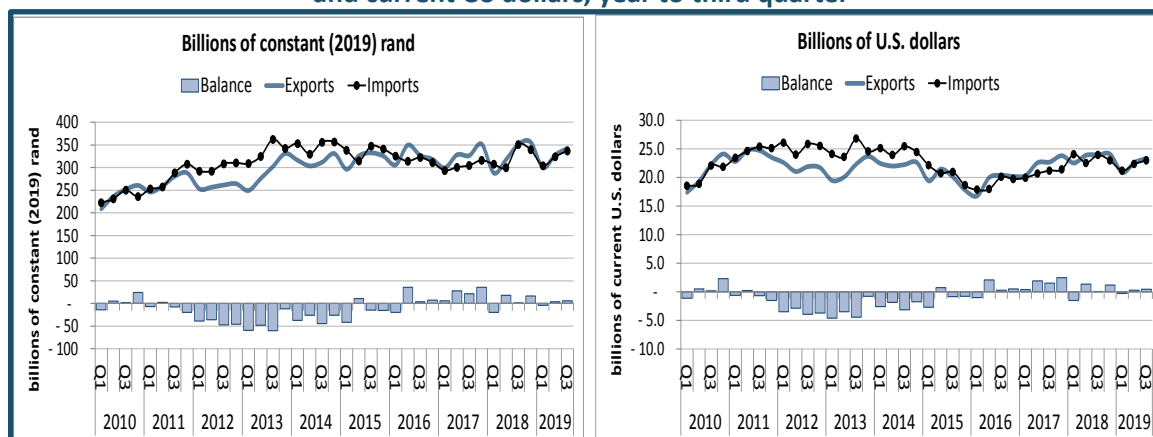


International trade

In constant rand, South African exports have increased slightly since 2014, while imports are lower than they were five years ago despite some increases in the past two years.

Over the last quarter, exports and imports both increased by 4%. The trade surplus stood at R6 billion. Since 2015, slower growth has been associated with an improved balance of trade in most years. In dollar terms, trade has been more volatile, with a sharp fall in imports and exports from 2014 to 2015 followed by a near-recovery.

Graph 13. Exports, imports and balance of trade in constant rand and current US dollars, year to third quarter

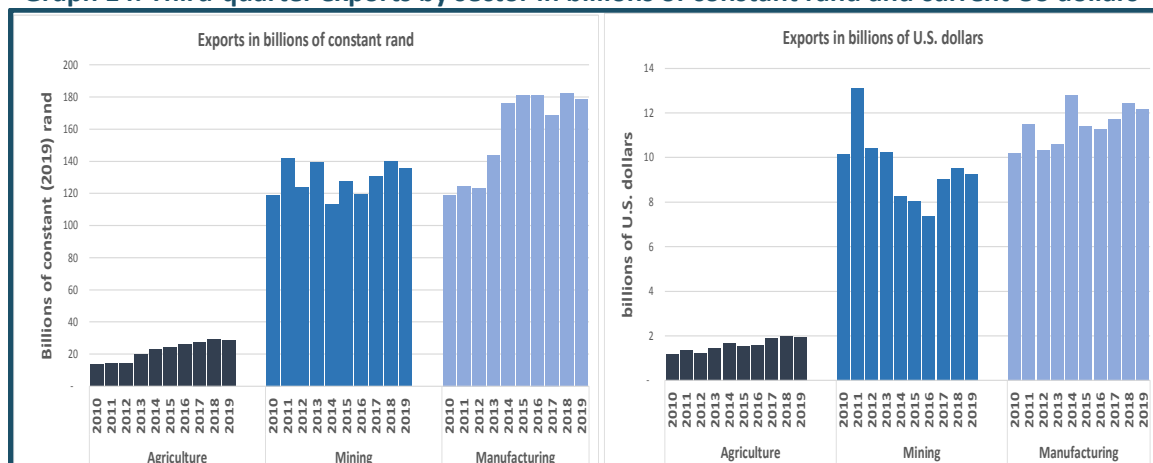


Source: South African Revenue Service (SARS) monthly data.

Exports declined slightly from the third quarter of 2018 to the third quarter of 2019 in both constant rand and dollars for agriculture, mining and manufacturing.

Mining exports recovered sharply in 2016 as metals and coal prices internationally moved up, although not to the heights of 2011, but have since levelled out. Manufacturing exports have essentially stagnated since 2016.

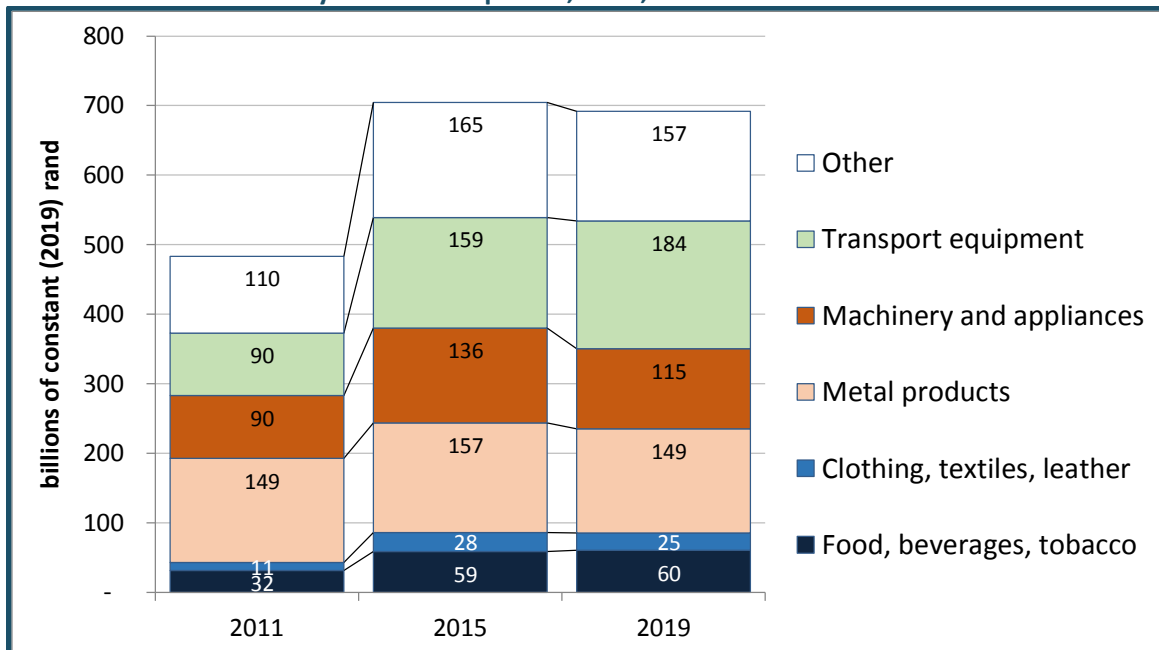
Graph 14. Third-quarter exports by sector in billions of constant rand and current US dollars



Source: South African Revenue Service (SARS) monthly data.

The relatively slow growth in manufacture exports has been accompanied by a substantial shift in their composition, with a decline in machinery and metals since 2016 offset by growth in auto.

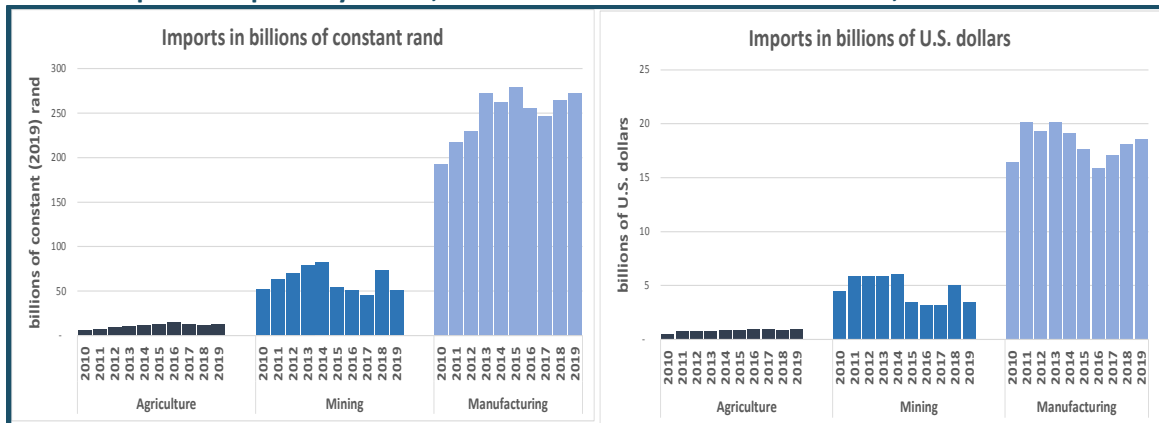
Graph 15. Manufactured exports by industry, in constant 2019 rand, year to third quarter, 2011, 2015 and 2019.



Source: South African Revenue Service (SARS) monthly data

On the import side, manufactures continued to rebound after falling sharply from 2015 to 2016. The (much smaller) imports of agricultural and mining products remained largely unchanged from 2017 to 2019.

Graph 16. Imports by sector, constant rand and current US dollars, 2010 to 2019



Source: South African Revenue Services (SARS) monthly data.

Exports contracted across all subsectors of manufacturing, excluding metals and machinery, between the third quarter of 2018 and the third quarter of 2019. The contraction in exports was largely driven by transport equipment, glass and non-metallic mineral products, and clothing and footwear. Machinery and metals, in contrast, saw some recovery from their five-year decline. Both industries recorded positive changes in exports over the last year. Machinery and appliances improved by 13% in both constant rand and dollar terms, between 2018 and 2019. Metals and metal products improved by just below 2% which is an increase of just over half a billion, in constant rand.

Table 1. Trade by manufacturing industry

Industry	Value (billions)		% change from Q3 2018		Change in billions	
	USD	Rand	USD	Rand	USD	Rand
EXPORTS						
Food and beverages	0.42	6.1	-4.1%	-4.1%	-0.02	-0.26
Clothing and footwear	0.13	1.9	-14.0%	-14.1%	-0.02	-0.31
Wood products	0.40	5.9	-12.4%	-12.8%	-0.06	-0.87
Paper and publishing	1.86	27.2	-1.8%	-1.9%	-0.03	-0.53
Chemicals, rubber, plastic	0.11	1.6	-9.3%	-9.3%	-0.01	-0.17
Glass and non-metallic mineral products	2.29	33.6	-19.2%	-19.1%	-0.54	-7.93
Metals and metal products	2.10	30.8	1.7%	1.9%	0.04	0.59
Machinery and appliances	3.57	52.4	13.4%	13.1%	0.42	6.06
Transport equipment	0.21	3.1	-21.7%	-22.0%	-0.06	-0.87
IMPORTS						
Food and beverages	1.21	17.8	-2.0%	-2.0%	0.0	-0.36
Clothing and footwear	0.09	1.3	-2.4%	-2.4%	0.0	-0.03
Wood products	0.68	9.9	6.9%	6.9%	0.0	0.64
Paper and publishing	3.46	50.7	-3.7%	-3.6%	-0.1	-1.87
Chemicals, rubber, plastic	0.28	4.1	-0.5%	-0.3%	0.0	-0.01
Glass and non-metallic mineral products	1.13	16.5	-3.7%	-3.7%	0.0	-0.64
Metals and metal products	6.01	88.2	7.8%	7.7%	0.4	6.27
Machinery and appliances	4.39	64.2	5.3%	5.2%	0.2	3.20
Transport equipment	0.44	6.4	-7.0%	-7.0%	0.0	-0.48

Source: South African Revenue Services (SARS) monthly data.

Turning to imports, six of the nine manufacturing subsectors recorded a decline in imports between 2018 and 2019. In rand terms, the largest contractions in imports were observed for transport equipment, glass and non-metallic mineral products and paper and publishing. Metals, machinery and wood products experienced the largest increases in imports.