



Understanding manufactured exporters at the firm-level: new insights from SARS administrative data

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1. SARS data



Company income tax records (ITR and ITR14), employer-employee data (IRP5 or PAYE) and customs data

2. Insights on South African manufacturing exporters

- Manufacturing exporters grow exports through:
 - the intensive margin (88%),
 - rather than through the extensive margin (12%).
- Multiple product exporters / multiple destination exporters contribute more to total export value:

Table 1: Joint distribution of export value over number of products and countries, average 2010–13

Destination categories	Product categories						Total
	1	2	3	4-10	11-50	50+	
1	0.5	0.3	0.1	0.3	0.3	0.2	1.7
2	0.3	0.2	0.2	0.5	0.4	0.2	1.9
3	0.1	0.3	0.1	0.5	0.6	0.2	1.8
4-10	0.2	0.6	0.8	3.9	5.9	1.9	13.2
11-50	0.1	0.5	0.7	14.1	25.5	14.7	55.6
50+	0.0	0.0	0.1	0.4	7.8	17.6	25.9
Total	1.2	1.8	2.0	19.7	40.5	34.7	100.0

Source: authors' own calculations using SARS data

- Relative to non-exporters, manufacturing exporters are:



71% >

larger (in terms of no. of employees)



45% >

more labour productive (output per worker)

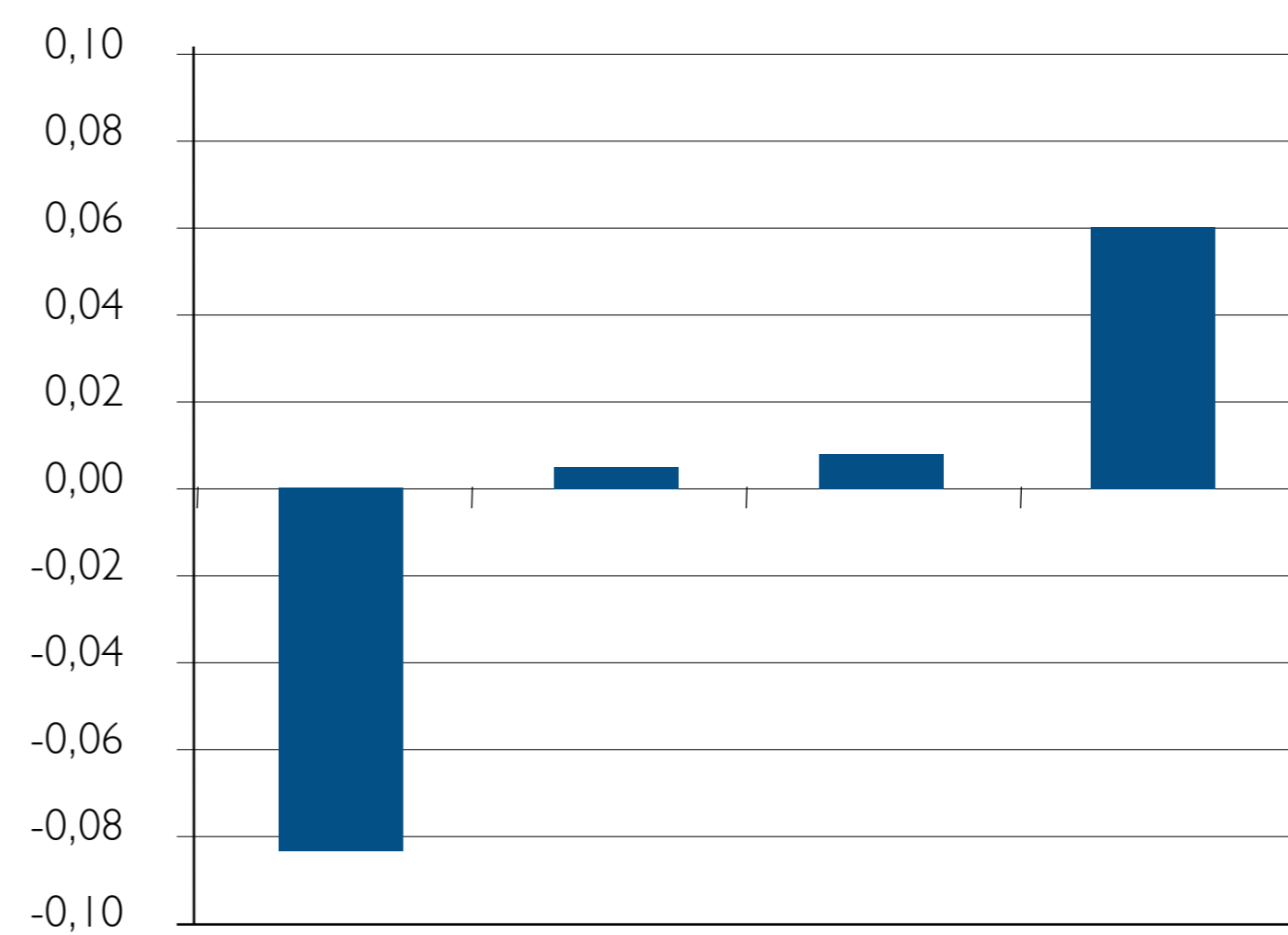


5% >

have 5% higher total factor productivity.

- Destination of exports and number of products also matter for productivity:

Figure 1: Average productivity premia of exporters relative to non-exporters



Firms which export multiple products, at least some of which are exported outside Africa, have productivity levels approximately 6% higher than non-exporters.

Single-product exporters or multi-product exporters who export only within Africa are no more productive than firms that produce only for the domestic market.

Source: authors' own calculations using SARS data

- Unfortunately, there are few firms in these high productivity groups:

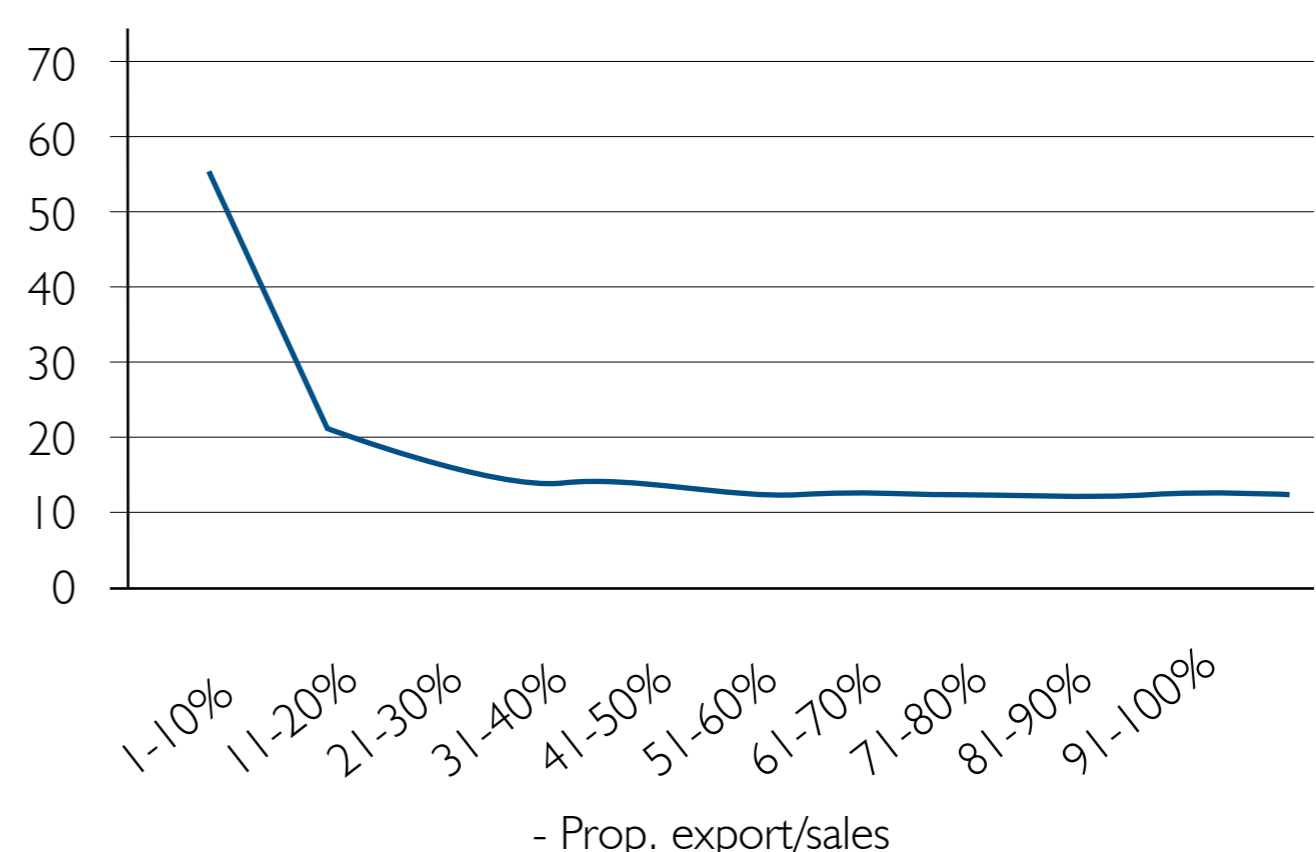
Table 2: Total manufacturing firms

	2010	2011	2012	2013
Exporters	3 034	3 150	3 385	3 399
- Serving African markets	1 954	2 008	2 153	2 151
- Serving international markets	1 080	1 142	1 232	1 248
Total manufacturing firms	29 178	29 302	28 343	28 078

Source: authors' own calculations using SARS data

- And, few firms export more than 20% of their output:

Figure 2: Proportion of output exported if a firm exports



3. Policy conclusions

Our results suggest that low levels of productivity limit export behaviour. Thus, there is a need for productivity enhancing policies (e.g. increased external competition, limiting supply constraints), which will have benefits beyond exporting.

Reference: <https://www.wider.unu.edu/publication/south-african-manufacturing-exporter-story>