

## **SA's current account deficit widens**

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South Africa's current account deficit widened to 2.4% in the second quarter of 2017, the Reserve Bank said on Thursday.

"The deficit on the current account of the balance of payments widened from R91 billion in the first quarter of 2017 to R110 billion in the second quarter, and as a ratio of GDP from 2% to 2.4%," said the central bank as it released its September 2017 Quarterly Bulletin.

Nedbank economists had expected the current deficit to narrow to 1.6% of gross domestic product (GDP) in the second quarter.

The Reserve Bank said the value of merchandise exports increased by 3.1% in the second quarter of 2017 following a marginal decrease of 0.2% in the first quarter.

The value of mining and manufacturing exports increased in the second quarter.

Mining export values were buoyed by higher values of exported base metals and articles of base metals, as well as platinum group metals.

"The former reflected large volumes of aluminium exports that were destined for Japan and Thailand. These increases more than offset the significant decline in the values of exported pearls and semiprecious stones as well as mineral products, particularly iron ore," the bulletin reads.

South Africa's trade surplus widened from R57.4 billion in the first quarter of 2017 to R64.6 billion in the second quarter, marking a third consecutive quarterly trade surplus.

"The larger trade surplus resulted from a slightly faster pace of increase in the value of exported gold and merchandise goods than that of merchandise imports. Merchandise trade values benefitted primarily from higher trade volumes in the second quarter of 2017," said the Reserve Bank.

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