

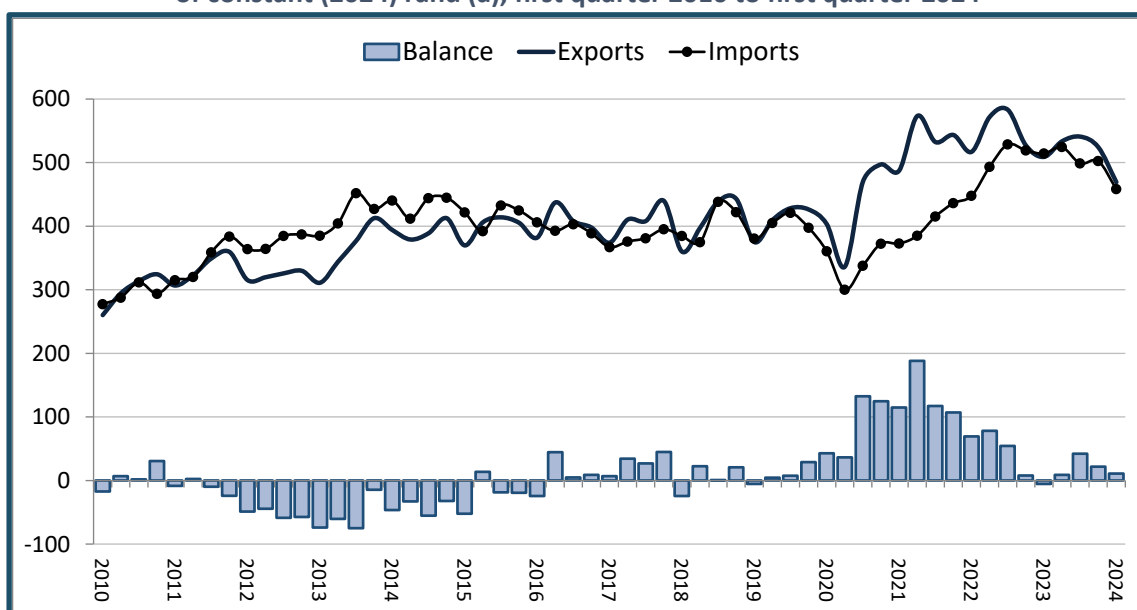
International trade

Trade continued to normalise as international commodity prices came off the speculative highs seen from 2020 to 2022 while imports gradually recovered until mid-2022. Since then, imports have fallen, due mostly to a combination of slowing growth and softer world oil prices. In manufacturing, foreign auto sales remained strong but coal and platinum exports suffered from a sharp fall in international prices.

In constant rand, South Africa's trade surplus shrank by half in the first quarter of 2024, which meant it was 75% lower than six months earlier. (Graph 15) It dropped from R42 billion in the third quarter of 2023 to R22 billion in the fourth quarter, and R11 billion in the first quarter of 2024. In effect, the balance of trade has now normalised after the pandemic and then the Russian invasion of Ukraine brought soaring world mining prices, but a relatively slow recovery in imports. Since then, world mining prices have fallen substantially although they generally remain above pre-pandemic levels in constant rand terms (see Graph 4). Moreover, imports climbed through 2022, although they have fallen since then as overall economic growth slowed and world oil prices dropped.

Despite these trends, the trade balance remained positive from the second quarter of 2023 until the first quarter of 2024, reversing a R5 billion deficit in the first quarter of 2023. In constant rand, in the first quarter of 2024 the value of exports fell by R55 billion (11%) to R469 billion. Imports dropped by R44 billion, or 9%, to R458 billion.

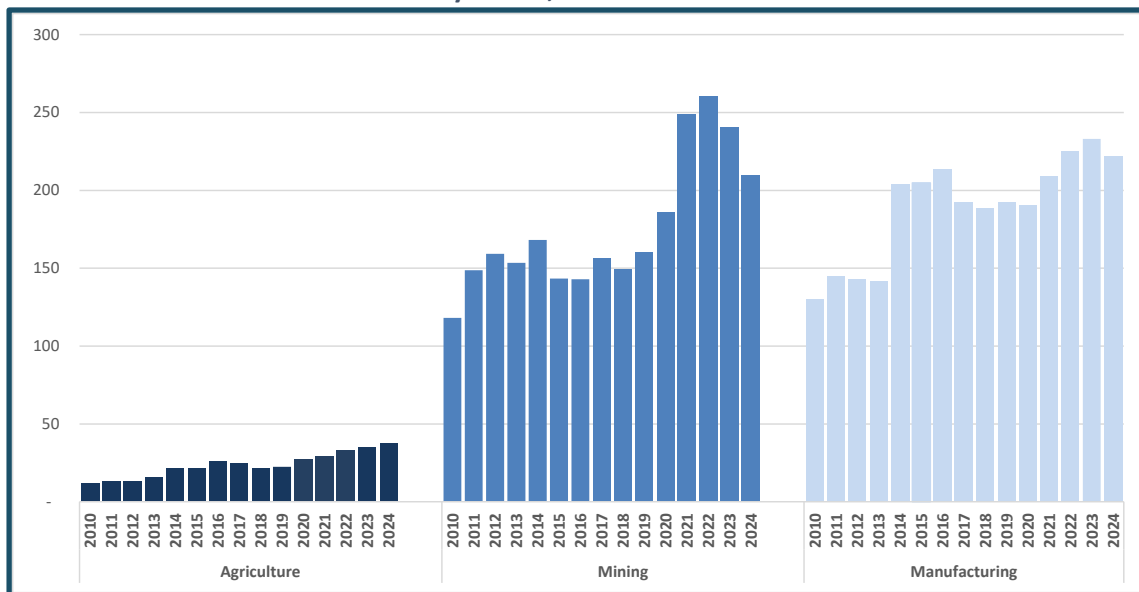
Graph 15. Quarterly exports, imports and balance of trade in billions of constant (2024) rand (a), first quarter 2010 to first quarter 2024



Note: (a) Rebased with CPI rebased to first quarter 2024. Source: Calculated from South African Revenue Service data.

In constant rand, mining exports were 20% off their 2022 peak in the first quarter of 2024 (Graph 16). Nonetheless, they exceeded pre-pandemic levels by some R24 billion, or 13%. Manufacturing exports also declined over the past year following rapid growth in 2021 and 2022. Again, the main driver was fluctuations in international prices for metals, which contribute around a quarter of South Africa's manufactured exports. Agricultural exports remained relatively small but have grown steadily from 2019.

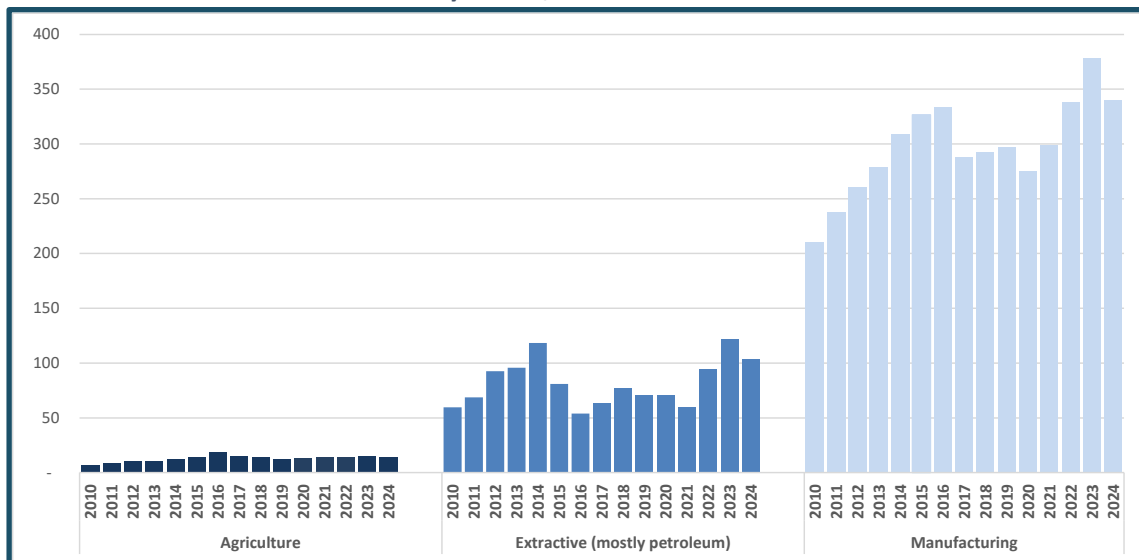
Graph 16. First quarter goods exports in billions of constant (2023) rand (a), by sector, 2010 to 2024



Note: (a) Refflated with CPI rebased to first quarter 2024. Source: Calculated from South African Revenue Service data.

Goods imports declined over the year to March 2024 in constant rand terms (Graph 17). Manufacturing imports contracted by 10% or R38 billion in constant 2024 rand, falling to R340 billion. Extractive imports, which are almost exclusively crude oil and petrol, fell by 15% to R104 billion, reflecting moderation in world oil prices. Still, they remained almost twice as high as in the late 2010s in constant rand terms. Agricultural imports have been essentially flat for the past five years.

Graph 17. First quarter goods imports in billions of constant (2023) rand (a), by sector, 2010 to 2023



Note: (a) Refflated with CPI rebased to first quarter 2024. Source: Calculated from South African Revenue Service data.

Within manufacturing, only food and transport equipment expanded exports in the year to March 2024. Transport equipment saw the largest absolute increase in constant rand terms, by about R7 billion or 15%. Food and beverages grew R1.2 billion, or 6%. These gains were, however, more than offset by declining sales of metals, chemicals, machinery and paper, as shown in Table 1. All manufacturing industries saw falling imports, reflecting the overall economic slowdown. Imports of cars and capital equipment contracted particularly sharply.

Table 1. Trade by manufacturing subsector

INDUSTRY	VALUE (BILLIONS)		% CHANGE FROM Q1 2024		CHANGE IN BILLIONS	
	USD	RAND	USD	RAND	USD	RAND
EXPORTS						
Food and beverages	1.08	20.5	5.8%	6.4%	0.06	1.22
Clothing and footwear	0.40	7.5	-10.5%	-10.2%	-0.05	-0.85
Wood products	0.13	2.4	-3.7%	-3.0%	-0.00	-0.07
Paper and publishing	0.44	8.3	-24.1%	-23.3%	-0.14	-2.52
Chemicals, rubber, plastic	1.84	34.8	-13.2%	-12.6%	-0.28	-5.02
Glass and non-metallic mineral products	0.10	1.9	-2.7%	-2.1%	-0.00	-0.04
Metals and metal products	2.79	52.7	-12.8%	-12.1%	-0.41	-7.23
Machinery and appliances	1.86	35.1	-11.3%	-10.8%	-0.24	-4.23
Transport equipment	2.90	54.7	14.7%	15.0%	0.37	7.15
IMPORTS						
Food and beverages	0.88	16.7	-4.2%	-3.5%	-0.04	-0.61
Clothing and footwear	1.15	21.7	-3.4%	-2.1%	-0.04	-0.46
Wood products	0.10	1.9	-3.7%	-2.5%	0.00	-0.05
Paper and publishing	0.75	14.2	-2.7%	-1.9%	-0.02	-0.27
Chemicals, rubber, plastic	3.57	67.4	-3.1%	-2.1%	-0.11	-1.42
Glass and non-metallic mineral products	0.20	3.9	-13.0%	-12.2%	-0.03	-0.53
Metals and metal products	1.28	24.2	-4.1%	-3.3%	-0.05	-0.82
Machinery and appliances	6.01	113.5	-11.1%	-10.3%	-0.75	-13.00
Transport equipment	3.74	70.5	-23.4%	-22.8%	-1.14	-20.81

Source: SARS monthly data.