Manufacturing industries to third quarter 2015

This briefing document reviews key trends by industry within manufacturing, focusing on production, employment, capacity utilisation, exports and imports. We also include major announcements of new projects made in the course of the third quarter of 2015.

The data derive from regular Statistics South Africa reports except for trade, which is from the South African Revenue Service (SARS). Quarterly changes in employment and trade are not seasonally adjusted, which is particularly problematic for agro-processing and for third quarter imports, which often account for the entire annual growth for consumer goods. Especially for smaller industries, the employment data may not be statistically significant. Figures for capacity utilisation are collected only from large companies.

The industries are arranged according to size.

1 Food and beverages

Food and beverages was the largest manufacturing industry and one of the fastest growing over the past five years in terms of both value added and employment. Still, growth slowed to near zero from 2014, and will likely be further affected by the drought and possibly by new arrangements under the US African Growth and Opportunity Act (AGOA) to make it easier for US exporters of agricultural products.

The industry contributed 22,3% of total manufacturing production in the third quarter of 2015, up from 20,6% in the third quarter of 2013. It had climbed steadily from 20,3% in the third quarter of 2010. Meat, dairy, fruit and vegetables contributed around two fifths of total production, beverages over a quarter, and grain milling, under a fifth.

The industry was geared primarily to meeting domestic and regional needs, despite globally important exports of wine. Most other agricultural exports – primarily citrus and other fruits and vegetables – did not involve further manufacturing, although they required sophisticated storage and transport processes.

Production grew fairly steadily at around 2,6% a year from the third quarter of 2010 to the third quarter of 2014, but then slowed to 1,1% in the year to the third quarter of 2015. From the second to the third quarter, production rose by 0,5% in seasonally adjusted terms. Most of the growth from 2010 occurred in meat, dairy, fuirt, vegetables and beverages. In contrast, grain milling and other products expanded only slowly.

Employment was 379 000 in the third quarter of 2015, up from 348 000 five years earlier. Employment in food and beverages reportedly fell from 388 000 in the second quarter of 2015.

Capacity utilisation rose marginally in the past quarter, from 82,7% in the second quarter of 2015 to 83% in the third quarter. It had however been 84,8% two years earlier, in the third quarter of 2013.

Exports of food and beverages came to 8% of total manufacturing exports in the third quarter of 2015, around the same as two years earlier. They accounted for around 11% of total production of food and beverages in the third quarter of 2015, again little changed form 2013.

In dollar terms, exports by the industry came to US$901 million in the third quarter of 2015, from US$879 million two years earlier. Compared to the second quarter of 2015, they had climbed from US$872 million. In rand terms, exports of food and beverages rose from R8,7 billion in the third quarter of 2013 to R10,6 billion in the second quarter of 2015, then increased to R11,7 million in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the changes are not necessarily very meaningful.

Imports of food and beverages accounted for 4% of all manufactured imports in the third quarter of 2015, virtually unchanged from the third quarter of 2013. They equalled about 8% of local production of food and beverages in the third quarter of 2015, down from 9% in the third quarter of 2013. In rand terms, they climbed from R7,2 billion in 2013 to R8,1 billion in the third quarter of 2015.

The main investment project announced in the third quarter of 2015 was the establishment of a R1 billion beverage tin plant in Johannesburg to serve both South Africa and the region. It will be owned by a joint venture between GZ Industries, West Africa's largest producer of aluminium beverage cans, and Golden Era Group, South Africa's largest independent packaging company. It should be able to produce over a billion tins a year, with operations starting in mid-2016.

In addition, in October Unilever opened a new R600-million ice cream plant in Midrand, its first in Africa (out of 40 worldwide). The plant will employ 150 people. It benefited from tax incentives provided by the dti to encourage investment.

2 Metals and metal products

The metals and metal products industry, which includes world-class ferroalloy and steel producers, never fully recovered from an unusually sharp downturn in the 2008/9 global financial crisis. In recent years, it has been affected by global overproduction and sliding demand especially from China; an uncompetitive domestic price for iron ore; and increasingly expensive and sometimes unreliable electricity supplies.

In 2015, a surge in (subsidised) Chinese imports added to these factors to push two of the largest companies, Arcelor Mittal and Evraz Highveld, into serious problems, with an attendant downturn in production and employment. The significance of the challenge emerged in the fall in electricity production by 5% from March to September 2015, largely due to downscaling by refineries, which together account for around a fifth of electricity demand.

The rapid depreciation of recent months could provide substantial support for the metals industry. Its main inputs – ores, electricity and labour – should all become more competitive internationally, while imported metal products should see higher rand prices.

The industry contributed 15,4% of total manufacturing production in the third quarter of 2015, down from 15,9% in the third quarter of 2013 and 16,4% in the third quarter of 2010. Within the industry, in 2015 iron and steel accounted for 36%, non-ferrous metals for 28%, structural products for 12% and other fabricated metal products for 23%.

Production fell by 10,5% from third quarter 2013 to the third quarter of 2015, reversing the recovery of 7,4% from the third quarter of 2010 to the third quarter of 2013. The fall was particularly sharp for both steel and non-ferrous metals, with a 15% decline in the volume of production in the past two years. From the second to the third quarter, the industry's production fell a further 1,1%.

The fall in production was matched by declining employment. Employment in the industry was 272 000 in the third quarter of 2015, down from 301 000 five years earlier and close to 380 000 at its peak in 2008. There was reportedly no change in employment from the second quarter.

Capacity utilisation fell sharply in the past quarter, from 75,5% in the second quarter of 2015 to 71,4% in the third quarter. It had been 76,2% two years earlier, in the third quarter of 2013, with a highpoint of 82,9% in 2008.

Exports of metals and metal products came to 22% of total manufacturing exports in the third quarter of 2015, down from 27% two years earlier, in part due to falling world prices for metals. They accounted for around 44% of total production of metals and metal products in the third quarter of 2015, falling from 46% two years earlier. In dollar terms, exports by the industry came to US$2,5 billion in the third quarter of 2015, declining from US$2,8 billion two years earlier. Compared to the second quarter of 2015, they had dropped from US$2,6 billion. In rand terms, in contrast, they climbed from R28,3 billion in the third quarter of 2013 to R31,3 billion in the second quarter of 2015, then increased further to R32,2 million in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the changes are not necessarily very meaningful.

Imports of metals and metal products came to 7% of all manufactured imports in the third quarter of 2015, around the same as two years earlier. They equalled about 20% of local production of metals in the third quarter of 2015, down (rather surprisingly) from 22% in the third quarter of 2013. In rand terms, they had risen from R13,2 billion in 2013 to R14,6 billion in the second quarter of 2015, and reached R14,8 billion in the third quarter.

3 Chemicals, rubber and plastic

The industry contributed 14.8% of total manufacturing production in the third quarter of 2015, with a fairly constant share from 2010. It was dominated by Sasol, which produced a variety of chemical products and petroleum from coal. Basic chemicals accounted for around 33% of the industry's production, other chemicals for 40%, plastics for a 23% and rubber for just 6%. In addition to consumer products, iuncluding pharmaceuticals, the industry provided key intermediate inputs for mining, agriculture and other industries. A signifiant incrase in exports in the past two years likely reflected sluggish domestic demand.

Production grew by 5,7% from third quarter 2013 to the third quarter of 2015, compared to an increase of 10,5% from the third quarter of 2010 to the third quarter of 2013. From the second to the third quarter, production rose by 3,8%.

Employment was 170 000 in the third quarter of 2015, up from 156 000 five years earlier and virtually the same as in the previous quarter. Employment had fallen more or less steadily from a high of 240 000 in 2008.

Capacity utilisation rose in the past quarter, from 82,9% in the second quarter of 2015 to 84,7% in the third quarter. The latest level was essentially the same as two years earlier.

Exports of chemicals, plastics, rubber came to 15% of total manufacturing exports in the third quarter of 2015. In dollar terms, they generally increased from 2010, following the sharp decline in the global financial crisis, but stagnated from late 2013 and are now down from 16% from the third quarter of 2013. They accounted for around 36% of total production in the industry in the third quarter of 2015, compared to 30% two years earlier.

In dollar terms, exports by the industry came to US$1,7 billion in the third quarter of 2015, around the same as two years earlier. Compared to the second quarter of 2015, however, they had dropped from US$1,9 billion. In rand terms, in contrast, the industry's exports climbed sharply from R16,9 billion in the third quarter of 2013 to R23 billion in the second quarter of 2015, although they declined to R22 billion in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the changes are not necessarily very meaningful.

Imports of chemicals, plastics, rubber accounted for 19% of all manufactured imports in the third quarter of 2015, compared to 18% in the third quarter of 2013. They equalled about 60% of local production of chemicals, rubber and plastic. In rand terms, they had risen from R35,5 billion in 2013 to R36,1 billion in the second quarter of 2015, then rose rapidly to R43,4 billion in the third quarter. Again, the figures are not seasonally adjusted and vary substantially quarter-on-quarter.

In 2014, the main imports in this very diverse grouping were plastics and pharmaceuticals, followed by organic chemicals, mostly used in industry, and rubber products, predominantly tyres. In the third quarter 2015, Goodyear announced a R670 million investment to expand production of high-value-added consumer tyres at its Uitenhage plant, which would however go together with a shift of production of medium radial truck tyres to overseas plants.

4 Motor vehicles, parts and accessories and other transport equipment

The auto industry was the only manufacturing industry to rank among South Africa's top five exporters. Transport equipment – mostly cars and car parts – contributed around a quarter of total manufactured exports (including bulk metals), although it accounted for less than seventh of manufacturing output. The value of imported transport equipment and inputs exceeded exports, in part because of car production for export depended largely on imported parts. More recently, the state has promoted local procurement of rail cars and locomotives as well as buses.

The auto industry has seen a dramatic recovery from the 2008/9 downturn. Production of transport equipment grew by 28,8% from third quarter 2013 to the third quarter of 2015, compared to a decrease of 1% from the third quarter of 2010 to the third quarter of 2013. From the second to the third quarter of 2015, however, production fell by 3,4% in seasonally adjusted terms.

The industry contributed 13% of total manufacturing production in the third quarter of 2015, up from 10,6% in the third quarter of 2013. It had accounted for 12% in the third quarter of 2010.

According to the Quarterly Labour Force Survey, employment in the industry came to 101 000 in the third quarter of 2015, down from 130 000 five years earlier and around the same as in the previous quarter.

Capacity utilisation fell in the past quarter, from 84,2% in the second quarter of 2015 to 81,6% in the third quarter. It had however risen markedly from 72,9% two years earlier, in the third quarter of 2013.

Exports of transport equipment came to 24% of total manufacturing exports in the third quarter of 2015, up from 18% two years earlier. They accounted for around 55% of total production of cars and other transport equipment in the third quarter of 2015, compared to 39% two years earlier.

In dollar terms, exports by the industry came to US$2,7 billion in the third quarter of 2015, from US$1,9 billion two years earlier and virtually the same as in the previous quarter. In rand terms, they climbed from R18,8 billion in the third quarter of 2013 to R32,6 billion in the second quarter of 2015, then increased to R35,1 billion in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the changes are not necessarily meaningful.

Imports of transport equipment accounted for 23% of all manufactured imports in the third quarter of 2015, compared to 22% in the third quarter of 2013. They equalled about 83% of local production of transport equipment in the third quarter of 2015, down from 90% in the third quarter of 2013. In rand terms, they had risen from R43,5 billion in 2013 to R45,1 billion in the second quarter of 2015, then climbed to R51,8 billion in the third quarter.

In August, Volkswagen announced it would invest R4,5 billion to produce new models in Uitenhage. Some two thirds of the sum will go for production capacity and most of the rest for supplier development. For comparison, Volkswagen invested just under R6 billion in South Africa from 2007 to 2014.

In November 2015, BMW announced a R6-billion investment to produce sports utility vehicles at its plant in Pretoria, with production expected to start around the end of the decade. This is reportedly the largest single investment in the South African auto industry. About half was expected to go to upgrade the Pretoria plant, and the rest for components suppliers, launch costs and training. Current incentive schemes mean that BMW will qualify for tax subsidies equal to between 20% and 30% of the total investment. The bulk of production was expected to go for exports (which would provide additional rebates for BMW), primarily in Europe, Australia and Asia but also possibly Nigeria.

In addition, BMW and Nissan announced in July that they would cooperate to roll out a national grid for recharging electric cars.

In November, Ford announced that production had started at an assembly plant for SUVs in Nigeria that used South Africa semi-knockdown kits. The plant would assemble around 3 000 cars a year.

The state has encouraged local production of locomotives and rolling stock for the major upgrades underway through Transnet and Prasa. In November 2015, feasibility study was announced into a planned R1-billion plant in Dunnottar in Gauteng to produce 580 new trains over the coming 10 years. The plant will be owned by Gibela Rail Transport, which has a R51-billion contract with Prasa. Gibela is in turn owned by Alstom (61%), Ubumbano Rail (30%) and New Africa Rail (9%). The contract requires 65% local content, so the Dunnottar complex will also accommodate components producers. The plant was initially expected to start production in early 2015, so it is already delayed.

5 Petroleum refining

Petroleum refining showed a downward trend over the past five years, but saw a sharp recovery in production in the past quarter.

The industry contributed 7,9% of total manufacturing production in the third quarter of 2015, down from 10,7% in the third quarter of 2013. It accounted for 7,6% in the third quarter of 2010. In volume terms, production fell by 10% from third quarter 2013 to the third quarter of 2015, compared to a decrease of 2,6% from the third quarter of 2010 to the third quarter of 2013. From the second to the third quarter, however, production rose by 5,2%.

The industry was notoriously capital intensive, with limited direct employment despite its considerable weight within manufacturing. Low levels of employment meant that changes reported in the Quarterly Labour Force Survey were not very reliable. Total employment was reported at 54 000 in the third quarter of 2015, having reportedly climbed steadily from around 40 000 five years earlier.

Capacity utilisation fell in the past quarter, from 75,2% in the second quarter of 2015 to 74,1% in the third quarter. It had been 83,6% two years earlier, in the third quarter of 2013.

Separate data are only available through 2014 on exports and imports of refined petroleum. They show a rapid increase in refined petroleum imports from around a million tonnes at the start of the 'aughties to around five million tonnes today. In contrast, imports of crude oil have remained fairly stable at around 20 million tonnes. As a result, the cost of refined oil rose from 1% of total imports to 6% over the decade to 2014, while crude increased from 12% to 16%.

6 Machinery and appliances

This industry, which is at the core of South Africa's capital goods industry, contributed 5,2% of total manufacturing production in the third quarter of 2015, down from 5,5% in the third quarter of 2013 and around the same share in 2010. But production had fallen by 2,9% from third quarter 2013 to third quarter 2015, compared to an increase of 8,4% from the third quarter of 2010 through the third quarter of 2013. The decline presumably resulted largely from reduced demand from mining as a consequence of the sharp fall in global metals prices. From the second to the third quarter of 2015, however, production reportedly rose by 2,8% in seasonally adjusted terms.

Employment in the industry saw a fairly steady fall from a high of 140 000 in 2008 to around 75 000 in mid-2015. It then reportedly recovered to just over 100 000 in the third quarter of 2015.

Capacity utilisation rose in the past quarter, from 82% in the second quarter of 2015 to 83% in the third quarter. It had been 83,6% two years earlier, in the third quarter of 2013, having peaked at 88% in early 2008.

The most up-to-date trade data do not break out general and specialised machinery, which constitutes the bulk of the industry, from a broader group that includes electrical equipment, appliances and consumer electronics. Exports of these products came to 18% of total manufacturing exports in the third quarter of 2015, up from 20% two years earlier. These sales equalled around 62% of total production of machinery and appliances in the third quarter of 2015, compared to 61% two years earlier.

In dollar terms, exports of capital goods, appliances and consumer electronics totalled US$2,1 billion in the third quarter of 2015, around the same as two years earlier. Compared to the second quarter of 2015, they had climbed from US$2 billion. In rand terms, they rose from R20,5 billion in the third quarter of 2013 to R24,3 billion in the second quarter of 2015, then increased to R26,9 billion in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the changes are not necessarily very meaningful.

Imports of machinery, appliances and consumer electronics came to 31% of all manufactured imports in the third quarter of 2015, compared to 34% in the third quarter of 2013. They were around 60% higher in rand terms than local production of machinery and appliances in the third quarter of 2015 – but the figure had dropped from 100% in the third quarter of 2013. In rand terms, they had fallen from R67,3 billion in 2013 to R66,1 billion in the second quarter of 2015, but climbed to R70,0 billion in the third quarter.

7 Wood and paper

The industry has seen a degree of recovery from a prolonged slide following the 2008/9 global financial crisis. It contributed 5,5% of total manufacturing production in the third quarter of 2015, up from 5,1% in the third quarter of 2013 but virtually the same as in the third quarter of 2010.

Production grew by 5,1% from third quarter 2013 to the third quarter of 2015, compared to an increase of just 2,0% over the previous three years from 2010. From the second to the third quarter, production rose by 4,3% in seasonally adjusted terms.

Employment was 104 000 in the third quarter of 2015, down sharply from 161 000 five years earlier. Quarterly changes in employment are neither seasonally adjusted nor highly reliable. That said, employment in wood and wood products reportedly fell by close to 20% from 123 000 in the second quarter of 2015.

Capacity utilisation rose in the past quarter, from 83,2% in the second quarter of 2015 to 84,6% in the third quarter. Still, despite the reported spurt in output, it remained lower than two years earlier, in the third quarter of 2013, when it was reported at 85,9%.

Exports of wood and paper came to 5% of total manufacturing exports in the third quarter of 2015, up from 4% two years earlier. They accounted for around a quarter of total production. In dollar terms, exports by the industry came to US$525 million in the third quarter of 2015, up from US$456 million two years earlier. Compared to the second quarter of 2015, they had climbed from US$519 million. In rand terms, exports rose from R4,6 billion in the third quarter of 2013 to R6 billion in the second quarter of 2015, then increased to R6,8 billion in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the change from the second quarter may not be significant.

Imports of wood and paper came to 2% of all manufactured imports in the third quarter of 2015. They equalled about 22% of local production of wood and paper in the third quarter of 2015, down from 25% in the third quarter of 2013. In current rand terms, they had risen from R4,5 billion in 2013 to R4,9 million in the second quarter of 2015, then climbed to R5,7 billion in the third quarter.

In terms of major projects announced in the third quarter of 2015,

- York Timbers announced that it would build an electrical biomass power station at its timber plant in Mpumalanga at a cost of R1,4 billion. The plant would deliver 25 MW for the national grid based on by-products from company's six timber operations.
- LignoTech South and Sappi are investing R105 million to increase the installed capacity of their lignin plant in KwaZulu Natal by 20 000 tonnes to around 180 000 tonnes.

8 Electrical machinery

Electrical machinery comprises a range of equipment used in generating and distributing electricity. As such, it appears to have benefited from the national build programme over the past two years. Production grew by 10,7% from third quarter 2013 to third quarter 2015, which meant growth accelerated over the previous three years, when it had climbed 5,5%. From the second to the third quarter, production reportedly rose by 13,2% in seasonally adjsuted terms.

The industry contributed 3,3% of total manufacturing production in the third quarter of 2015, down from 3,1% in the third quarter of 2013 and virtually the same as in 2010.

Employment was 36 000 in the third quarter of 2015. It had reportedly increased by around a third in the previous five years, but the figure is so small that reported changes are generally statistically insignificant.

Capacity utilisation rose in the past quarter, from 79,8% in the second quarter of 2015 to 82,0% in the third quarter. It had been 81,2% two years earlier, in the third quarter of 2013 and around 83% in 2008.

Electrical machinery trade is included under the broader machinery and equipment category in current trade statistics. The grouping is analysed under machinery and appliances above.

9 Glass and non-metallic mineral products

The industry produces a range of building products and ceramics as well as glass. It contributed 3,1% of total manufacturing production in the third quarter of 2015, down from 3,4% in the third quarter of 2013 and 3,6% in the third quarter of 2010. The industry reported growing exports, however, which may have reflected at least in part an effort to compensate for weak local demand and rising imports.

Production in the industry fell by almost 7% from third quarter 2013 to third quarter 2015, compared to an increase of 5,3% from the third quarter of 2010 to the third quarter of 2013. From the second to the third quarter of 2015, however, production rose by 0,4%.

Employment was 105 000 in the third quarter of 2015, virtually unchanged from five years earlier. Employment in glass and non-metallic mineral production reportedly fell from 120 000 in the second quarter of 2015, but this apparently reflected an increase in the second quarter compared to the first rather than a longer-term decline.

Capacity utilisation rose in the past quarter, from 79,2% in the second quarter of 2015 to 79,7% in the third quarter. It had been 87,5% two years earlier, in the third quarter of 2013.

Exports of glass and related prodcuts came to 1% of total manufacturing exports in the third quarter of 2015, virtually the same as two years earlier. They accounted for around 11% of total production of the industry in the third quarter of 2015, compared to 8% two years earlier. In dollar terms, exports by the industry came to US$117 million in the third quarter of 2015, from US$90 million two years earlier. Compared to the second quarter of 2015, however, they had dropped from US$126 million. In rand terms, they climbed from R0,9 billion in the third quarter of 2013 to R1,5 billion in the second quarter of 2015, and remained almost unchanged through the third quarter.

Imports of glass and non-metallic mineral products came to 2% of all manufactured imports in the third quarter of 2015, compared to 1% in the third quarter of 2013. They equalled about 23% of local production in the third quarter of 2015, up from 24% in the third quarter of 2013. In rand terms, they had risen from R2,8 billion in 2013 to R3,4 billion in the third quarter of 2015.

10 Textiles, clothing, leather and footwear

The industry includes textiles and wearing apparel as well as leather (much of which goes into the auto industry) and footwear. It contributed 2,7% of total manufacturing production in the third quarter of 2015, virtually the same as in the third quarter of 2013 but down from 3,1% in the third quarter of 2010. Within the industry, textiles and textile products accounted for over 40% of production; wearing apparel for 30%; knitted articles for 5%; leather for 14%; and footwear for 10%.

Production was almost unchanged in volume terms the third quarter of 2010. From the second to the third quarter of 2015, however, output rose by 0,7%. The product groups within the industry showed considerable divergence, however, with a 50% decline in knitted goods from 2010 and, in the past two years, stagnation in textiles, leather and footwear. In contrast, clothing has seen fairly steady growth, although very slow, rising only 1% in the two years to the third quarter of 2015. This may result in part from a dedicated dti support programme.

The industry showed a long-term fall in employment from 2010, despite significant quarterly variations. Employment was 232 000 in the third quarter of 2015, down from 252 000 five years earlier. It reportedly climbed from 213 000 in the second quarter of 2015.

Capacity utilisation remained essentially unchanged from the second quarter of 2015 at 76,0%. It had been 77,3% two years earlier, in the third quarter of 2013.

Exports of clothing and footwear came to 4% of total manufactured exports in the third quarter of 2015, up from 3% two years earlier. But they accounted for around 44% of total production of textiles, clothing, leather and footwear in the third quarter of 2015, compared to 33% two years earlier. The growth in export orientation apparently reflected a combination of stagnant domestic demand, a more competitive currency, and the dti's incentive scheme for clothing, which encouraged production for export.

In dollar terms, exports by the industry came to US$416 million in the third quarter of 2015, up from US$339 million two years earlier. Compared to the second quarter of 2015, they had dropped from US$455 million. In rand terms, they climbed more rapidly, rising from R3,4 billion in the third quarter of 2013 to R5,5 billion in the second quarter of 2015, but declined to R5,4 billion in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the changes are not necessarily very meaningful.

Imports of clothing, footwear, leather and textiles came to 7% of all manufactured imports in the third quarter of 2015, compared to 6% in the third quarter of 2013. They exceeded local production by around 25%. In rand terms, they rose from R12,8 billion in 2013 to R16,4 billion in the third quarter of 2015. The increase probably reflected depreciation more than an increase in the volume of imports.

11 Printing and publishing

The industry contributed 2,5% of total manufacturing production in the third quarter of 2015, down from 3,1% in the third quarter of 2013 and the third quarter of 2010. It appeared to be a decline, however, presumably in part because of the shift to digital distribution of media.

Production fell by 21% from third quarter 2013 to third quarter 2015, compared to an increase of 16% from the third quarter of 2010 to the third quarter of 2013. From the second to the third quarter of 2015, the industry's output fell by 2,6%.

Employment was reported at just under 100 000 in the third quarter of 2015, virtually the same as five years earlier despite the fall in production. The data suggest a long-term decline to around 70 000 workers followed by a sharp rise in the past quarter. Given the reported fall in output, the reported increase in 2015 is more likely to reflect the process of reweighting the data in the Quarterly Labour Force Survey in that year, not an actual reversal of the downward trend in employment.

Capacity utilisation fell in the past quarter, from 74,3% in the second quarter of 2015 to 73,6% in the third quarter. This reflected a sharp fall from 82,0% two years earlier.

Separate data are not available through the third quarter of 2015 on exports and imports of published material.

12 Electronics and precision equipment

This industry covers a highly varied set of products, including most telecommunications equipment as well as medical and other precision instruments. It contributed 1,1% of total manufacturing production in the third quarter of 2015, with the share remaining stable from 2010. It appeared to be very strongly and successfully export oriented, but imports remained around four times as high as local production.

The industry reported strong growth over the past two years, but it was off a relatively small base. Production grew by 11,6% from third quarter 2013 to third quarter 2015. Even this relatively rapid rate of growth represented a slowdown from the 26% growth in the industry from the third quarter of 2010 to the third quarter of 2013. From the second to the third quarter of 2015 alone, production rose by 7,8%.

Employment was 15 000 in the third quarter of 2015. It had reportedly dropped by around half in the previous five years, but the figure is so small that reported changes are statistically insignificant.

Capacity utilisation has been around 82% for the past two years.

The up-to-date data for exports relate only to precision and professional equipment, with telecommunications included in the broader machinery category. Still, the figures suggest a strong and growing export orientation. Exports of precision equipment accounted for just 1,4% of total manufacturing exports in the third quarter of 2015, up from 1,2% two years earlier. They equalled 92% of total production of radio, television and communication apparatus and professional equipment in the third quarter of 2015, compared to 73% two years earlier.

In dollar terms, exports of precision and professional equipment earned US$154 million in the third quarter of 2015, up from US$123 million two years earlier. In the second quarter of 2015, they amounted to US$157 million. In rand terms, they climbed from R1,2 billion in the third quarter of 2013 to R1,9 billion in the second quarter of 2015, then increased to R2,0 billion in the third quarter. That said, the quarterly trade data are not seasonally adjusted, so the changes may not be significant.

Imports of precision and professional equipment came to 3% of all manufactured imports in the third quarter of 2015, compared to 4% in the third quarter of 2013. They were four times as large as local production of telecommunications and professional equipment combined in the third quarter of 2015. In rand terms, they climbed from R7, 0 billion in 2013 to R7,6 billion in the third quarter of 2015. In the second quarter, they were at R6,9 billion, but the figures are not seasonally adjusted.

13 Furniture

The industry contributed 0,8% of total manufacturing production in the third quarter of 2015, with its share remaining fairly constant from 2010.

Production fell by 3,7% from third quarter 2013 to the third quarter of 2015, compared to an increase of 11% from the third quarter of 2010 to the third quarter of 2013. From the second to the third quarter, production rose by 1,1%.

Employment was 45 000 in the third quarter of 2015, around the same as five years earlier. The figure is too small for most reported changes to be statistically significant.

Capacity utilisation rose in the past quarter, from 76,6% in the second quarter of 2015 to 77,3% in the third quarter. It had however been reported at 90% two years earlier, in the third quarter of 2013.

The most up-to-date trade data do not provide separate figures for furniture.