Annual Economic Review of the Agro-processing Industry in South Africa

2025

DIRECTORATE: AGRO-PROCESSING SUPPORT

agriculture
Department:
Agriculture
REPUBLIC OF SOUTH AFRICA

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LIST OF ACRONYMS

DoA	Department of Agriculture
GDP	Gross Domestic Product
SA	South Africa
IPAP	Industrial Policy Action Plan
FAO	Food and Agriculture Organization
GVA	Gross value added

PREFACE

The National Development Plan (NDP) identifies the agro-processing industry for its potential to spur economic growth and create sustainable employment. The agriculture and agro-industries are postulated as having the latent potential to contribute to inclusive economic growth through forward and backward linkages by providing various opportunities for earning income in the food production, processing, distribution and retailing phases of the agro/food value chain. At policy level, specifically on economic transformation and job creation, the agro-processing industry is a key pillar for inclusive economic growth. At sector level, the Agriculture and Agro-processing Master Plan (AAMP)**, specifically pillars 5 and 6,** notes the crucial role the agro-processing industry should play towards mitigating post-harvest losses, providing access to markets for farmers and ensuring household food security. At operational level, the competitive performance of agribusinesses is directly linked to the competitiveness of the industry and the sector.

Consequently, the Department of Agriculture (DoA) established the Directorate: Agro-processing Support within the Branch: Economic Development, Trade and Marketing (EDTM) to develop and facilitate implementation of policies and strategies to enhance competitive performance of agro-processing agribusinesses. Among others, the function of the directorate is to provide timely and updated agro-processing, economic and statistical information geared to monitor the performance of the industry and provide insight into the effects of economic policies and exogenous factors. To achieve this purpose, the directorate publishes regular quarterly reviews of the agro-processing industry.

This publication, "*Annual economic review of the agro-processing industry in South Africa: 2025",* evaluates the performance of the following 11 divisions: food products, beverages, tobacco, textiles, wearing apparel, leather and leather products, footwear, paper and paper products, wood and wood products, rubber products and furniture. The main economic indicators reviewed are the changes in producer price, production volume, value of sales, capacity utilisation by large enterprises, formal employment and trade balance.

Any comments and suggestions on the content of this publication are welcome.

Directorate: Agro-processing Support

Pretoria

EXECUTIVE SUMMARY

The South African economy expanded by 1,1% year-on-year in 2025. The increase was notably in the primary and the tertiary sectors that rebounded and expanded, respectively, in 2025. However, the secondary sector decelerated (Reserve Bank, 2026).

In 2025, the agro-processing industry's seasonally adjusted volume of production contracted by 0,7%. In 2025, the divisions that contracted were wood and wood products and paper and paper products; furniture and footwear divisions expanded, leather and leather products and food products decelerated, beverages, rubber products and wearing apparel receded further while textiles and footwear rebounded.

The agro-processing sector's seasonally adjusted value of sales also moderated by 2,6%, this amounted to R1 115 358,4 million in 2025. The value of sales contracted for wood and wood products and paper and paper products divisions; furniture, textiles and food products expanded, footwear and rubber products divisions rebounded, wearing apparel, leather and leather products; and beverages divisions moderated in 2025.

The utilisation capacity in the agro-processing sector decreased for the following divisions: beverages, leather and leather products, footwear, wood and wood products, paper and paper products, rubber products and furniture. However, the food products and textiles and wearing apparel divisions increased in 2025.

The agro-processing industry registered a trade surplus of around R48 671,2 million in 2025. Most of the divisions recorded a trade surplus during the period under review and those were: food products, beverages, tobacco, textiles, wearing apparel, footwear, wood and wood products, paper and paper products and rubber, however, leather and leather products and furniture registered a trade deficit in 2025.

The employment in the agro-processing industry was 2 565 in 2025, following a loss of around 756 jobs in 2024. All the divisions in the sector shed jobs, except for food products in 2025.

1. INTRODUCTION

In 2025, as a result of an increase in the primary and tertiary sectors' activities in the South African economy, the country's real GDP grew by 1,1% as compared to a 0,5% growth in 2024. However, the secondary sector decelerated by 2,1% in 2025 (South African Reserve Bank, 2026).

This annual review is organised as follows: the first section presents an overview of the state of the domestic economy to provide an insight into the growth in domestic demand, which is largely determined by growth of the economy, employment and inflation. The second section gives a brief effect of the global and domestic economic situation on the 11 divisions of the agro-processing industry and lastly, the conclusion. The variables that are analysed in the review are the volume of production, sales, trade, employment and utilisation capacity of the 11 agro-processing divisions.

2. THE STATE OF THE DOMESTIC ECONOMY

Table 3.1 shows that the South African economy grew by 1,1% year-on-year in 2025. The agricultural output rebounded by 17,4% in 2025 as compared to a contraction of 8,7% in 2024, Despite these gains, the sector continued to face challenges from ongoing logistical constraints and outbreaks of animal diseases such as foot-and-mouth disease and avian influenza (South African Reserve Bank, 2026).

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

Sector	2024					2025				
	Q1	Q2	Q3	Q4	Year*	Q1	Q2	Q3	Q4	Year*
Primary sector	4,1	-1,9	-7,2	5,6	-3,0	3,7	2,4	2,0	-0,2	6,4
Agriculture	14,0	-3,9	-20,5	17,7	-8,7	16,4	1,2	1,4	0,4	17,4
Mining	1,2	-0,7	0,7	-0,1	0,4	-3,3	3,2	2,4	-0,6	0,2
Secondary sector	-1,2	0,6	0,4	-1,0	-0,6	-1,9	0,8	-0,2	-0,9	-2,1

Manufacturing	-1,2	0,5	0,1	-1,1	-0,4	-1,4	1,2	0,2	-0,6	-1,2
Construction	-2,9	0,3	0,8	-0,5	-5,4	-3,6	-0,8	0,1	-1,3	-4,4
Tertiary sector	0,0	0,4	0,3	0,2	1,1	0,1	0,6	0,2	0,7	1,3
Non-primary sector	-0,2	0,5	0,3	0,0	0,8	-0,3	0,6	0,1	0,4	0,7
Non-agricultural sector	-0,3	0,4	0,3	0,0	0,8	-0,4	-0,8	0,3	0,4	0,7
Total	0,1	0,3	-0,3	0,4	0,5	0,1	0,8	0,3	0,4	1,1

Source: Reserve Bank (2026)

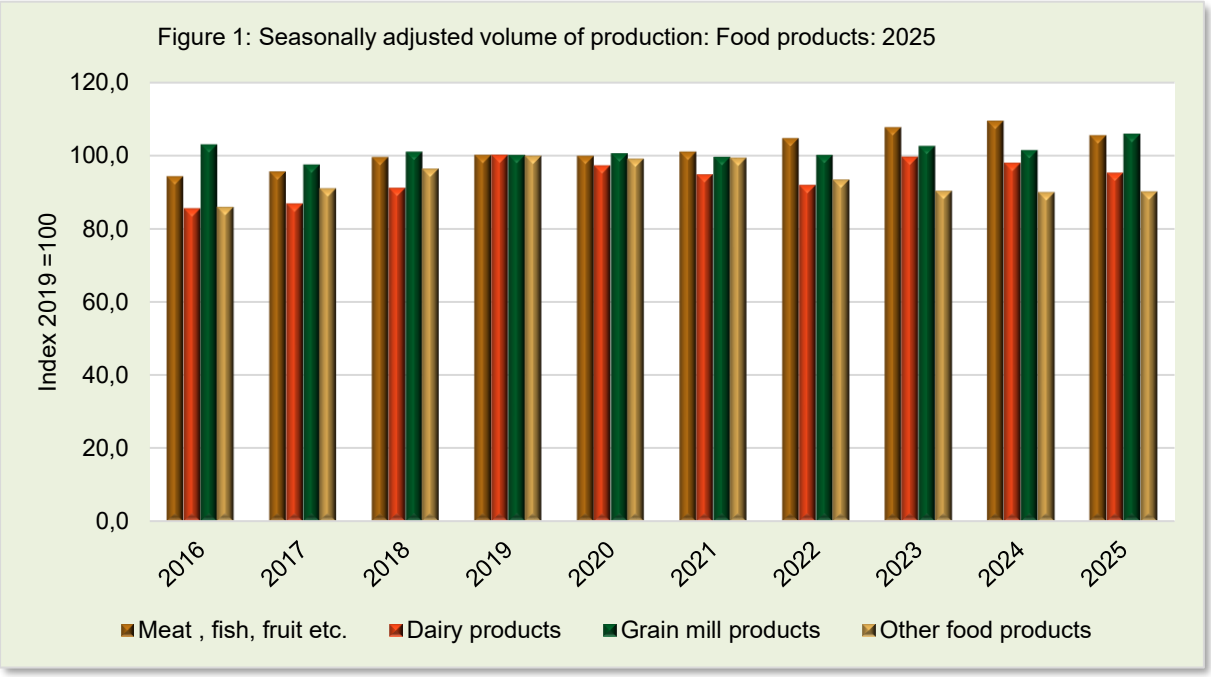
- *Percentage change over a year*
- *The non primary sector represents total GVA excluding agriculture and mining.*
- *The non-agricultural sector represents total GVA, excluding agriculture.*

3. THE AGRO-PROCESSING INDUSTRY

The Food and Agriculture Organization (FAO, 1997) defines agro-processing as a subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector. Therefore, the agro-processing industry basically transforms products originating from the agriculture, forestry and fisheries sectors. According to the Standard Industrial Classification, the agro-processing industry comprises of the following 11 divisions: food products, beverages, tobacco, textiles, wearing apparel, leather and leather products, footwear, paper and paper products, wood and wood products, rubber and furniture.

3.1 FOOD[1] PRODUCTS

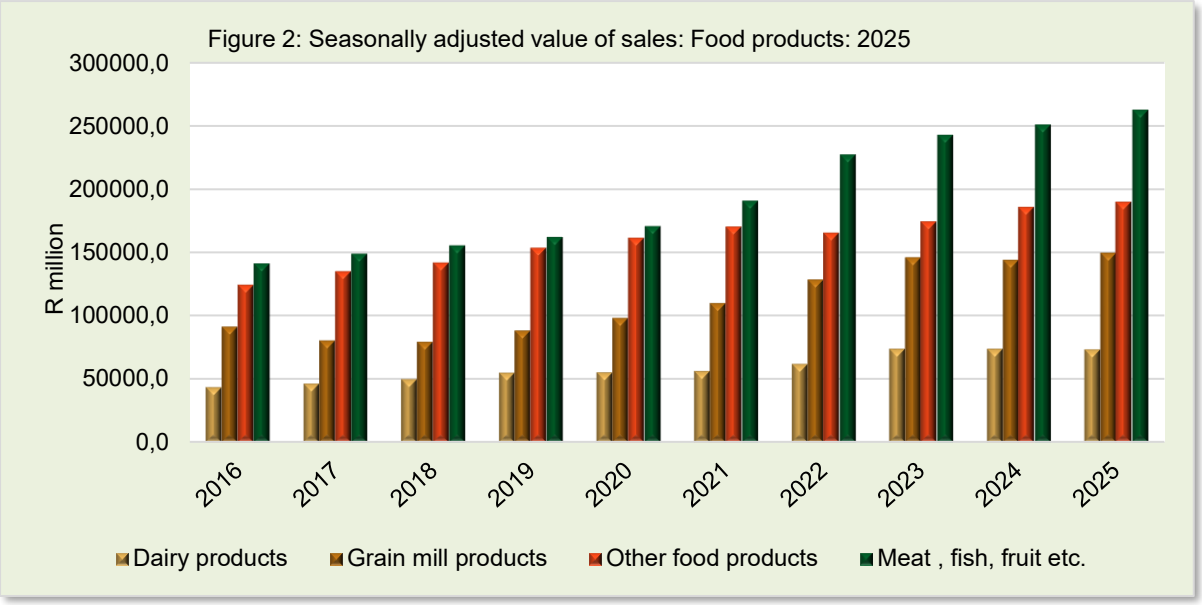
Figure 1: Seasonally adjusted volume of production: Food products: 2025



Source: Quantec (2026)

Figure 1 above depicts the average annual seasonally adjusted volume of production in the food products division of the agro-processing industry. In 2025, the output in the meat, fish, fruit, etc. division contracted by 3,6% from a 1,7% growth in 2024; dairy products decelerated by 2,8% from a 1,7% contraction in 2024. The grain mill products and "other food products" rebounded by 4,4% and 0,2% as compared to a 1,1% and 0,4% contraction, respectively, in 2025. The division as a whole decelerated by 0,5% in 2025 from a 0,3% contraction in 2024.

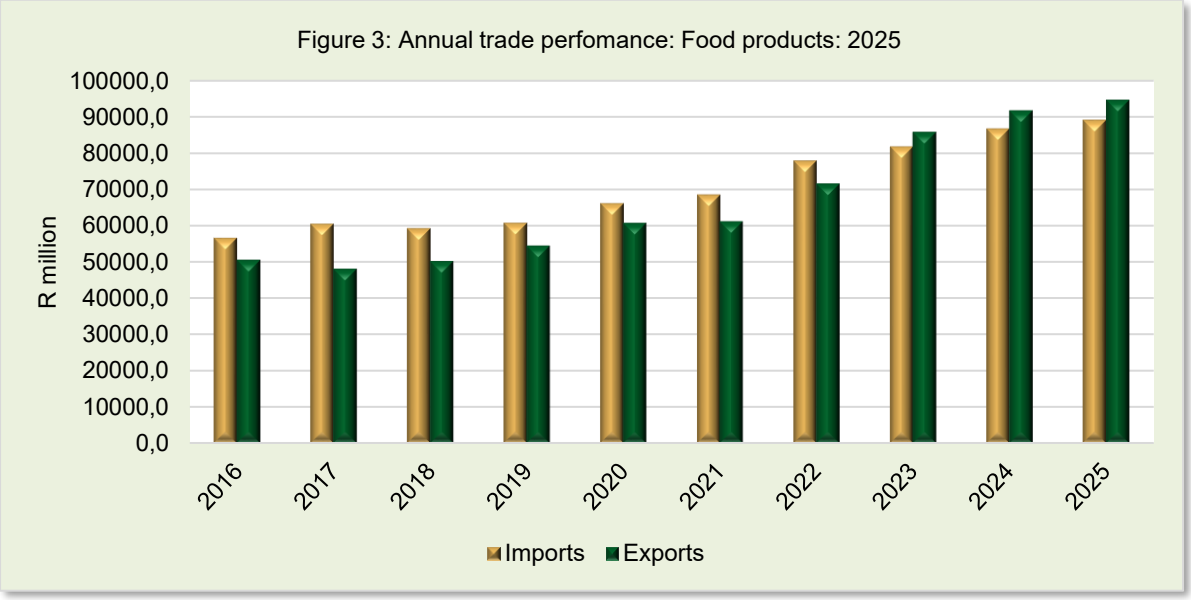
[1] *Food products in this case will include meat, fish, fruit etc., dairy products, grain mill products and "other food products"*



Source: Quantec (2026)

Figure 2 above presents the seasonally adjusted value of sales in the food products division, which is comprised of meat, fish, fruit, etc.; dairy products; grain mill products and “other food products”. In 2025, the sales for meat, fish, fruit, etc., rose by 4,6% from a 3,3% growth in 2024, dairy products contracted by 0,6% from a 0,1% growth in 2024, grain mill products rebounded by 3,9% following a 1,4% contraction in 2024, and ‘’other food products’’ moderated by 2,1% as compared to a growth of 6,6% in 2024.

The division in its entirety rose by 3,1% in 2025 from a 2,8% growth in 2024. The value of sales therefore amounted to R673 539,1 million in 2025.



Source: Quantec (2026)

In 2025, the exports of the food products division moderated by 3,2% from a 6,9% growth in 2024. Similarly, the food imports division moderated by 2,7% as compared to a 6,1% growth in 2024. As a result, the trade surplus widened from R4 989,0 million in 2024 to R5 635,2 million in 2025 as shown in Figure 3.

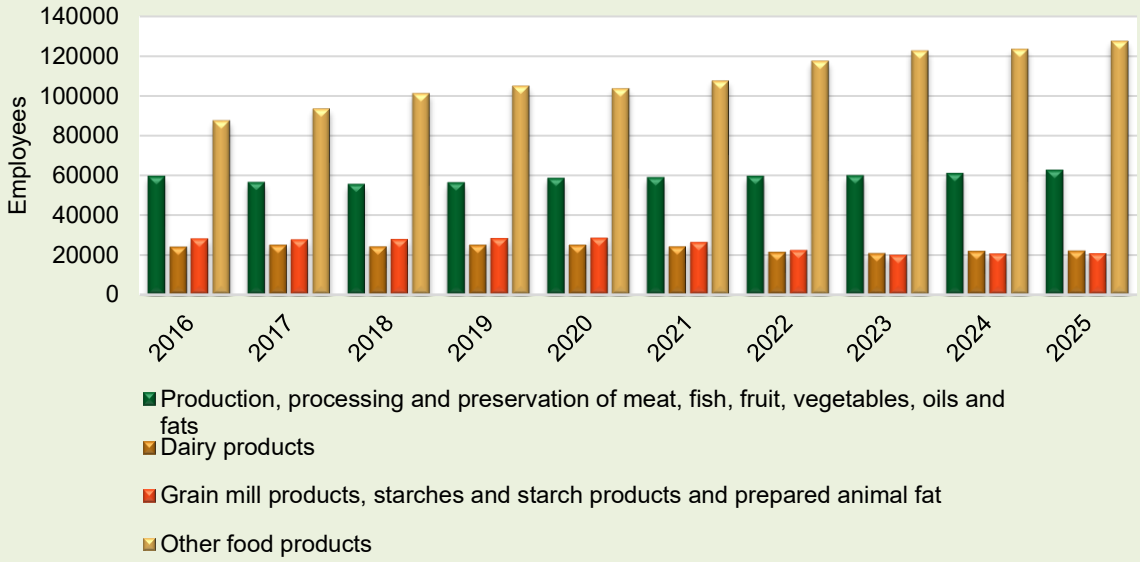
Table 2: Utilisation and reasons for underutilisation of production capacity by large enterprises: Food products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	81,7	18,3	1,9	1,0	0,3	9,3	5,9
2024	81,4	18,7	2,1	1,2	0,2	10,0	5,3
2025	81,8	18,2	2,4	0,7	0,2	9,4	5,6

Source: Statistics SA (2026)

The utilisation of production capacity by large enterprises in the food products division increased in 2025 by 0,4 percentage points. The main reason for underutilisation during 2025 was due to insufficient demand, followed by other reasons such as seasonal factors as shown in Table 2.

Figure 4: Number of employment: Food products: 2025



Source: Quantec (2026)

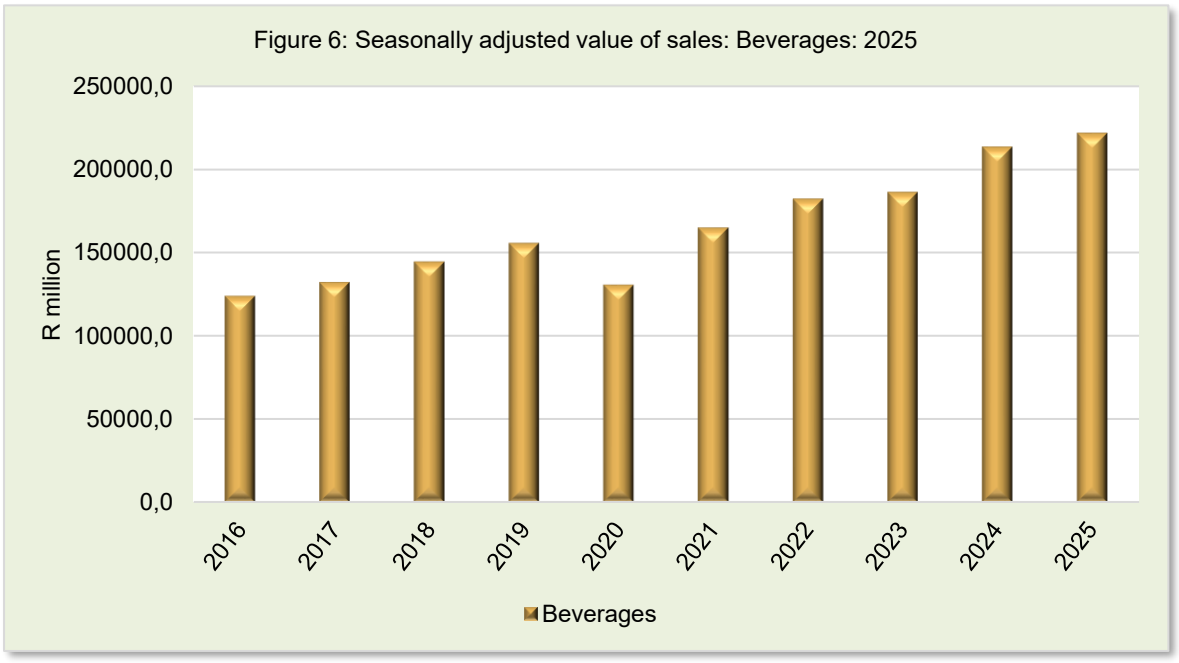
Figure 4 above depicts employment in the food products division in 2025. In 2025, the employment in the production, processing and preservation of the meat, fish, fruit, vegetables, oils and fats and “other food products” rose by 2,8% and 3,4% from a 1,9% and 0,6% growth, respectively, in 2024. The dairy products and grain mill products moderated by 1,1% and 0,7% following a 5,6% and 3,1% growth in 2024, respectively.

The division as a whole expanded by 2,8% in 2025 following a 1,6% growth in 2024. As a result, the division created 6 265 jobs in 2025.

3.2 BEVERAGES

Source: Quantec (2026)

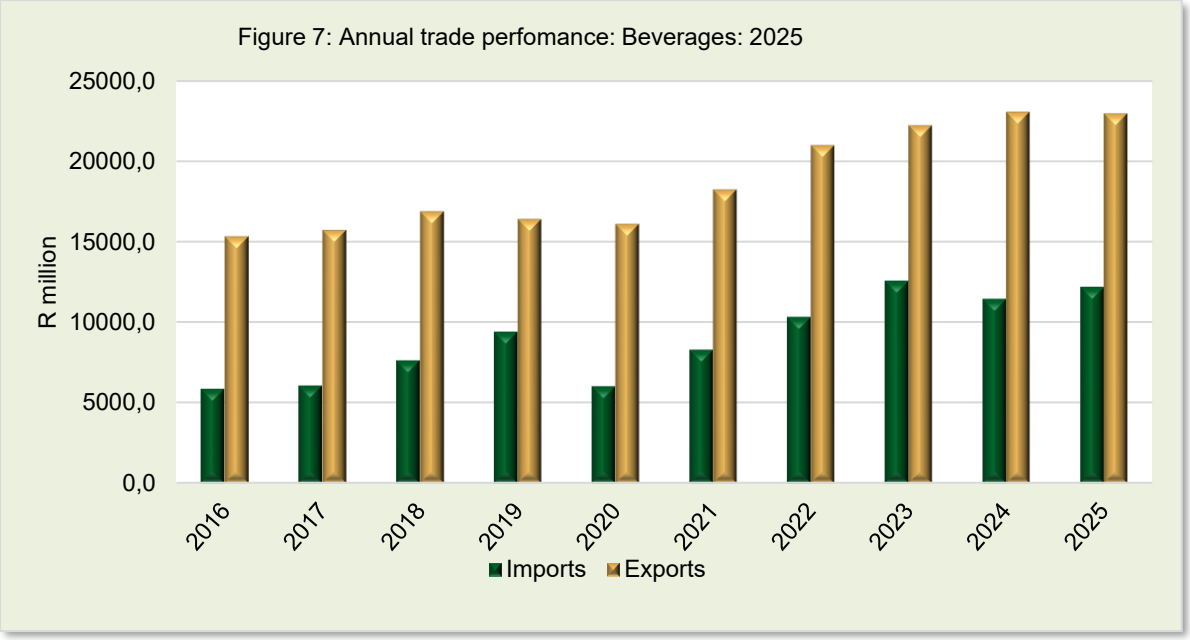
Figure 5 shows the average seasonally adjusted volume of production in the beverages division. In 2025, the output for the beverages division moderated by 0,3% from a growth of 8,9% recorded in 2024. The volume of production was highest in 2025 and lowest in 2020.



Source: Quantec (2026)

Figure 6 above depicts the seasonally adjusted value of sales for the beverages division. In 2025, sales for the beverages division moderated by 4,0% as compared to a growth of 14,5% in 2024. Sales for the division were highest in 2025 and lowest in 2020. The value of sales amounted to R221 727,2 million in 2025.

Figure 7: Annual trade perfomance: Beverages: 2025



Source: Quantec (2026)

In 2025, the exports for the beverages division contracted by 0,4% in 2024 following a 3,8% growth in 2024, however, the beverages imports division rebounded by 6,4% following a contraction of 8,9% in 2024. As a result, the trade surplus narrowed from R11 656,4 million in 2024 to R10 821,9 million in 2025 as illustrated in Figure 7.

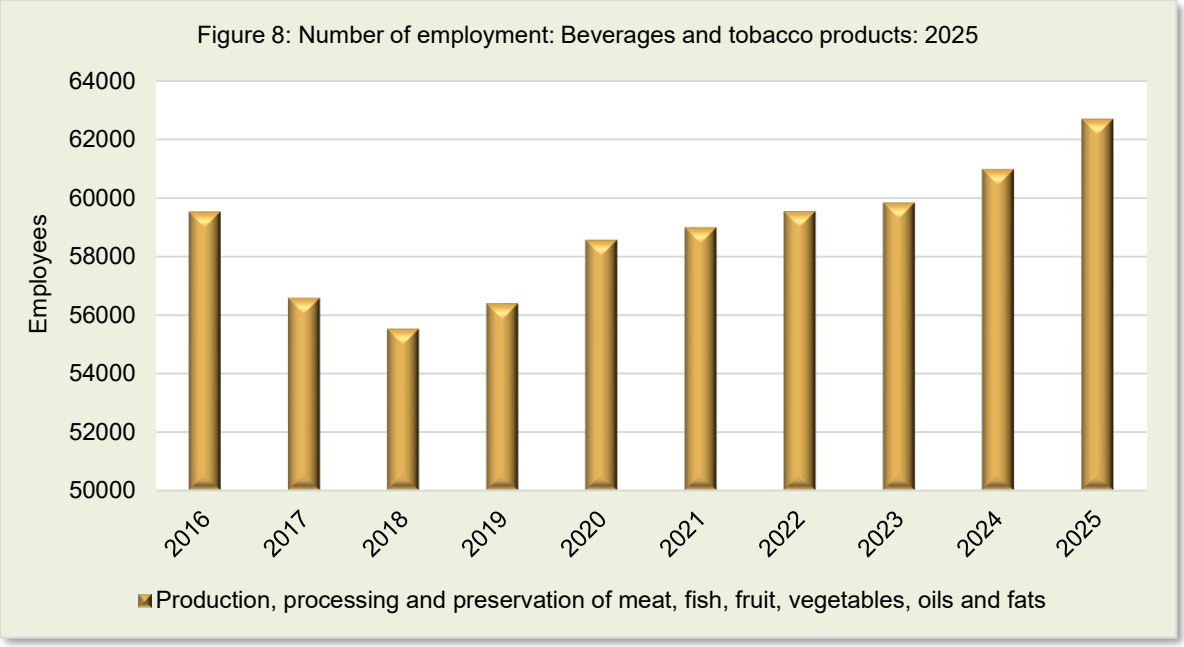
Table 3: Utilisation and reasons for underutilisation of production capacity by large enterprises: Beverages (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	82,5	17,6	2,5	3,2	0,2	9,6	2,2
2024	82,8	17,2	1,9	3,3	0,2	9,3	2,6

2025	82,2	17,8	2,3	3,3	0,2	9,5	2,6

Source: Statistics SA (2026)

Table 3 shows that the utilisation of production capacity decreased in 2025 by 0,6 percentage points. The main reason for underutilisation was insufficient demand, followed by other reasons such as a shortage of skilled labour.

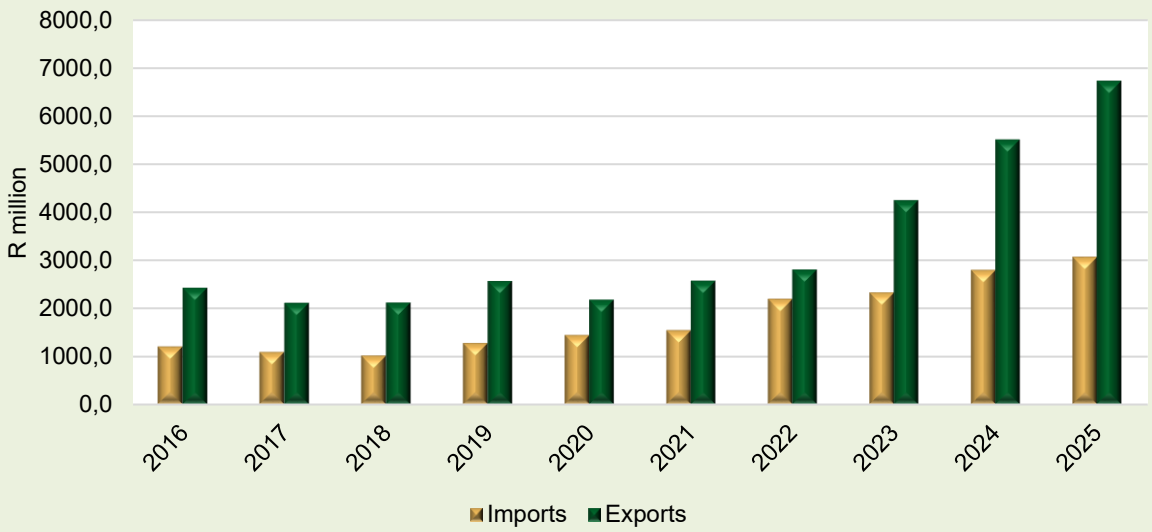


Source: Quantec (2026)

Figure 8 above shows employment in the beverages and tobacco division from 2016 to 2025. In 2025, the employment in the beverages and tobacco division decelerated by 5,4% as compared to a 2,0% contraction in 2024. As a result, 2 416 jobs were lost in 2025.

3.3 TOBACCO

Figure 9: Annual trade perfomance: Tobacco products: 2025

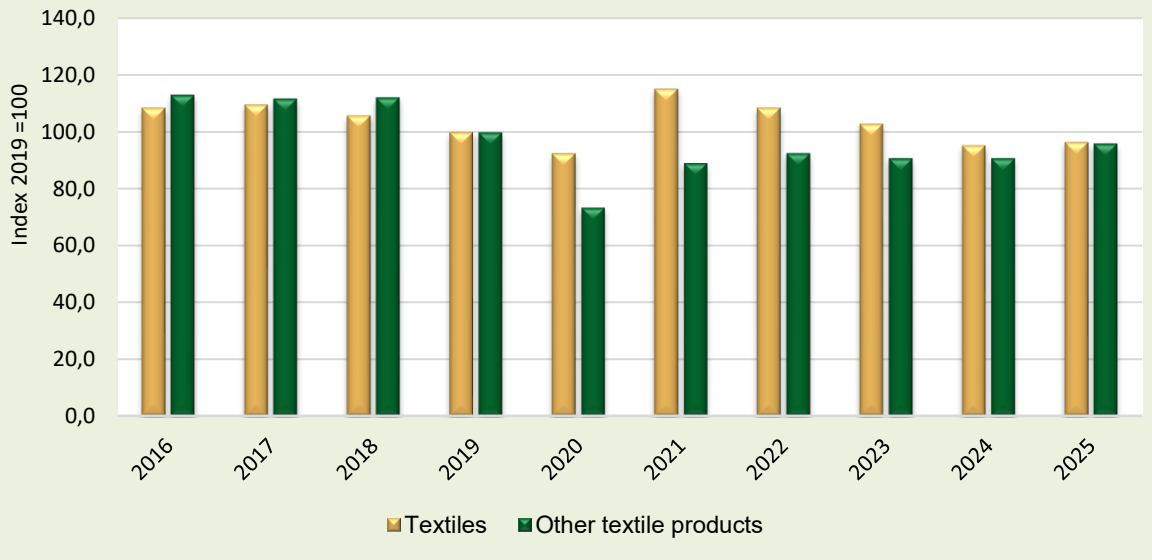


Source: Quantec (2026)

In 2025, the exports of tobacco division moderated by 22,2% from a 29,5% growth in 2024, similarly, imports of tobacco division, moderated by 9,7% following a 19,9% growth in 2024. As a result, the trade surplus widened from R2 704,5 million in 2024 to R3 653,2 million in 2025 as shown in Figure 9.

3.4 TEXTILES

Figure 10: Seasonally adjusted volume of production: Textiles: 2025

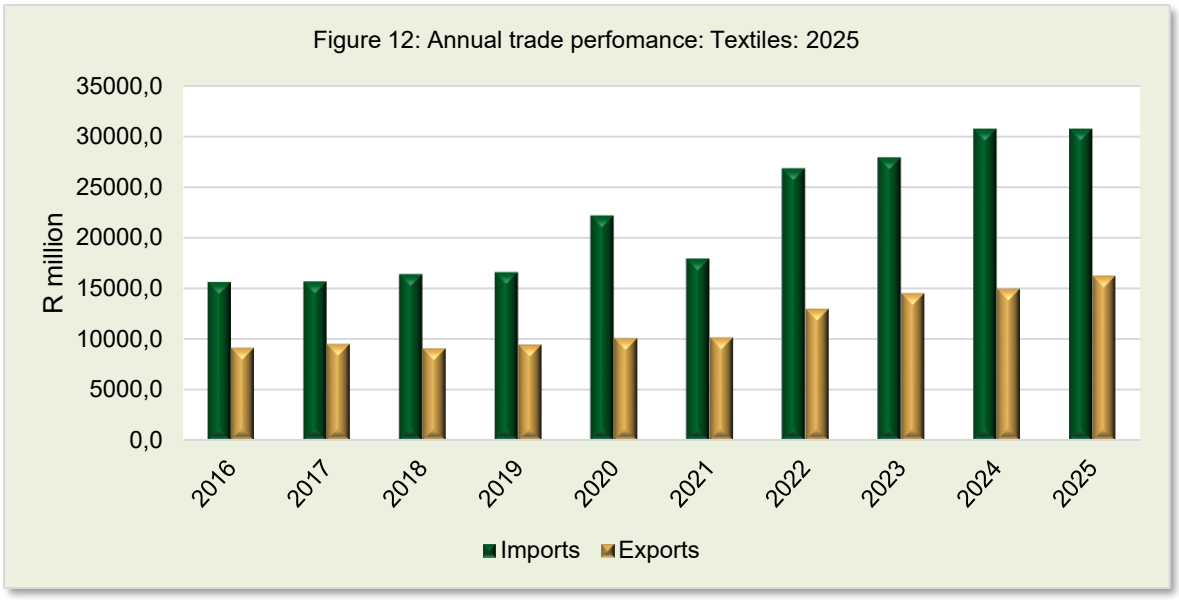


Source: Quantec (2026)

In 2025, the volume of production for the textiles division rebounded by 1,2% following a 7,4% contraction in 2024. However, “other textile products” rose by 5,8% in 2025 following no growth recorded in 2024. The division as a whole rebounded by 8,4% in 2025 from a 5,2% contraction in 2024. Output for “other textiles products” was highest in 2018 and lowest in 2020. Textiles output, however, was highest in 2021 and lowest in 2020 as depicted in Figure 20.

Source: Quantec (2026)

Figure 11 above depicts the seasonally adjusted value of sales for the textile division. In 2025, the seasonally adjusted value of sales in the textiles division rebounded by 2,5% from an 8,9% contraction in the last quarter, however, “other textile products” division rose by 10,9% following a growth of 10,4% in the last quarter. The sales for the division as a whole expanded by 8,3% in 2025 following a 3,6% growth in 2024. Sales for textiles division were highest in 2023 and lowest in 2020. However, sales for other textile products” division were highest in 2025 and lowest in 2020. The value of sales for the whole division amounted to R33 403,7 million in 2025.



Source: Quantec (2026)

In 2025, the textiles exports rose by 8,5% from a 2,9% growth in 2024, however, imports registered no growth as compared to a 10,1% growth in 2024. As a result, the trade deficit narrowed from R15 843,0 million in 2024 to R14 570,8 million in 2025 as presented in Figure 12.

Table 4: Utilisation and reasons for underutilisation of production capacity by large enterprises: Textiles (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	66,5	33,5	2,2	0,6	0,0	23,5	7,3
2024	66,0	34,0	2,2	0,7	0,1	23,1	8,0
2025	67,8	32,2	2,2	0,9	0,2	21,8	7,2

Source: Statistics SA (2026)

Table 4 illustrates the utilisation capacity by large enterprises in the textiles division. The utilisation capacity increased in by 1,8 percentage points in 2025. Insufficient demand remains

the main reason for underutilisation in 2025, followed by other reasons such as seasonal factors.

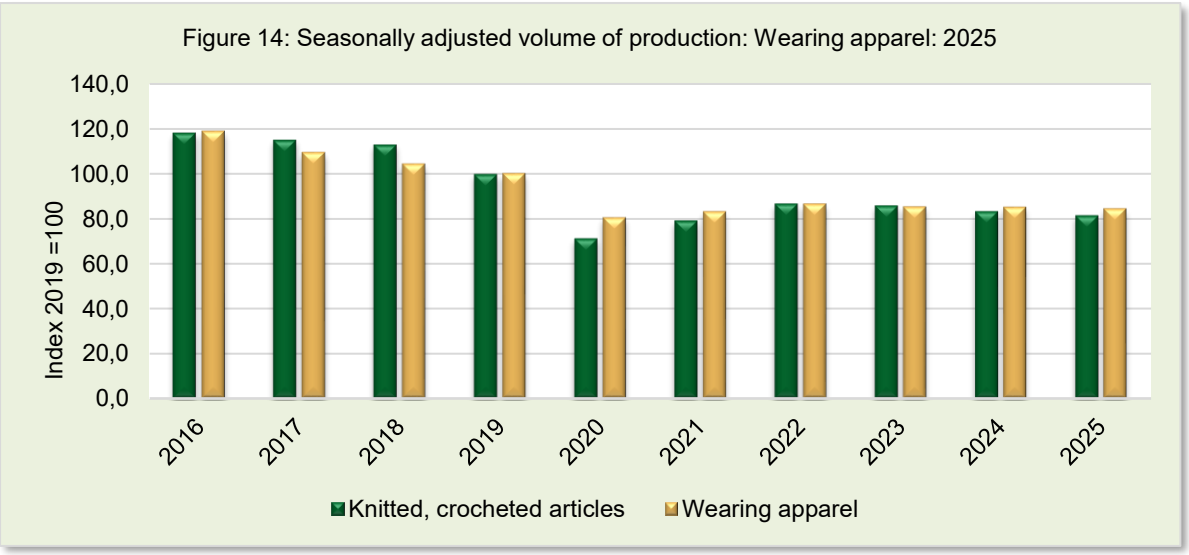
Figure 13: Number of employment: Textiles 2025

Source: Quantec (2026)

Figure 13 above shows employment in the textiles division in 2025. In 2025, the employment in the preparation and spinning of textiles division decelerated by 3,5% from a 0,9% contraction in 2024, however, “other textile products” expanded by 0,3% following no growth recorded in 2024. The division as a whole decelerated by 0,6% in 2025 as compared to a 0,2% contraction in 2024. As a result, the division shed 176 jobs in 2025.

3.5 WEARING APPAREL

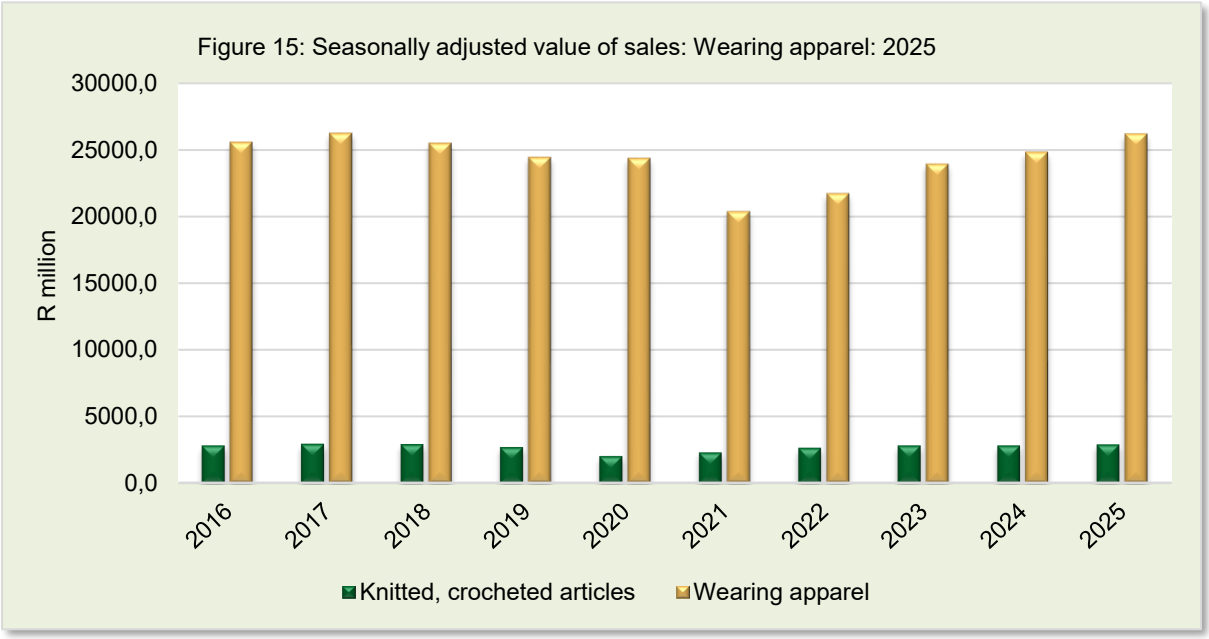
Figure 14: Seasonally adjusted volume of production: Wearing apparel: 2025



Source: Quantec (2026)

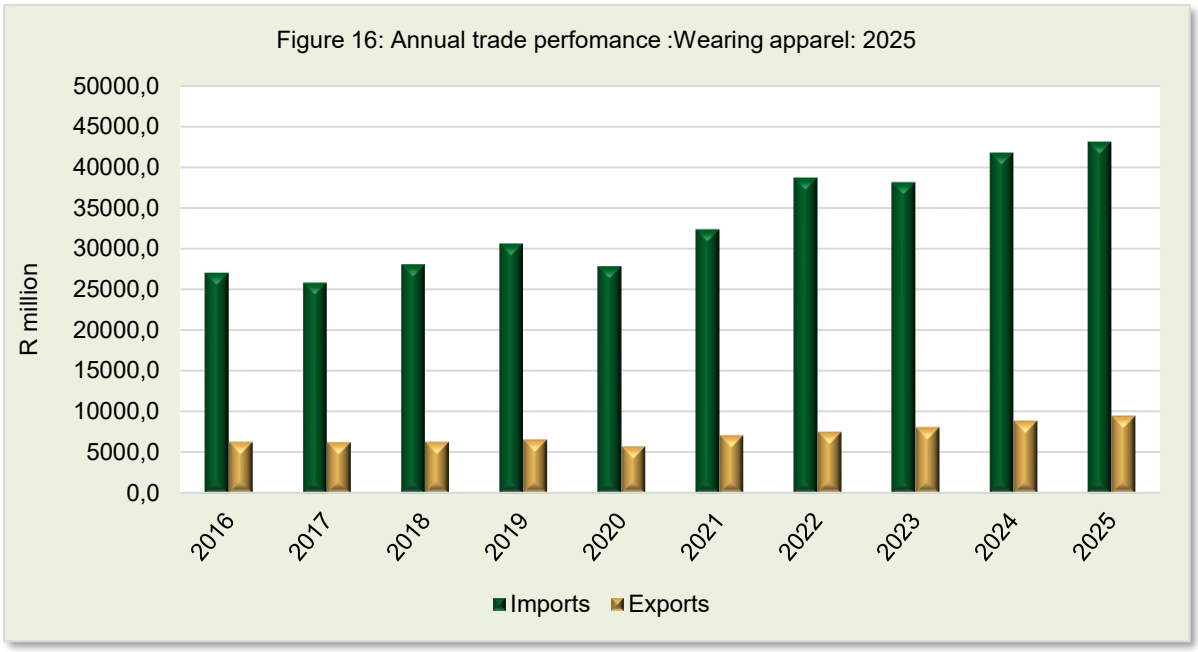
In 2025, the annual seasonally adjusted volume of production in the knitted, crocheted articles division receded further by 2,2% from a 3,1% contraction in 2024; wearing apparel, on the other hand, decelerated by 0,8% following a 0,2% contraction in 2024. The division as a whole receded further by 1,0% from a 3,0% contraction in 2024. Output in the wearing apparel division was highest in 2016 and lowest in 2020. Similarly, output for the knitted, crocheted articles division was highest in 2016 and lowest in 2020 as presented in figure 14.

Figure 15: Seasonally adjusted value of sales: Wearing apparel: 2025



Source: Quantec (2026)

In 2025, the annual seasonally adjusted value of sales in the knitted, crocheted articles division rebounded by 2,6% from a 0,2% contraction in 2024, however, the wearing apparel division moderated by 4,9% from a 5,5% growth in 2024. The value of sales for the wearing apparel division was highest in 2024 and lowest in 2020, however, the value of sales for the knitted, crocheted articles division were highest in 2017 and lowest in 2020. The values of sales for the division in its entirety moderated by 4,6% from a 4,9% growth in 2024. The value of sales of the division as a whole amounted to R30 276,9 million in 2025 as figure 15 illustrates.



Source: Quantec (2026)

In 2025, the wearing apparel division exports moderated by 6,7% from a growth of 9,5% in 2024, similarly, imports moderated by 3,2% from a 9,4% growth in 2024. As a result, the trade deficit widened from R33 005,2 million in 2024 to R33 759,5 million in 2025 as Figure 16 shows.

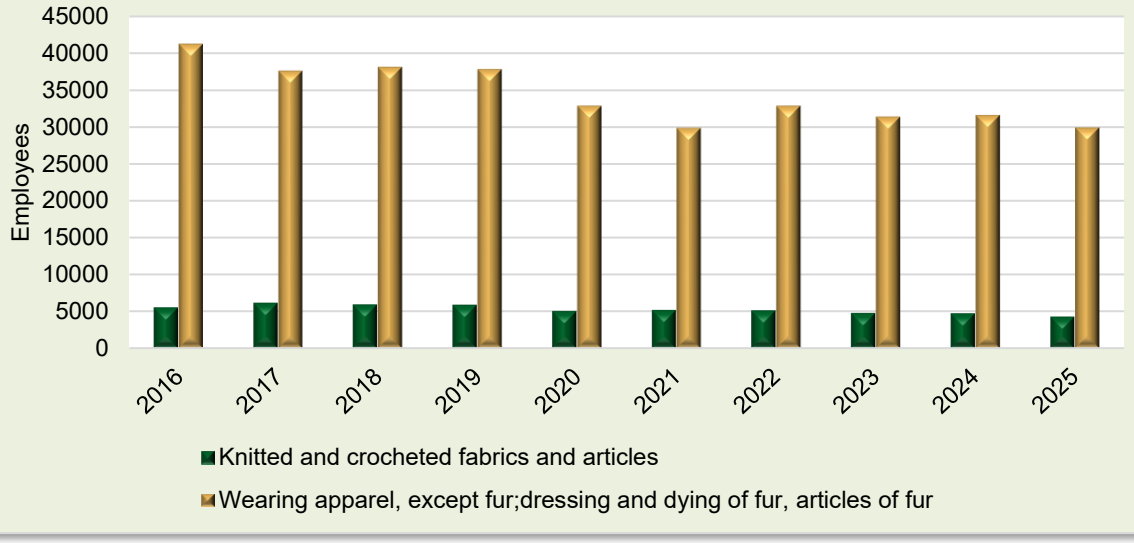
Table 5: Utilisation and reasons for underutilisation of production capacity by large enterprises: Wearing apparel (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	73,9	26,2	0,6	1,5	0,8	18,5	4,7
2024	74,4	25,6	0,8	1,3	0,4	18,8	4,3
2025	74,7	25,4	0,5	1,3	0,4	18,8	4,3

Source: Statistics SA (2026)

Table 5 above shows that the utilisation capacity grew in 2025. The utilisation increased by 0,3 percentage points. Insufficient demand remains the main reason for underutilisation of production capacity during 2025, followed by other reasons such as lower productivity.

Figure 17: Number of employment: Wearing apparel: 2025



Source: Quantec (2026)

In 2025, the employment in the knitted and crocheted articles division decelerated by 9,5% from a 0,9% contraction in 2024. However, the wearing apparel division contracted by 5,4% in 2025 as compared to a 0,8% growth in 2024. The employment for the division as a whole contracted by 5,9% in 2025 following a 0,5% growth in 2024. As a result, 2 150 jobs were shed in 2025 as presented in Figure 17.

3.6 LEATHER AND LEATHER PRODUCTS

Source: Quantec (2026)

Figure 18 above illustrates the seasonally adjusted volume of production in the leather and leather products division. In 2025, the leather and leather products division decelerated by 5,0% from a 0,2% contraction in 2024. The output for the leather and leather products division was highest in 2016 and lowest in 2020.

Source: Quantec (2026)

Figure 19 above presents the value of sales in the leather and leather products division. In 2025, the seasonally adjusted value of sales in the leather and leather products division

moderated by 4,1% following a 7,4% growth in 2024. Therefore, the value of sales for the leather and leather products division amounted to R7 042,9 million in 2025.

Figure 20: Annual trade perfomance: Leather and leather products: 2025

Source: Quantec (2026)

In 2025, the exports of the leather and leather products division rebounded by 6,3% from a 1,3% contraction registered in 2024, however, imports moderated by 2,8% following a 10,3% growth in 2024. As a result, the trade deficit narrowed from R1 768,6 million in 2024 to R1 699,0 million in 2025 as presented in Figure 20.

Table 6: Utilisation and reasons for underutilisation of production capacity by large enterprises: Leather and leather products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	61,8	38,3	4,3	0,5	0,9	30,8	1,8
2024	62,1	37,9	3,8	0,5	1,2	31,7	0,9
2025	59,8	40,2	3,7	1,1	1,6	33,8	0,1

Source: Statistics SA (2026)

As illustrated in Table 6, the utilisation of production capacity in the leather and leather products division decreased in 2025 by 2,3 percentage points. Insufficient demand remained the main reason for underutilisation, followed by other reasons such as shortage of raw materials.

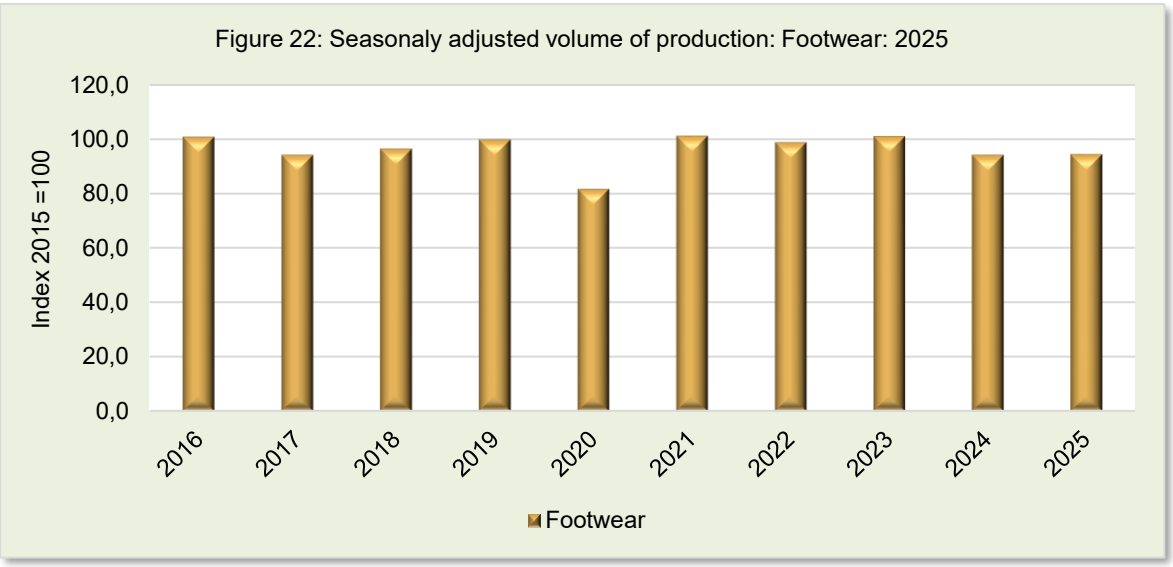
Figure 21: Number of employment: Leather and leather products: 2025

Source: Quantec (2026)

Figure 21 above shows the employment in the leather and leather products division in 2025. The employment in the leather and leather products division decelerated by 4,5% in 2025 from a 1,1% contraction registered in 2024. As a result, 227 jobs were shed in the division in 2025.

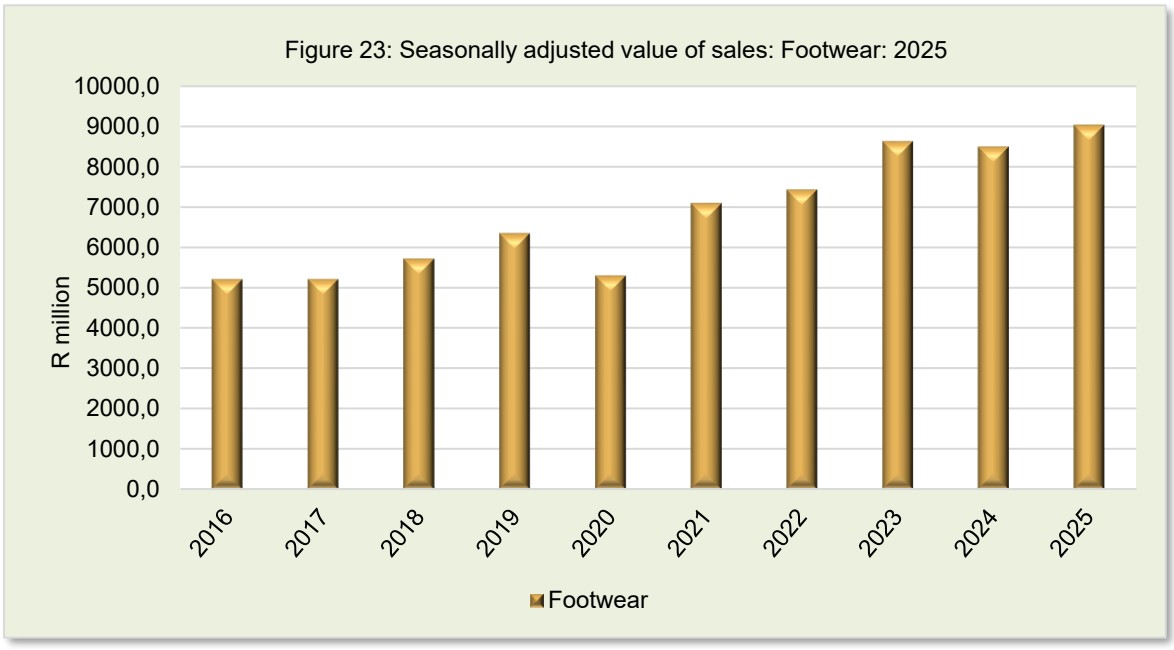
3.7 FOOTWEAR

Figure 22: Seasonaly adjusted volume of production: Footwear: 2025



Source: Quantec (2026)

Figure 22 above shows the seasonally adjusted volume of production in the footwear division. In 2025, the volume of production for the footwear division rebounded by 0,3% as compared to a 6,8% contraction in 2024. The output was highest in 2021 and lowest in 2020.



Source: Quantec (2026)

Figure 23 above depicts, the seasonally adjusted value of sales in the footwear division in 2025. It shows that the sales rebounded by 6,3% in 2025 as compared to a contraction of 1,6% in 2024 and therefore the value of sales was approximately R9 033,0 million in 2025.

Source: Quantec (2026)

In 2025, the exports of the footwear division moderated by 5,6% following an 8,0% growth in 2024. However, the imports of the footwear division contracted by 3,1% in 2025 as compared to a 17,3% growth registered in 2024. As a result, the trade deficit narrowed from R14 886,5 million in 2024 to R14 148,7 million in 2025 as shown in Figure 24.

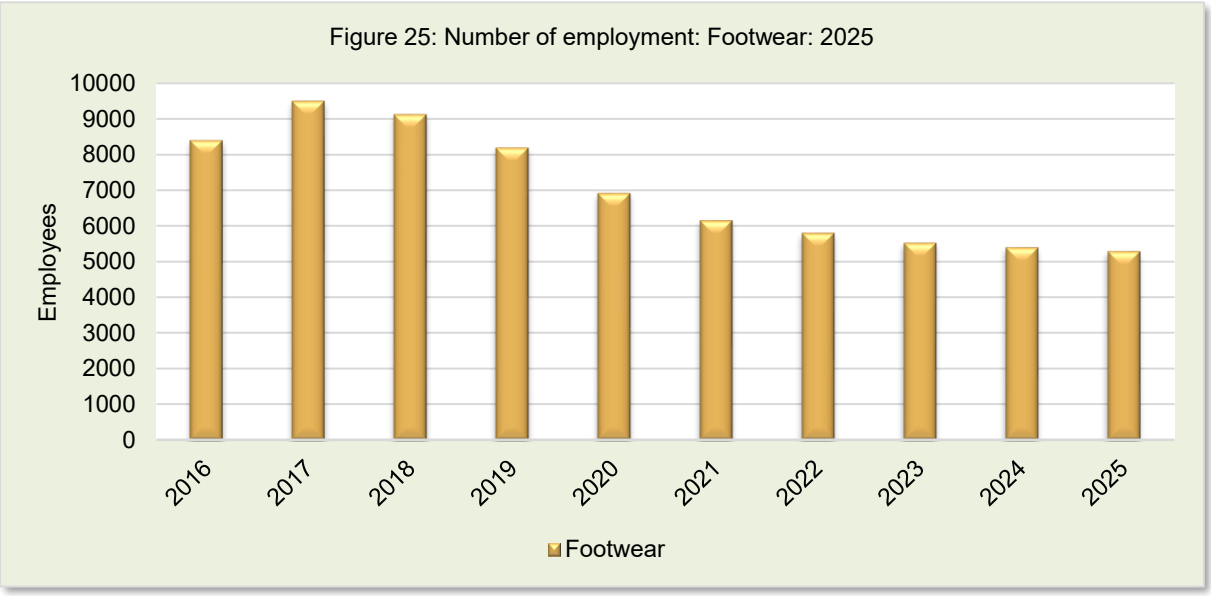
Table 7: Utilisation and reasons for underutilisation of production capacity by large enterprises: Footwear (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	83,7	16,3	4,3	1,0	0,1	11,0	0,0
2024	80,6	19,4	5,9	0,9	0,0	12,6	0,1
2025	78,2	21,9	5,0	1,0	0,0	14,8	1,2

Source: Quantec (2026)

The utilisation of production capacity in the footwear division decreased by 2,4 percentage points in 2025. Insufficient demand remained the key reason for underutilisation during the period under review, followed by a shortage of raw materials as shown in Table 7.

Figure 25: Number of employment: Footwear: 2025



Source: Quantec (2026)

Figure 25 above presents employment in the footwear division. In 2025, the employment in the footwear division receded further by 1,9% from a 2,3% contraction in 2024. As a result, 104 jobs were shed in the division in 2025.

3.8 WOOD AND WOOD PRODUCTS

Figure 26: Seasonally adjusted volume of production: Wood and wood products: 2025

Source: Quantec (2026)

Figure 26 shows that in 2025, the seasonally adjusted volume of production in the sawmilling and planing of wood division rebounded by 1,9% from a 2,0% growth in 2024. However, the products of wood moderated by 1,1% in 2025 from a 1,7% growth registered in 2024. The division as a whole contracted by 2,0% in 2025 from a 0,3% growth in 2024. The sawmilling and planing of wood division's output was highest in 2023 and lowest in 2020, while products of wood output was highest in 2024 and lowest in 2020.

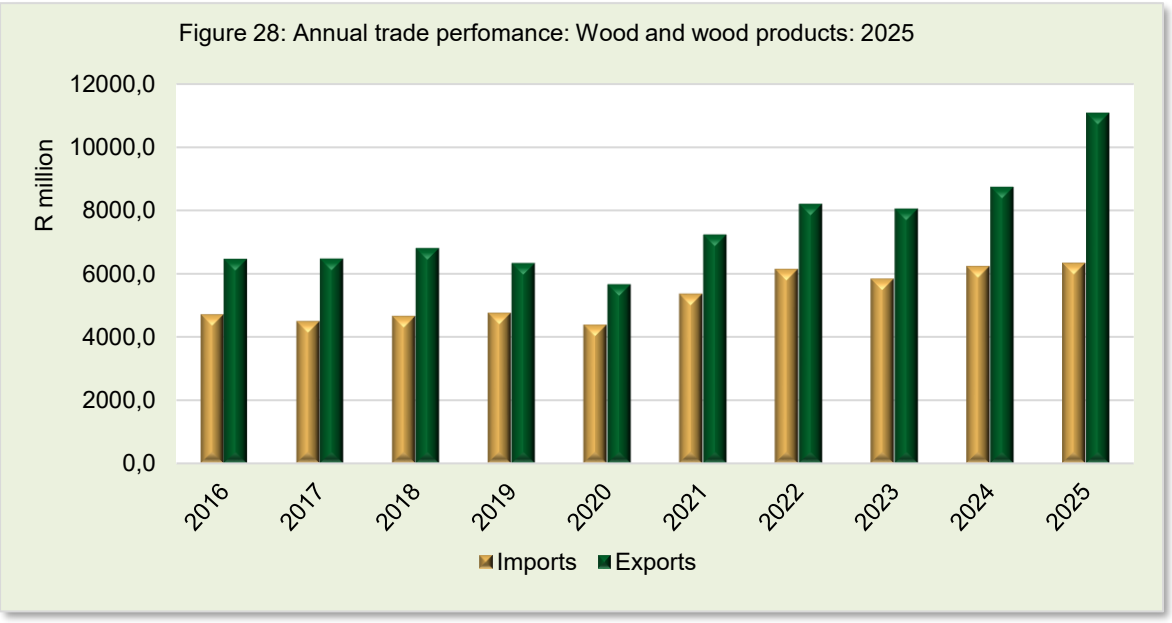
Figure 27: Seasonally adjusted value of sales: Wood and wood products: 2025

Source: Quantec (2026)

As depicted in Figure 27, the value of sales for sawmilling and planing of wood and products of wood decelerated by 2,8% in 2025 from a 1,8 % contraction in 2024. However, products of wood contracted by 1,1% in 2025 from a 1,8% growth in 2024.

The division as a whole contracted by 1,7% following a 0,6% growth in 2024. The value of sales for the products of wood division was highest in 2024 and lowest in 2020; however, sales for sawmilling and planing of wood were highest in 2023 and lowest in 2019. The sales for the entire division amounted to R44 193,3 million in 2025.

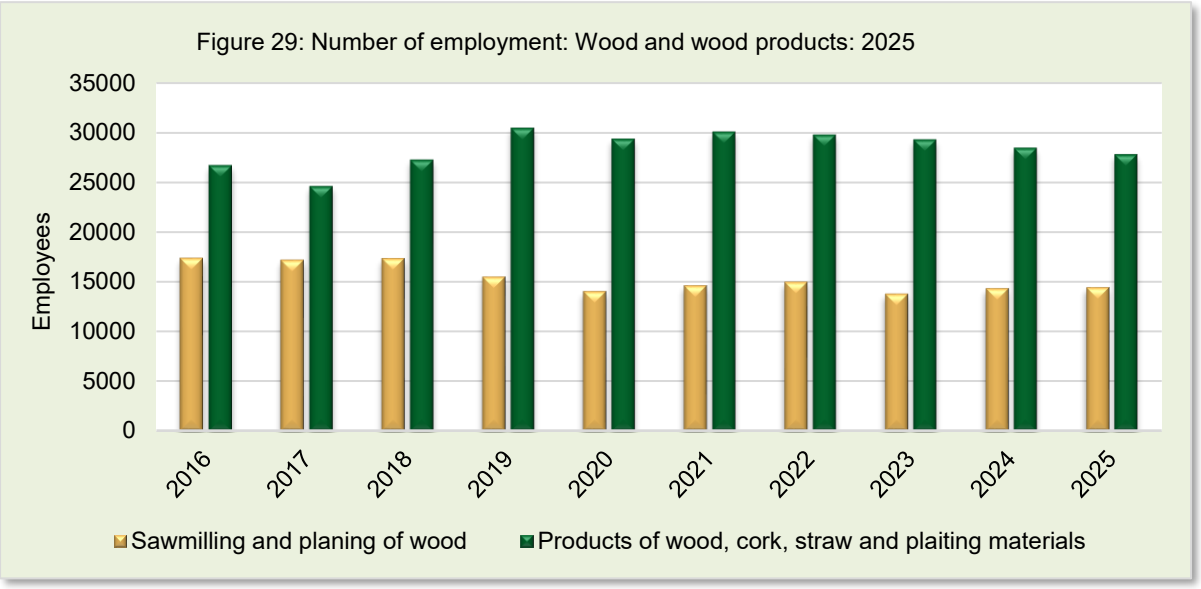
Figure 28: Annual trade perfomance: Wood and wood products: 2025



Source: Quantec (2026)

In 2025, the exports of the wood and wood products division rose by 26,7% from an 8,5% growth in 2024, however, imports moderated by 1,7% following a 6,9% growth in 2024.
As a result, the trade surplus widened to R4 763,4 million in 2025 from R2 532,3 million in 2024 as illustrated in Figure 28.

Figure 29: Number of employment: Wood and wood products: 2025



Source: Quantec (2026)

In 2025, the employment in the sawmilling and planing of wood division moderated by 0,7% following a growth of 3,8% in 2024; however, products of wood receded further by 2,2% as compared to a 2,8% contraction in 2024. The division as a whole decelerated by 1,3% from a 0,7% contraction in 2024. Consequently, about 541 jobs were shed in 2025 as depicted in Figure 29.

Table 8: Utilisation and reasons for underutilisation of production capacity by large enterprises: Wood and wood products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	81,1	18,9	2,6	0,8	0,1	9,1	6,4
2024	81,1	18,9	2,1	0,7	0,0	9,3	6,8

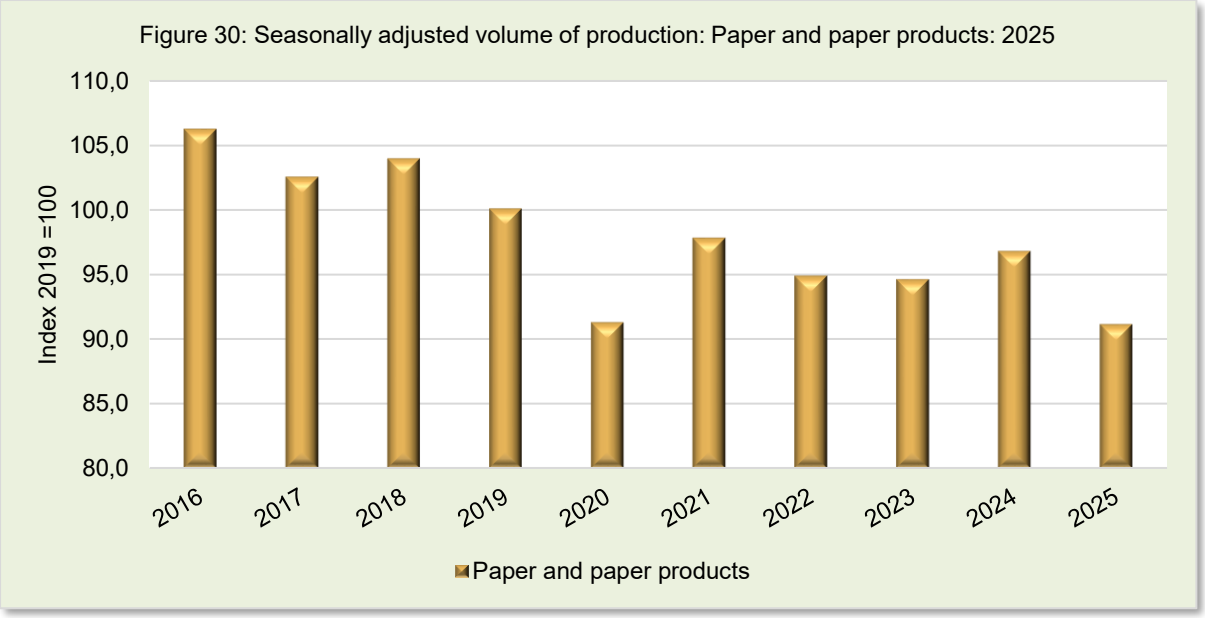
2025	80,6	19,5	2,3	0,8	0,0	9,5	6,9

Source: Statistics SA (2026)

Table 8 shows that the utilisation of production capacity for the wood and wood products division decreased in 2025. The increase is about 0,5 percentage points. Other reasons such as seasonal factors were the main reason for underutilisation after insufficient demand during the period under review.

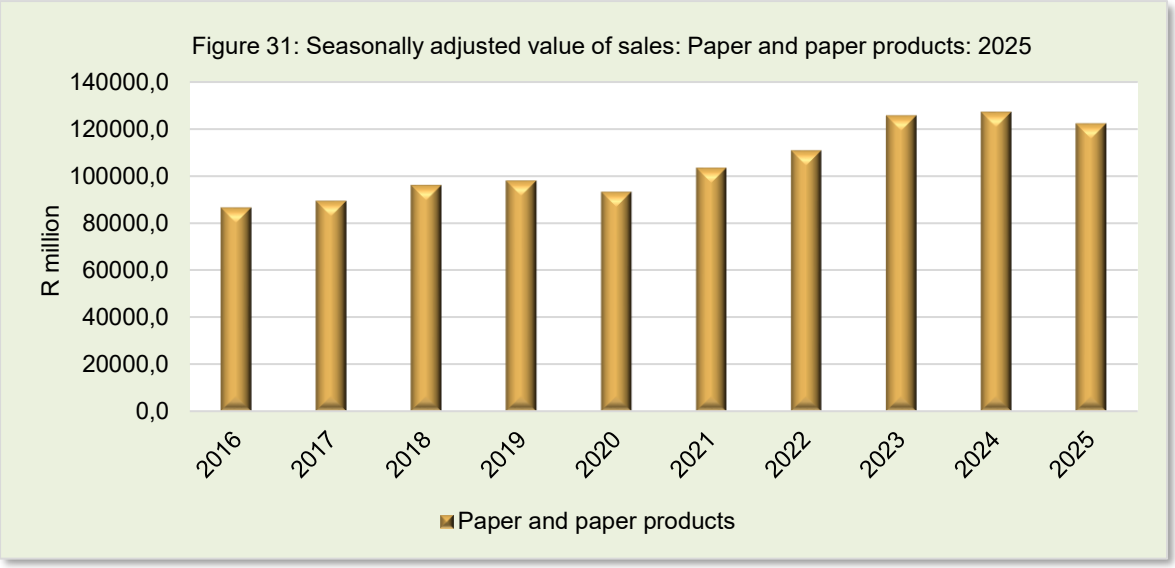
3.9 PAPER AND PAPER PRODUCTS

Figure 30: Seasonally adjusted volume of production: Paper and paper products: 2025



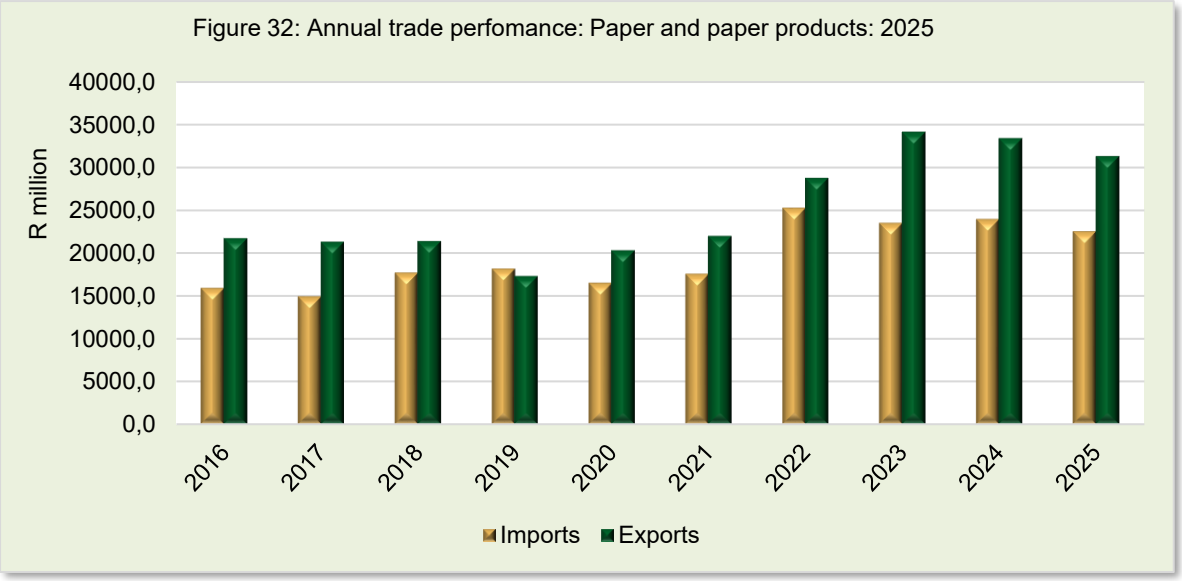
Source: Quantec (2026)

Figure 30 above shows the annual seasonally adjusted volume of production in the paper and paper products division. The seasonally adjusted volume of production in the paper and paper products division contracted by 5,8% in 2025 from a growth of 2,3% in 2024. The division's output was highest in 2016 and lowest in 2020.



Source: Quantec (2026)

In 2025, the seasonally adjusted value of sales in the paper and paper products division contracted by 3,9% as compared to a 1,2% growth recorded in 2024. Sales for the paper and paper products division were highest in 2024 and lowest in 2016 and amounted to about R122 091,0 million in 2025 as presented in Figure 31.



Source: Quantec (2026)

In 2025, the exports of paper and paper products division decelerated by 6,3% from a 2,2% contraction in 2024, similarly, imports of paper and paper products, on the other hand, contracted by 6,1% in 2025 from a 2,0% growth in 2024. As a result, the trade surplus narrowed from R9 535,8 million in 2024 to R8 869,0 million in 2025 as shown in Figure 32.

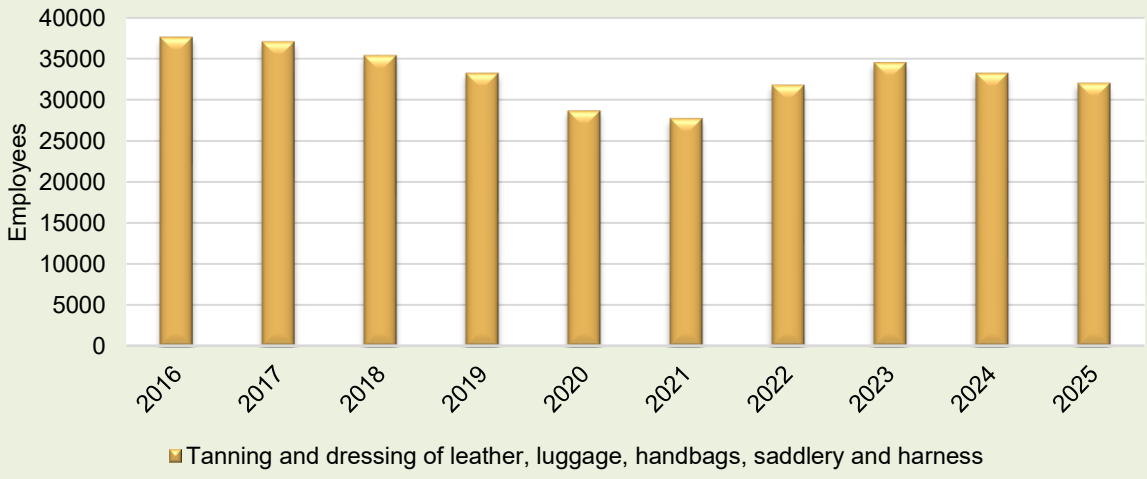
Table 9: Utilisation and reasons for underutilisation of production capacity by large enterprises: Paper and paper products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	80,6	19,4	0,9	0,9	0,2	9,0	8,5
2024	81,8	18,2	0,7	0,8	0,2	10,1	6,5
2025	79,9	20,1	0,6	1,0	0,3	10,5	7,8

Source: Statistics SA (2026)

The utilisation of production capacity by large enterprises in the paper and paper products division decreased by 1,9 percentage points in 2025. Insufficient demand remained the main reason for underutilisation of production capacity, followed by other reasons such as seasonal factors as indicated in Table 9.

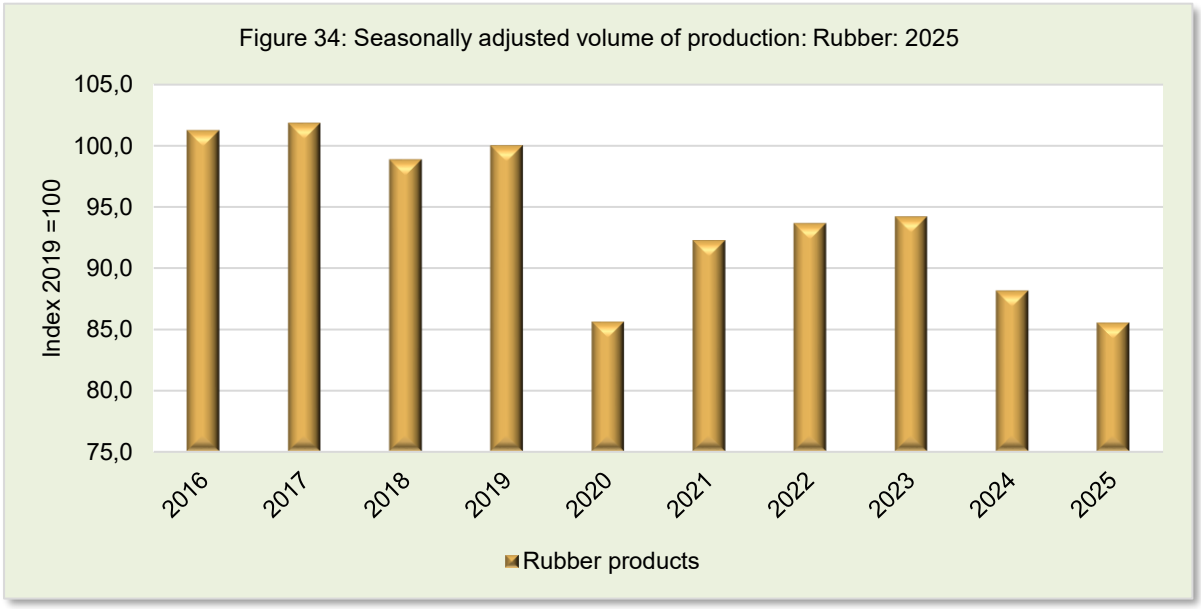
Figure 33: Number of employment: Paper and paper products: 2025



Source: Quantec (2026)

In 2025, the employment in the paper and paper products division decelerated by 3,7% following a 3,6% growth in 2024. As a result, 1 237 jobs were lost in 2025 as depicted in Figure 33.

3.10 RUBBER PRODUCTS



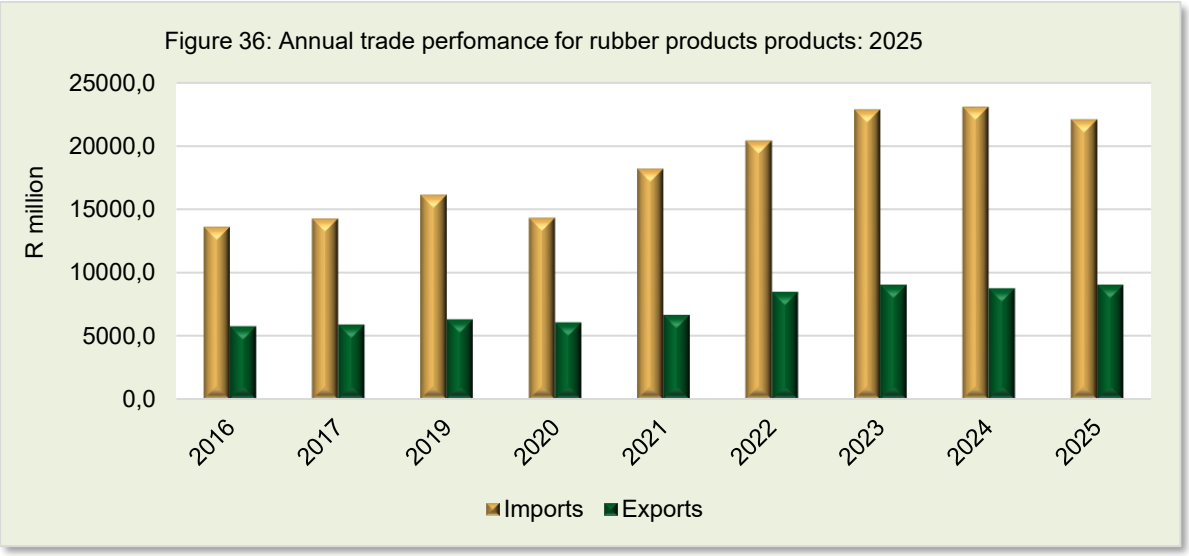
Source: Quantec (2026)

As presented in Figure 34 above, the volume of production in the rubber products division receded further by 3,0% in 2025 from a 6,4% contraction in 2024. The output for the division was highest in 2017 and lowest in 2020.

Source: Quantec (2026)

Figure 35 above demonstrates the seasonally adjusted value of sales in the rubber products division. In 2025, the value of sales in the rubber products division rebounded by 0,9% as compared to a contraction of 3,3% in 2024. The value of sales in the rubber products division

was highest in 2023 and lowest in 2020. In 2025, the value of sales for the rubber products division was approximately R22 59,8 million.



Source: Quantec (2026)

In 2025, the exports of rubber products division rebounded by 3,2% following a 3,1% contraction in 2024, however, imports contracted by 4,3% as compared to a 0,9% growth in 2024. Therefore, the trade deficit narrowed from R14 414,3 million in 2024 to R13 133,6 million in 2025 as shown in Figure 36.

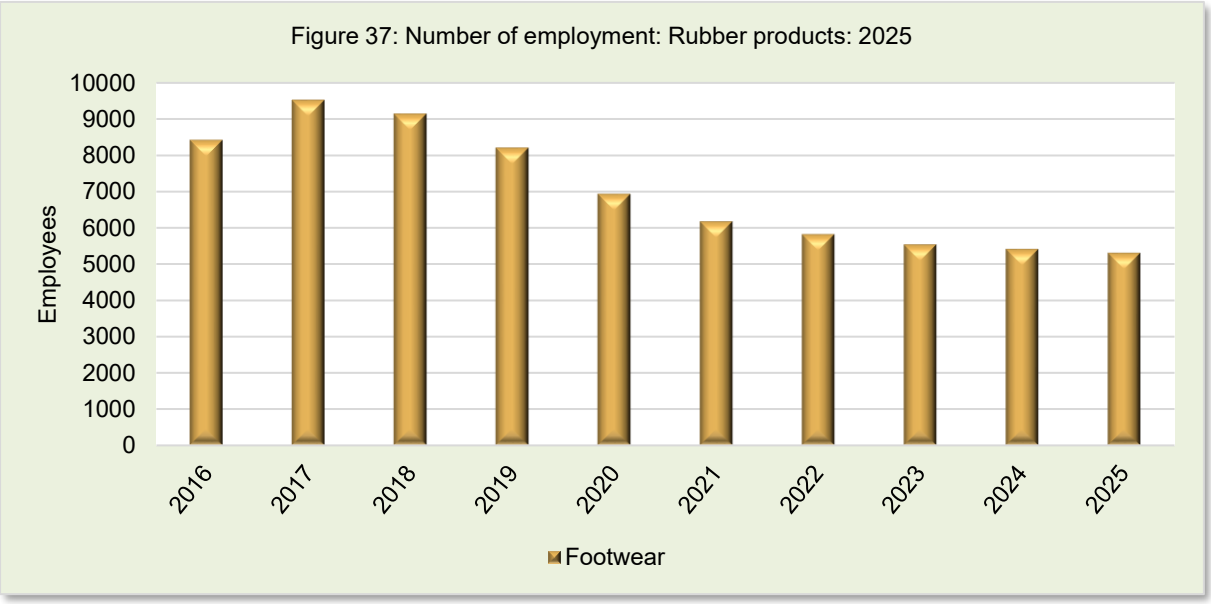
Table 10: Utilisation and reasons for underutilisation of production capacity by large enterprises: Rubber products (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	77,5	22,6	1,1	1,3	0,4	11,9	8,0
2024	78,7	21,3	0,2	0,0	0,0	12,8	8,3
2025	77,0	23,0	0,2	0,1	0,0	12,7	10,0

Source: Statistics SA (2026)

The utilisation of production capacity for the rubber products division decreased by 1,7 percentage points. Insufficient demand remains the main reason for underutilisation of

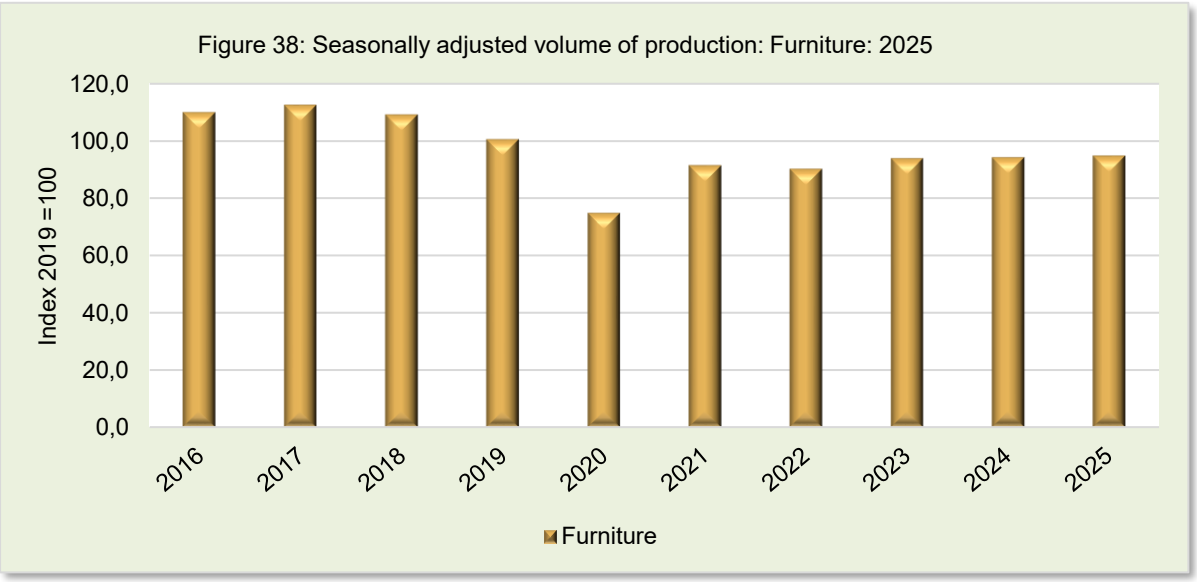
production capacity in the division in 2025, followed by other reasons such as seasonal factors (see Table 10).



Source: Quantec (2026)

Figure 37 above shows the employment in the rubber products division. In 2025, the employment in the rubber products division decelerated by 9,5% from a 5,9% growth in 2024. As a result, 1 169 jobs were shed in the division in 2025.

3.11 FURNITURE



Source: Quantec (2026)

Figure 38 illustrates the seasonally adjusted annual volume of production in the furniture division. In 2025, the volume of production in the furniture division rose by 0,6% from a 0,3% growth in 2024. The furniture division volume of production was lowest in 2020 but has not rebounded to the peak reached in 2017.

Figure 39: Seasonally adjusted value of sales: Furniture: 2025

Source: Quantec (2026)

As illustrated in Figure 39, the value of sales in the furniture division rose approximately by 10,4% in 2025 from a 3,1% growth in 2024. The value of sales reached its peak around 2025. However, the lowest value of sales was recorded in 2020. Sales for the furniture division amounted to R21 624,3 million in 2025.

Figure 40: Annual trade perfomance for Furniture: 2025

Source: Quantec (2026)

In 2025, the exports of the furniture division moderated by 4,6% as compared to a 10,0% growth in 2024. Similarly, imports moderated by 5,0% in 2025 from a 5,8% growth in 2024. As a result, the trade deficit widened from R4 846,9 million in 2024 to R5 102,2 million in 2025 as depicted in Figure 40.

Table 11: Utilisation and reasons for underutilisation of production capacity by large enterprises: Furniture (percentage)

Period	Utilisation	Reasons for underutilisation					
		Total underutilisation	Shortage of			Insufficient demand	Other
			Raw materials	Labour			
				Skilled	Semi- and unskilled		
2023	76,2	23,8	1,9	0,0	0,0	22,0	0,0
2024	75,4	24,6	1,9	0,0	0,0	22,8	0,0
2025	75,2	24,9	2,1	0,0	0,0	22,8	0,0

Source: Statistics SA (2026)

In 2025, the utilisation capacity in the furniture division decreased by 0,2 percentage points. Insufficient demand was the main reason for underutilisation of production capacity in 2025, followed by a shortage of raw materials as illustrated in Figure 11.

Figure 41: Number of employment :Furniture 2025

Source: Quantec (2026)

Figure 41 depicts the employment for the furniture division in 2025. The employment in the furniture division receded further by 2,6% in 2025 as compared to a contraction of 3,4% in 2024. As a result, 811 jobs were shed in the division in 2025.

4. CONCLUSION

The South African economy expanded by 1,1% year-on year in 2025. In the same year, the agro-processing industry's seasonally adjusted volume of production contracted the same as the previous year, however, the agro-processing sector's seasonally adjusted value of sales moderated by 2,6% as compared to a 4,4% growth registered in the preceding year.

The agro-processing industry trade deficit contracted by 8,8% in 2025 from a 12,7% growth in 2024. Additionally, the divisions that registered a trade surplus are food, beverages, tobacco, textiles, wearing apparel, footwear, wood and wood products, paper and paper products and rubber, however leather and leather products, and furniture registered a trade deficit in 2025.

The employment in the agro-processing industry decelerated by 0,6% in 2025 following a 0,2% contraction recorded in 2024. The divisions that shed jobs are beverages and tobacco, textiles, wearing apparel, leather and leather products, footwear, wood and wood products, paper and paper products, rubber products and furniture, however, food products created jobs in 2025.

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