



CHEMICAL SECTOR REPORT

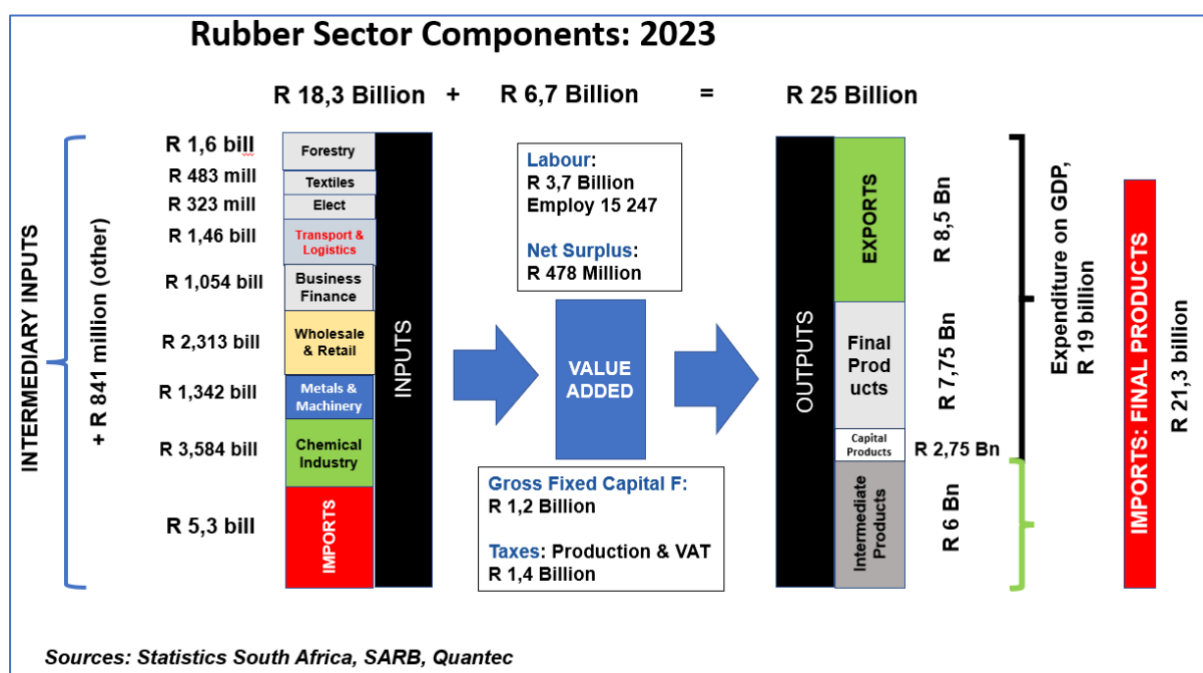
Special Focus on the Rubber
Sector & Product Trade



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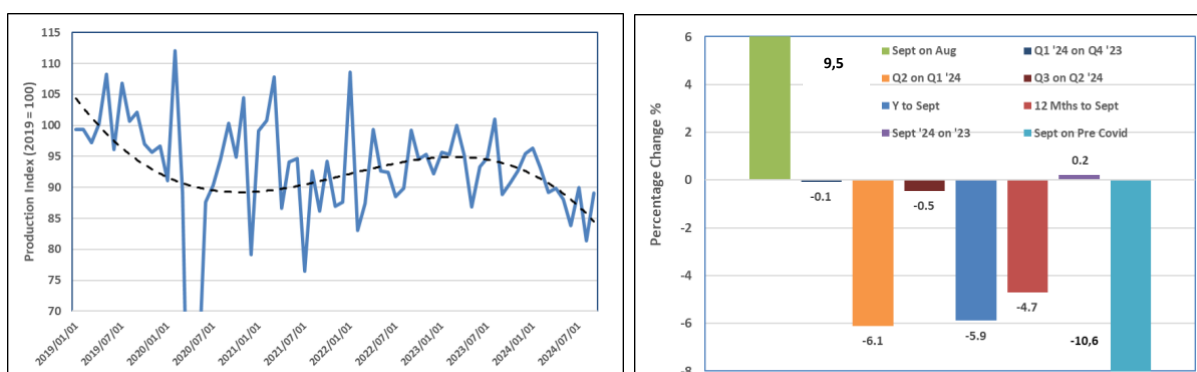
This section consists of an abbreviated summary of salient trends, relationships and ratios for the Rubber Sub-sector.

A further objective is to show some of the detail data available and potential for more disaggregated analysis. International trade data is classified according to the harmonised system (HS) of tariffs. To enabling linkages to domestic industrial data, the former/trade data is reclassified according to the standard industrial classification (SIC) for SA.)



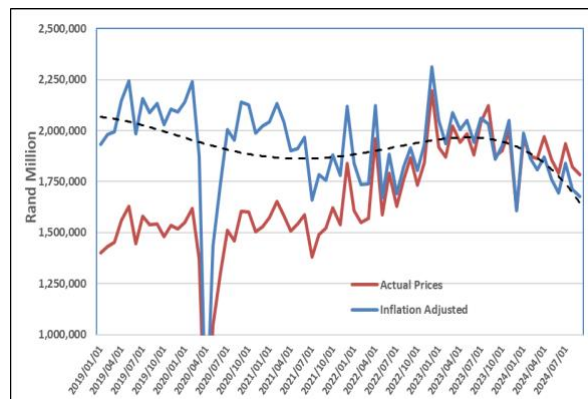
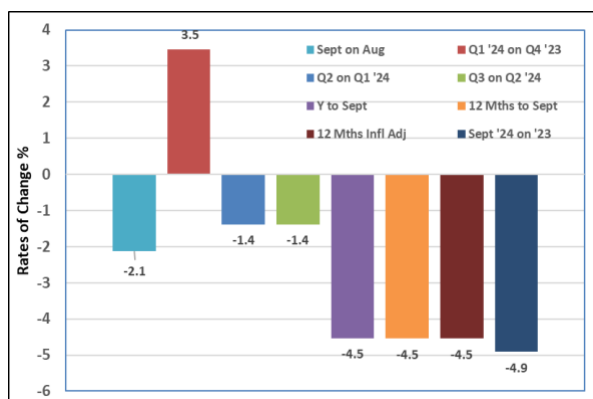
The schematic above shows the 2023 input, value added (sub sector gross domestic production) and output (sales) as well as international trade in intermediary and final products, for rubber, according to the SIC classification.

The **Rubber production** trendline shows a perturbing decline starting at the beginning of 2023 and lots of production instability, with average levels now about 15% below the pre Covid situation. September was a particularly good month, probably in anticipation of higher consumption expenditure (towards quarter 4) due to the 'two-pot' pension withdrawals and lower interest rates. The 12 month production data however, indicates that 2024 will probably be about 4% below 2023.



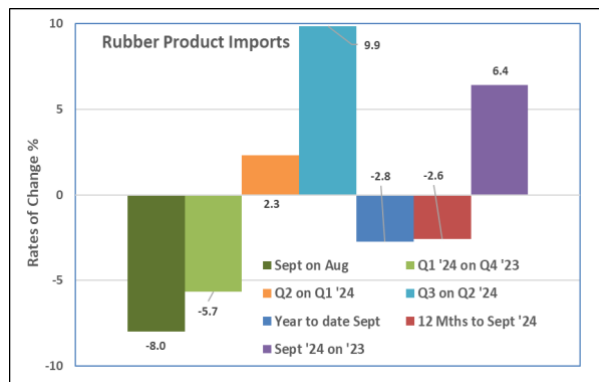
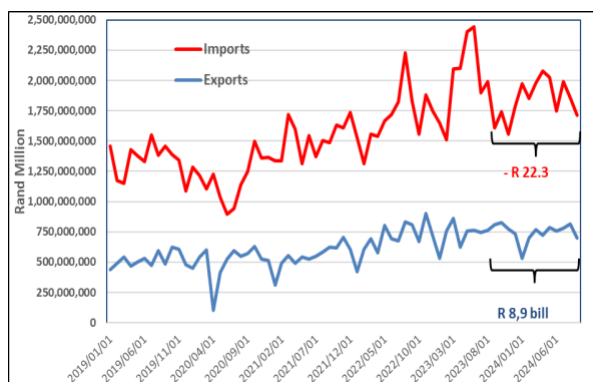
Source: Statistics SA, Manufacturing Production & Sales, p3041.2, Quantec

Rubber product sales were disappointing after a good start in quarter 1 of 2024. All indications are that 2024 will see a contraction of around 4% on 2023. Sales also began its declien in the beginning of 2023.



Source: Statistics SA, Manufacturing Production & Sales, p3041.2, Production Price Indices, P0142.1, Quantec

SARS's **international trade data** is shown below. The right hand graph only shows imports. Quarter 3 also saw a big jump in imports, probably on the same seniment as with the production pattern. The import and export data (tables) below indicate that a large proportion of imports (=+/- 20%) were earmarked for re-exports to SADC areas north of SA.



Sources: SARS trade data & Quantec

The four tables below show the imports and exports of rubber products, as well as countries of origin and/or destination. for 2023.

Import of specific goods (Top 10 import goods)

| Imports of specific product | HS Code | R million | % |
|--|---------|-----------|-------|
| New pneumatic tyres, of rubber [HST4011] | HST4011 | 13,588.11 | 63.73 |
| Other articles of vulcanised r [HST4016] | HST4016 | 2,909.70 | 13.65 |
| Tubes, pipes and hoses, of vul [HST4009] | HST4009 | 1,539.84 | 7.22 |
| Conveyor or transmission belts [HST4010] | HST4010 | 1,396.65 | 6.55 |
| Articles of apparel and clothi [HST4015] | HST4015 | 611.94 | 2.87 |
| Hygienic or pharmaceutical art [HST4014] | HST4014 | 394.38 | 1.85 |
| Plates, sheets, strip, rods an [HST4008] | HST4008 | 272.49 | 1.28 |
| Retreaded or used pneumatic ty [HST4012] | HST4012 | 243.27 | 1.14 |
| Compounded rubber, unvulcanise [HST4005] | HST4005 | 207.29 | 0.97 |
| Rubberised textile fabrics, ot [HST5906] | HST5906 | 170.04 | 0.8 |

Origin of goods imports (Top 10 import regions)

| Imports origin by region | R million | % |
|---|-----------|-------|
| Eastern Asia | 8,003.27 | 37.54 |
| European Union | 6,691.30 | 31.38 |
| South Asia | 4,159.35 | 19.51 |
| NAFTA | 2,748.16 | 12.89 |
| Western Asia | 470.09 | 2.2 |
| Europe Rest | 321.64 | 1.51 |
| Americas Rest | 267.49 | 1.25 |
| Oceania including Australia and New Zealand | 40.37 | 0.19 |
| Northern Africa | 38.99 | 0.18 |
| Not allocated | 37.16 | 0.17 |

Export of specific goods (Top 10 export goods)

| Product | HS Code | R million | % |
|--|---------|-----------|-------|
| New pneumatic tyres, of rubber [HST4011] | HST4011 | 5,147.39 | 60.81 |
| Conveyor or transmission belts [HST4010] | HST4010 | 1,092.18 | 12.9 |
| Other articles of vulcanised r [HST4016] | HST4016 | 1,064.77 | 12.58 |
| Tubes, pipes and hoses, of vul [HST4009] | HST4009 | 830.84 | 9.82 |
| Retreaded or used pneumatic ty [HST4012] | HST4012 | 253.54 | 3 |
| Compounded rubber, unvulcanise [HST4005] | HST4005 | 161.14 | 1.9 |
| Plates, sheets, strip, rods an [HST4008] | HST4008 | 143.7 | 1.7 |
| Articles of apparel and clothi [HST4015] | HST4015 | 110.61 | 1.31 |
| Hygienic or pharmaceutical art [HST4014] | HST4014 | 42.02 | 0.5 |
| Other forms (for example, rods [HST4006] | HST4006 | 39.62 | 0.47 |

Destination of goods exports (Top 10 export regions)

| Export destination by region | R million | % |
|---|-----------|-------|
| SADC | 5,269.25 | 62.25 |
| European Union | 1,137.99 | 13.44 |
| NAFTA | 882.56 | 10.43 |
| Northern Africa | 332.07 | 3.92 |
| Western Asia | 301.64 | 3.56 |
| Eastern Asia | 272.29 | 3.22 |
| Europe Rest | 212.07 | 2.51 |
| Sub-Saharan Africa excluding SADC | 189.1 | 2.23 |
| Oceania including Australia and New Zealand | 138.52 | 1.64 |
| South Asia | 122.75 | 1.45 |