



S A's NEW TRADE DEFICIT

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The South African Revenue Service reports that South Africa incurred a trade deficit in January after making a surplus the month before.

The deficit of R17.06 billion includes a 26.3% increase in imports while exports improved slightly by 0.1% from December.

The biggest rises in imports were in vehicle components and plastics and rubber.

Rich in mineral resources and the world's major exporter of chromium and platinum (8 percent of total exports), South Africa also exports gold (8 percent), coal (6 percent), iron ores (7 percent), as well as motor vehicles and car parts (5 percent).

However, we remain a net importer of consumable goods mainly: fuel (24 percent of total imports), motor vehicles (10 percent), electronics (3 percent) and pharmaceuticals (2 percent). With an increasingly weaker rand due to economic recovery in the US and geopolitical events that are taking money away from developing economies, already under pressure South African's will have to pay more for their imported goods.

In November, South Africa reported its first surplus in almost two years, following a change in the way the data were calculated. Statistics that include trade with our Customs union partner Botswana, Lesotho, Namibia and Swaziland (the so-called BLNS countries) paints a much rosier picture.

Main trading partners are Japan (10 percent of exports and 6 percent of imports) and Germany (7 percent of exports and 11 percent imports). Others include: United States, China and United Kingdom.