TRADE & INDUSTRIAL POLICY STRATEGIES

Manufacturing subsectors

Other chemicals, rubber and plastics

December 2017

Industrial policy aims to promote diversification and tailor interventions to the needs of individual manufacturing industries. To support evidence-based policymaking, TIPS has completed a series of notes on the main manufacturing subsectors in South Africa. These briefing notes provide information on the contribution to the GDP, employment, profitability and assets, the market structure and dominant producers, major inputs and international trade. They bring together data from Statistics South Africa, Quantec and Who Owns Whom to provide a more detailed overview of each sector.

This note summarises key data and information on the other chemicals, rubber and plastics subsector as of December 2017. It will be updated as information becomes available.

Other chemicals refers to the chemicals industry excluding basic chemicals, petrochemicals and primary plastics. The other chemicals industry produces primarily pharmaceuticals, cosmetics, household chemicals of various kinds and paints.

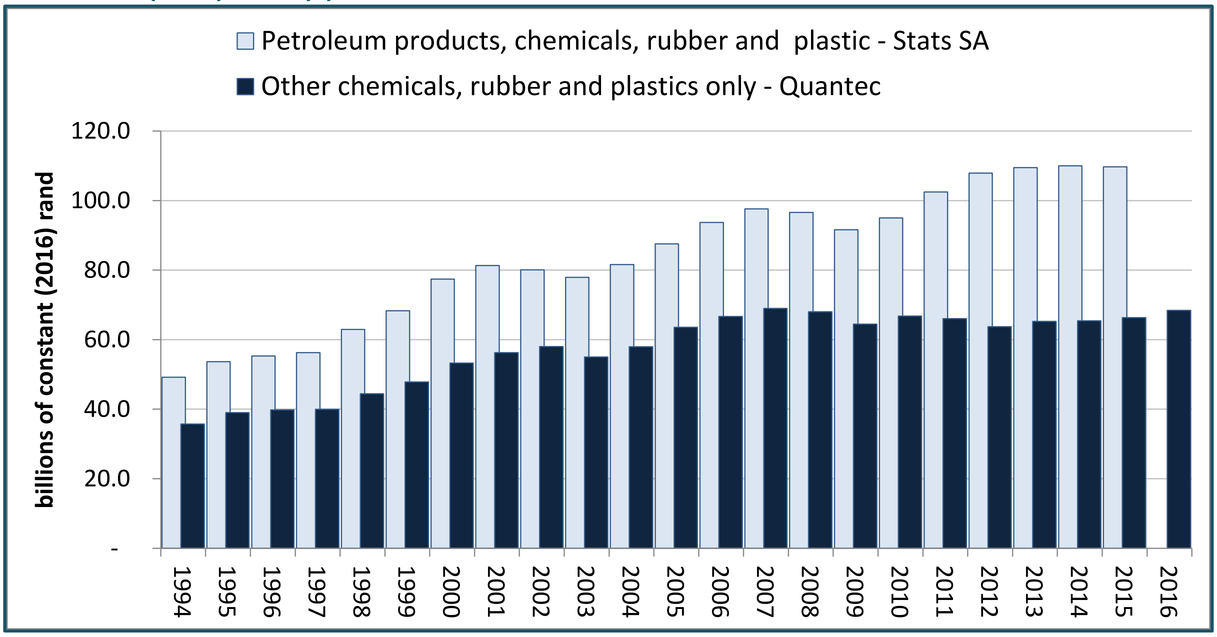
1 Contribution to GDP

Data for the contribution of manufacturing industries to the GDP (that is, for value add by industry) comes from two sources: the GDP data published by Statistics South Africa, and Quantec, which develops estimates based on the Statistics South Africa figures for sales, production and employment by industry and sub-industries. The figures are not identical, although they typically show the same trends. This note provides both.

Statistics South Africa provides data only for the entire chemicals industry, including basic chemicals and petroleum as well as other chemicals, rubber and plastics. Quantec estimates separate out other chemicals, rubber and plastics, but its annual figures for the entire chemicals industry diverge by between 1% and 2,5% from the Statistics South Africa data. According to Quantec, other chemicals comprised products such as explosives, pharmaceuticals, cosmetics, paint, pesticides and manmade fibres.

Other chemicals, rubber and plastics grew at 2% a year from 2000 to 2008, according to Quantec. The Statistics South Africa data do not provide separate figures for other chemicals, rubber and plastics, but they show a similar trend for petroleum products, chemicals, rubber and plastics, as Graph 1 shows.

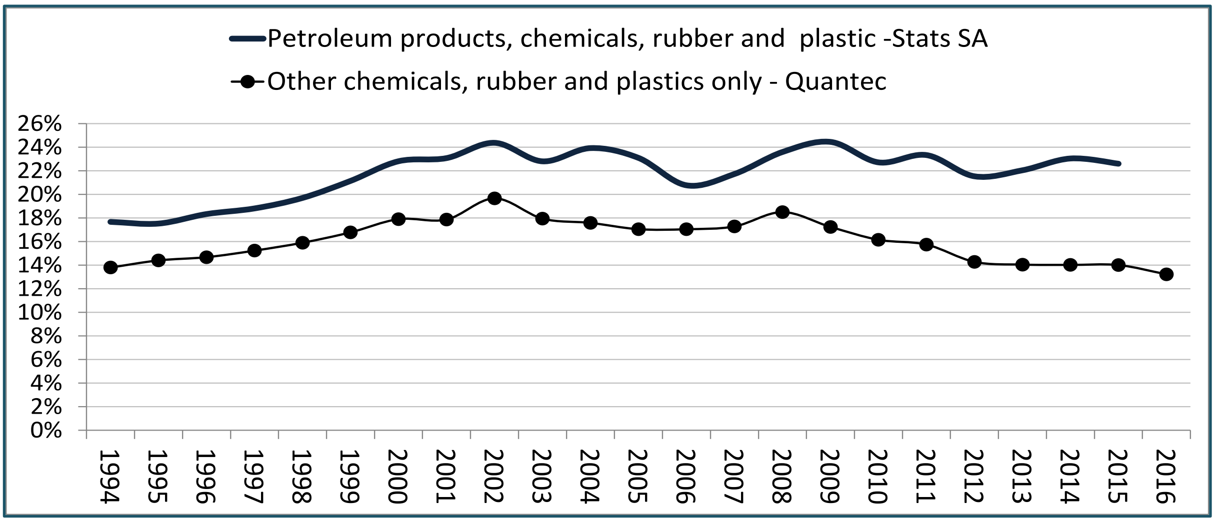
Graph 1. Value added in other chemicals, rubber and plastics processing, 1994 to 2016, in billions of constant (2016) rand. (a)



Note: (a) Deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2016. Source: Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Q4 2016. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from www.statssa.gov.za in September 2017; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from www.quanis1.easydata.co.za in September 2017.

The share of other chemicals, rubber and plastics dropped in 2008 and has not recovered since then. From 2008 to 2016, it declined from 18% to 13% of value added in manufacturing as a whole, according to Quantec data.

Graph 2. Other chemicals, rubber and plastics processing contribution to manufacturing value added



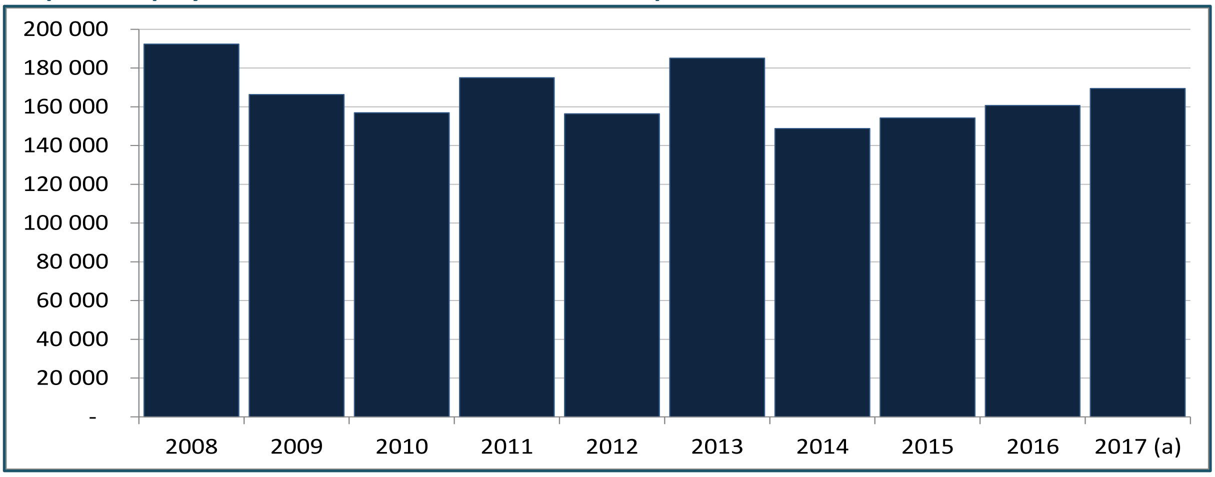
Source: Calculated from Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Q4 2016. Excel spreadsheet. Series on manufacturing subsectors in current rand. Downloaded from www.statssa.gov.za in September 2017; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current rand. Downloaded from www.quanis1.easydata.co.za in September 2017.

2 Employment

Employment data provided in this section draw on Statistics South Africa's Quarterly Labour Force Survey, which was introduced in 2008. Its annual figures, in the Labour Market Dynamics, are averages of the quarterly findings. This methodology is used to derive annual data for total employment by industry in 2016 and the year to the third quarter of 2017.

Other chemicals, rubber and plastics lost 35 000 jobs from 2008 to 2014, but then regained around 15 000.

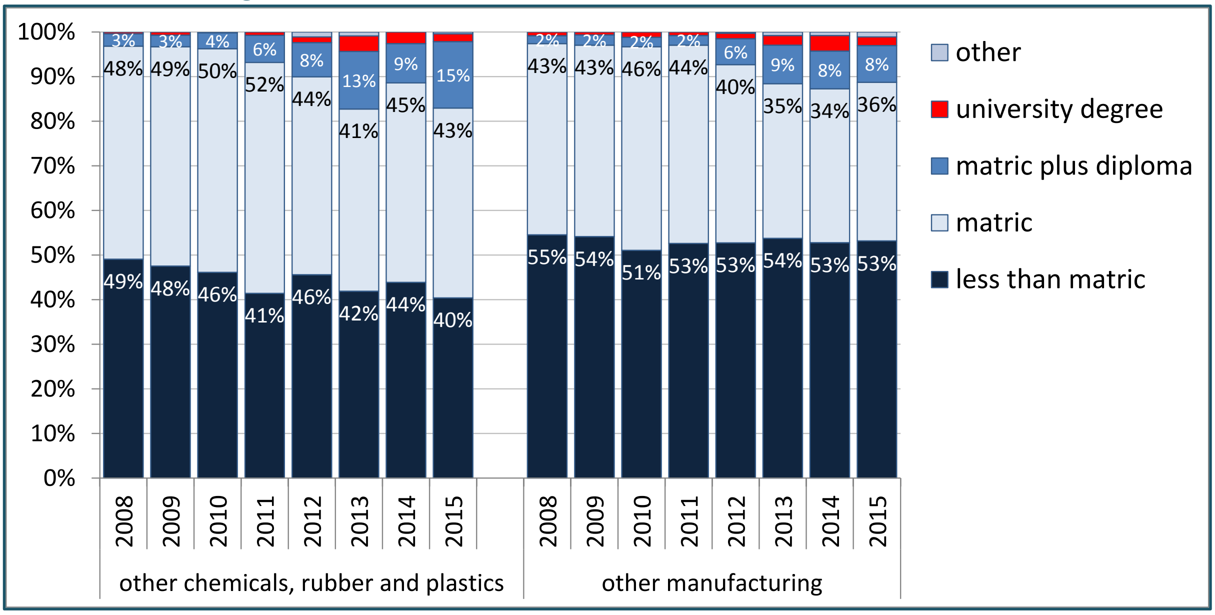
Graph 3. Employment in other chemicals, rubber and plastics



Note: (a) Calendar years except for 2017, which is the year to the third quarter. Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2015. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017; and Quarterly Labour orce Survey. Q1 2016 to Q3 2017. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in December 2017.

Education levels in other chemicals, rubber and plastics were higher than in the rest of manufacturing. In 2015, 15% of workers in the industry had a post-secondary diploma or degree, compared to 10% in the rest of manufacturing. Only 40% had less than matric, compared to 53% in the rest of manufacturing.

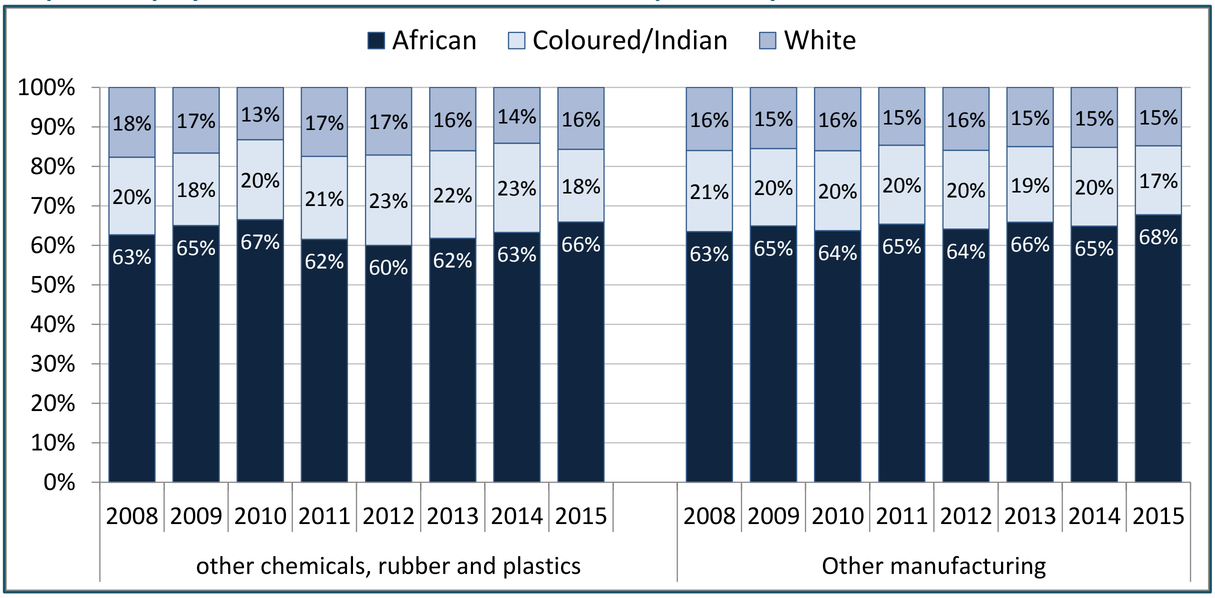
Graph 4. Employment by education level in other chemicals, rubber and plastics compared to other manufacturing



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and education. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

In terms of race, the labour force in other chemicals, rubber and plastics was virtually the same as in the rest of manufacturing – two thirds African, and the rest almost equally split between Coloureds and whites.

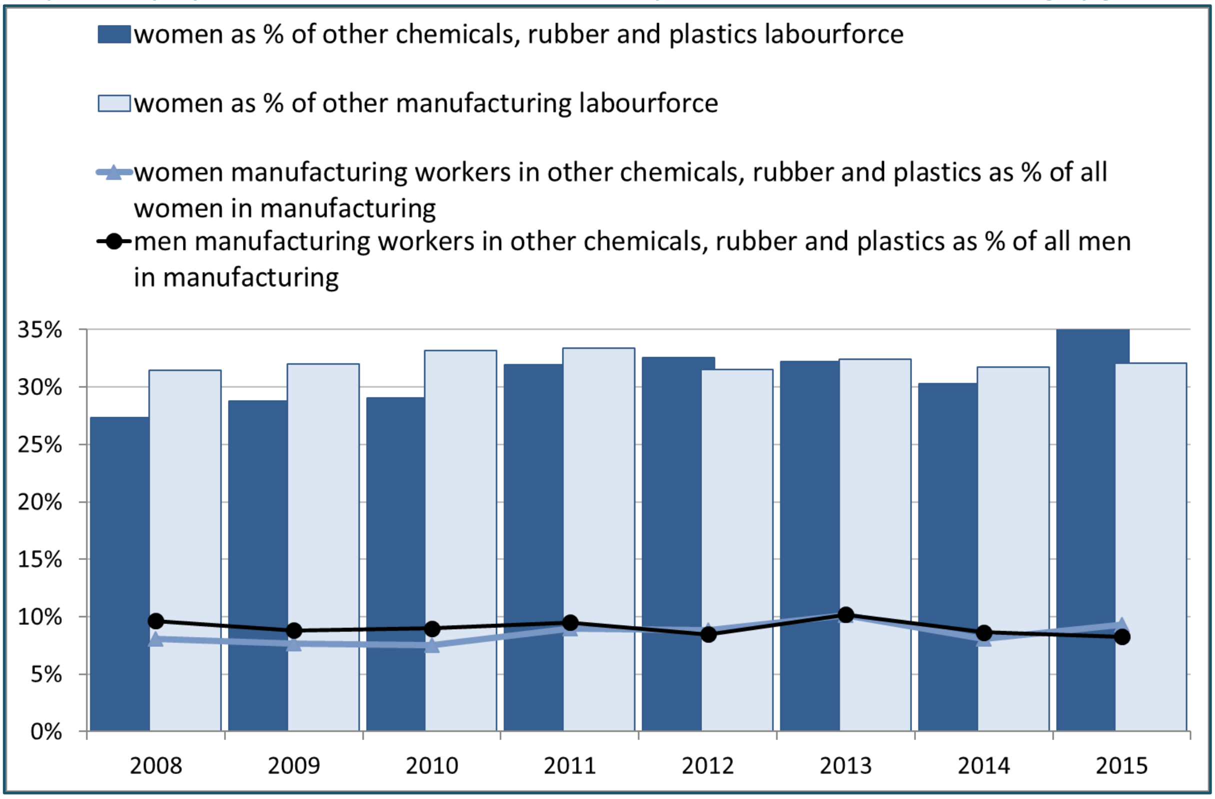
Graph 5. Employment in other chemicals, rubber and plastics by race



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and population group. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

Women made up around 30% of the labour force in other chemicals, rubber and plastics, around the same as in the rest of manufacturing. Around 10% of manufacturing workers of both genders were employed in the industry.

Graph 6. Employment in other chemicals, rubber and plastics and other manufacturing by gender



Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and gender. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

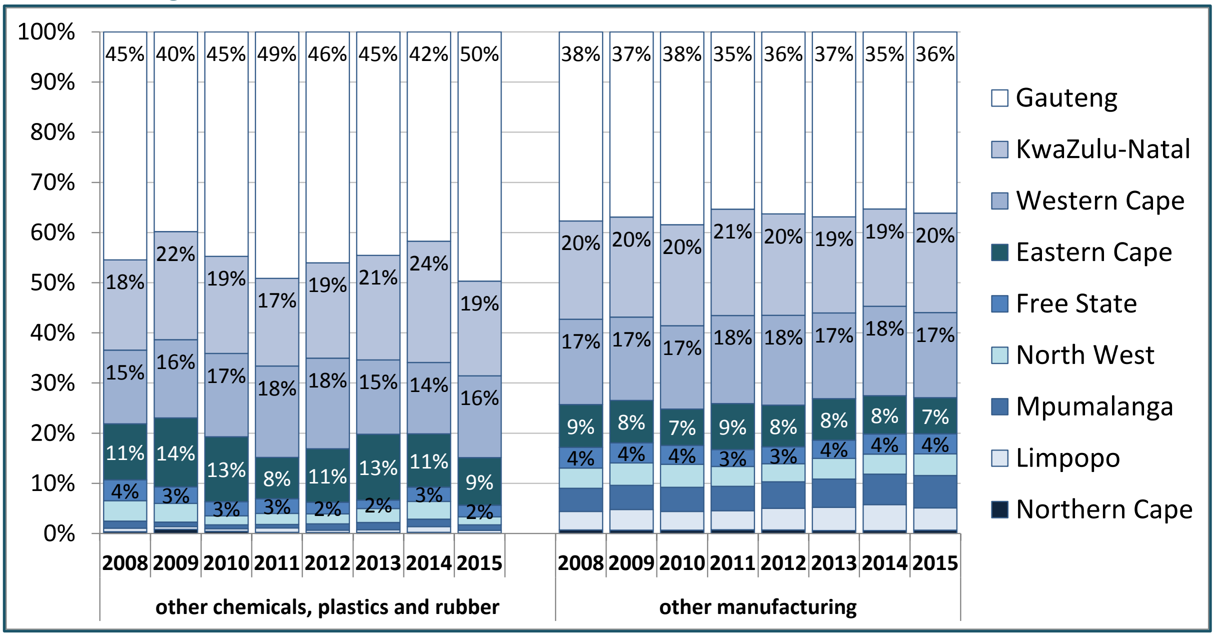
3 Location

Statistics South Africa provides information on employment by province. As the following graph shows, Gauteng was the largest employer in other chemicals, rubber and plastics, it accounted for about half the labour force in the industry, compared to a third in the rest of manufacturing.

The Eastern Cape also had a larger share of employment in the industry than in other manufacturing.

In contrast, the shares of the Western Cape and KwaZulu-Natal were more or less the same as in the rest of manufacturing, and in other provinces they were lower.

Graph 7. Employment by province in other chemicals, rubber and plastics compared to other manufacturing



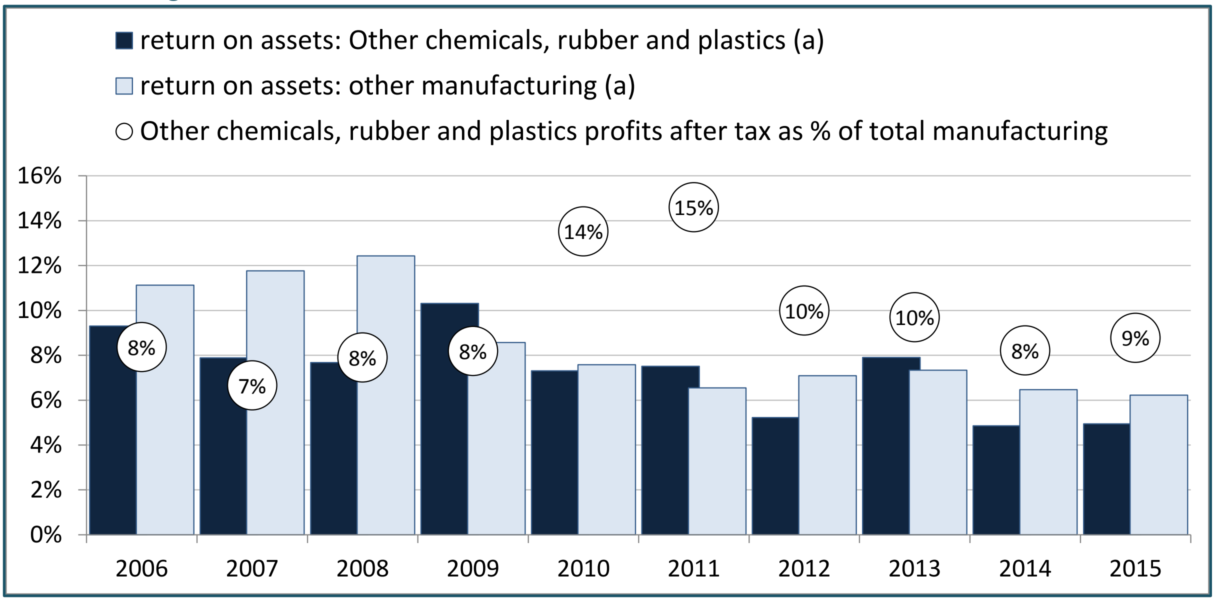
Source: Statistics South Africa. Labour Market Dynamics. Relevant years. Series on employment by industry and province. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in September 2017.

The location of manufacturing can also be understood in how it was embedded in apartheid geography. To this day, only a tenth of manufacturing employment is in the former so-called "homeland" regions, where around a quarter of the population lives. In the case of other chemicals, rubber and plastics, around 5% of total employment was in the former "homeland" regions from 2008 to 2015, about a half of that for manufacturing as a whole.

4 Profitability and assets

Generally, the other chemicals, plastics and rubber industry had a somewhat lower return on capital than the rest of manufacturing. In 2015 and 2016, its profitability was around 5%, compared to over 6% in the rest of manufacturing. From 2012 to 2016, it contributed just under a tenth of total profits in manufacturing.

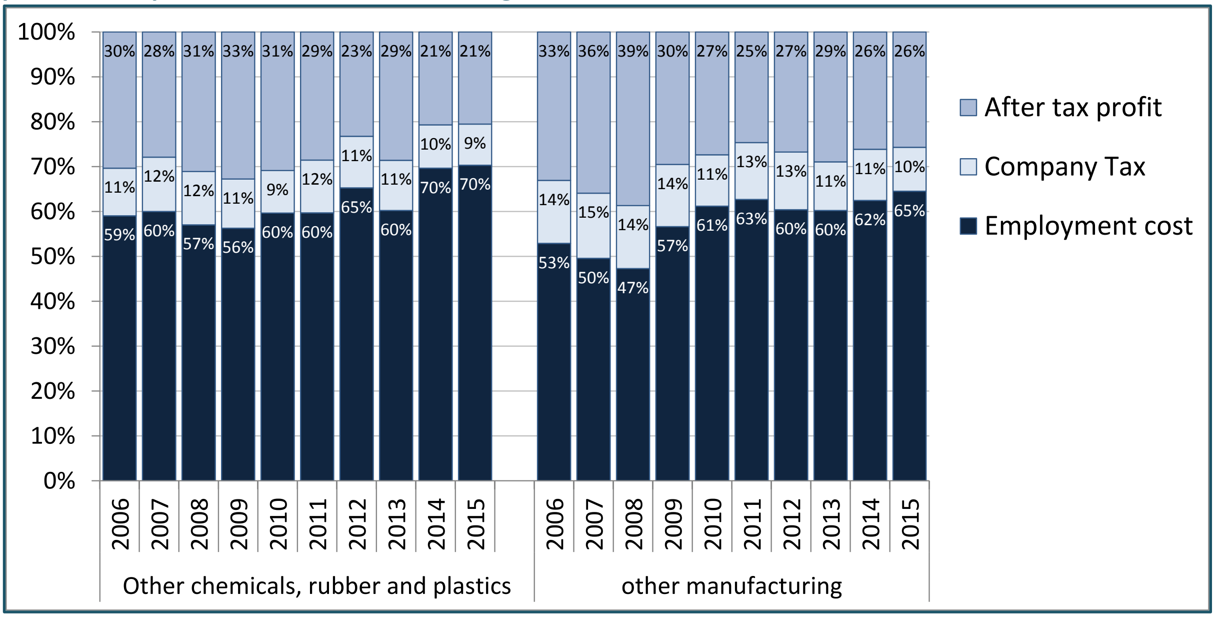
Graph 8. Return on assets (a) in other chemicals, rubber and plastics and other manufacturing, and after-tax profits in other chemicals, rubber and plastics as percentage of after-tax profits in manufacturing as a whole



Note: (a) Profits before taxes and dividends less company tax as percentage of total assets. Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

Between 2008 and 2015, the division of value added between profits, company tax and employment was more or less the same in other chemicals, rubber and plastics as in the rest of manufacturing.

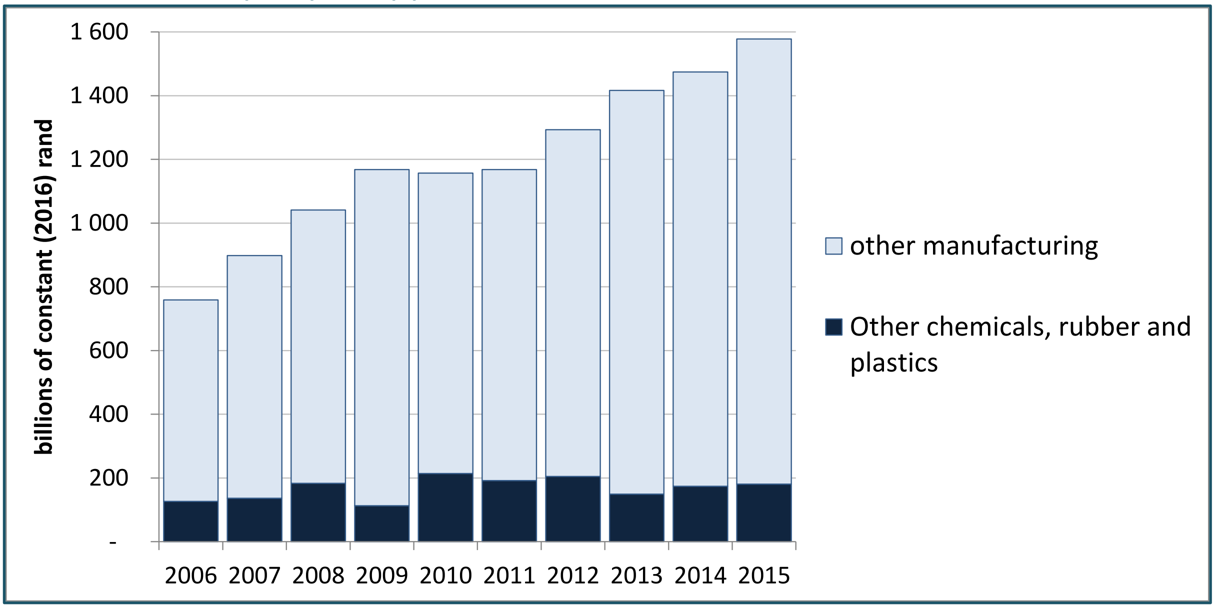
Graph 9. Share of remuneration, profits and taxation in income from other chemicals, rubber and plastics compared to other manufacturing



Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

The value of other chemicals, rubber and plastics-processing assets dropped by 2% from 2008 to 2015, while the assets in the rest of manufacturing rose 63%. As a result, the share of other chemicals, rubber and plastics total manufacturing assets fell from 18% to 11% over this period.

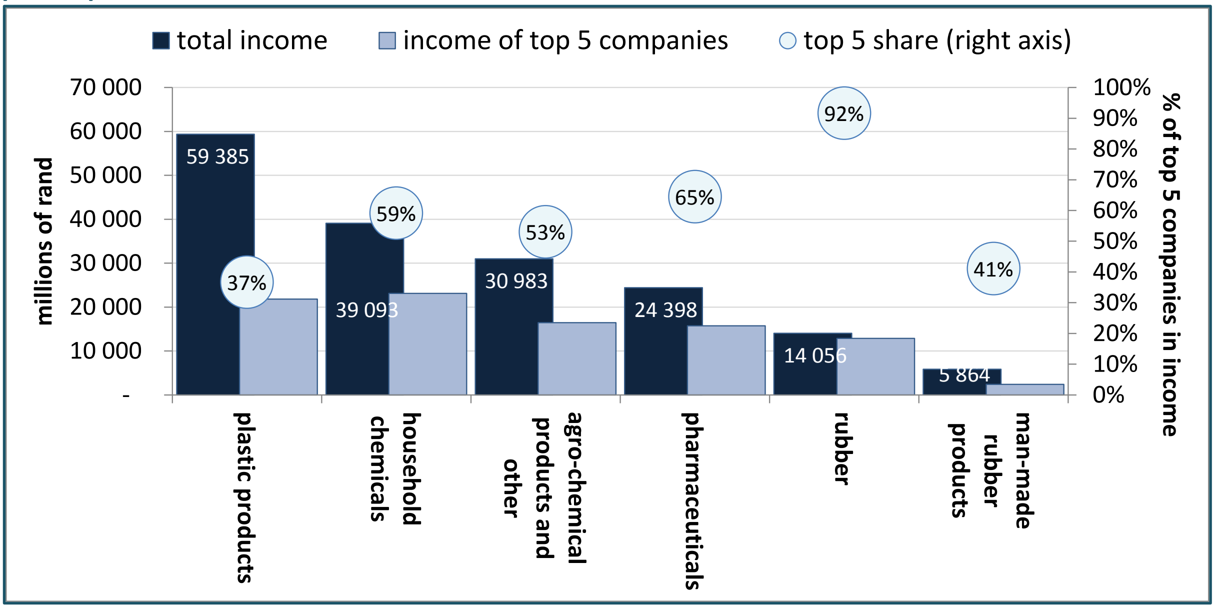
Graph 10. Value of total assets in other chemicals, rubber and plastics and other manufacturing in billions of constant (2016) rand (a)



Notes: (a) Deflated with CPI. Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in September 2017.

According to Statistics South Africa's Manufacturing Financial Statistics for 2014, in plastics the top five companies controlled 37% of income in the subsector, while in household chemicals and pharmaceuticals, the figure was around 60%. Concentration in plastics was thus more or less in the middle range for manufacturing industries, while it was high for household chemicals and pharmaceuticals.

Graph 11. Share of top five companies in income by subsector in other chemicals, rubber and plastic products, 2014



Calculated from Statistics South Africa. 2016. Manufacturing Industry: Financial, 2014. Pretoria. Table 9, p 33, ff.

In 2015, the Labour Market Dynamics Survey found around 3 500 formal enterprises (that is, employers and self-employed) in the formal other chemicals, rubber and plastics industry, compared to a total of around 60 000 in manufacturing as a whole, and 671 000 for the entire economy. The figure was too small for meaningful analysis.

The largest companies in other chemicals, rubber and plastics are described in Table 1 below. While the industry as a whole had a number of medium-sized formal enterprises, most of them are foreign owned. The dominant local companies are Sasol, AECI, KAP and Omnia. As of 2017, KAP was 42% owned by Steinhoff.

A number of companies that produce downstream chemicals emerged out of construction, automotives, food processing or metals, but also began to produce inputs for these industries. The table excludes food processing industries, because most do not produce chemicals on a large scale or separately from their core production of food products. In contrast, the companies that produce inputs for mining and construction appear more likely to operate independently although they are effectively contracted to much larger firms.

The cosmetics, pharmaceuticals and household chemicals subsectors were characterised by a relatively large number of small producers as well as the dominant brands. In cosmetics, household chemicals and pharmaceuticals, production was often carried out by contract producers for brand-name companies. In this context, the retail chains had substantial power compared to manufacturers. The big food retail chains played a central role, as well as two major pharmaceutical chains, which are included in the table below.

Table 1. Market structure for major other chemicals, rubber and plastics products

Name	Employment	Nature of business
Dominant manufacturing companies		
Sasol	26 000 in SA	In addition to producing petrochemicals, basic chemicals and primary plastic, manufactures waxes, fertilisers, explosives, and crude tar acids.
AECI	6 630 (Group)	Subsidiaries manufacture commercial explosives, fertilisers and specialty chemicals for mining and manufacturing. Operates in Africa, South East Asia, the US and Australia.
KAP	18 995 (Group)	As part of its automotive focus, subsidiaries manufacture and import window and paint protection film, foam products and fibreglass canopies for cars; subsidiaries also produce PET resin for bottles; formaldehyde gas for the timber panel industry; and flexible polyurethane foam, expanded polyethylene and fibre products.
Omnia	3 500 in SA; 968 in chemicals	Through subsidiaries, manufactures, imports and distributes fertilisers; explosives; polymers and other chemicals. Operates in 18 countries across Africa as well as Australasia, Brazil, China and Indonesia.
Explosives		
Denel	5 114 (group)	Among others, produces explosives and ammunition. State owned.
Zimco Group	1 475	Core business in aluminium alloys but also manufactures powders for pyrotechnics, munitions, water-gel and bulk explosives; recycles plastic battery cases; and produces plastic plumbing products and packaging as well as specialty chemicals.
Rheinmetall Denel	1 200	Designs, develops and manufactures ammunition and related components for the South African National Defence Force and for export. Joint venture with Denel.
Lion Match	900	Manufactures and distributes safety matches, lighters, shoe polish and shaving products for local and regional markets.
Sasol Dyno Nobel	535	Manufactures and supplies industrial explosives and blasting products for mining and construction. Has one factory. Joint venture between Sasol and an Australian company.

Name	Employment	Nature of business
Minova Africa	350	Manufactures chemicals and explosives used to bond steel and anchor bolts in mines. Has two factories.
Maxam Dantex SA	249	Manufactures and distributes explosives for mining, as well as mono methyl amine nitrate and hexamine nitrate for production of water-gels and bulk products.
Fertilisers and agricultural chemicals		
Africom	2500 (Group)	As Triomf, manufactures fertiliser.
Profert	387	Imports, blends and distributes fertiliser with exports throughout Southern Africa.
PBD Holdings	300 (Group)	Manufactures fertilisers as well as non-metallic minerals, including limestone.
Arysta	271	Manufactures, distributes and imports crop protection products for SA and export to Brazil. Has one manufacturing plant.
Monsanto	262	Imports and manufactures agricultural chemicals.
Syngenta SA	165	Manufactures agricultural chemicals. Has one manufacturing plant.
Efekto Care	135	Manufactures, packages and wholesales garden products, organic and chemical fertilisers and accessories.
Culterra	105	Manufactures organic composts, potting mixtures and lawn dressings.
Miscellaneous industrial chemicals		
Weir Minerals Africa	990	Designs and manufactures engineered products for mining and power, including wear-resistant linings, screens, high pressure grinding rolls and rubber products. Has two manufacturing facilities.
Shell Downstream	500	Manufactures and distributes petrochemical products but also industrial chemicals, including detergents and lacquer thinners.
Senmin Internat'l	450	Manufactures chemicals for mining as well as fuel additives, water treatment and agricultural chemicals.
FFS Refiners	400	Refines waste oil into furnace oils for bakeries, hospitals, glass works and other industries. Has six process plants.
Chem Systems	217	Develops, manufactures and supplies resins and foundry related chemical products; formaldehyde for fishing, mining, adhesive, animal feed and coating industries
Insimbi Refractory and Alloy	181	As part of its core business of support for foundries and refineries, manufactures polypropylene fibres and supplies interior and exterior powders. A subsidiary manufactures plastic containers for the chemical, agriculture and food industries.
Paints, coatings and adhesives		
Mpact	4 998 (Group)	A subsidiary manufactures rigid plastic packaging, polyethylene terephthalate pre-forms, styrene products and jumbo plastic bins.
Kansai Plascon	2 229 (Group)	Subsidiaries manufacture decorative and performance coatings including for the automotive and other industries in SA and the region. Has four factories in SA.
Saint-Gobain	1 800	Manufactures building products, including foam insulation products, wall, floor and pool finishes, performance-engineered abrasives and tile adhesives and grouts.
U C L	1 100	As a by-product of sugar and timber, produces among others adhesives and resins.
Norcros (SA)	1 036	Subsidiaries manufacture ceramic tiles and tile adhesives for Tile Africa and other retailers in South Africa and other African countries. Has three factories.
Main Street 1310	801	In addition to core paper business, produces plastic bags and aluminium foil for major retail chains.
Medal Paints	600	Manufactures industrial and domestic paints
Promac Paints	400	Manufactures industrial and decorative paints under its own and retail-chain brands. Has two factories and a licenced manufacturer in Namibia.

Name	Employment	Nature of business
Permoseal	355	Manufactures and distributes adhesives, sealants and coatings for woodworking, paper packaging, construction, auto, footwear and clothing industries.
Huhtamaki	350	Manufactures plastic and paper containers and packaging for catering, retail, fruit and egg industries, and plastic garden products. Has two manufacturing plants.
ICI Dulux	334	Manufactures and distributes decorative, industrial and marine paints and in-situ corrosion protective pipe linings. Has one factory.
Ferro SA	293	Manufactures and supplies powder finishing materials.
Prominent Paints	293	Manufactures and distributes decorative and industrial paints, water coatings and finishes. Has one factory.
Henkel SA	284	Manufactures and distributes adhesives, sealants and functional coatings for crafts and construction. Also manufactures household cleaners and cosmetics.
Duram	230	Manufactures protective coating and waterproofing materials for companies and retail. Exports approximately 15% to Namibia and Botswana.
a.b.e. Construction	228	Imports, manufactures, distributes and exports specialist products including sealants and grouts for construction and road building. Has two production facilities.
Sun Chemical	225	Manufactures and imports printing inks and other consumables to the printing and graphic arts industry.
StonCor Africa	207	Manufactures heavy-duty coatings and waterproofing compounds as well as fibreglass products for construction and mining companies in SA and internationally.
Pekay Group	200	Manufactures glues, paints, sealants, adhesives and waterproofing components for the building, flooring, construction and printing industries.
Sika SA	159	Manufactures construction and automotive chemicals, including concrete additives, sealants and wall and floor products, as well as acrylic coatings. Has two factories.
Axalta Plascon	105	Manufactures paint for the auto industry.
Household chemicals and cosmetics		
Clicks	14 000	Retails health, beauty and lifestyle products across Southern Africa.
Dis-Chem	13 500	Retails pharmaceutical, health, and beauty products and services.
Tiger Brands	4 700	In addition to food processing, manufactures and distributes homecare, personal care and baby products
Amka Products	1500	Manufactures and distributes branded hair care, personal care and home care for SA and other African countries. Has one production site.
CAVI Brands	1 000 (estimate)	Subsidiaries manufacture and distribute health, beauty and wellness brands in SA and other African countries.
Avon Justine	577	Imports, packages, manufactures and markets beauty and related products.
Johnson & Johnson	500	Manufactures and distributes over-the-counter healthcare and cosmetic products. Has two production sites.
Reckitt Benckiser	500	Manufactures, markets and distributes household cleaning products, over the counter medicines and care products.
Indigo Brands	450	Creates, manufactures and distributes cosmetics and toiletry products including for international brands.
Ecolab	450	Develops and markets cleaning, sanitising and food safety products for SA and for export.
Prime Product	305	Manufactures and packages cosmetics, toiletries and personal care products on contract.
Accentuate	295	Manufactures, distributes and installs flooring and manufactures and supplies chemical and infrastructural maintenance solutions for SA and export. Has two factories.

Name	Employment	Nature of business
SC Johnson & Son	295	Manufactures, imports and markets pest control, air care, home cleaning, home storage, shoe care and auto care products.
Shield Chemicals	268	Manufactures car care chemical products, hand cleaners and industrial detergents.
Le-Sel Research	245	Contract manufacturing and packaging of general cosmetics and household cleaning products for major brands.
Beige Holdings	243	Manufactures, packages, and distributes household cleaning, personal care, homeopathic and pharmaceutical products on contract for local and international markets.
Revlon SA	230	Manufactures toiletries and cosmetics for pharmacies and retail chains.
Imbalie Beauty	182 (estimate)	Franchises, manufactures and retails cosmetic products.
Pharmaceuticals		
Aspen Pharmacare	10 500 (3 900 in SA)	Manufactures, imports and distributes pharmaceutical products. A subsidiary manufactures Active Pharmaceutical Ingredients in SA. Has four manufacturing facilities in SA and 22 others across six continents.
Adcock Ingram	2 438 (Group)	Imports, exports, manufactures and researches healthcare and pharmaceutical products locally and across Africa. Has three factories in SA and one in India.
Ascendis Health	1 928 (Group)	Manufactures branded medicines and supplements for sale in SA and internationally. Has three factories in SA and three in Europe.
SA Nuclear Energy Corp.	1839 (Group)	Manufactures, researches and markets chemical, radiological, fluorochemical and medical products as well as engineering inputs for power plants. Exports to 60 countries on five continents. State-owned.
Quintiles Clindepharm	750	Contract research organisation for pharmaceutical companies and provides project management for clinical trials.
Cipla Medpro	639	Manufactures, distributes and packages tablets and other pharmaceutical and nutraceutical products. Has one factory.
Fresenius Kabi Mfg	580	Manufactures and imports pharmaceutical products.
Sanofi-Aventis SA	500	Imports, manufactures and packages pharmaceutical products. Has one factory.
Hersol Mfg Labs	420	Manufactures chemicals, health foods, cosmetics and nutraceutical products on contract. Also manufactures water-treatment products.
Ranbaxy	400	Imports and manufactures pharmaceutical products.
Sandoz SA	360	Imports, manufactures, markets and retails generic medicines. Owned by Novartis.
Vital Health	290	Manufactures nutritional supplements, exporting around 20% of its products worldwide. Has one factory.
GlaxoSmithKline	260 (estimate)	Manufactures, imports, exports and distributes pharmaceuticals and medicines as well as health care products.
National Bioproducts	259	Manufactures biological products from human plasma. Has one manufacturing plant. Non-profit.
Columbia Pharma	250	Manufactures pharmaceutical products such as vitamins and antibiotics on contract for pharmaceutical companies.
Specpharm	210 (estimate)	Manufactures and imports pharmaceutical products on licence for various companies.
Litha Healthcare	205	In addition to importing pharmaceutical products, manufactures forensic kits for medical and forensic evidence collection, exporting and supplying the South African Police Service.
Onderstepoort Biological	193	Manufactures vaccines for animals. State-owned.
Nkunzi Pharma	150	Manufactures pharmaceutical products on contract. Has one factory.

Name	Employment	Nature of business
Plastic products		
Nampak	6 678 (4 185 in SA)	As part of its packaging business, manufactures plastic containers and related products for sale in SA and across the region.
Caxton and CTP	6 310	In addition to core business as publisher and printers, manufactures specialised plastic extrusion and flexible packaging for food, beverages, confectionery and industrial uses as well as retail.
Astrapak	4 000	Subsidiaries manufacture plastic packaging products.
Polyoak Packaging	2 000	Manufactures and supplies rigid plastic packaging for dairy, beverage, foods and other industries. Has a total of 18 manufacturing plants.
Transpaco	1 254	Subsidiaries manufacture, distribute and recycle plastic, paper and board products for SA and the region. Has seven plastic manufacturing facilities.
Boxmore Plastics	929	Designs, manufactures, distributes and sells plastic containers, plastic bottles, pre-forms and closures for fast-moving consumer goods and pharmaceutical industries.
Bowler Plastics	800 (estimate)	Manufactures rigid plastic packaging for toiletries, cosmetics, household goods, pharmaceuticals and food. Has three manufacturing plants.
Usabco Industries	777	Manufactures household goods such as pedal bins and plastic garden pots.
Marley Pipe Systems	732	Manufactures and distributes plumbing products, and high-density polyethylene (HDPE) pipes and PVC pipes and fittings for retailers and contractors as well as the mining and civil engineering in SA, Botswana and Namibia.
Winhold	719	Subsidiaries manufacture and distribute polyethylene and polypropylene products for agriculture, manufacturing, construction and households.
Pailpac	600	Manufactures plastic pails, buckets and containers for retail and industry.
REHAU Polymer	550	Designs, manufactures and markets polymer products including bumpers and door seals, supplying original equipment manufacturers (OEMs), among others. Has two production sites.
Gundle Plastics	525	Manufactures polyethylene bags, industrial sheeting and flexible plastic packaging for agriculture, chemical, construction, manufacturing and households.
Apex Cordset	520	Manufactures electrical and computer cables, moulded plugs, sockets and wire harnessing for local and overseas markets.
Bowler Metcalf	510	Subsidiaries manufacture plastics and plastic mouldings.
Tupperware	500	Manufactures and distributes plastic household utensils and toys.
AAT Composites	450	Manufactures and exports aircraft seat backs and composites, using carbon impregnated fibre.
I T B Mfg	440	Manufactures flexible plastic packaging including bags, food packaging, heavy duty sacks and carrier bags on contract for retail and industrial customers.
Fibre-Wound SA	425	Manufactures filament wound, glass fibre reinforced plastic pipes, fittings and tanks for mining and petrochemicals.
Boxmore Speciality Plastics	400	Manufactures plastic bottles and caps for food and beverage, cosmetic, pharmaceuticals and home care industries.
Ciba Packaging	400	Manufactures cling wrap, polystyrene packaging, vacuum bags, polony sausage casings and other specialised flexible food packaging.
Ledaine Trading	380	Manufactures curtain suspension products and window blinds for DIY and client specifications, in part for a major retail chain.
DPI Plastics	370	Manufactures PVC and HDPE water reticulation and drainage pipe and fitting systems, supplying construction, mining and agriculture.
Everest Flexibles	350	Manufactures flexible packaging materials including plastic bags, laminated materials, printed sheeting and printed plastic bags.
Rocbolt	372	Manufactures plastic and steel products including resins for mining.

Name	Employment	Nature of business
MacNeil Plastics	330	Manufactures and moulds plastic irrigation and rainwater pipes and fittings, including gutters. Has one plant.
MCG Industries	330	Manufactures plastic products such as crates and chairs by injection moulding, and tailor-made films and packaging for food and agriculture in SA and Namibia.
Sealed Air Africa	304	Manufactures packaging products for food as well as protective packaging and cleaning products for food service, accommodation, retail and healthcare.
Tropic Plastic	300	Manufactures low density polyethylene printed and plain packaging materials.
Ampa Plastics	270 (estimate)	Manufactures and imports specialised plastics for mining, farming, printing and the auto industry, as well as roof sheeting and low-density polyethylene (LDPE) plastic sheeting and bags.
Principle Plastics	250	Manufactures injection moulded components to OEMs in the auto and other industries.
Q-Pet	250	Manufactures plastic bottles primarily for the food industry.
NCS Resins	247	Manufactures and distributes unsaturated polyester resins and allied products for the Southern African and international markets.
Hellermann-Tyton	247	Manufactures accessories for cables, such as cable markers and connectors, for major electrical wholesalers as well as Eskom.
Master-batch SA	210	Manufactures colourants and performance enhancing additives for the plastic industry.
Bantex SA	197	Manufactures injected moulded stationery requirements as well as importing other stationery products for the SA and regional market.
Novara Profile Extrusions	164	Manufactures plastic sheeting and industrial bags for construction and agriculture.
Premier Plastics	107	Manufactures plastic carrier and refuse bags for retail chains.
Gradco SA	102	Manufactures, installs and maintains plastic pipes as covering or insulation in mining.
Tyres		
Continental	1 700	Imports, manufactures, distributes and exports tyres.
Sumitomo Rubber SA	1 500	Manufactures and distributes tyres under licence for SA and other African countries. Has one factory.
Bridgestone	1 500	Manufactures retread tyres. Has eight retread facilities.
Trentyre	1 500	Manufactures, imports and retails new and retreaded tyres. Has 14 retread centres.
Goodyear	1 300	Manufactures tyres and engineered rubber products. Has one factory.
Auto and Truck Tyres	600	Imports new tyres from China and retreads old ones, as well as distributing local and imported tyres. Has one factory.
Other rubber products		
Argent Steel Group	2 774 (Group)	A subsidiary, Allan Maskew, designs and manufactures specialised industrial rubber mouldings.
Dunlop Industrial	400	Manufactures and distributes conveyor belting, hydraulic and industrial hoses, automotive rubber products and rubber mouldings. Has two factories.
Karbochem	400	Manufactures synthetic rubber for tyres as well as industrial rubber converters and sports goods. A subsidiary produces styrene-butadiene (SB) latex. Has two production sites.
Contitech Services	300	Installs and repairs conveyor belts.
Leader Rubber	240	Manufactures inputs and accessories for retreading as well as rubber compounds, mainly for dealers, truck and bus industries. Has two factories.
Contitech Africa	190	Manufactures industrial and hydraulic hose and fittings, conveyor belts, power transmission, rubber track and original equipment parts. Has one factory.

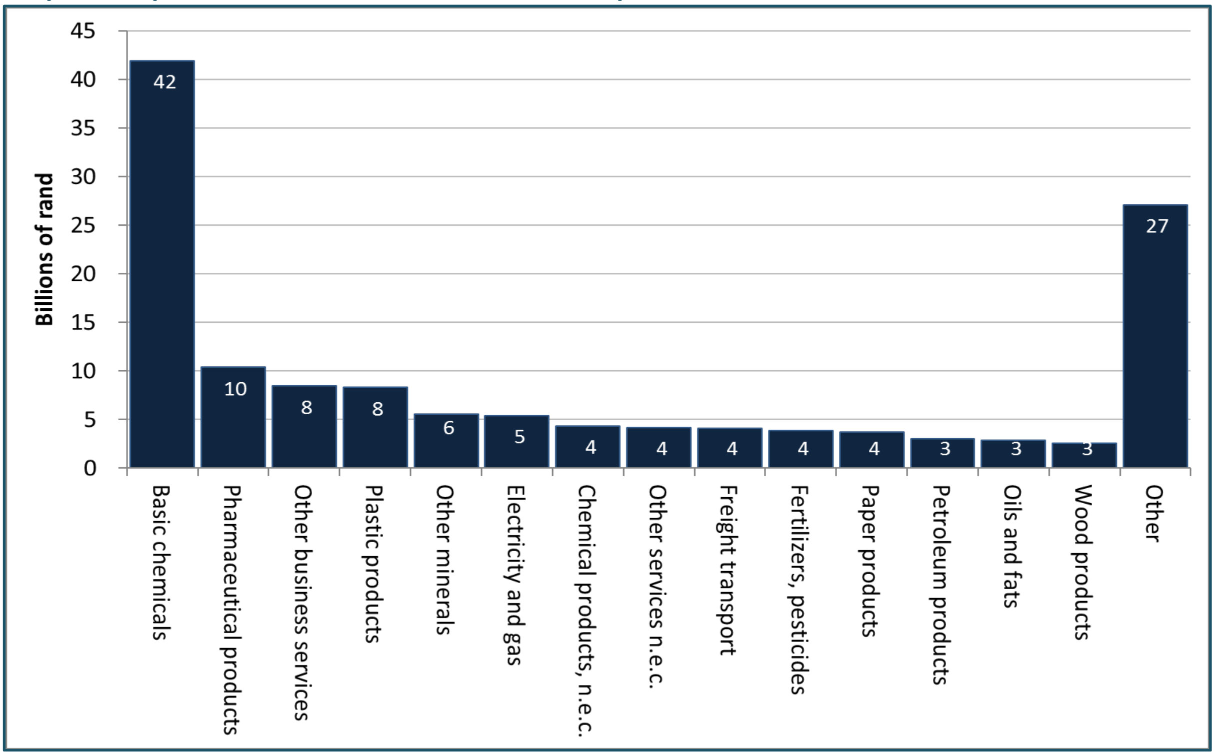
Name	Employment	Nature of business
Transvaal Rubber	165	Manufactures hoses and wholesales mining and industrial equipment. Also produces adhesives, cured rubber lining, marine fenders, extrusions and mouldings.

Source: Who Owns Whom. Report generator. Companies in chemicals manufacturing and pharmaceutical retail. Downloaded in December 2017.

5 Major inputs

The main inputs into other chemicals, rubber and plastics are basic chemicals, pharmaceutical products, plastic products and other minerals. In constant rand, the value of inputs remained almost unchanged from 2012 to 2015. Basic chemicals, pharmaceutical products, plastic products and other minerals constituted 50% of all inputs.

Graph 12. Inputs into other chemicals, rubber and plastics in billions of rand, 2015



Source: Calculated from Statistics South Africa. Statistics South Africa, GDP data in excel format, Fourth Quarter 2017. Use Tables. Downloaded from www.statssa.gov.za in October 2017.

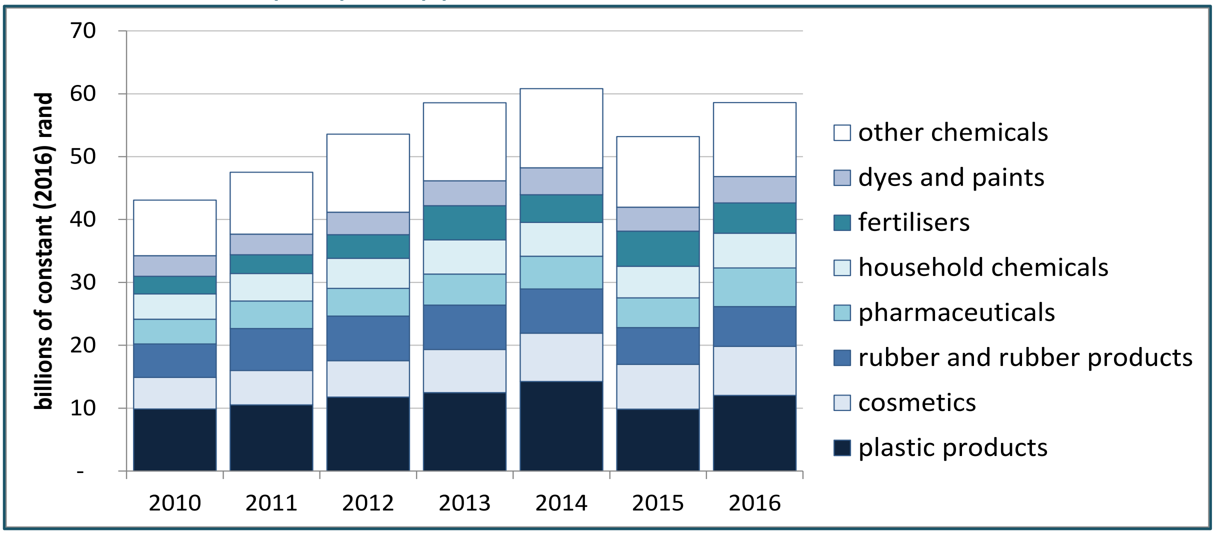
6 Trade

Other chemicals, plastic products and rubber accounted for around 5,5% of South Africa's total exports. Imports were about twice as large, at 10% of South Africa's total foreign purchases. The bulk of exports by the industry went to other African countries, although Asia and the US saw much faster growth from 2013. Most imports came from Europe.

Total chemicals, plastic products and rubber exports reached almost R60 billion in 2016, or around 5,5% of South Africa's total exports. They grew 9% a year from 2010 to 2014, but then dropped as the end of the commodity boom affected African countries, the main market for South African exports in this industry. As a result, they were 4% lower in 2014 than in 2013.

The complexity of the industry made it difficult to identify dominant products. Plastic products, cosmetics and rubber (mainly tyres) accounted for almost half of the total, with pharmaceuticals and household chemicals adding just under 10% each. Each of these categories in themselves covered a wide range of products, however, including both industrial inputs and final consumer goods.

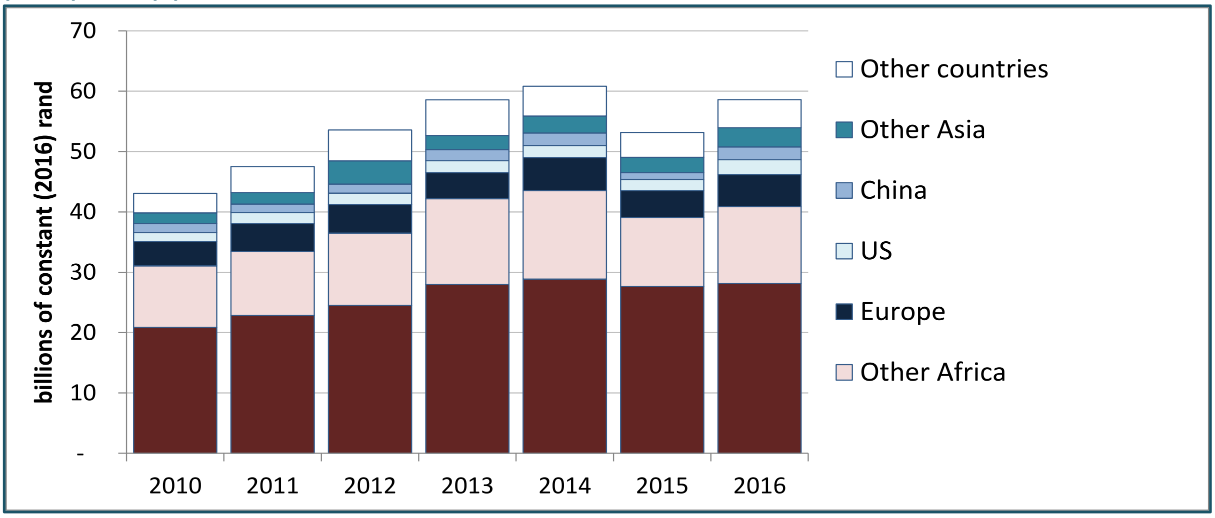
Graph 13. Exports of major products from the other major chemicals, rubber and plastics industry in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African exports of chemicals other than basic chemicals, petroleum and platinum for catalytic converters, and rubber and plastic products in rand. Downloaded from www.trademap.org in December 2017.

Almost half of all South African exports of other chemicals, rubber and plastic products went to other African countries, led by Namibia, Zambia, Botswana and Mozambique. But the sharpest decline in demand from 2014 was due to other African countries. Nigeria, Angola and the DRC alone accounted for a third of the decline from 2014 to 2016, although they bought only 7% of the industry's total exports. The decline in Africa was partially offset by continued fairly rapid growth in exports to Asia outside of China and Hong Kong, which climbed at 13% a year from 2010 to 2014 and at 6,5% a year from 2014 to 2016.

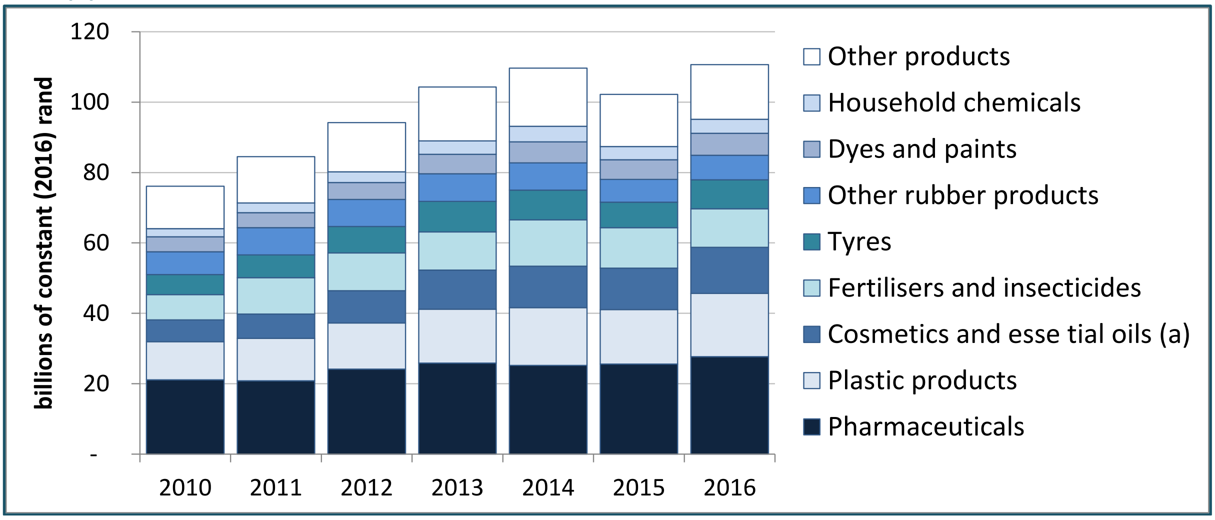
Graph 14. Exports of other chemicals, plastics and rubber by destination in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African exports of chemicals other than basic chemicals, petroleum and platinum for catalytic converters, and rubber and plastic products in rand. Downloaded from www.trademap.org in December 2017.

Imports of other chemicals, rubber and plastic products came to R110 billion in 2016, almost twice as high as exports. In constant rand, they climbed at 6% a year from 2010 to 2016, although most of the growth was from 2010 to 2014. Pharmaceuticals constituted about a quarter of imports in the industry, plastic products a seventh, and cosmetics over a tenth. Cosmetics were by far the fastest growing category of imports in other chemicals over the period, climbing from 8% to 12% of the total between 2010 and 2016.

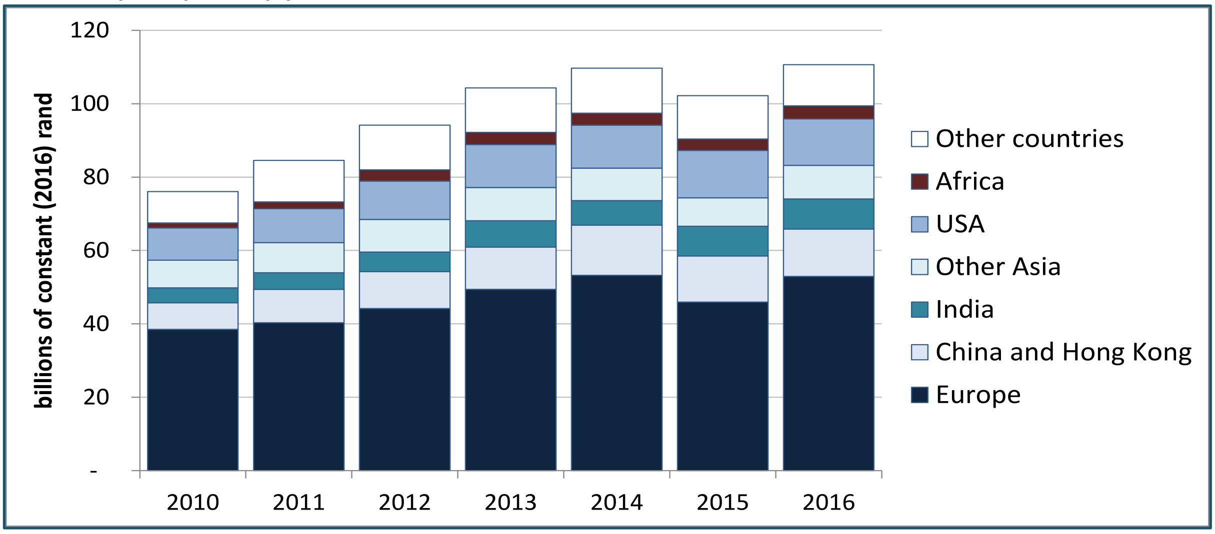
Graph 15. Imports of other chemicals, rubber and plastic products in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African imports of chemicals other than basic chemicals, petroleum and flavourings for beverages, plus rubber and plastic products in rand. Downloaded from www.trademap.org in December 2017.

Europe accounted for half of South African imports of other chemicals, plastic products and rubber from 2010 to 2016. The largest sources within Europe were Germany and France. China and India, however, saw substantially more rapid growth in exports of other chemicals, plastic products and rubber to South Africa from 2010. In contrast, other African countries sell almost no chemical products in South Africa.

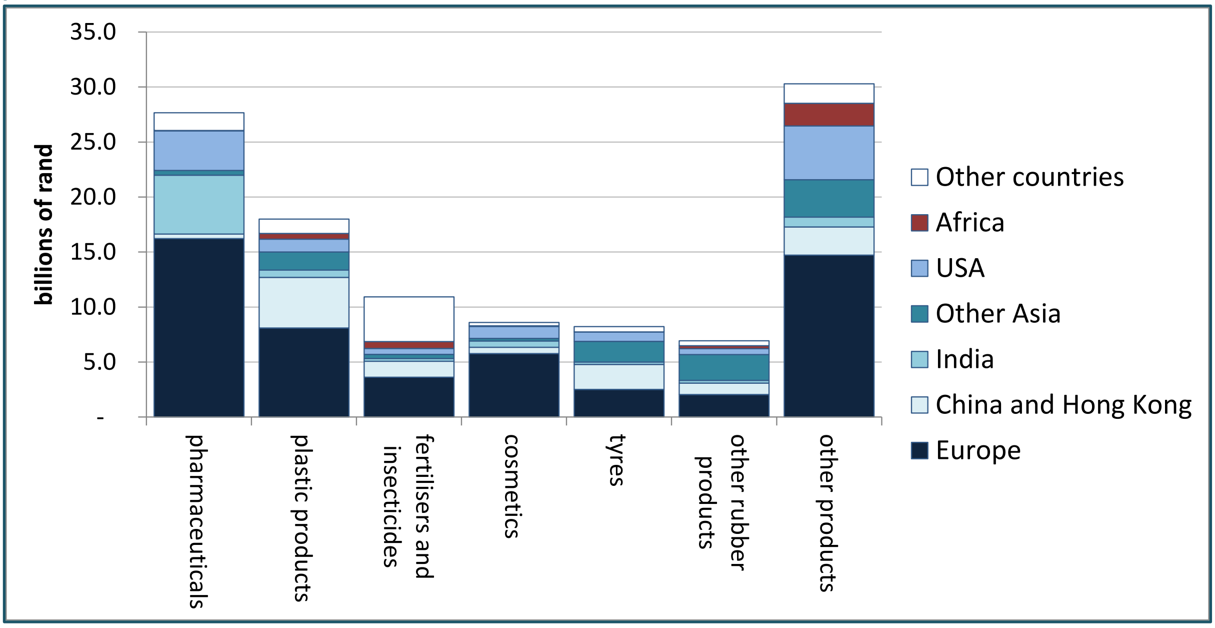
Graph 16. Imports of other chemicals, rubber and plastic products by country, in billions of constant (2016) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African imports of chemicals other than basic chemicals, petroleum and flavourings for beverages, plus rubber and plastic products in rand. Downloaded from www.trademap.org in December 2017.

As the following graph shows, the source of imports of other chemicals, rubber and plastics varied substantially by country. Europe dominated pharmaceuticals and cosmetics but was less important for tyres and plastic products. Asia was more important for plastics and rubber products, including tyres, and India was the second largest source of pharmaceuticals after Europe. The US was also an important source of pharmaceuticals.

Graph 17. Source of imports of different products within other chemicals, rubber and plastic products in 2016, in billions of rand



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African imports of chemicals other than basic chemicals, petroleum and flavourings for beverages, plus rubber and plastic products in rand. Downloaded from www.trademap.org in December 2017.

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