

Note on flow of funds in South Africa's national financial accounts for the year 2007

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¹ The views expressed are those of the authors and do not necessarily reflect the views of the South African Reserve Bank (the Bank). The Bank wishes to express its sincere appreciation to all the reporting organisations – government departments, financial market and other public and private-sector institutions – for their co-operation in furnishing the data used for the compilation of South Africa's financial accounts.

Introduction

The national financial accounts, also referred to as the 'flow-of-funds accounts', provide a synopsis of the financial and real interrelationships among the major sectors of the South African economy. The quarterly accounts for 2007 are appended to this note and the annual summary appears on pages S–44 to S–45 in this issue of the *Quarterly Bulletin*.

Flow of funds summarise, in an integrated framework, transaction flows among economic agents that emanate from their financial and real activities. In total, 21 institutional sectors are identified and provide the building blocks for flow-of-funds compilation in South Africa. These sectors are consolidated into 11 economic sectors for the simplified depiction of national financial flows published in the statistical tables of the *Quarterly Bulletin*.

Financing balances

In 2007 gross capital formation in South Africa increased by some 20 per cent. Each sector, by definition, financed its capital expansion by utilising its own savings and making use of borrowed funds. Table 1 presents the saving and investment activity of the main sectors of the economy for 2006 and 2007.

Table 1 Financing balances,^{a,b} 2006 and 2007

R millions	2006			2007		
	Gross saving	Gross capital formation	Net lending (+)/ net borrowing (-)	Gross saving	Gross capital formation	Net lending (+)/ net borrowing (-)
Foreign sector ^c	112 141	–	112 141	144 819	–	144 819
Financial intermediaries ...	33 317	6 205	27 112	46 216	6 305	39 911
General government.....	19 176	47 198	-28 022	25 590	53 106	-27 516
Non-financial business enterprises						
Public.....	70 360	65 585	4 775	54 550	54 951	-401
Private	91 217	185 434	-94 217	121 380	249 648	-128 268
Households ^d	29 213	51 002	-21 789	34 109	62 654	-28 545
Total.....	355 424	355 424	–	426 664	426 664	–

- a Gross saving plus net capital transfers less gross capital formation. Gross capital formation consists of total fixed-capital formation and total changes in inventories, before providing for consumption (depreciation) of fixed capital.
- b A positive amount reflects a net lending position and by implication the net acquisition of financial assets, whereas a negative amount reflects a net borrowing position and by implication the net incurrence of financial liabilities.
- c A positive amount reflects a surplus for the rest of the world and is therefore a deficit on South Africa's balance on the current account of the balance of payments. A negative amount represents a deficit for the rest of the world and is a surplus on South Africa's current account.
- d Including unincorporated business enterprises and non-profit institutions serving households.

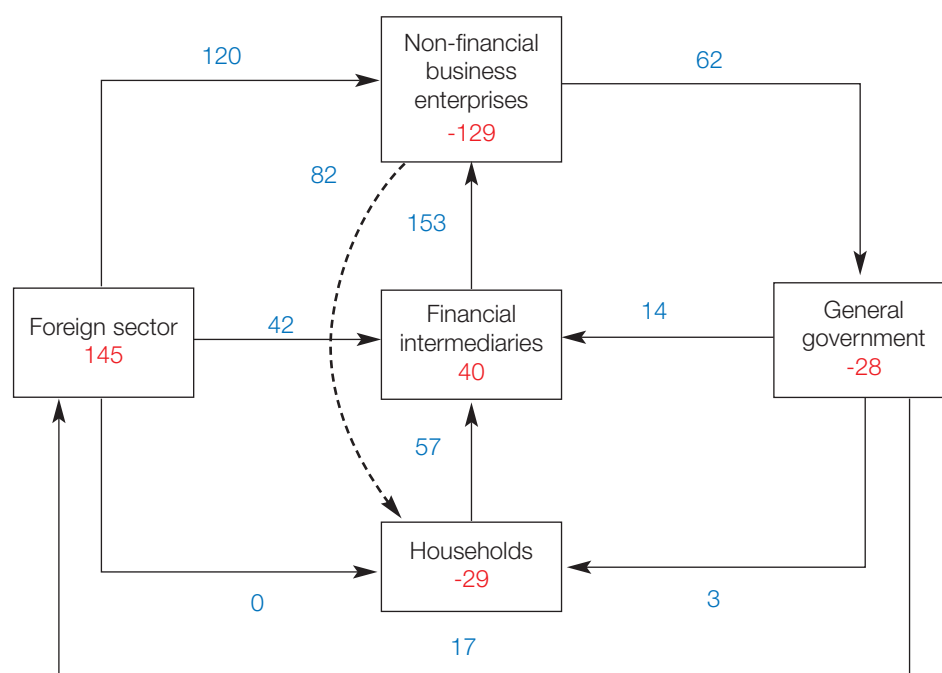
In 2006 and 2007 the foreign sector was a net supplier of funds to the domestic economy thereby augmenting the available gross domestic savings, which generally fell short of gross capital formation activity requirements. The private non-financial business enterprise sector stood out in the measured flows since it was both the largest saver and investor domestically in both years. In 2007 this sector recorded gross saving of 6 per cent of gross domestic product and gross capital formation of 13 per cent of gross domestic product – up from 5 per cent and 11 per cent respectively in 2006. Financial intermediaries stepped up their net lending in 2007, while other sectors such as households recorded higher net borrowing positions than in 2006.

The accompanying sector-to-sector flow diagram (Figure 1) presents a summary of the inter-sectoral net flow of funds among the main sectors of the economy. The net lending (+) or borrowing (-) positions of the sectors are shown inside the boxes, and the inter-sectoral flow-of-fund amounts and the direction of flows are shown outside the boxes.² As a leading player in the domestic economy, non-financial business enterprises remained the largest beneficiary of flows from the foreign and domestic financial intermediaries sectors.

² The net lending or borrowing position of each sector is calculated by treating inflows as negatives and outflows as positives. Numbers may be slightly out due to minor rounding effects.

Figure 1 Net intersectoral flow of funds, 2007

R billions



As depicted in Table 2 on page 56, economic sectors generally preferred to allocate their funds to cash and deposits, while taking up more credit in 2007. Fixed interest securities accounted for 7 per cent of the total financing activity, while the holdings of shares amounted to 4 per cent.

Table 2 Flow of funds: Selected issuer and investor activities,* 2007

	Percentage of total flows	
	2006	2007
Cash and deposits.....	33	26
Credit extension.....	29	27
Fixed-income securities.....	5	7
Ordinary shares.....	3	4

* Do not sum to 100 as not all activities are covered

Sectoral analysis

A brief analysis of the individual sectors' net lending and/or net borrowing positions in 2007 is given below.

Foreign sector

The foreign sector encapsulates all transactions entered into between South African and non-resident units. In 2007 this sector was a net supplier of funds amounting to R144,8 billion, bridging the saving–investment gap as required by the domestic institutional sectors for the fifth consecutive year.

Accordingly, the domestic economy incurred net financial liabilities in excess of its net acquisition of financial assets, as shown in Table 3. Non-residents supplied excess funds, mainly through their acquisition of domestic shares and the extension of long-term loans, trade credit and short-term loans to domestic sectors.

Table 3 Flow of funds: Foreign sector and combined domestic sectors, 2007
R millions

	Domestic institutional sectors	Rest of the world	Total
Gross saving	281 845	144 819	426 664
Gross capital formation	426 664	–	426 664
Net lending (+)/net borrowing (-).....	-144 819	144 819	–
Net acquisition of financial assets.....	1 194 436	227 979	1 422 415
Net incurrence of financial liabilities	1 339 255	83 160	1 422 415

Financial intermediaries

Financial intermediaries receive funds from surplus economic units and transform them into financial instruments that suit the requirements of deficit units. In South Africa this group consists of five sectors, namely (1) the monetary authority; (2) other monetary institutions; (3) the Public Investment Corporation; (4) insurers and retirement funds; and (5) other financial institutions. A brief review of each of these sectors is discussed in the paragraphs that follow.

Monetary authority

The monetary authority sector, comprising the South African Reserve Bank and the Corporation for Public Deposits, transacts mainly with other monetary institutions, the central government and the foreign sector. The sector received deposits amounting to R38,6 billion in 2007 and, in turn, increased its holdings of foreign-exchange reserves by R40,2 billion³ in its continued effort to expand reserves. The flows of this sector contributed 7 per cent of the total financial intermediary asset flows in 2007.

³ After adjusting for Special Drawings Rights and monetisation/demonetisation of gold.

Other monetary institutions

The other monetary institutions sector consolidates the accounts of banks, mutual banks, the Land Bank and the Postbank. In 2007 other monetary institutions recorded gross saving amounting to R39,5 billion and gross capital formation of R3,8 billion, as illustrated in Table 4. The sector incurred R384,6 billion in total financial liabilities, of which 79 per cent were in the form of monetary deposits. Despite tighter monetary conditions in 2007, funds were extended to borrowers mainly through the extension of mortgage loans amounting to R172,0 billion, and other loans and advances amounting to R148,3 billion. Other monetary institutions decreased their deposits with foreign institutions by R10,6 billion in 2007.

The sector used 99 per cent of its total inflows to acquire financial assets and continued to be the largest link between lenders and borrowers since it represented 52 per cent of the total financial intermediary asset flows.

Table 4 Flow of funds: Other monetary institutions, 2007

Transaction items	Sources/ liabilities R millions	Uses/ assets R millions
Gross saving.....	39 458	
Gross capital formation.....		3 756
Net lending (+)/net borrowing (-).....	35 702	
Net financial investment (+/-).....		35 702
Net incurrence of financial liabilities.....	384 553	
Net acquisition of financial assets.....		420 255
Monetary deposits.....	303 761	11 885
Deposits with other institutions.....	-	-10 687
Foreign.....	-	-10 633
Domestic.....	-	-54
Bank loans and advances.....	-1 413	148 338
Bills, bonds and loan stock.....	-2 048	25 399
Mortgage loans.....	-	172 018
Other assets/liabilities.....	84 253	73 302
Total sources/liabilities and uses/assets.....	424 011	424 011
		Per cent
Percentage of total sources used for gross capital formation.....		1,0
Percentage of total sources used to acquire financial assets.....		99,0
Percentage of total asset flows.....		22,0
Percentage of total financial intermediary asset flows.....		52,0
Total asset/liability flows as a percentage of gross domestic product...		21,0

Public Investment Corporation

The Public Investment Corporation operates as a fund manager of public-sector entities such as official pension and provident funds, social security funds and other government funds. As such, the corporation received inflows of R111,1 billion in 2007. Of this amount, R45,4 billion was invested in shares, R36,6 billion held in more liquid instruments, and R19,3 billion was invested in other loan stock and preference shares. The corporation represented 14 per cent of total financial intermediary asset flows in 2007.

Insurers and retirement funds

Table 5 shows that members contributed R75,7 billion towards insurers and retirement funds in 2007. This sector acquired net financial assets amounting to R124,6 billion, which included monetary deposits of R21,3 billion and other deposits (which included deposits with the Public Investment Corporation) of R122,4 billion at non-bank financial institutions. Heightened uncertainty in share markets and risk aversion contributed to a significant reduction in the holdings of shares during 2007. A financing deficit of R2,9 billion was recorded, mainly due to rising expenditure on capital formation. In 2007 the insurers and retirement funds sector contributed 15 per cent to the total financial intermediary asset flows.

Table 5 Flow of funds: Insurers and retirement funds, 2007

	R millions
Financing balance	-2 850
Net incurrence of financial liabilities	127 486
Members' interest in the reserves of retirement and insurance funds.....	75 737
Other liabilities	51 749
Net acquisition of financial assets	124 636
Monetary deposits	21 264
Other deposits	122 430
Public Investment Corporation	87 706
Foreign deposits	10
Other.....	34 714
Bills and bonds	-501
Short-term government bonds.....	-7 190
Long-term government bonds	1 901
Other.....	4 788
Other loan stock and preference shares	14 574
Domestic.....	9 810
Foreign.....	4 764
Shares	-45 421
Domestic.....	-15 983
Foreign.....	-29 438
Other assets	12 290
	Per cent
Percentage of total asset flows	7,0
Percentage of total financial intermediary asset flows.....	15,0
Total asset/liability flows as percentage of gross domestic product	6,0

Other financial institutions

Other financial institutions comprise non-bank financial institutions such as collective investment schemes (unit trusts and participation bond schemes), trust companies, finance companies, and public financial enterprises that acquire funds and invest them on behalf of their clients. Unit trusts, which acquire funds largely through selling units in unit trusts, while investing the proceeds in various financial instruments, dominated the activities of this sector, which recorded a surplus of R5,6 billion in 2007. Having received a total of R56,9 billion from investors in 2007, other financial institutions invested these and other funds mainly in monetary deposits, foreign shares, and bills and bonds. The total asset/liability flows of this sector amounted to 5 per cent of gross domestic product in 2007, while its share of total financial intermediary asset flows was 12 per cent, as presented in Table 6.

Table 6 Flow of funds: Other financial institutions, 2007

	R millions
Financing balance	5 596
Net incurrence of financial liabilities	86 157
Deposits received	56 924
Long-term loans	3 583
Other liabilities	25 650
Net acquisition of financial assets	91 753
Monetary deposits	115 234
Other deposits	9 526
Foreign deposits	10 011
Other	-485
Bills and bonds	18 921
Short-term government bonds	-3 969
Long-term government bonds	3 169
Other bills	19 721
Trade credit and short-term loans	-4 823
Other loan stock and preference shares	391
Domestic	1 021
Foreign	-630
Shares	-31 755
Domestic	-37 479
Foreign	5 724
Other assets	-15 741
	Per cent
Percentage of total asset flows	5,0
Percentage of total financial intermediary asset flows	12,0
Total asset/liability flows as a percentage of gross domestic product	5,0

Central and provincial governments

As presented in Table 7, central and provincial governments recorded a financing surplus amounting to R8,4 billion in 2007. This surplus position of around 0,4 per cent of gross domestic product enabled a reduction in the issuance of government bonds. Treasury bills amounting to R8,5 billion were issued instead and other debt amounting to R23,2 billion was incurred.

Table 7 Flow of funds: Central and provincial governments, 2007

	R millions
Financing balance	8 398
Net acquisition of financial assets.....	22 146
Net incurrence of financial liabilities by financial instrument.....	13 748
Treasury bills.....	8 509
Short-term government bonds	-1 517
Long-term government bonds.....	-13 210
Non-marketable government bonds	-3 234
Other	23 200
Financing by sector	13 748
Foreign sector	-9 824
Public Investment Corporation	-2 038
Insurers and retirement funds	-5 715
Other financial institutions.....	-694
Other domestic sectors	19 589

Local governments

Local governments recorded a financing deficit of R35,9 billion in 2007. Financing of this deficit was partly made possible by the utilisation of trade credit and the incurrence of other short-term loans.

Public non-financial corporate business enterprises

The public non-financial corporate business enterprises sector recorded gross capital formation amounting to R54,9 billion in 2007. This slightly exceeded its saving, resulting in a small deficit of R0,4 billion. This sector financed its deficit primarily by issuing bills, bonds and loan stock, and taking up bank loans and advances.

Private non-financial corporate business enterprises

As indicated in Table 8, private non-financial corporate business enterprises recorded gross capital formation in excess of this sector's gross saving in 2007. The financing deficit of the sector amounted to R128,3 billion in 2007 – much higher than the R94,2 billion recorded in 2006. The deficit was funded through a variety of financial instruments, including bank loans and advances, and mortgage loans, the issuance of bills, bonds and loan stock, and long-term loans. Excess funds were invested in monetary deposits and in shares of companies abroad.

This sector continued to play a leading role in gross capital formation. It contributed R249,6 billion or 59 per cent of the total gross capital formation in 2007. The total asset/liability flows of private non-financial business enterprises amounted to 21 per cent of gross domestic product during the review period.

Households

Own savings, together with access to funding through bank loans and advances, and trade credit and short-term loans enabled households to finance a deficit of R28,5 billion in 2007. Despite their deficit, households were able to increase their interest in retirement and life funds, bank deposit holdings, as well as deposits in other financial institutions such as unit trusts.

Table 8 Flow of funds: Private non-financial corporate business enterprises, 2007

Transaction items	Sources/ liabilities R millions	Uses/ assets R millions
Gross saving.....	120 672	
Capital transfers.....	741	33
Gross capital formation.....		249 648
Net lending (+)/net borrowing (-).....	-128 268	
Net financial investment (+/-).....		-128 268
Net incurrence of financial liabilities.....	306 715	
Net acquisition of financial assets.....		178 447
Monetary deposits.....	–	82 111
Other deposits.....	-433	-25 096
Bank loans and advances.....	79 045	–
Trade credit and short-term loans.....	13 557	68 126
Bills, bonds and loan stock.....	75 052	-10 868
Shares.....	14 860	30 496
Domestic.....	-43 191	-30 545
Foreign.....	58 051	61 041
Long-term and mortgage loans.....	116 905	12 553
Other assets/liabilities.....	7 729	21 125
Total sources/liabilities and uses/assets.....	428 128	428 128
		Per cent
Percentage of total sources used for gross capital formation.....		58,0
Percentage of total sources used to acquire financial assets.....		42,0
Percentage of total asset flows.....		23,0
Gross capital formation as a percentage of gross domestic product....		13,0
Total asset/liability flows as a percentage of gross domestic product...		21,0

Summary and conclusion

Many institutional sectors demonstrated greater caution in their financial activity in 2007 amid heightened market uncertainty. Cash and liquid instruments were often preferred. The following are highlights from the analysis of South Africa's national financial accounts for the year 2007:

- Augmentation for the fifth consecutive year of domestic saving by the foreign sector to finance capital formation
- The pace of capital formation by non-financial business enterprises continued
- Financial intermediaries maintained their importance in matching surplus and deficit units
- The household sector's incurrence of large amounts of debt was partly offset by strong increases in households' interest in retirement and life funds
- The increase in gold and foreign currency holdings of the monetary authority and other monetary institutions continued
- The financial surplus of the central and provincial government contributed to a lower supply of government bonds in the domestic financial markets.

References

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National financial account

Flow of funds for the first quarter 2007¹

R millions

Transaction items	Foreign sector		Financial intermediaries										
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions		
	S	U	S	U	S	U	S	U	S	U	S	U	
1. Net saving ⁴	27 081		613		6 148					- 813		576	
2. Consumption of fixed capital ⁴			5		1 015					20		195	
3. Capital transfers	21	73											
4. Gross capital formation ⁴				71		1 280					141		387
5. Net lending (+)/net borrowing (-) (S)	27 029		547		5 883					- 934		384	
6. Net financial investment (+) or (-) (U)		27 029		547		5 883					- 934		384
7. Net incurrence of financial liabilities (Total S 9 - 32)	11 974		12 477		94 632		52 712		55 029			36 942	
8. Net acquisition of financial assets (Total U 9 - 32)		39 003		13 024		100 515		52 712		54 095			37 326
9. Gold and other foreign reserves	5 327			5 327									
10. Cash and demand monetary ⁵ deposits		- 5 119	- 2 410	3 235	17 933	- 881		19 527		4 490			13 977
11. Short/medium-term monetary ⁵ deposits		- 3 247		- 37	- 2 971			- 8 002		1 456			8 693
12. Long-term monetary ⁵ deposits		- 1 483		101	58 153			26 814		6 103			25 342
13. Deposits with other financial institutions		240				- 734		5 139		13 715	23 593		
14. Deposits with other institutions	- 1 053					- 8 292	52 712	69	69	35 990			2 847
15. Treasury bills				1 453		4 315		- 547		- 25			- 4
16. Other bills	1 428			950	2 408	197		2 175		- 876		- 697	5 177
17. Bank loans and advances	4 208		5 029	1 696	1 674	53 132						- 42	
18. Trade credit and short-term loans	1 415	11 742	532	667	15 059	6 459			9 800	- 8 264	3 037		1 652
19. Short-term government bonds				- 282		- 7 264		- 9 162		- 14 932			- 1 478
20. Long-term government bonds		881				2 959		1 940		53			
21. Non-marketable government bonds ⁶		327		- 2 608				111					
22. Securities of local governments						1		10		355			- 384
23. Securities of public enterprises		4	942			2 015		- 4		1 678	356		- 246
24. Other loan stock and preference shares	1 215	466			- 569	2 363		6 300	83	- 925	3		- 981
25. Ordinary shares	5 231	34 960			8 929	402		18 953	46	30 630			- 20 952
26. Foreign branch/head office balances													
27. Long-term loans	- 277	489	7 994	8		- 495		1	- 9	11 021	6 030		2 807
28. Mortgage loans	1 269					32 444				- 38			- 70
29. Interest in retirement and life funds ⁷		320							16 118				
30. Amounts receivable/payable	- 2 724	- 421	57	20	- 4 966	3 660		21	10 140	- 9 778	372		- 406
31. Other assets/liabilities	- 4 065	- 156	333	2 494	- 763	9 925		- 10 633	18 587	- 16 418	3 968		1 264
32. Balancing item					- 255	309			195	- 140	322		88

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

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1. A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.

2. Including mutual banks and the Postbank.

3. Before April 2005 the Public Investment Commissioners.

4. As taken from the national income (and production) accounts.

5. Namely deposits with the SA Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6. Non-marketable bonds and other Treasury bills.

7. Members' interest in the reserves of retirement and all insurance funds.

National financial account (continued)

Flow of funds for the first quarter 2007¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors Transaction items
Central and provincial governments		Local governments		Public sector		Private sector		S	U	S	U	
S	U	S	U	S	U	S	U	S	U	S	U	
19 180		- 11 746		- 1 199		- 3 734		772		36 878		1. Net saving ⁴
5 413		3 707		6 879		35 099		8 065		60 398		2. Consumption of fixed capital ⁴
	15 201	3 957		8 564		366	7	2 387	14	15 295	15 295	3. Capital transfers
	6 788		6 172		12 183		55 952		14 302		97 276	4. Gross capital formation ⁴
2 604		- 10 254		2 061		- 24 228		- 3 092		-		5. Net lending (+)/net borrowing (-) (S)
	2 604		- 10 254		2 061		- 24 228		- 3 092			6. Net financial investment (+) or (-) (U)
- 14 037		7 096		3 468		39 086		64 912		364 291		7. Net incurrence of financial liabilities (Total S 9 - 32)
	- 11 433		- 3 158		5 529		14 858		61 820		364 291	8. Net acquisition of financial assets (Total U 9 - 32)
	- 23 166		2 470		178		- 8 748		9 560	5 327	5 327	9. Gold and other foreign reserves
	3 476		3 277		- 3 183		- 12 001		6 597	15 523	15 523	10. Cash and demand monetary ⁵ deposits
	- 237		- 289		502		- 259		1 559	- 2 971	- 2 971	11. Short/medium-term monetary ⁵ deposits
			60		1 099		- 708		4 782	58 153	58 153	12. Long-term monetary ⁵ deposits
	16 514			- 358		264	4 072		434	23 593	23 593	13. Deposits with other financial institutions
4 260							- 932			51 634	51 634	14. Deposits with other institutions
	1 372			1 012	- 1 779	3 870	805			4 260	4 260	15. Treasury bills
868		- 128		1 647		23 864		17 708		8 021	8 021	16. Other bills
1 822	538	6 337	- 933	1 098	- 2 018	- 10 101	31 811	14 666	2 011	43 665	43 665	17. Bank loans and advances
- 33 140					- 20				- 2	- 33 140	- 33 140	18. Trade credit and short-term loans
5 676			8		- 167				2	5 676	5 676	19. Short-term government bonds
- 3 759			- 6						- 1 583	- 3 759	- 3 759	20. Long-term government bonds
		- 30			2		- 9		- 5	- 30	- 30	21. Non-marketable government bonds ⁶
	65			2 173			- 2		- 39	3 471	3 471	22. Securities of local governments
	209		81	3 240	1 347	5 358	471		- 1	9 330	9 330	23. Securities of public enterprises
	881			- 785	25	17 637	- 33 859		18	31 058	31 058	24. Other loan stock and preference shares
297	6 758	- 4	137	1 445	839	8 489	2 491		- 91	23 965	23 965	25. Ordinary shares
			1 087	23		10 185		21 946		33 423	33 423	26. Foreign branch/head office balances
	- 11 291				- 5 090		- 6 414		38 593	16 118	16 118	27. Long-term loans
5 645	- 552	- 261		- 3 913	4 576	998	7 711	- 532	- 15	4 816	4 816	28. Mortgage loans
4 220	- 6 000	886	- 9 038	- 2 085	9 163	- 21 778	29 826	11 124		10 427	10 427	29. Interest in retirement and life funds ⁷
74		296	- 12	- 29	55	300	603			903	903	30. Amounts receivable/payable
												31. Other assets/liabilities
												32. Balancing item

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

KB231

1. A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.
2. Including mutual banks and the Postbank.
3. Before April 2005 the Public Investment Commissioners.
4. As taken from the national income (and production) accounts.
5. Namely deposits with the SA Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
6. Non-marketable bonds and other Treasury bills.
7. Members' interest in the reserves of retirement and all insurance funds.

National financial account

Flow of funds for the second quarter 2007¹

R millions

Transaction items	Foreign sector		Financial intermediaries										
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions		
	S	U	S	U	S	U	S	U	S	U	S	U	
1. Net saving ⁴	34 549		638		6 510					- 3 709		2 579	
2. Consumption of fixed capital ⁴			6		1 037					21		198	
3. Capital transfers	23	60											
4. Gross capital formation ⁴				24		619					170		464
5. Net lending (+)/net borrowing (-) (S)	34 512		620		6 928					- 3 858		2 313	
6. Net financial investment (+) or (-) (U)		34 512		620		6 928					- 3 858		2 313
7. Net incurrence of financial liabilities (Total S 9 - 32)	40 040		12 540		110 225		21 018		32 720		6 691		
8. Net acquisition of financial assets (Total U 9 - 32)		74 552		13 160		117 153		21 018		28 862		9 004	
9. Gold and other foreign reserves	11 861			11 861									
10. Cash and demand monetary ⁵ deposits		2 908	15 225	5 548	19 254	2 749		- 6 392		2 498		403	
11. Short/medium-term monetary ⁵ deposits		92	- 44	293	38 880			5 661		483		3 062	
12. Long-term monetary ⁵ deposits		- 1 417		- 101	21 955			- 4 596				28 651	
13. Deposits with other financial institutions		- 214				895		5 056		9 271	11 917		
14. Deposits with other institutions	15 174					15 499	21 018	157	157	19 156		4 708	
15. Treasury bills				44		2 198				- 132		11	
16. Other bills	166			1 844	- 738	1 923		- 622		- 474	- 1 257	3 809	
17. Bank loans and advances	- 3 511		5 596	465	466	30 285					- 117		
18. Trade credit and short-term loans	- 7 459	- 10 306	- 1 983	- 888	6 409	5 191			2 697	261	2 284	1 118	
19. Short-term government bonds				- 357		2 677		2 717		- 1 562		- 3 599	
20. Long-term government bonds		- 3 132				- 2 926		7 605				3 767	
21. Non-marketable government bonds ⁶		834		- 172									
22. Securities of local governments	- 21					- 9		8		- 38		43	
23. Securities of public enterprises		13	1 326			1 312		- 1 255		5 743	184	314	
24. Other loan stock and preference shares	2 283	27 977			- 227	759		2 921	3 101	7 125	71	- 1 183	
25. Ordinary shares	15 802	10 926			1 885	1 121		6 844	518	- 13 387		- 32 616	
26. Foreign branch/head office balances													
27. Long-term loans	1 992	39 346	- 4 927	- 73	15 143	379		- 3	- 48	- 663	- 1 226	- 371	
28. Mortgage loans	660					42 972				- 17		- 179	
29. Interest in retirement and life funds ⁷		53							14 161				
30. Amounts receivable/payable	3 581	4 260	- 326	- 3 966	- 5 100	2 998		- 48	4 562	2 784	- 871	- 248	
31. Other assets/liabilities	- 488	3 212	- 2 327	- 1 338	11 973	9 098		2 965	7 429	- 1 889	- 4 221	1 235	
32. Balancing item					325	32			143	- 297	- 73	79	

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KB230

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6. Non-marketable bonds and other Treasury bills.

7. Members' interest in the reserves of retirement and all insurance funds.

National financial account (continued)

Flow of funds for the second quarter 2007¹

R millions

General government				Corporate business enterprises						Total		Sectors Transaction items
Central and provincial governments		Local governments		Public sector		Private sector		Households, etc.				
S	U	S	U	S	U	S	U	S	U	S	U	
2 300		- 6 145		1 114		603		10 370		48 809		1. Net saving ⁴
5 610		3 860		7 035		36 470		8 390		62 627		2. Consumption of fixed capital ⁴
	6 079	913		4 059		110	8	1 057	15	6 162	6 162	3. Capital transfers
	6 484	6 140		13 233		69 075		15 227		111 436		4. Gross capital formation ⁴
- 4 653		- 7 512		- 1 025		- 31 900		4 575		-		5. Net lending (+)/net borrowing (-) (S)
	- 4 653	- 7 512		- 1 025		- 31 900		4 575				6. Net financial investment (+) or (-) (U)
7 384		3 153		- 2 474		75 908		56 820		364 025		7. Net incurrence of financial liabilities (Total S 9 - 32)
	2 731	- 4 359		- 3 499		44 008		61 395		364 025		8. Net acquisition of financial assets (Total U 9 - 32)
	4 535	866		757		12 291		8 316		11 861	11 861	9. Gold and other foreign reserves
	2 934	- 3 169		- 1 984		17 916		13 548		34 479	34 479	10. Cash and demand monetary ⁵ deposits
	1 721	- 522		- 1 485		- 35		- 261		38 836	38 836	11. Short/medium-term monetary ⁵ deposits
	1 579	27		121		- 5 485		2 246		21 955	21 955	12. Long-term monetary ⁵ deposits
			141	20	309	- 4 432		112		11 917	11 917	13. Deposits with other financial institutions
2 750						629				36 799	36 799	14. Deposits with other institutions
	454			- 153	- 5 397	6 312	2 793			2 750	2 750	15. Treasury bills
- 1 147		908		- 992		24 486		5 061		4 330	4 330	16. Other bills
- 886	- 200	306	95	- 516	1 426	16 929	19 772	2 166	3 478	30 750	30 750	17. Bank loans and advances
- 112					14		- 1		- 1	19 947	19 947	18. Trade credit and short-term loans
5 404		- 5			95					- 112	- 112	19. Short-term government bonds
560		- 16			- 4		- 25		- 1	5 404	5 404	20. Long-term government bonds
		- 5					- 25		- 1	560	560	21. Non-marketable government bonds ⁶
	- 113	- 2	4 467		- 2				- 33	- 26	- 26	22. Securities of local governments
	450	- 194	- 4 002	- 872	32 096	- 3 689		28		5 977	5 977	23. Securities of public enterprises
	77		- 865	7	- 20 125	24 223		20		33 322	33 322	24. Other loan stock and preference shares
										- 2 785	- 2 785	25. Ordinary shares
617	- 3 646	1 039	627	- 1 813	- 952	24 601	1 235	503	2	35 881	35 881	26. Foreign branch/head office balances
			- 421	109		11 997		29 589		42 355	42 355	27. Long-term loans
	287			5 852		- 20 561		28 530		14 161	14 161	28. Mortgage loans
198	502	- 19	521	7 336	- 723	- 13 993	- 280	15 929	5 497	11 297	11 297	29. Interest in retirement and life funds ⁷
	- 5 849	693	- 1 875	- 5 889	- 281	- 6 134	- 670	3 572		4 608	4 608	30. Amounts receivable/payable
		231	- 291	- 297	- 93	- 570	329			- 241	- 241	31. Other assets/liabilities
												32. Balancing item

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KB231

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6. Non-marketable bonds and other Treasury bills.
7. Members' interest in the reserves of retirement and all insurance funds.

National financial account

Flow of funds for the third quarter 2007¹

R millions

Sectors Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving ⁴	45 314		219		8 057				3 406		615	
2. Consumption of fixed capital ⁴			6		1 063				21		201	
3. Capital transfers.....	26	84										
4. Gross capital formation ⁴				18	1 079					170	461	
5. Net lending (+)/net borrowing (-) (S).....	45 256		207		8 041				3 257		355	
6. Net financial investment (+) or (-) (U).....		45 256		207	8 041					3 257	355	
7. Net incurrence of financial liabilities (Total S 9 - 32).....	31 734		10 410		110 618		30 986		31 927		35 830	
8. Net acquisition of financial assets (Total U 9 - 32).....		76 990		10 617	118 659		30 986		35 184		36 185	
9. Gold and other foreign reserves.....	10 582			10 582								
10. Cash and demand monetary ⁵ deposits.....		- 2 959	9 951	- 36	27 953	1 401		6 640		1 876	2 903	
11. Short/medium-term monetary ⁵ deposits.....		17 963	- 172	591	79 390			20 032		- 482	26 013	
12. Long-term monetary ⁵ deposits.....		- 1 298	23		- 22 616			- 19 570		4 340	- 8 640	
13. Deposits with other financial institutions.....		19				330		3 119		5 650	14 520	
14. Deposits with other institutions.....	8 122					9 251	30 986	118	118	29 099		- 1 383
15. Treasury bills.....				- 1 997		3 596				29		574
16. Other bills.....	- 304			1 290	199	2 004		- 480	192	2 085	5 948	- 5 036
17. Bank loans and advances.....	4 829		3 788	- 678	- 671	38 100					- 4	
18. Trade credit and short-term loans.....	2 757	16 843	- 2 216	333	10 815	- 103			9 103	- 842	3 097	1 871
19. Short-term government bonds.....				729		10 815		14 438		3 158		3 327
20. Long-term government bonds.....		- 3 596		- 748		- 6 022		- 18 622		- 1 748		960
21. Non-marketable government bonds ⁶		77										
22. Securities of local governments.....	4					3		19		85		13
23. Securities of public enterprises.....		- 88	- 199			- 1 411		2 421		3 438	176	- 224
24. Other loan stock and preference shares.....	1 552	6 932			- 772	1 003		6 216	- 2 413	2 887	- 2	- 790
25. Ordinary shares.....	3 911	24 983			9 550	- 398		11 674	- 300	- 15 830		24 681
26. Foreign branch/head office balances.....												
27. Long-term loans.....	1 736	6 196	- 928	12		- 4 215		- 245	- 37	94	353	816
28. Mortgage loans.....	364					49 820				- 1 643		238
29. Interest in retirement and life funds ⁷		84							23 659			
30. Amounts receivable/payable.....	2 219	6 991	278	- 3	9 892	6 011		- 69	49	2 776	3 384	612
31. Other assets/liabilities.....	- 4 038	4 843	- 115	542	- 3 092	8 355		5 295	1 417	159	8 268	- 9 562
32. Balancing item.....					- 30	119			139	53	90	- 188

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KB230

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7. Members' interest in the reserves of retirement and all insurance funds.

National financial account (continued)

Flow of funds for the third quarter 2007¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors Transaction items
Central and provincial governments		Local government		Public sector		Private sector		S	U	S	U	
S	U	S	U	S	U	S	U	S	U	S	U	
8 183		- 9 103		1 631		- 12 200		- 1 106		45 016		1. Net saving ⁴
5 790		3 993		7 256		37 968		8 698		64 996		2. Consumption of fixed capital ⁴
	11 030	3 768		5 642		110	9	1 594	17	11 140	11 140	3. Capital transfers
	6 958	6 344		13 987		64 887		16 108		110 012		4. Gross capital formation ⁴
- 4 015		- 7 686		542		- 39 018		- 6 939		-		5. Net lending (+)/net borrowing (-) (S)
	- 4 015	- 7 686		542		- 39 018		- 6 939				6. Net financial investment (+) or (-) (U)
18 019		4 899		- 4 309		71 461		55 913		397 488		7. Net incurrence of financial liabilities (Total S 9 - 32)
	14 004	- 2 787		- 3 767		32 443		48 974		397 488		8. Net acquisition of financial assets (Total U 9 - 32)
	2 705	- 324		1 978		20 350		3 370		10 582	10 582	9. Gold and other foreign reserves
	- 3 490	- 1 573		4 212		5 466		10 486		37 904	37 904	10. Cash and demand monetary ⁵ deposits
	- 1 198	1 363		- 1 335		3 514		231		- 22 593	- 22 593	11. Short/medium-term monetary ⁵ deposits
	2 743	27		179		- 148		5 344		14 520	14 520	12. Long-term monetary ⁵ deposits
1 399				205	31	- 1 008	- 1 571	135		38 423	38 423	13. Deposits with other financial institutions
	- 1 181			- 836	3 014	1 229	4 732			1 399	1 399	14. Deposits with other institutions
- 172		- 96		1 180		20 206		8 362		6 428	6 428	15. Treasury bills
4 444	- 626	4 377	- 944	- 1 867	- 3 172	- 7 649	16 937	5 873	- 1 563	37 422	37 422	16. Other bills
32 481			7		- 21		8		20	28 734	28 734	17. Bank loans and advances
- 29 975			- 7		- 169		- 1		- 22	32 481	32 481	18. Trade credit and short-term loans
1 960			- 2		3		- 159		1 885	- 29 975	- 29 975	19. Short-term government bonds
		- 40			3		- 9			1 960	1 960	20. Long-term government bonds
	203		2	4 205			- 9			- 36	- 36	21. Non-marketable government bonds ⁶
	485		23	415	4 523	7 996	- 14 509		6	- 36	- 36	22. Securities of local governments
	532			639	311	21 492	- 10 667		6	4 182	4 182	23. Securities of public enterprises
43	- 1 381	1	- 434	- 393	1 398	11 341	9 966	111	20	6 776	6 776	24. Other loan stock and preference shares
			2 014	101		16 123		33 841		35 292	35 292	25. Ordinary shares
	1 853				228		- 13 946		35 440	12 227	12 227	26. Foreign branch/head office balances
4 839	4 117	19	189	- 9 136	- 6 129	- 1 829	6 253	4 799	- 6 234	50 429	50 429	27. Long-term loans
3 000	9 181	478	- 3 096	1 134	- 8 614	3 751	6 627	2 927		23 659	23 659	28. Mortgage loans
	61	160	- 32	44	- 204	- 191	403			14 514	14 514	29. Interest in retirement and life funds ⁷
										13 730	13 730	30. Amounts receivable/payable
										212	212	31. Other assets/liabilities
												32. Balancing item

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6. Non-marketable bonds and other Treasury bills.

7. Members' interest in the reserves of retirement and all insurance funds.

National financial account

Flow of funds for the fourth quarter 2007¹

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving ⁴	38 072		140		14 538				- 1 166		2 755	
2. Consumption of fixed capital ⁴			6		1 090				21		205	
3. Capital transfers	24	74										
4. Gross capital formation ⁴				57		778				170		416
5. Net lending (+)/net borrowing (-) (S)	38 022		89		14 850				- 1 315		2 544	
6. Net financial investment (+) or (-) (U)		38 022		89		14 850				- 1 315		2 544
7. Net incurrence of financial liabilities (Total S 9 - 32)	- 588		20 861		69 078		6 417		7 810		6 694	
8. Net acquisition of financial assets (Total U 9 - 32)		37 434		20 950		83 928		6 417		6 495		9 238
9. Gold and other foreign reserves	12 415			12 415								
10. Cash and demand monetary ⁵ deposits		6 763	15 734	9 836	56 176	8 616		3 882		- 3 730		14 049
11. Short/medium-term monetary ⁵ deposits		- 7 598	252	- 1 452	- 3 399			- 8 833		- 3 467		- 5 010
12. Long-term monetary ⁵ deposits		- 931	- 4		13 053			1 468		7 697		5 791
13. Deposits with other financial institutions		- 522				- 157		3 731		6 026	6 894	
14. Deposits with other institutions	- 32 876					- 27 145	6 417	176	176	3 523		3 354
15. Treasury bills				1 997		- 3 911				- 247		- 475
16. Other bills	27 356			26 220	- 2 274	578		- 279	28	996	- 203	15 665
17. Bank loans and advances	13 941		- 5 987	- 2 849	- 2 882	26 821					107	
18. Trade credit and short-term loans	- 9 606	13 416	1 460	21	10 541	5 974			- 5 215	9 108	- 914	- 9 464
19. Short-term government bonds				33		- 2 108		- 2 384		6 146		- 2 219
20. Long-term government bonds		492		51		1 199		1 992		3 596		- 1 558
21. Non-marketable government bonds ⁶		104		- 52				- 111				
22. Securities of local governments						- 7		74		- 6		- 68
23. Securities of public enterprises		107	- 1 921			1 136		5 753		- 7 823	779	2 687
24. Other loan stock and preference shares	6 231	- 550			- 75	8 004		3 817	4 763	5 487	86	3 345
25. Ordinary shares	11 089	- 962			1 294	200		7 883	- 9	- 46 834		- 2 868
26. Foreign branch/head office balances												
27. Long-term loans	3 159	9 796	2 384	8		- 187		- 7	81	- 2 626	- 1 574	1 739
28. Mortgage loans	500					46 782				- 90		- 129
29. Interest in retirement and life funds ⁷		- 50							21 799			
30. Amounts receivable/payable	- 16 301	9 761	- 147	- 3	6 326	9 111		- 5 783	- 9 561	11 043	335	- 6 147
31. Other assets/liabilities	- 16 496	7 608	9 090	- 25 275	- 9 512	8 766		- 4 962	- 3 939	17 522	1 138	- 9 340
32. Balancing item					- 170	256			- 313	174	46	- 114

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- Non-marketable bonds and other Treasury bills.
- Members' interest in the reserves of retirement and all insurance funds.

National financial account (continued)

Flow of funds for the fourth quarter 2007¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors
Central and provincial governments		Local governments		Public sector		Private sector						
S	U	S	U	S	U	S	U	S	U	S	U	Transaction items
28 428		- 11 461		- 527		- 12 930		- 16 921		40 928		1. Net saving ⁴
5 909		4 074		7 408		39 396		8 903		67 012		2. Consumption of fixed capital ⁴
	12 360	3 630		6 688		155	9	1 961	15	12 458	12 458	3. Capital transfers
	7 515		6 705		15 548		59 734		17 017		107 940	4. Gross capital formation ⁴
14 462		- 10 462		- 1 979		- 33 122		- 23 089		-		5. Net lending (+)/net borrowing (-) (S)
	14 462		- 10 462		- 1 979		- 33 122		- 23 089			6. Net financial investment (+) or (-) (U)
2 382		9 051		- 1 334		120 260		55 980		296 611		7. Net incurrence of financial liabilities (Total S 9 - 32)
	16 844		- 1 411		- 3 313		87 138		32 891		296 611	8. Net acquisition of financial assets (Total U 9 - 32)
	10 303		- 1 693		- 2 346		24 847		1 383	12 415	12 415	9. Gold and other foreign reserves
	- 4 434		- 411		5 170		17 737		5 151	71 910	71 910	10. Cash and demand monetary ⁵ deposits
	- 3 398		977		- 1 495		1 033		1 907	- 3 147	- 3 147	11. Short/medium-term monetary ⁵ deposits
			2 321		- 213		- 8 659		4 367	13 049	13 049	12. Long-term monetary ⁵ deposits
	1 865			- 117	- 45	2	- 8 165		39	6 894	6 894	13. Deposits with other financial institutions
										- 26 398	- 26 398	14. Deposits with other institutions
100							2 736			100	100	15. Treasury bills
	- 564			187	- 1 058	3 661	- 12 803			28 755	28 755	16. Other bills
299		558		- 341		10 489		7 788		23 972	23 972	17. Bank loans and advances
- 66	- 254	3 894	- 1 672	2 497	- 470	14 378	- 394	1 736	2 440	18 705	18 705	18. Trade credit and short-term loans
- 746					- 6		- 207		- 1	- 746	- 746	19. Short-term government bonds
5 685					- 87					5 685	5 685	20. Long-term government bonds
- 1 995			36						- 1 972	- 1 995	- 1 995	21. Non-marketable government bonds ⁶
					2		5					22. Securities of local governments
	- 29			2 969					- 4	1 827	1 827	23. Securities of public enterprises
	- 385		- 31	420	- 3 868	14 530	10 104		32	25 955	25 955	24. Other loan stock and preference shares
				3		- 4 144	50 799		15	8 233	8 233	25. Ordinary shares
- 32	3 196	141	47	- 184	1 436	9 450	- 1 139	- 1 165	- 3	12 260	12 260	26. Foreign branch/head office balances
			- 1 195	62		24 719		20 087		45 368	45 368	27. Long-term loans
	- 238				- 211		3 023		19 275	21 799	21 799	28. Mortgage loans
- 863	4 642	3 964	100	- 4 100	- 350	24 249	8 800	27 534	262	31 436	31 436	29. Interest in retirement and life funds ⁷
	5 855	370	83	- 2 547	171	22 241	- 83			345	345	30. Amounts receivable/payable
	285	124	27	- 183	57	685	- 496			189	189	31. Other assets/liabilities
												32. Balancing item

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