

## Trade deficit widens to R21.2bn

South Africa recorded a trade deficit of R21.2bn in October, the South African Revenue Service (SARS) said on Friday.

"The R21.2bn deficit for October 2012 was due to an increase in exports of 7.8% and an increase in imports of 16.7%. Exports increased by R4.4bn (7.8%) and imports increased by R11.8bn (16.7%)," said the revenue service.

Market consensus was that the trade deficit in October would be R15.4bn from the R13.8bn that was recorded in September.

In September, the country's trade account continued to worsen, with the account recording its ninth consecutive deficit.

According to SARS, the increased trade deficit for October was mainly due to increased imports of machinery and electrical appliances, chemical products and vehicles, aircraft and vessels.

"The cumulative deficit for the year to date is R104.6bn compared to R9.4bn for the same period in 2011," said SARS.

Economists say that the country's trade performance will remain weak in the coming months due to the unfavourable global and local environment.

"As a result of the substantially larger cumulative trade deficit, the current account deficit as a percentage of GDP will deteriorate to well over 6% this year from 3.3 % in 2011," noted Nedbank economists.

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