

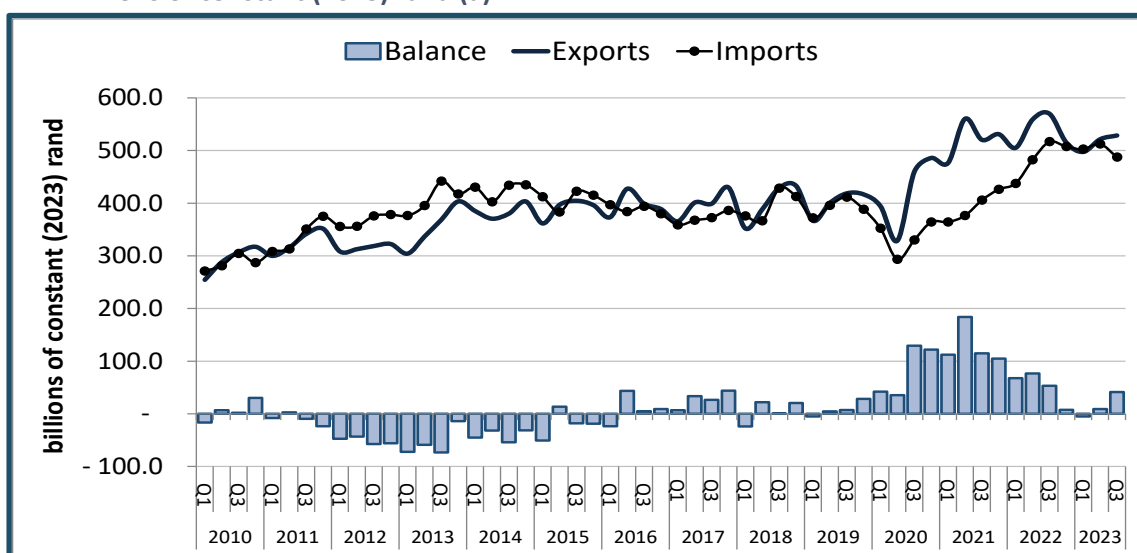
International trade

A strong surplus in goods trade returned in the third quarter of 2023. Exports climbed 2.9%, largely thanks to growing exports of transport equipment and agricultural products. In contrast, mining sales fell sharply as a result of lower prices and Transnet's woes. The falling international price of petroleum contributed to the decline in imports.

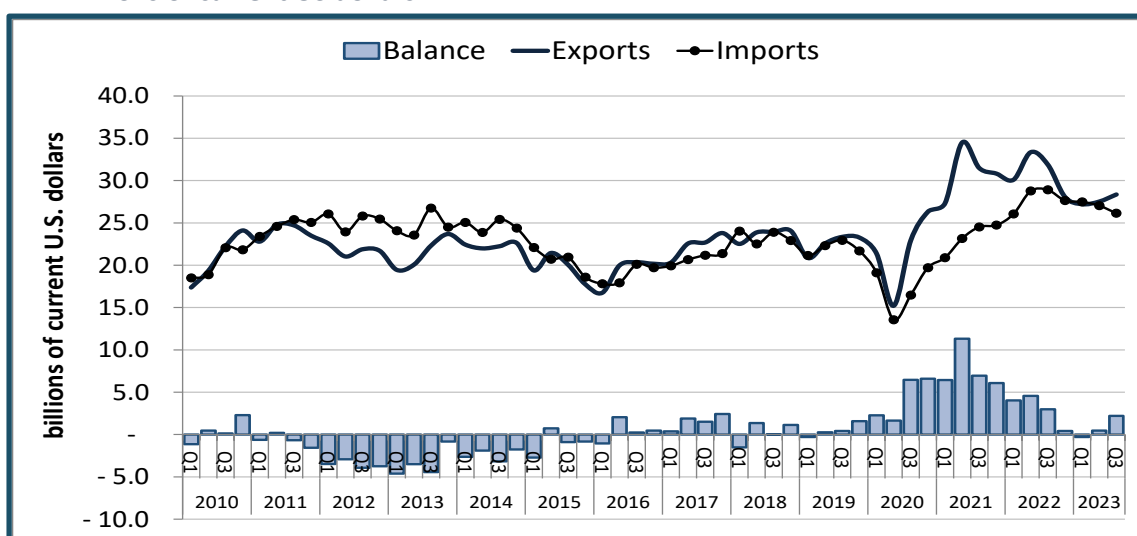
South Africa returned to a strong surplus in goods trade in the third quarter of 2023, as export revenues jumped 2.9% while imports dropped 3.5% in constant rand. These developments reversed the trend toward falling trade surpluses over the previous three quarters. Before that, since the pandemic South Africa had seen an unusually strong balance of trade, mostly due to speculative hikes in world commodity prices while slow economic growth limited import demand (Graph 15).

Graph 15. Exports, imports and balance of trade in billions of constant rand and current US dollars

A. Billions of constant (2023) rand (a)



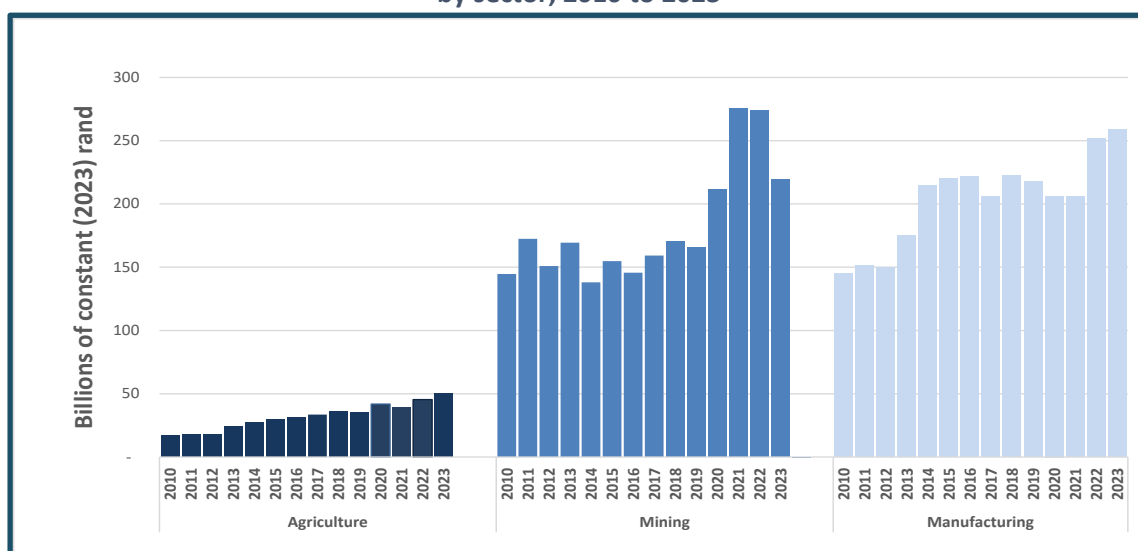
B. Billions of current US dollars



Source: Calculated from South African Revenue Service data.

The spectacular decline in mining prices, especially for coal, as well as the challenges at Transnet rail and ports in recent months saw export revenues for the sector plummet by 20% in the year to the third quarter 2023. Still, mining exports remained well above most pre-pandemic years. In contrast, agricultural exports showed steady growth. Manufactured exports climbed slightly in constant rand terms, almost exclusively thanks to rapid growth in auto exports (Graph 16). Except for food, all the main commodity-based manufacturing sectors saw significant declines in export revenues.

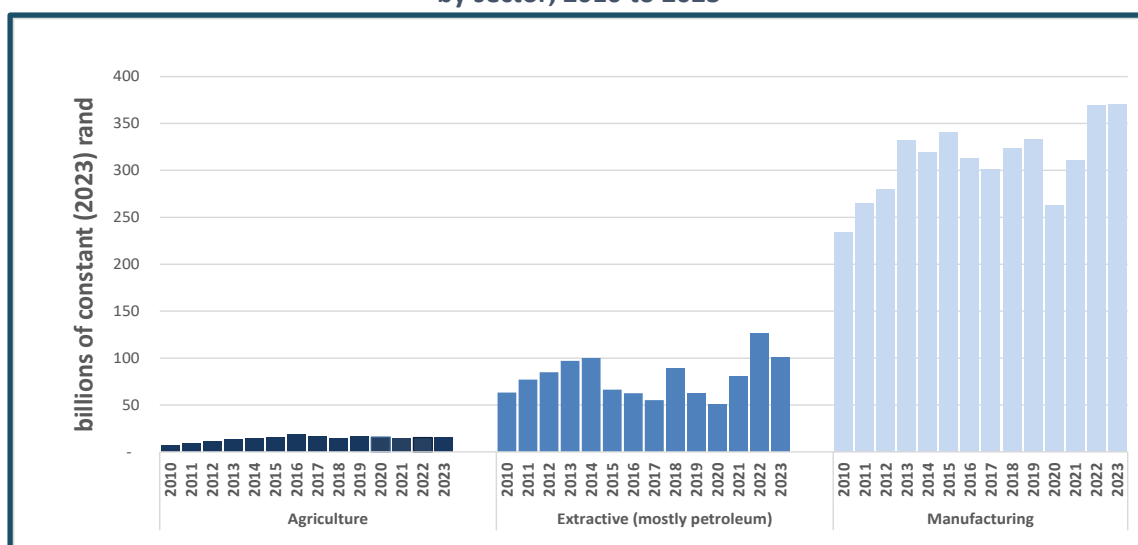
Graph 16. Third quarter goods exports in billions of constant (2023) rand (a), by sector, 2010 to 2023



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

While South Africa continues to rely primarily on commodity-based exports, its imports are mostly relatively advanced manufactures. The fall in petroleum prices brought some relief to the import bill, and manufactured imports only crept up marginally in the year to third quarter 2023.

Graph 17. Third quarter goods imports in billions of constant (2023) rand (a), by sector, 2010 to 2023



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

Table 1 provides more detail on trade by manufacturing industry. In the year to the third quarter 2023, exports of transport equipment sector climbed 45% in constant rand. Auto imports climbed almost 25%. Still, the auto industry faced a substantial trade deficit, at R11.3 billion in the third quarter of 2023. Most other manufacturing industries saw a significant decline in imports, notably in the chemicals and wood/paper value chains. Imports also shrank in these industries, however.

In contrast, sectors like food processing, wood products, and metals are maintaining a trade surplus. Metals achieved the largest surplus at R81 billion, despite a decline in metal exports in the third quarter.

Table 1. Trade by manufacturing subsector

INDUSTRY	Value (billions)		% change from Q3 2022		Change in Billions	
	USD	Rand	USD	Rand	USD	Rand
EXPORTS						
Food and beverages	1.22	22.8	-2.4%	1.7%	-0.03	0.39
Clothing and footwear	0.37	7.0	-13.7%	-10.2%	-0.06	-0.79
Wood products	0.13	2.5	-24.1%	-20.9%	-0.04	-0.66
Paper and publishing	0.43	8.0	-43.5%	-41.9%	-0.33	-5.79
Chemicals, rubber, plastic	2.05	38.3	-20.1%	-16.7%	-0.52	-7.69
Glass and non-metallic mineral products	0.11	2.0	-10.6%	-6.8%	-0.01	-0.15
Metals and metal products	2.95	54.9	-7.1%	-3.0%	-0.23	-1.73
Machinery and appliances	2.28	42.4	-3.1%	1.1%	-0.07	0.44
Transport equipment	4.09	76.3	38.9%	44.6%	1.15	23.54
IMPORTS						
Food and beverages	0.93	17.3	-13.7%	-9.7%	-0.15	-1.86
Clothing and footwear	1.19	22.1	-16.9%	-13.3%	-0.24	-3.39
Wood products	0.10	1.8	-8.1%	-4.1%	-0.01	-0.08
Paper and publishing	0.79	14.8	-4.0%	0.2%	-0.03	0.03
Chemicals, rubber, plastic	3.60	67.2	-23.4%	-20.0%	-1.10	-16.85
Glass and non-metallic mineral products	0.26	4.8	-8.2%	-4.2%	-0.02	-0.21
Metals and metal products	1.30	24.2	-12.6%	-8.9%	-0.19	-2.36
Machinery and appliances	6.63	123.4	4.1%	8.5%	0.26	9.64
Transport equipment	4.70	87.5	18.5%	23.4%	0.73	16.60

Source: SARS monthly data.