South Africa's Q2 Reversal Puts Import Dependence in Focus in New Analysis

GDP declined 0.2% as imports rose 4.9% and the current account moved from surplus to deficit during the second quarter of 2026.



TheGMA_South_Africa_Q2_Import_Dependence

JOHANNESBURG, GAUTENG, SOUTH AFRICA, September 14, 2026 /EINPresswire.com/ -- This is an analysis combining South Africa's latest gross domestic product and current-account data to examine how higher import costs, weaker industrial output and subdued investment converged during the second quarter of 2026. Statistics South Africa reported on 8 September that real GDP declined by 0.2% quarter on quarter, on a seasonally adjusted basis, after six consecutive quarters of growth.

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> *TheGMA.co.za*

Two releases show the scale of the reversal

The South African Reserve Bank reported on 10 September that the current-account balance switched from a seasonally adjusted and annualised surplus of R181.6 billion in the first quarter to a deficit of R205.5 billion in the second. As a share of GDP, the balance moved from a 2.3% surplus to a 2.6% deficit.

The current account records a country's transactions in goods, services and income with the rest of the world. South Africa's trade surplus narrowed from R428.8 billion to R146.4 billion. The value of exports of goods and services increased by R92.3 billion, while imports increased by R376.6 billion. The Reserve Bank also reported that import prices rose more than export prices, weakening the country's terms of trade.

Higher oil costs amplified the import bill

Stats SA recorded a 4.9% increase in real imports, compared with a 0.9% rise in exports, with

machinery, electrical equipment and mineral products among the main contributors. Reuters reported, citing the central bank, that the value of crude-oil imports increased by 82.1% while the quantity imported rose by only 1.8% amid conflict-related supply concerns. The difference indicates that prices, rather than a comparable rise in volumes, accounted for most of the increase in the crude-oil bill.

The contraction had several causes

The official data do not support a single-cause explanation. Mining output fell by 3.0%, trade contracted by 1.9%, and manufacturing declined for a third consecutive quarter. Fixed capital formation, which covers investment in infrastructure and other fixed assets, also decreased for a second quarter.

Other parts of the economy remained positive. Household consumption grew by 0.4%, agriculture expanded for a seventh consecutive quarter, transport and communication increased by 0.9%, and construction recorded a second quarter of growth. The figures therefore describe an uneven loss of momentum rather than a uniform decline across the economy.

"Taken together, the releases show how an external price shock can intensify existing domestic weaknesses," a TheGMA spokesperson said. "Import dependence matters most when industrial output and investment are already under pressure."

What the figures may mean for businesses and households

TheGMA's analysis notes that higher landed costs can affect fuel, transport, equipment and imported production inputs. The extent to which those costs reach consumers depends on exchange rates, contracts, competition and inventories; not every increase is passed through immediately or in full.

Third-quarter data on import prices, mining, manufacturing, fixed investment and the trade balance will be needed before determining whether the second-quarter reversal was temporary or persistent.

Source: TheGMA.co.za

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