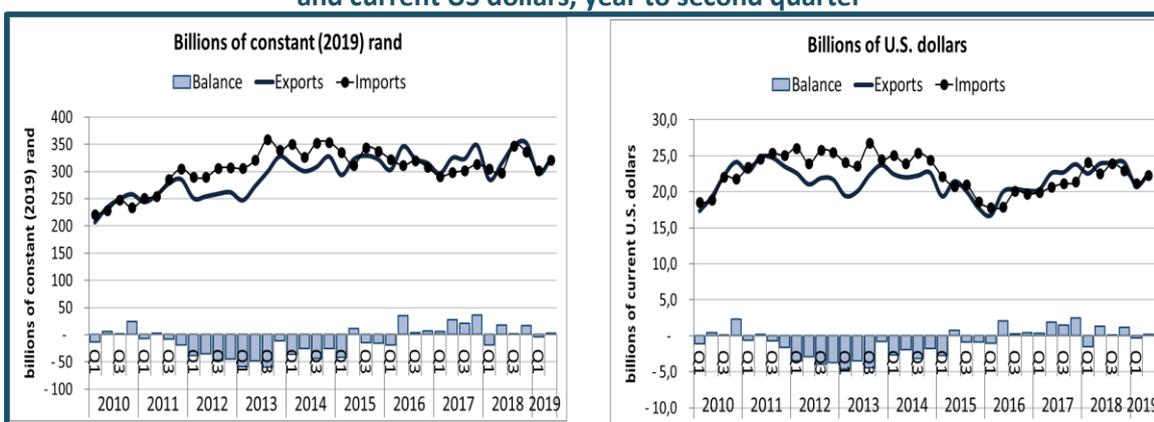


## International trade

Both imports and exports increased between the first and second quarters. Only marginal growth was observed compared to the same period last year.

Total international trade improved from the first quarter of 2019 to the second, with a net trade surplus of R3 billion reported in the second quarter of 2019, equivalent to US\$200 million. Exports were up 9% (R26 billion) at R324 billion from the first quarter of 2019. Imports were up 6.5% between the first and second quarters of 2019, increasing from over R302 billion to R321 billion.

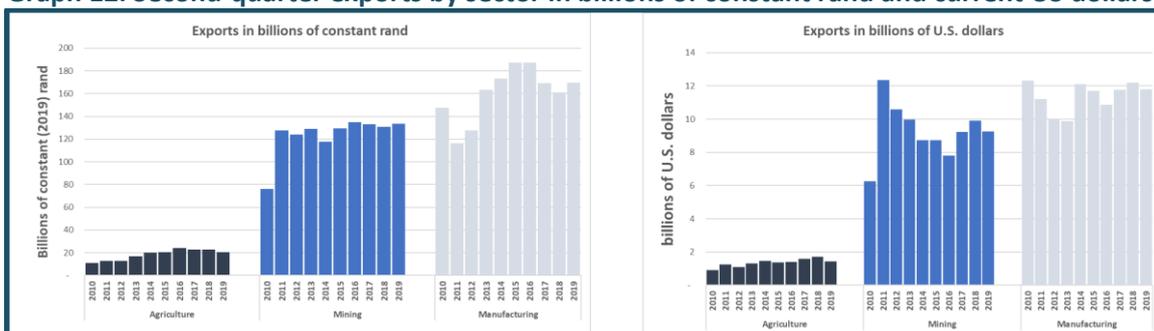
**Graph 11. Exports, imports and balance of trade in constant rand and current US dollars, year to second quarter**



Source: South African Reserve Bank (SARS) monthly data

A downward fluctuation in the rand in the second quarter of 2019 meant both mining and manufacturing exports increased in rand terms – the first upswing since 2016 for manufacturers. In contrast, there was a broad-based dollar decline across all export categories, and agricultural exports also fell in rand terms. Manufacturing exports had been consistently declining since 2016, but experienced 5% growth between 2018 and 2019 in rand terms, although they fell 3% in dollars. Mining exports were up 2% to R133 billion, while in dollar terms they fell by 6.5%.

**Graph 12. Second-quarter exports by sector in billions of constant rand and current US dollars**

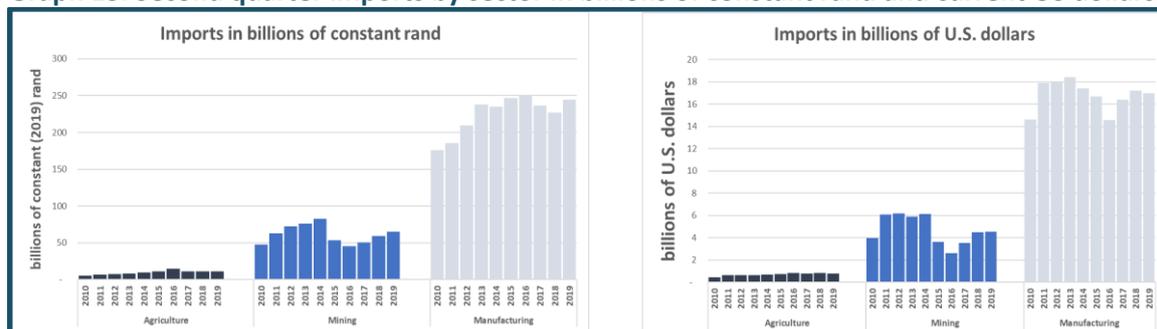


Source: SARS monthly data

Imports were up across all classifications in rand terms, with manufactured imports increasing 8% from R227 billion in 2018 to R244 billion in 2019. On the other hand, dollar-denominated manufacturing imports decreased marginally by 1% overall. Mining imports increased 11% to R65

billion, with a marginal dollar increase of 1%. Agricultural imports also increased marginally by 1% in rand terms, although they fell 7% between 2018 and 2019 in dollars.

**Graph 13. Second quarter imports by sector in billions of constant rand and current US dollars**



Source: SARS monthly data

Manufacturing exports were led by the transport equipment, machinery, metals and wood sectors, which accounted for the bulk of exports in the last quarter.

- Positively, transport equipment exports continued with increased exports, growing at a rate of 27% from the same period in 2018 for an increase of just under R10 billion.
- Machinery and metals exports grew an average of 1.4%, increasing to R28 billion and R38 billion respectively, although both sectors experienced significant drops in dollar-denominated terms.
- Food and beverage exports were also up 4% or R560 million to reach just under R15 billion or US\$1 billion.

Significant decreases were noted in clothing and textiles and the paper sector. Clothing exports fell by just under 12% in the last quarter, while paper and publishing exports fell by over 30% when compared to 2018. Exports were also slightly down in dollar terms, with the exceptions being transport equipment (a key export for South Africa) and wood. Machinery and metals exports fell by an average of 7% each, while chemicals fell by 6% and food and beverages by 4.5%.

**Table 1. Trade by manufacturing subsectors**

Industry	VALUE (BILLIONS)		% CHANGE FROM Q2 2018		CHANGE IN BILLIONS	
	USD	RAND	USD	RAND	USD	RAND
<b>EXPORTS</b>						
Food and beverages	1.02	14.7	-4.5%	4.0%	-0.05	0.56
Clothing and footwear	0.40	5.8	-19.1%	-11.7%	-0.09	-0.76
Wood products	0.15	2.1	5.2%	15.0%	0.01	0.28
Paper and publishing	0.26	3.7	-36.2%	-30.3%	-0.15	-1.60
Chemicals, rubber, plastic	1.87	26.9	-6.1%	2.2%	-0.12	0.58
Glass and non-metallic mineral products	0.12	1.7	-4.0%	4.6%	-0.00	0.07
Metals and metal products	2.69	38.7	-6.6%	1.6%	-0.19	0.61
Machinery and appliances	1.94	27.9	-7.1%	1.2%	-0.15	0.34
Transport equipment	3.13	45.1	17.1%	27.2%	0.46	9.64

Industry	VALUE (BILLIONS)		% CHANGE FROM Q2 2018		CHANGE IN BILLIONS	
	USD	RAND	USD	RAND	USD	RAND
<b>IMPORTS</b>						
<b>Food and beverages</b>	0.82	11.9	0.0%	9.0%	0.0	0.98
<b>Clothing and footwear</b>	1.02	14.7	-1.2%	7.6%	0.0	1.03
<b>Wood products</b>	0.09	1.3	-8.4%	-0.1%	0.0	-0.00
<b>Paper and publishing</b>	0.52	7.5	-20.4%	-13.2%	-0.1	-1.13
<b>Chemicals, rubber, plastic</b>	3.21	46.1	-5.3%	3.3%	-0.2	1.46
<b>Glass and non-metallic mineral products</b>	0.26	3.7	-3.2%	5.4%	0.0	0.19
<b>Metals and metal products</b>	1.12	16.1	4.1%	13.5%	0.0	1.92
<b>Machinery and appliances</b>	5.59	80.4	2.2%	11.4%	0.1	8.26
<b>Transport equipment</b>	3.98	57.3	0.0%	8.8%	0.0	4.64

Source: SARS monthly data

In rand terms, imports increased for most industries. However, wood and paper imports fell, with paper and publishing imports falling by 13% and a marginal drop recorded in wood products. Food and beverage imports increased by 9% to R11.9 billion, while metals and machinery imports experienced double digit increases in imports. Metals and metal product imports increased by 13.5%, while machinery and appliances increased by 11.4% to just over R80 billion. Other notable increases in imports were noted in transport equipment which increased by 8.8% and clothing and textiles which saw imports increasing by over 7%.

In dollar terms, imports were mainly down in the second quarter of 2019, with major decreases in imports of wood, paper, and chemicals. Paper and publishing imports fell by over 20% in dollar terms, while chemical imports fell by 5%. However, even in dollars, imports increased in metal and metal products (4%) and in machinery and appliances (which increased by just over 2%) when compared with the same period (second quarter) of 2018.