

## SA Jan manufacturing output up

The physical volume of manufacturing in South Africa in January 2010 rose 3.7% year-on-year (y/y) in January after an increase of 3.2% in December 2009, data released by Statistics SA on Thursday, 11 March 2010, showed.

This was the second month running that manufacturing output showed a positive reading.

Stats SA said the increase was mainly due to higher production in the motor vehicles, parts and accessories and other transport equipment division (34.2% and contributing 2.7 percentage points), the basic iron and steel, non-ferrous metal products, metal products and machinery division (13.1% and contributing 2.6 percentage points) and the furniture and 'other' manufacturing division (16.3% and contributing 0.8 of a percentage point).

### Divisional decreases

However, these increases were partially counteracted by decreases in all seven remaining divisions where the biggest negative contributors were the textiles, clothing, leather and footwear division and the wood, paper, publishing and printing division (each contributing -0.6 of a percentage point), the glass and non-metallic mineral products division (contributing -0.5 of a percentage point) and the food and beverages division (contributing -0.4 of a percentage point).

Meanwhile, the seasonally adjusted manufacturing production for the three months ended January 2010 increased by 4.1% compared with the previous three months ended October 2009, better than the revised 3.4% quarter-on-quarter increase in December 2009.

Higher production levels were reported by eight of the ten manufacturing divisions during the latest three months.

### Driving force

The increase was driven mainly by higher production in the motor vehicles, parts and accessories and other transport equipment division (17.1% and contributing 1.6 percentage points), the basic iron and steel, non-ferrous metal products, metal products and machinery division (5.5% and contributing 1.1 percentage points), the petroleum, chemical products, rubber and plastic products division (3.8% and contributing 0.9 of a percentage point), the furniture and 'other' manufacturing division (7.9% and contributing 0.4 of a percentage point), the textiles, clothing, leather and footwear division and the glass and non-metallic mineral products division (each contributing 0.1 of a percentage point).

### Sales increase

Stats SA also reported that estimated total value of sales of manufactured products at current prices for the three months

ended January 2010 increased by 5.0%, or R14.408 billion, after seasonal adjustment, compared with the previous three months ended October 2009. Higher manufacturing sales were reported by nine of the ten manufacturing divisions during this period.

Large increases were mainly reported for the motor vehicles, parts and accessories and other transport equipment division (21.2% or R7.064 billion), the furniture and other manufacturing division (10.9% or R1.522 billion) and the petroleum, chemical products, rubber and plastic products division (5.5% or R3.717 billion).

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