

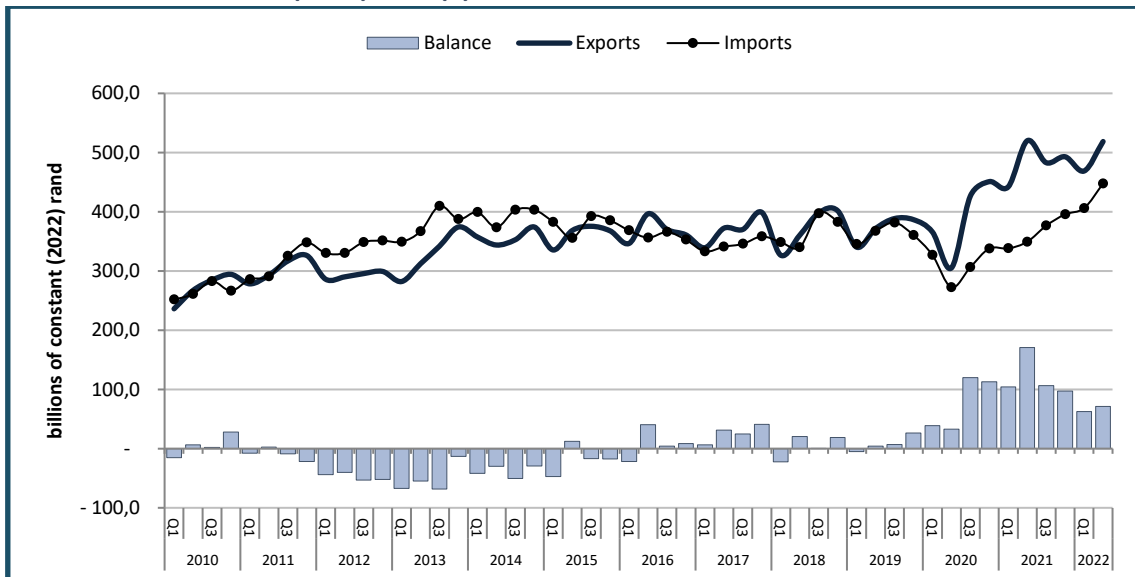
International trade

South Africa's surplus in goods trade has continued to narrow as prices for export commodities have declined, with logistics challenges affecting coal and auto, while the cost of petroleum remains comparatively high.

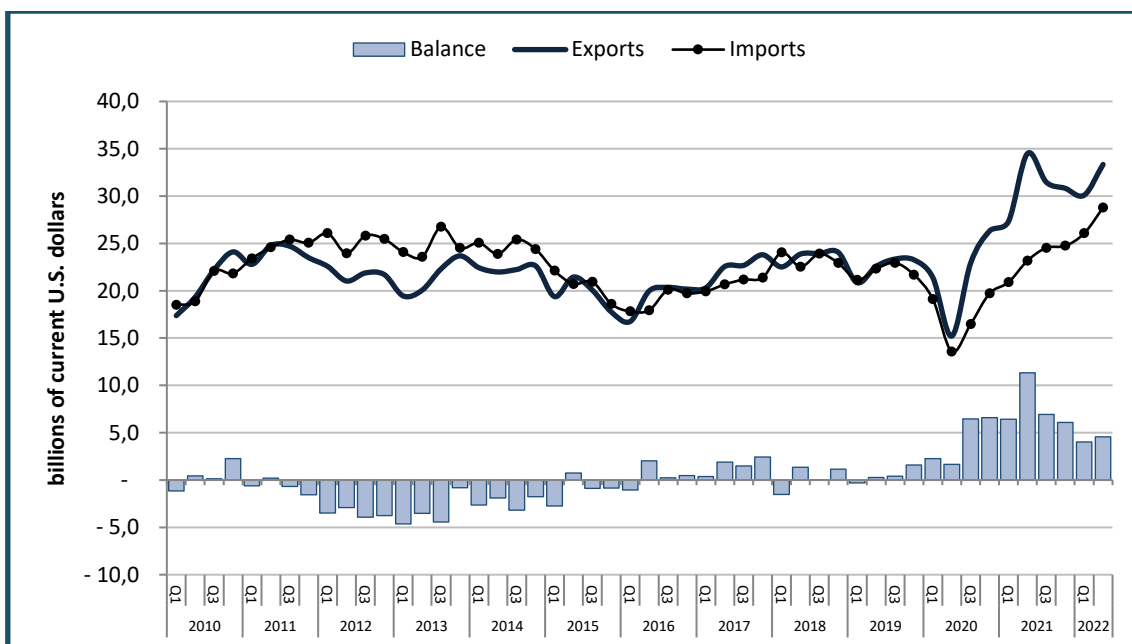
In the second quarter of 2022, South Africa recorded a trade surplus of R71 billion, up from R63 billion in the first quarter of 2022. Although the trade surplus is higher for the quarter under review, it remains well below the surplus of R171 billion recorded in the second quarter of 2021. The downward trend results principally from accelerating growth in imports. In the second quarter of 2022, exports reached R519 billion, recording a decline of 0.2% year-on-year although they climbed by 10.6% over the previous quarter. In contrast, imports escalated some 28% over the previous year, reaching R448 billion. That was 10% above the previous quarter.

Graph 1. Exports, imports and balance of trade in billions of constant rand and current US dollars

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



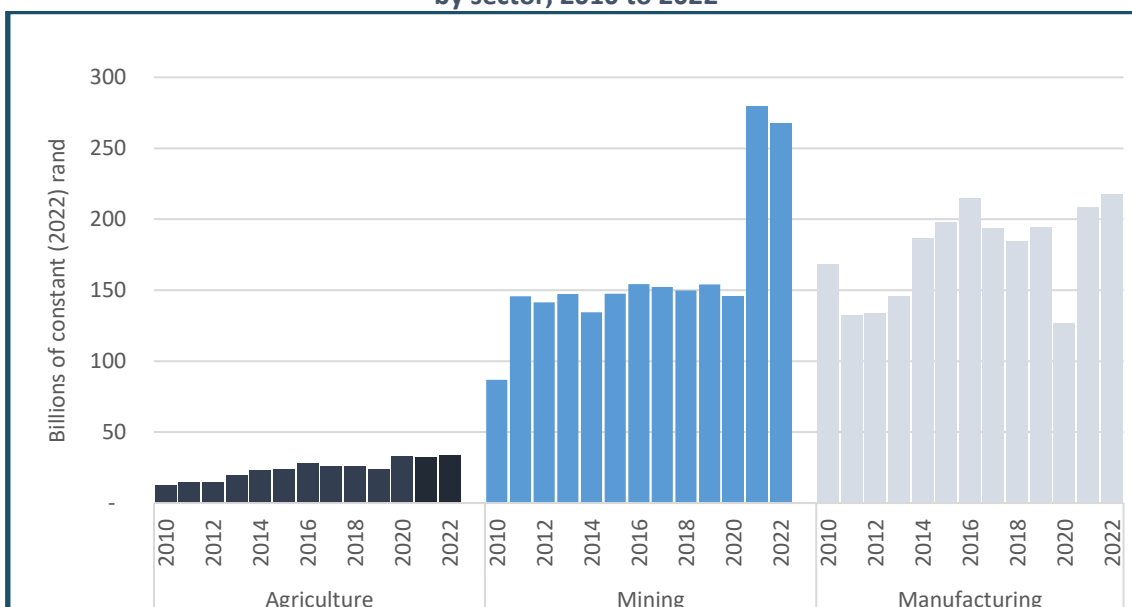
B. Billions of current US dollars



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

In the second quarter of 2022, the value of mining exports declined by 4.5% in constant rand over the previous quarter. Their value is far higher than in 2020, however, as a result of the international surge in commodity prices. In the same period, agriculture and manufacturing exports increased by 6.3% and 4.5%, respectively.

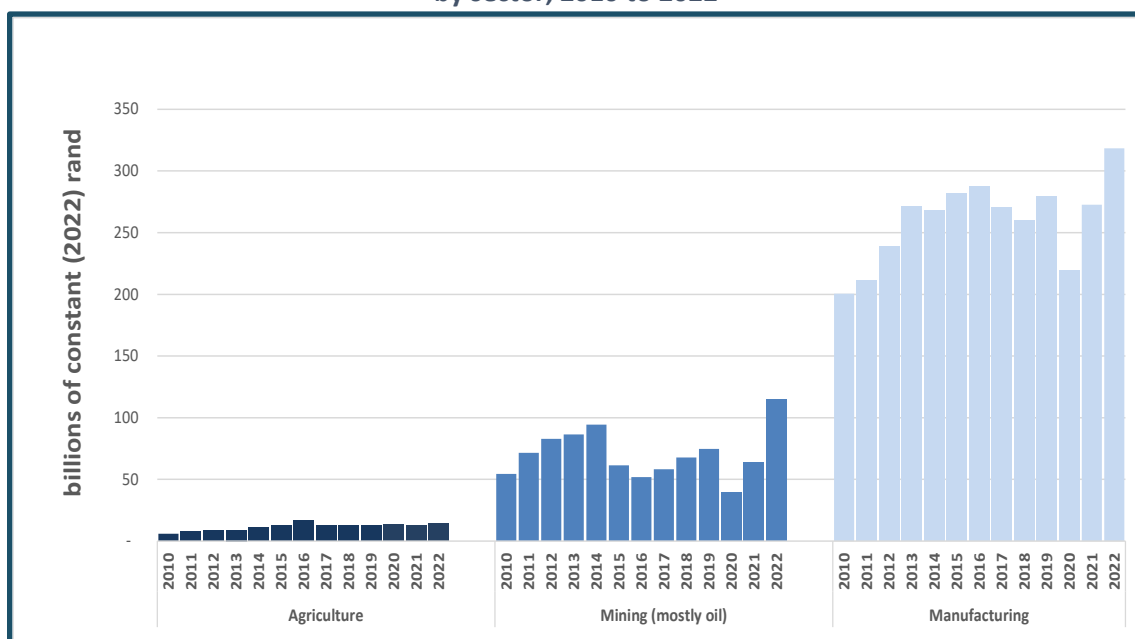
Graph 2. Second-quarter goods exports in billions of constant (2022) rand (a), by sector, 2010 to 2022



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

Extractive imports, predominantly petroleum, climbed sharply in in the second quarter of 2022, mostly because of higher global prices. Manufacturing imports continued their steep rise, recording an increase of 17% in the same period. In constant rand, imports of manufactures are now higher than they were before the pandemic.

Graph 3. Second-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.

The rise of manufacturing imports for the quarter under review was driven by year-on-year growth in chemicals (22%), machinery (19.6%) and clothing (17.5%), as shown in Table 1. The value of chemical imports is boosted by higher petroleum prices. The sluggish growth of manufacturing exports mostly results from the 13% year-on-year decline in transport equipment, as noted above. In addition, clothing exports fell 11% and glass and non-metallic mineral products by 5%. Exports of other machinery remained flat for the quarter.

Table 1. Trade by manufacturing subsector

INDUSTRY	VALUE (BILLIONS)		% CHANGE FROM Q2 2021		CHANGE IN BILLIONS	
	USD	RAND	USD	RAND	USD	RAND
EXPORTS						
Food and beverages	1.24	19.4	11.0%	14.7%	0.12	2.48
Clothing and footwear	0.43	6.6	-14.1%	-11.4%	-0.07	-0.85
Wood products	0.15	2.4	7.2%	10.8%	0.01	0.23
Paper and publishing	0.42	6.5	10.5%	14.2%	0.04	0.80
Chemicals, rubber, plastic	2.70	42.1	2.2%	5.8%	0.06	2.32
Glass and non-metallic mineral products	0.12	1.8	-8.8%	-5.8%	-0.01	-0.11
Metals and metal products	3.42	53.4	23.5%	27.8%	0.65	11.61
Machinery and appliances	2.26	35.2	-3.1%	0.0%	-0.07	0.00
Transport equipment	3.02	46.9	-16.1%	-13.4%	-0.58	-7.29
IMPORTS						
Food and beverages	1.02	15.8	9.1%	12.5%	0.08	1.76
Clothing and footwear	1.16	18.1	13.7%	17.5%	0.14	2.70

INDUSTRY	VALUE (BILLIONS)		% CHANGE FROM Q2 2021		CHANGE IN BILLIONS	
	USD	RAND	USD	RAND	USD	RAND
Wood products	0.11	1.7	6.1%	9.5%	0.01	0.15
Paper and publishing	0.86	13.5	7.8%	11.7%	0.06	1.41
Chemicals, rubber, plastic	4.58	71.3	18.3%	22.2%	0.71	12.95
Glass and non-metallic mineral products	0.27	4.2	-1.1%	1.9%	0.00	0.08
Metals and metal products	1.60	24.9	5.2%	8.8%	0.08	2.01
Machinery and appliances	6.19	96.3	15.9%	19.6%	0.85	15.79
Transport equipment	4.30	66.9	10.9%	14.5%	0.42	8.49

Source: SARS monthly data.