

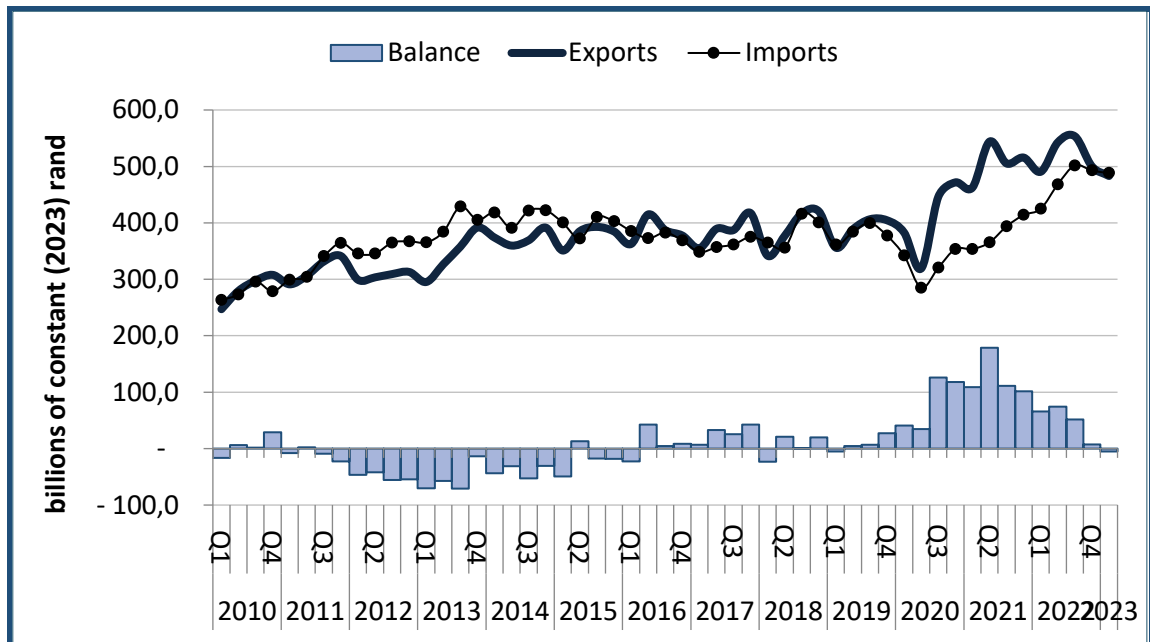
## International trade

*In the first quarter of 2023, South Africa saw its first trade deficit since the pandemic, as falling commodity prices, especially for coal, and economic growth gradually ate away at historically high recent surpluses. The shift to a deficit mostly reflected falling export revenues as global mining prices dropped while imports rose, in large part to develop new electricity capacity.*

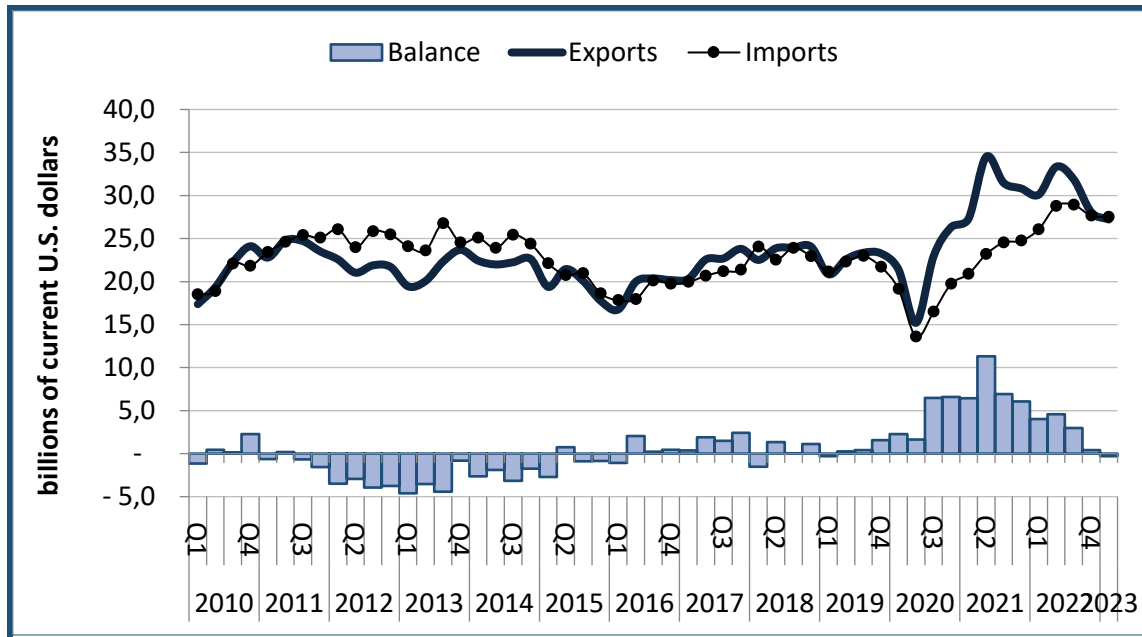
The first quarter of 2023 saw South Africa record a trade deficit for the first time since the first quarter of 2019. The deficit remained modest by historic standards, at R5.1 billion in the first quarter of 2023. It followed a steady fall in the trade surplus over the past six quarters, with a particularly sharp drop at the end of 2022. The deficit resulted primarily from a fall in the value of exports by R17 billion in constant rand terms, mostly due to a sharp global decline in mining prices. Imports rose R5 billion during the same period. (Graph 17)

**Graph 17. Exports, imports and balance of trade in billions of constant rand and current US dollars**

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



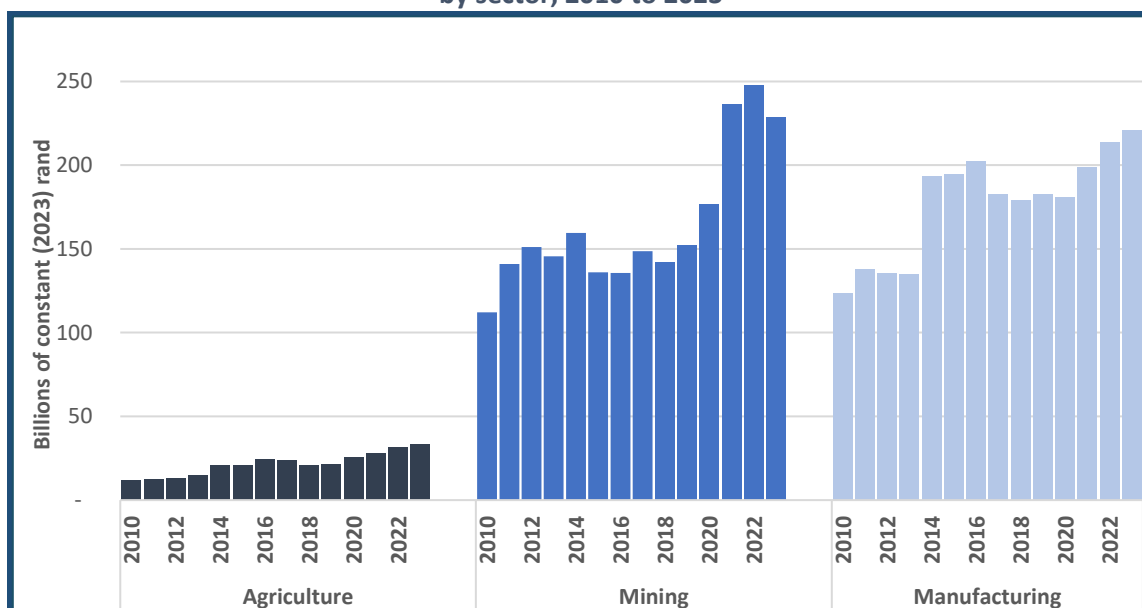
**B. Billions of current US dollars**



Source: Calculated from South African Revenue Service data.

In constant rand terms, manufacturing and agriculture exports increased by 3% and 6% respectively in the year to the first quarter of 2023. Mining exports declined by 8%, from R247.4 billion to R228.8 billion over the same period. Still, exports from these three sectors remained well above pre-pandemic levels, at 20% above first quarter 2020 exports. Paper and publishing as well as metal products saw the largest growth in exports compared to other products, while motor vehicles, parts and accessories and other transport equipment exports declined by some R2.2 billion in the year to the first quarter of 2023.

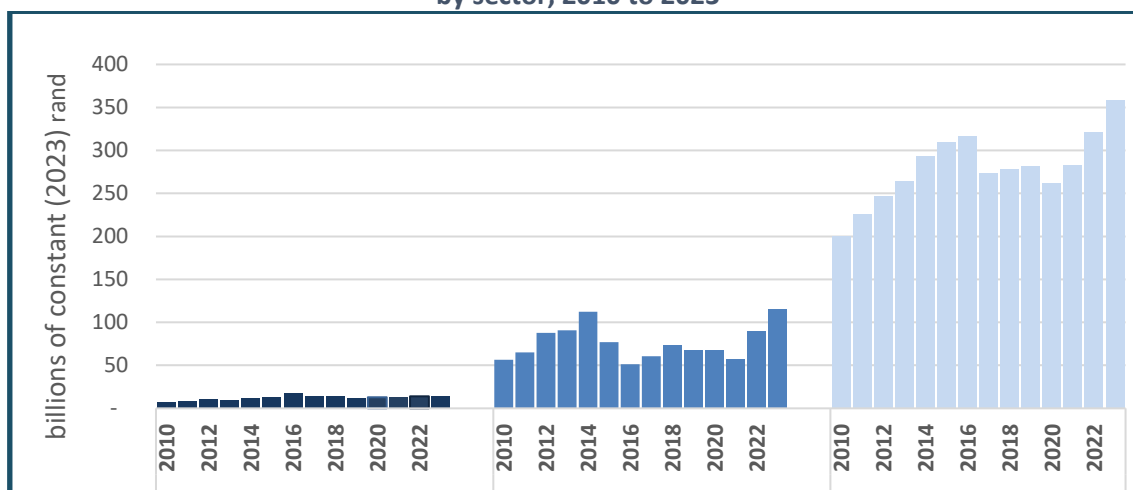
**Graph 18. First quarter goods exports in billions of constant (2023) rand (a), by sector, 2010 to 2023**



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

Outside of agriculture, imports grew faster than exports. That mostly reflected the surge in imports of refined petroleum plus lower prices for South African minerals exports, especially coal. Manufactured imports increased by 12% to R358.4 billion in the year to the first quarter of 2023, while agriculture and extractive imports (almost entirely crude oil and petroleum products) grew by 3% to R14.4 billion and 28% to R115.3 billion respectively. Manufacturing imports increased by R37.2 billion in the year to the first quarter of 2023, driven in large part by growth in imports of machinery and appliances, and motor vehicles, parts and accessories, which grew by R19 billion and R22 billion respectively.

**Graph 19. First 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.

In real terms, for the first quarter of 2023, food and beverages, wood products, and metals and metal products were the only manufacturing industries for which exports exceeded imports. In contrast, major manufacturing industries like machinery and appliances and transport equipment had a trade deficit of R82.6 billion and R41.5 billion respectively in the first quarter of 2023.

**Table 1. Trade by manufacturing industry**

INDUSTRY	Value (billions)		% change from Q1 2022		Change in Billions	
	USD	Rand	USD	Rand	USD	Rand
<b>EXPORTS</b>						
<b>Food and beverages</b>	1.02	18.3	-1.9%	7.5%	-0.02	1.28
<b>Clothing and footwear</b>	0.45	8.0	1.1%	11.2%	0.01	0.80
<b>Wood products</b>	0.13	2.4	-8.3%	0.2%	-0.01	0.01
<b>Paper and publishing</b>	0.57	10.1	52.5%	65.7%	0.20	4.01
<b>Chemicals, rubber, plastic</b>	2.13	37.9	-9.8%	-1.4%	-0.23	-0.55
<b>Glass and non-metallic mineral products</b>	0.10	1.8	-1.0%	8.3%	-0.00	0.14
<b>Metals and metal products</b>	3.20	56.8	-2.5%	6.5%	-0.08	3.47
<b>Machinery and appliances</b>	2.09	37.3	-5.6%	3.4%	-0.13	1.22
<b>Transport equipment</b>	2.53	45.2	-13.4%	-4.6%	-0.39	-2.19

INDUSTRY	Value (billions)		% change from Q1 2022		Change in Billions	
	USD	Rand	USD	Rand	USD	Rand
<b>IMPORTS</b>						
Food and beverages	0.92	16.4	-10.4%	-2.3%	-0.11	-0.39
Clothing and footwear	1.19	21.0	-8.7%	-0.9%	-0.11	-0.20
Wood products	0.10	1.8	-17.8%	-10.6%	-0.02	-0.22
Paper and publishing	0.77	13.7	-21.3%	-14.1%	-0.21	-2.26
Chemicals, rubber, plastic	3.68	65.3	-6.6%	1.6%	-0.26	1.05
Glass and non-metallic mineral products	0.24	4.2	-6.4%	1.8%	-0.02	0.07
Metals and metal products	1.34	23.7	-14.0%	-6.0%	-0.22	-1.52
Machinery and appliances	6.76	119.9	9.0%	18.8%	0.56	18.97
Transport equipment	4.88	86.7	23.0%	34.2%	0.91	22.08

Source: South African Revenue Service monthly data.