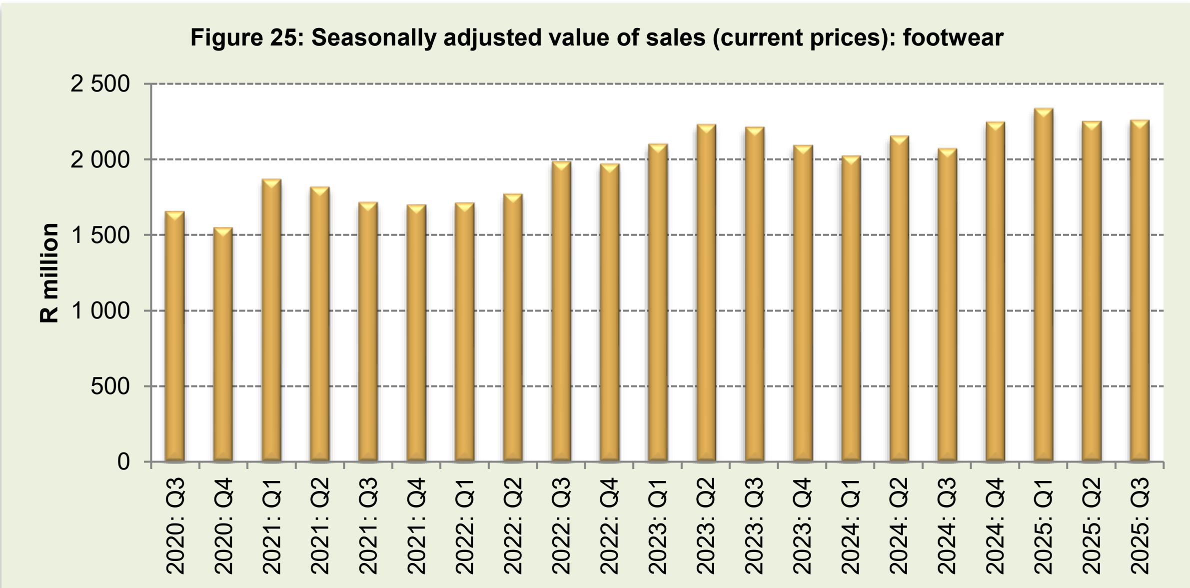
In 2025: Q3, the quarter-to-quarter seasonally adjusted physical volume of production for the footwear division receded further by 0,5% from a 5,2% contraction in 2025: Q2. Similarly, the division receded further by 1,5% year-on-year (see Figure 24).

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: Q3	79,2	20,8	7,8	1,0	0,0	12,1	0,0
2025: Q2	75,3	24,7	6,3	1,0	0,0	15,6	1,8
2025: Q3	75,3	24,7	6,3	1,0	0,0	17,4	0,0

Source: Statistics SA (2025)

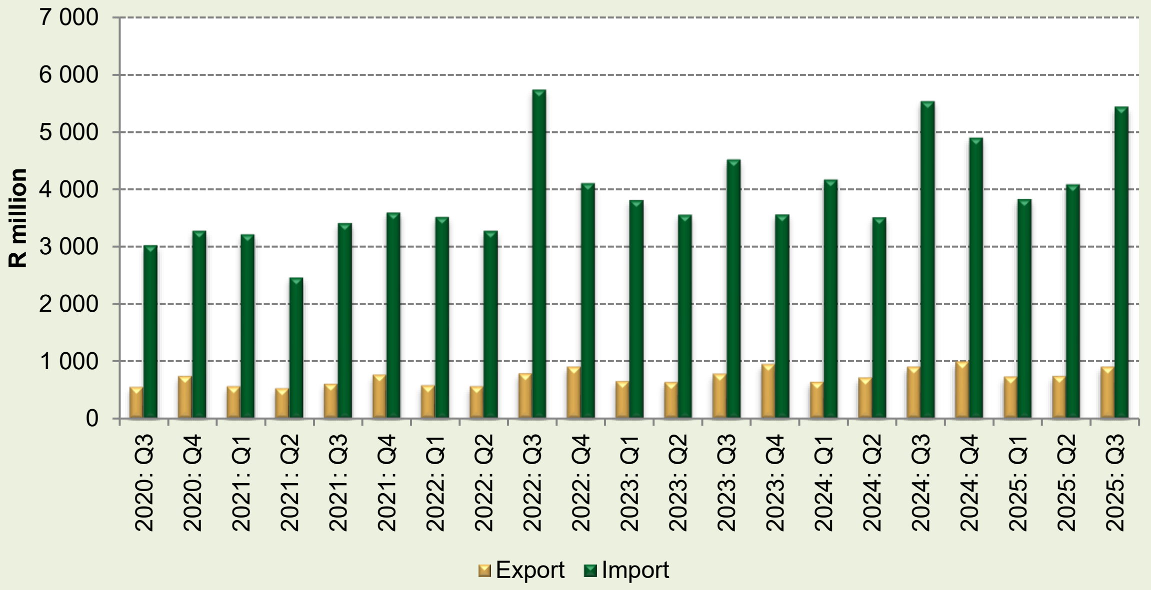
In 2025: Q3, the utilisation of production capacity by large enterprises in the footwear division remained the same as last quarter, however, it decreased year-on-year by 3,9 percentage points, respectively. Insufficient demand remains the main reason behind low-capacity utilisation, followed by a shortage of raw materials (see Table 13).



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for the footwear division rebounded by 0,3% following a 3,6% contraction in 2025: Q2, however, the division expanded year-on-year by 9,0%. Therefore, value of sales for the footwear division increased from R2 250,3 million in 2025: Q2 to R2 258,1 million in 2025: Q3 (see Figure 25).

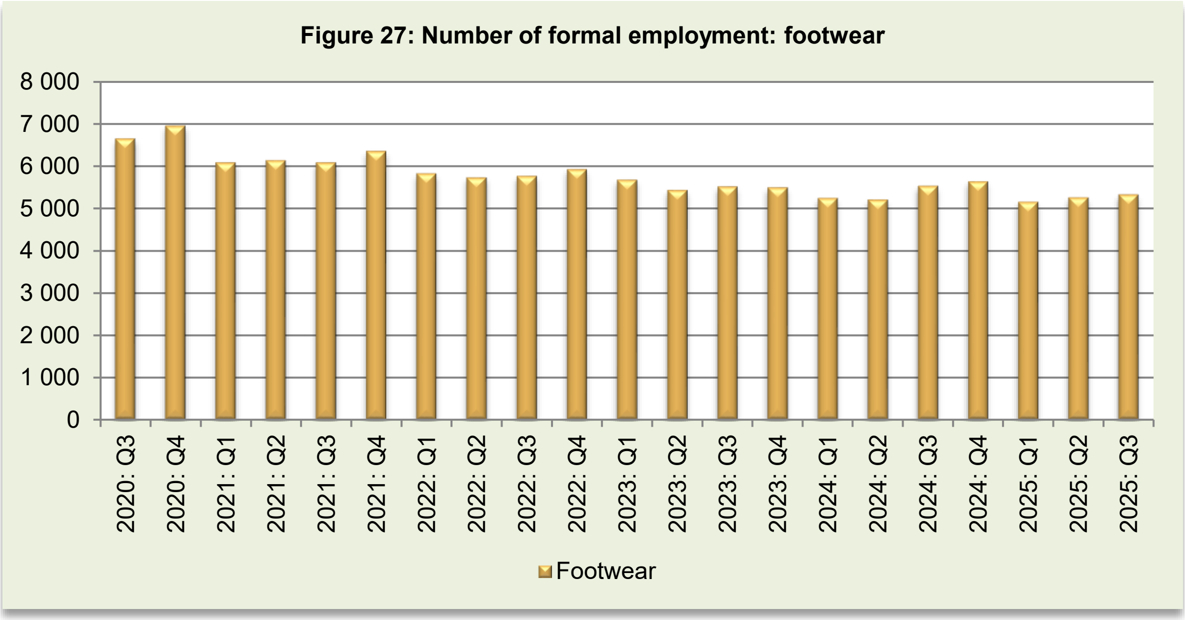
Figure 26: Quarterly trade balance of footwear



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter exports for the footwear division rose by 21,9% from a 1,3% growth in 2025: Q2; imports of the footwear division, similarly, rose by 33,2% following a 6,7% growth in 2025: Q2.

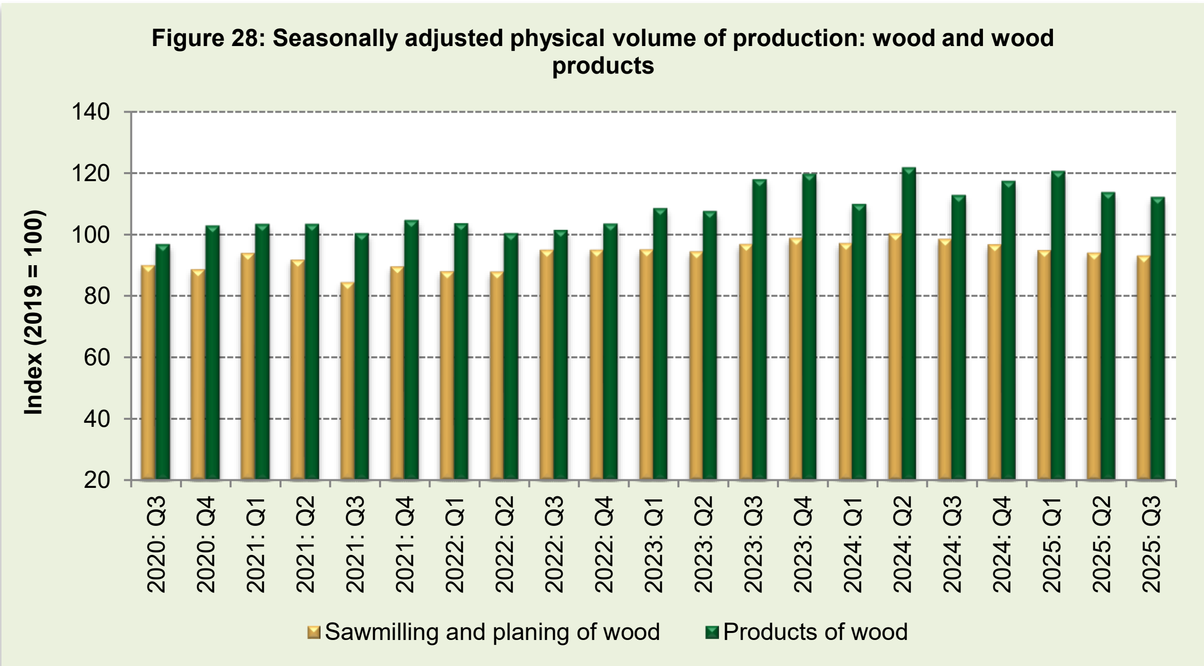
The year-on-year footwear division exports moderated by 0,3%, however, imports contracted by 1,7% in 2025: Q3. As a result, the trade deficit widened from R3 347,8 million in 2025: Q2 to R4 543,3 million in 2025: Q3 (see Figure 26).



Source: Statistics SA (2025)

In 2025: Q3, the quarter-to-quarter formal employment in the footwear division moderated by 1,4% from a 2,0% growth in 2025: Q2. However, the formal employment of the footwear division contracted year-on-year by about 3,6%. As a result, the footwear division shed approximately 75 jobs in 2025: Q3 (see Figure 27).

3.8 WOOD AND WOOD PRODUCTS



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted physical volume of production for sawmilling and planing of woods division contracted further by 0,9% following a 0,9% contraction in 2025: Q2. The products of wood division, on the other hand, receded further by 1,3% in 2025: Q3 from a 5,8% contraction in 2025: Q3.

The year-on-year seasonally adjusted physical volume of production for sawmilling and planing of woods and products of wood divisions receded further by 5,5% and 0,5%, respectively, in 2025: Q3.

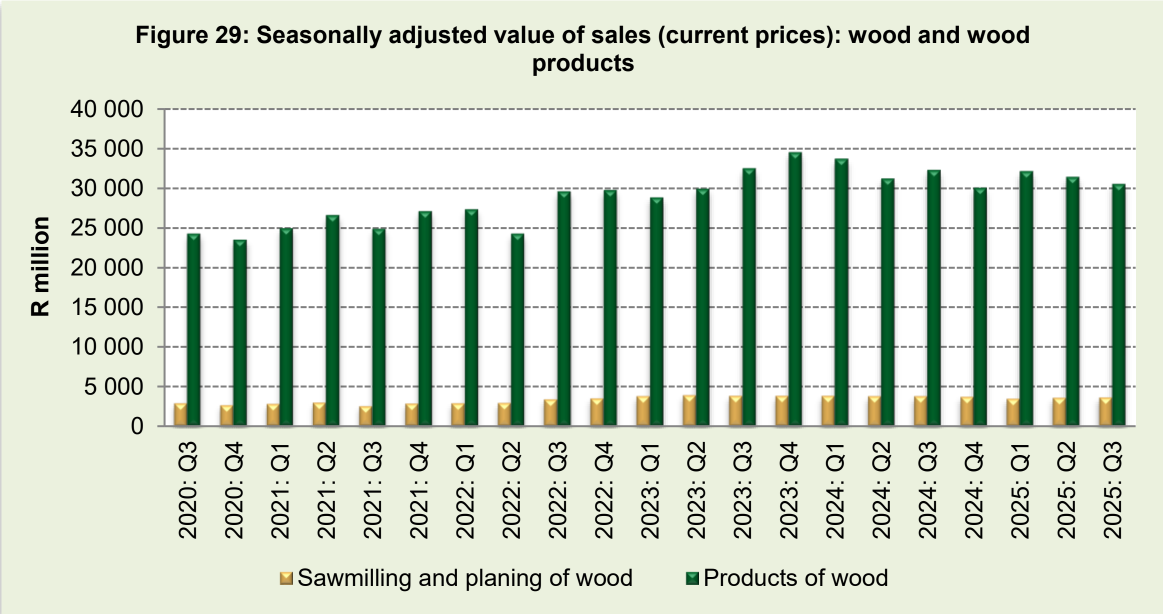
In 2025: Q3, the division as a whole receded further by 1,1% quarter-to-quarter following a contraction of 3,6% in 2025: Q2. Similarly, the seasonally adjusted physical volume of production for the division as a whole receded further by 2,8% year-on-year.

Table 14: 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		
2024: Q3	81,1	18,9	2,0	0,7	0,0	9,3	6,8
2025: Q2	80,5	19,5	2,2	0,7	0,0	9,4	7,1
2025: Q3	80,1	19,9	2,5	0,9	0,0	9,4	7,0

Source: Statistics SA (2025)

Table 14 shows the utilisation of production capacity by large enterprises in the wood and wood products division in 2025: Q3. The utilisation of production capacity decreased quarter-to-quarter and year-on-year by 0,4 and 1,0 percentage points, respectively, in 2025: Q3. Insufficient demand remained a reason for underutilisation, followed by other reasons such as seasonal factors.

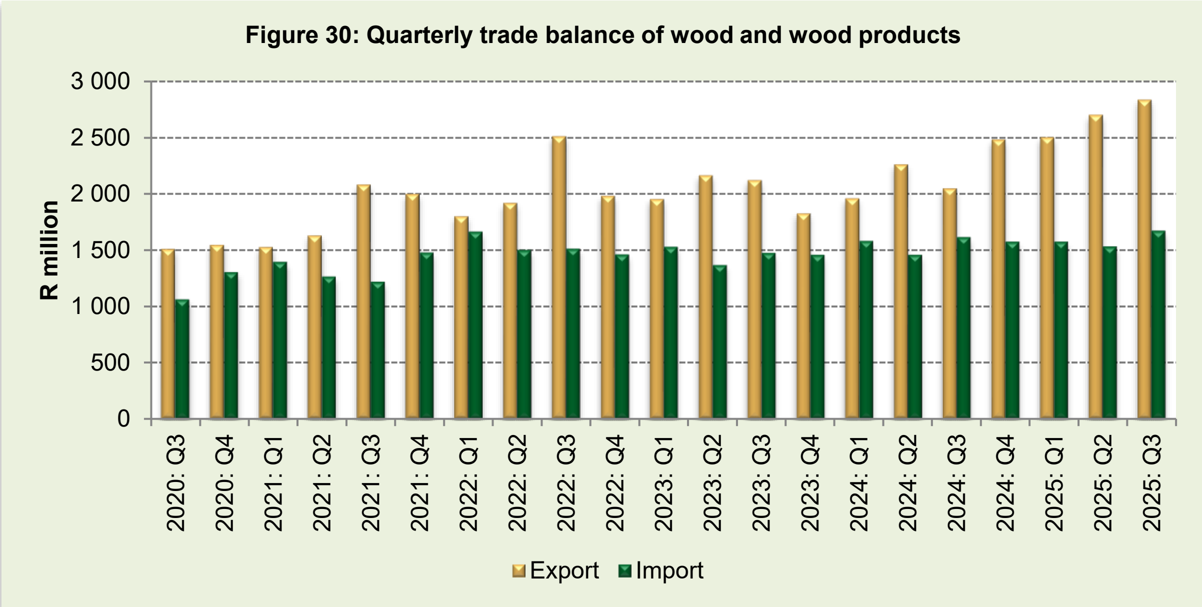


Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for sawmilling and planing of wood division moderated by 0,6% from a 3,4% growth in 2025: Q2. The sales for the wood division products, however, rebounded quarter-to-quarter by 6,6% in 2025: Q3 as compared to a 14,6% contraction in 2025: Q2.

The year-on-year value of sales for sawmilling and planing of wood contracted by 4,8%, while products of wood rebounded by 0,6% in 2025: Q3.

The division as a whole rebounded quarter-to-quarter by 4,5% in 2025: Q3 from a 9,2% contraction in 2025: Q2. As a result, the value of sales in the wood division increased from R10 391,8 million in 2025: Q2 to R10 864,3 million in 2025: Q3.



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter exports of wood and wood products moderated by 4,8 following an 8,0% growth in 2025: Q2, however, imports of the wood and wood products division rebounded by 9,7% from a 2,7% contraction in 2025: Q2.

The year-on-year exports of wood and wood products division rose by 38,4%, while imports moderated by 4,1% in 2025: Q3. As a result, the trade surplus narrowed from R1 173,5 million in 2025: Q2 to approximately R1 165,8 million in 2025: Q3 (see Figure 30).

Source: Statistics SA (2025)

In 2025: Q3, the quarter-to-quarter employment in products of wood, cork, straw and plaiting materials rebounded by 0,8% from a 1,1% contraction in 2025: Q2. The sawmilling and planing of wood division, similarly, rebounded by 0,8% quarter-to-quarter from a 0,7% growth in 2025: Q2.

In terms of year-on-year, products of wood, cork, straw and plaiting materials receded further by 1,7%, while sawmilling and planing of wood division moderated by 0,3%.
The division as a whole rebounded quarter-to-quarter by 0,8% from a 1,0% contraction in 2025: Q2, however, it receded further by 1,0% year-on-year. As a result, the division as a whole created 333 jobs in 2025: Q3.

3.9 PAPER AND PAPER PRODUCTS

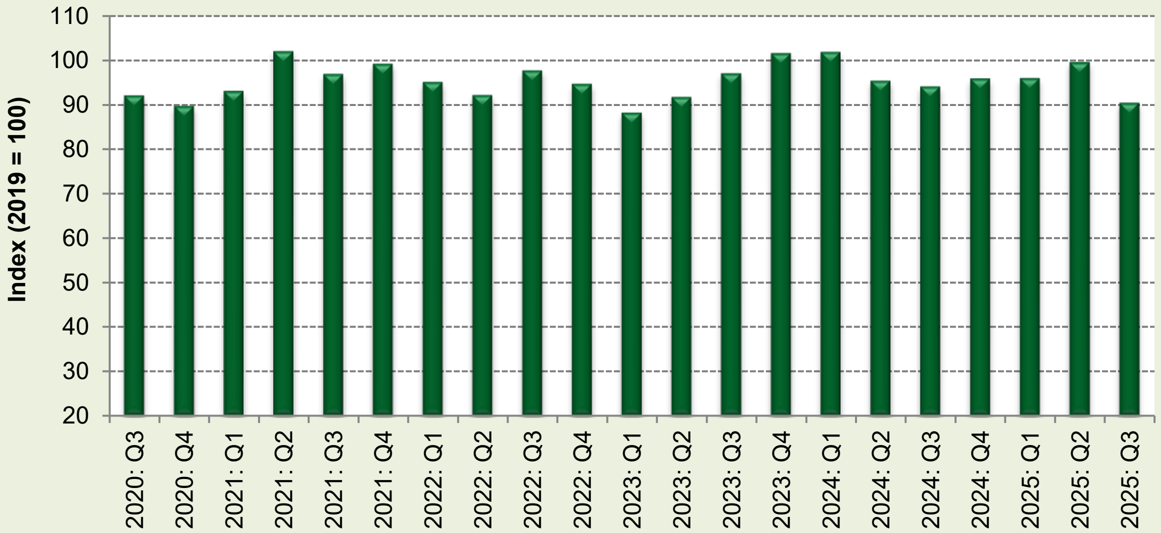
In 2025: Q3, the quarter-to-quarter producer price for paper and paper products rose by 3,3%. However, the producer price index receded further by 0,4% year-on-year as illustrated in Table 15.

Table 15: Producer price index for paper and paper products (base 2024=100)

	Indices			% Change between	
	2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3	2025: Q2 and 2025: Q3
Domestic output					
Paper and paper products	102,5	98,8	102,1	-0,4	3,3

Source: Statistics SA (2025)

Figure 32: Seasonally adjusted physical volume of production: paper and paper products



Source: Quantec, 2025

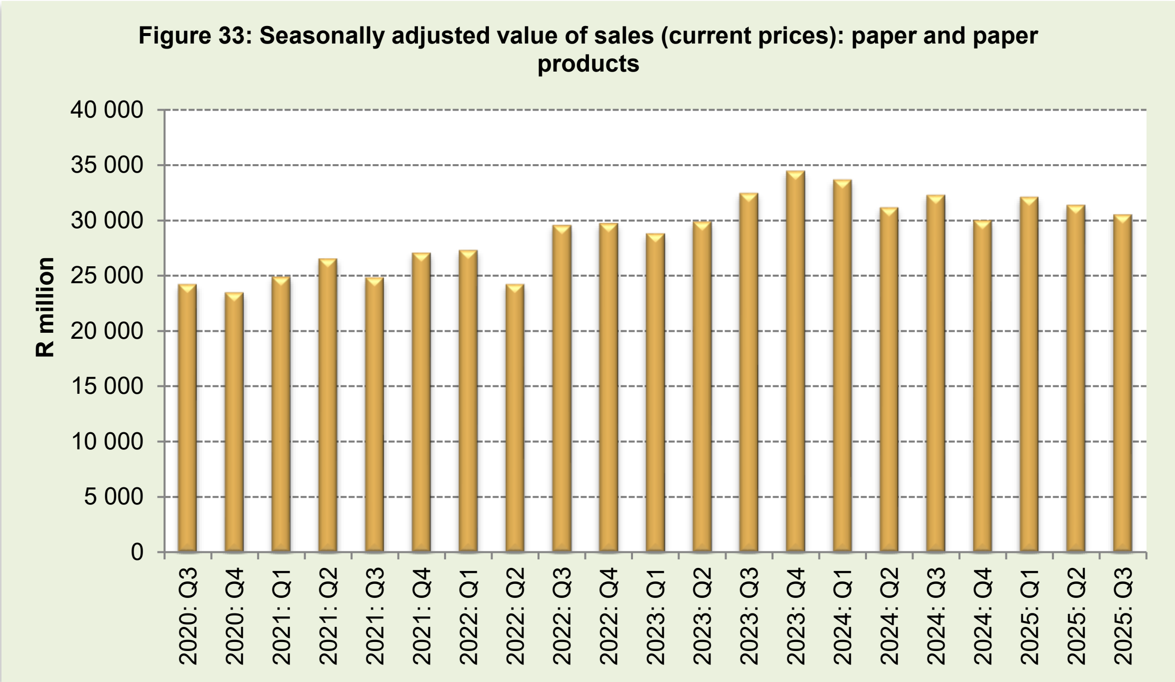
In 2025: Q3, the quarter-to-quarter seasonally adjusted physical volume of production for the paper and paper products division contracted by 9,2% as compared to a 3,8% growth in 2025: Q2. Similarly, the division contracted by 3,9% year-on-year in 2025: Q3 (see Figure 32).

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: Q3	82,4	17,6	0,7	0,8	0,3	9,0	6,9
2025: Q2	76,3	23,7	0,6	0,9	1,1	12,6	8,6
2025: Q3	81,9	18,1	0,5	1,0	0,0	9,9	6,8

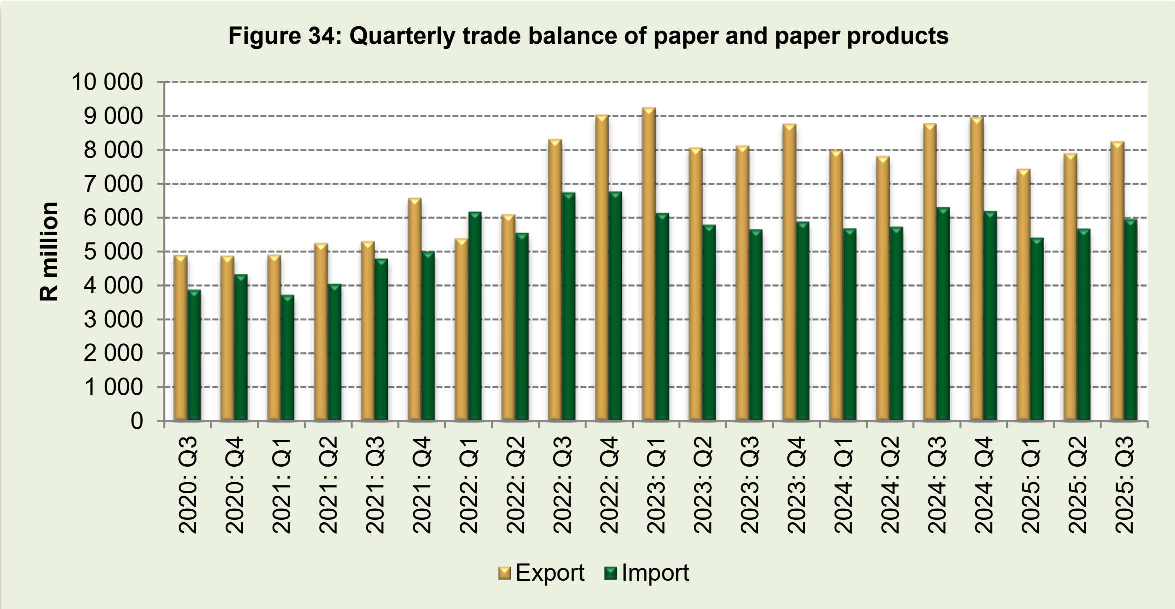
Source: Statistics SA (2025)

Table 16 shows utilisation of production capacity by large enterprises in the paper and paper products division. Utilisation of production capacity increased quarter-to-quarter, approximately 5,6 percentage points, however, it decreased quarter-to-quarter by 0,5 percentage points in 2025: Q3. Insufficient demand remained the main reason for underutilisation during the period under review, followed by other reasons such as lower productivity.



Source: Quantec, 2025

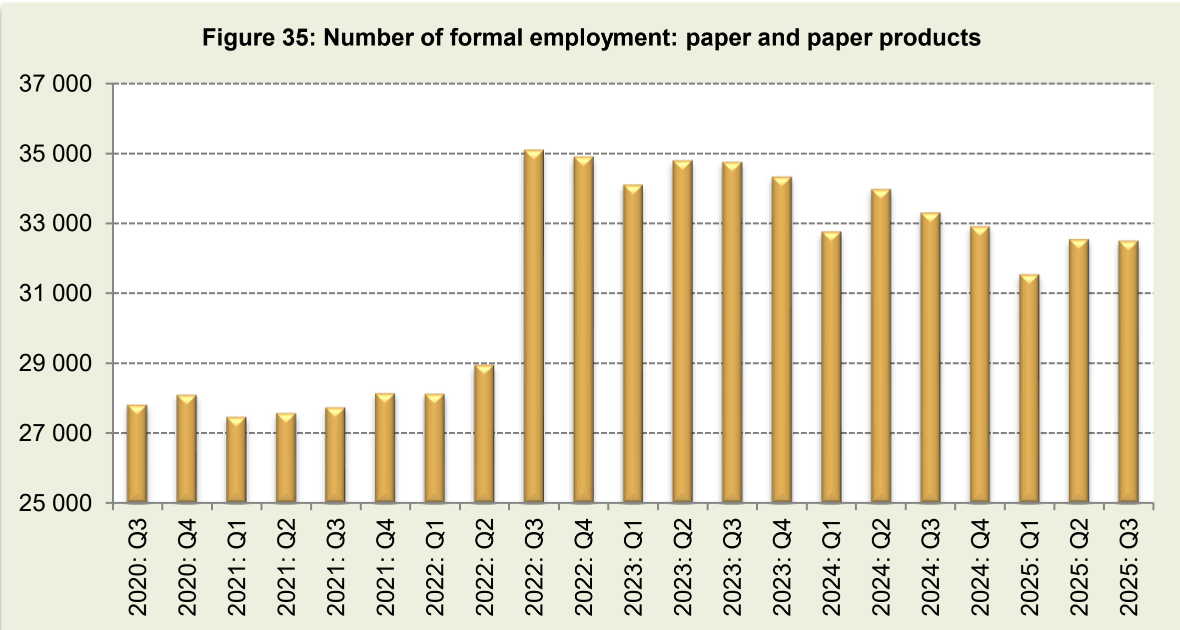
In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for the paper and paper products division decelerated by 2,8% from a 2,3% contraction in 2025: Q2, however, the division contracted year-on-year by 5,5% (see Figure 33). As a result, the seasonally adjusted value of sales for the paper and paper products division decreased from R31 373,6 million in 2025: Q2 to R30 494,5 million in 2025: Q3.



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter exports of the paper and paper products division moderated by 3,7% from a 5,4% growth in 2025: Q2, however, imports of the paper and paper products division rose by 5,1% following a 4,9 growth in 2025: Q2.

The year-on-year exports contracted by 7,3%, while imports decelerated by 5,6%. As a result, the trade surplus narrowed from R2 218,4 million in 2025: Q2 to R2 287,1 million in 2025: Q3 (see Figure 34).



Source: Statistics SA (2025)

The quarter-to-quarter formal employment in the paper and paper products division contracted by 0,1% in 2025: Q3 as compared to a 3,2% growth in 2025: Q2, however, the division receded further by 2,4% year-on-year. As a result, the paper and paper products division shed about 43 jobs in 2025: Q3 (see Figure 35).

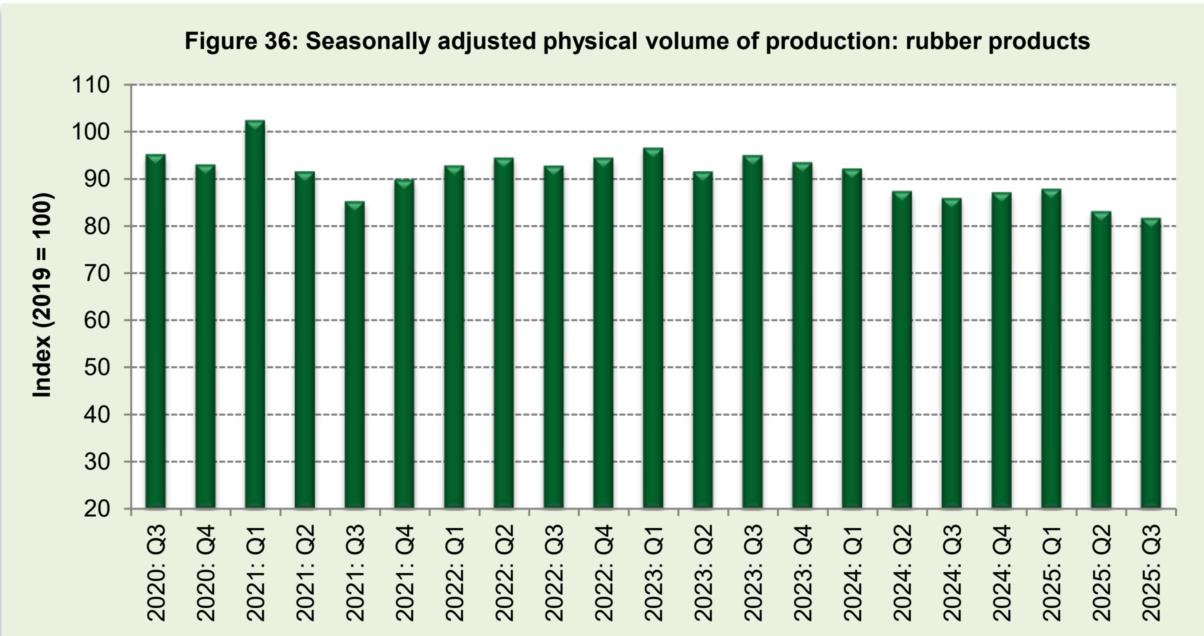
3.9 RUBBER PRODUCTS

The quarter-to-quarter producer price index for domestic output of the rubber and plastic products division rose by 2,2%, however, it increased by 2,4% year-on-year in 2025: Q3 (see Table 17).

Table 17: Producer price index for rubber products (base 2024=100)

	Indices			% Change between	
	2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3	2025: Q2 and 2025: Q3
Domestic output					
Rubber products	100,9	101,0	103,3	2,4	2,2

Source: Statistics SA (2025)



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted physical volume of production for the rubber products division receded further by 1,7%, following a 5,4% contraction in 2025: Q2, likewise, the division contracted further by 4,9% year-on-year (see Figure 36).

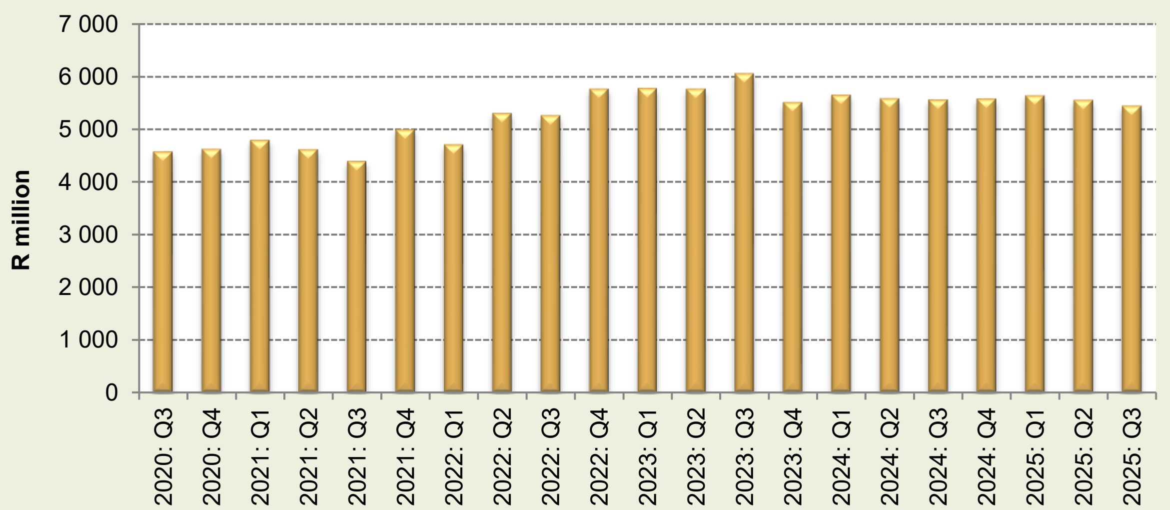
Table 18: Utilisation and reasons for underutilisation of production capacity by large enterprises: Rubber products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of:			Insufficient demand	Other
			Raw materials	Labour:			
				Skilled	Semi and unskilled		
2024: Q3	78,3	21,7	0,4	0,0	0,0	13,0	8,3
2025: Q2	78,3	21,7	0,2	0,1	0,0	12,0	9,4
2025: Q3	79,6	20,4	0,2	0,0	0,0	11,6	8,5

Source: Statistics SA (2025)

As shown in Table 18, the utilisation of production capacity by large enterprises in the rubber products division increased year-on-year by 2,0 percentage points, however, it increased quarter-to-quarter by 1,3 percentage points in 2025: Q3. Insufficient demand remained the main reason for underutilisation during the period under review, followed by other reasons such as seasonal factors.

Figure 37: Seasonally adjusted value of sales (current prices): rubber products



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales in the rubber products division decelerated by 2,0% from a 1,5% contraction in 2025: Q2, similarly, the division decelerated by 2,1% year-on-year. Therefore, sales in the rubber products division decreased from R5 555,2 million in 2025: Q2 to R5 441,6 million in 2025: Q3 (see Figure 37).

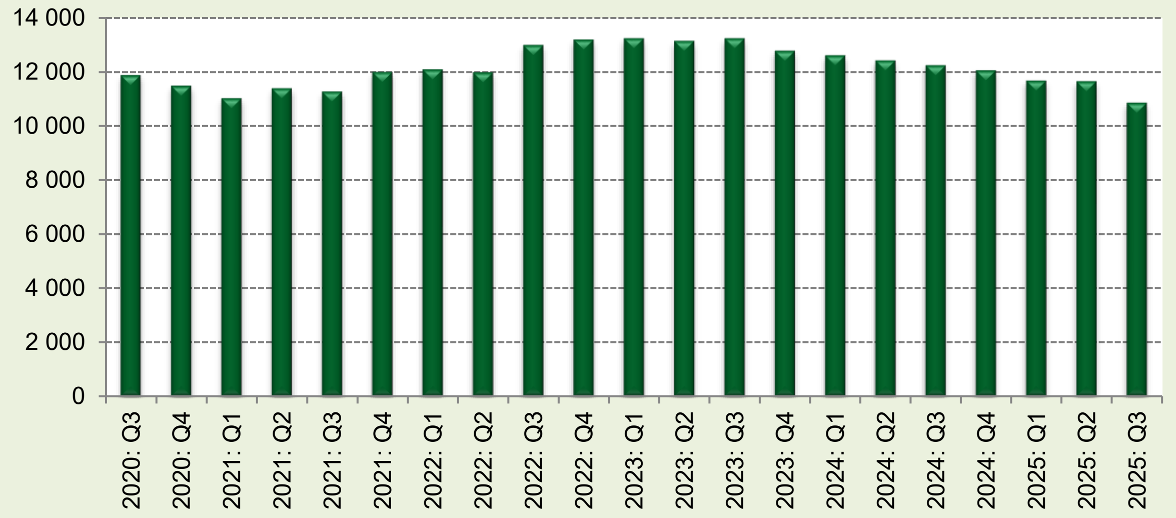
Figure 38: Quarterly trade balance of rubber products

Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter exports of the rubber products division moderated by 1,2% from a 14,7% growth registered in 2025: Q2, however, imports of the rubber products division rebounded by 4,4% following a 0,5% contraction in 2025: Q2.

The year-on-year exports of rubber moderated by 3,8%, conversely, imports receded further by 0,7% in 2025: Q3. As a result, the trade deficit widened from R2 948,0 million in 2025: Q2 to R3 151,4 million in 2025: Q3 (see Figure 38).

Figure 39: Number of formal employment: rubber



Source: Statistics SA (2025)

The quarter-to-quarter formal employment in the rubber products division decelerated by 6,8% in 2025: Q3 as compared to a 0,1% contraction recorded in 2025: Q3, similarly, the division decelerated by 11,4% year-on-year (see Figure 39). As a result, about 798 jobs were shed in the rubber products division in 2025: Q3.

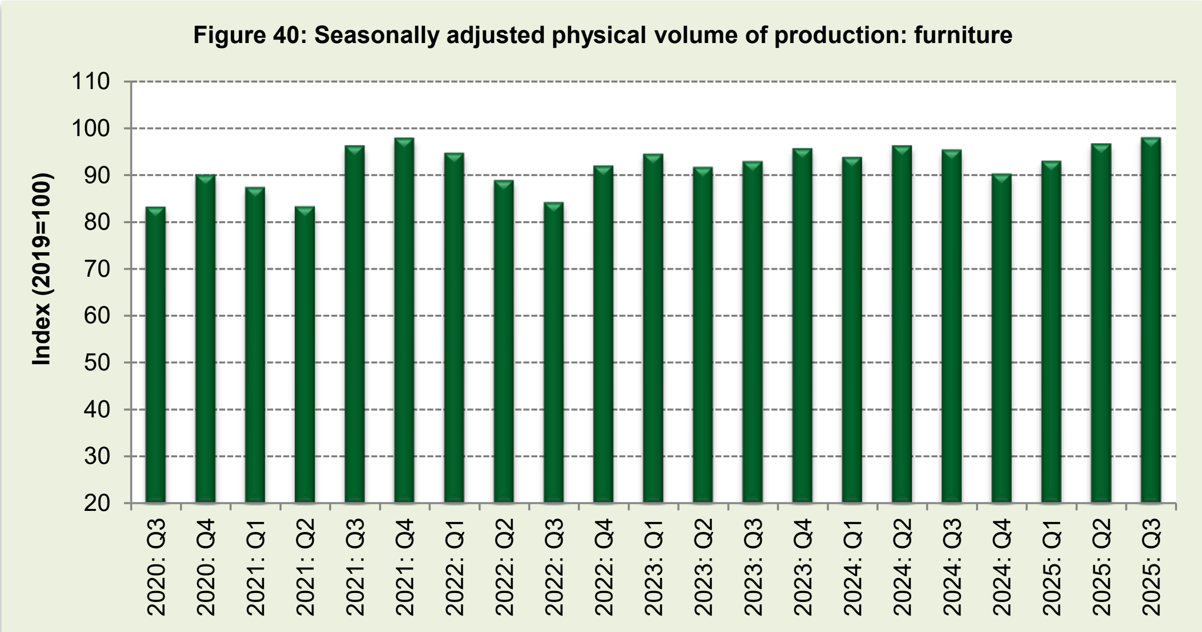
3.10 FURNITURE

The quarter-to-quarter and year-on-year producer price index for domestic output of furniture and other manufacturing moderated by 0,7% and 8,7%, respectively, in 2025: Q3 (see Table 19).

Table 19: Producer price index for furniture and other manufacturing (base 2024=100)

Indices			% Change between	
2024: Q3	2025: Q2	2025: Q3	2024: Q3 and 2025: Q3	2025: Q2 and 2025: Q3
Domestic output				
103,6	111,8	112,6	8,7	0,7

Source: Statistics SA (2025)



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted physical volume of production for the furniture division moderated by 1,3% from a 4,0% growth in 2025: Q2, however, it expanded by 2,7% year-on-year (see Figure 40).

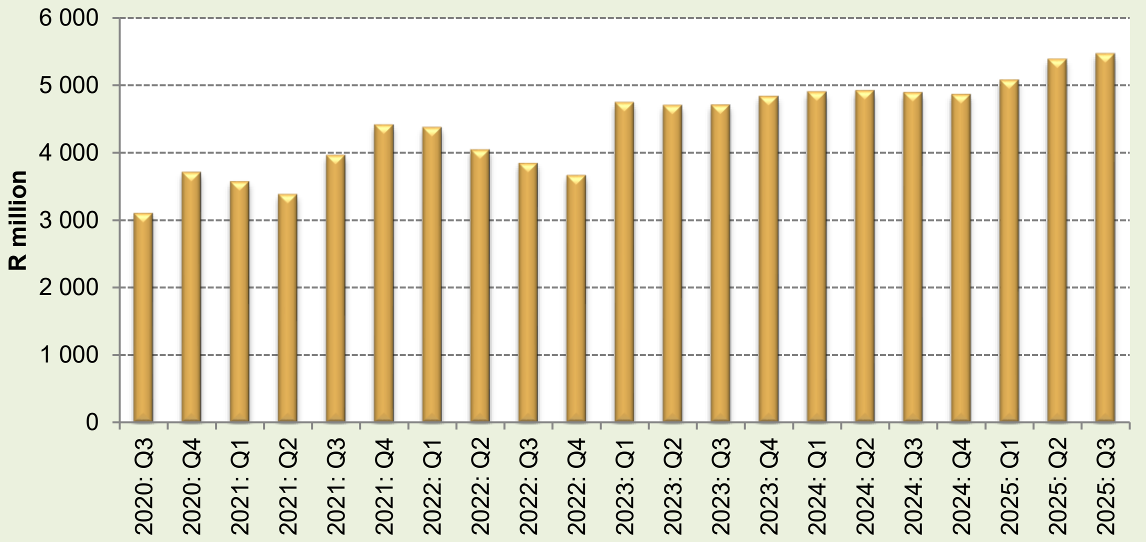
Table 20: Utilisation and reasons for underutilisation of production capacity by large enterprises: Furniture (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of:			Insufficient demand	Other
			Raw materials	Labour:			
				Skilled	Semi and unskilled		
2024: Q3	75,7	24,3	1,5	0,0	0,0	22,8	0,0
2025: Q2	75,6	24,4	1,5	0,0	0,0	22,9	0,0
2025: Q3	76,0	24,0	1,5	0,0	0,0	22,5	0,0

Source: Statistics SA (2025)

The utilisation of production capacity by large enterprises in the furniture division increased quarter-to-quarter and year-on-year by 0,4 and 0,3 percentage points in 2025: Q3, respectively. Insufficient demand remained the main reason for underutilisation of production capacity, followed by a shortage of raw materials (see Table 20).

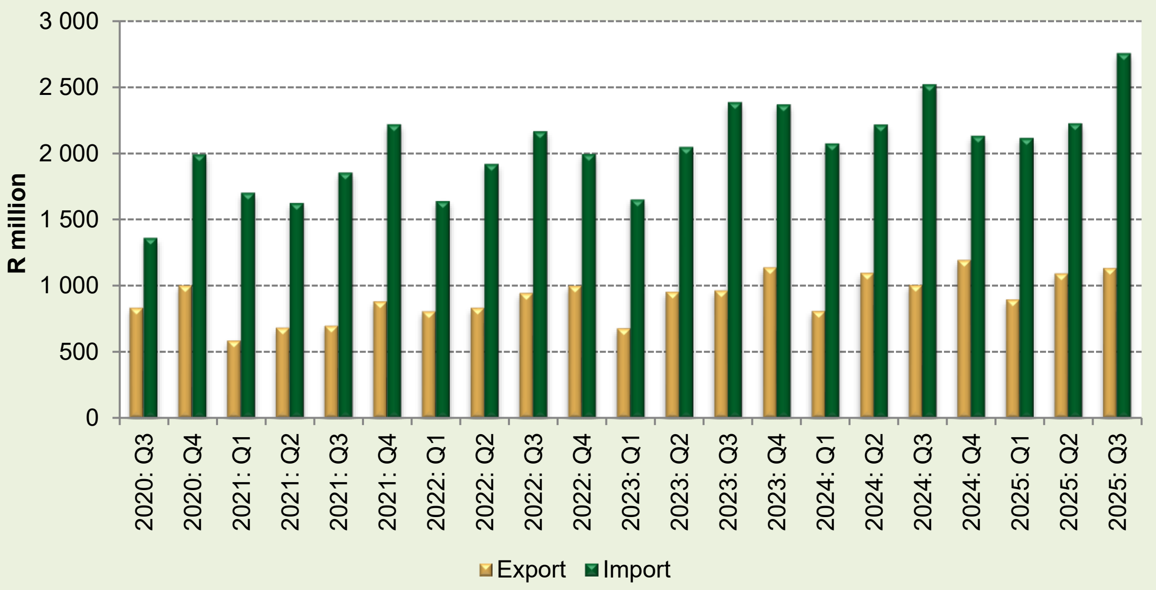
Figure 41: Seasonally adjusted value of sales (current prices): furniture



Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter seasonally adjusted value of sales for the furniture division moderated by 1,5% following a 6,1% growth in 2025: Q2, however, the division expanded by 11,7% year-on-year. As a result, the value of sales in the division increased from R5 384,5 million in 2025: Q2 to R5 467,8 million in 2025: Q3 (see Figure 41).

Figure 42: Quarterly trade balance of furniture

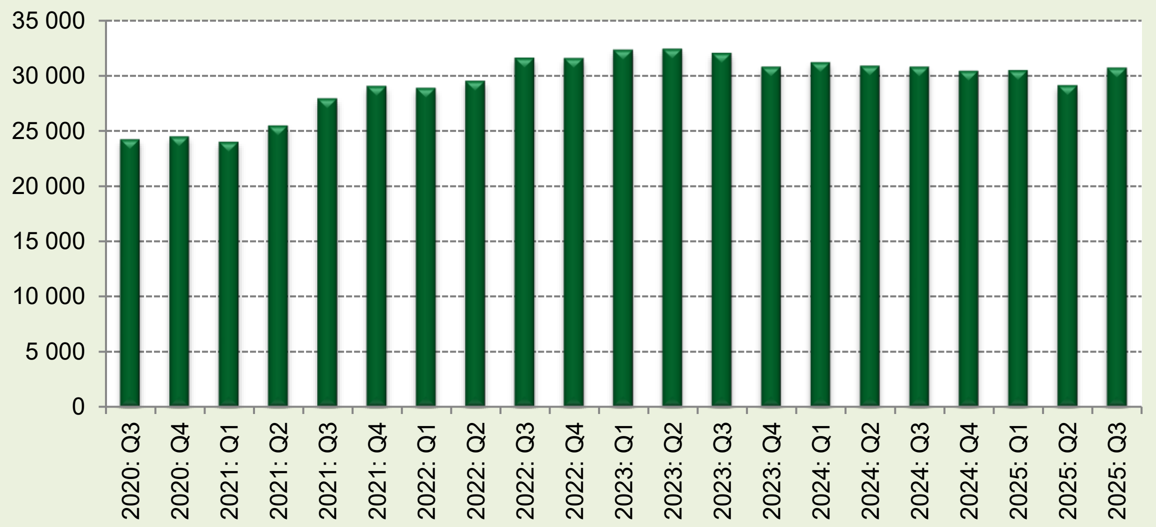


Source: Quantec, 2025

In 2025: Q3, the quarter-to-quarter exports of the furniture division moderated by 3,6% as compared to a 21,8% growth in 2025: Q2, however, imports rose by 24,2% from a 5,3% growth in 2025: Q2.

The year-on-year exports rebounded by 12,6%, however, imports rose by 9,7% in 2025: Q3 (see Figure 42). As a result, the trade surplus widened from R2 227,1 million in 2025: Q2 to about R2 756,0 million in 2025: Q3.

Figure 43: Number of formal employment: furniture



Source: Statistics SA (2025)

In 2025: Q3, the quarter-to-quarter formal employment in the furniture division rebounded by 5,5% following a 4,5% contraction in 2025: Q2, however, the division's employment receded further by 0,3% year-on-year. As a result, approximately 1 594 jobs were created during the period under review (see Figure 43).

3. CONCLUSION

In 2025: Q3, the South African economy moderated by 0,5% from a revised 0,9% in 2025: Q2. The real output of the primary and the secondary sectors moderated by 1,8% and 0,5%, respectively, while the tertiary sector declined by 0,1%.

In 2025: Q3, the quarter-to-quarter agro-processing industry's seasonally adjusted volume of production decelerated by 0,4%, while the seasonally adjusted value of sales for the agro-processing industry rose by 0,5%.

The trade deficit widened from R6 565,8 million in 2025: Q2 to R13,909,6 million in 2025: Q3.
The agro-processing industry in total created 2 675 jobs in 2025: Q3.

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NOTES