

## **TRADE DEFICIT WIDENS IN JULY 2007 TO R9.4 BILLION LARGELY DUE TO A MONTH-ON-MONTH INCREASE IN IMPORTS OF MACHINERY, BASE METALS AND VEHICLES.**

Pretoria, 31 August 2007 – The South African Revenue Service announced today that July exports of **R42.1 billion** and imports of **R51.5 billion** resulted in a deficit of **R9.4 billion**. Imports increased by R3.9 billion (8%) to R51.5 billion whilst exports decreased by R217 million (0.5%) to R42.1 billion. The year-on-year cumulative deficit increased from R36.2 billion to R39.7 billion. Highlights include month-on-month increase in imports of machinery, base metals, vehicles and aircraft.

### **Trade Highlights by Category**

- The June to July change (up by 8%) in imports of goods reflected increases mainly in machinery [up by R1.3 billion (12%)]; base metals [increase of R0.4 billion (18%)]; and vehicles and components [increase of R0.8 billion (8%)].
- The increase in import trade of machinery, mechanical appliances and electrical equipment is as a result of increased imports of items such as electrical parts and telephone sets; production machinery; computers etc. The increased trade value of import of base metals is mainly due to the importation of ferro-alloys and ferro-alloy metals.
- The June to July change in exports of goods (decrease of 0.5%) reflected a decrease in exports of precious and semi-precious stones and metals [down by R1.1 billion (-10%)], base metals [down by R1.0 billion (-13%)] and machinery and mechanical appliances [decrease of R0.5 billion (-10%)].
- The month-on-month export trade in precious and semi-precious stones and metals reduced as a result of reduced exports of (monetary) gold and platinum group metals. Base metal and articles of base metal exports were down due to decreased exports of steel. The decline in exports of filtering equipment for motor vehicles contributed to the decline in export trade in machinery and mechanical appliances.

### **Trade Highlights by World Zone**

- The surpluses and deficits for June 2007 as given below for the world zones are in respect of audited figures, and those for July 2007 are unaudited.
- The trade deficit with Asia decreased from R7.5 billion in June to R7.2 billion in July. Exports to Asia increased by R0.2 billion to R12.4 billion and imports decreased by R0.1 billion to R19.6 billion.
- The trade deficit with Europe increased from R4.5 billion in June to R5.7 billion in July. Exports decreased from R12.8 billion to R12.7 billion and imports increased by R1.1 billion to R18.4 billion, mainly due to increased imports of machinery, vehicles and aircraft.
- Month-on-month the trade deficit with America has increased from R0.2 billion to R1.5 billion. Exports decreased R0.4 billion to R5.5 billion and imports increased from R6.1 billion to R7.0 billion.
- The trade surplus with Africa has dropped considerably from R2.9 billion in June to R0.8 billion in July. Imports increased by R2.0 billion to R5.1 billion, primarily due to mineral products, and exports decreased by R0.1 billion to R5.9 billion.

## Trade for the year

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The cumulative trade deficit for January to July 2007 was R39.7 billion versus a deficit of R36.2 billion for the same period in 2006. This represents a growth of R3.6 billion (10%) year-on-year versus year-on-year growth (in terms of audited figures) of R27.6 billion (320%) in 2006.

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Compared to the same period in 2006, the growth in **exports** outpaced the growth in imports (in terms of percentages). Cumulative imports increased by R75 billion (31%) from R241 billion to R317 billion **and exports increased by R72 billion (35%) from R205 billion to R277 billion.**

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