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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 172

Export trade/cross border investment

Ms M Kennedy (Limpopo: EFF) to ask the Minister of Trade, Industry and Competition:

- (1) Whether, given that part of the mandate of export credit insurance corporation and facilitation of export trade and cross border investment, South Africa's export value increases relatively to its import value; if not, what issues are hindering the two to balance; if so, what is the relation in this regard;
- (2) whether any policies that are seeking to improve the balance in the country's international trade to increase exports of higher value-added manufactured goods are in place; if not, why not; if so, what policies? CW231E

REPLY:

- (1) The Export Credit Insurance Corporation (ECIC) facilitates South African exports and cross-border investments, through providing insurance and risk cover for international transactions. According to the South African Revenue Service (SARS), South Africa recorded a preliminary trade balance deficit of R16.4 billion in January 2025. This deficit was attributable to exports of R149.0 billion and imports of R165.4 billion. This follows on a trade balance surplus of R15.5 billion in December 2024.

Balancing exports and imports is complex and influenced by multiple factors which affects trade at a given point in time. These factors include amongst others, the

timing of large orders and delivery contracts; economic conditions affecting international demand (exports) and domestic demand (imports); the trade regulatory environment including tariff and non-tariff barriers in place; congestion in road, rail, port and shipping networks; exchange rate volatility affecting the competitiveness of exports and the cost of imports; as well as access to international markets and the ability to compete globally to name a few.

- (2) In order to improve the balance of trade over time and in support of the South African economy transitioning to an export oriented economy, the department will expand and improve the effectiveness of current export measures and implement new export initiatives. The employment of a “butterfly approach” as a strategy to promote exports, will prioritise the implementation of the AfCFTA and unlocking opportunities in the rest of Africa as the foundation of our global engagements, while targeted work programmes in the rest of the world will focus on leading and established markets, as well as new and emerging markets, in order to expand and diversify South African exports towards changing the structure of trade with more value-added manufactured exports.

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