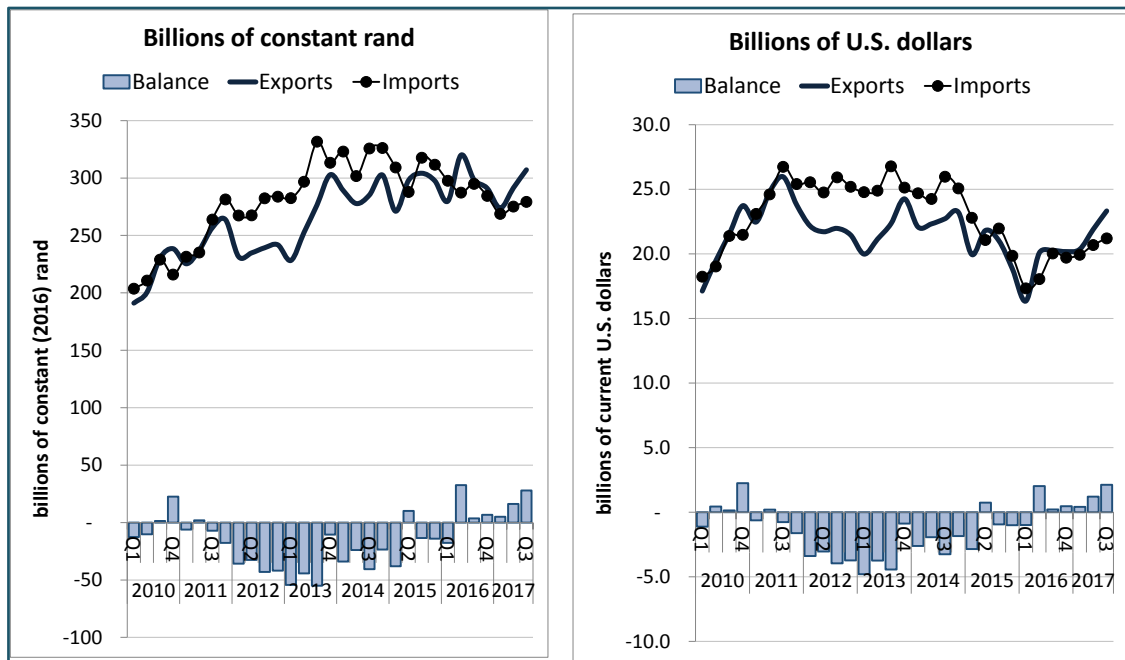


## International Trade

In dollar terms, exports have recovered rapidly over the past two quarters, mostly due to a sharp uptick in mining exports. Imports also increased, but at a slower rate, over this period. Manufacturing exports, however, declined from the third quarter of 2016 to the third quarter of 2017.

Total international trade continued an upward trajectory in both dollar and rand terms, with a rising balance of trade surplus (see Graph 13).

**Graph 1: Exports, imports and balance of trade in constant (2017) rand (a) and current US dollars**

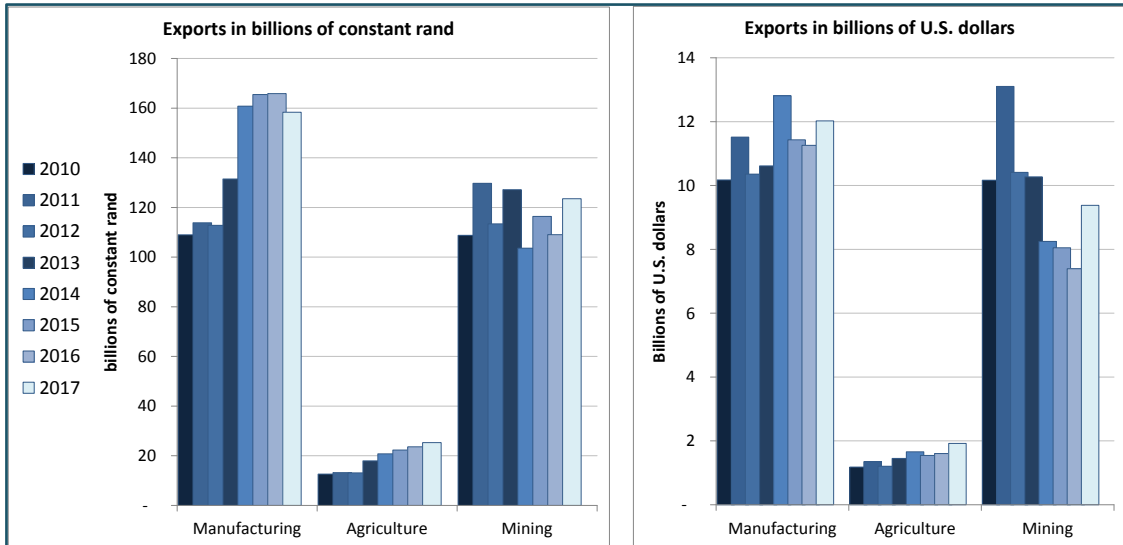


Note: (a) Deflated with CPI rebased to third quarter 2017. Source: SARS monthly trade data.

Mining exports increased significantly from the third quarter of 2016, growing by 20% in rand terms, reflecting an increase in output – especially for precious metals – as well as a moderate improvement in prices.

Manufactured exports declined in rand terms despite an uptick in dollars, reflecting the volatility of the currency. Still, they remain far stronger than five years ago, largely because competitiveness improved with the depreciation of the rand after the metals price boom ended in 2011/12.

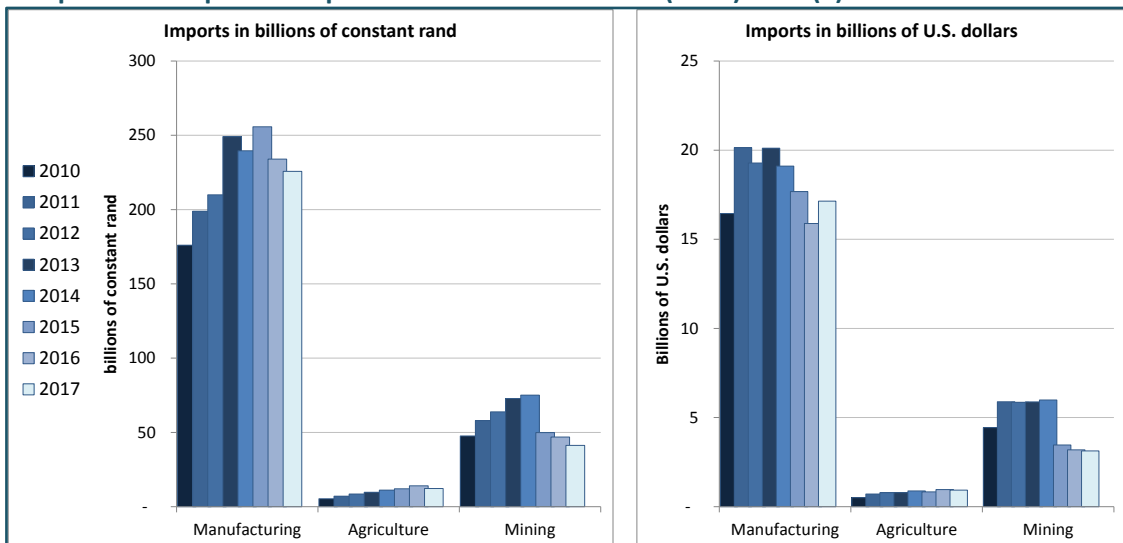
**Graph 2: Third quarter exports in billions of constant (2017) rand (a) and current US dollars**



Note: (a) Deflated with CPI rebased to third quarter 2017. Source: SARS monthly trade data.

Despite the increase in imports over the past three quarters, in mining and manufacturing they remain substantially lower than they were in 2015. The fall was sharper in US dollars due to depreciation since 2011/12 (see Graph 15).

**Graph 3: Third quarter imports in billions of constant (2017) rand (a) and current US dollars**



Note: (a) Deflated with CPI rebased to third quarter 2017. Source: SARS monthly trade data.

In manufacturing, the largest export industries are auto, metals, machinery and chemicals. In constant (2017) rand terms:

- Exports of cars dropped by R3,6 billion, or 8,5%, compared to the third quarter of 2016, while machinery dropped 10,4% or 3,1 billion.
- Exports of metal products climbed by R0,9 billion, or 2,7%, and chemicals rose R0,2 billion, or 0,8%.

Imports are dominated by machinery, transport equipment and chemicals. In the year from the third quarter of 2016, machinery imports fell 6,4%, or almost R5 billion in constant (2017) rand, reflecting the fall in investment. Transport equipment imports climbed R1,4 billion or 2,7%. Imports of chemical products dropped R0,7 billion or 1,6% in the same period.

**Table 1: Trade by manufacturing subsectors**

	Value (billions)		% change from Q3 2017		Change in billions	
	USD	Rand (a)	USD	Rand (a)	USD	Rand (a)
<i>Exports</i>						
Food, beverages, tobacco	1.1	14.3	9.2%	-2.4%	0.09	-0.35
Textiles, clothing, leather and footwear	0.5	6.1	16.9%	4.6%	0.07	0.27
Wood and wood products	0.2	2.1	31.3%	17.5%	0.04	0.31
Paper and publishing	0.4	5.5	-7.8%	-17.2%	-0.04	-1.14
Chemicals, rubber, plastic	1.9	24.5	12.8%	0.8%	0.21	0.20
Glass and non-metallic mineral products	0.1	1.6	4.9%	-6.2%	0.01	-0.10
Metal products	2.6	34.6	14.9%	2.7%	0.34	0.90
Machinery and appliances	2.0	26.9	0.2%	-10.4%	0.00	-3.13
Motor vehicles, parts and accessories and other transport equipment	3.0	38.8	2.5%	-8.5%	0.07	-3.60
<i>Imports</i>						
Food and beverages	0.9	12.4	12.9%	0.9%	0.11	0.12
Clothing and footwear	1.2	15.9	3.7%	-7.3%	0.04	-1.24
Wood products	0.1	1.3	3.0%	-7.8%	0.00	-0.11
Paper and publishing	0.3	4.0	-6.9%	-16.7%	-0.02	-0.81
Chemicals, rubber, plastic	3.3	43.7	10.0%	-1.6%	0.30	-0.70
Glass and non-metallic mineral products	0.3	3.4	2.7%	-8.2%	0.01	-0.30
Metals and metal products	1.1	14.6	5.1%	-6.1%	0.05	-0.96
Machinery and appliances	5.4	71.7	4.7%	-6.4%	0.24	-4.91
Transport equipment	4.0	53.2	14.9%	2.7%	0.52	1.39

Note: (a) Deflated with CPI rebased to third quarter 2017. Source: SARS monthly trade data.