

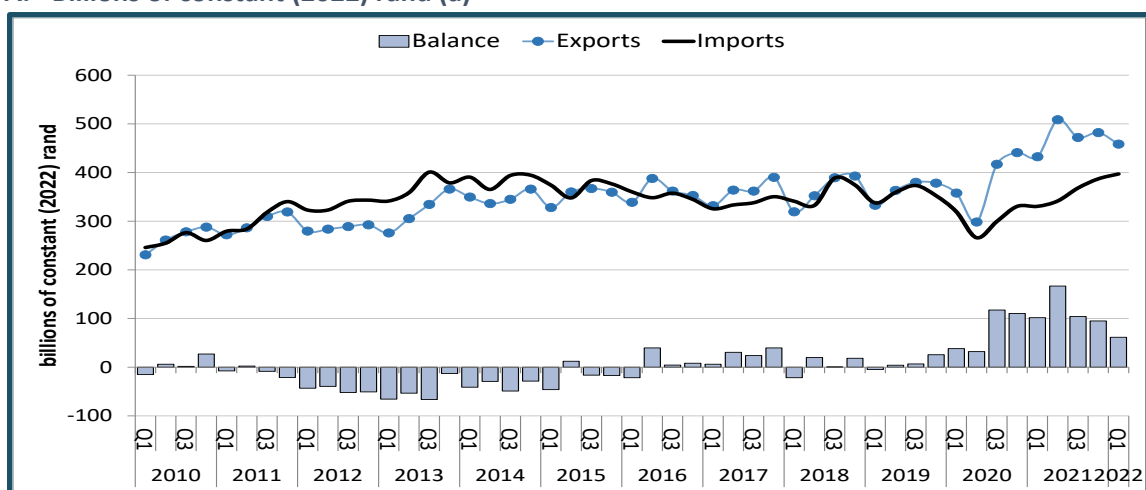
International trade

In the first quarter of 2022, the balance of trade remained positive but declined by almost half compared to the previous quarter. The fall mostly resulted from the spike in petroleum prices internationally, despite strength in the prices of South Africa's main mining exports over most of the quarter.

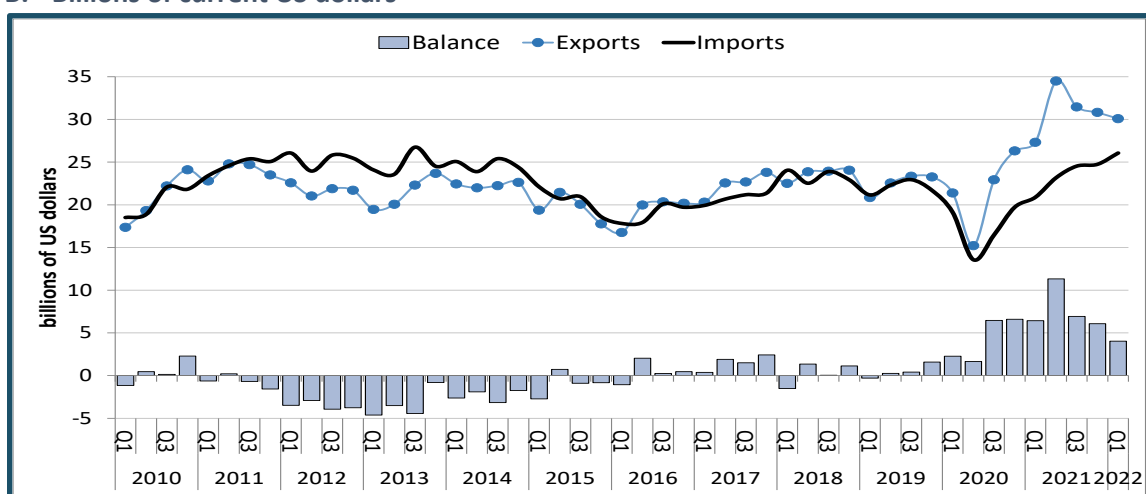
In the first quarter of 2022, exports reached R460 billion in constant 2022 Rands, while imports totalled almost R400 billion.¹ The pandemic improved South Africa's international trade position by boosting the prices of its mining exports, while slow growth and disruptions to international supply chains suppressed imports. That provided a critical cushion for the economy, especially in light of constrained public spending and investment since 2021. The sharp increase in petroleum prices from the end of 2021, aggravated by the Russian invasion of Ukraine, reduced the trade surplus substantially, however. It fell by R33 billion compared to the fourth quarter of 2021, to R61 billion. A year earlier, it was just over R100 billion. The surplus remains far higher than at any time over the previous decade.

Graph 19. Exports, imports and balance of trade in billions of constant rand and current US dollars

A. Billions of constant (2022) rand (a)



B. Billions of current US dollars

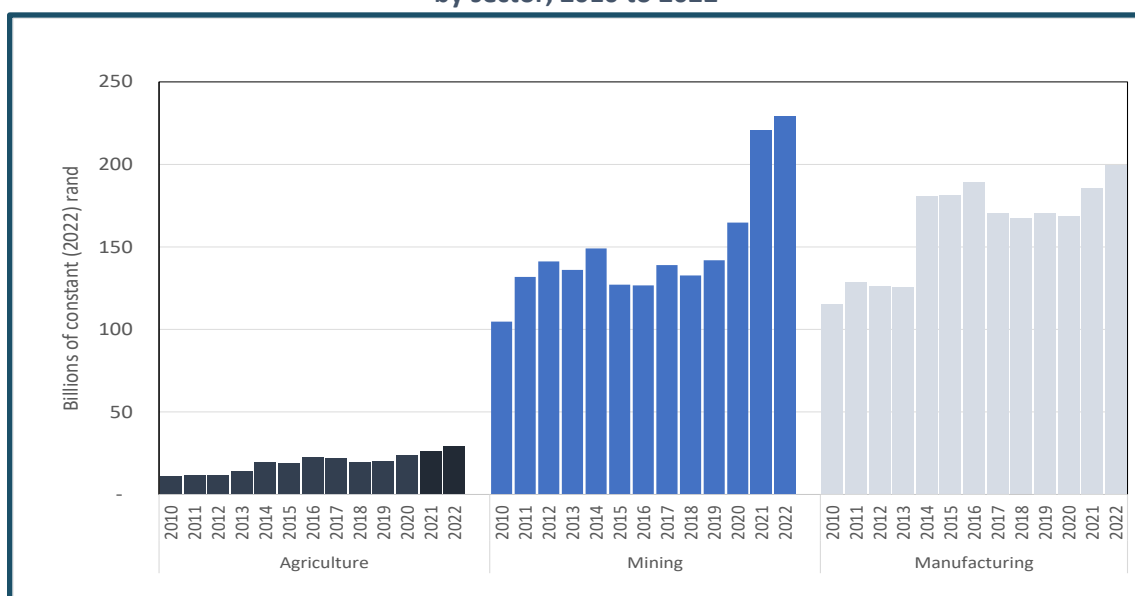


Source: Calculated from South African Revenue Service data.

¹ Note: (a) Constant rand values reflat using CPI rebased to December 2022; US dollar values calculated with the trade-weighted exchange rate from the Reserve Bank.

Mining prices remained high, boosting the value of both mining products and refined metals and metal products. The increase in mining exports was, however, subdued compared to the extraordinary jump in the first quarter of 2021. Mining exports increased by 3.4% in constant rand in the first quarter of 2022. The price decline for virtually all of South Africa's major mining exports except for coal in the second quarter of 2022 will likely see significantly weaker results going forward. Agricultural exports increased 10% and manufacturing exports 7%. (Graph 20)

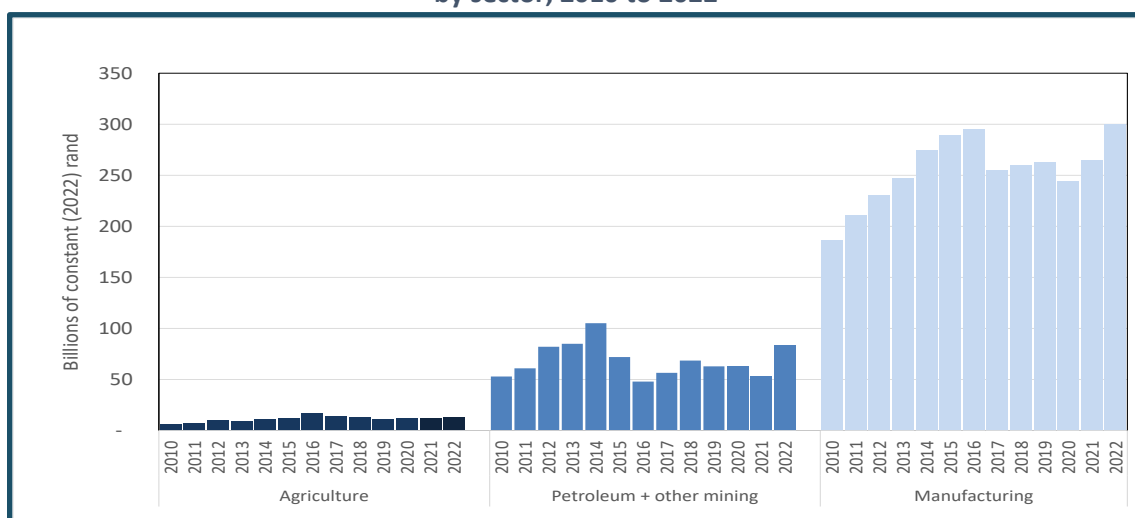
Graph 20. First-quarter goods exports in billions of constant (2022) rand (a), by sector, 2010 to 2022



Note: (a) Deflated with CPI. *Source:* Calculated from South African Revenue Service data.

In the same period, imports climbed 2.5%. The higher cost of petroleum accounted for around half of the increase, as shown in Graph 21. Extractive imports spiked 35% as oil prices escalated. Manufacturing imports also rose sharply in constant rand terms, by 12% off a much higher base. As a result, manufactured imports exceeded the previous peak in 2016. Total imports have begun to approach pre-pandemic levels in constant rand terms.

Graph 21. First-quarter goods imports in billions of constant (2021) rand (a), by sector, 2010 to 2022



Note: (a) Deflated with CPI. *Source:* Calculated from South African Revenue Service data.

As Table 1 shows, the spurt in manufactured imports mostly reflected the recovery in the domestic economy, with machinery accounting for 40% of the growth and petrochemicals for 14%. For manufactured exports, the increase resulted almost exclusively from the metals industry, which contributed 80% of the total increase. Petrochemicals and paper products also benefited from the commodity boom. Still, machinery exports rose by 4.2% and auto by 2.3%. In contrast, glass and non-metallic mineral products fell by 11.7%, food and beverages by 7.8% and clothing and footwear by 4.1%.

Table 1. Trade by manufacturing subsector

Industry	VALUE (BILLIONS)		% CHANGE FROM Q1 2021		CHANGE IN BILLIONS	
	USD	Rand	USD	Rand	USD	Rand
EXPORTS						
Food and beverages	1.04	15.9	-4.0%	-7.8%	-0.04	-1.34
Clothing and footwear	0.44	6.7	-0.3%	-4.1%	-0.00	-0.29
Wood products	0.15	2.2	14.4%	10.0%	0.02	0.20
Paper and publishing	0.38	5.7	15.1%	10.8%	0.05	0.56
Chemicals, rubber, plastic	2.36	35.9	7.8%	3.7%	0.17	1.29
Glass and non-metallic mineral products	0.10	1.6	-8.2%	-11.7%	-0.01	-0.21
Metals and metal products	3.28	49.8	31.7%	26.8%	0.79	10.52
Machinery and appliances	2.22	33.7	8.3%	4.2%	0.17	1.35
Transport equipment	2.93	44.5	6.4%	2.3%	0.18	0.98
IMPORTS						
Food and beverages	1.03	15.7	23.6%	19.1%	0.20	2.52
Clothing and footwear	1.30	19.8	13.2%	9.1%	0.15	1.64
Wood products	0.12	1.9	18.4%	13.9%	0.02	0.23
Paper and publishing	0.98	15.0	56.8%	50.9%	0.36	5.05
Chemicals, rubber, plastic	3.94	60.1	13.2%	8.9%	0.46	4.93
Glass and non-metallic mineral products	0.25	3.8	-3.8%	-7.4%	-0.01	-0.30
Metals and metal products	1.55	23.6	23.4%	18.6%	0.29	3.70
Machinery and appliances	6.20	94.4	22.9%	18.2%	1.15	14.56
Transport equipment	3.96	60.4	9.1%	5.0%	0.33	2.87

Source: SARS monthly data.