

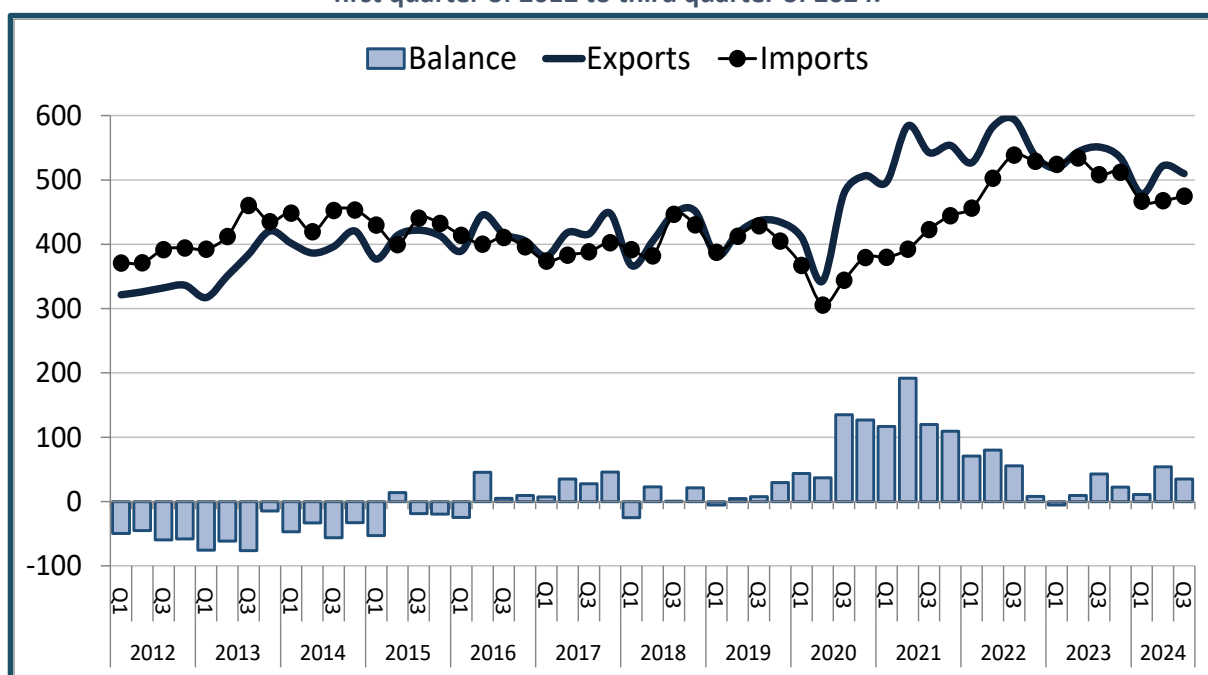
International trade

South Africa had a merchandise trade surplus in the third quarter of 2024, continuing an almost unbroken trend since the COVID-19 downturn. Export revenues were hit by a 3.5% increase in the exchange rate relative to the nominal dollar, as well as a slump in auto sales and lower prices for some major mining commodities. The stronger currency moderated the cost of imports, however, including petrol.

South Africa's surplus in goods trade continued in the third quarter of 2024, although it continued on a downward trend. (Graph 13) The trade picture is, however, complicated by the 3.5% strengthening of the nominal rand relative to the US dollar in the third quarter of 2024. That pushed the rand in nominal terms back to levels last seen in March 2023. As a result, the value of exports in constant rand, deflated using CPI, diverged by 8% from their nominal US dollar value.

In constant rand terms, South African goods exports dropped over 7%; in current US dollars, they climbed by 0.1%. By volume, exports likely fell by around 2%. Similarly, while imports declined in constant rand terms, they grew 1.1% in current US dollars over the year to the third quarter of 2024. That represents a fall of around 1% in constant US dollars, compared to 6.5% in constant rand.

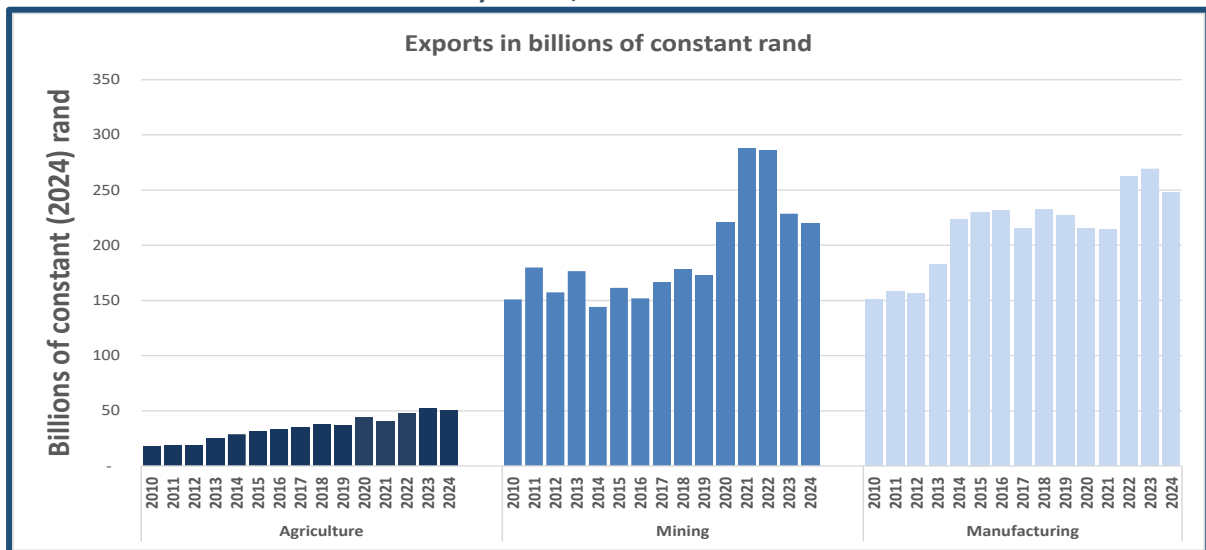
Graph 13. Quarterly exports, imports and balance of trade in billions of constant (2024) rand (a), first quarter of 2012 to third quarter of 2024.



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

The stronger rand meant export revenues from goods exports declined more than the volume of sales. In this context, a sharp fall in auto exports in the third quarter of 2024 compared to a year earlier drove an 8% decline in total manufactured exports. Still, as a whole manufacturing exports remain well above pre-pandemic levels. (Graph 14)

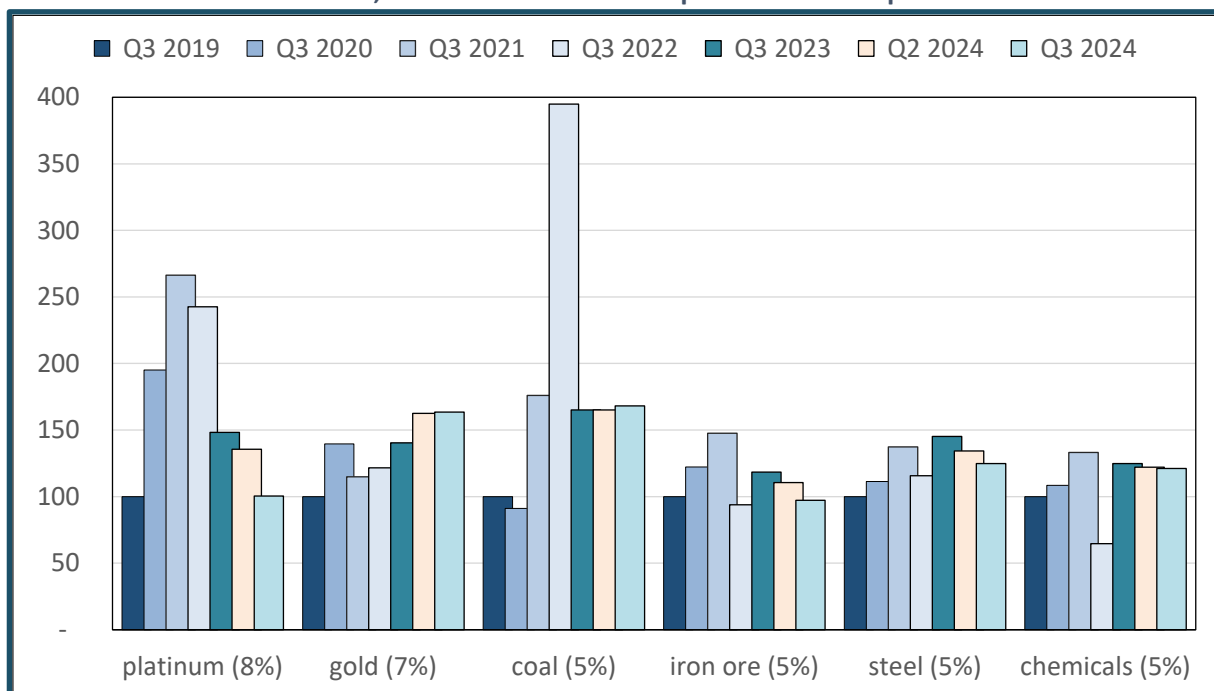
Graph 14. Third quarter goods exports in billions of constant (2024) rand (a), by sector, 2010 to 2024.



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

Mining exports dropped modestly, mostly thanks to the combination of stagnant world prices and the stronger rand. In constant rand, only coal and gold prices increased, while platinum dropped sharply and iron ore, steel and chemicals fell slightly. (Graph 15) In volume terms, platinum exports recovered 40%, returning to levels last seen in 2021. Overall, the value of mining exports was 23% off the 2021 peak, but still well above pre-pandemic levels. The rand value of agriculture exports also decreased slightly, declining from R52 billion to R50 billion. The fall was entirely due to the higher rand.

Graph 15. Indices of South African unit export prices for major mining-based exports in constant rand; current share in total export revenues in parentheses

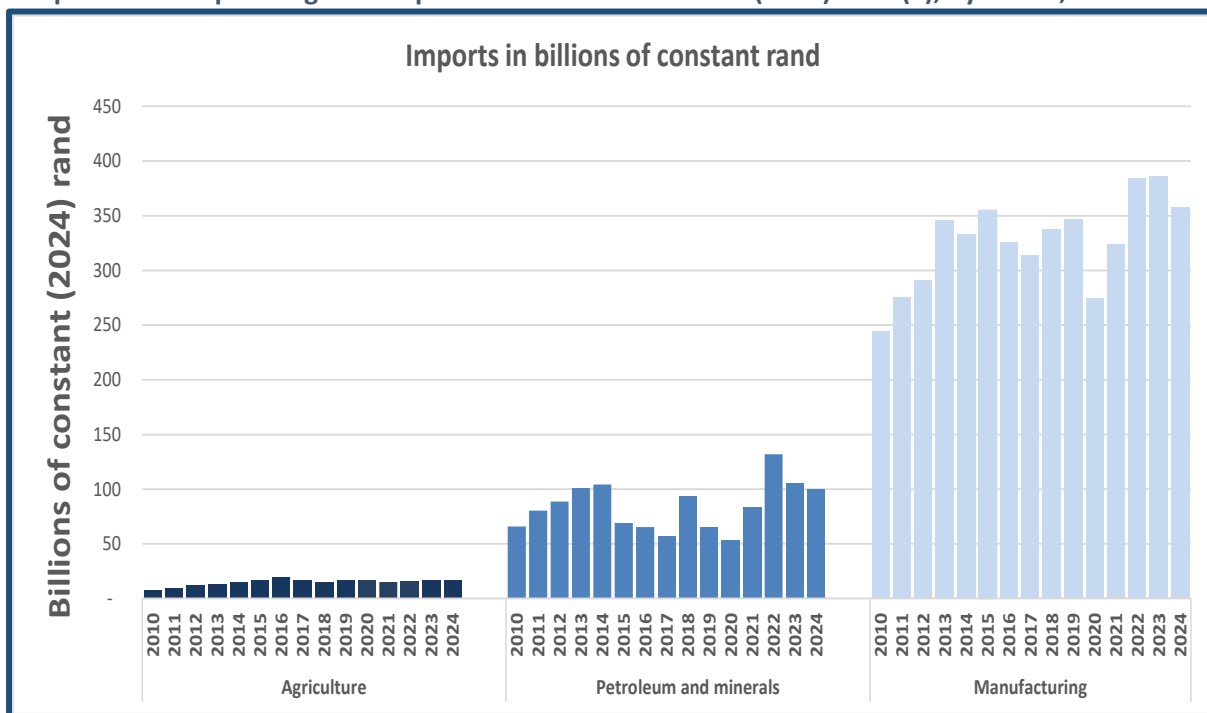


Note: (a) Refflated with CPI. South African chemicals exports derive primarily from coal. Source: Calculated from Quantec. EasyData. Interactive dataset. Series on trade in HS-8 categories.

The value of manufacturing imports in constant rand declined only slightly less rapidly than exports, falling by 7% from the third quarter of 2023 to the third quarter of 2024. Around half of the decline reflected appreciation in the value of the rand.

A similar picture emerged for liquid fuels, which account for some 20% of South African imports. Compared to the third quarter of 2023, the volume of petroleum imports shrank by 2%, but payments for it dropped 17% in nominal terms.

Graph 16. Third quarter goods imports in billions of constant (2024) rand (a), by sector, 2010-2024



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

In constant rand terms, by far the largest decline in manufacturing exports came from auto, as discussed in the section on the GDP. Compared to the third quarter of 2023, revenues from exports of metals and metal products fell by 11% in rand terms, or 4% in US dollar terms, reflecting lower prices for steel. Other industries saw gains in exports in current dollar terms over the past year, but their rand revenues shrank because of the uptick in the real value of the rand. On the import side, auto also saw a significant decline. SARS data also show a significant fall in imports of paper products.

Table 1. Exports and imports by manufacturing industry in the third quarter of 2024, and change from third quarter 2023, in US dollars and rand

Industry	value (billions)		% change from Q3 2023		change in billions	
	US\$	Rand	US\$	Rand	US\$	Rand
EXPORTS						
Food and beverages	1.35	24.31	11%	2%	0.13	0.56
Clothing and footwear	0.42	7.58	13%	4%	0.05	0.32
Wood products	0.14	2.51	4%	-4%	0.01	-0.11
Paper and publishing	0.51	9.10	18%	9%	0.08	0.76
Chemicals, rubber, plastic	2.05	36.88	0%	-8%	-0.00	-3.02
Glass and non-metallic mineral products	0.12	2.08	8%	0%	0.01	-0.00
Metals and metal products	2.84	51.06	-4%	-11%	-0.10	-6.21
Machinery and appliances	2.29	41.12	0%	-7%	0.01	-3.14
Transport equipment	3.35	60.17	-18%	-24%	-0.73	-19.15
IMPORTS						
Food and beverages	1.05	18.90	14%	5%	0.13	0.86
Clothing and footwear	1.41	25.43	19%	10%	0.23	2.36
Wood products	0.11	1.91	10%	2%	0.01	0.04
Paper and publishing	0.36	6.50	-54%	-58%	-0.43	-8.92
Chemicals, rubber, plastic	4.14	74.44	15%	6%	0.54	4.32
Glass and non-metallic mineral products	0.24	4.26	-8%	-15%	-0.02	-0.75
Metals and metal products	1.38	24.82	6%	-2%	0.08	-0.40
Machinery and appliances	6.66	119.83	1%	-7%	0.04	-8.87
Transport equipment	4.09	73.57	-13%	-19%	-0.60	-17.72

Source: SARS monthly data.