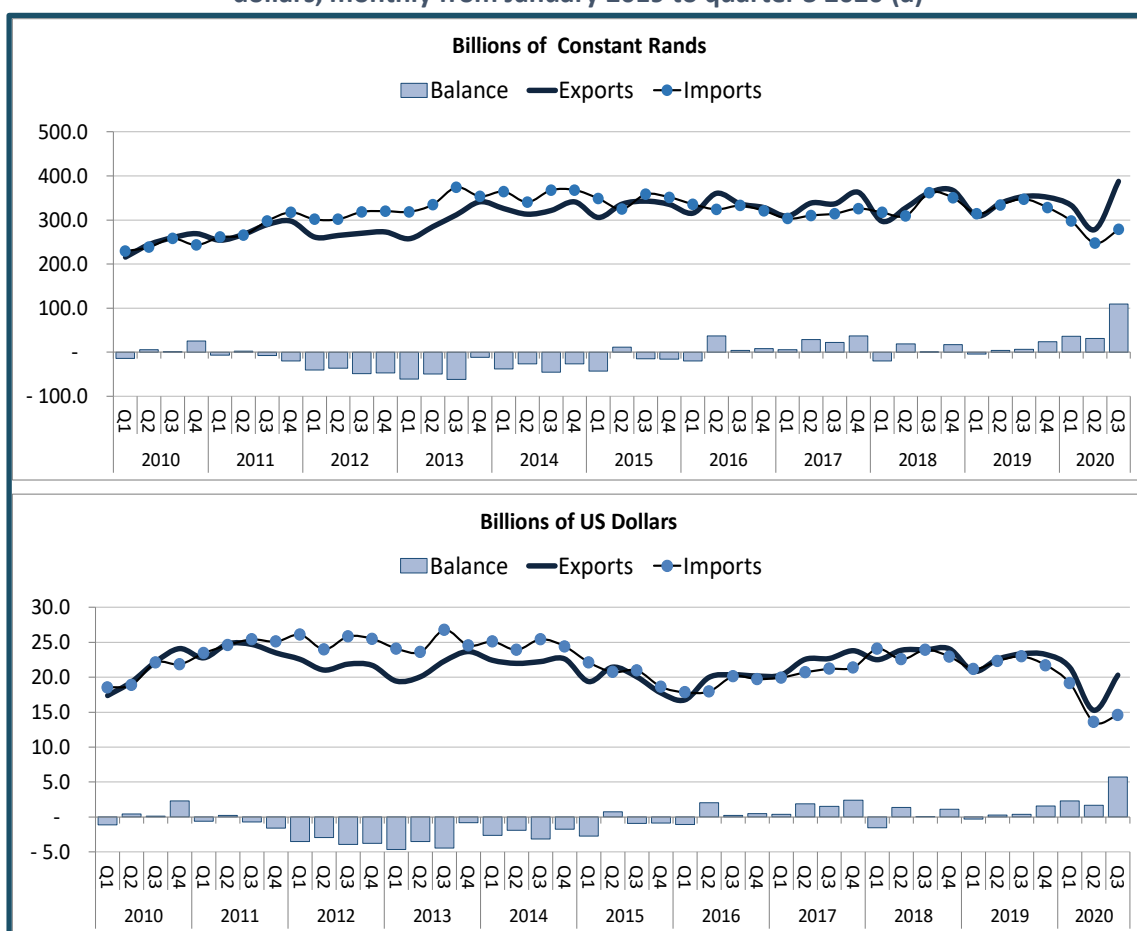


International trade

South Africa saw a strong recovery in its exports, especially gold, platinum and autos, in the third quarter. In contrast, imports remained subdued, mostly because of a combination of low petroleum prices and demand. These trends resulted in the highest balance-of-trade surplus since the transition to democracy.

Both exports and imports recovered strongly from the second quarter, but exports outstripped imports. As a result, the balance of payments climbed sharply, reaching 8,5% of the GDP. For comparison, since 1994 the balance of payments has been in surplus in 60% of quarters, but it never before exceeded 4% of the GDP.

Graph 15. Exports, imports and balance of trade in billions of constant rand and current US dollars, monthly from January 2019 to quarter 3 2020 (a)

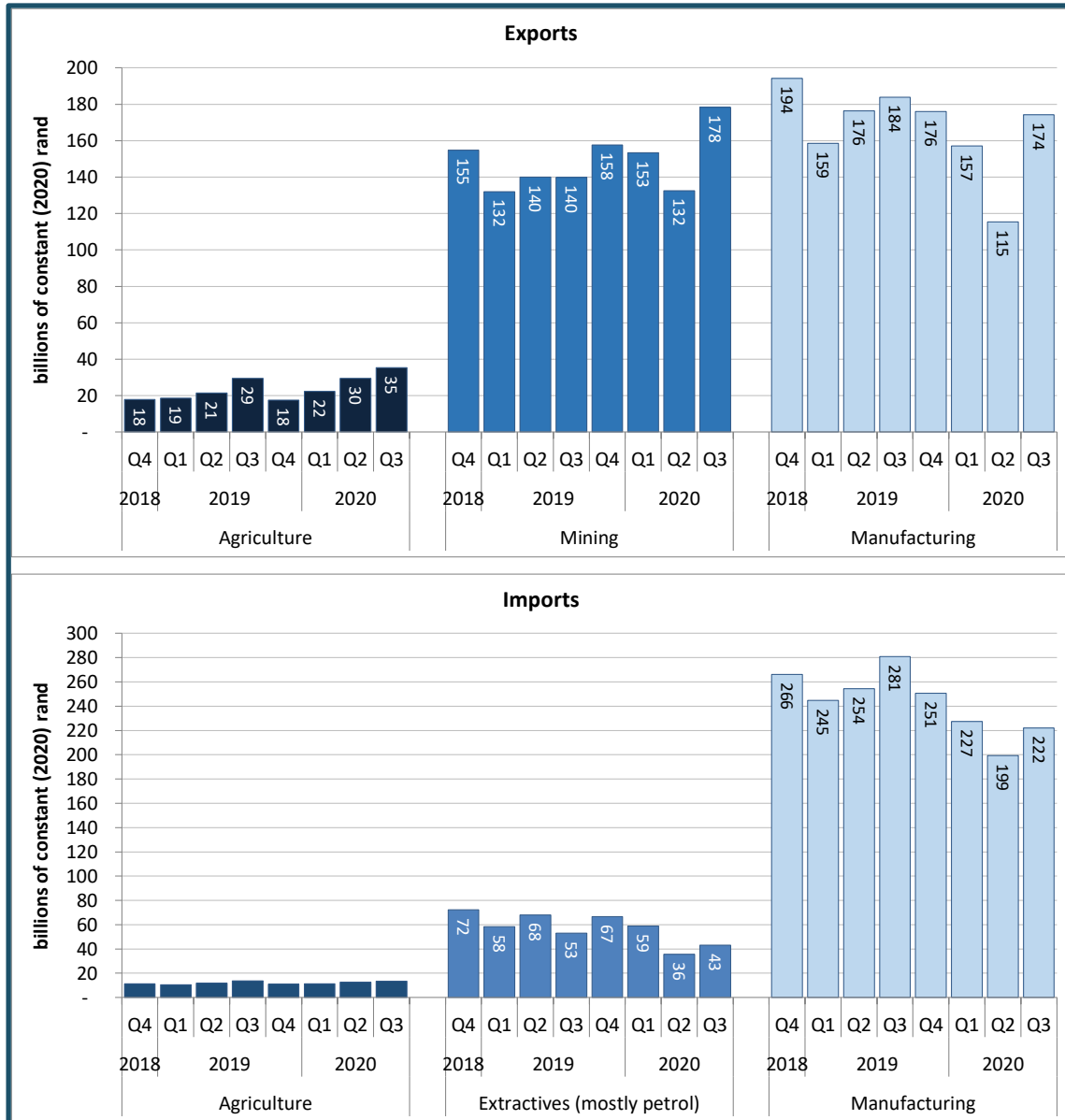


Note: (a) Constant rand values reflatd using CPI rebased to September 2020; US dollar values calculated with trade-weighted exchange rate from the Reserve Bank. *Source:* Calculated from South African Revenue Service data.

The slow recovery in imports was largely due to lower petroleum prices combined with depressed demand, both for aviation and road transport. In addition, imports of machinery were lower than a year earlier as a result of falling investment. In terms of exports, instability in international markets led to a marked increase in gold and diamond prices, while auto exports recovered very rapidly.

Agricultural exports grew 17% year on year, thanks to a good harvest following adequate rain in most of the country. The following graphs show exports and imports by sector from the fourth quarter of 2019 in constant rand.

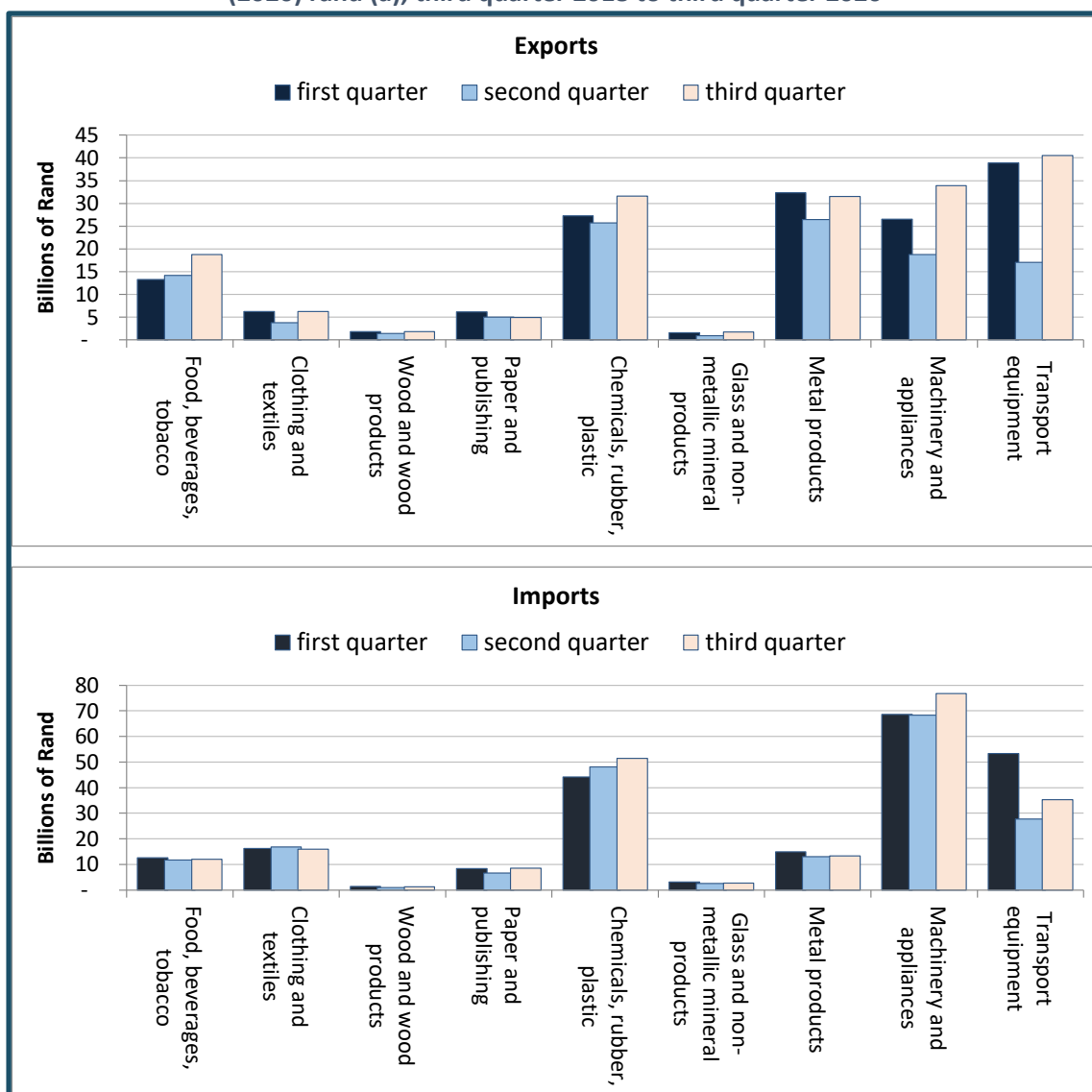
Graph 16. Exports and imports by quarter from the fourth quarter of 2019 in billions of constant (2020) rand (a), not seasonally adjusted



Note: (a) Rebased using CPI rebased to September 2020. Source: Calculated from South African Revenue Service data.

Within manufacturing, the largest rebound in exports was in transport equipment and machinery. In terms of imports, transport equipment, including components for re-export in assembled cars, also saw a strong recovery. Machinery did not fall much in the second quarter, but in both the second and third quarter remained below 2019 levels in constant rand terms.

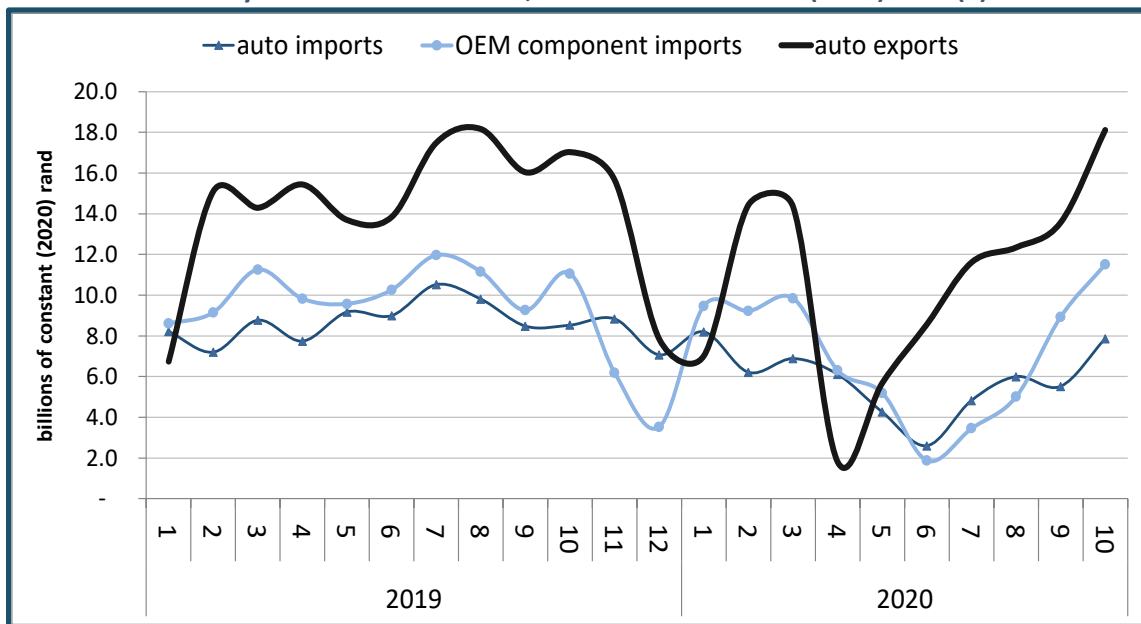
Graph 17. Quarterly exports and imports by manufacturing industry, in billions of constant (2020) rand (a), third quarter 2018 to third quarter 2020



Note: (a) Rebased using CPI rebased to September 2020. Source: Calculated from South African Revenue Service data.

Exports and imports by month underscore the strength of the recovery of the auto industry in the third quarter. After auto exports fell over 75% in April, they hit a record high in constant terms in October. Imports of components and assembled vehicles also rebounded strongly, although not as dramatically as exports.

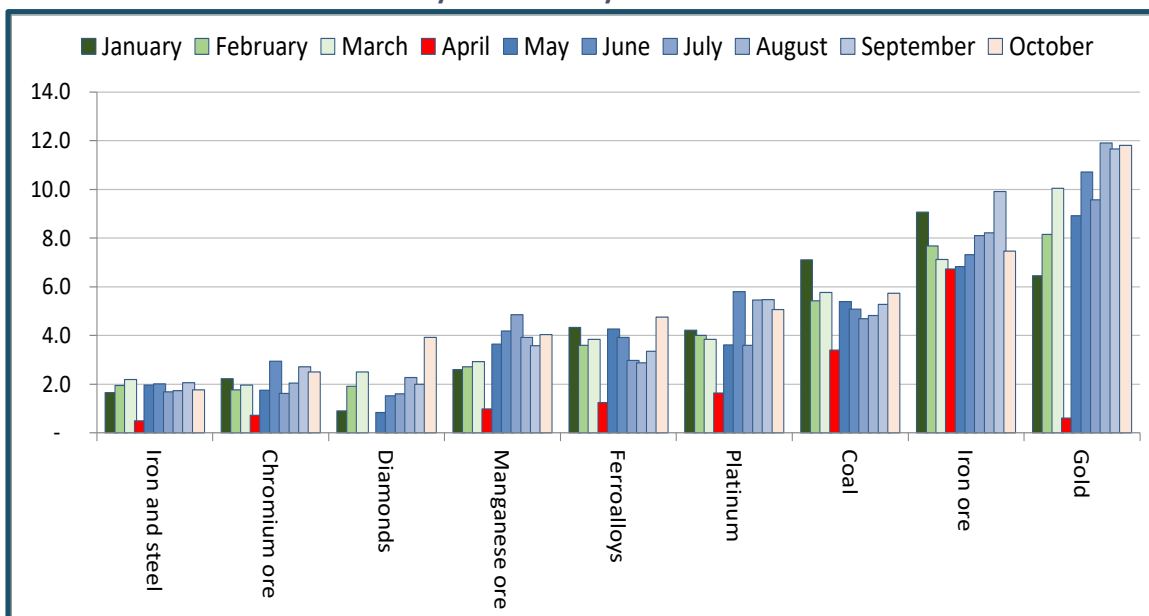
Graph 18. Imports of assembled vehicles and components and exports of vehicles, monthly, January 2019 to October 2020, in billions of constant (2020) rand (a)



Note: Rebased with CPI rebased to October 2020. Source: Calculated from Quantec EasyData, RSA Trade data series. Accessed at www.quantec.co.za

In mining, gold took over as the largest single export as a result of soaring global prices. Diamond exports also saw a steady increase in value. Most other mineral exports returned to pre-pandemic levels after exports virtually dried up in April.

Graph 19. Mining and metals exports by commodity in billions of constant (2020) rand, monthly from January to October 2020



Note: Rebased with CPI rebased to October 2020. Source: Calculated from Quantec EasyData, RSA Trade data series. Accessed at www.quantec.co.za.