

Note on the flow of funds in South Africa's national financial account for the year 2011

by C Monyela and Z Nhleko¹

Introduction

This note presents a review of the latest national financial accounts' movement of funds across the main sectors of the economy and the utilisation of such funds at a transaction level. The quarterly accounts for 2011 are appended to this note, whereas the annual summary appears on pages S-44 to S-45 of this issue of the *Quarterly Bulletin*.

Total flow of funds in South Africa increased further in 2011 along with the somewhat improved domestic economic conditions. The analysis shows that while there was an increase in the level of funds circulating in the domestic economy, non-resident economic units also injected funds into the economy through various financial instruments.

Sectoral financing balances

Spending on capital projects rose further in 2011, with gross capital formation in South Africa increasing by 13 per cent from 2010 levels. Although capital expansion was widespread, the corporate business sector played a leading role as it contributed 73 per cent of the total gross capital formation. The corporate business sector's share of gross capital formation represented 14 per cent of gross domestic product, while its gross saving amounted to 13 per cent of gross domestic product. With the value of the capital expansion activity in excess of the combined value of the domestic sectors' gross saving, an amount equivalent to the balance of payments' current-account deficit had to be borrowed from the foreign sector to finance the shortfall. The saving and investment balances of the economy's main sectors for 2010 and 2011 are depicted in Table 1 below.

Table 1 Financing balances,^{1,2} 2010 and 2011

	2010			2011		
	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)
Foreign sector ³	74 733	-	74 733	98 544	-	98 544
Financial intermediaries.....	76 094	20 477	55 617	84 674	15 339	69 335
General government.....	-79 591	79 225	-158 816	-72 087	82 840	-154 927
Non-financial business enterprises						
Public	80 153	128 699	-48 545	60 186	130 281	-70 095
Private	308 523	233 912	74 610	335 566	298 664	36 902
Households ⁴	57 097	54 696	2 401	78 072	57 831	20 241
Total	517 009	517 009	-	584 955	584 955	-

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 would represent 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.

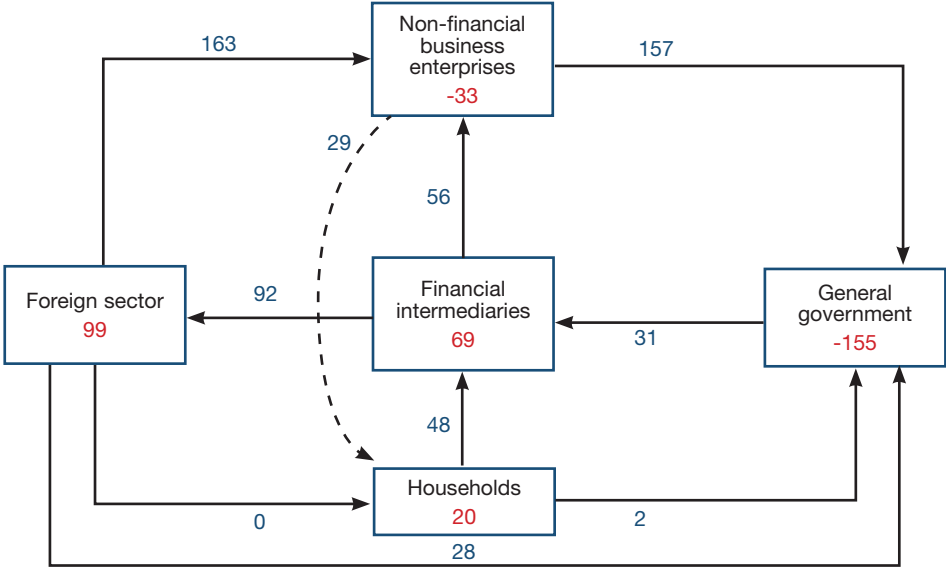
Within the domestic economy, the general government sector continued to report a deficit, albeit slightly less than in 2010, as domestic economic activity required more fiscal support. Financial intermediaries stepped up net lending as they recorded a surplus position of R69 billion – R14 billion more than in 2010.

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.

The *inter-sectoral diagram* below depicts financial interrelations among the main domestic sectors of the economy and the rest of the world. The foreign sector's net lending position of R99 billion reflected a domestic financing shortfall of the same magnitude in 2011. Non-residents' funds amounting to R163 billion were absorbed by the non-financial business sector. However, non-residents received funds amounting to R92 billion from financial intermediaries. The net lending position recorded by financial intermediaries enabled them to finance R56 billion of the non-financial business enterprises' shortfall, bringing it to R33 billion. The net lending position recorded by financial intermediaries enabled them to finance R56 billion of the non-financial business enterprises' shortfall, bringing it to R33 billion. The general government sector received funds amounting to R157 billion from the non-financial business enterprises.

Figure 1 Net inter-sectoral flows of funds, 2011

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 2011 economic agents exhibited preference for cash and deposits, as well as fixed-interest securities relative to other financial instruments, as depicted in Table 2. Although such preference does not reveal much about its demand- or supply-side origin, it shows the evolution of risk tolerance among agents. Credit extension was third in the rank as a preferred financial instrument, in line with stricter lending criteria and a fragile demand for mortgage funds. The latter's persistence could hamper economic activity.

Table 2 Flow of funds: Usage of main financial instruments,* 2011

	Percentage of total flows	
	2010	2011
Cash and deposits	22	25
Credit extension	13	14
Fixed-interest securities	14	15
Ordinary shares	5	1

* Values do not sum to 100 as only the main instruments are covered

Sectoral analysis

Depending on their financing positions, economic units embark on intermediation as informed by the perceived risk and return profiles of financial instruments. Below is a brief review of the individual sectors' usage of various financial instruments to meet their borrowing and investment requirements in 2011.

Foreign sector

Domestic economic units received funds from non-resident units to finance their excess spending in 2011. Through a mix of financial products, gross domestic saving was augmented by no less than R99 billion – 31 per cent higher than the R75 billion recorded in 2010. Funds were mainly extended through the acquisition of domestic bonds, long-term loans and other assets, which resulted in net financial assets acquisition of R175 billion by non-residents. Domestic units increased their foreign assets and acquired R33 billion's worth of gold and foreign reserves, R40 billion in equity and R63 billion in other bills. The prudent domestic economic and financial environment provides non-residents with a favourable investment destination, especially as the sovereign debt problems in the euro area proved difficult to stem.

Non-residents' net financial asset acquisition (4-quarter moving average)



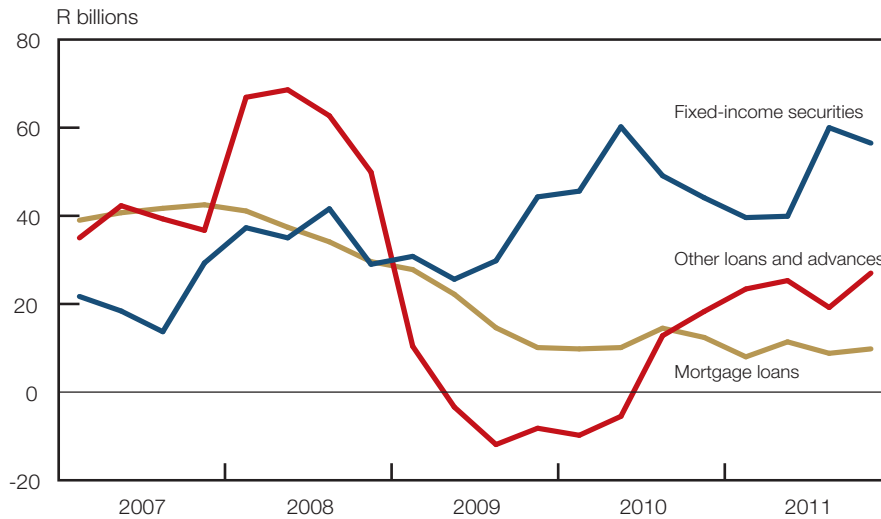
Financial intermediaries

At the centre of the flow of funds system lies the *financial intermediaries sector*, which comprises banks and non-bank financial institutions. These intermediaries channel funds to sectors where such funds are most needed.

While bank loans and advances recorded a modest recovery in 2011, intermediation through fixed-interest securities remained elevated and continued to surpass the loans and advances category. Investment in fixed-interest securities grew by R226 billion while total loans and advances recorded an increase of R181 billion. As a share of total financial intermediaries' flows, the fixed-interest asset portfolio represented 30 per cent in 2011 and total loans and advances accounted for 24 per cent. Within the total loans and advances category, mortgage lending was particularly subdued in 2011, whereas "other" loans and advances, which includes unsecured lending, rose briskly over the period. The gold and foreign-exchange reserves held by the monetary authority increased by R27 billion in 2010 and by R33 billion in 2011 as the central bank utilised available opportunities to build the country's reserves.



Financial intermediaries' asset portfolio flows (4-quarter moving average)

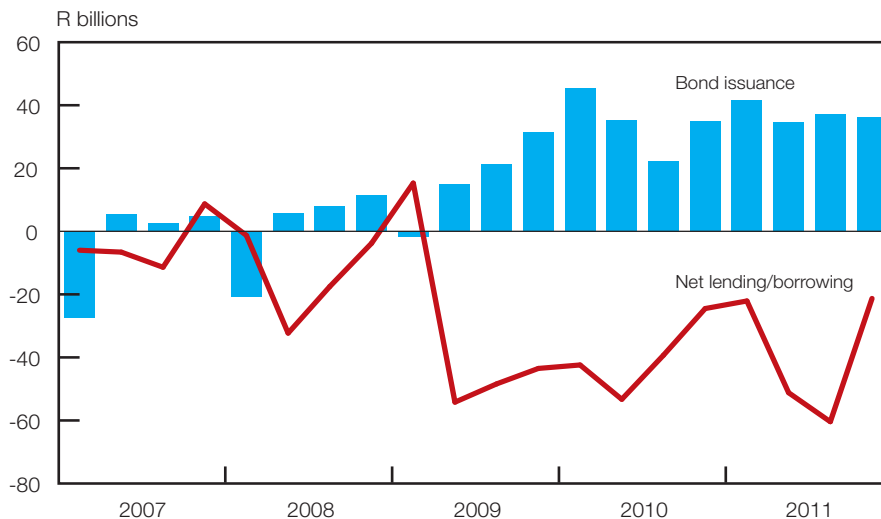


The funding activity of financial intermediaries was concentrated in deposits received amounting to R457 billion and contractual savings of R85 billion, thus bringing the sector's flows to R766 billion or 41 per cent of the total flows in the economy. The bulk of these deposits were received from the Public Investment Corporation, private corporate businesses and households. Over the past year intermediaries displayed a preference for a shorter lending duration while also holding more bonds. These trends were associated with risk-return considerations, as the returns on mortgage lending remained muted, alongside the strong supply of bonds emanating from the public sector.

General government

The *general government sector's* deficit position amounted to R155 billion in 2011 as spending commitments continued to surpass revenue collections. This was slightly less than the deficit of R159 billion recorded in 2010. The 2011 shortfall resulted from, among other things, higher personnel costs, capital spending and transfers to households. Government closed the financing shortfall by issuing bonds amounting to R149 billion and Treasury bills worth R26 billion in the domestic market, and by taking up loans amounting to R9 billion. The bulk of the issued government paper was absorbed by non-bank financial intermediaries while the Treasury bills were predominantly acquired by banks. Non-residents also acquired a sizeable part of the long-term government bonds to an amount of R31 billion in 2011.

General government funding



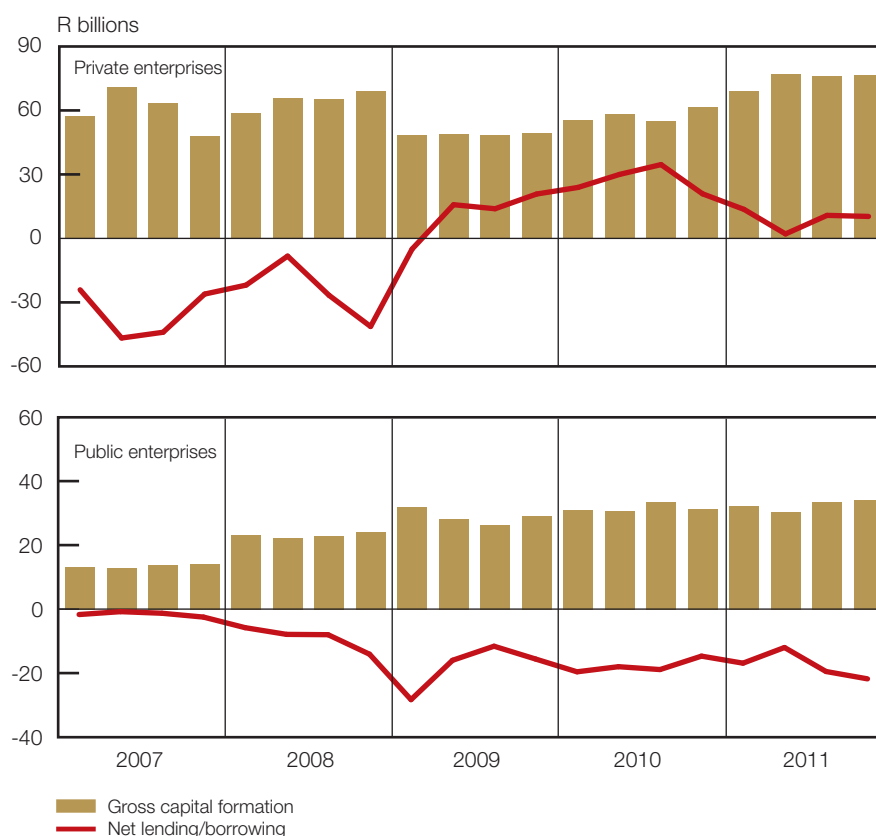
Corporate business enterprises

During 2011 the capital spending of *non-financial corporate businesses* amounted to R429 billion. Private non-financial corporate businesses played a key role as they accounted for R299 billion of this gross capital formation. As a share of the economy's total gross capital formation, private businesses' capital formation activity accounted for 51 per cent in 2011. The capital expansion was largely financed through retained earnings and the incurrence of loans and use of trade credit. Over the same period, private businesses increased their cash and deposit holdings by R45 billion.

Following brisk capital spending activity in 2010, public non-financial corporate businesses continued with infrastructural expansion in 2011 to an amount of R130 billion. Among the major capital projects funded were the Medupi and Kusile power stations, the multi-products pipeline, improvement of airport runways and taxiways and upgrading of roads. Public enterprises incurred a financing deficit of R70 billion in 2011, which was financed through the issuance of bills and bonds, and by taking up long-term loans.

This capital expansion is necessary as South Africa continues to seek ways to unlock supply-side bottlenecks and to increase the scope for future economic growth and employment creation.

Gross capital formation

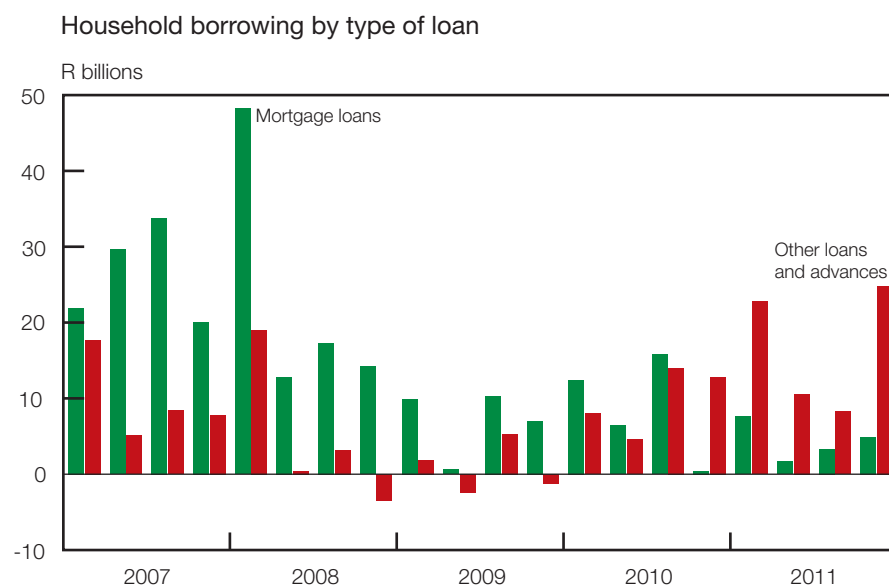


Households

The *household sector* recorded a modest financial surplus of R20 billion in 2011, and simultaneously increased its deposit holdings and interest in retirement and life funds. At the same time, the sector increased its incurrence of "other" loans and advances by R66 billion as unsecured borrowing and the use of instalment sale finance continued. By contrast, the sector's mortgage borrowing slowed due to, among other things, the subdued state of the



market for fixed property and a greater preference partly to finance property acquisition and home improvements through borrowing in other forms than mortgage finance. Households continued to be cautious in their incurrence of liabilities, as evidenced by a further decline of the household debt-to-disposable income ratio in 2011.



Summary and conclusion

The aggregate flow of funds in the South African economy increased in 2011 as economic activity continued to expand. Economic units participated with caution amid continued global economic fragilities. Lending institutions demonstrated a greater preference for shorter-term and fixed-interest instruments in their lending patterns.

The analysis of South Africa's national financial accounts for the year 2011 highlights the following:

- In spite of tough global funding conditions, foreign-sector inflows continued to supplement domestic saving in financing capital formation
- Capital formation, especially by non-financial business enterprises, expanded
- Financial intermediation took place mainly through deposits, non-mortgage loans and fixed-interest securities
- The household sector's interest in retirement and life funds increased
- The gold and foreign currency holdings of the monetary authority continued to increase
- General government's deficit narrowed slightly over the period.

Bibliography

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Nhleko, Z and Monyela, C. "Note on flow of funds in South Africa's national financial accounts for the year 2009". *Quarterly Bulletin*, 256. Pretoria: South African Reserve Bank, June 2010: 67–83.

South African Reserve Bank. *Quarterly Bulletin*, various issues.

National financial account

Flow of funds for the first quarter 2011¹

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	21 351		261		9 987				2 883		2 682	
2. Consumption of fixed capital ⁴			7		1 968				61		163	
3. Capital transfers	32	91										
4. Gross capital formation ⁴				20		2 175				1 015		467
5. Net lending (+)/net borrowing (-) (S)	21 292		248		9 780				1 929		2 378	
6. Net financial investment (+) or (-) (U)		21 292		248		9 780				1 929		2 378
7. Net incurrence of financial liabilities (Total S 9 – 32)	32 585		46 223		-8 959		23 925		39 859		16 691	
8. Net acquisition of financial assets (Total U 9 – 32).....		53 877		46 471		821		23 925		41 788		19 069
9. Gold and other foreign reserves	32 189			32 189								
10. Cash and demand monetary ⁵ deposits		-2 057	36 497	-231	-8 663	1 763		-8 220		3 707		34 383
11. Short/medium-term monetary ⁵ deposits		4 677	54	-231	-11 749			-13 474		-2 802		-37 252
12. Long-term monetary ⁵ deposits		776	-1 251	-92	30 784			5 848		2 055		16 816
13. Deposits with other financial institutions.....	-118	11				1 501		1 919		567	20 510	-118
14. Deposits with other institutions	-39 873					-39 148	23 925	7 919	7 919	20 625		5 893
15. Treasury bills				-471		-3 515				526		523
16. Other bills	16 586		-208	9 234	1 153	7 849		8 650		134	689	3 316
17. Bank loans and advances.....	-2 134		2 639	2 850	2 834	28 678			103		1 706	
18. Trade credit and short-term loans	3 945	648	1 032	12	-16 187	-12 661			3 280	6 860	-17 172	483
19. Short-term government bonds				-231		12 476		-5		7 430		-15 345
20. Long-term government bonds.....		7 877				-8 492		19 074		-14 591		-1 797
21. Non-marketable government bonds ⁶		-385		-6 103				-3				
22. Securities of local governments						-255		1 119		-111		-589
23. Securities of public enterprises	422	22 078	-4 538			-4 587		2 401		-8 931	-8 894	381
24. Other loan stock and preference shares	9 127	5 024	-4		4 089	12 082		-545	170	2 390	476	-6 959
25. Ordinary shares	26 048	2 128			2 438	-380		-9 470	644	-10 405		10 578
26. Foreign branch/head office balances												
27. Long-term loans.....	1 153	5 109	10 911		-511				-45	7 530	2 503	5 177
28. Mortgage loans	-378					-199				450	-185	451
29. Interest in retirement and life funds ⁷		88				15			19 406			
30. Amounts receivable/payable.....	-11 482	-7 320	-277	-3	-16 123	9 456		-328	2 912	16 088	16 252	2 230
31. Other assets/liabilities	-2 900	15 223	1 368	9 548	2 732	-3 571		9 040	5 352	10 199	605	674
32. Balancing item.....					244	-191			118	67	201	224

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 2011¹

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	
7 362		-14 596		5 725		26 189		-15 019		46 825		1. Net saving ⁴
7 506		5 341		8 531		56 127		12 020		91 724		2. Consumption of fixed capital ⁴
	15 042	7 440		1 279		415	11	5 999	21	15 165	15 165	3. Capital transfers
	8 857		11 217		32 388		69 088		13 322		138 549	4. Gross capital formation ⁴
-9 031		-13 032		-16 853		13 632		-10 343		-		5. Net lending (+)/net borrowing (-) (S)
	-9 031		-13 032		-16 853		13 632		-10 343			6. Net financial investment (+) or (-) (U)
46 606		6 964		32 421		55 579		43 917		335 811		7. Net incurrence of financial liabilities (Total S 9 – 32)
	37 575		- 6 068		15 568		69 211		33 574		335 811	8. Net acquisition of financial assets (Total U 9 – 32)
	7 886		5 298		1 453		-13 956		-2 192	32 189	32 189	9. Gold and other foreign reserves
	31 987		1 806		-5 567		7 593		1 568	27 834	27 834	10. Cash and demand monetary ⁵ deposits
	-648		227		2 641		3 138		-1 228	-11 695	-11 695	11. Short/medium-term monetary ⁵ deposits
	3 740		-10		550		3 419		12 553	29 533	29 533	12. Long-term monetary ⁵ deposits
									466	20 392	20 392	13. Deposits with other financial institutions
1 499						-56	-7 580			-8 085	-8 085	14. Deposits with other institutions
	-1 893			876	-9 083	6 349	7 238			1 499	1 499	15. Treasury bills
72		593		-35		2 920		22 830		25 445	25 445	16. Other bills
-4	11 687	-1 259	- 6 209	6 686	-2 159	29 031	10 580	-78	33	31 528	31 528	17. Bank loans and advances
24 448			6		20 117					9 274	9 274	18. Trade credit and short-term loans
16 165					14 094					24 448	24 448	19. Short-term government bonds
-5 680										16 165	16 165	20. Long-term government bonds
		963					799			-5 680	-5 680	21. Non-marketable government bonds ⁶
	656		-40	50 759			25 792		-1	963	963	22. Securities of local governments
	-192	13	-165	1 898	4 676	4 262	3 720			37 749	37 749	23. Securities of public enterprises
	41			122	483	-31 144	5 133			20 031	20 031	24. Other loan stock and preference shares
-454	-6 737	89	-23	-10 177	-789	6 061	-470	156	-111	-1 892	-1 892	25. Ordinary shares
			-6	-171		-6 203		7 633		9 686	9 686	26. Foreign branch/head office balances
	-196				-10 683		7 825		22 357	696	696	27. Long-term loans
3 114	-8 756	5 561	-7 050	-16 153	-4 541	28 089	26 168	13 369	-682	19 406	19 406	28. Mortgage loans
7 335		1 003	74	-1 288	4 282	16 052	-15 203	7		25 262	25 262	29. Interest in retirement and life funds ⁷
111		1	24	-96	94	218	579			30 266	30 266	30. Amounts receivable/payable
										797	797	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 2011¹

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	21 062		318		12 281				2 810		4 338	
2. Consumption of fixed capital ⁴			8		1 988				62		169	
3. Capital transfers	36	97										
4. Gross capital formation ⁴				15		2 506				755		225
5. Net lending (+)/net borrowing (-) (S)	21 001		311		11 763				2 117		4 282	
6. Net financial investment (+) or (-) (U)		21 001		311		11 763				2 117		4 282
7. Net incurrence of financial liabilities (Total S 9 – 32)	31 364		14 073		69 930		21 928		47 608		11 171	
8. Net acquisition of financial assets (Total U 9 – 32)		52 365		14 384		81 693		21 928		49 725		15 453
9. Gold and other foreign reserves	2 360			2 360								
10. Cash and demand monetary ⁵ deposits		1 403	8 072	410	9 102	2 570		3 473		-27		-3 849
11. Short/medium-term monetary ⁵ deposits		4 501	-146	771	11 159					5 272		-6 394
12. Long-term monetary ⁵ deposits		107		-720	22 935			5 641		-575		12 699
13. Deposits with other financial institutions	890	1				1 092		3 741		908	4 863	890
14. Deposits with other institutions	15 516					15 864	21 928	21 637	21 637	19 839		-86
15. Treasury bills				73		14 980				-6 917		-4 508
16. Other bills	20 008			23 702	80	-52		-1 995		753	1 217	-9 921
17. Bank loans and advances	-2 170		-1 996	3 244	3 311	3 775			493		-2 631	
18. Trade credit and short-term loans	-2 134	8 727	305	-1	7 127	10 226			4 852	-13 130	8 629	13 507
19. Short-term government bonds				69		-8 043		-2 401		11 463		16
20. Long-term government bonds		9 852				5 923		-2 981		31 293		4 845
21. Non-marketable government bonds ⁶		-961		-660				-3				
22. Securities of local governments						-9				-259		742
23. Securities of public enterprises	226	-21 973	1 670			1 341		-1 127		5 493	2 418	-956
24. Other loan stock and preference shares	3 619	3 449	3		6 255	-1 486		-2 396	-5 629	129	-199	4 566
25. Ordinary shares	12 927	11 620			1 944	2 637		-6 833	36	18 394		1 339
26. Foreign branch/head office balances												
27. Long-term loans	-923	3 703	3 304	-1	496			-8	47	2 042	-984	335
28. Mortgage loans	-28					20 943				-396	234	293
29. Interest in retirement and life funds ⁷		174				39			23 005			
30. Amounts receivable/payable	-5 425	21 186	1 448	47	-11 689	-1 587		5 180	-5 495	-22 943	-5 422	1 721
31. Other assets/liabilities	-13 502	10 576	1 413	-14 910	19 157	13 360			8 496	-1 460	2 784	161
32. Balancing item					53	120			166	-154	262	53

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KB230

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National financial account (continued)
Flow of funds for the second quarter 2011¹

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
-17 483		-20 838		8 822		22 264		19 177		52 751		1. Net saving ⁴
7 565		5 401		8 789		56 863		12 271		93 116		2. Consumption of fixed capital ⁴
	10 264	4 386		810		229	13	4 936	23	10 397	10 397	3. Capital transfers
	8 809		11 117		30 373		77 241		14 826		145 867	4. Gross capital formation ⁴
-28 991		-22 168		-11 952		2 102		21 535		-		5. Net lending (+)/net borrowing (-) (S)
	-28 991		-22 168		-11 952		2 102		21 535			6. Net financial investment (+) or (-) (U)
53 061		15 229		-3 899		-42 633		15 089		232 921		7. Net incurrence of financial liabilities (Total S 9 – 32)
	24 070		-6 939		-15 851		-40 531		36 624		232 921	8. Net acquisition of financial assets (Total U 9 – 32)
	11 139		-7 242		-91		877		8 511	2 360	2 360	9. Gold and other foreign reserves
	11 737		-7 194		1 626		-8 032		8 726	17 174	17 174	10. Cash and demand monetary ⁵ deposits
	1 968		62		-257		2 648		1 362	11 013	11 013	11. Short/medium-term monetary ⁵ deposits
	3 055		3 330		-1 160		-6 560		3 511	22 935	22 935	12. Long-term monetary ⁵ deposits
			-115						239	5 753	5 753	13. Deposits with other financial institutions
8 010						-2	-1 354			59 079	59 079	14. Deposits with other institutions
	93				6 372		-2 664			8 010	8 010	15. Treasury bills
				-489		-4 528				16 288	16 288	16. Other bills
-524		626		292		-973		10 591		7 019	7 019	17. Bank loans and advances
4	-29 375	6 853	4 895	-23 787	2 950	-14 183	-9 633	4 336	3 836	-7 998	-7 998	18. Trade credit and short-term loans
-1 093			23		-2 220					-1 093	-1 093	19. Short-term government bonds
34 987			-25		-13 926				6	34 987	34 987	20. Long-term government bonds
-1 428									196	-1 428	-1 428	21. Non-marketable government bonds ⁶
		818					344			818	818	22. Securities of local governments
	224			-47 102			-25 792		2	-42 788	-42 788	23. Securities of public enterprises
	-135	-112	-695	17 876	5 882	-19 734	-7 235			2 079	2 079	24. Other loan stock and preference shares
	-127			8 961	-462	10 772	8 081		-9	34 640	34 640	25. Ordinary shares
												26. Foreign branch/head office balances
-967	27 393	4 811	-24	25 890	1 441	409	-2 819	92	113	32 175	32 175	27. Long-term loans
		348	-93	-4		18 480		1 717		20 747	20 747	28. Mortgage loans
	-444				10 806		-133		12 563	23 005	23 005	29. Interest in retirement and life funds ⁷
14 072	-1 458	-129	2 459	10 354	286	-14 224	-18 875	94	-2 432	-16 416	-16 461	30. Amounts receivable/payable
		2 011	-2 240	3 833	-26 824	-18 315	25 473	-1 741		4 136	4 136	31. Other assets/liabilities
		3	-80	277	-274	-335	761			426	426	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 2011¹

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	34 931		566		10 319				4 977		3 348	
2. Consumption of fixed capital ⁴			8		2 003				64		177	
3. Capital transfers	39	99										
4. Gross capital formation ⁴				18	2 540					198	238	
5. Net lending (+)/net borrowing (-) (S)	34 871		556		9 782				4 843		3 287	
6. Net financial investment (+) or (-) (U)		34 871		556	9 782					4 843	3 287	
7. Net incurrence of financial liabilities (Total S 9 – 32)	-12 149		71 497		121 131		24 184		17 517		12 593	
8. Net acquisition of financial assets (Total U 9 – 32)		22 722		72 053	130 913		24 184		22 360		15 880	
9. Gold and other foreign reserves	-394			-394								
10. Cash and demand monetary ⁵ deposits		-1 900	15 661	-978	-982	2 326		7 204		-534		-605
11. Short/medium-term monetary ⁵ deposits		5 701	-89	834	52 174			11 817		5 406		1 003
12. Long-term monetary ⁵ deposits		825		819	1 929			-4 552		-448		4 795
13. Deposits with other financial institutions	-694	-23				7 485		2 419		2 657	10 022	-694
14. Deposits with other institutions	-833					-1 701	24 184	1 996	1 996	20 922		8 104
15. Treasury bills				-73		9 354				-3 504		1 419
16. Other bills	32 849			28 844	-343	1 672		-2 135		-1 434	-1 688	-2 697
17. Bank loans and advances	-1 565		648	1 178	1 144	27 735			-67		17 092	
18. Trade credit and short-term loans	-10 023	15 991	3 031	-9	21 093	6 617			-446	-11 532	2 192	1 013
19. Short-term government bonds		-10		64		-3 266		-3 234		9 645		7 364
20. Long-term government bonds		13 320		-1 176		7 020		3 369		15 573		-1 994
21. Non-marketable government bonds ⁶		-397		2 763				1				
22. Securities of local governments						118				-332		27
23. Securities of public enterprises	437	111	4 468			5 496		2 576		757	-2 327	1 121
24. Other loan stock and preference shares	5 774	-4 925	-3		5 949	24 431		1 103	-2 536	1 666	467	-482
25. Ordinary shares	-3 040	-24 423			3 092	-125		9 677	93	22 173		-682
26. Foreign branch/head office balances												
27. Long-term loans	-3 634	5 387	47 663	5	-1 902			-330	288	-3 342	4 246	1 426
28. Mortgage loans	-1 062					11 597				-357	185	445
29. Interest in retirement and life funds ⁷		241				-17			20 566			
30. Amounts receivable/payable	-29 897	5 239	250	29	25 875	13 361		-5 727	-11 565	-14 778	-19 802	-6 313
31. Other assets/liabilities	- 67	7 585	-132	40 147	13 076	18 608			8 891	-20 133	2 155	2 473
32. Balancing item					26	202			297	-45	51	157

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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 2011¹

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		
-30 399		-14 688		4 563		28 617		11 210		53 444		1. Net saving ⁴
7 678		5 533		8 922		57 834		12 493		94 712		2. Consumption of fixed capital ⁴
	10 712	2 888		456		318	14	7 149	25	10 850	10 850	3. Capital transfers
	9 379		11 320		33 455		75 932		15 076		148 156	4. Gross capital formation ⁴
-42 812		-17 587		-19 514		10 823		15 751		-		5. Net lending (+)/net borrowing (-) (S)
	-42 812		-17 587		-19 514		10 823		15 751			6. Net financial investment (+) or (-) (U)
48 578		9 296		45 552		12 622		18 736		369 557		7. Net incurrence of financial liabilities (Total S 9 – 32)
	5 766		- 8 291		26 038		23 445		34 487		369 557	8. Net acquisition of financial assets (Total U 9 – 32)
	-3 484		3 784		-1 037		-3 431		13 334	-394	-394	9. Gold and other foreign reserves
	-10 787		4 034		11 539		16 333		6 205	14 679	14 679	10. Cash and demand monetary ⁵ deposits
	-918		-100		17		-2 421		3 912	52 085	52 085	11. Short/medium-term monetary ⁵ deposits
			4		949		5 780		-9 249	1 929	1 929	12. Long-term monetary ⁵ deposits
	3 348		-2				-7 588		238	9 328	9 328	13. Deposits with other financial institutions
7 570						-30	374			25 317	25 317	14. Deposits with other institutions
	-130			-1 338	-1 365	294	7 019			7 570	7 570	15. Treasury bills
403		-1 799		-7 493		12 264		8 286		29 774	29 774	16. Other bills
	3 307	339	3 210	6 648	364	-5 896	1 604	4 730	1 103	28 913	28 913	17. Bank loans and advances
943							-9 602		-18	21 668	21 668	18. Trade credit and short-term loans
36 139					29				-2	943	943	19. Short-term government bonds
3 294									927	36 139	36 139	20. Long-term government bonds
		-4					183			3 294	3 294	21. Non-marketable government bonds ⁶
	1 111			8 525					-69	-4	-4	22. Securities of local governments
	-23	-39	74	2 838	9 332	5 158	-13 569		1	11 103	11 103	23. Securities of public enterprises
				-1 379		-2 396	-10 250			17 608	17 608	24. Other loan stock and preference shares
-559	46 512	-183	297	3 088	-1 062	-1 239	-1 345	-206	14	-3 630	-3 630	25. Ordinary shares
		-312		50		9 549		3 275		47 562	47 562	26. Foreign branch/head office balances
	-65				84		436		19 887	11 685	11 685	27. Long-term loans
788	-33 105	9 612	-10 302	24 027	7 522	-32 534	14 892	2 268	-1 796	20 566	20 566	28. Mortgage loans
		1 511	-9 217	10 439	-251	27 294	24 338	383		11 685	11 685	29. Interest in retirement and life funds ⁷
		171	-73	147	-83	158	692			20 566	20 566	30. Amounts receivable/payable
										63 550	63 550	31. Other assets/liabilities
										850	850	32. Balancing item

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

National financial account

Flow of funds for the fourth quarter 2011¹

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	21 441		297		13 231				2 163		5 260	
2. Consumption of fixed capital ⁴			8		2 017				65		185	
3. Capital transfers	40	101										
4. Gross capital formation ⁴				12	4 703					198		254
5. Net lending (+)/net borrowing (-) (S)	21 380		293		10 545				2 030		5 191	
6. Net financial investment (+) or (-) (U)		21 380		293	10 545					2 030		5 191
7. Net incurrence of financial liabilities (Total S 9 – 32)	24 386		-2 673		86 149		18 586		18 389		31 793	
8. Net acquisition of financial assets (Total U 9 – 32)		45 766		-2 380	96 694		18 586		20 419		36 984	
9. Gold and other foreign reserves	-1 444			-1 444								
10. Cash and demand monetary ⁵ deposits		3 553	12 877	362	66 832	7 309		749		-2 895		1 995
11. Short/medium-term monetary ⁵ deposits		-5 794	45	-2 774	39 271			242		-7 201		19 930
12. Long-term monetary ⁵ deposits		8 079		-1 913	6 230			-452		646		-10 583
13. Deposits with other financial institutions	-758	-78				3 467		2 544		1 510	12 025	-758
14. Deposits with other institutions	35 776					37 191	18 586	-872	-872	14 408		1 816
15. Treasury bills				74		15 892				-552		-3 291
16. Other bills	-6 265			1 608	4 808	-5 441		1 597		-126	-484	-10 036
17. Bank loans and advances	-6 852		2 067	4 708	4 715	35 859			24		-401	
18. Trade credit and short-term loans	-7 316	2 133	-313		-27 356	4 113			3 164	7 797	2 029	-1 521
19. Short-term government bonds				31		-56		14 156		13 436		115
20. Long-term government bonds		-319		-1 762		5 732		-9 424		2 591		11 704
21. Non-marketable government bonds ⁶		-728		7 170				-3				
22. Securities of local governments						26		54		100		252
23. Securities of public enterprises	232	-2	-10 316			-9 773		2 373		400	2 438	-605
24. Other loan stock and preference shares	2 993	-139			-5 996	6 286		212	-476	1 184	-453	4 534
25. Ordinary shares	3 549	4 371			205	1 274		2 673	11	-58 955		41 196
26. Foreign branch/head office balances												
27. Long-term loans	-9 170	19 798	-1 840	4	2 412				58	7 081	3 908	2 385
28. Mortgage loans	-138					5 108				-12	9	713
29. Interest in retirement and life funds ⁷		230				39			22 260			
30. Amounts receivable/payable	19 217	6 171	-2 425	-3 372	-20 150	6 796		4 737	-2 230	29 985	17 024	-18 748
31. Other assets/liabilities	-5 438	8 491	-2 768	-5 072	15 133	-17 096			-3 412	10 766	-4 226	-1 836
32. Balancing item					45	-32			-138	256	-76	-278

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National financial account (continued)
Flow of funds for the fourth quarter 2011¹

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	
14 104		-14 072		2 634		27 234		-16 779		55 513			1. Net saving ⁴
7 822		5 671		9 064		59 325		12 713		96 870			2. Consumption of fixed capital ⁴
	17 936	5 246		591		203	14	11 997	26	18 077	18 077		3. Capital transfers
	10 254		11 887		34 065		76 403		14 607		152 383		4. Gross capital formation ⁴
-6 264		-15 042		-21 776		10 345		-6 702		-			5. Net lending (+)/net borrowing (-) (S)
	-6 264		-15 042		-21 776		10 345		-6 702				6. Net financial investment (+) or (-) (U)
50 729		8 727		11 844		-12 030		38 369		274 269			7. Net incurrence of financial liabilities (Total S 9 – 32)
	44 465		-6 315		-9 932		-1 685		31 667		274 269		8. Net acquisition of financial assets (Total U 9 – 32)
	25 207		-45		1 120		35 919		6 435	-1 444	-1 444		9. Gold and other foreign reserves
	14 041		3 630		2 314		10 370		4 558	79 709	79 709		10. Cash and demand monetary ⁵ deposits
	333		-41		-2 674		10 054		2 781	6 230	6 230		11. Short/medium-term monetary ⁵ deposits
	3 001		209		979		2 490		904	11 267	11 267		12. Long-term monetary ⁵ deposits
						32	-2 223		201	53 522	53 522		13. Deposits with other financial institutions
8 808							-3 315			8 808	8 808		14. Deposits with other institutions
	3 249			2 910	-5 424	-6 660	8 882			-5 691	-5 691		15. Treasury bills
-160		1 096		4 194		11 047		24 837		40 567	40 567		16. Other bills
	-117	1 861	446	150	992	11 409	-29 161	1 257	203	-15 115	-15 115		17. Bank loans and advances
27 699					1				16	27 699	27 699		18. Trade credit and short-term loans
8 568					65				-19	8 568	8 568		19. Short-term government bonds
7 304									865	7 304	7 304		20. Long-term government bonds
		-156					-588			-156	-156		21. Non-marketable government bonds ⁶
	699			809					71	-6 837	-6 837		22. Securities of local governments
	-165	-30	-6	195	-7 840	-1 232	-9 065			-4 999	-4 999		23. Securities of public enterprises
	2 070			9 642	8	-25 388	-4 618			-11 981	-11 981		24. Other loan stock and preference shares
-991	-2 208	-357	114	2 059	628	21 349	-10 370		-4	17 428	17 428		25. Ordinary shares
			-6	16		1 038		4 878		5 803	5 803		26. Foreign branch/head office balances
	-65				2 941		3 338		15 777	22 260	22 260		27. Long-term loans
-499	-1 580	7 635	-10 804	-8 337	-3 172	-16 560	-8 862	7 355	-121	1 030	1 030		28. Mortgage loans
		-991	141	154	97	-7 091	-4 088	42		-8 597	-8 597		29. Interest in retirement and life funds ⁷
		-331	47	52	33	26	-448			-422	-422		30. Amounts receivable/payable
													31. Other assets/liabilities
													32. Balancing item

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