

Media Releases 2009

Reporting South African Trade Statistics

Pretoria, 2 February 2009 – The South African Revenue Service (SARS) recognizes the apparent anomaly in the monthly reported trade statistics. We thank all those who brought this matter to our attention.

While SARS strives to give an accurate reflection of trade movement, it should be noted that throughout the world trade statistics are subject to frequent review and correction. This is largely due to a variety of trade facilitation measures that lead to post-facto corrections of imports and exports data.

The central issue is the treatment of temporary imports of gold and the subsequent re-export of this gold. Prior to July 2008 the trade statistics included all direct imports but excluded all temporary imports. There was a similar basis for reporting exports in trade statistics.

There has been a significant increase in the quantity of gold brought into South Africa for refining purposes to be taken out of the country again. This meant that the “temporarily imported” gold had to be treated differently.

The treatment of “temporarily imported” gold was changed in July 2008 to ensure consistency with the technical provisions of the Customs Act. That is, gold brought in for refining purposes (i.e. temporarily) was now included in the import statistics.

The anomaly arises because the treatment of the temporarily imported gold for export statistics (compiled by the South African Reserve Bank) did not change in the same way because the SARB applies a different method to the compilation of export statistics.

In order to clarify the distinction between imports for local consumption as opposed to imports for temporary purposes, SARS will issue a revised report on trade statistics this Wednesday, 4 February at 14h00. This revised report will enable analysts to distinguish between import statistics which include temporary imports of gold from those which do not.

Furthermore, SARS, SARB and related agencies will continue their consultations and formulate a new protocol for reporting trade statistics. An announcement in this regard will be made shortly.

ENDS.