

# SA trade surplus widens

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South Africa's trade surplus widened to R8.22bn in December from R683m in November. This was higher than the expectation of a R1.8bn surplus, Nedbank said on Friday.



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## Surplus not unusual

According to the SA Revenue Service (Sars) the figure of R8.22bn includes trade data with Botswana, Lesotho, Namibia and Swaziland (BLNS). The trade data excluding BLNS for December 2015 recorded a trade deficit of R0.04bn.

"A surplus in this month is not unusual as imports usually drop in December following strong increases in prior months ahead of the year-end holiday season," the bank explained.

Exports were up by 13.8% year-on-year to R88.77bn in December, while imports fell by 0.1 % to R80.55bn.

## Imports and exports

The cumulative deficit for the year was R48.63bn, much lower than the R82.27bn recorded in 2014. According to Nedbank, this partly reflects the impact of the significantly weaker exchange rate on imports, as well as the lower import bill due to the slide of international oil prices.

"The performance of exports during 2016 will remain largely dependent on the recovery of commodity prices as well the improved competitiveness of manufactured exports following significant currency weakness, although softer global demand will constrain growth," the bank commented.

"However, any disruptions to domestic production, from power shortages to labour instability, would inhibit the recovery."

On the import side, the bank foresees that low international oil prices will continue to keep the oil import down while machinery purchases will continue to moderate as some of the major infrastructure projects near completion. A sharp rise in agricultural imports is likely due to the drought.

*Source: Fin24*

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