

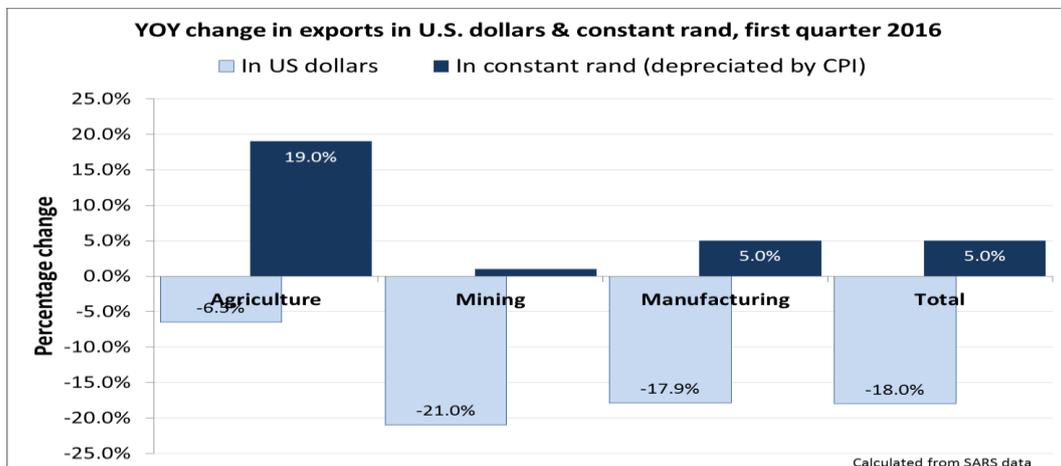
## Trends in trade

The year to the first quarter of 2016 saw a continued contraction in exports for both manufacturing and mining in dollar terms. In contrast, in constant rand both sectors saw growth, with manufacturing expanding by 4,6% and mining by 0,9%. Despite the drought, agriculture witnessed only a relatively mild dollar contraction of 6,5% and strong rand-denominated growth of 19%.

The year to the first quarter of 2016 saw a continued contraction in exports in dollar terms. Still, it again demonstrated the importance of continued protection from the weaker rand, which saw all the productive sectors posting increases in rand exports.

Manufacturing continued its recent export growth in rand terms, posting a 5% expansion. The growth came in spite of a continued decline in the metals industry, manufacturing's largest export sector, which saw dollar declines of 19,5% softened to marginal rand growth of 2,9% (Graph 7).

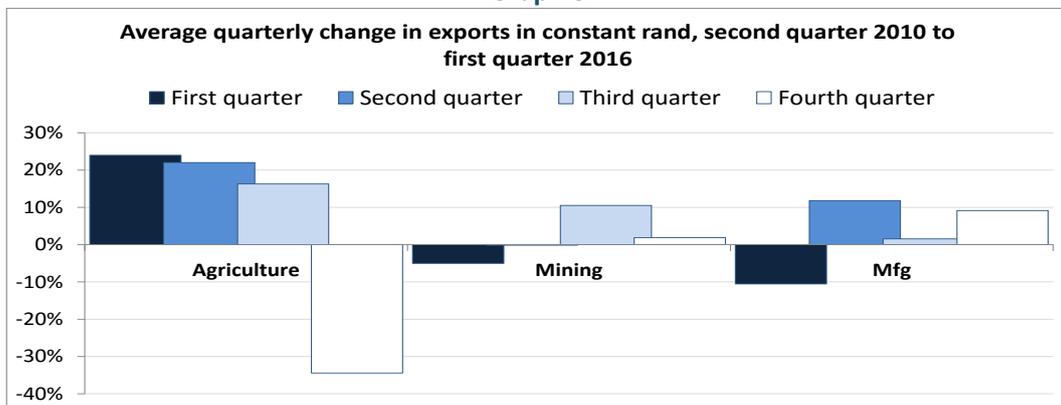
**Graph 7**



Source: South African Revenue Service, Merchandise Trade Statistics for relevant periods

Quarterly changes in exports should be treated with caution, since they fluctuate substantially for both seasonal and other reasons. As Graph 8 shows, agricultural exports show significant seasonal trends, with a drop in volume terms in the fourth quarter of each year. Manufacturing and mining show a consistent fall in exports in the first quarter of each year since 2010, although exports in the other quarters fluctuated significantly.

**Graph 8**



Source: South African Revenue Service, Merchandise Trade Statistics for relevant periods

### Value of and change in trade by manufacturing industry to fourth quarter 2015

Indicator	Manufacturing Industry	Value in Q1 2016		% change in constant ZAR to Q1 2016		% change in USD to Q1 2016	
		ZAR bns	USD bns	From Q1 2015	from Q4 2015	from Q1 2015	from Q4 2015
<b>Exports</b>	Food and beverages	9.4	0.7	14.1%	-13.1%	-10.6%	-20.4%
	Textiles, clothing, leather and footwear	4.7	0.2	5.5%	-17.1%	-43.3%	-47.9%
	Wood and wood products	1.3	0.1	-1.9%	-7.2%	-23.1%	-14.8%
	Chemicals, rubber, plastic	17.7	1.3	0.5%	-13.1%	-21.2%	-20.3%
	Glass and non-metallic mineral products	1.6	0.1	49.6%	21.0%	17.6%	10.8%
	Metal and articles of metal products	28.0	2.1	2.9%	7.5%	-19.5%	-1.6%
	Machinery, appliances, AV equipment	22.6	1.7	2.1%	-9.1%	-19.9%	-16.9%
	Paper and publishing	5.1	0.4	32.2%	1.7%	3.5%	-6.6%
	Transport equipment	26.4	2.0	2.6%	-8.5%	-19.1%	-16.0%
	<b>Imports</b>	Food and beverages	6.7	0.5	-3.7%	-14.2%	-24.8%
Textiles, clothing, leather and footwear		14.4	1.1	12.6%	6.9%	-12.2%	-3.1%
Wood and wood products		1.3	0.1	10.9%	12.7%	-13.6%	1.9%
Chemicals, rubber, plastic		32.8	2.5	2.5%	-8.9%	-20.1%	-17.1%
Glass and non-metallic mineral products		3.0	0.2	7.5%	9.0%	-16.2%	-1.2%
Metal and articles of metal products		13.5	1.0	-2.4%	3.1%	-23.9%	-6.3%
Machinery, appliances, AV equipment		65.0	4.9	6.2%	-7.1%	-17.1%	-15.6%
Paper and publishing		3.8	0.3	17.4%	-7.0%	-8.4%	-15.4%
Transport equipment		42.5	3.2	-3.9%	7.4%	-24.9%	-2.5%
<b>Balance</b>		Food and beverages	2.8	0.2	17.8%	1.1%	14.2%
	Textiles, clothing, leather and footwear	-9.6	-0.8	-7.1%	-24.0%	-31.0%	-44.8%
	Wood and wood products	0.1	0.0	-12.8%	-19.8%	-9.4%	-16.7%
	Chemicals, rubber, plastic	-	-1.1	-1.9%	-4.1%	-1.1%	-3.2%
	Glass and non-metallic mineral products	-1.4	-0.1	42.1%	12.0%	33.8%	11.9%
	Metal and articles of metal products	14.6	1.1	5.2%	4.4%	4.4%	4.7%
	Machinery, appliances, AV equipment	-	-3.2	-4.2%	-2.0%	-2.8%	-1.3%
	Paper and publishing	1.4	0.1	14.8%	8.7%	11.8%	8.8%
	Transport equipment	-	-1.2	6.6%	-15.9%	5.8%	-13.5%

Notes: (a) Figures for change from the final quarter of 2015 are not seasonally adjusted. Constant change in rand calculated using CPI to deflate current figures. Source: SARS data on trade.