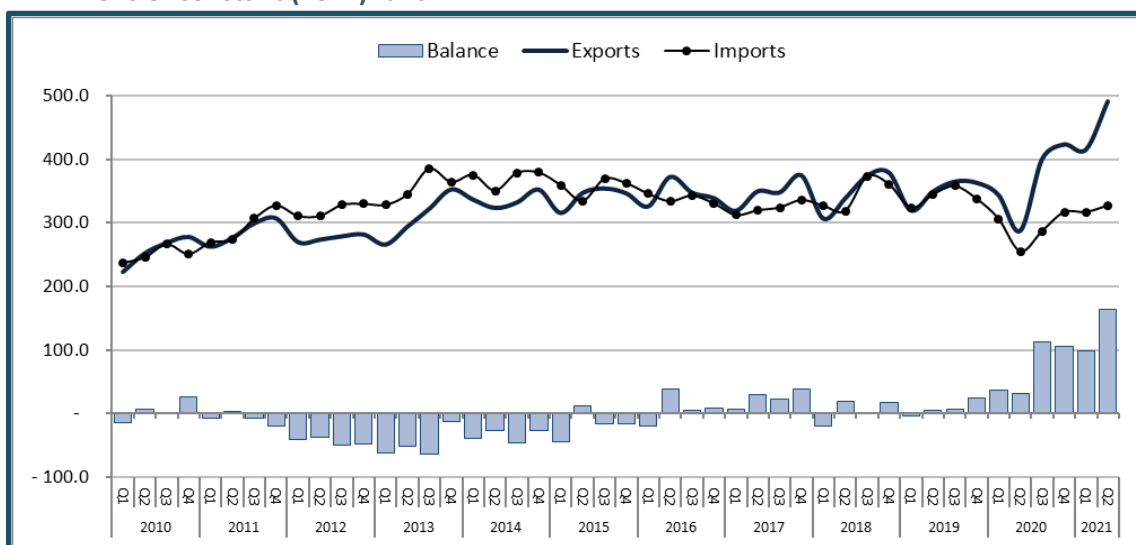


International trade

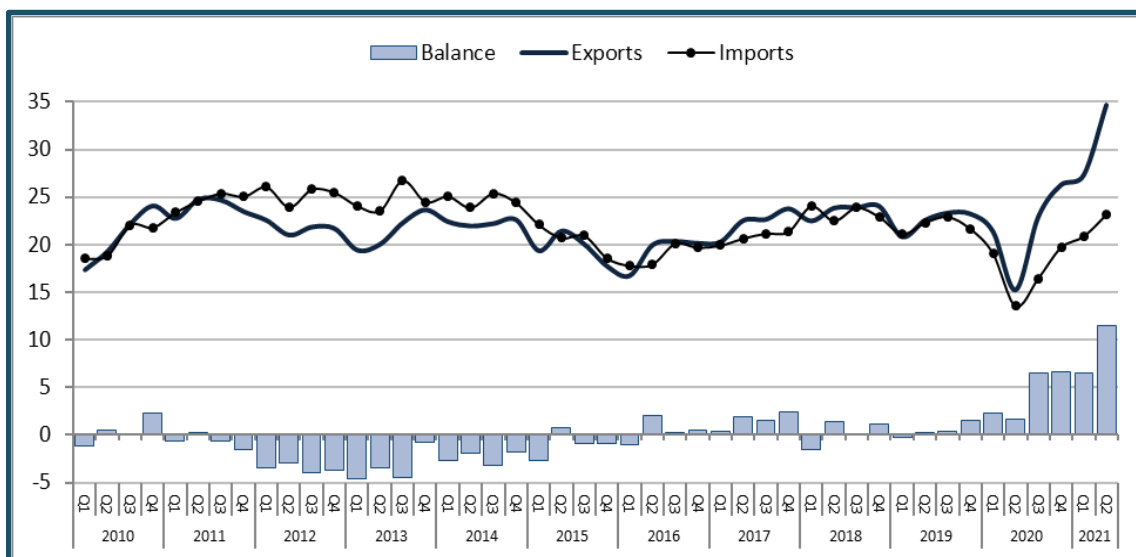
South Africa's trade balance remained strongly positive, with a R163 billion (US\$11 billion) surplus in the second quarter of 2021. The record trade surplus was almost exclusively due to the surge in international mining prices, as discussed above. Exports increased 18% from the previous quarter, reaching R491 billion in constant 2021 rands. That represented a 77% increase over the pandemic low point a year earlier. In constant rand, the second quarter of 2021 also saw an increase in imports, but they lagged well behind exports. As a result, the balance of trade rose almost 75% in the quarter.

Graph 16. Second-quarter exports, imports and balance of trade in billions of constant rand and current US dollars (a)

A. Billions of constant (2021) rand



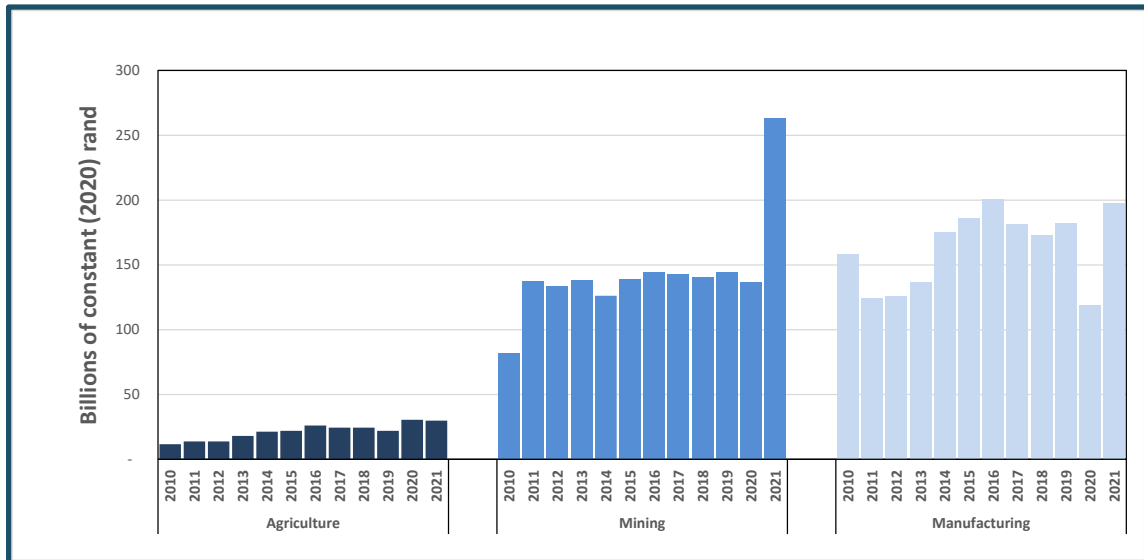
B. Billions of US dollars



Note: (a) Constant rand values reflatd using CPI rebased to June 2021; US dollar values calculated with the trade-weighted exchange rate from the Reserve Bank. Source: Calculated from South African Revenue Service data.

Mining exports doubled in rand terms in the year to the second quarter of 2021, mostly because of surging prices for platinum and iron ore. The upswing largely reflected the speculative asset bubble caused by very low interest rates in the global North. It also benefited from the recovery in production in China, the US and Europe as the pandemic ebbed. In addition, manufacturing exports hit their highest level since 2016.

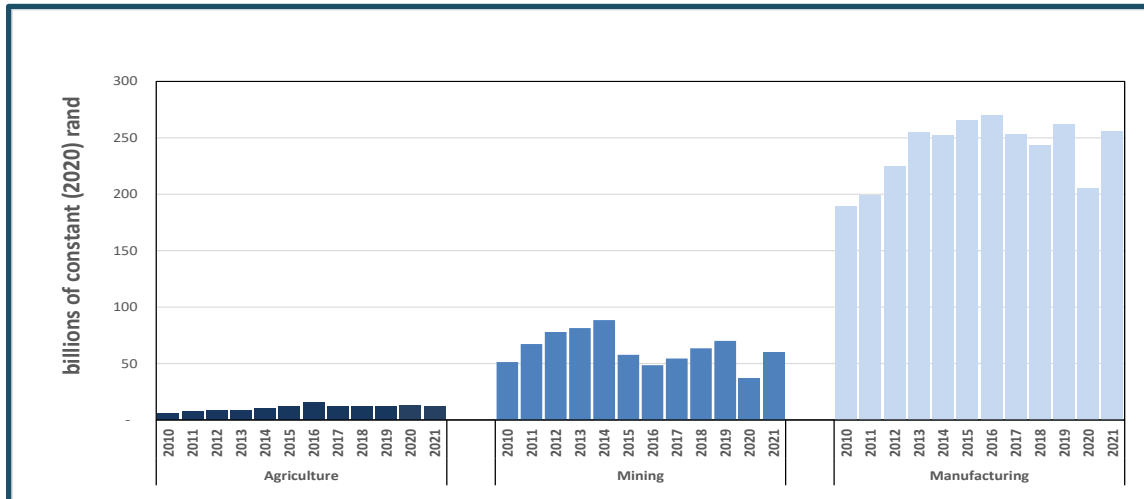
Graph 17. Second-quarter goods exports in billions of constant (2021) rand (a), by sector, 2010 to 2021



Note: (a) Refflated using CPI rebased to June 2021. Source: Calculated from South African Revenue Service data.

Imports continued to grow relatively slowly, in large part because international petroleum prices remained suppressed despite some recovery in the past six months. As a result, imports of mineral products remained lower than for most of the 2010s, although they had mostly recovered from the 2020 downturn. South Africa’s manufactured imports had, however, fully rebounded.

Graph 18. Second-quarter goods imports in billions of constant (2021) rand (a), by sector, 2010 to 2021



Note: (a) Refflated using CPI rebased to June 2021. Source: Calculated from South African Revenue Service data.

Almost every manufacturing industry exceeded its pre-pandemic exports in the second quarter. Auto was particularly dynamic, with exports climbing 27% above their first quarter 2020 levels. Manufactured imports rose 24.4% in the second quarter of 2021, to R256 billion in constant rand terms.

**Table 1. Trade by manufacturing subsector, second-quarter 2021
compared to first and second quarter 2020**

	VALUE (BILLIONS)		% CHANGE FROM Q2 2020		CHANGE IN BILLIONS	
	USD	Rand	USD	Rand	USD	Rand
EXPORTS						
Food and beverages	1.12	15.9	43.3%	8.1%	0.34	1.19
Clothing and footwear	0.50	7.0	136.4%	80.5%	0.29	3.13
Wood products	0.14	2.0	83.7%	40.5%	0.06	0.58
Paper and publishing	0.38	5.3	37.7%	3.6%	0.10	0.18
Chemicals, rubber, plastic	2.80	39.5	97.4%	49.0%	1.38	12.99
Glass and non-metallic mineral products	0.13	1.8	138.5%	82.7%	0.07	0.81
Metals and metal products	2.80	39.5	90.7%	44.8%	1.33	12.22
Machinery and appliances	2.33	33.0	122.7%	70.4%	1.29	13.62
Transport equipment	3.60	50.9	277.6%	188.9%	2.64	33.27
IMPORTS						
Food and beverages	0.93	13.2	45.9%	9.4%	0.29	1.14
Clothing and footwear	1.02	14.5	11.7%	-16.7%	0.11	-2.90
Wood products	0.11	1.5	109.6%	57.4%	0.06	0.54
Paper and publishing	0.80	11.3	118.9%	65.1%	0.43	4.46
Chemicals, rubber, plastic	3.87	54.7	47.1%	10.4%	1.24	5.18
Glass and non-metallic mineral products	0.27	3.9	95.4%	46.3%	0.13	1.23
Metals and metal products	1.52	21.5	113.6%	59.8%	0.81	8.04
Machinery and appliances	5.34	75.5	42.2%	7.0%	1.58	4.97
Transport equipment	3.87	54.8	157.9%	91.9%	2.37	26.24

Source: SARS monthly data