Quarterly Economic Review of the Food and Beverages Industry in South Africa

April to June 2025

Volume 12 number 1

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 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 regular quarterly reviews of the agro-processing industry.

This publication, *"Quarterly Economic Review of Food and Beverages Industry in South Africa: April to June",* evaluates the performance of the food and beverages divisions during the second quarter of 2025. The main economic indicators reviewed are the changes in producer price, production volume, value of sales, capacity utilisation by large enterprises, formal employment and trade balance.

Any comments and suggestions on the content of this publication are welcome.
Directorate: Agro-processing Support.

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

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EXECUTIVE SUMMARY

South Africa's economic activity expanded in 2025: Q2 as real gross domestic product (GDP) rose by 0,8% following a contraction of 0,1% in 2025: Q1. The real gross value added (GVA) by the primary sector expanded further in 2025: Q2 as the volume of production of both the agricultural and the mining sectors increased.

In 2025: Q2, the volume of production of the food and beverages division moderated quarter-to-quarter by 0,5% from a 0,6% growth in 2025: Q1. However, volume of production decelerated by 1,6% year-on-year. The quarter-to-quarter value of sales in the food and beverages division, on the other hand, expanded by 3,4% in 2025: Q2 from a 0,2% growth in 2025: Q1. The value of sales of the food and beverages division, however, rebounded by 6,6% year-on-year.

In 2025: Q2, the quarter-to-quarter food and beverages exports rebounded by 10,4% from a contraction of 12,9%, however, imports receded further by 4,4% from a contraction of 13,2% in 2025: Q1. In terms of year-on-year, exports moderated by 1,6%, while imports decelerated by 2,7%. As a result, the trade surplus widened from R2 696,8 million in 2025: Q1 to R6 569,4 million in 2025: Q2.

In 2025: Q2, Asia accounted for a 51% share of food imports, followed by Europe, then the Americas, Africa and Oceania. In terms of food exports, Africa accounted for about 41% share of South African food exports, followed by Europe, Asia, the Americas and Oceania.

Africa and Europe accounted for 40% each of south Africa's beverages exports share, followed by Asia, the Americas and Oceania. However, Europe accounted for approximately 69% share for sources of beverages imports, followed by Africa, the Americas, Asia and Oceania.

The formal employment in the food, beverages and tobacco division contracted quarter-to-quarter by 2,3% in 2025: Q2 from a growth of about 6,2% in 2025: Q1. However, year-on-year, employment rose by 2,4% in 2025: Q2. As a result, the number of formal employment decreased to 277 148 in 2025: Q2 from about 283 743 in 2025: Q1; this translates to 6 595 jobs lost in the division in 2025: Q2.

1. INTRODUCTION

South Africa's economic activity grew significantly in 2025: Q2 as growth in real gross domestic product (GDP) accelerated to 0,8% from 0,1% in 2025: Q1. This expansion was due to the increased output of the primary, secondary and tertiary sectors.
The real gross value added (GVA) by the primary sector grew further in 2025: Q2 as the production of both the agricultural and the mining sectors increased. The expansion continuation in agricultural production volume was mainly due to the higher production of horticultural and animal products owing to favourable weather conditions (SA Reserve Bank, 2025).

This quarterly review provides analysis of the South African food and beverages industry. It mainly looks at the following variables: consumer and producer price index, the utilisation capacity, volume of production, value of sales, employment and trade patterns. Moreover, the wholesale and retail trade sales of food, beverages and tobacco and income from bar sales are also analysed. This review is organised as follows: the first section provides the analysis of the food division. The second section analyses the beverages industry, and lastly, it is the conclusion.

2. FOOD PRODUCTS

According to the Standard Industrial Classification (SIC), the food industry incorporates groups of products that are categorised into the following four codes:

- Code 301: refers to manufacturing, processing and preservation of meat, fish, vegetables, fruits, oils and fats.
- Code 302: refers to manufacturing, processing and preservation of dairy products.
- Code 303: refers to manufacturing of grain mill products, starch products and prepared animal feeds.
- Code 304: refers to manufacturing of other food products like bread, sugar, chocolate, pasta, coffee, nuts and spices.

Hereafter, food products refer to those primary agricultural and fisheries products that have undergone some form of change through manufacturing and processing or performed some value addition activities such as preservation.

2.1 PRICE

Consumer Price Index (CPI)[1]

In 2025: Q2, the quarter-to-quarter consumer price index of final manufactured goods moderated by 1,0% from a 1,4% growth in the last quarter, however food products rose by 2,6% as compared to a growth of 0,4% in 2025: Q1. The items that moderated during the period under review were meat (3,0%), fish and other seafood (2,4%), oils and fats (1,3%) and sugar, confectionery and desserts (1,3%). Fruits and nuts (1,2%) contracted, milk, other dairy products and eggs (0,8%) and "other food products" (1,3%) rebounded and cereal products rose by 1,1% during the period of review.

The year-on-year CPI for final manufactured goods moderated by 3,6%, however, food products rose by 5,1% in 2025: Q2. Most items expanded year-on-year during the period under review, and those were cereal products (4,0%), meat (4,5%), fish and other seafood (8,4%), oils and fats (3,2%), fruits and nuts (29,2%) and vegetables (12,8%). However, milk, other dairy products and eggs (1,1%), sugar, confectionery and desserts (5,7%) and "other food products" (0,5%) moderated during the period (see Table 2.1).

Table 2.1: Consumer Price Index of food products

Food products		Indices			**% Change between**	
	Weight	2024: Q2	2025: Q1	2025: Q2	2024: Q2 and 2025: Q2	2025: Q1 and 2025: Q2
All items (CPI Headline)	100,0	98,8	101,3	102,4	3,6	1,0
Food products	14,2	98,4	100,7	103,4	5,1	2,6
Cereal products	3,5	98,1	100,9	102,0	4,0	1,1
Meat	4,6	99,0	100,4	103,4	4,5	3,0
Fish and other seafood	0,4	95,6	101,2	103,7	8,4	2,4
Milk, other dairy products and eggs	1,7	99,2	99,6	100,4	1,1	0,8
Oils and fats	0,5	98,5	100,4	101,7	3,2	1,3

[1] Stats SA defines CPI as a current social and economic indicator that is constructed to measure changes over time in the general level of prices of consumer goods and services that households acquire, use, or pay for.

Fruits and nuts	0,2	81,9	107,0	105,7	29,2	-1,2
Vegetables	1,6	99,7	100,7	112,4	12,8	11,6
Sugar, confectionery and desserts	0,6	96,3	100,5	101,8	5,7	1,3
Other food products	0,9	100,2	100,0	100,7	0,5	0,7

Producer Price Index (PPI)[2]

In 2025: Q2, the quarter-to-quarter producer price index for final manufactured goods moderated by 0,9% following a 1,1% growth in 2025: Q1. However, food products rose by 1,2% from a 0,9% growth in 2025: Q1. The items that contracted quarter-to-quarter were oils and fats (3,1%), dairy products (0,4%), grain mill products (1,6%), starch and starch products and animal feeds (2,8%), while meat and meat products (11,7%) and “other food products” (0,7%) rose. Bakery products (2,6%) rebounded, while sugar (4,2%) decelerated and fruit and vegetables remained unchanged as compared to a growth of 0,7% in the preceding quarter.

The year-on-year PPI for final manufactured goods and food products moderated by 0,4% and 3,8% respectively in 2025: Q2. Food products, similarly, moderated by 3,8% in 2025: Q2. The items that moderated year-on-year were fish and fish products (6,8%), fruits and vegetables (4,3%), grain mill products (0,5%), starch and starch products, animal feeds (3,7%), “other food products” (3,0%) and bakery products (3,1%), meat and meat products (14,1%) rose and sugar (3,1%) receded further, while oils and fats remained unchanged as compared to a growth of 2,6% in the previous quarter (see Table 2.2).

[2] *OECD defines the Producer Price Index (PPI) as a measure of the change in the prices of goods either as they leave their place of production or as they enter the production process. The PPI can be used as an economic indicator of inflation, as an escalator in contracts and as a deflator in the calculation of the national accounts.*

Table 2.2: Producer Price Index of food products

Food products		indices			% Change between	
	Weight	2024: Q2	2025: Q1	2025: Q2	2024: Q2 and 2025: Q2	2025: Q1 and 2025: Q2
Final manufactured goods (PPI Headline)	100,0	102,2	101,7	102,6	0,4	0,9
Food products	26,3	102,3	105,0	106,3	3,8	1,2
Meat and meat products	4,5	96,2	98,2	109,7	14,1	11,7
Fish and fish products	1,6	105,0	111,2	112,1	6,8	0,8
Fruits and vegetables	2,4	105,7	110,2	110,2	4,3	0,0
Oils and fats	0,5	98,5	105,1	101,9	3,4	-3,1
Dairy products	3,3	103,9	104,3	103,9	0,0	-0,4
Grain mill products	1,8	104,8	107,0	105,3	0,5	-1,6
Starch and starch products, animal feeds	1,6	100,1	106,9	103,8	3,7	-2,8
Other food products	0,9	102,8	105,2	105,9	3,0	0,7
Bakery products	6,9	103,5	105,2	107,9	4,3	2,6
Sugar	1,9	93,6	94,7	90,8	-3,1	-4,2

Source: Stats SA (2025)

Import Unit Value Index[3]

Table 2.3 presents the import unit value index of selected food products during 2025: Q2. The quarter-to-quarter import unit value for food products decelerated by 27,7%, similarly, it decelerated by 28,4% year-on-year. Fats and oils contracted by 6,9% quarter-to-quarter, however, it moderated by 7,3% year-on-year. Grain mill products decelerated quarter-to-quarter and year-on-year by 7,2% and 17,9%, respectively, in 2025: Q2.

Table 2.3 presents the import unit value index of selected food products during 2025: Q2.

Food products	Indices			% Change between	
	2024: Q2	2025: Q1	2025: Q2	2024: Q2 and 2025: Q2	2025: Q1 and 2025: Q2
Food (total)	98,6	97,7	70,6	-28,4	-27,7
Fats and oils	88,6	102,1	95,1	7,3	-6,9
Grain mill products	113,3	100,3	93,0	-17,9	-7,2

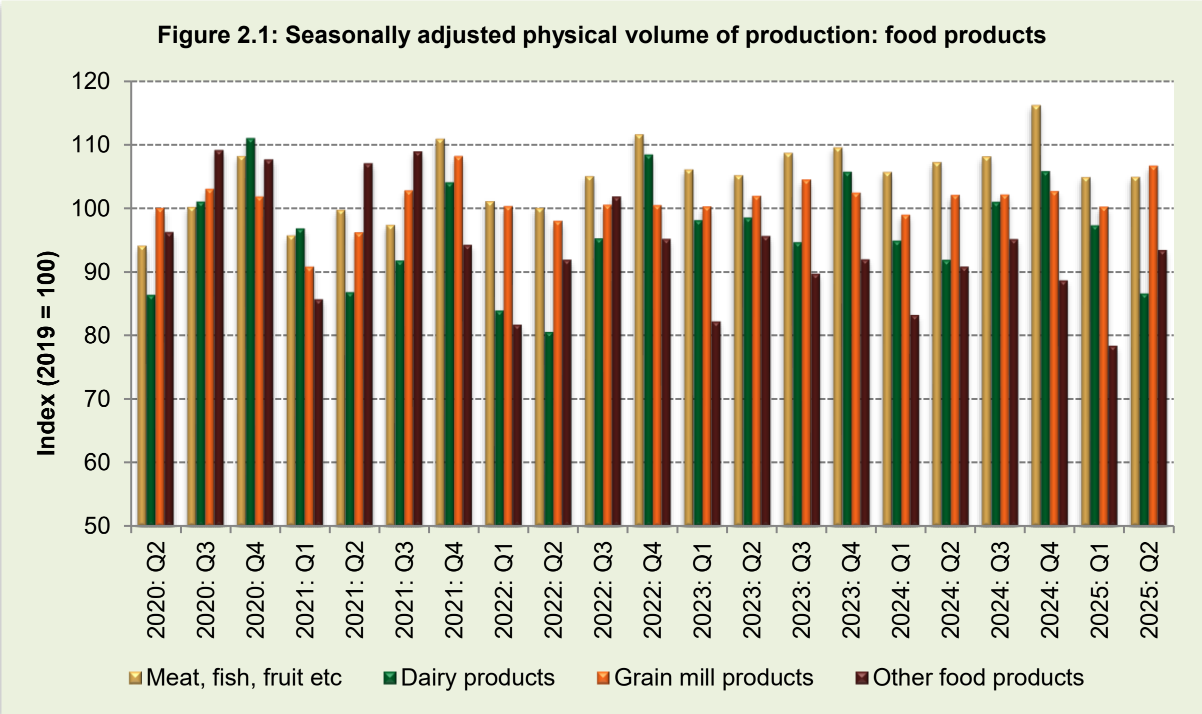
Source: Stats SA (2025)

2.2 PRODUCTION

Figure 2.1 presents the seasonally adjusted physical volume of production for the food products division in 2025: Q2. In 2025: Q2, the quarter-to-quarter seasonally adjusted volume of production for meat, fish and fruit, grain mill products; and dairy products moderated by 1,9% and 0,9% following a growth of 0,2% and 1,6% respectively, however, grain milli products rebounded by 1,2% from a contraction of 0,6%, and ‘’other food products’’ stagnated by 0,1% as compared to 2025: Q1.

In terms of the year-on-year, the meat, fish, fruit, etc., remained unchanged as compared to a contraction of 1,9% in the last quarter, dairy products rose by 3,1%, grain mill products receded further by 1,4% while ‘’other food products’’ rose by 2,3% in 2025: Q2.

[3] *IMF defines export and import unit value index as a measure the overall change in the prices of transactions in goods and services between the residents of an economic territory and residents of the rest of the world. The average unit value is obtained by dividing the value of exported/imported goods in monetary terms with the respective volume/weight of the goods.*



Source: Statistics SA (2025)

Production capacity

Table 2.4: Utilisation and reasons for underutilisation of production capacity by large enterprises: Food products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total under-utilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2024: Q2	82,5	17,5	1,7	1,2	0,2	9,9	4,5
2025: Q1	77,6	22,4	3,8	0,6	0,1	9,9	8,0
2025: Q2	83,1	16,9	1,9	0,9	0,2	9,6	4,3

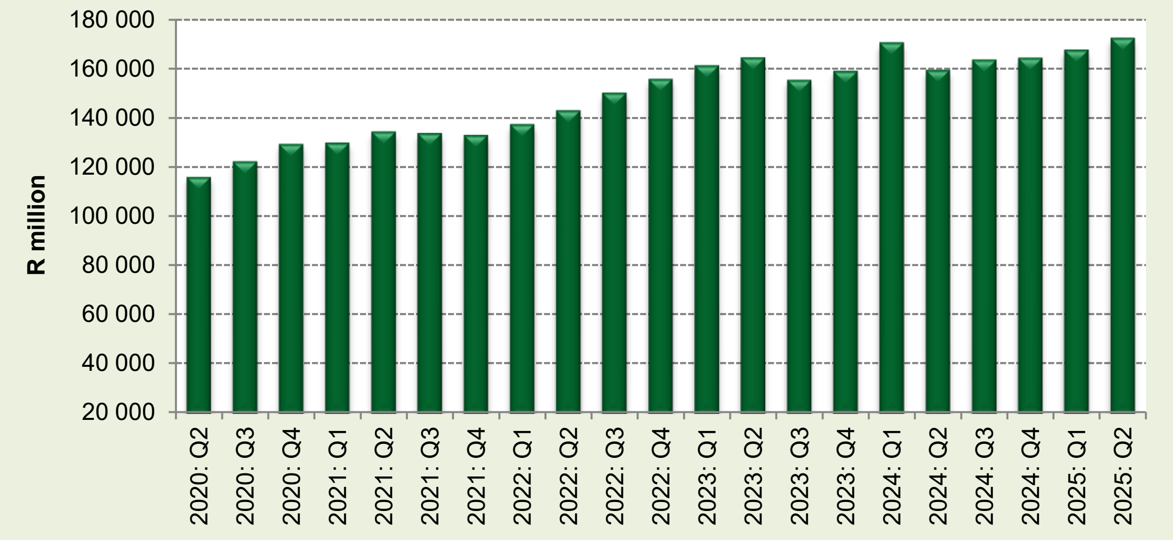
Source: Statistics SA (2025)

As Table 2.4 shows, the utilisation of production capacity by large enterprises of the food products division decreased quarter-to-quarter, however, it increased year-on-year. The quarter-to-quarter decrease was 5,5% percentage points. Insufficient demand remained the main reason for underutilisation in 2025: Q2, followed by other reasons such as seasonal factors.

2.3 VALUE OF SALES

In 2025: Q2, the quarter-to-quarter value of sales of food products expanded by 3,0% as compared to a 2,0% growth in the last quarter. However, the value of sales moderated year-on-year by 8,3% as illustrated in Figure 2.2.

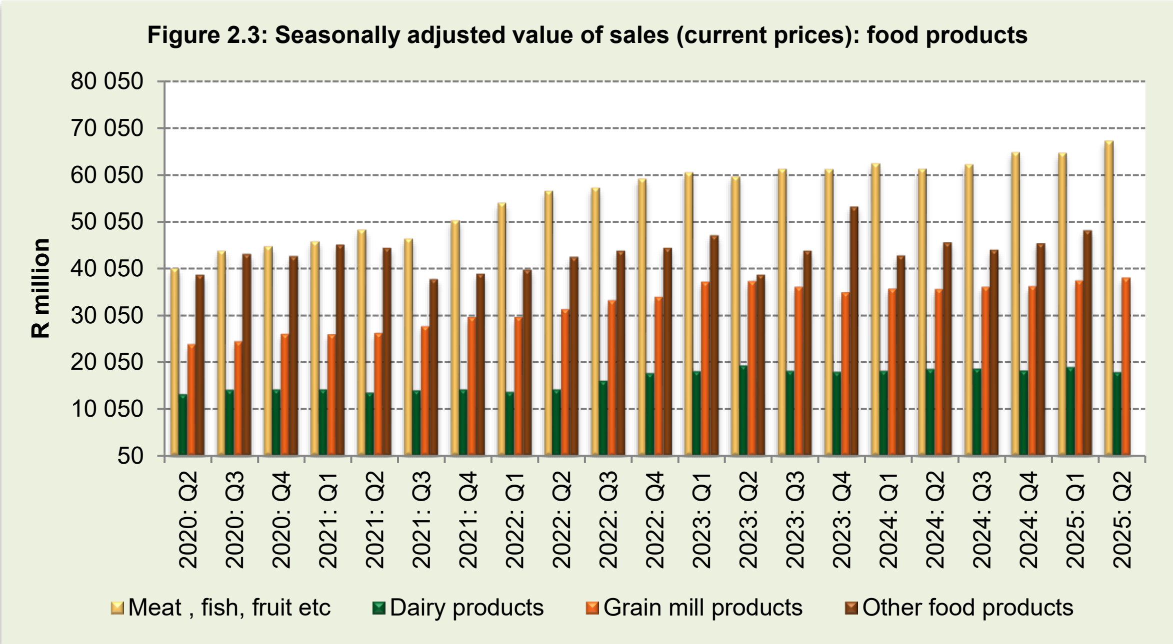
Figure 2.2: Seasonally adjusted value of sales (current prices): food products



Source: Statistics SA (2025)

Figure 2.3 shows the seasonally adjusted value of sales for the food products. In 2025: Q2, the quarter-to-quarter value of sales for meat, fish and fruit expanded rebounded by 4,0% from a 0,2% contraction in the last quarter, dairy products contracted by 5,6% from a 4,1% growth in the last quarter, grain mill products moderated by 1,6% from a 3,5% growth in the last quarter, while "other food products" rose by 6,2% as compared to a 3,2% growth in the last quarter.

In terms of year-on-year, the seasonally adjusted value of sales for meat, fish and fruit, and grain mill products rose by 9,8% and 7,0%, respectively, in 2025: Q2. However, dairy products contracted by 3,8%, while "other food products" rebounded by 12,7% in 2025: Q2.



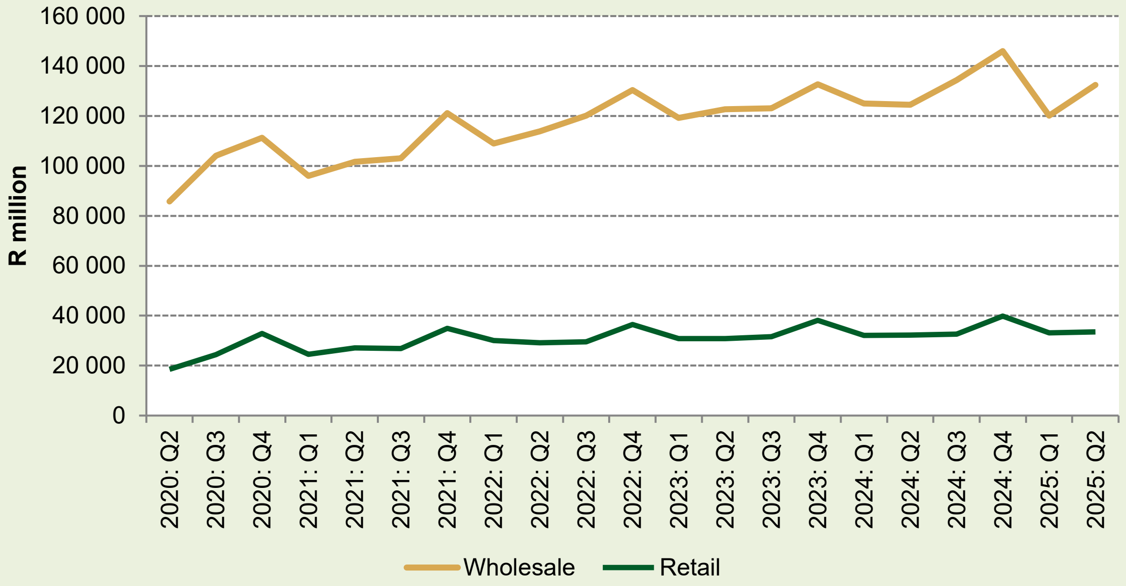
Source: Statistics SA (2025)

Wholesale and retail sales[4]

In 2025: Q2, the quarter-to-quarter wholesale trade sales and retail trade sales of the food, beverages and tobacco divisions rebounded by 10,2% and 1,4% as compared to a contraction of 17,7% and 16,9% in the last quarter, respectively. The wholesale trade sales rebounded by 6,4% year-on-year, however, the retail trade sales expanded by 4,3% from a 2,9% growth in the preceding quarter. As a result, the wholesale trade sales increased to R132 441 million in 2025: Q2 from R120 160 million in 2025: Q1. The retail trade sales, similarly, increased to R33 559 million in 2025: Q2 from R33 091 million in 2025: Q1 as shown in Figure 2.4.

[4] *Statistics South Africa (Stats SA) conducts a monthly survey covering enterprises in the wholesale and retail trade industry. The results of the monthly wholesale and retail trade sales survey are used to compile estimates of the gross domestic product (GDP) and its components, which are used in monitoring the state of the economy and formulation of economic policy. These statistics are also used in the analysis of comparative business and industry performance.*

Figure 2.4: Wholesale and retail trade sales of food, beverages and tobacco (current prices)

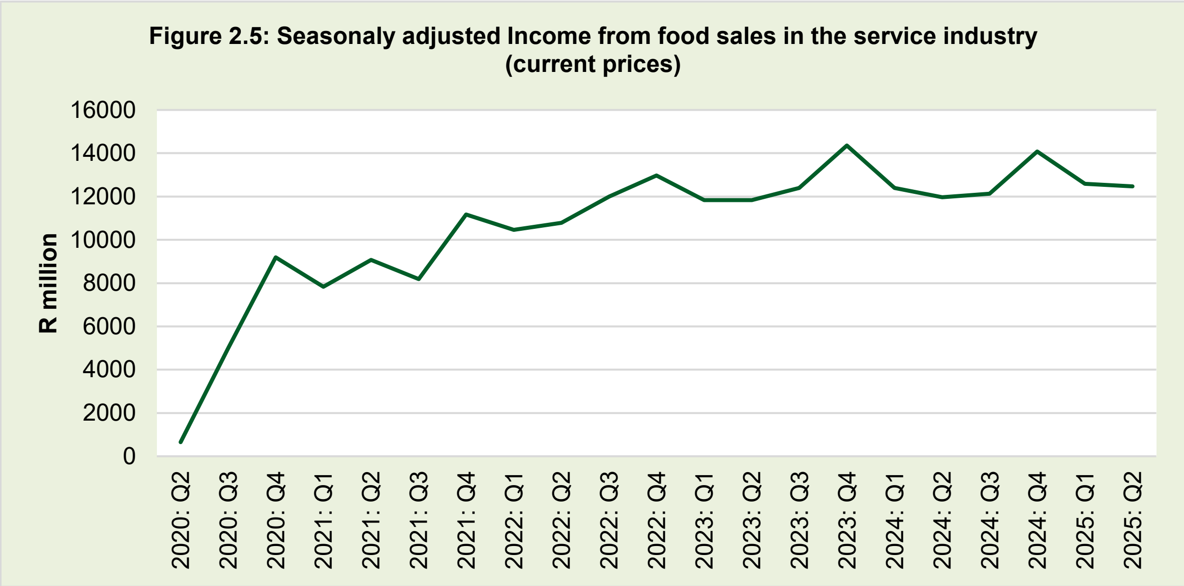


Source: Statistics SA (2025)

2.4 INCOME FROM FOOD SALES IN THE SERVICE INDUSTRY[5]

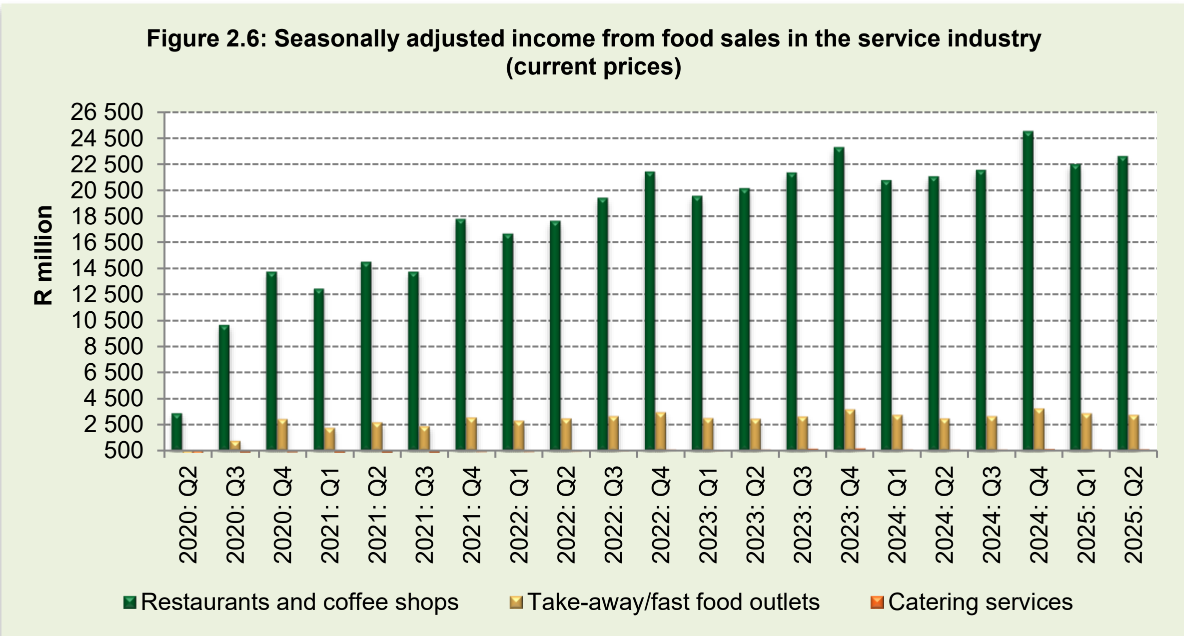
Figure 2.5 below shows the income from food sales in the service industry, which includes food sales in restaurants and coffee shops, take-away/fast food outlets and catering services. The seasonally adjusted total income from food sales in the service industry receded further by 0,9% quarter-to-quarter in 2025: Q2 as compared to a 10,6% contraction in 2025: Q1. However, the total income from food sales rose by 4,3% year-on-year. As a result, the income from food sales decreased to R12 475,6 million in 2025: Q2 from R12 584,7 million in 2025: Q1.

[5] *5 Income from food sales in the service industry refers to income from the sale of meals and non-alcoholic drinks.*



Source: Statistics SA (2025)

Figure 2.6 shows the income from food sales in the service industry. In 2025: Q2, the quarter-to-quarter income from food sales in the restaurants and coffee shops; and catering services rebounded by 2,8% and 7,6% from a 10,2% and 11,1% respectively, in 2025: Q1, however, takeaway/fast food outlets receded further by 3,6% from a 10,3% contraction in 2025: Q1.
In terms of year-on-year, restaurants and coffee shops, takeaway/fast food outlets and catering services rose by 7,1%, 8,6% and 7,6%, respectively, in 2025: Q2.



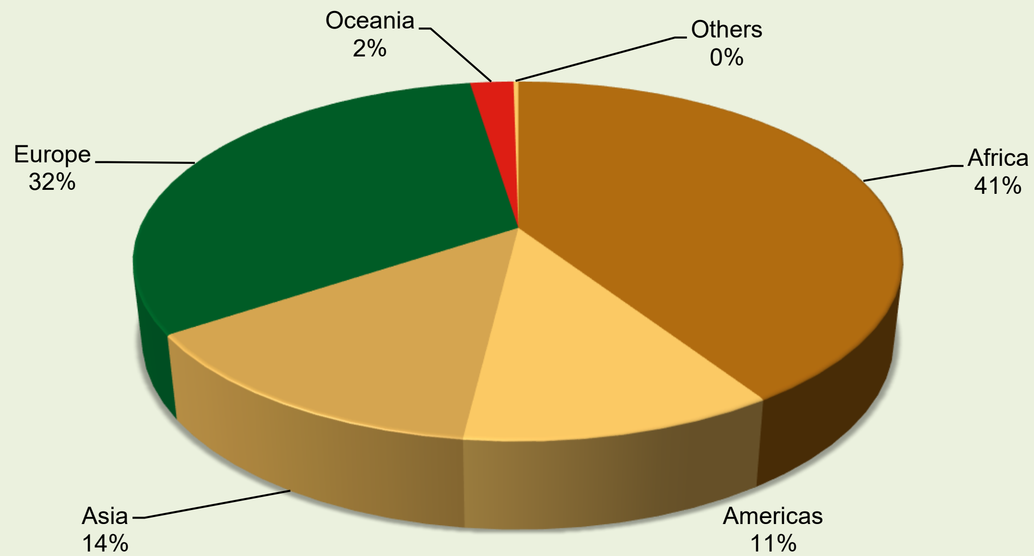
Source: Statistics SA (2025)

2.5 TRADE

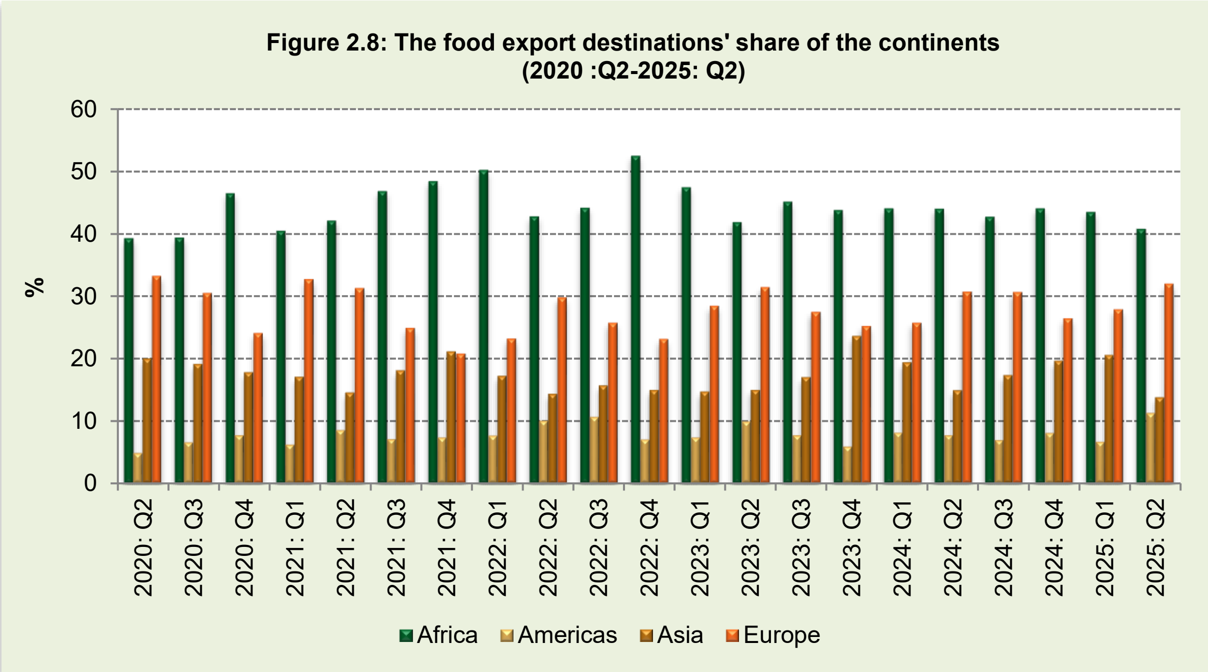
Main food export destinations and products

Figure 2.7 shows food export destinations' share of the continents. Africa accounted for the highest share of South African food exports in 2025: Q2. Africa accounted for about 41% share of South African food exports, followed by Europe with 32%. Asia and the Americas have a share of 14% and 11%, respectively. Oceania had the least share of approximately 2%. Figure 2.8 shows that, for the past five years, Africa accounted for the largest share of food export destination in the world.

Figure 2.7: The food export destinations' share of continents in 2025: Q2

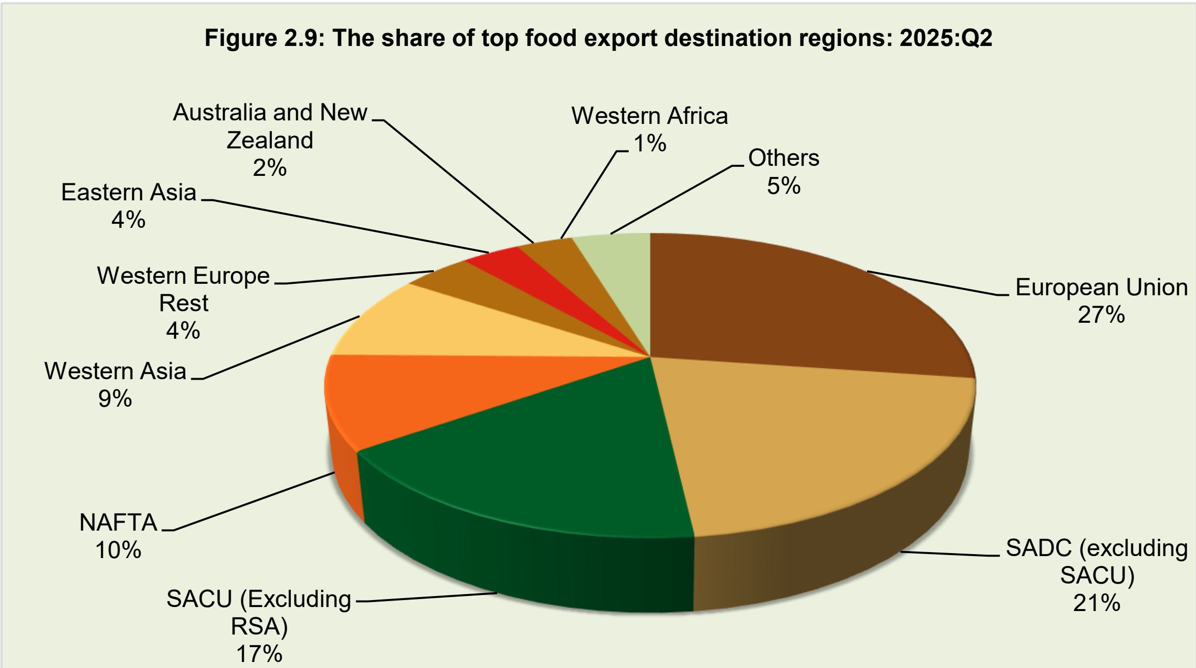


Source: Quantec (2025)

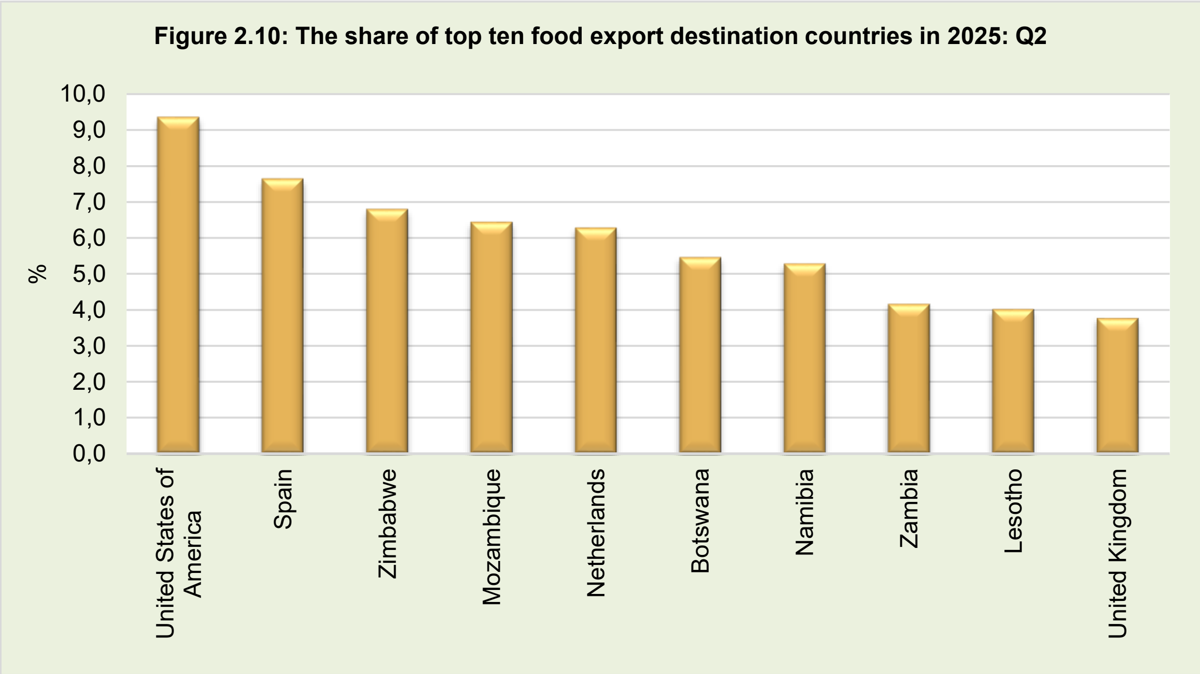


Source: Quantec (2025)

Figure 2.9 shows the food export destinations' share of the main regions in 2025: Q2. Among the main regions, the European Union accounted for the highest share of South African food exports by 27%, followed by SADC (excl. SACU) (21%), SACU (excl. RSA) (17%), NAFTA (10%), Western Asia (9%), Western Europe rest (4%), Eastern Asia (4%), Australia and New Zealand (2%) and Western Africa (1%).



Source: Quantec (2025)



Source: Quantec (2025)

Figure 2.10 shows the top ten food export destinations by countries in 2025: Q2. The top ten countries with a high share of South African food exports were: the United States of America (9,4%), Spain (7,6%), Zimbabwe (6,8%), Mozambique (6,4%), the Netherlands (6,3%), Botswana (5,5%), Namibia (5,3%), Zambia (4,2%), Lesotho (4,0%) and the United Kingdom (3,8%).

Table 2.5 presents the major exports of food products during 2025: Q2 and their year-on-year percentage change in the food category. The leading South African exports of food products were fresh apples (HS080810), fresh or dried lemons "Citrus limon, Citrus limonum" and limes "Citrus aurantifolia, Citrus (HS080550) and fresh or dried mandarins incl. tangerines and satsumas (excl. clementines) (HS080521) with an export value of R4 875,52 million, R4 553,10 million and R4 249,62 million, respectively, in 2025: Q2.

Table 2.5: Major exported food products 2025: Q2

HS code	Product description	Export value R_million	Year-on-year-change %
080810	Fresh apples	4 875,52	8,7
080550	Fresh or dried lemons "Citrus limon, Citrus limonum" and limes "Citrus aurantifolia, Citrus	4 553,10	55,8
080521	Fresh or dried mandarins incl. tangerines and satsumas (excl. clementines)	4 249,62	29,1
100590	Maize (excl. seed for sowing	3 090,31	-6,6
080510	Fresh or dried oranges	2 729,64	39,2
080830	Fresh pears	1 746,00	23,2
080540	Fresh or dried grapefruit and pomelos	1 614,18	3,4
080440	Fresh or dried avocados	1 483,55	-26,1
080620	Dried grapes	1 090,75	17,0
210690	Food preparations, n.e.s.	1 040,16	22,0

Source: Trade map (2025)

Table 2.6 shows the major imports of food products in 2025: Q2 and their percentage change in the food category. The leading imports of food products were wheat and meslin (excl. seed for sowing, and durum wheat) (HS100199), palm oil and its fractions, whether or not refined (excl. chemically modified and crude) (HS1151190) and semi-milled or wholly milled rice, whether or not polished or glazed (HS100630) with export values of R3 112,77 million, R2 465,23 million and R2 298,00 million, respectively, in 2025: Q2.

Table 2.6: Major imported food products in 2025: Q2

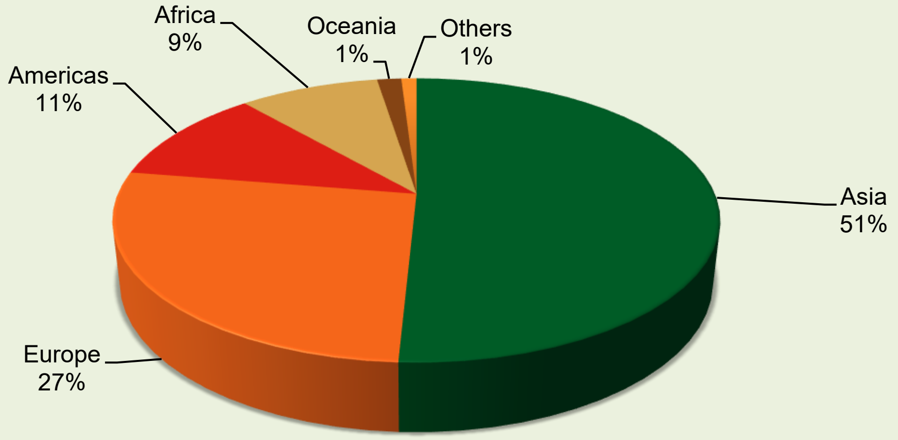
HS code	Product description	Export value R million	Year-on-year- % change
100199	Wheat and meslin (excl. seed for sowing, and durum wheat)	3 112,77	-11,9
151190	Palm oil and its fractions, whether or not refined (excl. chemically modified and crude)	2 465,23	21,7
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	2 298,00	-37,1
170113	Raw cane sugar, in solid form, not containing added flavouring or colouring matter, obtained	1 166,10	53,4
210690	Food preparations, n.e.s.	1 096,60	8,3
170199	Cane or beet sugar and chemically pure sucrose, in solid form (excl. cane and beet sugar containing	698,46	1039,7
050400	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh,	650,77	-7,7
020714	Frozen cuts and edible offal of fowls of the species Gallus domesticus	641,33	-11,4
230990	Preparations of a kind used in animal feeding (excl. dog or cat food put up for retail sale)	513,50	2,2
020712	Frozen fowls of the species Gallus domesticus, not cut in pieces	494,04	-23,2

Source: Trade map (2025)

Main source of imported food products

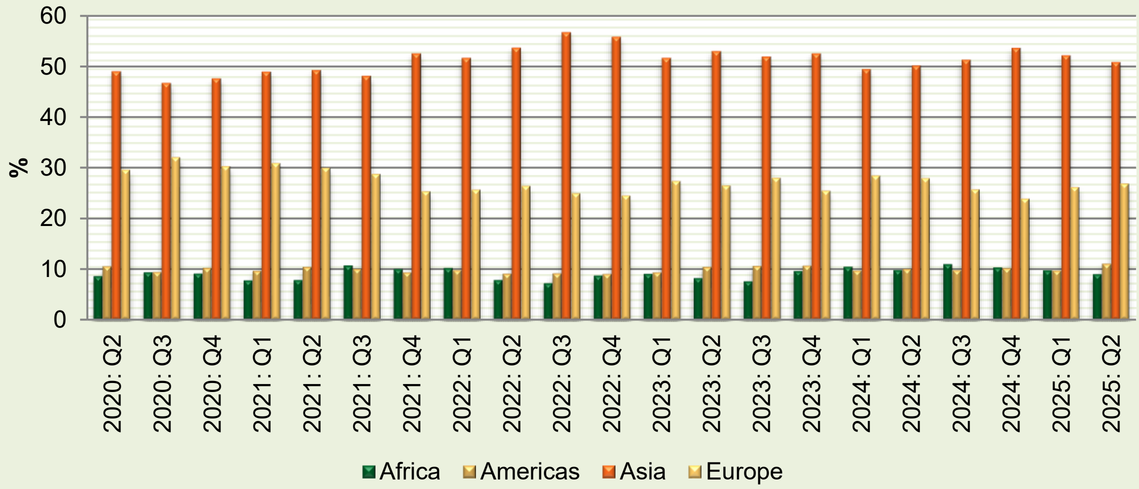
South Africa's main source of food imports during 2025: Q2 is presented in Figure 2.11. Asia accounted for a 51% share of food imports in 2025: Q2, followed by the Europe with a share of about 27%, then the Americas and Africa with an 11% and 9% share, respectively. Oceania accounted for the least of South African food imports at around 1%. Figure 2.12 below shows that, for the past five years, Asia and Europe accounted for the larger share of South African food imports.

Figure 2.11: The share of continents as a source of food import (2024:Q2)



Source: Quantec (2025)

Figure 2.12: The share of continents as a source of food import (2020:Q2-2025:Q2)



Source: Quantec (2025)

Amongst the trading regions, Eastern Asia accounted for an approximate 25% share of South African food imports, followed by the European Union (24%), Western Asia (11%), NAFTA (9%), South-central Asia (7%), Southeast Asia (7%), SACU (excl. SA) (4%), SADC (excl. SACU) (3%), Western Europe rest (2%), Western Africa (2%), South America (2%) and Australia and New Zealand (2%) as presented in Figure 2.13.

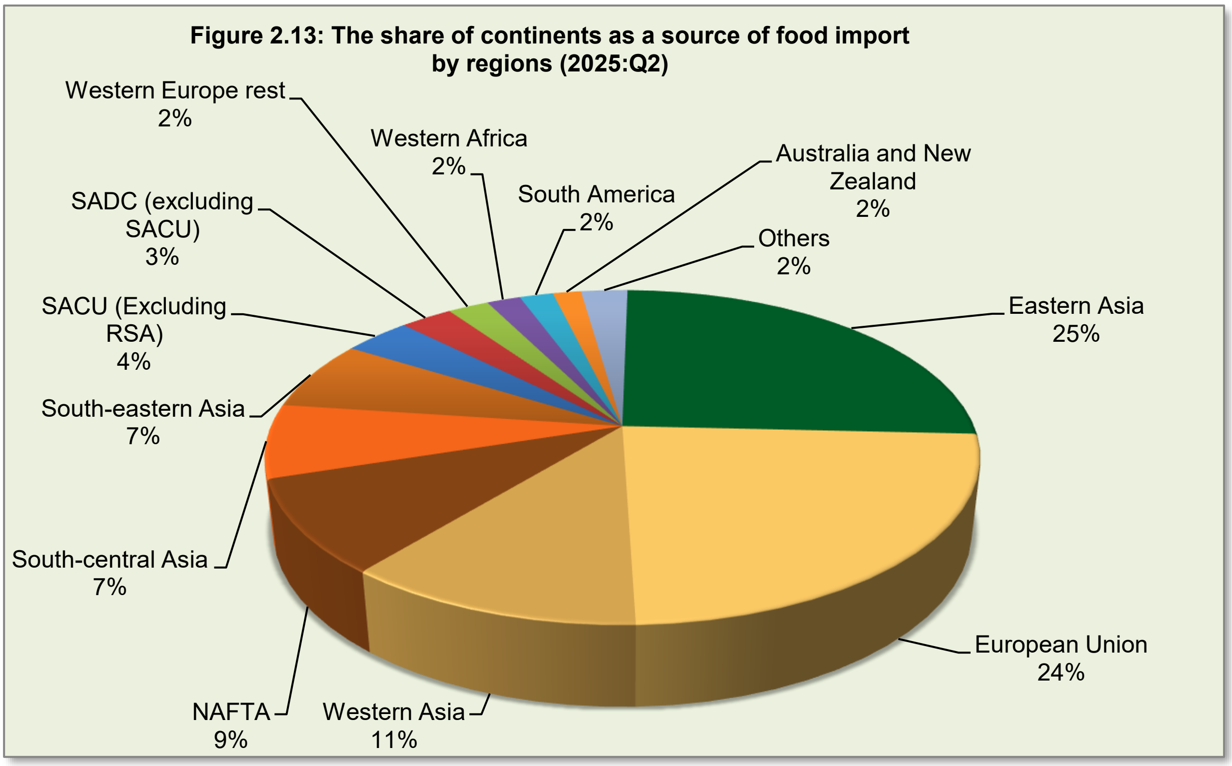


Figure 2.13: The share of continents as a source of food import by regions (2025:Q2)

Source: Quantec (2025)

Figure 2.14 shows the top ten countries as a source of South African food imports in 2025: Q2. South Africa's imported food products mainly come from China (21,7%), the United States of America (7,5%), Germany (7,4%), India (6,8%), Saudi Arabia (4,1%), Thailand (3,3%), Oman (3,0%), Italy (2,3%), Japan (2,2%) and the United Arab Emirates (2,1%).

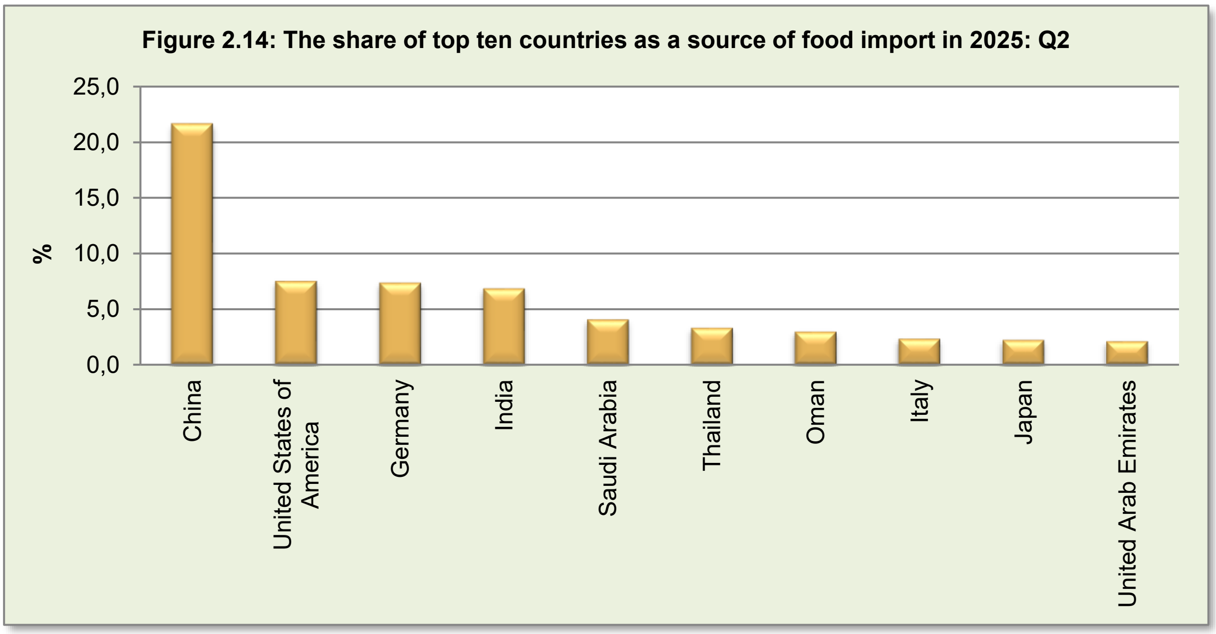


Figure 2.14: The share of top ten countries as a source of food import in 2025: Q2

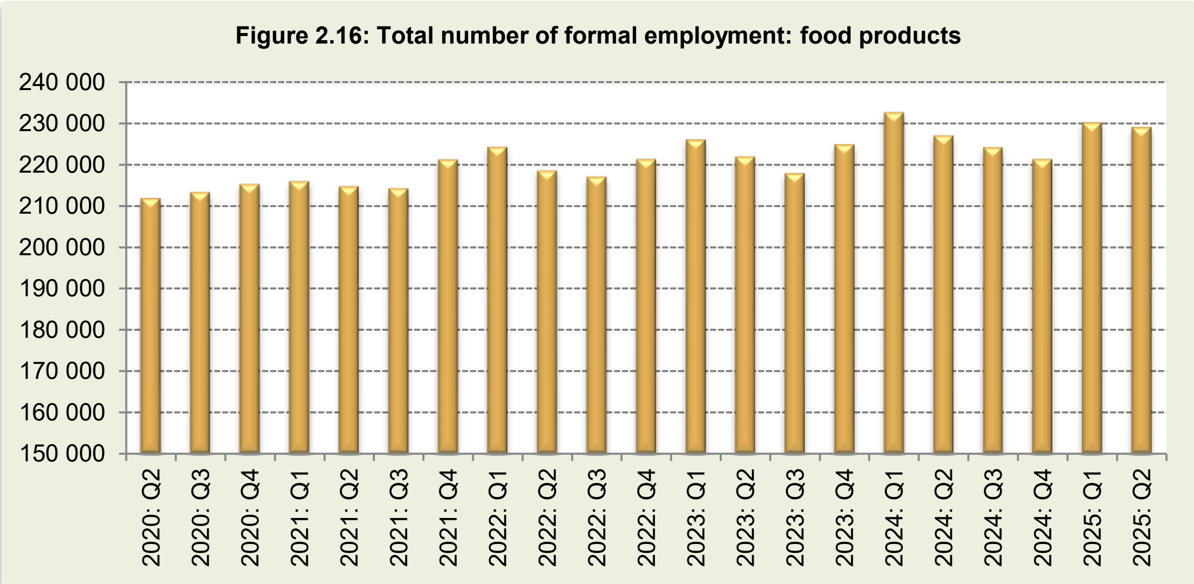
Source: Quantec (2025)

Source: Quantec (2025)

Figure 2.15 shows the quarterly trade balance of food products in 2025: Q2. In 2025: Q2, the quarter-to-quarter food exports rebounded by 10,5% from a 9,2% contraction 2025: Q1. The quarter-to-quarter food imports, on the other hand, receded further by 3,4% from a 14,0% contraction in 2025: Q1.

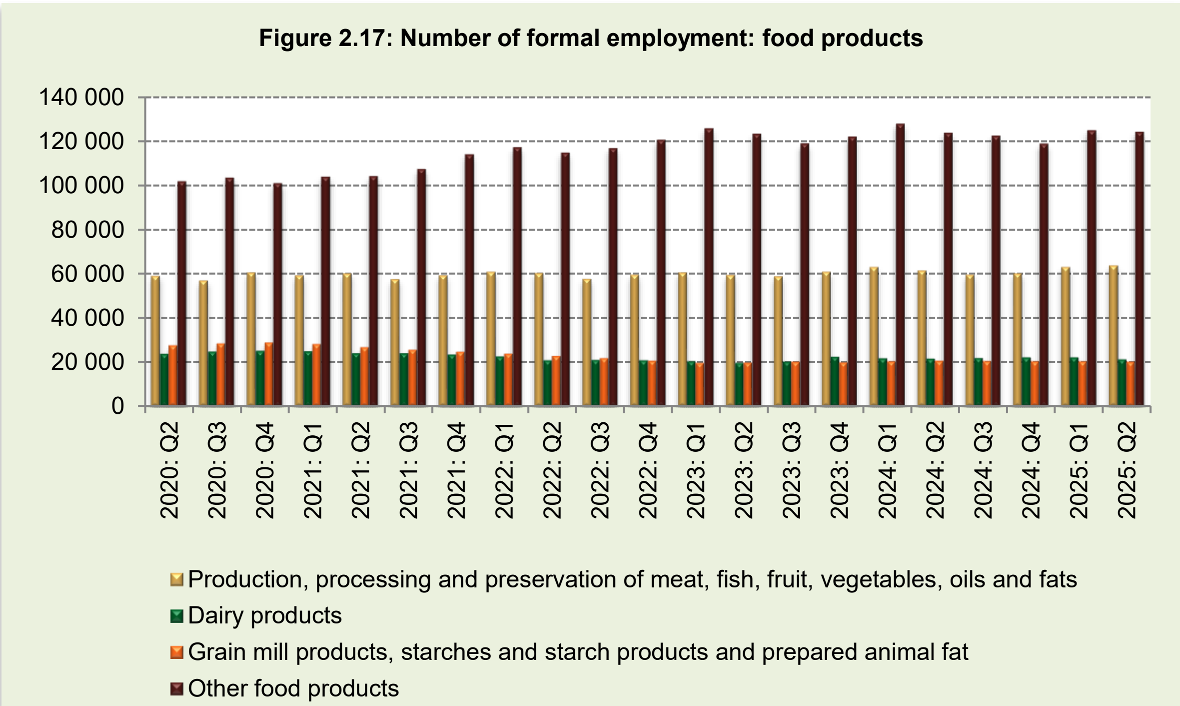
In terms of year-on-year, food exports moderated by 2,7%, while food imports contracted by 1,9%. As a result, the trade surplus widened from R637,9 million in 2025: Q1 to R3 675,4 million in 2025: Q2.

2.6 EMPLOYMENT



Source: Statistics SA (2025)

Figure 2.16 shows formal employment in the food products division. In 2025: Q2, the quarter-to-quarter formal employment in the food products division contracted by 0,5% as compared to a growth of 4,0% in 2025: Q1. However, employment rebounded by 0,9% year-on-year. As a result, 1 170 jobs were shed in 2025: Q2.



Source: Statistics SA (2025)

Figure 2.17 shows formal employment in the food products divisions in 2025: Q2. In 2025: Q2, the quarter-to-quarter employment in the meat, fish and fruits and vegetables, etc. divisions moderated by 1,1% from a 4,7% growth in the last quarter, dairy products and "other food products" contracted by 4,0% and 0,6% from a 0,2% and 5,1% growth, respectively, in the last quarter, while grain mill products receded further by 1,0% from a 0,2% contraction in the last quarter.

3. BEVERAGES

Beverages, according to the SIC, is code 305 and comprises of the following beverage products:

- Distilling, rectifying and blending of spirits; ethyl alcohol production from fermented materials;
- Manufacture of wine;
- Manufacture of beer and other malt liquors and malt;
- Breweries, except sorghum beer breweries;
- Sorghum beer breweries;
- Manufacture of malt; and
- Manufacture of soft drinks; production of mineral waters.

3.1 PRICE

Table 3.1 below shows the consumer price indices, producer price indices and export unit value of the beverages division in 2025: Q2. The quarter-to-quarter consumer price index rose for alcoholic beverages (2,3%), hot beverages (3,6%) and wine (3,8%). However, moderated for non-alcoholic beverages (1,6%), cold beverages (0,2%), spirits and liqueurs (0,3%) and beer (2,5%) in 2025: Q2.

The year-on-year consumer price index moderated for non-alcoholic beverages (8,6%), cold beverages (4,2%) and spirits and liqueurs (2,8%), however, rose for hot beverages (14,1%), alcoholic beverages (5,4%), beer (6,0%) and wine (6,7%) in 2025: Q2. The producer price index for beverages moderated by 4,3% while the export unit value for beverages rose by 4,8% in 2025: Q2.

Table 3.1: Price indices of beverages

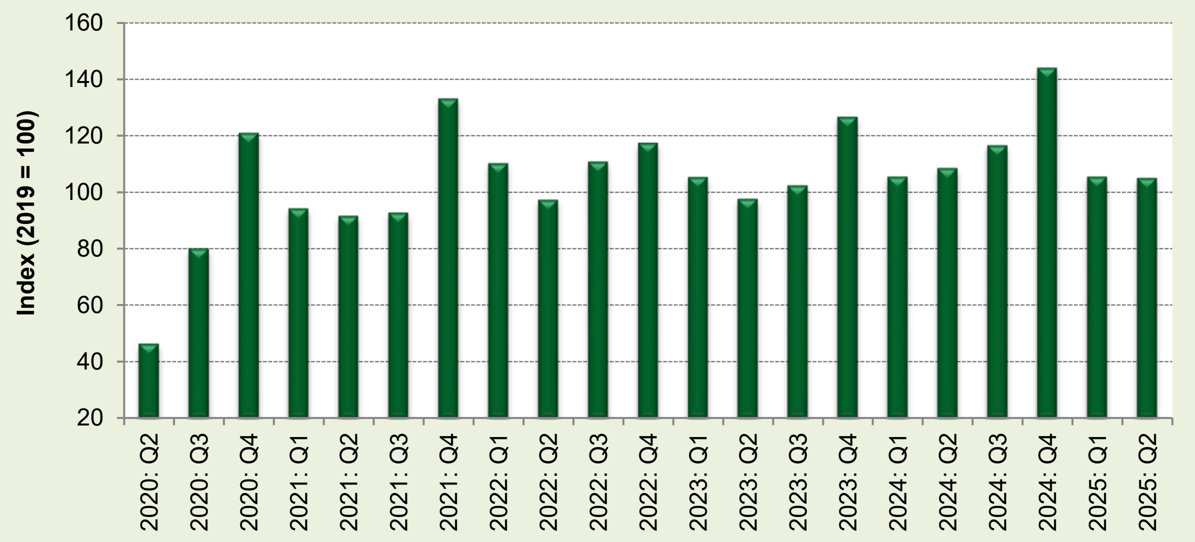
Beverage products	Weight	Indices			% Change between	
	Weight	2024: Q2	2025: Q1	2025: Q2	2024: Q2 and 2025: Q2	2025: Q1 and 2025: Q2
		Consumer price indices				
All items (CPI Headline)	100	98,8	101,3	102,4	4,0	1,0
Alcoholic beverages	3,9	99,3	101,9	104,4	5,4	2,3
Spirits and liqueurs	0,8	98,7	101,2	101,5	2,8	0,3
Wine	0,7	99,1	101,8	105,7	6,7	3,8
Beer	2,5	101,0	104,5	107,1	6,0	2,5
Non-alcoholic beverages	1,2	95,1	101,6	103,2	8,6	1,6
Hot beverages	0,3	93,0	102,4	106,1	14,1	3,6
Cold beverages	0,9	97,2	101,1	101,3	4,2	0,2
		Producer price index				
Beverages	8,5	103,3	103,3	104,2	4,2	2,5
		Export unit value				
Beverages	135,2	97,7	98,3	99,1	4,8	1,7

Source: Stats SA (2025)

3.2 PRODUCTION

Figure 3.1 presents the seasonally adjusted physical volume of production for the beverages division in 2025: Q2. The quarter-to-quarter seasonally adjusted physical volume of production for the beverages division receded further by 0,4% from a 26,8% contraction in 2025: Q1. Conversely, the year-on-year seasonally adjusted physical volume of production for the beverages division contracted by 3,3% in 2025: Q2.

Figure 3.1: Seasonally adjusted physical volume of production: beverages



Source: Statistics SA (2025)

Production capacity

Table 3.2: Utilisation and reasons for underutilisation of production capacity by large enterprises: Beverages division (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total under-utilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2024: Q2	82,0	18,0	1,7	3,2	0,2	10,3	2,6
2024: Q1	82,2	17,8	2,0	3,2	0,3	9,8	2,6
2025: Q2	81,7	18,3	2,1	3,3	0,2	10,2	2,6

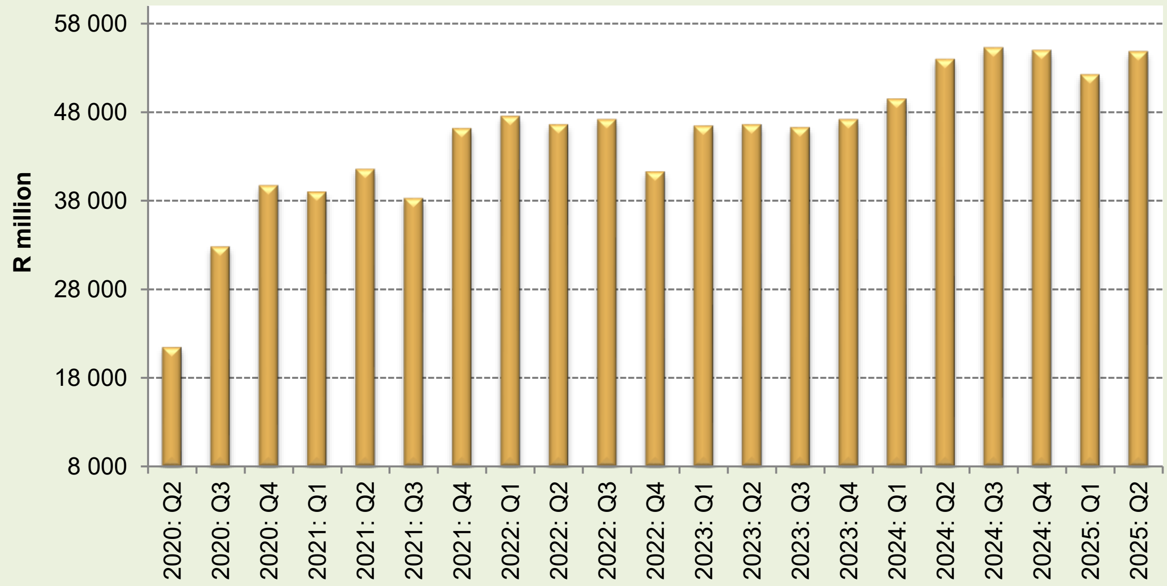
Source: Statistics SA (2025)

Table 3.2 shows the utilisation capacity by large enterprises for the beverages division. The utilisation capacity decreased quarter-to-quarter by 0,5 percentage points, and similarly decreased year-on-year by 0,3 percentage points. As Table 3.2 shows, insufficient demand remained the main reason for underutilisation during 2025: Q2, followed by a shortage of skilled labour.

3.3 VALUE OF SALES

In 2025: Q2, the quarter-to-quarter seasonally adjusted value of sales for the beverages division rebounded by 5,0% from a 5,0% contraction recorded in 2025: Q1, however, the year-on-year seasonally adjusted value of sales for the beverages division moderated by 1,6%. As a result, beverages sales increased from R52 223,8 million in 2025: Q1 to R54 836,0 million in 2025: Q2 as shown in Figure 3.2

Figure 3.2: Seasonally adjusted value of sales (current prices): beverages



Source: Statistics SA (2025)

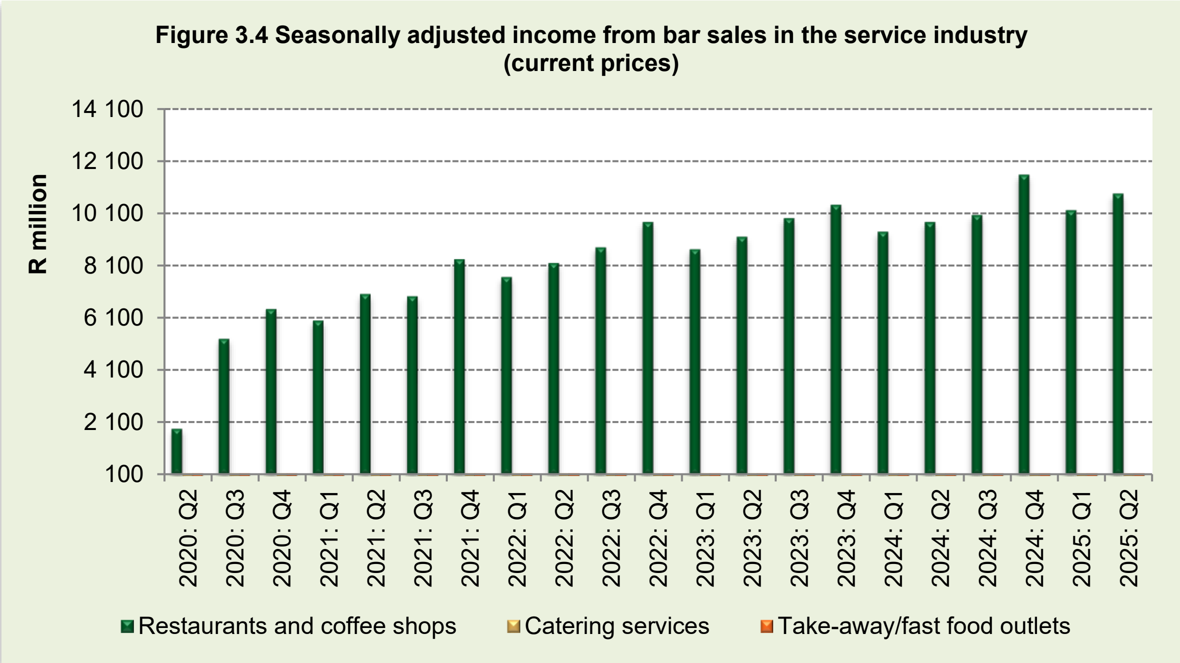
3.4 INCOME FROM BAR SALES IN THE SERVICE INDUSTRY

Figure 3.3 below shows the income from bar sales in the food and beverages service division in 2025: Q2. The income from bar sales in the food and beverages service industry rebounded quarter-to-quarter by 6,2% in 2025: Q2 from a 3,3% contraction in the last quarter. However, the income rose by 11,1% year-on-year. Therefore, the income from bar sales increased from R10 245,8 million in 2025: Q1 to R10 879,2 million in 2025: Q2.

Source: Statistics SA (2025)

Figure 3.4 below shows income from bar sales in the service industry, which includes restaurants and coffee shops, take-away/fast food outlets and catering services. In 2025: Q2, the quarter-to-quarter income from restaurants and coffee shops rebounded by 6,2% from an 11,7% growth in the last quarter, take-away/fast food outlets rebounded by 3,2% from an 8,1% contraction in the last quarter, and catering services contracted further by 1,3% following a 1,3% contraction in the preceding quarter.

In terms of year-on-year, income from restaurants and coffee shops expanded by 11,2%, take-away/fast food outlets receded further by 6,6%, while catering services moderated by 7,2%.



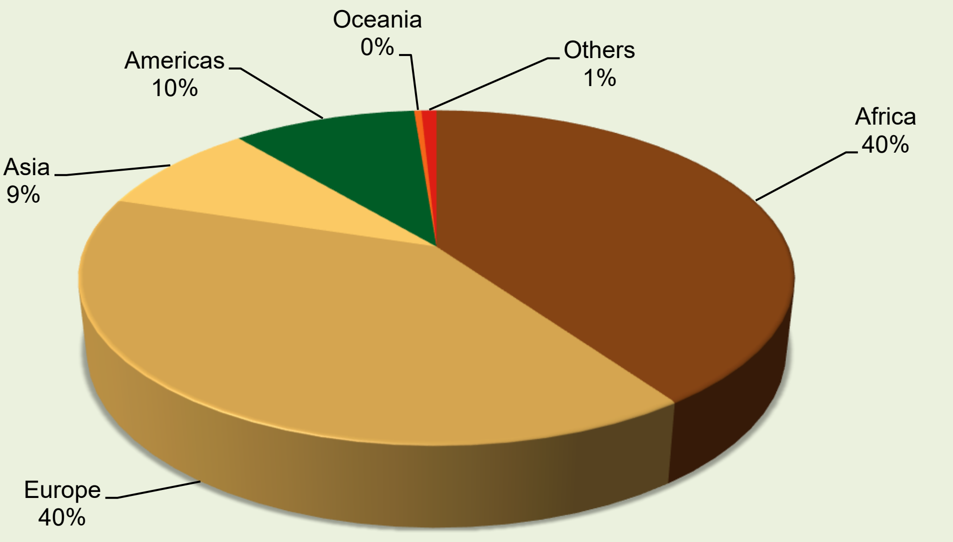
Source: Statistics SA (2025)

3.5 TRADE

Main export destinations of beverages products

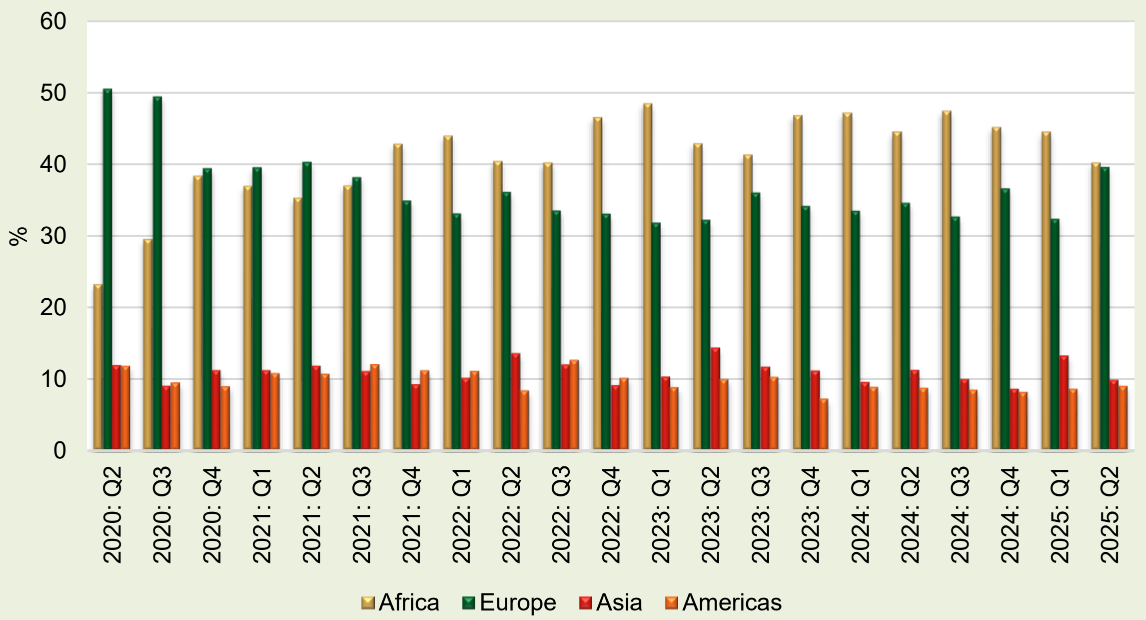
As Figure 3.5 shows, during the quarter under review, Africa and Europe accounted for 40% each, followed by Asia (9%) and the Americas (10%). Oceania has the least share of South African beverages exports at less than 1%. The trend of exports destination's share shows that Africa has the larger share, followed by Europe, the Americas, Asia and Oceania as presented in Figure 3.6.

Figure 3.5: The beverage export destinations' share of continents in 2025: Q2



Source: Quantec (2025)

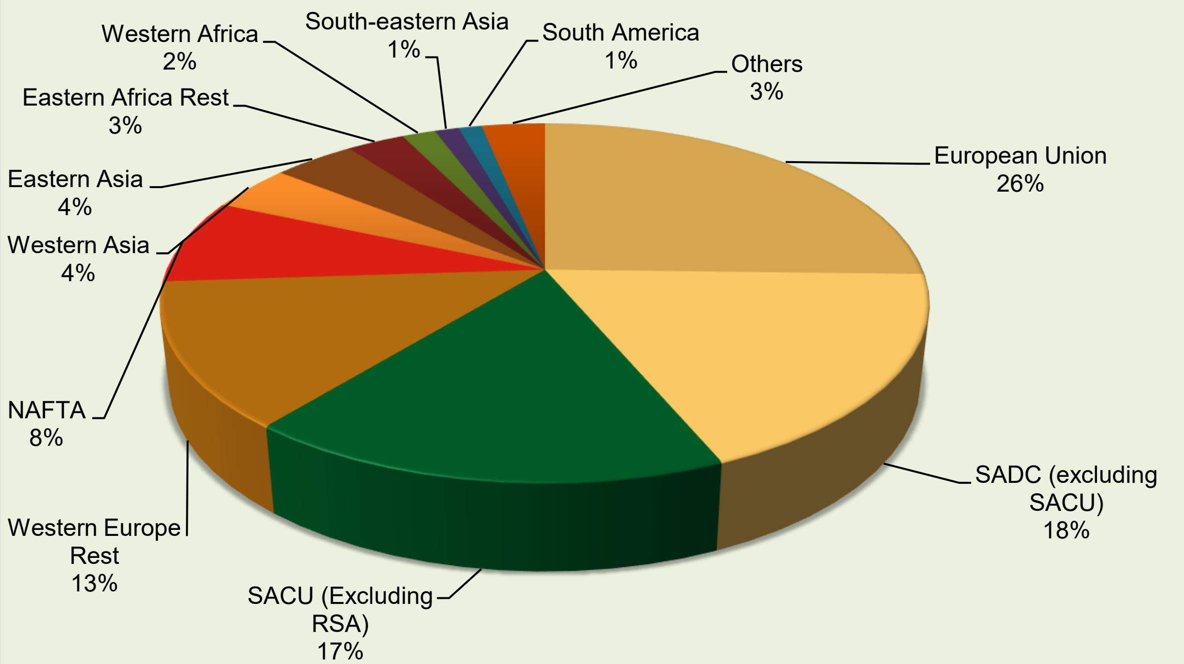
Figure 3.6: The beverages export destinations' share of the continents in (2020: Q2 -2025:Q2)



Source: Quantec (2025)

Among the main trading regions in 2025: Q2, the European Union accounted for the largest share of South African beverages exports at 26%, followed by SADC (Excl. SACU) (18%), SACU (Excl. RSA)(17%), Western Europe rest (13%), NAFTA (8%), Western Asia (4%), Eastern Asia (4%), Eastern Africa rest (3%), Western Africa (2%), South-eastern Asia (1%), and South America (1%) as illustrated in Figure 3.7.

Figure 3.7: The share of top beverage export destination regions in 2025: Q2



Source: Quantec (2025)

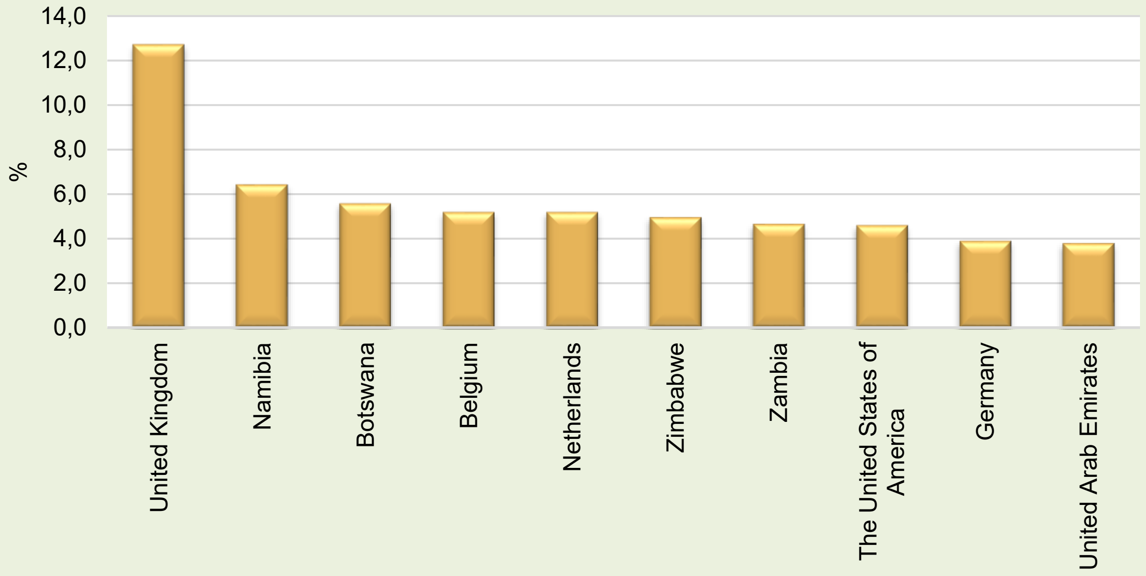
Table 3.3 below presents the major exported beverages products during 2025: Q2 and their percentage change. The leading South African beverages export was wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested (HS220421); waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption (HS220210) and wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested) (HS220429) with an export value of R2 114,35 million, R953,258 million and R623,263 million, respectively in 2025: Q2.

Table 3.3: Major exported beverages products in 2025: Q2 and their percentage change.

HS code	Product description	Export value R_million	Year-on-year % change
220421	Wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested	2 114,35	6,7
220210	Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption	953,25	37,8
220429	Wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested	623,26	0,5
220299	Non-alcoholic beverages (excl. water, fruit or vegetable juices, milk and beer)	599,72	14,0
220600	Cider, perry, mead, saké and other fermented beverages and mixtures of fermented beverages	560,80	-7,5
220710	Undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	463,88	-25,8
220300	Beer made from malt	376,14	-25,7
220870	Liqueurs and cordials	231,95	21,1
220720	Denatured ethyl alcohol and other spirits of any strength	191,18	-16,4
220410	Sparkling wine of fresh grapes	160,51	16,2

Source: Trade map (2025)

Figure 3.8: The share of top ten beverages export destination countries in 2025: Q2

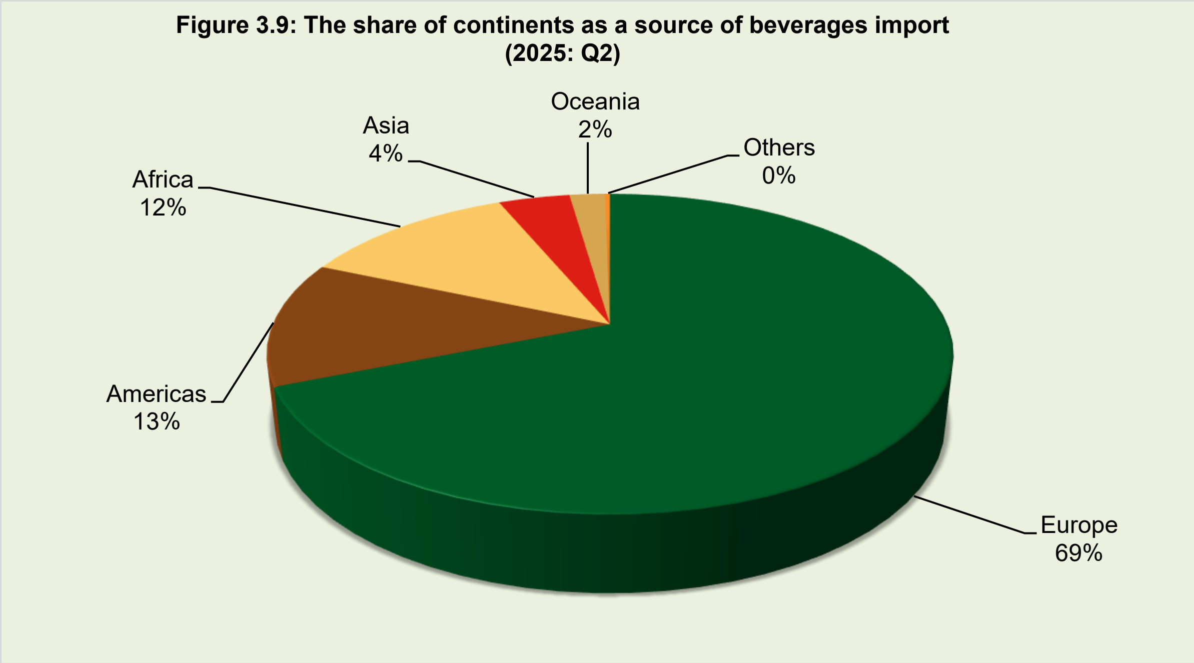


Source: Quantec (2025)

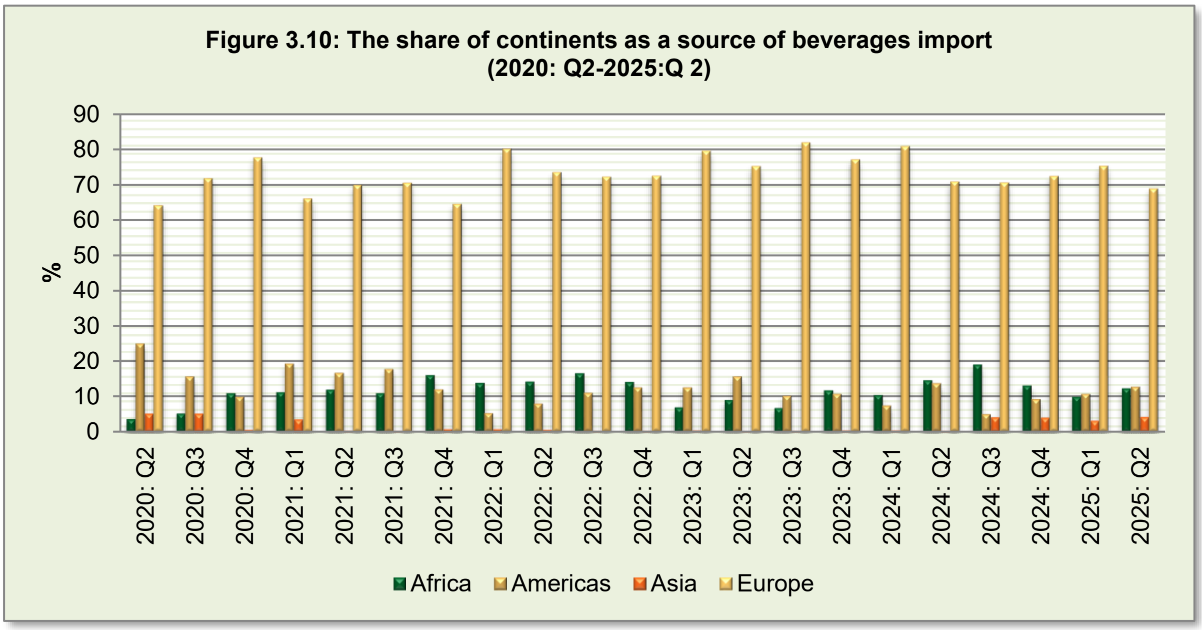
Figure 3.8 above shows the shares of the top ten beverages export destinations in 2025: Q2. The following are the main countries that accounted for a higher share of South Africa's beverages exports in 2025: Q2, the United Kingdom (12,7%), Namibia (6,4%), Botswana (5,6%), Belgium (5,2%), the Netherlands (5,2%), Zimbabwe (5,0%), Zambia (4,7%) the United States of America (4,6%), Germany (3,9%) and the United Arab Emirates (3,8%).

Main imported beverages products and their sources

Figure 3.9 illustrates the share of continents as a source of beverages imports in 2025: Q2. Europe accounted for approximately 69% share for sources of beverages imports, followed by Africa (13%) and the Americas (12%). Asia's share was 4% and Oceania's share was least at 2%. Figure 3.10 shows that, for the past five years, Europe has been a consistent source of South African beverages imports followed by Africa, the Americas, Asia and Oceania.



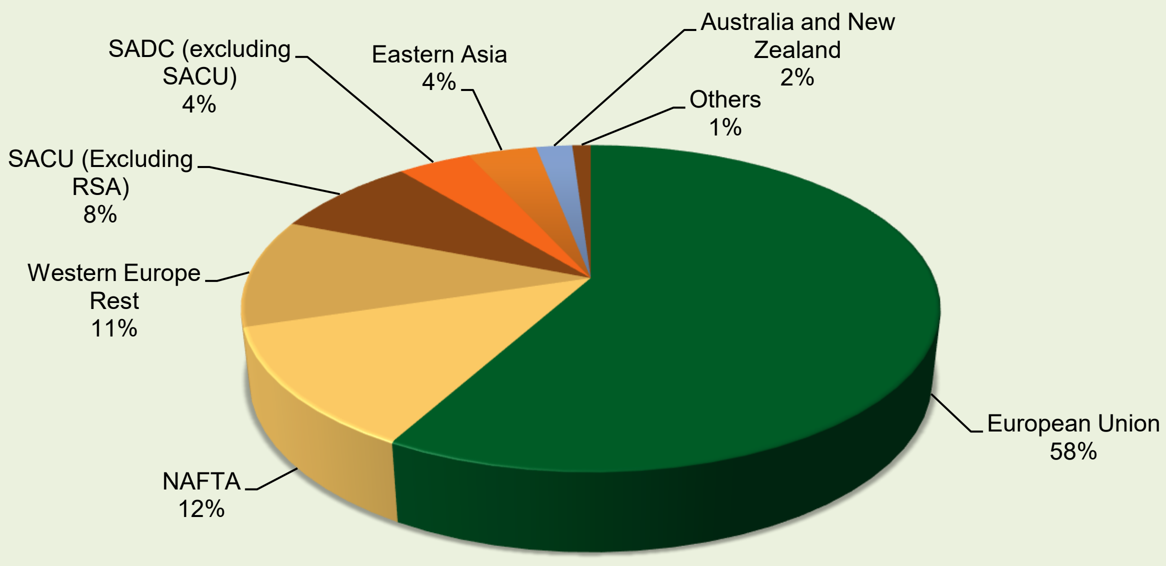
Source: Quantec (2025)



Source: Quantec (2025)

The European Union, as the leading source of South Africa's imports of beverages, accounted for about 58% share in 2025: Q2, followed by NAFTA (12%), Western Europe rest with a share of around 11%, then SACU (excl. RSA) (8%), SADC (excl. SACU) (4%), Eastern Asia (4%), and Australia and New Zealand (2%) as illustrated in Figure 3.11.

Figure 3.11: The share of regions as a source of beverages import by regions (2025:Q2)



Source: Quantec (2025)

Table 3.5 below presents major imported beverages products during 2025: Q2 and the year-on-year percentage change. In 2025: Q2, the major beverages imports in South Africa were: waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption (HS220210), whiskies (HS220830) and beer made from malt (HS220300) with a value R650,77 million, R641,33 million and R526,21 million, respectively.

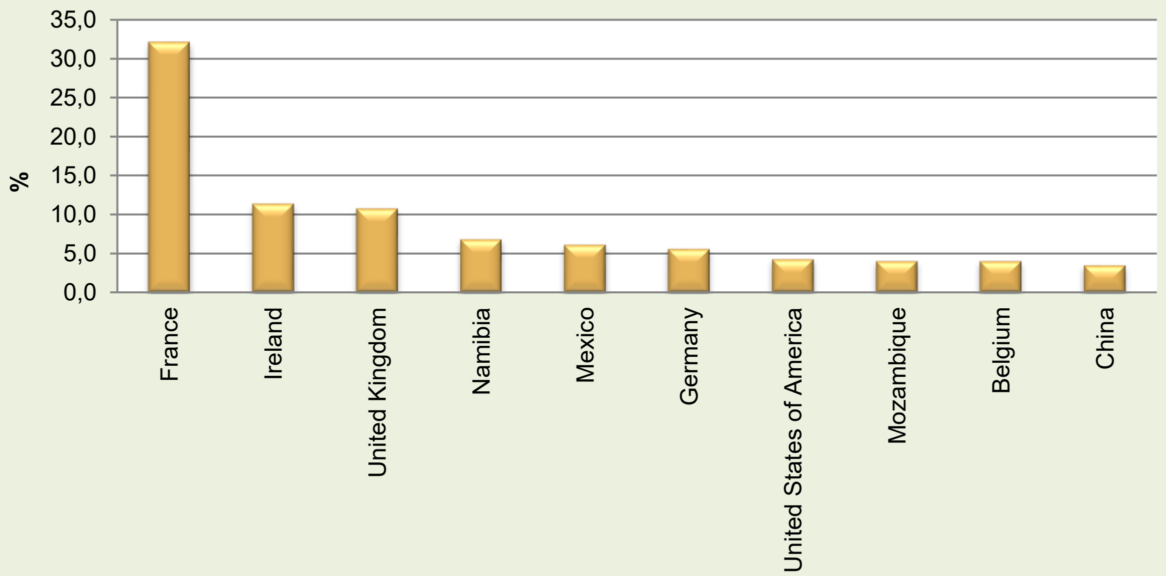
Table 3.5: Imported beverages in 2025: Q2 and percentage change.

HS code	Product description	Export value R_million	Year-on-year % change
220210	Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption	650,77	-7,7
220830	Whiskies	641,33	-11,4
220300	Beer made from malt	526,21	0,9

220820	Spirits obtained by distilling grape wine or grape marc	485,39	3,1
220410	Sparkling wine of fresh grapes	225,23	55,6
220600	Cider, perry, mead, saké and other fermented beverages and mixtures of fermented beverages	90,74	-15,5
220870	Liqueurs and cordials	62,06	-58,4
220890	Ethyl alcohol of an alcoholic strength of < 80% vol, not denatured; spirits and other spirituous	59,39	-34,7
220299	Non-alcoholic beverages (excl. water, fruit or vegetable juices, milk and beer)	57,72	50,3
220421	Wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has been arrested	52,88	9,8

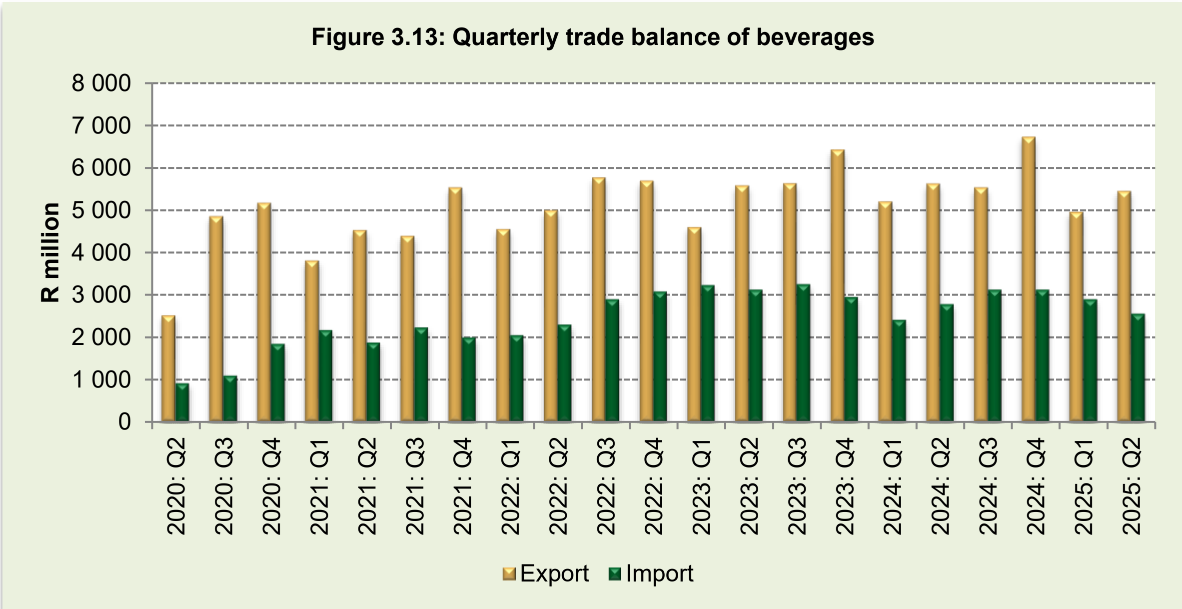
Source: Trade map (2025)

Figure 3.12: The share of top ten countries as a source of beverages import in 2025: Q2



Source: Quantec (2025)

Figure 3.12 above shows the share of the top ten countries as a source of beverages imports. In 2025: Q2, France (32,1%) accounted for the highest share of South Africa's beverages imports, followed by Ireland (11,4%), the United Kingdom (10,8%), Namibia (6,8%), Mexico (6,1%) Germany (5,6%), the United States of America (4,3%), Mozambique (4,1%), Belgium (4,0%) and China (3,5%).

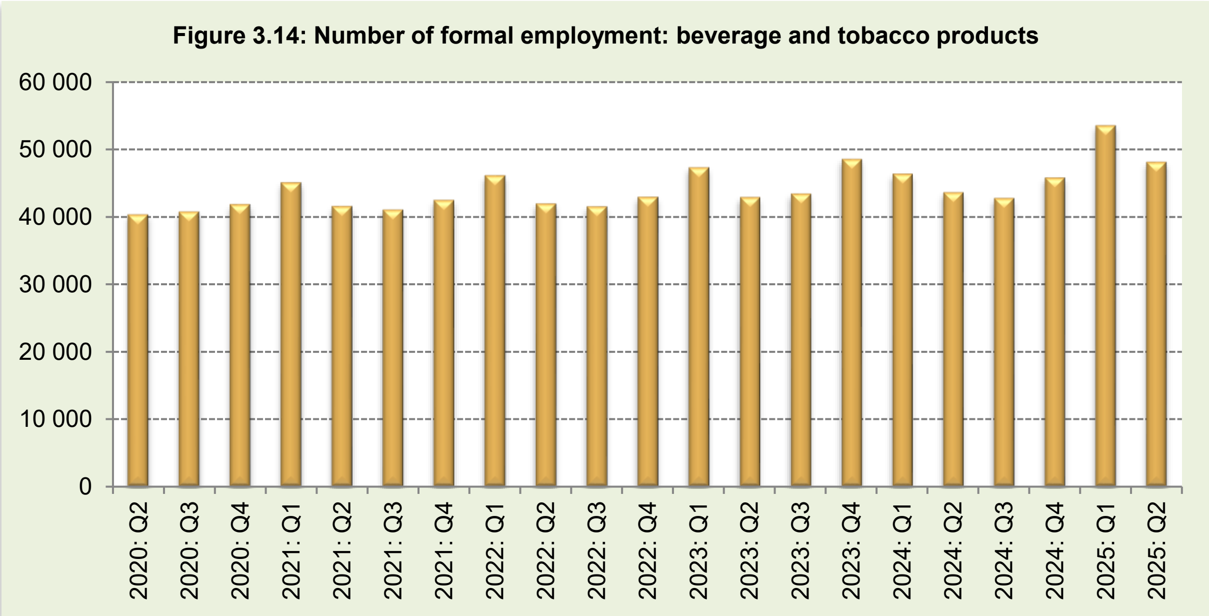


Source: Trade Map (2025)

In 2025: Q2, the quarter-to-quarter beverages exports rebounded by 10,0% following a contraction of about 26,3% in 2025: Q1. However, imports decelerated by 11,8% in 2025: Q2 as compared to a contraction of 7,1% in 2025: Q1.

In terms of year-on-year, exports receded further by 3,1%, however, imports contracted by 8,0% in 2025:Q2. As a result, the trade surplus of the beverages division increased from R2 059,0 million in 2025: Q1 to R2 894,0 million in 2025: Q2.

3.6 EMPLOYMENT



Source: Trade Map (2025)

Figure 3.14 shows formal employment in the beverages and tobacco products divisions. The quarter-to-quarter formal employment in the beverages division contracted by 10,1% in 2025: Q2 from a 16,8% growth in 2025: Q1. However, employment moderated by 10,3% year-on-year. Therefore, about 5 425 jobs were shed in the beverages and tobacco division in 2025: Q2.

4. CONCLUSION

South Africa's economic activity grew significantly in 2025: Q2 as growth in real gross domestic product (GDP) accelerated to 0,8% from 0,1% in 2025: Q1. The expansion was due to the increased output of the primary, secondary and tertiary sectors.

In 2025: Q2, the volume of production of the food and beverages division moderated quarter-to-quarter by 0,5% from a 0,6% growth in 2025: Q1. However, volume of production decelerated by 1,6% year-on-year. Seasonally adjusted value of sales, on the other hand, expanded by 3,4% in 2025: Q2 from a 0,2% growth in 2025: Q1.

In 2025: Q2, the quarter-to-quarter food and beverages exports rebounded by 10,4% from a contraction of 12,9% in 2025: Q1.

The formal employment in the food, beverages and tobacco division contracted quarter-to-quarter by 2,3% in 2025: Q2 from a growth of about 6,2% in 2025: Q1.

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NOTES: