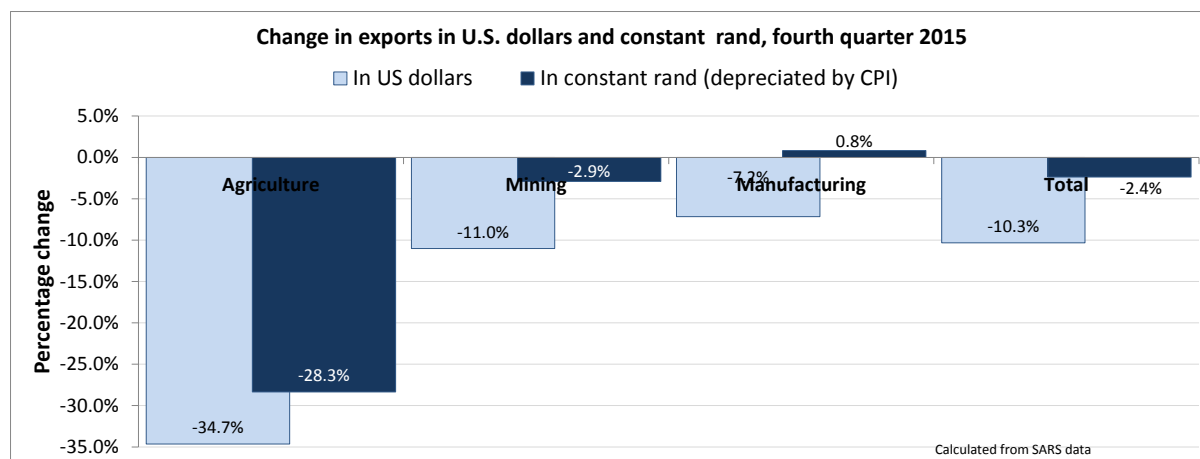


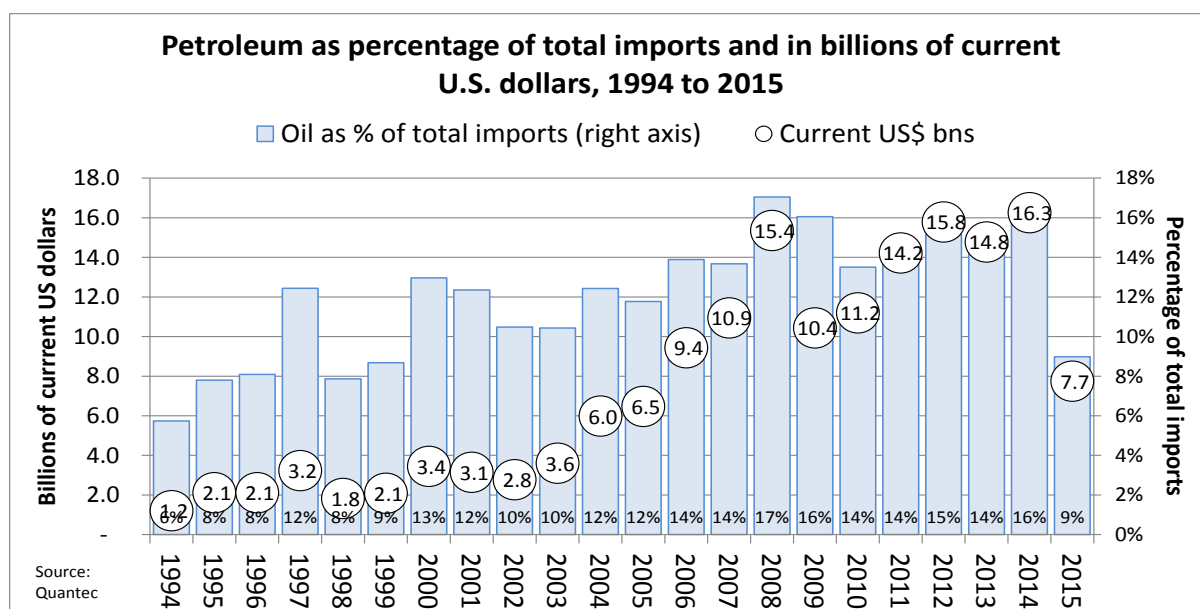
## Trends in trade

Over the last quarter, the more competitive currency protected the revenues of manufacturing and mining exporters in rand terms, despite falling volumes. The falling price of petroleum in dollar terms helped relieve the burden of slowing merchandise exports on the balance of trade.

Overall, in the last quarter of 2015 the dollar value of total merchandise exports fell by 10,3%, although in rand terms they dropped only 2,4%. (The figures are not seasonally adjusted.) Manufacturing exports dropped in dollar terms but increased by almost 1% in rand. In contrast, mining exports declined in both dollars and rand terms.



2015 saw an extraordinary fall in the petroleum price, which in turn led to a sharp fall in the cost of imports. For the first time in the 21st Century, petroleum fell below 10% of total imports, while the value of imports in current dollars fell by more than half to under US\$8 billion. The falling price of petroleum relieved some of the pressure from the fall in the prices of South African exports during the commodity bust that started, for mining products, in 2011.



The declining price of export commodities also led to a significant shift in South Africa's trading partners. Exports to China and Japan fell by over 40%, reflecting the pre-dominance of commodities in South African sales to these countries. As a result, sales to these two countries together dropped

from 19% of South Africa's total exports in 2011 to 14% in 2015. In contrast, imports from China increased by 36% in the same period, even though imports from the rest of the world dropped 17%. The decline in imports from Saudi Arabia and Iran accounted for a third of the total fall in imports in dollar terms, underscoring the importance of the falling price in petroleum for South African trade.

Within manufacturing, as the following table shows, over the quarter, the *winners* within manufacturing in terms of exports were textiles and clothing, with an increase relative to the performance of other sectors. The share of textiles and clothing in total exports, in both rand and dollar value, is 0,5%, up from 0,4% in the third quarter of 2015. In part, this gain reflects the impact of efforts by the dti to stabilise the sector.

Over the past quarter, the major *loser* in terms of exports was metals, which contracted both in rand and dollar terms. The major loser in terms of imports was transport equipment. The drop in imports in transport equipment, by 11% over the past quarter, reflects the slowdown in the domestic and global market.

### Value of and change in trade by manufacturing industry to fourth quarter 2015

Indicator	Manufacturing Industry	Value in Q4 2015		% change in constant ZAR to Q4 2015		% change in USD to Q4 2015	
		Rand bns	USD bns	From Q4 2014	From Q3 2015	From Q4 2014	From Q3 2015
Exports	Textiles, clothing, leather and footwear	5,7	0,5	2,7%	22,5%	-14,6%	13,1%
	Paper and publishing	5,0	0,4	18,1%	11,5%	-2,2%	2,1%
	Chemicals, rubber, plastic	20,4	1,7	-0,8%	8,4%	-17,6%	-0,1%
	Wood and wood products	1,4	0,1	9,9%	8,3%	-8,9%	-0,2%
	Food and beverages	10,8	0,9	-1,3%	7,6%	-18,2%	-1,1%
	Glass and non-metallic mineral products	1,3	0,1	5,3%	1,6%	-12,3%	-6,4%
	Machinery, appliances, AV equipment	24,9	2,1	-5,8%	-0,1%	-21,6%	-8,0%
	Transport equipment	28,8	2,4	3,2%	-4,5%	-14,2%	-11,8%
	Metal and articles of metal products	26,1	2,1	-9,1%	-5,9%	-24,5%	-13,7%
Imports	Food and beverages	7,76	0,6	8,6%	11,2%	3,3%	2,6%
	Paper and publishing	4,0	0,3	7,8%	6,5%	1,6%	-1,5%
	Machinery, appliances, AV equipment	70,0	5,8	5,8%	4,7%	-4,0%	-3,2%
	Wood and wood products	1,1	0,1	12,2%	4,5%	-5,9%	-2,9%
	Metal and articles of metal products	13,0	1,1	8,8%	2,4%	-4,0%	-5,5%
	Chemicals, rubber, plastic	36,0	3,0	2,6%	-3,7%	-9,7%	-11,0%
	Textiles, clothing, leather and footwear	13,4	1,1	13,8%	-4,6%	8,1%	-11,5%
	Glass and non-metallic mineral products	2,7	0,2	4,0%	-7,1%	-8,8%	-14,0%
	Transport equipment	39,5	3,3	1,8%	-11,3%	-18,6%	-17,9%
Balance	Food and beverages	3,1	0,3	-10,0%	-3,7%	-21,5%	-3,7%
	Textiles, clothing, leather and footwear	-7,7	-0,6	-11,1%	27,2%	-22,7%	24,6%
	Wood and wood products	0,3	0,0	-2,2%	3,9%	-2,9%	2,7%
	Chemicals, rubber, plastic	-15,6	-1,3	-3,4%	12,0%	-7,9%	10,9%
	Glass and non-metallic mineral products	-1,4	-0,1	1,4%	8,7%	-3,6%	7,6%
	Metal and articles of metal products	13,0	1,1	-17,9%	-8,3%	-20,4%	-8,2%
	Machinery, appliances, AV equipment	-45,2	-3,7	-11,6%	-4,8%	-17,6%	-4,7%
	Paper and publishing	1,0	0,1	10,3%	5,1%	-3,8%	3,5%
Transport equipment	-10,7	-0,9	1,4%	6,8%	4,4%	6,1%	

Notes: (a) Figures for change from second quarter 2015 are not seasonally adjusted. Constant change in rand calculated using CPI to deflate current figures. Source: South African Revenue Service (SARS) data on trade.