

SA manufacturing output -12.5% y/y

The physical volume of manufacturing in South Africa in 2009 reflected a decrease of 12.5% compared with 2008, data released by Stats SA on Thursday, 11 February 2010, showed.

This was the first annual decrease since 2003 when manufacturing production recorded a growth rate of -2.0%.

Lower production for the year 2009 was reported by nine of the ten manufacturing divisions.

December growth

However, for the month of December, manufacturing production recorded positive annual growth, the only month in the year to have done so, with an increase of 3.2% compared with a revised -4.6% (-4.7%) in November.

Stats SA said the 3.2% increase in manufacturing production in December 2009 compared with December 2008 was mainly due to higher production in the motor vehicles, parts and accessories and other transport equipment division (34.6% and contributing 2.1 percentage points), the basic iron and steel, non-ferrous metal products, metal products and machinery division (9.9% and contributing 1.8 percentage points), the petroleum, chemical products, rubber and plastic products division (5.6% and contributing 1.4 percentage points) and the food and beverages division (4.0% and contributing 0.8 of a percentage point).

Contributing factors

Stats SA said for the year 2009, the annual decrease of 12.5% was mainly due to lower production in the basic iron and steel, non-ferrous metal products, metal products and machinery division (-18.7% and contributing -4.1 percentage points), the motor vehicles, parts and accessories and other transport equipment division (-24.4% and contributing -2.5 percentage points), the petroleum, chemical products, rubber and plastic products division (-8.9% and contributing -2.1 percentage points), the wood and wood products, paper, publishing and printing division (-15.0% and contributing -1.5 percentage points), the furniture and 'other' manufacturing division (-20.0% and contributing -1.1 percentage points) and the textiles, clothing, leather and footwear division (-14.6% and contributing -0.7 of a percentage point).

Seasonal adjustment

Stats SA added that the seasonally adjusted manufacturing production for the fourth quarter of 2009 increased by 3.3% compared with the third quarter of 2009, better than the revised 3.1% quarter-on-quarter increase in November 2009.

Higher production levels were reported by seven of the ten manufacturing divisions during the fourth quarter of 2009.

The increase was driven mainly by higher production in the motor vehicles, parts and accessories and other transport equipment division, the basic iron and steel, non-ferrous metal products, metal products and machinery division, the petroleum, chemical products, rubber and plastic products division and the furniture and other manufacturing division.

Sales increase

Stats SA also noted that the estimated total value of sales of manufactured products at current prices for the fourth quarter of 2009 increased by 4.0% (R11.517 billion), after seasonal adjustment, compared with the third quarter of 2009.

Higher manufacturing sales were reported by seven of the ten manufacturing divisions during this period.

Large increases were mainly reported by the motor vehicles, parts and accessories and other transport equipment division, the furniture and other manufacturing division and the petroleum, chemical products, rubber and plastic products division during the period.

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