

Box 4 Revision of net gold export statistics in South Africa's balance of payments

A growing divergence in 2016 between domestic gold production in the national accounts and net gold exports prompted more than a year-long review of the SARB's compilation of net gold exports. Certain transactions were either omitted or not fully, or incorrectly, recorded based on information received from respondents.

By way of background, gold exports and imports require special treatment in the balance of payments compilation process, based on established international guidelines. To qualify as an export, for example, does not require physical movement across borders, which is normally associated with customs collections, but a simple change of ownership from a resident to a non-resident entity. It is the latter that presents specific challenges for balance of payments compilers.

The revision of net gold export statistics is based on improved tracking of how these transactions are recorded by respondents. Typical ways in which gold exports and imports could either be overstated or understated depends on how entities report gold transactions. These transactions range from the activities of a domestically domiciled gold exchange traded fund (ETF) and the extent to which reporting entities provide a comprehensive response of all the clients it exports to, particularly when based outside of the country. A specific challenge to gold export and import statistics relates to what is referred to as 'merchandising', where a South African entity overstated net gold exports.

Net gold exports

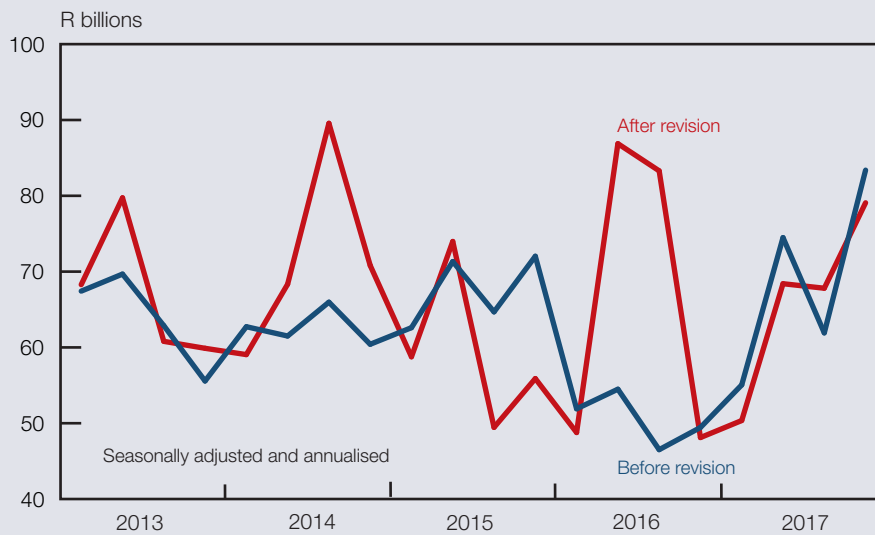
R millions

	2013	2014	2015	2016	2017
Before revision.....	63 887	62 654	67 663	50 585	68 710
After revision.....	67 174	71 942	59 521	66 762	66 411
Total revision.....	3 288	9 287	-8 142	16 177	-2 299
<i>As a percentage of gross domestic product.....</i>	<i>0.1</i>	<i>0.2</i>	<i>-0.2</i>	<i>0.4</i>	<i>-0.0</i>

Source: SARB

Following revisions, net gold export statistics are higher in 2013, 2014 and 2016, and lower in 2015 and 2017. The lower net gold exports in 2015 and 2017 mostly reflect the correction of substantial gold merchandising, while the upward revisions corrected under-reporting of exports.

Net gold exports



Source: SARB