



TRADE & INDUSTRIAL POLICY STRATEGIES

MANUFACTURING SUBSECTORS

Other chemicals, rubber and plastics

March 2021

Industrial policy interventions aim to promote structural transformation and structural change in pursuit of economic growth. The effectiveness of these interventions depends to a crucial extent on the ability of policymakers to tailor interventions to the specific needs of individual manufacturing subsectors.

To support evidence-based policymaking, TIPS has completed a series of notes on the various manufacturing subsectors in South Africa. The aim is to provide synthesised data on the dynamics of the South African manufacturing subsectors, specifically in their contribution to GDP, employment, profitability and assets, market structure and major companies and international trade. The main data sources are Statistics South Africa, Quantec, Who Owns Whom, and the International Trade Centre.

This note provides an overview of the South African other chemicals, rubber and plastics subsector as of December 2020.

Contact: neva@tips.org.za

Executive summary

South Africa's other chemicals, rubber and plastics subsector contributed 9% of total manufacturing production in 2019, down from below the pre-financial crisis peak of 11% in 2007. The subsector is dominated by Sasol, which produced a variety of high-value chemical products including polymers, solvents and wax. Other chemicals accounted for two thirds of the subsector's production, plastics accounted for a just over a quarter or 26%, and rubber for only 8%. In addition to consumer products, including pharmaceuticals, the subsector provided key intermediate inputs for mining, agriculture and other industries.

Exports of other chemicals, rubber and plastics reached almost R79 billion in 2019, or around 6% of South Africa's total exports. They grew 9% a year from 2010 to 2014, but then dropped as the end cycle of the commodity boom affected African countries in 2015 – the main market for South African exports in this subsector. Almost half of all South African exports of other chemicals, rubber and plastic products went to other African countries, led by Namibia, Botswana, Zambia, Zimbabwe and Mozambique. But the sharpest decline in demand recorded from 2015 was due to other African countries. The decline in Africa was partially offset by continued fairly rapid growth in exports to Europe and the United States, and on a smaller scale to China and Japan, driven by increased demand for reaction initiators, insecticides and diagnostic and laboratory reagents chemicals in 2020.

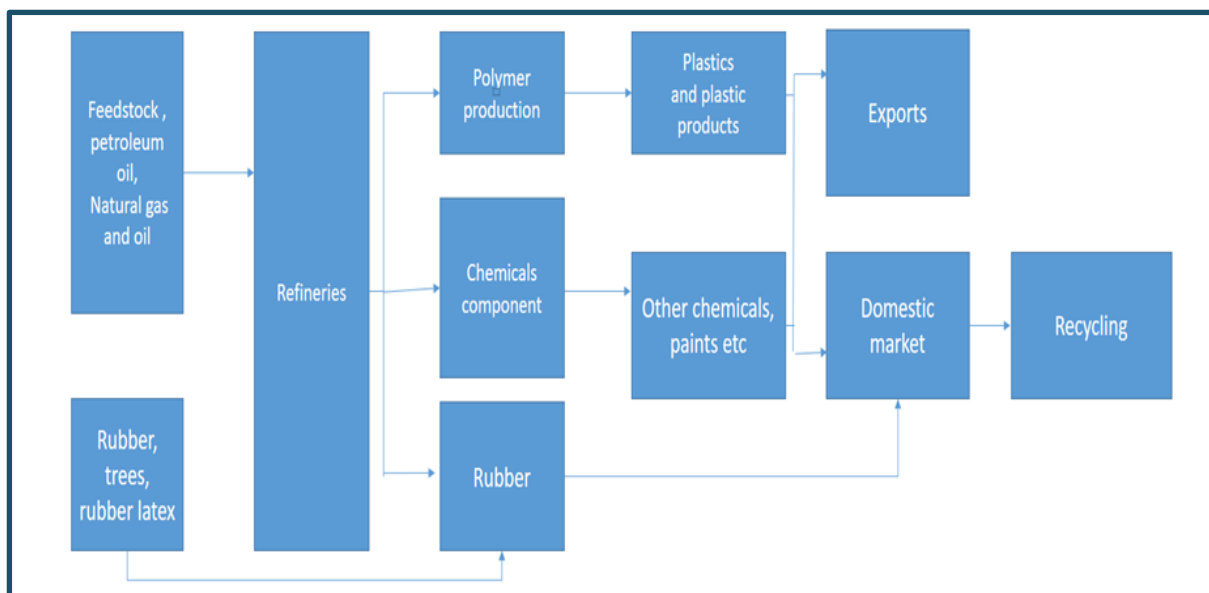
Production of other chemicals, rubber and plastics rose rapidly during the first half of the commodity price boom that lasted from around 2002 to 2011. From 2002 to 2007, it climbed at just under 3% a year. In 2008/9, during the global financial crisis, production of other chemicals, rubber and plastics, especially plastics products, declined sharply, with a 10% overall fall in other chemicals rubber and plastics. Thereafter, a slow recovery was dampened with the end of the commodity price boom. As of 2019, production remained around 9% below the peak pre-financial crises levels of 2007.

Employment was estimated at 165 000 in 2019, falling more or less steadily from a high of 190 000 in 2008 – the latest employment figures available. Imports of other chemicals, rubber and plastics came to R150 billion in 2019, almost twice as high as exports of around 10% of South Africa's foreign purchases. In constant rand, they grew 6% a year from 2016 to 2019, although most of the growth was from 2017 to 2018. South Africa's imports of other chemicals rubber and plastics were dominated by pharmaceuticals products and plastics, which each accounted for a fifth of total imports in 2019. Imports of rubber and cosmetics were also extensive and accounted for a tenth each in the same year.

The COVID-19 pandemic downturn in 2020 was initially less severe in other chemicals, rubber and plastics than other manufacturing, and its sales had almost fully recovered by the end of July 2020. According to Statistics South Africa monthly production and sales data, in April 2020 seasonally adjusted monthly sales in other chemicals, rubber and plastics contracted nearly 24% over March, significantly less than other manufacturing, which shrank 48%. The decline was almost exclusively due to rubber and to a less extent plastic products which crashed 73% and 35% respectively in the same period. The crash was less significant for miscellaneous chemical products, indicating sustained production and demand over the pandemic downturn.

Other chemicals, rubber and plastics value chain

The other chemicals, rubber and plastics value-chain starts from the upstream sectors that provide feedstock for chemicals processing. These chemicals are further processed to produce inputs into second phase processing such as polymers, which are inputs to downstream plastic manufacturing. Other chemicals refers to the chemicals subsector excluding basic chemicals, petrochemicals and primary plastics.



1. Contribution to GDP

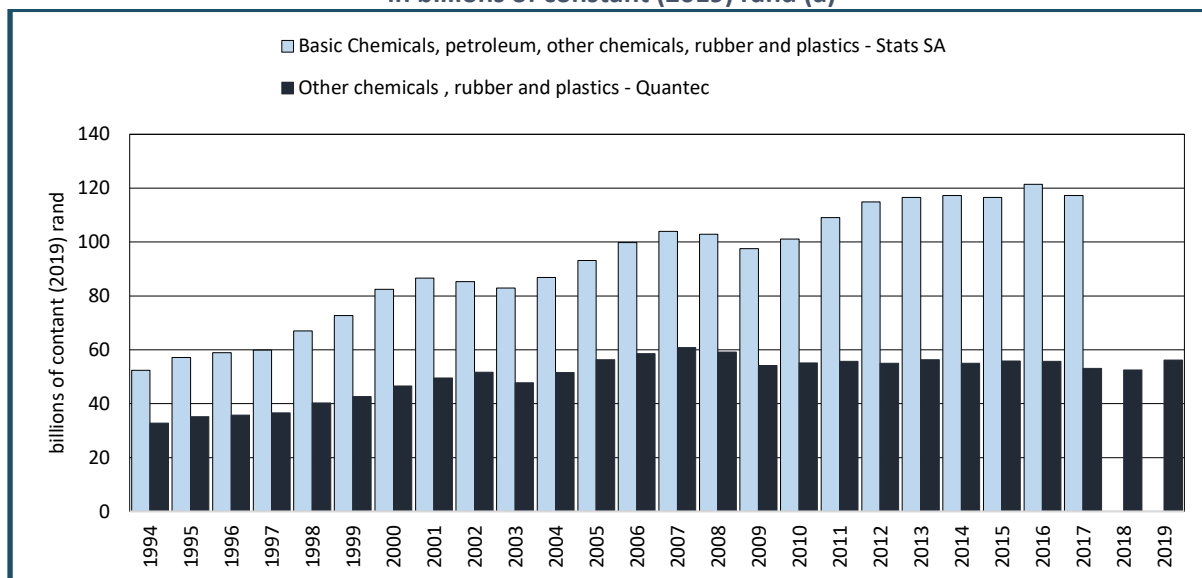
Data for the contribution of manufacturing subsectors to the GDP (that is for value add by subsector) is obtained from two data sources: the GDP data published by Statistics South Africa, and Quantec, which develops estimates based on the Statistics South Africa figures for sales, production and employment by sector and subsector. The figures are not identical but they generally demonstrate the same trends. This note provides for both.

Statistics South Africa provides data only for the entire chemicals industry including basic chemicals and petrochemicals as well as 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, production in other chemicals, rubber and plastics grew 3% a year from 2000 to 2007, reaching a peak of R59 billion in constant rand in 2007. During the 2008/9 financial and economic crisis, production decreased by R5 billion, or around 10% overall. The economic recovery in 2010 partly compensated for the losses reported in 2008/9. However, in 2012, South Africa's production of other chemicals, rubber and plastics decreased again, and then decreased only slightly throughout the years 2015-2017, remaining roughly R8 billion, or 13%, below the pre-crisis peak in 2007. In 2019, there was a considerable increase of more than R4 billion for the first time since 2010, however, the subsector still remained 9% below the pre-crisis peak in 2007.

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.

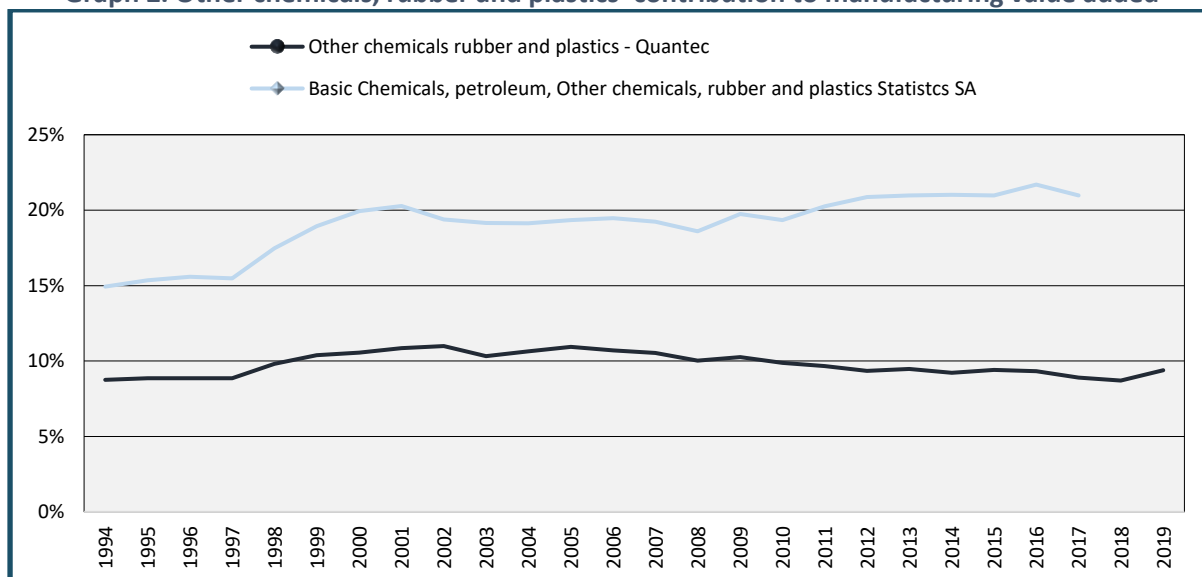
Graph 1. Value added in other chemicals, rubber and plastics, 1994 to 2019, in billions of constant (2019) rand (a)



Note: (a) Deflated by calculating the deflator used in the sources from figures in current and constant rand, and then rebasing to 2019. Source: Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from www.statssa.gov.za in January 2021; and Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded in January 2021 from <https://www.quantec.co.za/easydata/>.

The share of other chemicals, rubber and plastics dropped in 2002 and has not recovered since then. From 2002 to 2019, it declined from 11% to 9% of value added in manufacturing as a whole according to Quantec data (see Graph 2).

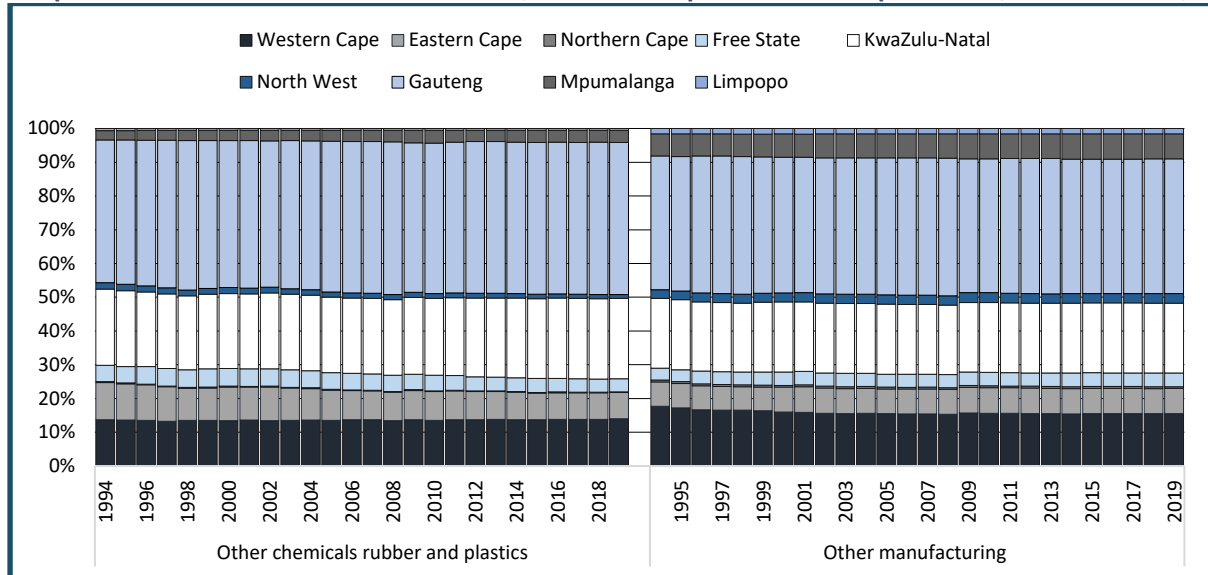
Graph 2. Other chemicals, rubber and plastics' contribution to manufacturing value added



Source: Statistics South Africa, GDP P0441. Annual quarter and regional revisions. Excel spreadsheet. Series on manufacturing subsectors in current and constant rand. Downloaded from www.statssa.gov.za in January 2021; 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 January 2021.

Gauteng province was the leading producer of other chemicals, rubber, and plastics, followed by KwaZulu-Natal and the Western Cape. Gauteng’s R25 billion in value added in 2019 represented over two-fifths of the South African total, as did its employment of 71 600 people, which was also two-fifths of the South African total.

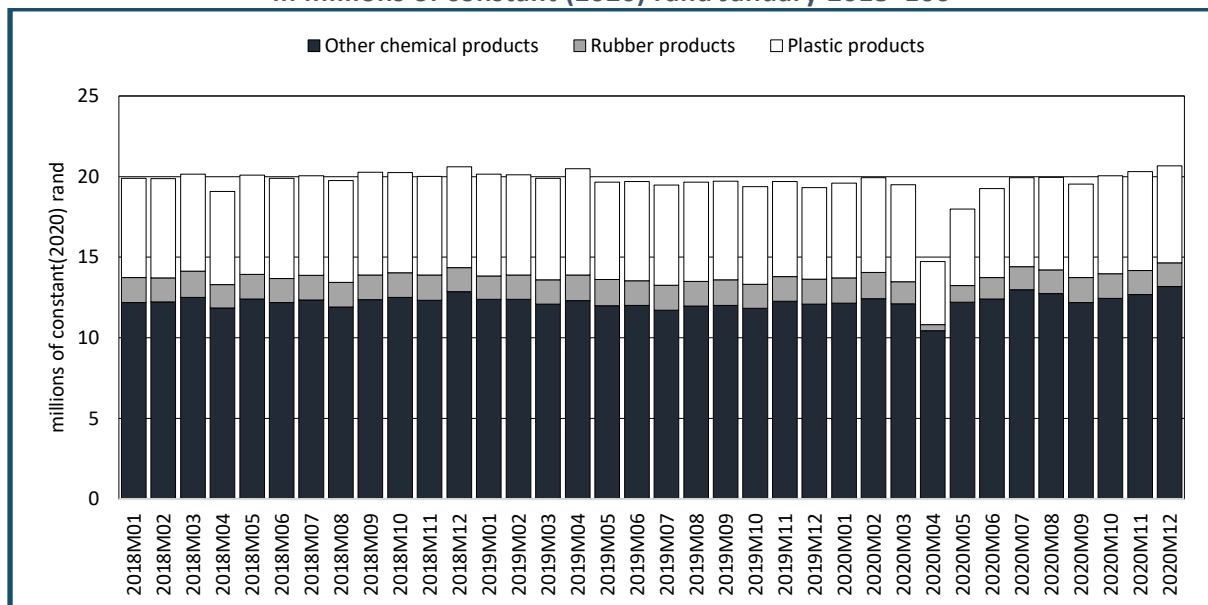
Graph 3. Value added in other chemicals, rubber and plastics across provinces, 1994 to 2019,



Source: Quantec EasyData. Standardised regional data. Database in electronic format. Series on value added in current and constant rand. Downloaded from <https://www.quantec.co.za/easydata/> in January 2021.

According to Statistics South Africa’s monthly production and sales data, in April 2020, seasonally adjusted other chemicals, rubber and plastics sales declined 24% month on month and by 28% year on year. The decline was driven almost exclusively by rubber products and plastics products, which fell 73% and 35% month on month respectively.

Graph 4. Seasonally adjusted other chemicals, rubber and plastics sales (value) in millions of constant (2020) rand January 2018=100

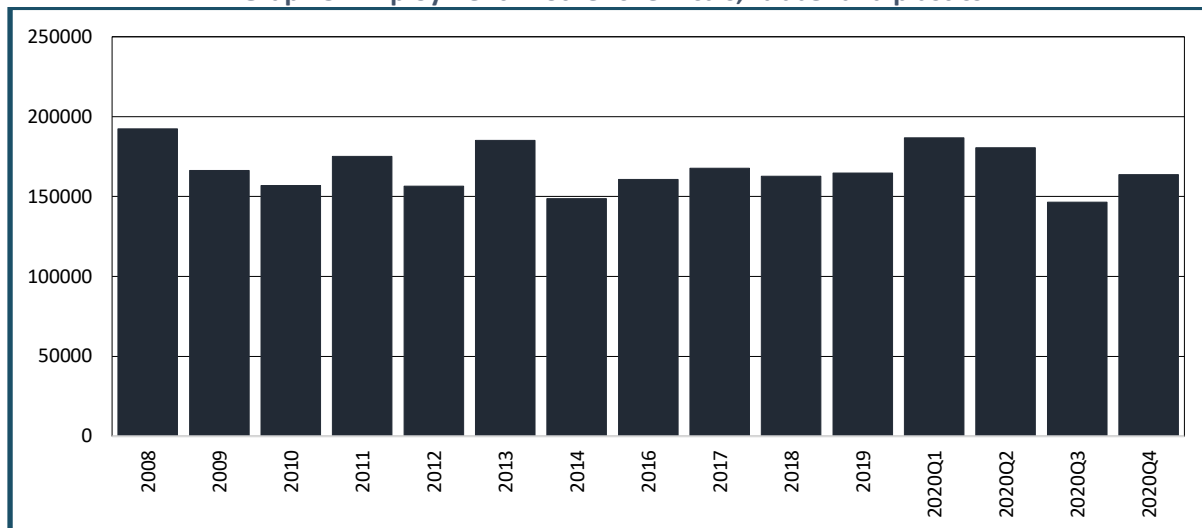


Source: Calculated from Statistics South Africa, P3041.2. Excel spreadsheet. Downloaded in January 2021 from www.statssa.gov.za.

2. Employment

Employment data in this section draws 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. Other chemicals, rubber and plastics lost 35 000 jobs from 2008 to 2014, but then regained around 16 000 jobs in 2019.

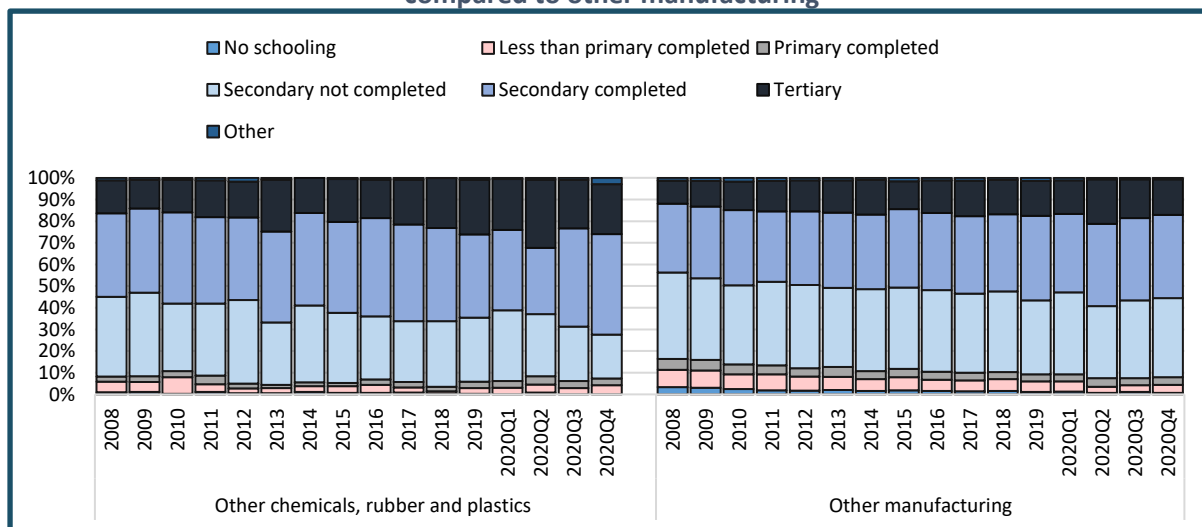
Graph 5. Employment in other chemicals, rubber and plastics



Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

Other chemicals, rubber and plastics had a relatively skilled labour force compared to other manufacturing subsectors. In 2019, six out of 10 workers employed in other chemicals, rubber and plastics had either completed a secondary education or higher, compared to just five out of 10 in other manufacturing (see Graph 6).

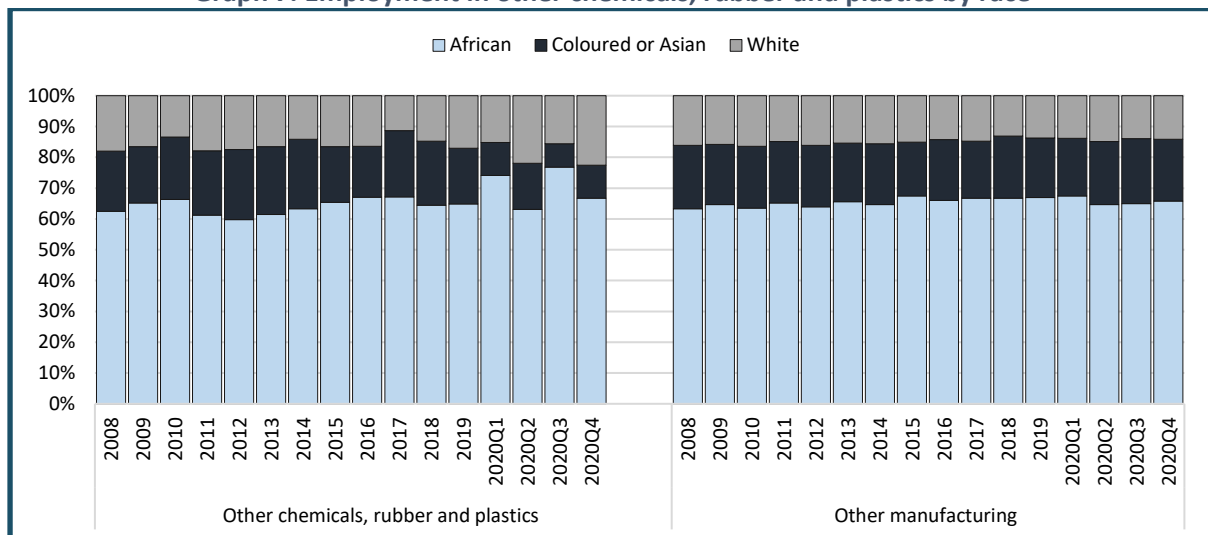
Graph 6. Employment by education level in other chemicals, rubber and plastics compared to other manufacturing



Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

Africans accounted for 64% of the labour force in other chemicals, rubber and plastics in 2019, compared with 66% in other manufacturing. In the same year, Coloured/Asian workers accounted for a fifth and Whites accounted for just under a fifth of the total labour force in other chemicals, rubber and plastics.

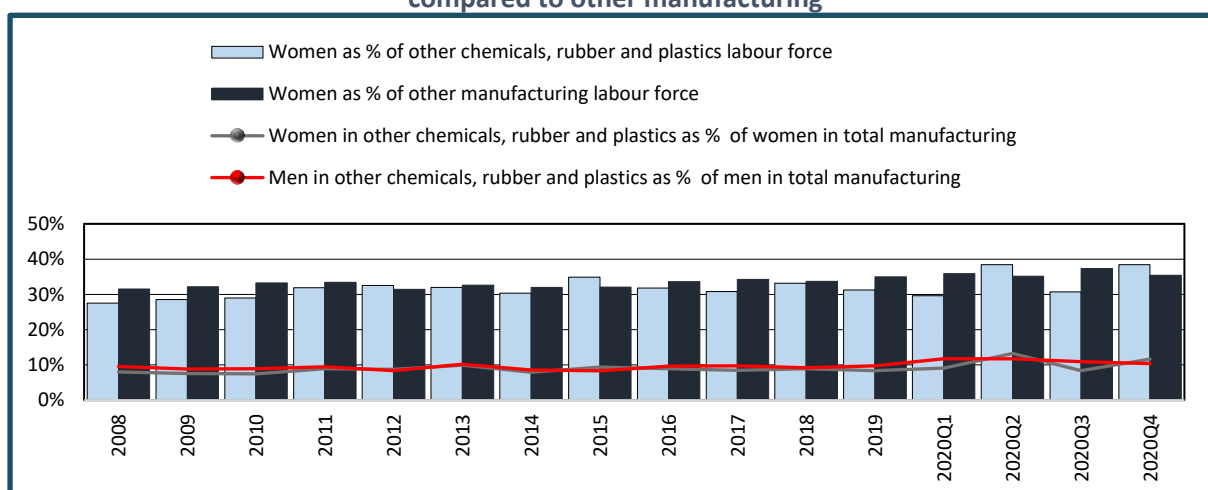
Graph 7. Employment in other chemicals, rubber and plastics by race



Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

Women accounted for 31% of the other chemicals, rubber and plastics labour force in 2019. This proportion was lower than in other manufacturing where women accounted for 35% of the labour force. Only 9% of women manufacturing workers were employed in other chemicals, rubber and plastics compared to 10% for men.

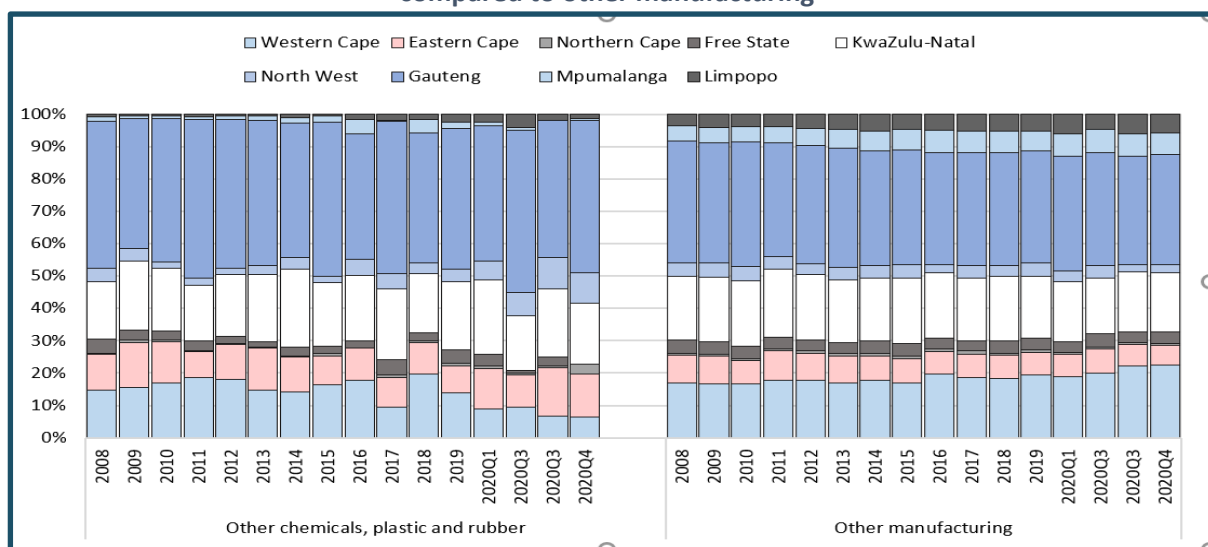
Graph 8. Employment by gender in other chemicals, rubber and plastics compared to other manufacturing



Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

Gauteng dominated South Africa's other chemicals, rubber and plastics sub-sector and accounted for more than 40% of total employment in 2019: this proportion was higher than the other manufacturing average of 35%. KwaZulu-Natal was the second largest, followed by the Western Cape.

Graph 9. Employment by province in other chemicals, rubber and plastics compared to other manufacturing



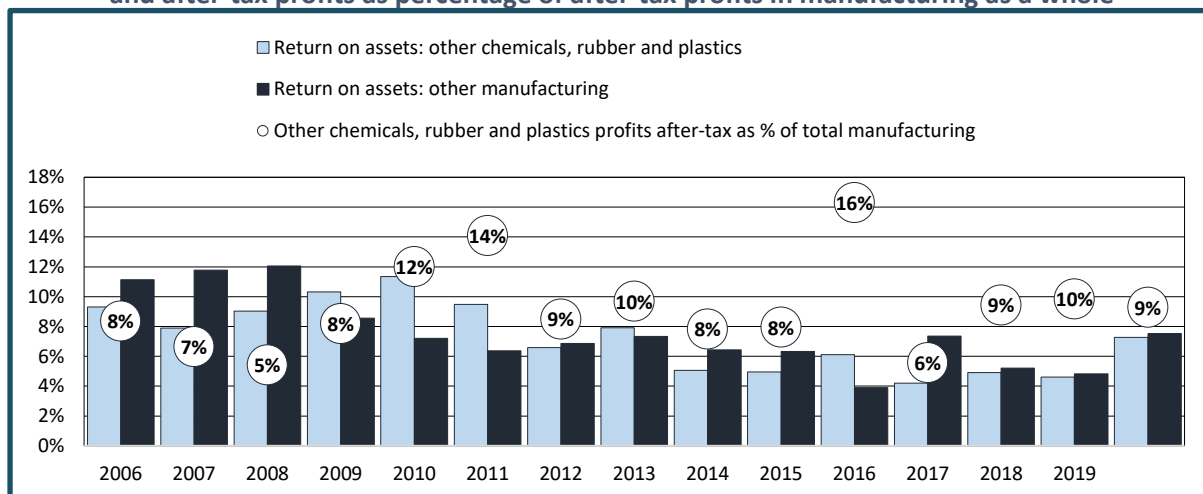
Source: Calculated from Statistics South Africa. Labour Market Dynamics. 2008 to 2019. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021; and Quarterly Labour Force Survey. Q1 2020 to Q4 2020. Series on employment by industry. Electronic databases. Downloaded from www.statssa.gov.za Nesstar facility in January 2021.

The location of manufacturing can be understood by how it is 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. For other chemicals, rubber and plastics, around 5% of total employment was in the former homeland regions from 2008 to 2019, about a half of the figure for other manufacturing as whole.

3. Profitability and assets

The other chemicals, plastics and rubber subsector had a somewhat lower return on assets than the rest of manufacturing. Between 2006 and 2019, its profitability averaged 7%, compared to over 8% in the rest of manufacturing. In the same period, it contributed just under a tenth of total profits in manufacturing.

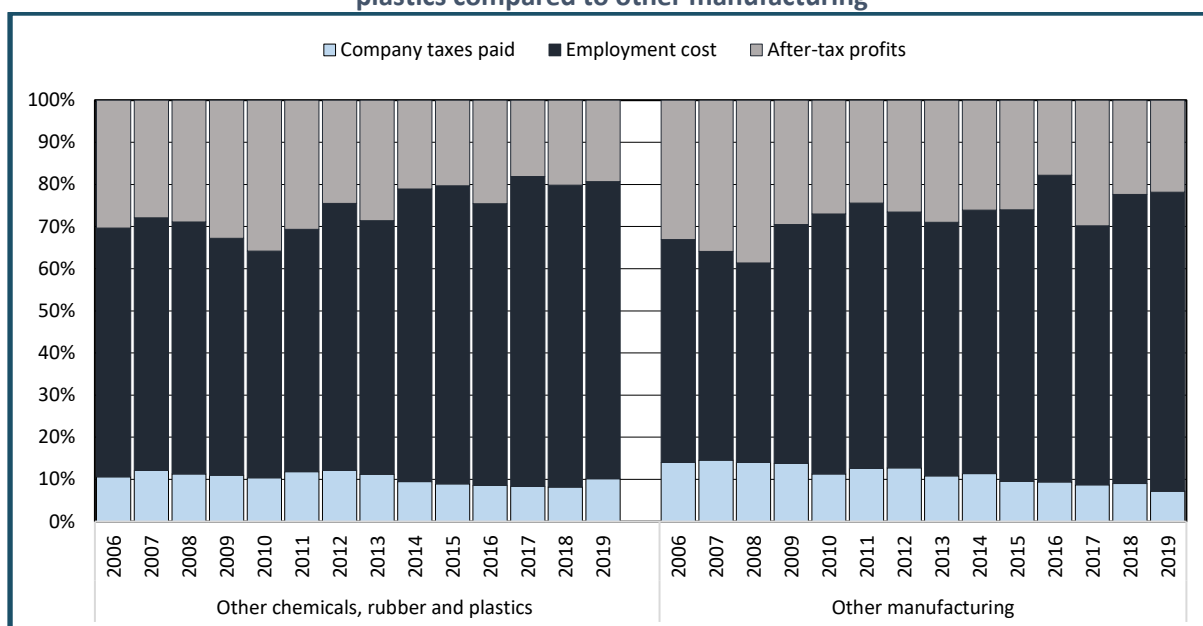
Graph 10. Return on assets (a) in other chemicals, rubber and plastics and other manufacturing, and after-tax profits as percentage of after-tax profits in manufacturing as a whole



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 January 2021.

Between 2006 and 2019, 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.

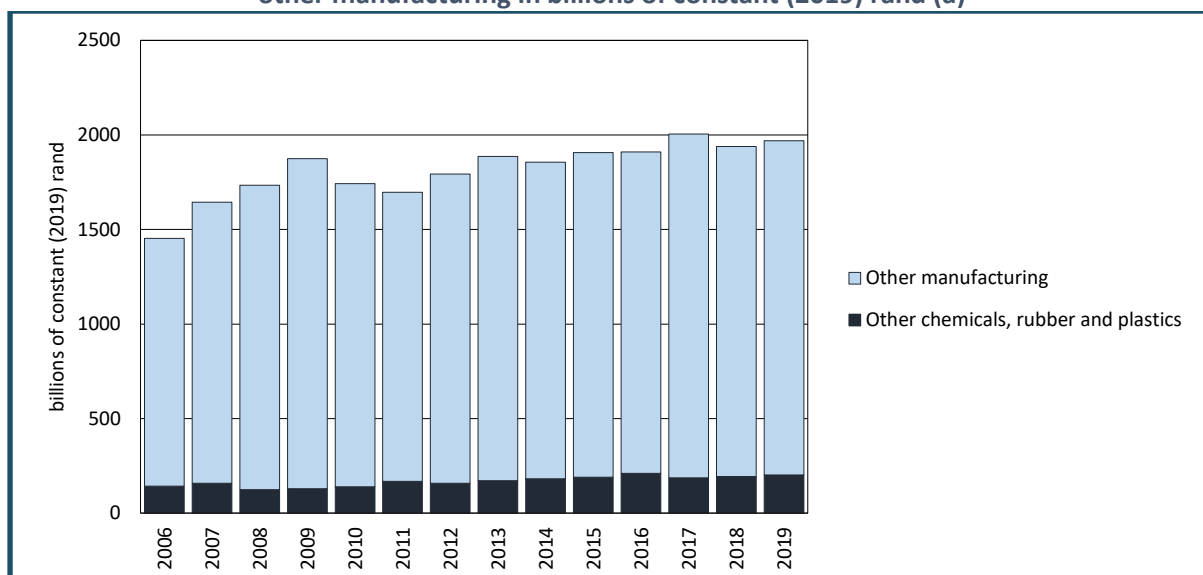
Graph 11. Share of remuneration, profits and taxation in income from other chemicals, rubber and plastics compared to other manufacturing



Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in January 2021.

The value of other chemicals, rubber and plastics-processing assets increased by 70% from 2008 to 2019, while the assets in the rest of manufacturing rose 14%. As a result, the share of other chemicals, rubber and plastics in total manufacturing assets increased from 7% to 10% over this period.

Graph 12. Value of total assets in other chemicals, rubber and plastics and other manufacturing in billions of constant (2019) rand (a)

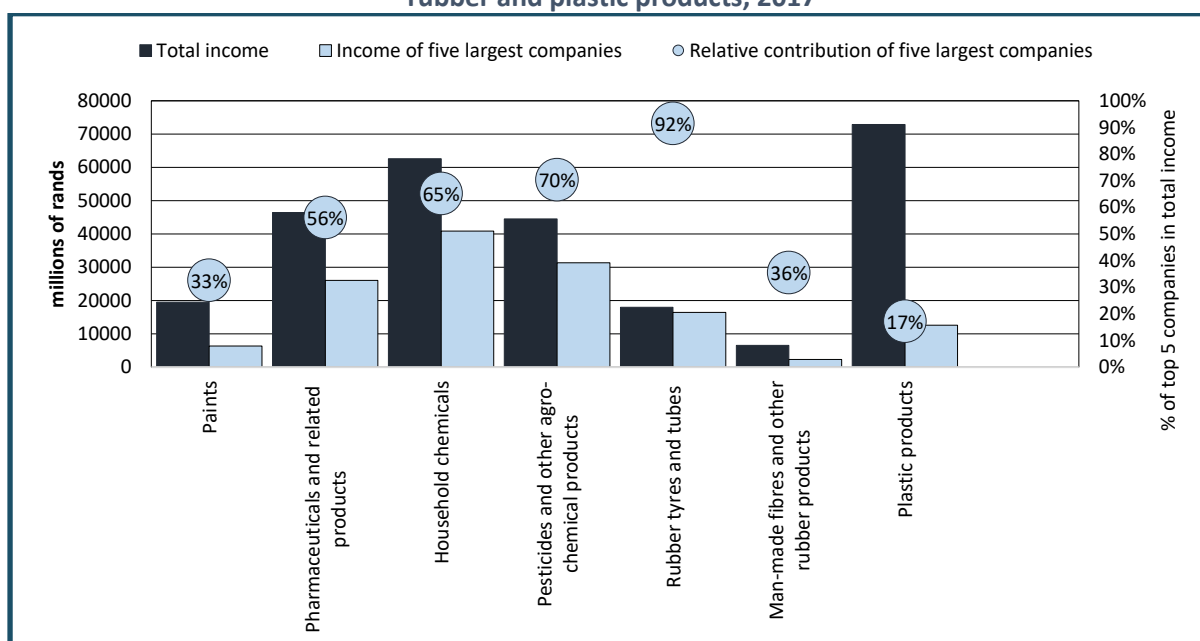


Notes: (a) Deflated with CPI. Source: Calculated from Statistics South Africa. Disaggregated Industry Statistics for relevant year. Excel spreadsheet. Downloaded from www.statssa.gov.za in March 2021.

4. Market structure and major companies

According to Statistics South Africa's Manufacturing Financial Statistics for 2017, the top five companies in rubber products controlled over 90% of total income in the subsector. This was 77% higher than the manufacturing average of 13%. Concentration ratios were also higher than the manufacturing average in other chemicals and ranged between 33% to 70%. The exception was plastics, where the top five companies earned 17% of the total income in the sub-sector.

Graph 13. Share of top five companies in income by subsector in other chemicals, rubber and plastic products, 2017



Calculated from Statistics South Africa. *Manufacturing Industry: Financial, 2019. Pretoria. Table 9, p 33, ff.*

The largest companies in other chemicals, rubber and plastics are described in Table 1. While the subsector as a whole had a number of small businesses, most were foreign owned. The dominant local companies were Sasol, KAP Industrial Holdings, AECI and Omnia.

Several companies that produce downstream chemicals emerged out of construction, automotive, food processing or metals, but also began to produce inputs for these industries. The table excludes food processing industries, because most do not produce a significant amount of chemicals 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 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, along with two major pharmaceutical chains.

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

Company	Employees	Company description
Sasol	26 000 in South Africa	In addition to producing petrochemicals, basic chemicals and primary plastic, company manufactures waxes, fertilisers, explosives, and crude tar acids.
KAP Industrial Holdings	19 579 (Group)	As part of its automotive focus, subsidiaries manufacture and import window and paint protection film, foam products and fibre glass canopies for cars; subsidiaries also produce polyethylene terephthalate (PET) resin for bottles; formaldehyde gas for the timber panel industry; and flexible polyurethane foam, expanded polyethylene and fibre products.
AECI	7 600	Subsidiaries manufacture commercial explosives, fertilisers and specialty chemicals for mining and manufacturing. Operates in Africa, Southeast Asia, the United States and Australia
Omnia	4 426	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.

B. Explosives

Company	Employees	Company description
Denel	3968	Among others, produces explosives and ammunition. State owned.
Zimco Group	1475	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	2 400	Designs, develops and manufactures ammunition and related components for the South African National Defence Force and for export. Joint venture with Denel.
Lion Match	1 200	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.
Minova Africa	200	Manufactures chemicals and explosives used to bond steel and anchor bolts in mines. Has two factories.
Maxam Dantex SA	296	Manufactures and distributes explosives for mining, as well as monomethylamine nitrate and hexamine nitrate for production of water-gels and bulk products.

C. Fertilisers and agricultural chemicals

Company	Employees	Company description
Africom	2 500 (Group)	As Triomf, manufactures fertiliser.
Profert	160	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 LifeScience South Africa	271	Manufactures, distributes and imports crop protection products for South Africa 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	120	Manufactures organic composts, potting mixtures and lawn dressings.
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D. Miscellaneous industrial chemicals

Company	Employees	Company description
Weir Minerals Africa	1 100	Designs and manufacturers engineered products for mining and power, including wear-resistant linings, screens, high pressure grinding rolls and rubber products.
Shell Downstream	400	Manufactures and distributes petrochemical products but also industrial chemicals, including detergents and lacquer thinners.
Senmin International	400	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 processing plants.
Chem Systems	209	Develops, manufactures and supplies resins and foundry-related chemical products; formaldehyde for fishing, mining, adhesive, animal feed and coating industries
Insimbi Refractory and Alloy (A Zambian company)	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.

E. Paints, coatings and adhesives

Company	Employees	Company description
Mpact	5 062 (Group)	A subsidiary manufactures rigid plastic packaging, polyethylene terephthalate pre-forms, styrene products and jumbo plastic bins.
Kansai Plascon	1 992	Subsidiaries manufacture decorative and performance coatings including for the automotive and other industries in South Africa and the region.
Saint-Gobain Construction Products South Africa (Pty) Ltd	1 450 (estimate)	Manufactures building products, including foam insulation products, wall, floor and pool finishes, performance-engineered abrasives and tile adhesives and grouts.
UCL Company	855	As a by-product of sugar and timber, produces, among others, adhesives and resins.
Norcros SA	950	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	700	In addition to core paper business, produces plastic bags and aluminium foil for major retail chains.
Medal Paints	750	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 licensed manufacturer in Namibia.
Permoséal	350	Manufactures and distributes adhesives, sealants and coatings for woodworking, paper packaging, construction, auto, footwear and clothing industries.
Huhtamaki	320	Manufactures plastic and paper containers and packaging for catering, retail, fruit and egg industries, and plastic garden products. Has two manufacturing plants.
ICI Dulux	387	Manufactures and distributes decorative, industrial and marine paints and in-situ corrosion protective pipe linings. Has one factory.
Ferro South Africa	301	Manufactures and supplies powder finishing materials.

Company	Employees	Company description
Mpact	5 062 (Group)	A subsidiary manufactures rigid plastic packaging, polyethylene terephthalate pre-forms, styrene products and jumbo plastic bins.
Kansai Plascon	1 992	Subsidiaries manufacture decorative and performance coatings including for the automotive and other industries in South Africa and the region.
Saint-Gobain Construction Products South Africa (Pty) Ltd	1 450 (estimate)	Manufactures building products, including foam insulation products, wall, floor and pool finishes, performance-engineered abrasives and tile adhesives and grouts.
UCL Company	855	As a by-product of sugar and timber, produces, among others, adhesives and resins.
Norcros SA	950	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	700	In addition to core paper business, produces plastic bags and aluminium foil for major retail chains.
Medal Paints	750	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 licensed manufacturer in Namibia.
Prominent Paints	293	Manufactures and distributes decorative and industrial paints, water coatings and finishes. Has one factory.
Henkel South Africa	320	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 about 15% to Namibia and Botswana.
a.b.e. Construction Chemicals	216	Imports, manufactures, distributes and exports specialist products including sealants and grouts for construction and road building. Has two production facilities.
Sun Chemicals	135	Manufactures and imports printing inks and other consumables to the printing and graphic arts industry.
StonCor Africa	220	Manufactures heavy-duty coatings and waterproofing compounds as well as fiberglass 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	162	Manufactures construction and automotive chemicals, including concrete additives, sealants and wall and floor products, as well as acrylic coatings. Has two factories.
Axalta Plascon	103	Manufactures paint for the auto industry.
		F. Household chemicals and cosmetics
Company	Employees	Company description
Clicks	15 413	Retails health, beauty and lifestyle products across Southern Africa.
Dis-Chem	13 500	Retails pharmaceutical, health, and beauty products and services.
Tiger Brands	11 978 (Group)	In addition to food processing, manufactures and distributes homecare, personal care and baby products
Amka Products	1 500	Manufactures and distributes branded hair care, personal care and home care for South Africa and other African countries. Has one production site.
CAVI Brands	1 000 (estimate)	Subsidiaries manufacture and distribute health, beauty and wellness brands in South Africa 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	359	Creates, manufactures and distributes cosmetics and toiletry products including for international brands.
Ecolab	400	Develops and markets cleaning, sanitising and food safety products for South Africa and for export.
Prime Product	280	Manufactures and packages cosmetics, toiletries and personal care products on contract.
Accentuate	234	Manufactures, distributes and installs flooring and manufactures and supplies chemical and infrastructural maintenance solutions for South Africa and export. Has two factories.
SC Johnson & Son	295	Manufactures, imports and markets pest control, air care, home cleaning, home storage, shoe care and auto care products.
Shield Chemicals	400	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 South Africa	190	Manufactures toiletries and cosmetics for pharmacies and retail chains.
Imbalie Beauty	50 (estimate)	Franchises, manufactures and retails cosmetic products.

H. Pharmaceuticals

Company	Employees	Company description
Aspen Pharmacare	9 868	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	2 374 (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	2 528 (Group)	Manufactures branded medicines and supplements for sale in SA and internationally. Has three factories in SA and three in Europe.
South African Nuclear Energy Corporation	1 839 (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	359	Manufactures, distributes and packages tablets and other pharmaceutical and nutraceutical products. Has one factory.
Fresenius Kabi	580	Manufactures and imports pharmaceutical products.
Sanofi-Aventis SA	500	Imports, manufactures and packages pharmaceutical products. Has one factory.
Hersol Manufacturing Laboratories	420	Manufactures chemicals, health foods, cosmetics and nutraceutical products on contract. Also manufactures water-treatment products.

Ranbaxy Pharmaceuticals	400	Imports and manufactures pharmaceutical products.
Sandoz SA	175	Imports, manufactures, markets and retails generic medicines. Owned by Novartis.
Vital Health Foods	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	177 (estimate)	Manufactures and imports pharmaceutical products on licence for various companies.
Acino Healthcare Group	205	In addition to importing pharmaceutical products, manufactures forensic kits for medical and forensic evidence collection, for export and to supply 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.

I. Plastic products

Company	Employees	Company description
Nampak	5 641 (Group) (3 463 - South Africa)	As part of its packaging business, manufactures plastic containers and related products for sale in SA and across the region.
Caxton & CTP	6 197 (Group)	In addition to core business as publisher and printer, 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	2 873	Manufactures and supplies rigid plastic packaging for dairy, beverage, foods and other industries. Has 18 manufacturing plants.
Transpaco	1 544 (Group)	Subsidiaries manufacture, distribute and recycle plastic, paper and board products for South Africa 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	758	Manufactures and distributes plumbing products, and high-density polyethylene (HDPE) pipes and polyvinyl chloride (PVC) pipes and fittings for retailers and contractors as well as for mining and civil engineering in South Africa, 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	481 (group)	Manufactures polyethylene bags, industrial sheeting and flexible plastic packaging for agriculture, chemical, construction, manufacturing and households.
Apex Cordset	700	Manufactures electrical and computer cables, moulded plugs, sockets and wire harnessing for local and overseas markets.
Bowler Metcalf	804	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 Manufacturing	300	Manufactures flexible plastic packaging including bags, food packaging, heavy duty sacks and carrier bags on contract for retail and industrial customers.
Fibre-Wound SA	300	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	300	Manufactures cling wrap, polystyrene packaging, vacuum bags, polony sausage casings and other specialised flexible food packaging.
Ledaine Trading	400	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.
MacNeil Plastics	280	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	200	Manufactures injection moulded components for OEMs in the auto and other industries.
Q-Pet	250	Manufactures plastic bottles primarily for the food industry.
NCS Resins	243	Manufactures and distributes unsaturated polyester resins and allied products for the Southern African and international markets.
Hellermann-Tyton	300	Manufactures accessories for cables, such as cable markers and connectors, for major electrical wholesalers as well as Eskom.
Masterbatch SA	210	Manufactures colourants and performance-enhancing additives for the plastic industry.

Bantex South Africa	197	Manufactures injected moulded stationery requirements as well as importing other stationery products for South Africa and the 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 South Africa	102	Manufactures, installs and maintains plastic pipes as covering or insulation in mining.

J. Tyres

Company	Employees	Company description
Continental	1 700	Manufactures, imports, exports, distributes tyres.
Sumitomo Rubber South Africa	1 500	Manufactures and distributes tyres under licence for South Africa and other African countries. Has one factory.
Bridgestone	1 444	Manufactures retread tyres. Has eight retread facilities.
Trentyre	1 800	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	300	Imports new tyres from China and retreads old ones, as well as distributing local and imported tyres. Has one factory.

K. Other rubber products

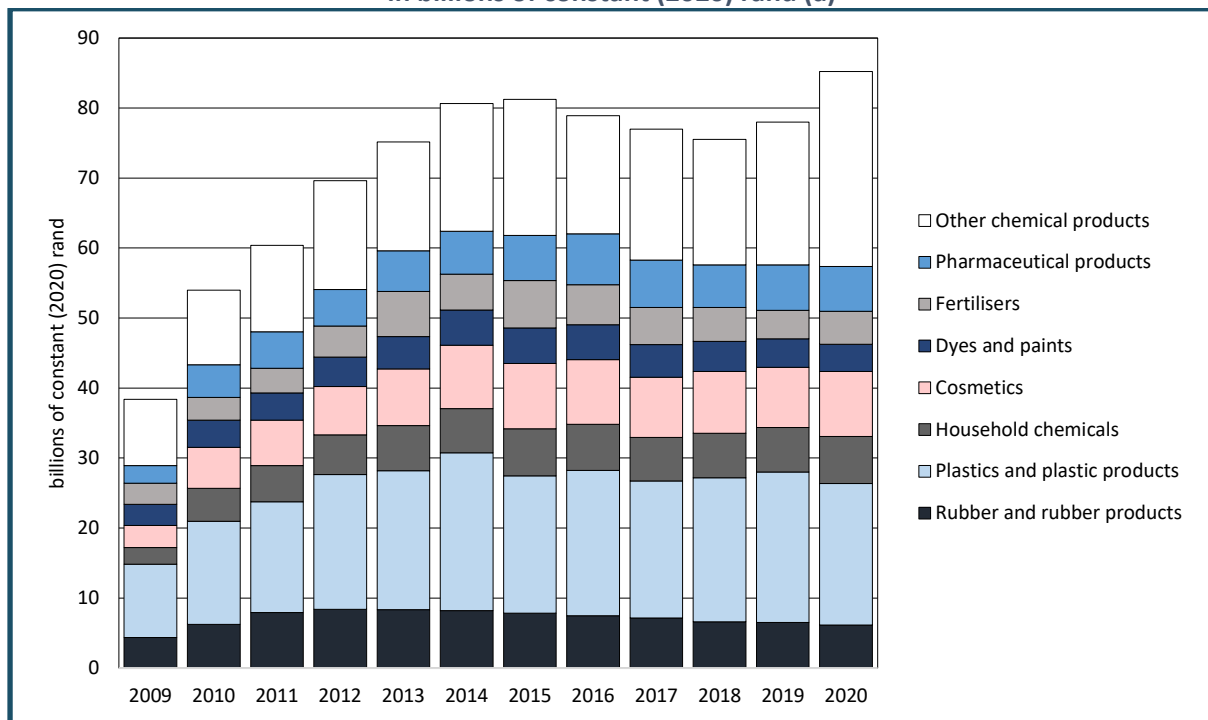
Company	Employees	Company description
Argent Steel Group	2 774 (Group)	A subsidiary, Allan Maskew, designs and manufactures specialised industrial rubber mouldings.
Dunlop Industrial	700	Manufactures and distributes conveyor belting, hydraulic and industrial hoses, automotive rubber products and rubber 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 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	200	Manufactures industrial and hydraulic hose and fittings, conveyor belts, power transmission, rubber track and original equipment parts. Has one factory.
Transvaal Rubber	211	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 January 2021.

5. International trade

Other chemicals, plastics and rubber accounted for 6% of South Africa's total exports. Imports were almost 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 Europe, China and Japan grew relatively faster in the period. Most imports came from Europe. Total chemicals, plastic products and rubber exports reached almost R85 billion in 2020, or around 6% 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.

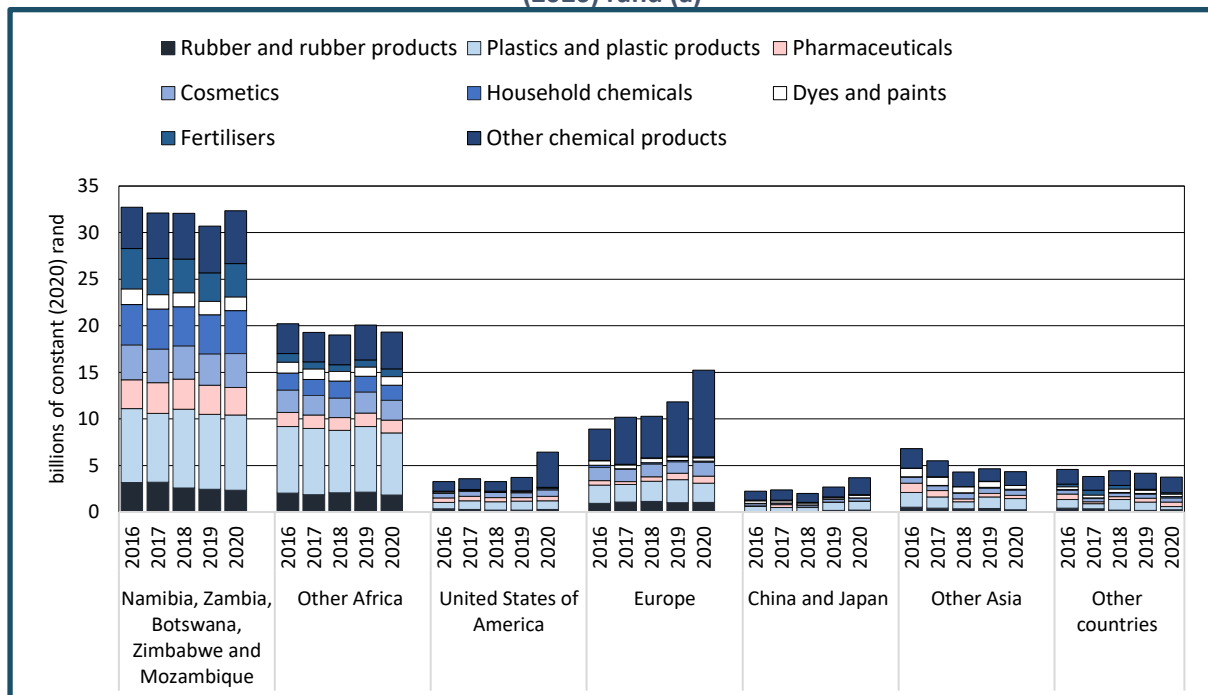
Graph 14. Exports of major products from the other chemicals, rubber and plastics industry in billions of constant (2020) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African exports of chemicals other than basic chemicals, petroleum, rubber and plastics in rand. Downloaded from www.trademap.org in March 2021.

Almost half of all South African exports of other chemicals, rubber and plastic products went to other African countries, led by Namibia, Botswana, Zambia, Zimbabwe and Mozambique.

Graph 15. Exports of other chemicals, plastics and rubber by destination in billions of constant (2020) rand (a)

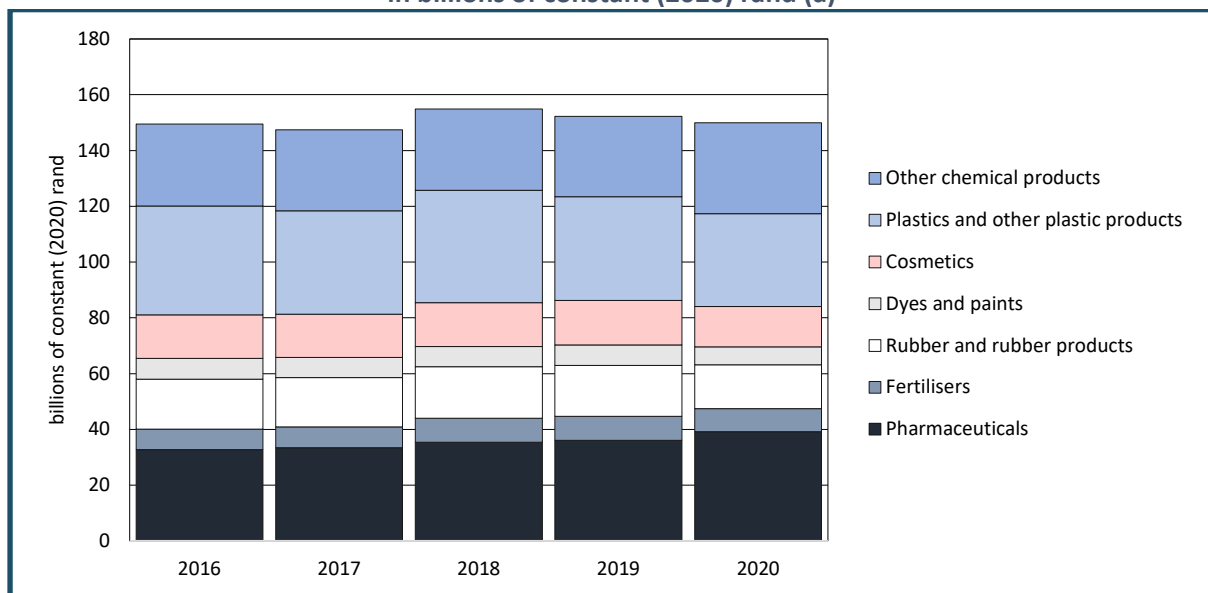


Notes: (a) Deflated using CPI. Source: Calculated from ITC. TradeMap. Electronic database. Series on South African imports of chemicals other than basic chemicals, petroleum and flavourings for beverages, plus rubber and plastic products in rand. Downloaded from www.trademap.org in January 2021.

The sharpest decline in demand from 2015 was due to other African countries (Graph 15). These countries accounted for the decline from 2015 to 2019. The decline in Africa was offset by rapid growth in exports to Europe and the US, and on a smaller scale to China and Japan. The main driving force for the growth of the country’s exports of chemical products to these countries was demand for South Africa’s reaction initiators, insecticides and diagnostic and laboratory reagents.

Imports of other chemicals, rubber and plastics came to R150 billion in 2019, almost twice as high as exports. In constant rand, they grew 6% a year from 2016 to 2019, although most of the growth occurred from 2017 to 2018. Pharmaceuticals and Plastics each accounted for a fifth of total imports, rubber and cosmetics each accounted for a tenth.

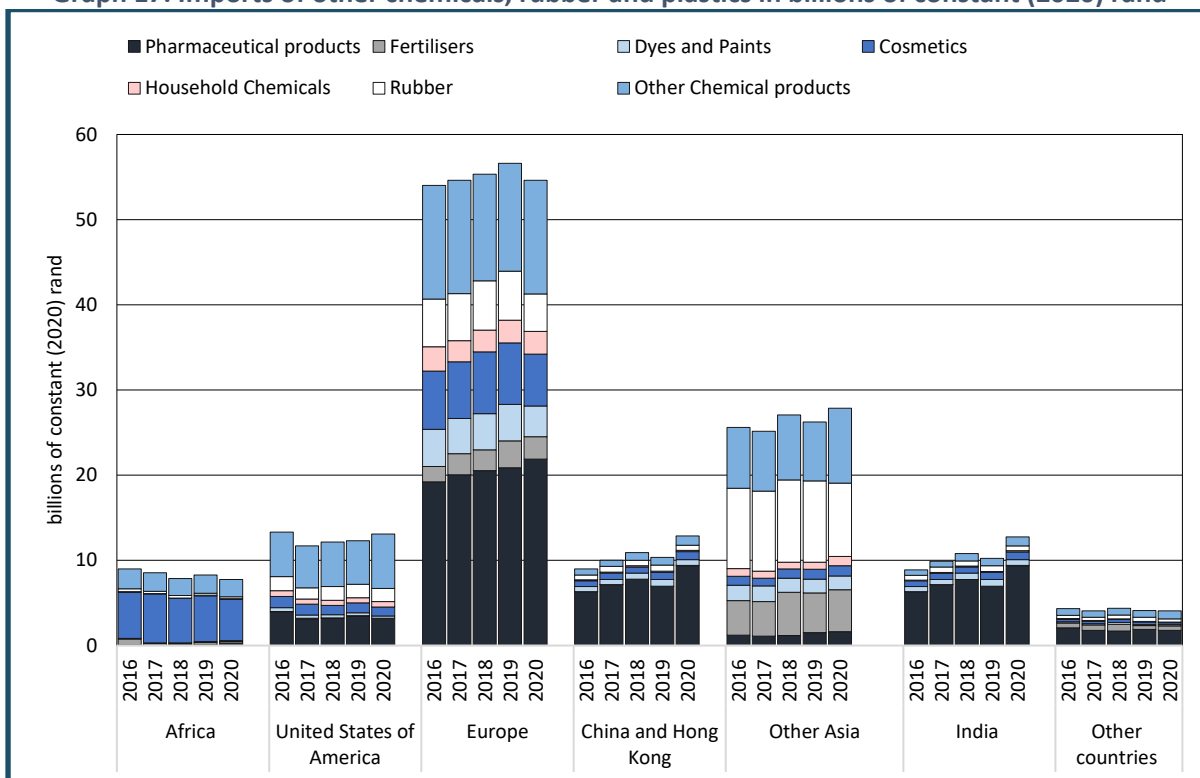
Graph 16. Imports of other chemicals, rubber and plastic products in billions of constant (2020) rand (a)



Notes: (a) Deflated using CPI. Source: Calculated from ITC. Trade Map. 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 January 2021.

Europe accounted for half of South Africa’s imports of other chemicals, rubber and plastics. It was the leading source of pharmaceutical products for South Africa, and accounted for a third of South Africa’s imports of pharmaceuticals in 2019. The other large sources of South Africa’s imports of pharmaceuticals in 2019 were India, and China and Hong Kong, each accounting for a just under a quarter of pharmaceutical imports.

Graph 17. Imports of other chemicals, rubber and plastics in billions of constant (2020) 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 January 2021.

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info@tips.org.za | +27 12 433 9340 | www.tips.org.za