

Note on the flow of funds in South Africa's national financial account for the year 2012

by C Monyela and Z Nhleko¹

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 flow of funds in the domestic economy expanded in 2012 and was supplemented by large inflows from the foreign sector, as renewed interest in emerging markets' debt securities surfaced among global investors.

This note analyses the movement of funds across surplus and deficit sectors that participated in the South African economy, in pursuit of their investment and financing interests during 2012. Investment and financing behaviour was influenced by broader macroeconomic conditions, the regulatory environment, and the risk-return profiles of the various financial instruments. The quarterly accounts for 2012 are attached to this note, whereas the annual summary account is presented on pages S–46 to S–47 of this issue of the *Quarterly Bulletin*.

Sectoral financing balances

The financing balances in Table 1 reveal that South Africa's reliance on the foreign sector for funding deepened in 2012, as the combined domestic sectors' deficit position widened to R197 billion from R98 billion a year earlier. Non-residents augmented domestic saving by 32 per cent. The general government sector was the largest borrower of funds, with a financing shortfall of R194 billion in 2012. Public business enterprises also recorded a financing deficit position, as the broader public sector attempted to discharge its mandate of providing socio-economic infrastructure and social security against the backdrop of high unemployment. Private corporate business enterprises played a key role, both as a saver and real economy investor. Their savings accounted for 50 per cent of the total amount recorded by the country and their gross capital formation represented 49 per cent of the total. With gross saving of R71 billion exceeding gross capital formation of R61 billion, the household sector also recorded a surplus position in 2012, albeit smaller than in 2011.

Table 1 Financing balances,^{1,2} 2011 and 2012

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

	2011			2012		
	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)
Foreign sector ³	98 544	-	98 544	197 356	-	197 356
Financial intermediaries.....	88 968	18 443	70 525	85 295	16 767	68 528
General government.....	-76 896	87 160	-164 056	-95 650	98 519	-194 169
Non-financial business enterprises						
Public	187 699	143 936	43 763	48 494	133 907	-85 413
Private	194 348	261 608	-67 260	305 626	302 489	3 137
Households ⁴	76 212	57 728	18 484	71 430	60 869	10 561
Total	568 875	568 875	-	612 551	612 551	-

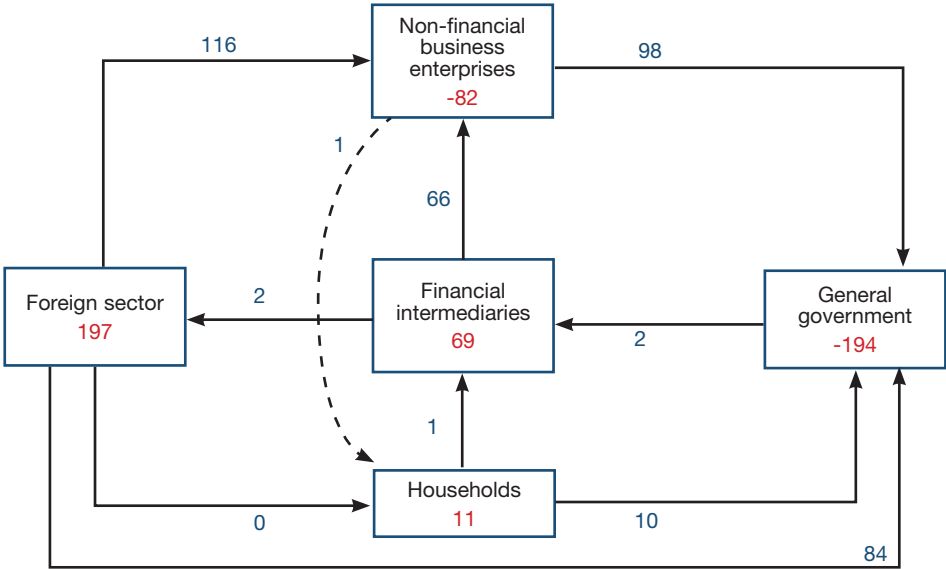
1. Gross saving plus net capital transfers less gross capital formation. Gross capital formation consists of fixed capital formation and changes in inventories, before providing for consumption (depreciation) of fixed capital.
2. A positive amount reflects a net lending position and, by implication, 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.



The inter-sectoral diagram below provides a synopsis of the financial inter-linkages across the main sectors that participate in the economy. The largest recipients of non-residents' funds in 2012 were non-financial business enterprises and the general government sectors, which received R116 billion and R84 billion respectively. The non-financial business enterprises sector then extended R98 billion to the general government sector, thereby enabling the latter to fund its net borrowing position of R194 billion. Along with its net lending position of R69 billion, the financial intermediaries sector extended R66 billion to the non-financial business enterprises.

Figure 1 Net inter-sectoral flows of funds, 2012

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

Sectoral analysis

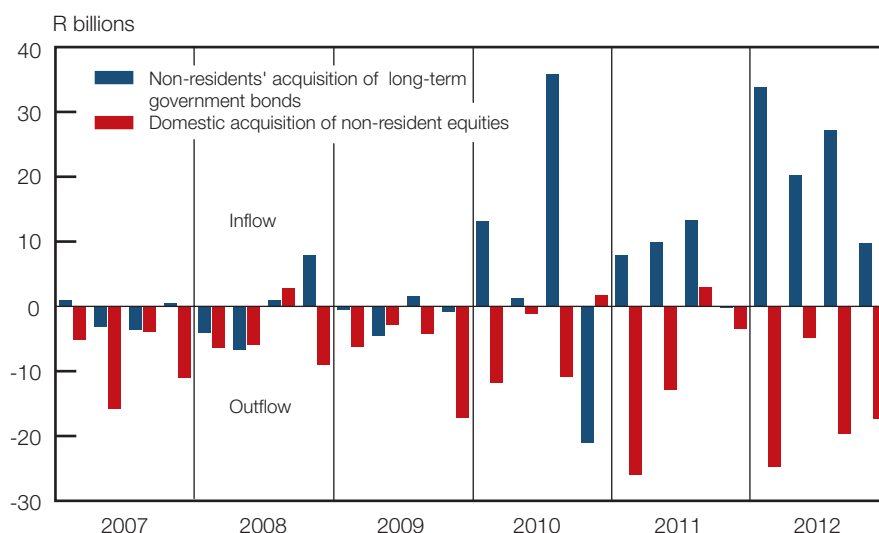
The use of suitable financial instruments by each sector to defray financing shortfalls and investment needs in 2012 is briefly discussed below.

Foreign sector

Funding from non-residents continued to play a key role during 2012, as they continued to show appetite to acquire financial instruments issued by the domestic economy. This was against the backdrop of sovereign debt credit rating downgrades and benign domestic economic growth level. Non-resident units financed the domestic economy mainly through buying long-term government bonds, their appetite raised by the inclusion of the South African government bonds in the Citi World Government Bond Index; the relatively high yield on those bonds; and the generally sound fiscal stance. Inflows into long-term government bonds amounted to R91 billion in 2012. The foreign sector's acquisition of domestic equity instruments was muted in 2012.

A marked interest in foreign equities was shown by local insurers and pension funds, banks and other financial institutions as they continued to take advantage of the changes in capital control regulations. Figure 2 depicts the cross-border flows for bonds and equities.

Figure 2 Cross-border flows: Bonds and equities

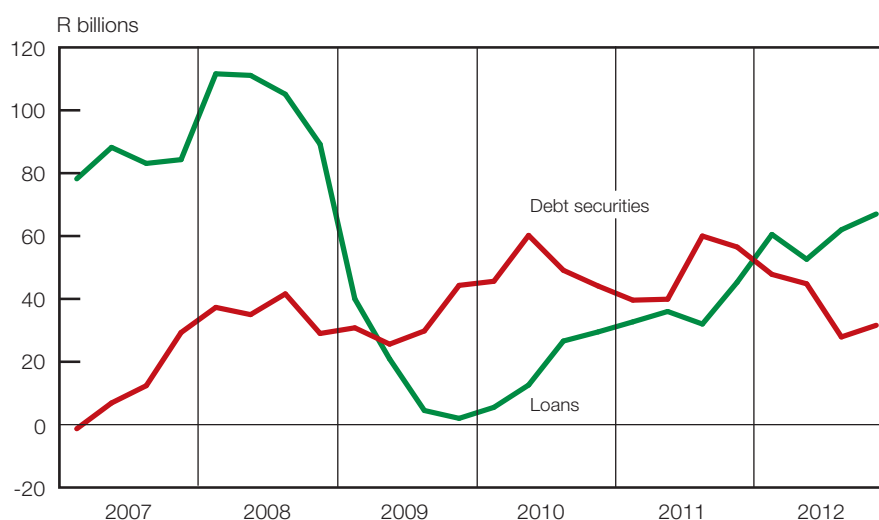


Financial intermediaries

During 2012, financial intermediaries received funds amounting to R213 billion from deposits and R90 billion from interest in retirement and life funds. In turn, financial intermediaries extended funding to various sectors through loans and purchases of equity and debt securities. Of the R266 billion loans extended, households received R94 billion in bank loans and advances, and R25 billion in mortgage loans. Private corporate businesses also received a sizeable amount of loans, which helped to finance their shortfall. While interest rates remained low in 2012, mortgage lending continued to weaken as potential property buyers remained off the market. Although credit extension by monetary institutions picked up from the level recorded in 2011, it was still quite low, consistent with the lustreless economic activity. Meanwhile non-bank financial intermediaries² acquired equities of R227 billion and long-term government bonds of R67 billion during the review period, in line with their long-term asset-liability maturity matching. Figure 3 shows how, over the past three years, economic agents gradually returned to loans as a preferred intermediation tool.

² Defined as insurers and pension funds, and other financial institutions.

Figure 3 Financial intermediation by type of instrument



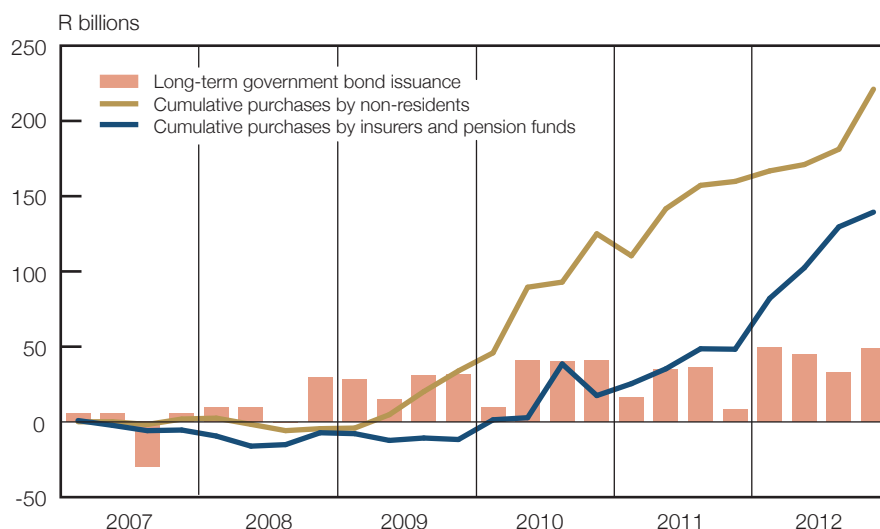
General government

The general government sector's financing shortfall widened to R194 billion in 2012 from R164 billion in 2011, as the tax base remained constrained by softer economic conditions.



This larger deficit was registered as both capital and current expenditure obligations increased. Government decided to source the bulk of its funds in the domestic debt market. The sector's 2012 financing requirement amounted to 6 per cent of gross domestic product. A total amount of R157 billion was raised in the domestic market through bond and Treasury bill issuance. Non-bank financial intermediaries, notably insurers and pension funds, and non-residents bought most of the government paper issued. Figure 4 shows the cumulative sum of government funding.

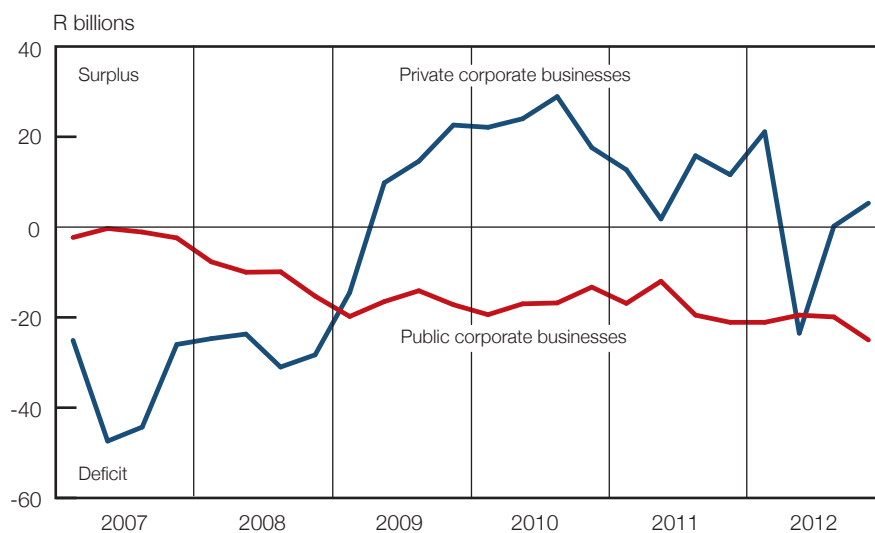
Figure 4 Government funding



Corporate business enterprises

Corporate business enterprises' financial transactions accounted for a large proportion of the total flows in 2012. They continued to contribute significantly to the country's gross capital formation, spending an amount of R436 billion during the review period. This represented a share of 71 per cent of the total gross capital formation and 14 per cent of gross domestic product. Of this amount, public businesses contributed R134 billion and private businesses added R302 billion. As a result of this continued pace of investment in capital goods amid lacklustre economic activity, the corporate businesses collectively incurred a financing deficit for the second consecutive year in 2012. Figure 5 shows the evolution in these sectors' financial positions.

Figure 5 Corporate business enterprises' financial positions

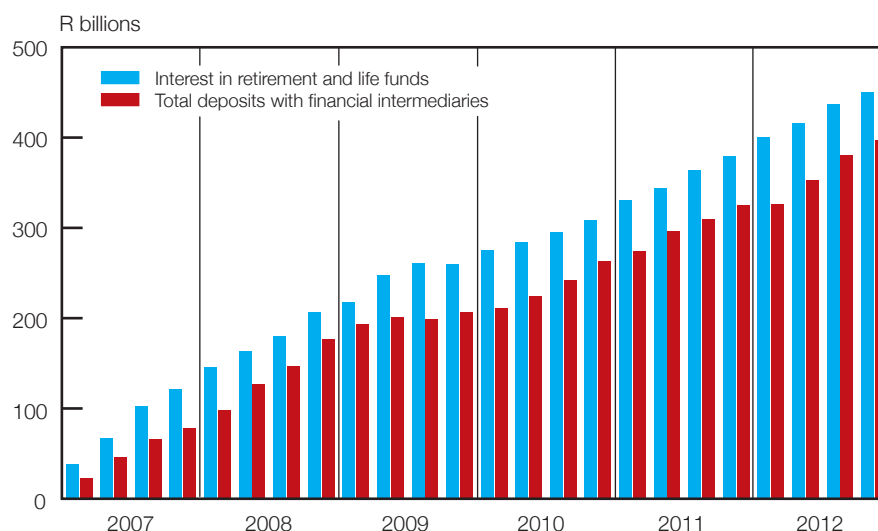


Public business enterprises recorded a financial deficit in 2012 as their capital spending commitments required some borrowing amid insufficient retained earnings. To finance the shortfall, public businesses used cash and deposits, raised R19 billion by issuing debt securities, and obtained R31 billion in loans. Their private business counterparts continued to report retained earnings that were more than adequate to cover capital spending needs, leaving them with a small surplus of R3 billion. They also raised funds through equity issues and loans, taking advantage of the current bull market and low interest rates.

Households

In 2012 households realised a financing surplus of R11 billion, which was lower than the amount recorded a year earlier. Along with these surplus funds, households were able to increase both their discretionary and contractual savings. An amount of R72 billion was saved through the banks and other financial institutions, while R71 billion was added to interest in retirement and life funds. During the same period, households took up loans amounting to R125 billion, which comprised mainly bank loans and advances. The extension of mortgage loans to households was still low by historical levels and was both a cause and affect of the subdued market in fixed property. Figure 6 depicts the cumulative sum of selected household flows.

Figure 6 Cumulative sum of selected household flows



Summary and conclusion

The analysis of flow of funds in 2012 revealed that the economy's capital market remained lively, while the real side of the economy operated below capacity. The highlights of the analysis are as follows:

- Gross capital formation continued, led by corporate business enterprises
- The financial shortfall in the domestic economy widened but was readily financed by the foreign sector
- Bank loans and advances recovered, albeit still remaining far below previous highs, while lending remained sluggish
- The household sector recorded a surplus position, increasing its cash and deposits, and its interest in retirement and life funds
- The general government sector's deficit position widened further.



Bibliography

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

National financial account

Flow of funds for the first quarter 2012¹

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	43 206		694		4 161				-767		4 767	
2. Consumption of fixed capital ⁴			9		2 330				67		96	
3. Capital transfers	36	94										
4. Gross capital formation ⁴				50		2 277				141		251
5. Net lending (+)/net borrowing (-) (S)	43 148		653		4 214				-841		4 612	
6. Net financial investment (+) or (-) (U)		43 148		653		4 214				-841		4 612
7. Net incurrence of financial liabilities (Total S 9 – 32)	11 717		-8 208		49 012		23 671		64 653		-15 252	
8. Net acquisition of financial assets (Total U 9 – 32)		54 865		-7 555		53 226		23 671		63 812		-10 640
9. Gold and other foreign reserves	7 671			7 671								
10. Cash and demand monetary deposits ⁵		-4 340	11 616	1 101	4 979	-4 777		-1 461		529		-2 269
11. Short/medium-term monetary deposits ⁵		43	54	655	1 895			-6 331		5 921		-16 876
12. Long-term monetary deposits ⁵		844	-1 251	1 927	-29 356			2 074		-1 499		-37 891
13. Deposits with other financial institutions	681	11				4 707		-1 442		498	-2 249	681
14. Deposits with other institutions	-29 288					-33 759	23 671	5 366	5 366	20 952		2 699
15. Treasury bills				285		-1 803				285		-887
16. Other bills	-12 440		-389	-8 038	1 466	-3 796		-1 432		651	1 802	-16 122
17. Bank loans and advances	8 900		-272	5 465	5 376	80 349			79		15 460	
18. Trade credit and short-term loans	2 687	33 632	-1 066	-3	32 411	4 874			9 900	600	-3 537	6 952
19. Short-term government bonds				-31		7 643		-1 079		-22 502		13 464
20. Long-term government bonds		33 846				578		5 039		6 978		1 952
21. Non-marketable government bonds ⁶		-320		358				1				
22. Securities of local governments						-2		-4		-624		-265
23. Securities of public enterprises	412	145	-3 439			-4 242		1 903		4 432	2 056	625
24. Other loan stock and preference shares	4 926	2 947			999	-4 309		1 336	77	-1 477	138	7 527
25. Ordinary shares	24 715	2 693			6 214	15 202		7 555	38	41 525		30 743
26. Foreign branch/head office balances												
27. Long-term loans	1 006	-18 500	-11 300	-5	-10 801				28	4 331	5 196	-4 832
28. Mortgage loans	-527					1 265				269	-1 027	1 159
29. Interest in retirement and life funds ⁷		419				86			24 818			
30. Amounts receivable/payable	8 490	-1 467	5 035	-3 744	7 579	12 630		12 146	12 453	-1 313	-17 341	2 736
31. Other assets/liabilities	-5 516	4 912	-7 196	-13 196	28 188	-21 315			11 671	3 942	-15 563	-55
32. Balancing item					62	-105			223	314	-187	19

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 2012¹

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	
-1 014		-18 200		525		26 054		-20 523		38 903		1. Net saving ⁴
8 164		5 861		9 435		59 649		13 006		98 617		2. Consumption of fixed capital ⁴
	9 264	3 655		157		118	13	5 428	23	9 394	9 394	3. Capital transfers
	11 742		11 134		31 180		65 740		15 005		137 520	4. Gross capital formation ⁴
-13 856		-19 818		-21 063		21 124		-18 173		-		5. Net lending (+)/net borrowing (-) (S)
	-13 856		-19 818		-21 063		21 124		-18 173			6. Net financial investment (+) or (-) (U)
29 670		21 062		18 442		99 548		34 360		328 675		7. Net incurrence of financial liabilities (Total S 9 – 32)
	15 814		1 244		-2 621		120 672		16 187		328 675	8. Net acquisition of financial assets (Total U 9 – 32)
	7 838		2 153		2 816		22 031		-7 026	7 671	7 671	9. Gold and other foreign reserves
	17 590		4 603		-11 678		-5 533		13 555	16 595	16 595	10. Cash and demand monetary deposits ⁵
	-937		154		3 037		610		1 074	1 949	1 949	11. Short/medium-term monetary deposits ⁵
	2 863		-3	-157	800		-286		-6 691	-30 607	-30 607	12. Long-term monetary deposits ⁵
						257	1 554		331	6	6	13. Deposits with other financial institutions
-5 379							-3 259			-5 379	-5 379	14. Deposits with other institutions
	173			-1 537	-2 686	-11 703	8 449			-22 801	-22 801	15. Treasury bills
1 399		-1 446		2 435		35 183		18 700		85 814	85 814	16. Other bills
	-1 212	-1 246	-5 567	506	2 069	25 833	19 109	-1 867	3 167	63 621	63 621	17. Bank loans and advances
-2 486					19					-2 486	-2 486	18. Trade credit and short-term loans
49 462					1 069					49 462	49 462	19. Short-term government bonds
-9 190							895			-9 190	-9 190	20. Long-term government bonds
	1 286			5 125					5	4 154	4 154	21. Non-marketable government bonds ⁶
	-185	13	-165	-1	-4 691	1 341	6 510			7 493	7 493	22. Securities of local governments
	-2 488			5 868	-62	55 356	-2 977			92 191	92 191	23. Securities of public enterprises
-294	-15 209	89	-23	-4 734	898	-5 709	7 231	410		-26 109	-26 109	24. Other loan stock and preference shares
			-6	12		-3 951		8 180		2 687	2 687	25. Ordinary shares
	-129				9		2 683		21 750	24 818	24 818	26. Foreign branch/head office balances
20 654	6 224	23 482		11 551	6 707	-10 158	36 449	7 874	-749	70 675	70 675	27. Long-term loans
-24 372		127	74	-469	-696	13 079	26 290	7		-44	-44	28. Mortgage loans
-124		43	24	-157	-232	20	-140			-120	-120	29. Interest in retirement and life funds ⁷
												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

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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 second quarter 2012¹

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	51 904		396		15 195				-3 344		6 523	
2. Consumption of fixed capital ⁴			9		2 372				70		97	
3. Capital transfers	38	98										
4. Gross capital formation ⁴				12		3 585				365		290
5. Net lending (+)/net borrowing (-) (S)	51 844		393		13 982				-3 639		6 330	
6. Net financial investment (+) or (-) (U)		51 844		393		13 982				-3 639		6 330
7. Net incurrence of financial liabilities (Total S 9 – 32)	21 697		15 446		58 590		26 519		18 837		3 576	
8. Net acquisition of financial assets (Total U 9 – 32)		73 541		15 839		72 572		26 519		15 198		9 906
9. Gold and other foreign reserves	-3 817			-3 817								
10. Cash and demand monetary deposits ⁵		3 179	1 716	-428	11 155	548		14 415		-1 671		-15 499
11. Short/medium-term monetary deposits ⁵		1 865	-146	309	-15 969			8 186		994		-34 899
12. Long-term monetary deposits ⁵		-56		1 947	59 080			3 832		3 995		46 606
13. Deposits with other financial institutions	1 314	524				-464		3 802		-2 569	2 342	1 314
14. Deposits with other institutions	10 588					11 626	26 519	-300	-300	22 308		2 827
15. Treasury bills	-1 332			751		1 263				180		-397
16. Other bills	12 881		5	11 738	1 002	1 894		1 184		30	-434	734
17. Bank loans and advances	20 103		91	-9 151	-9 091	20 140			41		-12 527	
18. Trade credit and short-term loans	7 234	30 060	929	349	15 589	-9 597		-1	-5 613	-497	-550	3 176
19. Short-term government bonds				175		-9 085				1 317		-10 464
20. Long-term government bonds		20 322		1 646		10 383		122		4 189		6 829
21. Non-marketable government bonds ⁶		-1 111		649				-3				
22. Securities of local governments						216		179		258		100
23. Securities of public enterprises	123	2 223	115			3 457		252		1 842	1 552	626
24. Other loan stock and preference shares	3 031	-3 048			-4 328	12 612		1 144	-117	8 479	373	-174
25. Ordinary shares	4 752	2 770			2 296	1 860		5 717	31	11 599		7 380
26. Foreign branch/head office balances												
27. Long-term loans	-91	16 855	15 921	-3					144	2 663	16 445	-11 878
28. Mortgage loans	-264					11 674				-96	210	1 056
29. Interest in retirement and life funds ⁷		418				132			22 293			
30. Amounts receivable/payable	-18 663	-7 204	-4 096	3 968	4 084	9 991		-12 010	4 788	-19 641	-273	12 105
31. Other assets/liabilities	-14 162	6 744	911	7 706	-5 171	5 691			-2 322	-17 886	-3 421	348
32. Balancing item					-57	231			-108	-296	-141	116

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National financial account (continued)
Flow of funds for the second quarter 2012¹

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
-35 677		-8 390		4 328		6 027		30 008		66 970		1. Net saving ⁴
8 305		5 955		9 674		60 611		13 250		100 343		2. Consumption of fixed capital ⁴
	3 611	23		430		100	13	3 156	25	3 747	3 747	3. Capital transfers
	11 754		12 256		33 950		89 575		15 526		167 313	4. Gross capital formation ⁴
-42 737		-14 668		-19 518		-23 512		31 525		-		5. Net lending (+)/net borrowing (-) (S)
	-42 737		-14 668		-19 518		-23 512		31 525			6. Net financial investment (+) or (-) (U)
59 668		19 125		10 696		24 413		20 342		278 909		7. Net incurrence of financial liabilities (Total S 9 – 32)
	16 931		4 457		-8 822		901		51 867		278 909	8. Net acquisition of financial assets (Total U 9 – 32)
	19 394		-4 364		-2 336		-14 551		14 184	-3 817	-3 817	9. Gold and other foreign reserves
	2 172		-6 867		-7 340		10 791		8 674	12 871	12 871	10. Cash and demand monetary deposits ⁵
	1 140		-332		887		-270		1 331	-16 115	-16 115	11. Short/medium-term monetary deposits ⁵
	3 092		3 330		-672		-4 352		2 743	59 080	59 080	12. Long-term monetary deposits ⁵
									89	3 656	3 656	13. Deposits with other financial institutions
7 449						-130	-2 965			36 677	36 677	14. Deposits with other institutions
	105						4 320			6 117	6 117	15. Treasury bills
										11 759	11 759	16. Other bills
-124		4 178		-1 696		-1 642	-2 986			10 989	10 989	17. Bank loans and advances
	1 959	7 136	4 107	-411	-287	-3 842	-4 609	10 248	6 060	30 720	30 720	18. Trade credit and short-term loans
-18 028										-18 028	-18 028	19. Short-term government bonds
45 108										45 108	45 108	20. Long-term government bonds
3 093										3 093	3 093	21. Non-marketable government bonds ⁶
		800					47			800	800	22. Securities of local governments
	348			6 961					3	8 751	8 751	23. Securities of public enterprises
	-61	-112	-695	32	-2 312	14 521	-2 545			13 400	13 400	24. Other loan stock and preference shares
				1 988	-56	28 939	8 736			38 006	38 006	25. Ordinary shares
												26. Foreign branch/head office balances
-1 214	23 753	4 811	-24	18 655	784	-7 406	15 576	542	81	47 807	47 807	27. Long-term loans
		348	-93	-4		6 651		5 600		12 541	12 541	28. Mortgage loans
	-1 378				-98		8 623		14 596	22 293	22 293	29. Interest in retirement and life funds ⁷
23 384	-33 593	-50	11 715	-19 054	1 064	-15 264	-3 529	-11 442	548	-37 248	-37 248	30. Amounts receivable/payable
		2 011	-2 240	4 208	628	10 188	-10 490	-1 741		-9 499	-9 499	31. Other assets/liabilities
		3	-80	70	210	181	-233			-52	-52	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 2012¹

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	53 942		541		11 496				2 148		4 729	
2. Consumption of fixed capital ⁴			9		2 439				72		96	
3. Capital transfers	39	99										
4. Gross capital formation ⁴				24	3 556					141	230	
5. Net lending (+)/net borrowing (-) (S)	53 882		526		10 379				2 079		4 595	
6. Net financial investment (+) or (-) (U)		53 882		526	10 379					2 079	4 595	
7. Net incurrence of financial liabilities (Total S 9 – 32)	-251		41 560		72 471		20 879		43 113		81 560	
8. Net acquisition of financial assets (Total U 9 – 32)		53 631		42 086	82 850		20 879		45 192		86 155	
9. Gold and other foreign reserves	4 753			4 753								
10. Cash and demand monetary deposits ⁵		-1 973	22 154	588	-7 268	3 580		10 122		2 241	15 965	
11. Short/medium-term monetary deposits ⁵		5 283	-89	4 163	29 139			5 411		1 507	-17 825	
12. Long-term monetary deposits ⁵		-181		6 343	31 043			-1 311		-1 940	40 691	
13. Deposits with other financial institutions	-347	1				1 402		-16 353		1 244	42 606	-347
14. Deposits with other institutions	-17 443					-7 891	20 879	-1 760	-1 760	16 157	11 780	
15. Treasury bills				1 041		574				-706	879	
16. Other bills	5 034		-5	5 268	1 464	62		-4		32	109	9 100
17. Bank loans and advances	2 143		2 033	6 685	13 001	55 309			24		16 593	
18. Trade credit and short-term loans	-4 298	622	730	-334	-3 537	8 134		98	6 513	-542	3 877	-6 396
19. Short-term government bonds		1		181		12 652		-8 504		347	7 468	
20. Long-term government bonds		27 176		-1 176		-12 447		5 676		10 239	3 738	
21. Non-marketable government bonds ⁶		-375		-12 997				-39				
22. Securities of local governments						34		-3		-1	-30	
23. Securities of public enterprises	354	99	312			495		1 512		2 486	-995	215
24. Other loan stock and preference shares	-2 120	-5 406			-6 112	-5 999		-370	-22	2 653	-104	-1 445
25. Ordinary shares	19 579	3 262			3 193	-5 535		24 774	214	25 946	22 909	
26. Foreign branch/head office balances												
27. Long-term loans	-722	15 168	13 684	-113	672				-993	3 184	-1 805	4 500
28. Mortgage loans	-3					703				-51	277	718
29. Interest in retirement and life funds ⁷		516				-71			26 656			
30. Amounts receivable/payable	-8 263	7 576	2 965	15 050	3 546	21 726		1 630	5 621	-10 070	9 298	-5 409
31. Other assets/liabilities	1 082	1 862	-224	12 634	6 998	9 841			6 645	-7 400	11 528	-267
32. Balancing item					332	281			215	-134	176	-89

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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 2012¹

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		
-33 929		-16 845		4 314		18 288		11 471		56 155		1. Net saving ⁴
8 389		6 013		9 881		61 754		13 466		102 119		2. Consumption of fixed capital ⁴
	10 811	7 005		104		109	14	3 692	25	10 949	10 949	3. Capital transfers
	12 652		12 546		34 155		79 014		15 956		158 274	4. Gross capital formation ⁴
-49 003		-16 373		-19 856		181		13 590		-		5. Net lending (+)/net borrowing (-) (S)
	-49 003		-16 373		-19 856		181		13 590			6. Net financial investment (+) or (-) (U)
43 265		6 946		19 339		83 678		34 963		447 523		7. Net incurrence of financial liabilities (Total S 9 – 32)
	-5 738		-9 427		-517		83 859		48 553		447 523	8. Net acquisition of financial assets (Total U 9 – 32)
	-38 843		1 159		1 041		14 109		6 897	4 753	4 753	9. Gold and other foreign reserves
	8 967		3 530		10 192		-1 191		9 013	14 886	14 886	10. Cash and demand monetary deposits ⁵
	-6 422		733		-4 123		-3 382		635	29 050	29 050	11. Short/medium-term monetary deposits ⁵
			-116		939		44 583		10 906	31 043	31 043	12. Long-term monetary deposits ⁵
	4 734					61	-21 509		226	42 259	42 259	13. Deposits with other financial institutions
-2 406							-4 194			1 737	1 737	14. Deposits with other institutions
	296	40		-442	71	16 221	7 596			-2 406	-2 406	15. Treasury bills
3		240		-352		6 611		21 698		22 421	22 421	16. Other bills
	1 881	96	3 237	1 071	346	-1 706	-19 925	-5 214	10 411	61 994	61 994	17. Bank loans and advances
12 146										-2 468	-2 468	18. Trade credit and short-term loans
33 124					-1				2	12 146	12 146	19. Short-term government bonds
-13 618					-80				-2	33 124	33 124	20. Long-term government bonds
									-207	-13 618	-13 618	21. Non-marketable government bonds ⁶
				5 139					3	4 810	4 810	22. Securities of local governments
	14	-39	74	216	-1 289	3 090	6 730		-53	-5 091	-5 091	23. Securities of public enterprises
				-2 915	5	55 897	4 607			75 968	75 968	24. Other loan stock and preference shares
-581	23 554	-183	297	14 380	2 013	16 414	-7 263	475	1	41 341	41 341	25. Ordinary shares
		-312		354		-4 905		5 959		1 370	1 370	26. Foreign branch/head office balances
	-366				-2		5 741		20 838	26 656	26 656	27. Long-term loans
14 597	447	5 422	-19 385	-3 404	-10 049	-20 627	30 360	12 604	-10 117	20 817	20 817	28. Mortgage loans
		1 511	783	4 969	315	12 198	27 322	383		45 090	45 090	29. Interest in retirement and life funds ⁷
		171	261	323	105	424	1 217			1 641	1 641	30. Amounts receivable/payable
												31. Other assets/liabilities
												32. Balancing item

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National financial account

Flow of funds for the fourth quarter 2012¹

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	48 543		397		18 856				3 042		6 127	
2. Consumption of fixed capital ⁴			9		2 490				72		97	
3. Capital transfers	40	101										
4. Gross capital formation ⁴				38	5 257					232	318	
5. Net lending (+)/net borrowing (-) (S)	48 482		368		16 089				2 882		5 906	
6. Net financial investment (+) or (-) (U)		48 482		368	16 089					2 882	5 906	
7. Net incurrence of financial liabilities (Total S 9 – 32)	11 309		-8 980		87 176		26 328		52 666		50 365	
8. Net acquisition of financial assets (Total U 9 – 32)		59 791		-8 612	103 265		26 328		55 548		56 271	
9. Gold and other foreign reserves	364			364								
10. Cash and demand monetary deposits ⁵		1 573	800	5 047	45 040	9 765		6 124		2 881		13 446
11. Short/medium-term monetary deposits ⁵		2 187	45	-2 730	-7 998			2 618		-8 049		5 975
12. Long-term monetary deposits ⁵		8 079		-10 216	-10 839			-626		-44		-15 572
13. Deposits with other financial institutions	-585	-25				-308		3 105		463	24 122	-585
14. Deposits with other institutions	-10 158					-620	26 328	173	173	21 568		6 566
15. Treasury bills				-1 456		6 676				167		-349
16. Other bills	7 051			2 699	2 684	1 275		-3 082		-43	-1 966	427
17. Bank loans and advances	-14 668		-3 781	-3 888	-3 875	55 804			14		16 487	
18. Trade credit and short-term loans	-10 511	42 155	614	-2	29 030	8 927		-118	-673	245	-1 012	4 318
19. Short-term government bonds		53		-28		2 277		-2 767		-444		-8 543
20. Long-term government bonds		9 812				-934		6 989		39 842		-6 978
21. Non-marketable government bonds ⁶		-1 143		-1 535								
22. Securities of local governments						-53		-44		1 735		7
23. Securities of public enterprises	92	143	-7 698			-9 292		436		8 787	6 319	246
24. Other loan stock and preference shares	9 953	935			879	10 598		-213	65	8 911	-376	-495
25. Ordinary shares	17 391	-787			7 327	-303		12 674	52	30 177		56 406
26. Foreign branch/head office balances												
27. Long-term loans	4 270	4 106	5 700	-3	984				903	6 736	8 753	1 283
28. Mortgage loans	2 287					12 400				105	1 339	380
29. Interest in retirement and life funds ⁷		726				43			16 713			
30. Amounts receivable/payable	9 223	-3 410	-6 816	3 642	30 418	3 380		804	19 331	-29 527	-4 167	223
31. Other assets/liabilities	-3 400	-4 613	2 156	-506	-6 356	3 473		255	16 066	-27 722	650	-363
32. Balancing item					-118	157			22	-240	216	-121

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National financial account (continued)
Flow of funds for the fourth quarter 2012¹

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	
-2 086		-17 993		-638		10 008		-20 680		45 576		1. Net saving ⁴
8 462		6 147		10 166		62 859		13 566		103 868		2. Consumption of fixed capital ⁴
	14 989	9 180		118		103	14	5 689	26	15 130	15 130	3. Capital transfers
	13 268		13 167		34 622		68 160		14 382		149 444	4. Gross capital formation ⁴
-21 881		-15 833		-24 976		5 344		-16 381		-		5. Net lending (+)/net borrowing (-) (S)
	-21 881		-15 833		-24 976		5 344		-16 381			6. Net financial investment (+) or (-) (U)
40 924		8 079		18 071		65 148		35 611		386 697		7. Net incurrence of financial liabilities (Total S 9 – 32)
	19 043		-7 754		-6 905		70 492		19 230		386 697	8. Net acquisition of financial assets (Total U 9 – 32)
	78		2 472		-2 168		1 877		4 745	364	364	9. Gold and other foreign reserves
	-15 744		3 634		-5 663		9 944		-125	45 840	45 840	10. Cash and demand monetary deposits ⁵
	-385		44		-1 727		7 511		2 097	-7 953	-7 953	11. Short/medium-term monetary deposits ⁵
	4 926		-1		-830		11 370		10 348	-10 839	-10 839	12. Long-term monetary deposits ⁵
						18	-16 322		70	23 537	23 537	13. Deposits with other financial institutions
-1 153							-6 191		70	16 361	16 361	14. Deposits with other institutions
	432	-3		-252	1	-2 440	3 365			-1 153	-1 153	15. Treasury bills
-198		-1 685		-1 030		24 794		35 858		5 074	5 074	16. Other bills
	544	1 319	441	1 582	183	-4 222	-32 400	1 160	-7 006	17 287	17 287	17. Bank loans and advances
-9 456					-1				-3	-9 456	-9 456	18. Trade credit and short-term loans
48 692					-39					48 692	48 692	19. Short-term government bonds
14 937									17 615	14 937	14 937	20. Long-term government bonds
							-1 645					21. Non-marketable government bonds ⁶
				1 610					3	323	323	22. Securities of local governments
	200	-30	-6	1 047	49	3 916	-4 525			15 454	15 454	23. Securities of public enterprises
				16 072	634	61 332	3 373			102 174	102 174	24. Other loan stock and preference shares
-1 276	5 436	-357	114	714	800	9 589	11 635	828	1	30 108	30 108	25. Ordinary shares
			-6	-39		4 423		4 869		12 879	12 879	26. Foreign branch/head office balances
	-366				-91		2 469		13 932	16 713	16 713	27. Long-term loans
-10 622	23 922	-427		-1 391	1 769	-5 855	43 644	-7 694	-22 447	22 548	22 548	28. Mortgage loans
		8 946	-14 335	-181	134	-26 136	35 464	42		-8 213	-8 213	29. Interest in retirement and life funds ⁷
		316	-111	-61	44	-271	375			104	104	30. Amounts receivable/payable
												31. Other assets/liabilities
												32. Balancing item

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