

Note on the flow of funds in South Africa's national financial account for the year 2010

by Z Nhleko and C Monyela¹

Introduction

The 2010 analysis shows that the aggregate and consolidated flow of funds in the South African economy increased from 2009 to 2010, alongside a recovery in global and domestic economic growth, and an increase in the general level of domestic prices. The recovery of the domestic economy started in September 2009 and increasingly made itself felt in the course of 2010. Funds circulating in the domestic economy were augmented by injections from the foreign sector.

This note reviews both the flow of funds among the domestic sectors, and between the domestic sectors and the foreign sector. The quarterly accounts for 2010 are appended to this note, while the annual summary is shown on pages S-44 to S-45 of this issue of the *Quarterly Bulletin*.

Financing balances

Financing balances of the broad institutional groupings in the private sector were generally positive in 2010. The domestic economy continued to finance its gross capital formation activities through a combination of gross domestic saving and foreign funding. In 2010 this funding proportion was in the ratio of 9:1. Contrary to prior speculations, there were no huge flows during the 2010 FIFA World Cup™ tournament. Demand for funds increased by less than 1 per cent during the tournament.²

As has been the case during the past decade, the private non-financial business enterprises sector was both the largest saver and investor in 2010. As a share of total flows, this sector recorded 45 per cent of gross capital formation and 66 per cent of gross saving. General government reported a deficit of R159,4 billion in 2010 despite revenue collection surprising on the up-side. Financial intermediaries were net lenders of funds during the period under review.

Table 1 Financing balances,^{1,2} 2009 and 2010

R millions Surplus units (+)/deficit units (-)

	2009			2010		
	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)
Foreign sector ³	96 846	-	96 846	74 733	-	74 733
Financial intermediaries.....	81 405	12 762	68 643	65 743	20 153	45 590
General government.....	-42 346	88 470	-130 816	-79 965	79 467	-159 432
Non-financial business enterprises						
Public	-34 046	70 395	-104 431	55 583	126 750	-71 167
Private	318 059	239 980	78 079	339 749	230 371	109 378
Households ⁴	49 650	58 281	-8 321	57 209	56 311	898
Total.....	469 888	469 888	-	513 052	513 052	-

1. Gross saving plus net capital transfers less gross capital formation. Gross capital formation consists of fixed capital formation and changes in inventories, before providing for consumption (depreciation) of fixed capital.

2. 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.

3. A positive amount reflects a surplus for the rest of the world and is therefore a deficit on South Africa's current account. A negative amount represents a deficit for the rest of the world and a surplus on South Africa's current account.

4. Including unincorporated business enterprises and non-profit institutions serving households.

Figure 1 summarises the net inter-sectoral flows of funds, and the financial relationships among the main sectors of the economy and the rest of the world. The bulk of foreign funds to the domestic economy was absorbed by non-financial business enterprises, which received R69 billion. This was despite a reduction of inflows amounting to R61 billion from financial

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.

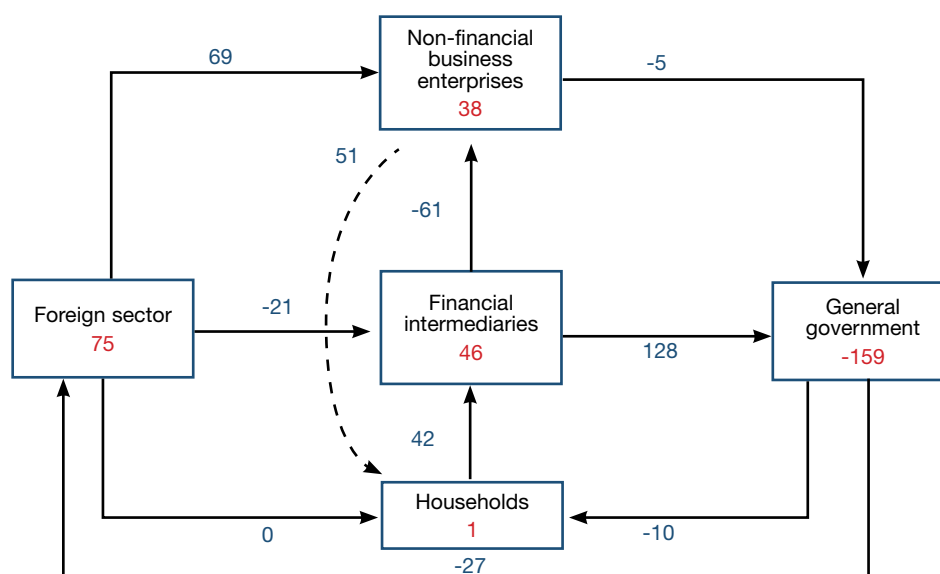
2 See V V Mamba, "Note on Cash Holdings and Card Payments During the 2010 FIFA World Cup™ Tournament". *Quarterly Bulletin* 257, Pretoria: South African Reserve Bank (September 2010): 76.



intermediaries. General government was the largest recipient of funds in the economy, mainly from financial intermediaries through the acquisition of bonds during 2010.

Figure 1 Net intersectoral flows of funds, 2010

R billions



Note: Numbers may not balance perfectly due to rounding. The numbers inside the boxes represent the net lending (+) or borrowing (-) positions of the sectors, and those outside the boxes illustrate inter-sectoral flow of funds and the direction of flows. To calculate the net lending or borrowing position of each sector, inflows are treated as negatives and outflows as positives

In an environment of benign economic growth, most sectors preferred intermediation in the form of safer financial instruments, such as cash and deposits, and fixed-interest securities, as shown in Table 2.

Table 2 Flow of funds: Selected issuer and investor activities,* 2010

	Percentage of total flows	
	2009	2010
Cash and deposits	8	22
Credit extension	2	13
Fixed-interest securities	15	14
Ordinary shares	12	5

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

Sectoral analysis

As reviewed briefly in the paragraphs below, individual economic units invested their surplus funds or sourced funds to meet their financing needs in 2010. These activities were mainly effected through changes in the holdings of various financial market instruments.

Foreign sector

During 2010, South African resident units collectively borrowed a net amount of R74,7 billion from abroad. Non-resident units acquired shares and government bonds, and extended long-term loans and other assets domestically. Non-residents' participation in the domestic share and bond markets averaged 16 per cent and 13 per cent in 2010. However, the level of the domestic current-account deficit is still lower than in many advanced economies and in peripheral Europe.



Table 3 Flow of funds: Foreign sector and combined domestic sectors, 2010

R millions

	Domestic institutional sectors	Rest of the world	Total
Gross saving	438 319	74 733	513 052
Gross capital formation.....	513 052	-	513 052
Net lending (+)/net borrowing (-)	-74 733	74 733	-
Net acquisition of financial assets.....	879 467	151 659	1 031 126
Net incurrence of financial liabilities.....	954 200	76 926	1 031 126

Financial intermediaries

Financial intermediaries attract funds from surplus units and lend these funds to deficit units, thereby sustaining the flow of funds through the economy. The activities of these intermediaries are briefly discussed below.

Other monetary institutions

Other monetary institutions recorded a net incurrence of liabilities amounting to R172,3 billion in 2010. The intermediation role of this sector rebounded from the levels of 2009 and, as shown in Table 4, the amount of bank loans and advances recorded an increase of R57,0 billion.

Table 4 Flow of funds: Other monetary institutions, 2010

Transaction items	Sources/ Liabilities R millions	Uses/ Assets R millions
Gross saving	55 821	
Gross capital formation.....		16 917
Net lending (+)/net borrowing (-).....	38 904	
Net financial investment (+/-).....		38 904
Net incurrence of financial liabilities.....	172 325	
Net acquisition of financial assets.....		211 229
Monetary deposits.....	159 608	8 903
Deposits with other institutions.....	-	16 065
Foreign.....	-	3 498
Domestic.....	-	12 567
Bank loans and advances	16 248	57 016
Bills, bonds and loan stock	-6 176	39 252
Mortgage loans	-	47 819
Other assets/liabilities	2 645	42 174
Total sources/liabilities and uses/assets.....	228 146	228 146
	Per cent	
Gross capital formation to total sources	7,0	
Net acquisition of financial assets to total sources.....	93,0	
Sectoral asset/liability flows to total flows	14,0	
Sectoral flows to total financial intermediary flows	42,0	
Sectoral flows to gross domestic product	9,0	



Their total flows as a percentage of total financial intermediary asset flows rebounded from a negative 9 per cent in 2009 to a positive 42 per cent in 2010. Similarly, their holdings of government bonds increased. Monetary deposits increased by R159,6 billion in the period under review.

Monetary authority

In 2010 the monetary authority received deposits amounting to R34,4 billion, mostly from central government and other monetary institutions. Its holdings of gold and foreign-exchange reserves increased by R28,6 billion,³ thereby increasing the international liquidity position to about R287,5 billion in 2010.

Public Investment Corporation

This institution received inflows of R61,7 billion in 2010, mainly from the government employees' pension and provident funds. The Public Investment Corporation reallocated its asset portfolio in 2010 and invested R25,1 billion in securities of public enterprises, R9,1 billion in government bills and bonds and R28,8 billion in cash, while it reduced its shareholdings by R7,0 billion. The total flows of the corporation represented 11 per cent of total financial intermediary asset flows in 2010.

Insurers and retirement funds

In 2010 members contributed R52,7 billion towards the long-term contractual saving sector. A financing surplus of R13,6 billion was recorded as the recovery from the financial crisis continued. The total flows of insurers and retirement funds contributed 19 per cent to the total financial intermediary asset flows in 2010, as shown in Table 5.

Table 5 Flow of funds: Insurers and retirement funds, 2010

	R millions
Financing balance	13 636
Net incurrence of financial liabilities.....	88 833
Members' interest in the reserves of retirement and insurance funds.....	52 691
Other liabilities	36 142
Net acquisition of financial assets	102 469
Monetary deposits	21 095
Other deposits.....	53 509
Public Investment Corporation	48 720
Foreign deposits.....	-392
Other.....	5 181
Bills and bonds.....	49 593
Short-term government bonds	-14 183
Long-term government bonds.....	91 097
Other.....	-27 321
Other loan stock and preference shares.....	31 547
Domestic.....	26 639
Foreign.....	4 908
Shares.....	-55 934
Domestic.....	-66 596
Foreign.....	10 662
Other assets.....	2 659
	Per cent
Sectoral asset/liability flows to total flows	6,0
Sectoral flows to total financial intermediary flows	19,0
Sectoral flows to gross domestic product	4,0

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

Other financial institutions

Other financial institutions received a total of R150,1 billion from investors and lenders in 2010, and these funds were mainly invested in monetary deposits, bills and bonds, other loan stock and in shares. Other financial institutions recorded a deficit of R7,6 billion in 2010, as Table 6 illustrates. The total flows of this sector amounted to 5 per cent of gross domestic product in 2010, while its share of total financial intermediary flows was 27 per cent.

Table 6 Flow of funds: Other financial institutions, 2010

	R millions
Financing balance	-7 631
Net incurrence of financial liabilities.....	150 164
Deposits received.....	87 127
Long-term loans.....	-2 419
Other liabilities	65 456
Net acquisition of financial assets	142 533
Monetary deposits	40 164
Other deposits.....	5 920
Foreign deposits.....	5 962
Other.....	-42
Bills and bonds	29 867
Short-term government bonds	7 751
Long-term government bonds.....	6 682
Other bills.....	15 434
Trade credit and short-term loans	-21 673
Other loan stock and preference shares.....	11 964
Domestic.....	11 608
Foreign.....	356
Shares.....	93 940
Domestic.....	90 538
Foreign.....	3 402
Other assets.....	-17 649
	Per cent
Sectoral asset/liability flows to total flows	9,0
Sectoral flows to total financial intermediary flows	27,0
Sectoral flows to gross domestic product	5,0

Central and provincial governments

In 2010 central and provincial governments recorded a financing deficit amounting to R104,0 billion. The net borrowing position resulted from, among other things, increased expenditure and relatively lower revenue levels. Long-term bonds amounting to R131,4 billion, non-marketable bonds amounting to R15,6 billion and Treasury bills amounting to R29,3 billion were issued, mainly in the domestic capital market, to finance the deficit. Other monetary institutions, and insurers and retirement funds were the main financiers of the government deficit.

Local governments

Local governments recorded a net borrowing position of R55,4 billion in 2010. This is somewhat less than the deficit of R63,5 billion recorded in 2009 following the completion of major projects related to the 2010 FIFA World Cup™ soccer tournament. The deficit was financed by reducing the net acquisition of financial assets, issuing local government securities, and by incurring short-term loans and trade credit.



Public non-financial corporate business enterprises

In 2010 public non-financial corporate business enterprises recorded a financing deficit of R71,2 billion. Capital expenditure for infrastructure continued to underpin the financial spending of this sector. Among others, public non-financial corporate business enterprises issued long-term securities in the domestic and foreign capital markets, and acquired loans in order to finance the deficit.

Private non-financial corporate business enterprises

Private non-financial corporate business enterprises continued to play an important investment role in the economy by contributing R230,4 billion in gross capital formation for 2010. The financing surplus amounting to R109,4 billion in 2010 was augmented by the issuance of bills, bonds and loan stock, shares and the take-up of long-term and mortgage loans to fund gross capital formation. The total flows of private non-financial business enterprises amounted to 13 per cent of gross domestic product during the review period, as indicated in Table 7.

Table 7 Flow of funds: Private non-financial corporate business enterprises, 2010

R millions		
Transaction items	Sources/ Liabilities R millions	Uses/ Assets R millions
Gross saving	336 483	
Capital transfers	3 316	50
Gross capital formation.....		230 371
Net lending (+)/net borrowing (-).....	109 378	
Net financial investment (+/-)		109 378
Net incurrence of financial liabilities.....	-2 052	
Net acquisition of financial assets.....		107 326
Monetary deposits.....	-	16 581
Other deposits.....	-114	4 854
Bank loans and advances	-5 768	-
Trade credit and short-term loans.....	-32 399	29 507
Bills, bonds and loan stock	55 243	-3 504
Shares.....	28 627	-6 222
Domestic.....	-14 795	-5 263
Foreign	43 422	-959
Long-term and mortgage loans	22 151	12 224
Other assets/liabilities	-69 792	53 886
Total sources/liabilities and uses/assets.....	337 747	337 747
		Per cent
Gross capital formation to total sources		68,0
Net acquisition of financial assets to total sources.....		32,0
Sectoral flows to total asset flows		21,0
Gross capital formation to gross domestic product		9,0
Sectoral flows to gross domestic product		13,0

Households

Households recorded a small surplus of R0,9 billion in 2010. Thus, they were able to increase their monetary and other deposits holdings, exposure to non-marketable government bonds and bills, and their interest in retirement and life funds. Other deposits mainly represented funds invested with unit trusts, and retirement and life funds.

Summary and conclusion

The aggregate level of flow of funds increased in 2010, despite the fragile global and domestic economic recovery. The following are the main highlights from the analysis of South Africa's national financial accounts for the year 2010:

- Augmentation of domestic saving by the foreign sector to finance capital formation
- Intermediation through other monetary institutions returned to a more normal level after a decline in 2009
- The household sector recorded a small surplus and deposited some of the proceeds with banks, and increased its investment with unit trusts and retirement and life funds
- Gold and foreign currency holdings of the monetary authority increased significantly
- Central and provincial governments recorded a deficit position, which was financed through the issuance of bonds in the domestic capital markets.

Bibliography

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South African Reserve Bank. *Bank Supervision Department Annual Report 2010*. Pretoria: South African Reserve Bank, 2011.

____. *Quarterly Bulletin*, various issues.

National financial account

Flow of funds for the first quarter 2010¹

R millions

Transaction items	Sectors		Financial intermediaries									
	Foreign sector		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	26 187		277		11 541				3 509		78	
2. Consumption of fixed capital ⁴			7		1 922				123		54	
3. Capital transfers	30	89										
4. Gross capital formation ⁴				154		1 645				113		784
5. Net lending (+)/net borrowing (-) (S)	26 128		130		11 818				3 519		-652	
6. Net financial investment (+) or (-) (U)		26 128		130		11 818				3 519		-652
7. Net incurrence of financial liabilities (Total S 9 - 32).....	32 655		17 140		20 986		-7 419		-16 823		16 152	
8. Net acquisition of financial assets (Total U 9 - 32)		58 783		17 270		32 804		-7 419		-13 304		15 500
9. Gold and other foreign reserves	23 766			23 766								
10. Cash and demand monetary ⁵ deposits		1 209	24 590	2 547	21 120	7 354		763		6 575		-391
11. Short/medium-term monetary ⁵ deposits		-3 218	169	197	-19 292			200		-2 313		-12 091
12. Long-term monetary ⁵ deposits		1 988	42		26 708			- 541		- 544		10 290
13. Deposits with other financial institutions.....	7	17				823		2 431		-1 237	11 499	
14. Deposits with other institutions	-673					-19 790	-7 419	395	395	-11 420		24 250
15. Treasury bills				-73		545				-3 248		-2 147
16. Other bills	-4 744		-393	-5 988	550	-1 141		1 113		-487	-179	-4 290
17. Bank loans and advances.....	27		1 656	7 681	7 624	3 413					561	
18. Trade credit and short-term loans	4 765	18 088	-676	-46	-20 334	1 408			6 959	1 794	616	-8 758
19. Short-term government bonds				132		10 461		11 816				11 229
20. Long-term government bonds.....		13 083				-3 493		-10 622		12 045		-3 656
21. Non-marketable government bonds ⁶		-355		-37		-6 470						
22. Securities of local governments						-45				3 987		640
23. Securities of public enterprises	-524	2 311	5 799			5 739		7 310		400	-778	464
24. Other loan stock and preference shares	-830	1 871	34		-800	2 427		605	-202	3 248	402	2 334
25. Ordinary shares	11 770	13 306			-821	730		-21 275	-52	-36 258		18 097
26. Foreign branch/head office balances												
27. Long-term loans.....	- 6 145	- 3 085	-7 306	-11					-87	3 188	-153	-215
28. Mortgage loans	21					17 071				346	104	688
29. Interest in retirement and life funds ⁷		-29				25			6 128			
30. Amounts receivable/payable.....	5 373	12 860	-4 229	-3 977	8 701	6 815		5	-12 846	-1 666	1 610	-9 938
31. Other assets/liabilities	-158	737	-2 546	-6 921	-2 353	6 699		381	-17 089	11 965	2 352	-10 755
32. Balancing item.....					-117	233			-29	321	118	-251

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

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

KB230

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 South African 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 2010¹

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					S
-14 229		-15 669		1 130		25 016		-2 084		35 756		1. Net saving ⁴
7 085		5 203		8 026		52 823		11 278		86 521		2. Consumption of fixed capital ⁴
	12 164	6 596		2 323		1 513	11	1 821	19	12 283	12 283	3. Capital transfers
	8 621		10 582		31 031		55 431		13 916		122 277	4. Gross capital formation ⁴
-27 929		-14 452		-19 552		23 910		-2 920		-		5. Net lending (+)/net borrowing (-) (S)
	-27 929		-14 452		-19 552		23 910		-2 920			6. Net financial investment (+) or (-) (U)
90 244		7 524		51 675		-24 196		31 115		219 053		7. Net incurrence of financial liabilities (Total S 9 - 32)
	62 315		-6 928		32 123		-286		28 195		219 053	8. Net acquisition of financial assets (Total U 9 - 32)
	25 187		5 537		576		-5 438		1 791	23 766	23 766	9. Gold and other foreign reserves
	4 464		1 619		5 751		-10 995		-2 737	45 710	45 710	10. Cash and demand monetary ⁵ deposits
	4 663		-104		-928		14 725		-2 799	-19 123	-19 123	11. Short/medium-term monetary ⁵ deposits
			5	127	-2 895		4 766		7 723	26 750	26 750	12. Long-term monetary ⁵ deposits
	3 664		-2			-6	-5 175		375	-7 703	-7 703	13. Deposits with other financial institutions
9 211							14 134			9 211	9 211	14. Deposits with other institutions
	2 018			4	72	-18 067	-14 126			-22 829	-22 829	15. Treasury bills
-218		-1 010		-2 209		-3 377		8 040		11 094	11 094	16. Other bills
7 048	1 642	1 763	2 587	5 420	2 199	19 760	3 255		3 951	26 120	26 120	17. Bank loans and advances
33 861					223					33 861	33 861	18. Trade credit and short-term loans
9 522					2 160				5	9 522	9 522	19. Short-term government bonds
-6 396									466	-6 396	-6 396	20. Long-term government bonds
		2 000					-2 582			2 000	2 000	21. Non-marketable government bonds ⁶
	1 399		-32	13 099					5	17 596	17 596	22. Securities of local governments
	-71	2 115	-46	-506	-621	-755	-10 290		1	-542	-542	23. Securities of public enterprises
	3 599			3 453	505	-5 147	30 498		1	9 203	9 203	24. Other loan stock and preference shares
-570	15 767	380	-52	26 979	-3 156	477	914	-309	-84	13 266	13 266	25. Ordinary shares
			-5	22		5 573		12 380		18 100	18 100	26. Foreign branch/head office balances
	-559				-8 359		-1 066		16 116	6 128	6 128	27. Long-term loans
18 496	542	258	-9 857	-5 964	20 066	-14 326	-10 839	10 319	3 381	7 392	7 392	28. Mortgage loans
18 967		2 014	-6 434	11 187	16 398	-8 619	-8 429	-114		3 641	3 641	29. Interest in retirement and life funds ⁷
323		4	-144	63	132	291	362			653	653	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 South African 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 2010¹

R millions

Sectors Transaction items	Financial intermediaries											
	Foreign sector		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	17 596		385		11 107				3 541		795	
2. Consumption of fixed capital ⁴			7		1 946				125		56	
3. Capital transfers	33	88										
4. Gross capital formation ⁴						4 225				150		717
5. Net lending (+)/net borrowing (-) (S)	17 541		392		8 828				3 516		134	
6. Net financial investment (+) or (-) (U)		17 541		392		8 828				3 516		134
7. Net incurrence of financial liabilities (Total S 9 - 32)	-836		13 314		44 099		20 119		14 893		28 045	
8. Net acquisition of financial assets (Total U 9 - 32)		16 705		13 706		52 927		20 119		18 409		28 179
9. Gold and other foreign reserves	3 744			3 744								
10. Cash and demand monetary ⁵ deposits		1 411	2 116	-806	28 470	-2 233		14 342		7 727		-10 729
11. Short/medium-term monetary ⁵ deposits		-225	-74	-495	-41 406					2 096		-28 991
12. Long-term monetary ⁵ deposits		-3 757	20		47 948			-3 238		1 547		44 502
13. Deposits with other financial institutions	-7	8				-3 177		8 261		2 624	22 125	
14. Deposits with other institutions	-16 290					5 117	20 119	-3 863	-3 863	17 407		-21 473
15. Treasury bills				73		12 265				1 103		3 459
16. Other bills	4 904		456	5 695	2 502	1 539		306		555	205	6 774
17. Bank loans and advances	350		-5 274	-341	-357	54			20		4 527	
18. Trade credit and short-term loans	6 764	-15 190	-2 310	25	13 160	8 266		1	4 793	604	-748	6 659
19. Short-term government bonds		-1		-78		8 132				-11 394		-1 348
20. Long-term government bonds		1 349				-5 735		-2 924		43 545		4 811
21. Non-marketable government bonds ⁶		-727		-210		8 861						
22. Securities of local governments						-90				-2 144		-266
23. Securities of public enterprises	817	1 013	4 902			4 753		5 673		-21 478	-1 926	343
24. Other loan stock and preference shares	2 497	-800	-33		-1 040	6 746		1 913	544	-1 721	-20	405
25. Ordinary shares	1 241	11 102			1 181	-3 791		2 970	46	-17 497		4 067
26. Foreign branch/head office balances												
27. Long-term loans	1 210	3 418	9 012	-63					49	5 483	4 995	-196
28. Mortgage loans	169					7 602				-135	162	-115
29. Interest in retirement and life funds ⁷		-75				531			12 321			
30. Amounts receivable/payable	-10 295	11 106	-2	9	9 955	4 943		-31	6 391	-9 037	-1 033	6 395
31. Other assets/liabilities	4 060	8 073	4 501	6 153	-16 235	-642		-3 291	-5 306	-657	-181	13 662
32. Balancing item					-79	-214			-102	-219	-61	220

S = Sources, i.e. net increase in liabilities at transaction value.
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KB230

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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 second quarter 2010¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		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
-27 269		-12 732		3 084		33 674		9 873		40 054		1. Net saving ⁴
7 195		5 284		8 153		53 636		11 485		87 887		2. Consumption of fixed capital ⁴
	8 774	2 723		1 651		823	12	3 665	21	8 895	8 895	3. Capital transfers
	8 086		11 627		30 914		58 152		14 070		127 941	4. Gross capital formation ⁴
-36 934		-16 352		-18 026		29 969		10 932		-		5. Net lending (+)/net borrowing (-) (S)
	-36 934		-16 352		-18 026		29 969		10 932			6. Net financial investment (+) or (-) (U)
51 853		8 598		23 075		805		6 731		210 696		7. Net incurrence of financial liabilities (Total S 9 - 32)
	14 919		-7 754		5 049		30 774		17 663		210 696	8. Net acquisition of financial assets (Total U 9 - 32)
	24 934		-5 642		-138		-5 102		6 822	3 744	3 744	9. Gold and other foreign reserves
	-6 735		-5 408		-12 442		8 767		1 953	30 586	30 586	10. Cash and demand monetary ⁵ deposits
	-504		84		5 651		5 345		-1 662	-41 480	-41 480	11. Short/medium-term monetary ⁵ deposits
			1	137	603		7 473		6 462	47 968	47 968	12. Long-term monetary ⁵ deposits
	2 139		1				477		154	22 255	22 255	13. Deposits with other financial institutions
10 250							-6 650			-41	-41	14. Deposits with other institutions
	-2 297			8	1 732	17 800	11 571			10 250	10 250	15. Treasury bills
-1 362		2 468		1 410		-6 636		4 567		25 875	25 875	16. Other bills
-243	616	-1 267	2 357	2 691	16	-17 687	2 856	-193	-1 250	-287	-287	17. Bank loans and advances
-4 689										4 960	4 960	18. Trade credit and short-term loans
40 844					-202					-4 689	-4 689	19. Short-term government bonds
8 422									498	40 844	40 844	20. Long-term government bonds
		-1 005					1 495			8 422	8 422	21. Non-marketable government bonds ⁶
	1 130		41	-12 315					3	-1 005	-1 005	22. Securities of local governments
	181	97	746	-98	1 049	4 658	-1 914			-8 522	-8 522	23. Securities of public enterprises
	-2 381			-2 331	-670	-4 480	1 856		1	6 605	6 605	24. Other loan stock and preference shares
-994	11 065	7 177	-2	24 304	2 690	-10 857	12 365	-28	108	-4 343	-4 343	25. Ordinary shares
		93	4	4		500		6 428		34 868	34 868	26. Foreign branch/head office balances
	-413				8 329		-4 478		8 427	7 356	7 356	27. Long-term loans
-375	-12 816	-115	-4	-3 867	2 039	5 569	3 538	-3 939	-3 853	12 321	12 321	28. Mortgage loans
		1 112	51	12 849	-3 456	12 293	-6 904	-104		7 356	7 356	29. Interest in retirement and life funds ⁷
		38	17	283	-152	-348	79			2 289	2 289	30. Amounts receivable/payable
										12 989	12 989	31. Other assets/liabilities
										-269	-269	32. Balancing item

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

KB231

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5. Namely deposits with the South African 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 third quarter 2010¹

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	26 374		386		10 924				1 711				-347	
2. Consumption of fixed capital ⁴			7		1 983				127				58	
3. Capital transfers	36	91												
4. Gross capital formation ⁴						6 848						196		464
5. Net lending (+)/net borrowing (-) (S)	26 319		393		6 059				1 642				-753	
6. Net financial investment (+) or (-) (U)		26 319		393		6 059						1 642		-753
7. Net incurrence of financial liabilities (Total S 9 - 32)	26 297		-1 802		61 649		26 017		45 160				64 585	
8. Net acquisition of financial assets (Total U 9 - 32)		52 616		-1 409		67 708		26 017		46 802				63 832
9. Gold and other foreign reserves	3 217			3 217										
10. Cash and demand monetary ⁵ deposits		-1 603	8 612	-1 649	7 566	2 359		-597		2 902				7 145
11. Short/medium-term monetary ⁵ deposits		6 462	22	811	24 078			10 898		2 703				753
12. Long-term monetary ⁵ deposits		-1 740	20	2 745	21 900			684		4 892				22 173
13. Deposits with other financial institutions		9				-517		-4 663		1 471	26 122			
14. Deposits with other institutions	8 167					17 314	26 017	-3 364	-3 364	23 012				-470
15. Treasury bills				1 200		-5 074		1 478		2 165				-1 859
16. Other bills	-10 009		334	-6 120	-372	478		25	-362	-3 050	-3 583		8 561	
17. Bank loans and advances	5 269		5 024	11 661	11 681	41 524			-12		1 087			
18. Trade credit and short-term loans	-2 812	-7 363	-806	-187	-14 500	-4 071			7 223	-19 096	-217		-14 103	
19. Short-term government bonds		-4		280		-15 065		-2 678		-971				-291
20. Long-term government bonds		35 758		47		8 330		-226		3 439				-764
21. Non-marketable government bonds ⁶		-310		1 221		-187								
22. Securities of local governments						30		122		72				560
23. Securities of public enterprises	-599	5 879	-1 101			-2 392		6 958		-10 059	-45		125	
24. Other loan stock and preference shares	3 799	-505	2 062		-1 082	-1 436		551	-458	30 007	-158		6 536	
25. Ordinary shares	10 936	5 178			6 533	-864		16 047	-380	-14 002			36 378	
26. Foreign branch/head office balances														
27. Long-term loans	2 990	8 909	-14 320		4 465				-69	12 858	680		-84	
28. Mortgage loans	37					21 238				392	105		297	
29. Interest in retirement and life funds ⁷		161				284			17 244					
30. Amounts receivable/payable	11 935	2 693	-1 629	-7 051	1 216	2 491		-9	17 064	16 413	29 520		7 061	
31. Other assets/liabilities	-6 633	-908	-20	-7 584	123	3 200		791	7 955	-6 260	10 806		-8 139	
32. Balancing item					41	66			319	-86	268		-47	

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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 third quarter 2010¹

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	Transaction items		
-11 010		-15 361		5 164		35 715		-11 475		42 081		1. Net saving ⁴
7 312		5 215		8 269		53 659		11 605		88 235		2. Consumption of fixed capital ⁴
	10 538	5 003		1 186		416	13	4 024	23	10 665	10 665	3. Capital transfers
	8 372		11 537		33 522		55 192		14 185		130 316	4. Gross capital formation ⁴
-22 608		-16 680		-18 903		34 585		-10 054		-		5. Net lending (+)/net borrowing (-) (S)
	-22 608		-16 680		-18 903		34 585		-10 054			6. Net financial investment (+) or (-) (U)
13 819		19 894		28 930		12 107		43 524		340 180		7. Net incurrence of financial liabilities (Total S 9 - 32)
	-8 789		3 214		10 027		46 692		33 470		340 180	8. Net acquisition of financial assets (Total U 9 - 32)
	-7 078		1 388		-91		8 024		5 378	3 217	3 217	9. Gold and other foreign reserves
	2 862		1 399		12 156		-8 714		-5 230	16 178	16 178	10. Cash and demand monetary ⁵ deposits
	1 747		-406		1 365		-12 271		2 731	24 100	24 100	11. Short/medium-term monetary ⁵ deposits
			-107	196	4 410		10 491		15 224	21 920	21 920	12. Long-term monetary ⁵ deposits
	3 087					32	-8 902		175	26 318	26 318	13. Deposits with other financial institutions
6 185							8 275			30 852	30 852	14. Deposits with other institutions
	-1 091			7	2 056	8 548	-6 296			6 185	6 185	15. Treasury bills
		1 920		1 820		12 485		14 007		-5 437	-5 437	16. Other bills
-96		3 332	717	1 472	943	-17 087	12 481	-4 622	2 126	53 185	53 185	17. Bank loans and advances
-187	349									-28 204	-28 204	18. Trade credit and short-term loans
-18 749							-1		-19	-18 749	-18 749	19. Short-term government bonds
40 190					-6 394					40 190	40 190	20. Long-term government bonds
2 424									1 700	2 424	2 424	21. Non-marketable government bonds ⁶
		815					31			815	815	22. Securities of local governments
	1 451		-33	3 679					5	1 934	1 934	23. Securities of public enterprises
	-79	-164	-37	184	1 163	30 830	-1 178		-9	35 013	35 013	24. Other loan stock and preference shares
				18 290	40	10 181	3 169		-386	45 560	45 560	25. Ordinary shares
				10 091	-711	9 315	7 122	-33	-2	17 544	17 544	26. Foreign branch/head office balances
-281	-10 544	4 706	-4	3		5 736		15 849		21 741	21 741	27. Long-term loans
		11	-186							17 244	17 244	28. Mortgage loans
	-98				-87		5 558		11 426	17 244	17 244	29. Interest in retirement and life funds ⁷
-15 667	605	-196	-151	-8 578	-723	-31 086	-1 138	17 963	351	20 542	20 542	30. Amounts receivable/payable
		9 352	476	1 575	-4 075	-16 913	29 104	360		6 605	6 605	31. Other assets/liabilities
		118	158	191	-25	66	937			1 003	1 003	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 fourth quarter 2010¹

R millions

Transaction items	Foreign sector		Financial intermediaries									
	S	U	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
1. Net saving ⁴	4 801		-241		14 394				5 021		-5 954	
2. Consumption of fixed capital ⁴			7		2 004				130		60	
3. Capital transfers	39	95										
4. Gross capital formation ⁴						4 199				192		466
5. Net lending (+)/net borrowing (-) (S)	4 745		-234		12 199				4 959		-6 360	
6. Net financial investment (+) or (-) (U)		4 745		-234		12 199				4 959		-6 360
7. Net incurrence of financial liabilities (Total S 9 - 32)	18 810		-22 009		45 591		22 982		45 603		41 382	
8. Net acquisition of financial assets (Total U 9 - 32)		23 555		-22 243		57 790		22 982		50 562		35 022
9. Gold and other foreign reserves	-2 104			-2 104								
10. Cash and demand monetary ⁵ deposits		605	-1 141	979	18 208	1 423		555		-6 551		-3 497
11. Short/medium-term monetary ⁵ deposits		-6 088	-13	1 244	67 118			5 783		1 903		41 225
12. Long-term monetary ⁵ deposits		170	18	-838	-42 810					158		-30 225
13. Deposits with other financial institutions	2 379	-73				924		12 999		2 395	27 381	2 379
14. Deposits with other institutions	12 294					13 424	22 982	8 436	8 436	19 257		1 234
15. Treasury bills				-802		6 052		-1 478		3 350		1 355
16. Other bills	-10 054		-1 645	-16 031	-1 322	-1 948		902		-13	-271	3 581
17. Bank loans and advances	6 252		-1 908	-2 724	-2 700	12 025					46	
18. Trade credit and short-term loans	4 271	26 150	-1 162	72	31 391	-637			-3 370	-1 043	2 300	-5 471
19. Short-term government bonds				-80		-2 268				-1 818		-1 839
20. Long-term government bonds		-20 992		-50		10 086		11 378		32 068		6 291
21. Non-marketable government bonds ⁶		-543		-823								
22. Securities of local governments						-1 310				136		329
23. Securities of public enterprises	-85	-3 171	-888			-842		5 137		1 390	-1 786	77
24. Other loan stock and preference shares	3 868	-2 932	-2 108		-4 612	304		-1 446	1 414	13	-151	2 689
25. Ordinary shares	-1 752	17 537			437	8 236		-4 702	-42	11 823		35 398
26. Foreign branch/head office balances												
27. Long-term loans	3 132	10 737	-12 100	-2	1 891				52	8 816	-7 941	-114
28. Mortgage loans	11					1 908				-271	87	457
29. Interest in retirement and life funds ⁷		91				253			16 998			
30. Amounts receivable/payable	-4 235	11 224	57	4 903	-9 100	-4 072		-6	9 975	-6 341	16 185	-14 923
31. Other assets/liabilities	4 833	-9 160	-1 119	-5 987	-12 683	13 924		-14 576	12 105	-14 532	5 399	-3 693
32. Balancing item					- 227	308			35	-178	133	-231

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National financial account (continued)
Flow of funds for the fourth quarter 2010¹

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	
-1 807		-7 196		6 962		27 408		-386		43 002		1. Net saving ⁴
7 381		5 262		8 357		54 552		11 763		89 516		2. Consumption of fixed capital ⁴
	13 519	6 044		1 278		564	14	5 728	25	13 653	13 653	3. Capital transfers
	8 609		12 033		31 283		61 596		14 140		132 518	4. Gross capital formation ⁴
-16 554		-7 923		-14 686		20 914		2 940		-		5. Net lending (+)/net borrowing (-) (S)
	-16 554		-7 923		-14 686		20 914		2 940			6. Net financial investment (+) or (-) (U)
30 185		13 305		16 783		9 232		39 333		261 197		7. Net incurrence of financial liabilities (Total S 9 - 32)
	13 631		5 382		2 097		30 146		42 273		261 197	8. Net acquisition of financial assets (Total U 9 - 32)
	-1 625		747		-554		18 162		6 823	-2 104	-2 104	9. Gold and other foreign reserves
	-1 214		4 629		1 341		19 602		-1 320	17 067	17 067	10. Cash and demand monetary ⁵ deposits
	3 544		-443		-21		-15 524		387	67 105	67 105	11. Short/medium-term monetary ⁵ deposits
			18		-1 760		-2 118		14 974	-42 792	-42 792	12. Long-term monetary ⁵ deposits
	3 276						-2 158		110	29 738	29 738	13. Deposits with other financial institutions
							-4 801			43 579	43 579	14. Deposits with other institutions
3 676	-948						9 432			3 676	3 676	15. Treasury bills
				5	7 876	16 138				2 851	2 851	16. Other bills
3		-7		3 041		-8 240		12 814		9 301	9 301	17. Bank loans and advances
72	-702	991	283	-405	-9 860	-17 385	10 915	2 461	-543	19 164	19 164	18. Trade credit and short-term loans
-6 005										-6 005	-6 005	19. Short-term government bonds
40 868					2 087					40 868	40 868	20. Long-term government bonds
11 118									12 484	11 118	11 118	21. Non-marketable government bonds ⁶
		-30					815			-30	-30	22. Securities of local governments
	973		32	6 360					5	3 601	3 601	23. Securities of public enterprises
	-88	-786	28	-221	-3 653	-3 909	-1 419		-1	-6 505	-6 505	24. Other loan stock and preference shares
	1 315			1 218	72	28 073	-41 745			27 934	27 934	25. Ordinary shares
												26. Foreign branch/head office balances
-617	-9 886	1 107	-1	6 644	684	9 844	-8 177	46	1	2 058	2 058	27. Long-term loans
			-7	10		1 563		416		2 087	2 087	28. Mortgage loans
	-98				-955		4 457		13 250	16 998	16 998	29. Interest in retirement and life funds ⁷
-18 930	19 084	-72	-34	-2 613	-82	4 063	13 138	23 664	-3 897	18 994	18 994	30. Amounts receivable/payable
		12 076	97	2 575	6 692	-20 944	29 409	-68		2 174	2 174	31. Other assets/liabilities
		26	33	191	230	162	158			320	320	32. Balancing item

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