



South African Reserve Bank

Media release

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Equity portfolio investment statistics in South Africa's balance of payments revised

The South African Reserve Bank (SARB) has revised the equity portfolio investment statistics in the balance of payments to take into account new data relating to the movement of shares between domestic and offshore share registers of public companies whose shares are listed in South Africa and abroad. The revision goes back to 2011.

The revised numbers show that South Africa attracted more equity inflows than had previously been reported. Similarly, the value of the transactions previously classified as 'unrecorded' was in fact lower.

The SARB will describe fully the revised equity portfolio investment statistics in the upcoming issue of its *Quarterly Bulletin*, to be released on 22 March.

Equity portfolio investments form part of the financial account of the balance of payments,¹ which is a record of the economic transactions between South Africa and the rest of the world. In line with international standards, the data for the previous four years are preliminary and subject to revision.

The ever-increasing complexities of the financial markets in South Africa necessitate a frequent review of the SARB's approach to collecting and compiling balance of payments statistics. The SARB embarked on a review of equity investment flows recently owing to the high number of public companies with listings on the JSE Limited as well as on foreign stock exchanges, currently amounting to about 90 companies compared to less than 50 companies at the end of 2010.

In addition to JSE Limited's data on South Africa's transaction flows for equities and debt securities, the SARB generates its own portfolio investment statistics. Since 2014, the SARB has been using additional data sources, such as the stock positions of debt securities from South Africa's Central Securities Depository (Strate).

¹ The balance of payments has two main accounts: a) the current account, which shows flows of goods, services, primary income and secondary income between residents and non-residents, and b) the financial account, which shows the net acquisition and disposal of financial assets and liabilities.

As in the past, this review was undertaken in consultation with the relevant data providers, namely JSE Limited and Strate. And as in the previous revision, the flow and stock data of equity investment are now better aligned as a result of the enhanced coverage of the movement of shares between domestic and offshore share registers. As such, the statistics on the trading of shares in public companies with listings on the JSE Limited and on foreign stock exchanges are now comprehensively captured and included in the equity portfolio investment flows of the balance of payments statistics.

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