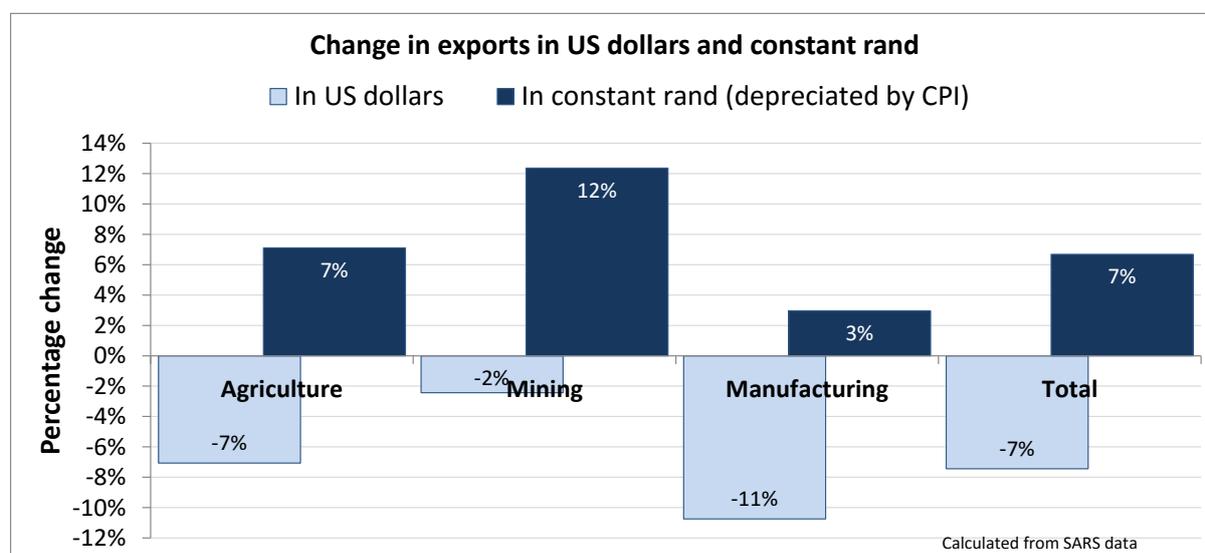


Trends in trade

In US dollar terms, exports declined in the past year, but rapid depreciation means they have generally increased in rand terms. Within manufacturing, the past quarter saw higher exports from wood and paper and to a lesser extent from auto, but chemicals exports dropped sharply. Imports declined in both dollar and rand terms over the year to the third quarter of 2015.

In US dollar terms, exports of agricultural, mining and manufactured products all dropped in the year to the third quarter of 2014. But the sharp depreciation in the rand meant that for all three sectors export revenues increased in rand terms, as the following graph shows. In dollar terms, merchandise exports as a whole fell 7,4%, while in rand terms they increased 6,7%.



Persistent dependence on commodity exports emerged from the fact that both agriculture and mining showed a strong trade surplus, with exports exceeding imports. In contrast, manufacturing trade continued to show a deficit, with foreign sales higher than exports. Manufacturing data include basic steel and ferroalloy products, which are generally traded as commodities and largely exported. Metals refineries accounted for 22% of total manufacturing exports, and were the only manufacturing sector with a strong balance of trade surplus. Metals and ores together contributed over half of South African exports.

Within manufacturing, exports declined in dollar terms for every sector except wood and paper in the year to the third quarter 2015, but most grew in constant rand terms. Export performance improved significantly from the second to the third quarter of 2015, which is not the usual seasonal trend and therefore likely indicates underlying gains. Wood and paper and the auto industry saw the fastest growth in exports in rand terms. In contrast, chemical exports contracted in both rand and dollar terms in the past year, and the fall accelerated in the past quarter.

In constant rand, imports fell by around 2% in the year to the third quarter of 2015. They increased by 13% in the third quarter compared to the second quarter of 2015, which was in

line with normal seasonal fluctuations. As a rule, the third quarter accounts for virtually all import growth, mostly due to increased purchases of consumer goods for the festive season. In contrast, the rate of growth of imports of capital and intermediate goods does not vary much by quarter.

Value of and change in trade by manufacturing industry to third quarter 2015 (a)

Indicator	Manufacturing industry	value in Q3 2015		% change in constant rand to Q3 2015		% change in US\$ to Q3 2015	
		ZAR bns	USD bns	From Q3 2014	From Q2 2015	From Q3 2014	From Q2 2015
Exports	Food and beverages	11.7	0.9	-4.4%	9.9%	-17%	3%
	Textiles, clothing, leather, footwear	5.4	0.4	0.3%	-2.6%	-13%	-9%
	Wood and paper	6.8	0.5	15.1%	11.6%	0%	5%
	Chemicals, plastics, rubber	21.9	1.7	-5.5%	-6.7%	-18%	-12%
	Glass and non-metallic minerals	1.5	0.1	4.3%	-1.8%	-10%	-8%
	Metals and articles of metal	32.2	2.5	1.3%	1.7%	-12%	-4%
	Machinery, appliances, AV equipment	26.9	2.1	2.3%	9.7%	-11%	3%
	Precision equipment	2.0	0.2	2.0%	4.5%	-12%	-2%
	Transport equipment	35.1	2.7	12.2%	6.5%	-3%	0%
	Other manufacturing	2.4	0.2	2.0%	7.2%	-12%	1%
Imports	Food and beverages	8.1	0.6	-1%	16%	-14%	9%
	Textiles, clothing, leather, footwear	16.4	1.3	12%	35%	-3%	27%
	Wood and paper	5.7	0.4	2%	15%	-12%	8%
	Chemicals, plastics, rubber	43.4	3.3	11%	19%	-4%	12%
	Glass and non-metallic minerals	3.4	0.3	4%	16%	-10%	9%
	Metals and articles of metal	14.8	1.1	13%	1%	-2%	-5%
	Machinery, appliances, AV equipment	70.0	5.4	4%	5%	-10%	-1%
	Precision equipment	7.6	0.6	9%	9%	-6%	2%
	Transport equipment	51.8	4.0	7%	14%	-7%	7%
	Other manufacturing	6.0	0.5	10%	40%	-5%	31%
Balance	Food and beverages	3.6	0.3	-11%	-2%	-23%	-8%
	Textiles, clothing, leather, footwear	-11.0	-0.8	19%	67%	3%	57%
	Wood and paper	1.1	0.1	241%	-4%	202%	-9%
	Chemicals, plastics, rubber	-21.6	-1.7	34%	65%	16%	56%
	Glass and non-metallic minerals	-1.9	-0.1	3%	35%	-11%	27%
	Metals and articles of metal	17.4	1.3	-7%	3%	-19%	-3%
	Machinery, appliances, AV equipment	-43.1	-3.3	5%	2%	-10%	-4%
	Precision equipment	-5.6	-0.4	11%	11%	-4%	4%
	Transport equipment	-16.7	-1.3	-2%	33%	-15%	26%
	Other manufacturing	-3.6	-0.3	17%	76%	1%	65%

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: SARS data on trade.