

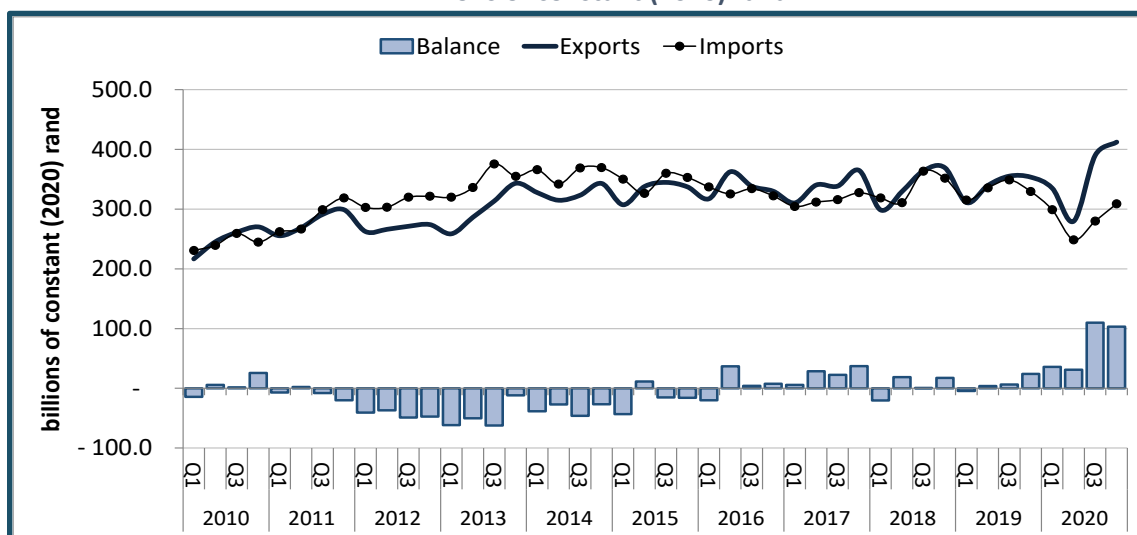
International trade

The trade balance remained strong in the fourth quarter, largely because exports benefited from higher mining prices and auto exports. Manufactured imports also rebounded sharply, but petroleum prices remained lower than before the pandemic and food imports declined.

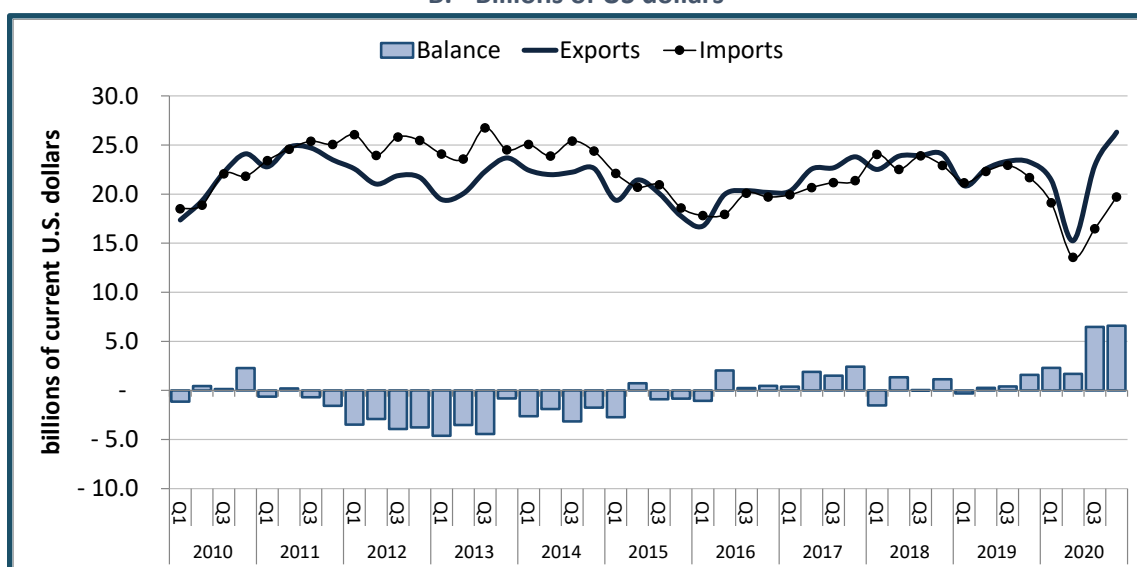
South Africa's trade surplus remained above R100 billion in the fourth quarter of 2020, a slight decline from the R110 billion reported in the previous quarter. The surplus in the second half of 2020 was higher than at any point in the past decade. Year-on-year, exports grew about 17%, while imports declined 6%. Gold exports, which drove export growth, especially in the third quarter, declined by about 4% quarter-on-quarter, but remain 36% higher than in the fourth quarter of 2019. Auto exports also continue to grow, with goods vehicles alone growing 33% from the third quarter, surpassing exports in the fourth quarter of 2019.

Graph 13. Exports, imports and balance of trade in billions of constant rand and current US dollars (a)

A. Billions of constant (2020) rand



B. Billions of US dollars

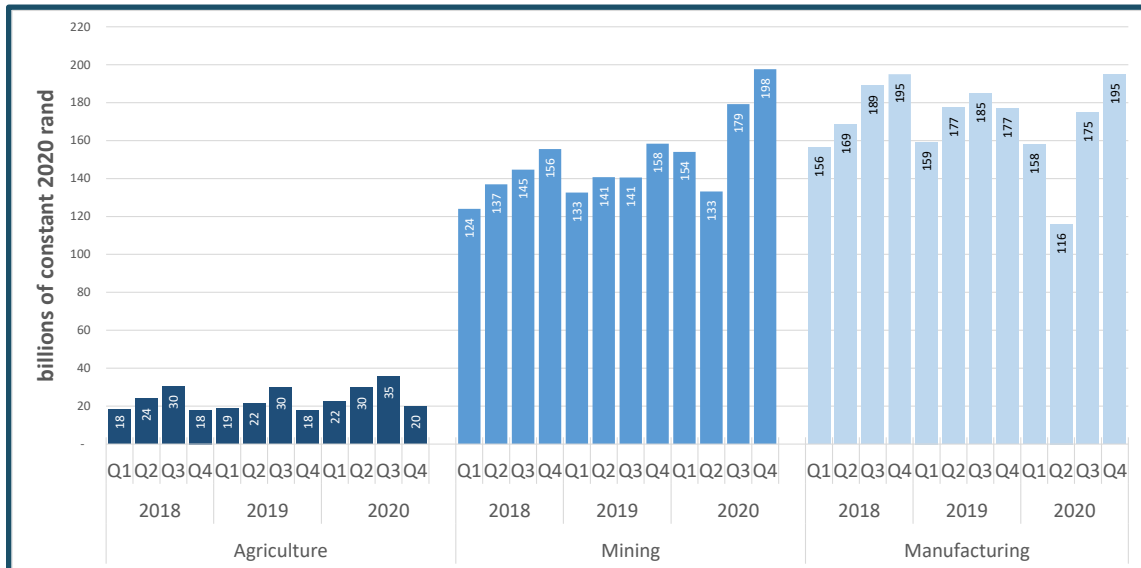


Note: (a) Constant rand values reflatd using CPI rebased to December 2020; US dollar values calculated with trade-weighted exchange rate from the Reserve Bank. Source: Calculated from South African Revenue Service data.

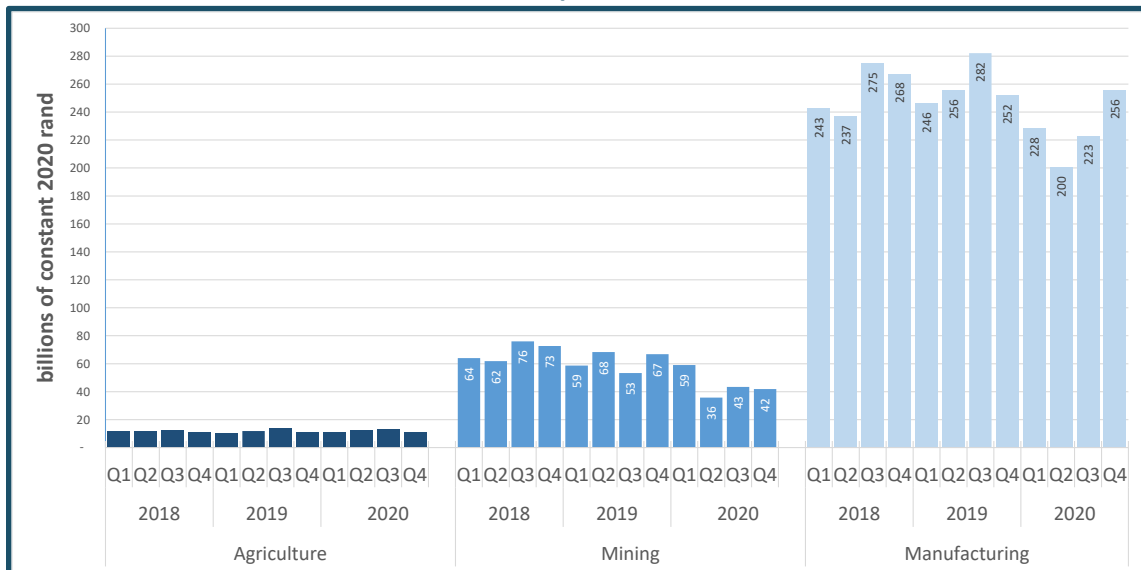
Imports remained 6% lower than was reported in the fourth quarter of 2019, although they increased about 10% in quarter-on-quarter terms. Manufactured imports climbed by 15%, but crude oil (classed under mining imports) was down more than half in year-on-year terms, and agricultural imports were flat. Oil prices have tended to recover as the end of the pandemic has come into view, which will likely lead to higher import costs in the coming months.

Graph 14. Exports and imports by quarter from the first quarter of 2018 in billions of constant (2020) rand (a), not seasonally adjusted

A. Exports



B. Imports

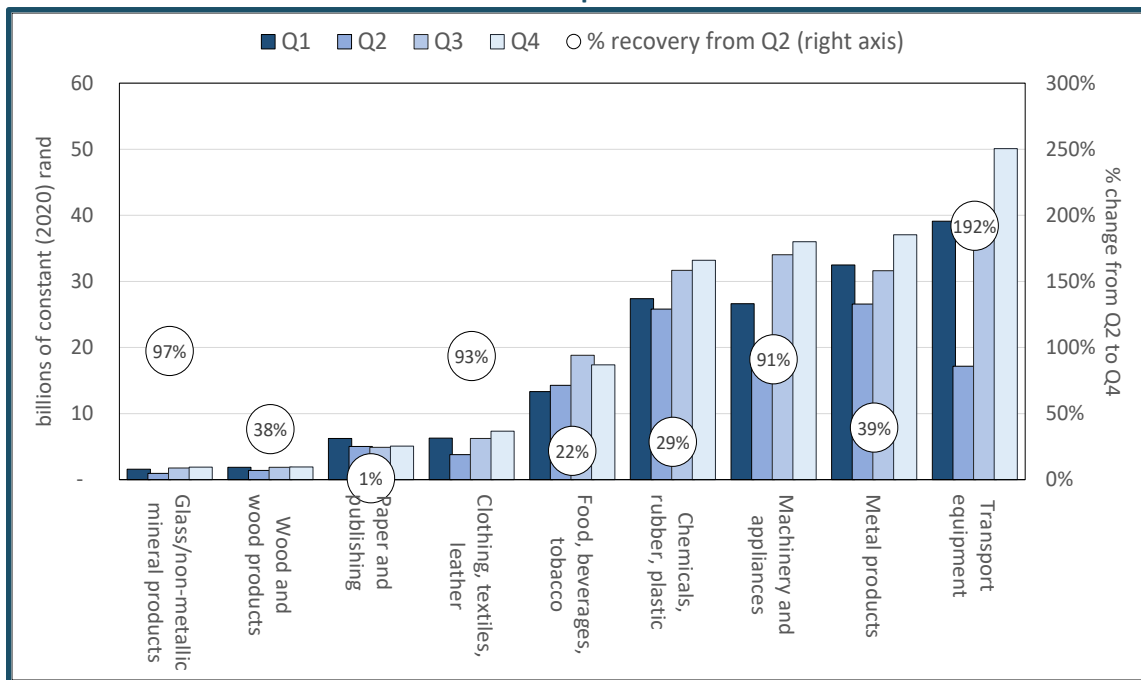


Note: (a) Refflated using CPI rebased to December 2020. *Source:* Calculated from South African Revenue Service data.

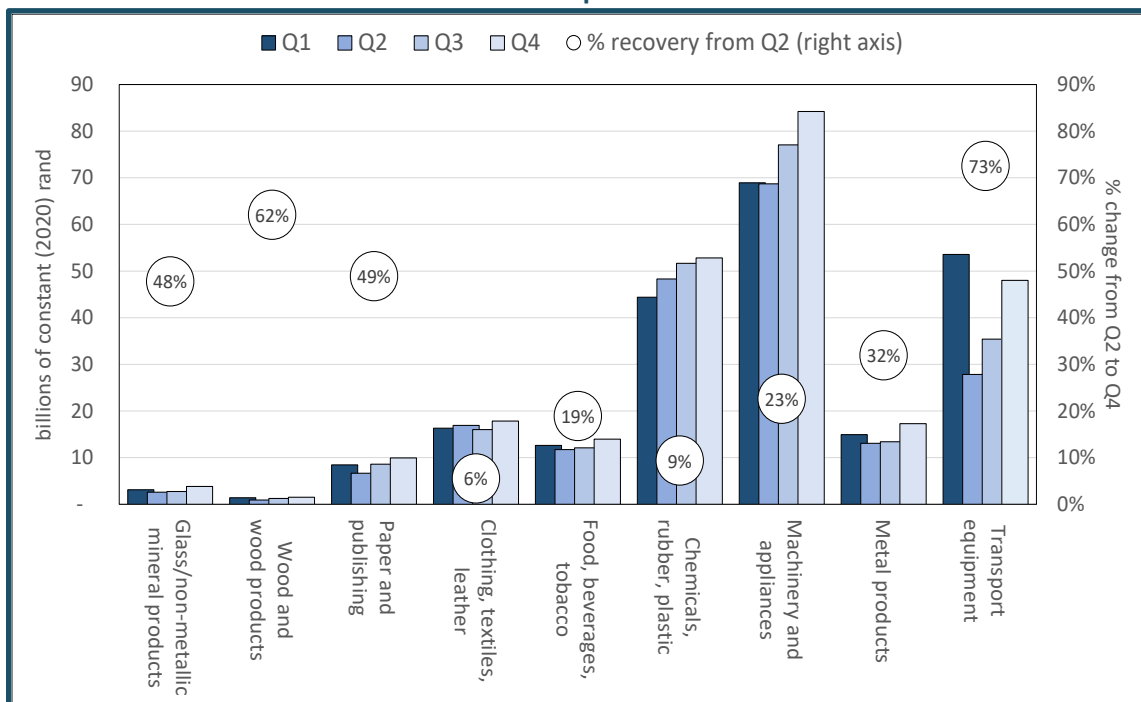
The rebound in manufactured exports over the past two quarters was driven by machinery and transport equipment. Auto imports remained 5% below 2019 levels but grew 36% quarter-on-quarter. Machinery imports were 4% higher than in the fourth quarter of 2019, and 9% higher than reported in the third quarter of 2020, pointing to some recovery in investment.

Graph 15. Quarterly exports and imports by manufacturing industry, in billions of constant (2020) rand (a), first quarter 2020 to fourth quarter 2020, and change from the second quarter to the fourth quarter

A. Exports



B. Imports



Note: (a) Reflated using CPI rebased to December 2020. *Source:* Calculated from South African Revenue Service data.