

Note on the flow of funds in South Africa's national financial account for the year 2013

by S Madonsela¹

Introduction

From 2012 to 2013 the aggregate flow of funds in the South African economy increased at a pace broadly in line with growth in nominal gross domestic product. While structural impediments hampered production, financial intermediation continued to bridge the gaps between net lenders and net borrowers.

This note reviews both the flow of funds among the domestic sectors, and between the domestic sectors and the foreign sector. The participation of these sectors was influenced by broader macroeconomic conditions, the regulatory environment and risk-return profiles of various financial instruments. The quarterly accounts for 2013 are attached to this note, whereas the annual summary account is presented on pages S-46 to S-47 of this *Quarterly Bulletin*.

Sectoral financing balances

The saving and investment performance of South Africa's main sectors for 2012 and 2013 in Table 1 reveals that while economic growth remained below potential, fiscal space was eroded by rising debt. The foreign sector continued to play a key role as net supplier of funds to the domestic economy, assisting the economy with its infrastructural and other financing needs as the combined domestic sectors' deficit position widened by 20 per cent. The general government sector was the largest borrower of funds, with a financing shortfall of R198 billion in 2013. Non-financial corporate business enterprises' net borrowing position was stepped up in 2013 mainly due to capital formation activities. Financial intermediaries were net lenders of funds during the period under review.

Table 1 Financing balances,^{1,2} 2012 and 2013

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

	2012			2013		
	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)
Foreign sector ³	164 309	-	164 309	196 936	-	196 936
Financial intermediaries.....	88 676	16 500	72 176	99 752	14 756	84 996
General government.....	-87 529	97 543	-185 072	-91 050	107 379	-198 429
Non-financial business enterprises						
Public	48 170	125 274	-77 104	44 501	128 049	-83 548
Private	326 340	308 643	17 697	332 880	343 078	-10 198
Households ⁴	69 128	61 134	7 994	72 500	62 257	10 243
Total	609 094	609 094	0	655 519	655 519	0
Memo: Total of absolute values	-	-	524 352	-	-	584 350

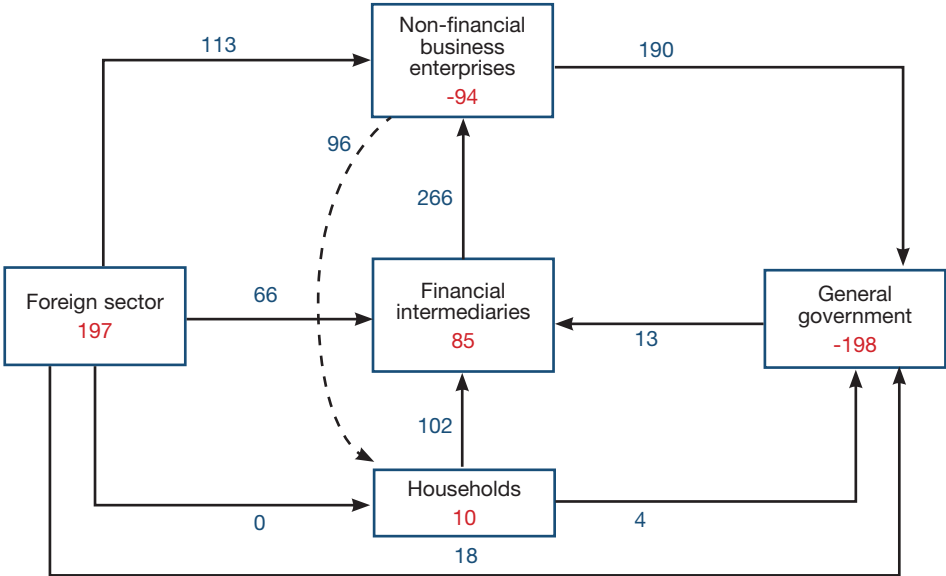
1. Gross saving plus net capital transfers less gross capital formation. Gross capital formation consists of fixed capital formation and changes in inventories, before providing for consumption (depreciation) of fixed capital.
2. A positive amount reflects a net lending position and, by implication,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

1 The views expressed are those of the author 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 markets, 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 provides a sector-to-sector analysis of the financial linkages across the main sectors in the economy. Non-financial corporate business enterprises and financial intermediaries were the main recipients of non-residents' funds in 2013, receiving R113 billion and R66 billion respectively. In turn, non-financial business enterprises financed the general government sector to an amount of R190 billion, and the latter recorded a net outflow of R13 billion to financial intermediaries.

Figure 1 Net inter-sectoral flows of funds, 2013

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

Table 2 shows that economic agents displayed a general preference for transaction flows in the form of cash and deposits, and credit instruments. Fixed-interest securities increased to 14 per cent of total financing activity and share holdings moderated to 13 per cent in 2013 compared to 15 per cent in 2012.

Table 2 Flow of funds: Usage of main financial instruments, 2013

	Percentage of total flows	
	2012	2013
Cash and deposits	13	19
Credit extension*	22	17
Fixed-interest securities	10	14
Ordinary shares	15	13
Other instruments	40	37
Total	100	100

* Mortgage loans, other long-term loans, bank loans, trade credit and short-term loans

Sectoral analysis

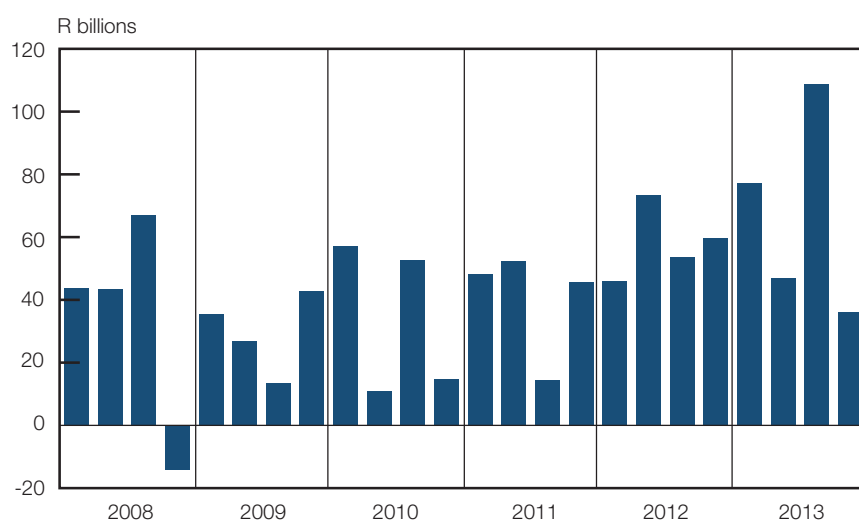
Depending on their financing positions, economic units embark on intermediation as informed by the perceived risk and return profiles of financial instruments. Below is a brief review of the individual sectors' usage of various financial instruments to meet their borrowing and investment requirements in 2013.



Foreign sector

The non-resident sector consistently bridged the domestic saving-investment gap in line with the developmental stage of the country, through the acquisition of financial instruments amounting to R269 billion in 2013, which was 15 per cent higher than in 2012. Non-residents channelled their funds through increased holdings of domestic shares and long-term loans granted to resident economic agents. However, non-resident risk aversion towards emerging-market assets was evident in 2013 as long-term government bond purchases by non-residents declined. Over the review period, non-resident sentiment turned negative in the second quarter of 2013 when the US Federal Reserve announced its intention to reduce its purchases of bonds, and in the fourth quarter when the first actual tapering steps were announced. While South Africa's credit ratings continued to be constrained by a weak growth performance and various structural factors, non-residents continued to accumulate South African financial assets, although not in a smooth fashion. Figure 2 shows the acquisition of financial assets by non-residents since the financial crisis.

Figure 2 Non-residents' net acquisition of South African financial assets



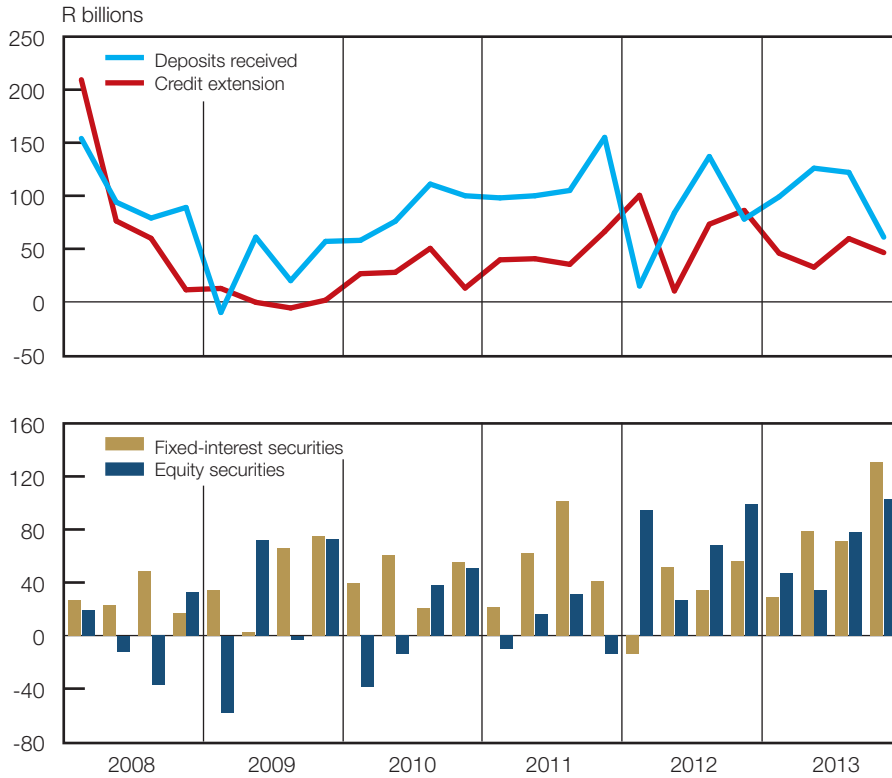
Financial intermediaries

Financial intermediaries channel funds from surplus units to deficit units to sustain the flow of funds through the economy. The financial intermediary sector is at the centre of the flow-of-funds system, and it comprises the monetary authority, banks and non-bank financial institutions.

The funding activity of financial intermediaries in 2013 was concentrated in deposits received of R407 billion and contractual savings of R100 billion, thus bringing the sector's total flows to R876 billion or 38 per cent of the total flows in the economy. The bulk of the deposits was made by other non-bank financial institutions, central government and households during the period under review. The pace of growth in bank loans and advances decelerated in 2013. Intermediation through fixed-interest securities was elevated at R310 billion in 2013, while equity holdings increased by R261 billion. Of this amount, non-bank financial intermediaries² accounted for 97 per cent. Figure 3 shows the subdued level of lending by financial intermediaries in 2013, as these institutions gradually turned to fixed-interest securities as preferred intermediation tool.

² Defined as the Public Investment Corporation, insurers and pension funds, and other financial institutions.

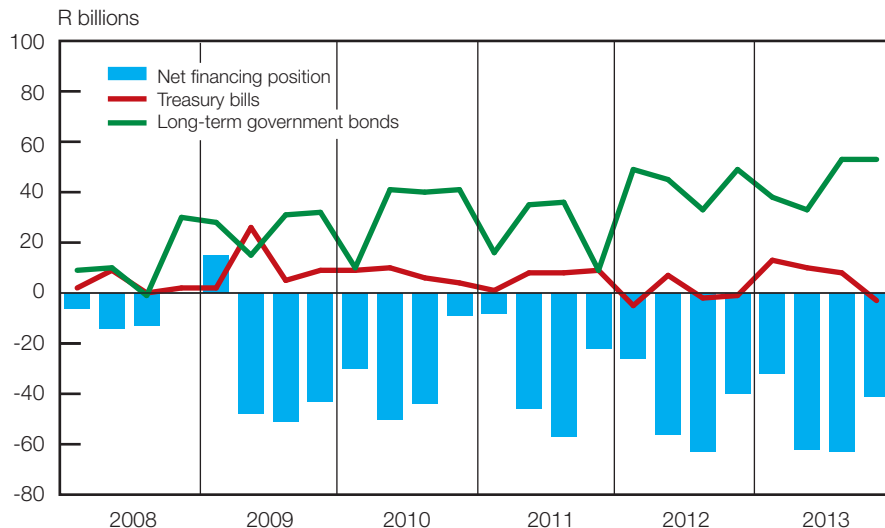
Figure 3 Financial intermediation and funding activities



General government

When spending exceeds income, general government incurs a deficit position. In 2013 general government widened its financing shortfall to R198 billion from R185 billion in 2012, as spending commitments continued to surpass revenue collections. Government closed the financial shortfall through net issues of long-term bonds amounting to R177 billion and Treasury bills worth R28 billion in the domestic market. Of the total net issues of Treasury bills, 76 per cent was taken up by domestic banks, partly to meet their prescribed liquid asset requirements. By contrast the long-term government bond net issues were mainly purchased by non-bank financial intermediaries. Figure 4 shows the main instruments used by general government to source funds to close its financial shortfall.

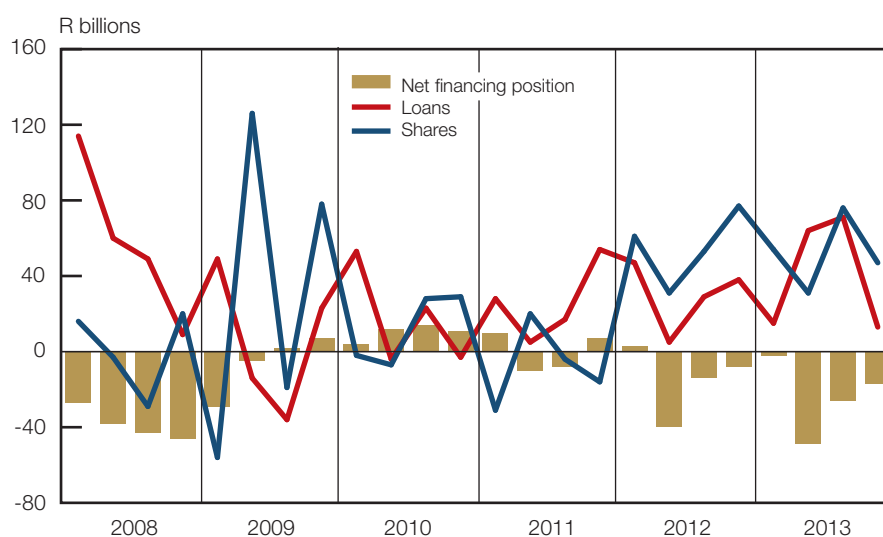
Figure 4 General government funding



Corporate business enterprises

As a share of total flows in the economy, non-financial corporate business enterprises accounted for 31 per cent in 2013. The sector's gross capital formation amounted to R471 billion, with 73 per cent incurred by private and the remaining 27 per cent by public enterprises. Corporate business enterprises collectively incurred a financing deficit of R94 billion during the review period. The sector continued to fund ongoing projects, with the majority of capital spending directed at machinery and equipment, and construction works. Non-financial corporate business enterprises financed their shortfall through the issuance of R208 billion worth of shares and taking up loans amounting to R163 billion. Over the same period public non-financial corporate business enterprises decreased their cash and deposit holdings by R14 billion, while private non-financial corporate business enterprises increased their holdings of cash and deposits by R52 billion. Figure 5 shows the funding of this sector's net financing position.

Figure 5 Financing of deficit by corporate business enterprises

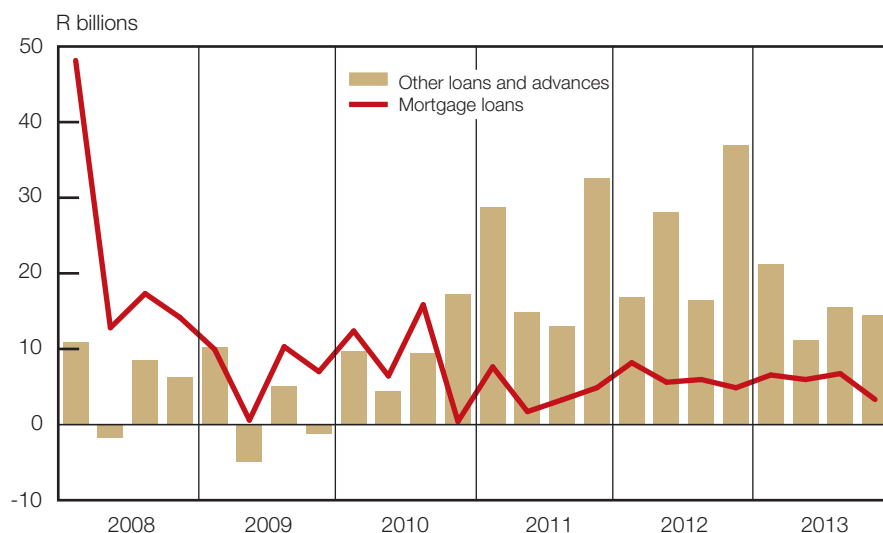


Households

The household sector recorded a relatively modest financial surplus for the second consecutive year in 2013 of R10 billion, a level last seen in 1999. Along with these surplus funds, households were able to increase their cash and deposit holdings by R96 billion in 2013, while their contractual savings with financial intermediaries amounted to R77 billion. The deceleration of growth in mortgage loans confirmed the continued restrained activity level in the residential real-estate market in 2013. The household sector's incurrence of other loans and advances of R62 billion in 2013 was lower than in 2012, as unsecured borrowing moderated and reflected, among other factors, caution by lenders in an attempt to limit credit impairments; increased regulation for this type of lending and continued financial pressure experienced by highly indebted households. Figure 6 illustrates how subdued mortgage funding has become since the onset of the global financial crisis.



Figure 6 Households' sources of funding



Summary and conclusion

The analysis of the flow of funds in 2013 reveals an increase in the aggregate flow of funds in the South African economy, despite structural impediments and subdued global economic conditions. Main points arising from the analysis are as follows:

- Foreign-sector funding was mainly absorbed by non-financial corporate business enterprises.
- The increase in gold and foreign currency holdings by the monetary authority moderated in 2013.
- Non-bank financial intermediaries demonstrated a strong preference for fixed-income and equity securities.
- The general government deficit position widened slightly further.
- The household sector's modest net lending position was reflected in rising cash and deposits and subdued use of mortgage and other borrowing.

Bibliography

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National financial account

Flow of funds for the first quarter 2013¹

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	50 195		278		15 171					-955		5 513	
2. Consumption of fixed capital ⁴			10		2 557					74		99	
3. Capital transfers	41	103											
4. Gross capital formation ⁴				42		3 253					104		272
5. Net lending (+)/net borrowing (-) (S)	50 133		246		14 475					-985		5 340	
6. Net financial investment (+) or (-) (U)		50 133		246		14 475					-985		5 340
7. Net incurrence of financial liabilities (Total S 9 – 32)	26 979		18 240		53 625		30 804			37 313		34 497	
8. Net acquisition of financial assets (Total U 9 – 32).....		77 112		18 486		68 100		30 804		36 328		39 837	
9. Gold and other foreign reserves	1 150			1 150									
10. Cash and demand monetary deposits ⁵		-7 667	-2 003	-6 778	22 254	-3 470		-1 914		-2 695		4 336	
11. Short/medium-term monetary deposits ⁵		-4 964	-327	3 983	25 774			127		-2 529		17 577	
12. Long-term monetary deposits ⁵		-4 684		2 739	-1 371			-55		-6 973		3 937	
13. Deposits with other financial institutions.....	1 202	-26				-542		4 473		2 487	25 094	1 202	
14. Deposits with other institutions	11 559					10 769	30 804	-1 341	-1 341	28 382		14 018	
15. Treasury bills	4 120			2 326		8 418				-681		290	
16. Other bills	3 565			3 119	-108	354		-2 226		-5	-32	3 783	
17. Bank loans and advances.....	8 206		3 938	-442	-800	45 464			11		4 061		
18. Trade credit and short-term loans	-599	8 020	1 169	-8	2 446	-10 518			-677	224	-2 474	507	
19. Short-term government bonds	66			-117		-13 766		-12		-15 205		-214	
20. Long-term government bonds.....	34	8 898				2 793		19 691		2 274		4 780	
21. Non-marketable government bonds ⁶		585		-2 063									
22. Securities of local governments						61				347		-102	
23. Securities of public enterprises	-39	-5 241	3 500			3 209		1 878		4 051	175	2 088	
24. Other loan stock and preference shares	5 127	-5 281			-3 060	-5 501		-2 276	-113	4 840	298	5 247	
25. Ordinary shares	9 058	4 816		23	1 272	2 646		12 526	334	14 954		16 724	
26. Foreign branch/head office balances													
27. Long-term loans	1 802	33 567	14 641	1	24 444				-29	10 682	7 718	430	
28. Mortgage loans	-74					-920				-144	-1	601	
29. Interest in retirement and life funds ⁷		943				11			32 407				
30. Amounts receivable/payable.....	-28 536	34 716	-154	5 078	-26 916	24 820		-67	6 813	2 989	-230	-26 369	
31. Other assets/liabilities	10 338	13 430	-2 524	9 475	9 518	4 204			-90	-6 503	-111	-8 749	
32. Balancing item.....					172	68			-2	-167	-1	-249	

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

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 first quarter 2013¹

R millions

General government				Corporate business enterprises						Total		Sectors Transaction items
Central and provincial governments		Local governments		Public sector		Private sector		Households, etc.				
S	U	S	U	S	U	S	U	S	U	S	U	
4 247		-20 267		-11 160		39 082		-40 273		41 831		1. Net saving ⁴
8 664		6 569		13 081		61 968		13 831		106 853		2. Consumption of fixed capital ⁴
	16 887	11 124		77		199	15	5 590	26	17 031	17 031	3. Capital transfers
	12 548		13 279		33 983		71 574		13 629		148 684	4. Gross capital formation ⁴
-16 524		-15 853		-31 985		29 660		-34 507		-		5. Net lending (+)/net borrowing (-) (S)
	-16 524		-15 853		-31 985		29 660		-34 507			6. Net financial investment (+) or (-) (U)
33 784		18 081		3 333		63 268		55 432		375 356		7. Net incurrence of financial liabilities (Total S 9 – 32)
	17 260		2 228		-28 652		92 928		20 925		375 356	8. Net acquisition of financial assets (Total U 9 – 32)
	24 649		5 675		-334		1 403		7 046	1 150	1 150	9. Gold and other foreign reserves
	8 195		6 694		-7 592		3 487		469	20 251	20 251	10. Cash and demand monetary deposits ⁵
	1 601		-300		1 690		-2 891		3 565	25 447	25 447	11. Short/medium-term monetary deposits ⁵
	3 548		-6	53	730		10 049		7 982	-1 371	-1 371	12. Long-term monetary deposits ⁵
12 936						60	-14 606		312	26 349	26 349	13. Deposits with other financial institutions
	363						6 703			41 082	41 082	14. Deposits with other institutions
				669	-15	-942	-2 221			17 056	17 056	15. Treasury bills
-46		624		-2 877		11 518		20 387		3 152	3 152	16. Other bills
	-70	-297	193	-264	922	18 032	12 761	791	6 096	45 022	45 022	17. Bank loans and advances
-29 399					-19					18 127	18 127	18. Trade credit and short-term loans
38 203					-199					-29 333	-29 333	19. Short-term government bonds
-1 683										38 237	38 237	20. Long-term government bonds
										-205	-1 683	21. Non-marketable government bonds ⁶
		282					-24			282	282	22. Securities of local governments
	1 664			4 017					4	7 653	7 653	23. Securities of public enterprises
	226	2 376	12	-4 618	-211	1 368	4 322			1 378	1 378	24. Other loan stock and preference shares
	-126			430	3 902	53 738	9 367			64 832	64 832	25. Ordinary shares
1 765	-2 153	89		-15 957	111	11 371	3 545	565	226	46 409	46 409	26. Foreign branch/head office balances
		-4	-4	-44		-6 901		6 557		-467	-467	27. Long-term loans
	-732				661		13 492		18 032	32 407	32 407	28. Mortgage loans
19 722	-19 905	-457	146	-3 043	-16 752	2 950	19 306	27 024	-26 789	-2 827	-2 827	29. Interest in retirement and life funds ⁷
-7 535		15 351	-9 886	24 685	-11 226	-26 962	27 846	108	4 187	22 778	22 778	30. Amounts receivable/payable
-179		117	-296	282	-320	-964	389			-575	-575	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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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 2013¹

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	49 690		-292		12 359				3 335		10 360	
2. Consumption of fixed capital ⁴			11		2 595				76		100	
3. Capital transfers	38	98										
4. Gross capital formation ⁴				50		3 487				112		233
5. Net lending (+)/net borrowing (-) (S)	49 630		-331		11 467				3 299		10 227	
6. Net financial investment (+) or (-) (U)		49 630		-331		11 467				3 299		10 227
7. Net incurrence of financial liabilities (Total S 9 – 32)	-2 717		7 614		48 585		35 689		36 371		36 188	
8. Net acquisition of financial assets (Total U 9 – 32)		46 913		7 283		60 052		35 689		39 670		46 415
9. Gold and other foreign reserves	-15 141			-15 141								
10. Cash and demand monetary deposits ⁵		9 838	2 184	1 865	13 479	-2 207		4 691		116		30 653
11. Short/medium-term monetary deposits ⁵		13 939	161	-3 129	24 675			-5 747		-5 415		-13 952
12. Long-term monetary deposits ⁵		-2 857		-1 726	25 439			3 480		-803		23 343
13. Deposits with other financial institutions	3 524					710		1 676		360	23 346	3 524
14. Deposits with other institutions	9 843					19 637	35 689	551	551	27 194		12 724
15. Treasury bills	566			-1 472		8 985		1 607		-589		2 178
16. Other bills	24 028	12		23 957	335	2 761		-2 696		-53	258	-11 531
17. Bank loans and advances	-8 305		1 284	-4 033	-5 643	21 905			4		-5 056	
18. Trade credit and short-term loans	-13 527	15 879	6 412	360	-4 809	5 891			4 100	-1 664	5 149	3 003
19. Short-term government bonds	-93			-296		-5 678		2 641		4 923		-4 146
20. Long-term government bonds	284	-6 839				-8 354		13 895		34 075		-1 128
21. Non-marketable government bonds ⁶		-123		-1 553								
22. Securities of local governments						-144		392		480		1 515
23. Securities of public enterprises	-243	-256	964			1 363		2 574		4 051	-280	-2 656
24. Other loan stock and preference shares	2 899	-2 612				421		-1 771	-486	3 369	-23	9 990
25. Ordinary shares	11 970	21 501			84	5 446		18 268	55	10 408		-204
26. Foreign branch/head office balances												
27. Long-term loans	1 039	-18 801	18 197	5	-30 704				-44	-6 335	-1 769	3 258
28. Mortgage loans	-144					9 317				135	-1 025	846
29. Interest in retirement and life funds ⁷		405				-171			26 824			
30. Amounts receivable/payable	-22 007	8 401	-15 331	9	18 849	-3 574		-1 589	-2 327	-12 876	1 226	-3 456
31. Other assets/liabilities	2 590	8 426	-6 257	8 437	6 660	3 558		-2 283	7 521	-17 529	14 272	-7 410
32. Balancing item					220	186			173	-177	90	-136

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



National financial account (continued)

Flow of funds for the second quarter 2013¹

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
-33 738		-15 984		1 184		11 876		36 999		75 789		1. Net saving ⁴
8 795		6 676		13 575		63 024		14 131		108 983		2. Consumption of fixed capital ⁴
	3 050	130		266		100	13	2 652	25	3 186	3 186	3. Capital transfers
	12 057	13 238		29 156		110 051		16 388		184 772		4. Gross capital formation ⁴
-40 050		-22 416		-14 131		-35 064		37 369		-		5. Net lending (+)/net borrowing (-) (S)
	-40 050	-22 416		-14 131		-35 064		37 369				6. Net financial investment (+) or (-) (U)
59 461		13 881		24 672		36 225		17 802		313 771		7. Net incurrence of financial liabilities (Total S 9 – 32)
	19 411	-8 535		10 541		1 161		55 171		313 771		8. Net acquisition of financial assets (Total U 9 – 32)
	-48 370	-7 170		-369		15 195		11 421		-15 141	-15 141	9. Gold and other foreign reserves
	40 569	-7 117		-4 740		4 437		5 991		15 663	15 663	10. Cash and demand monetary deposits ⁵
	5 321	83		2 527		-5 827		1 898		24 836	24 836	11. Short/medium-term monetary deposits ⁵
	8 400	-2 259		-194		8 499		14 554		25 439	25 439	12. Long-term monetary deposits ⁵
						-15	-22 504	66		26 870	26 870	13. Deposits with other financial institutions
9 961							-182			46 068	46 068	14. Deposits with other institutions
	34	-37		823	79	-11 964	880			10 527	10 527	15. Treasury bills
-184		309		-1 095		28 046		8 512		13 443	13 443	16. Other bills
	76	10 464	4 874	2 136	-827	12 723	-1 304	2 672	-968	25 320	25 320	17. Bank loans and advances
-1 759					704					-1 852	-1 852	18. Trade credit and short-term loans
32 975					1 612				-2	33 259	33 259	19. Short-term government bonds
8 614									10 290	8 614	8 614	20. Long-term government bonds
		2 240					-3			2 240	2 240	21. Non-marketable government bonds ⁶
	-285			4 355				5		4 796	4 796	22. Securities of local governments
	-27	-424	-137	1 732	-1 496	-1 007	-5 046			2 691	2 691	23. Securities of public enterprises
	2 616			2 817	1 918	27 705	-17 322			42 631	42 631	24. Other loan stock and preference shares
-1 656	25 552	4 174	14	15 418	101	1 488	2 926	644	67	6 787	6 787	25. Ordinary shares
		-90	-15	-144		5 728		5 958		10 283	10 283	26. Foreign branch/head office balances
	-898				79		1 391		26 018	26 824	26 824	27. Long-term loans
11 510	-13 577	1 139		-7 650	1 671	-20 162	619	-60	-10 441	-34 813	-34 813	28. Mortgage loans
		-3 670	2 894	6 210	9 357	-6 607	19 073	76	-3 728	20 795	20 795	29. Interest in retirement and life funds ⁷
		-224	298	70	119	290	329			619	619	30. Amounts receivable/payable
												31. Other assets/liabilities
												32. Balancing item

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KB231

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6. Non-marketable bonds and other Treasury bills.

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

National financial account Flow of funds for the third quarter 2013¹

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	61 311		524		6 551				2 327				6 056	
2. Consumption of fixed capital ⁴			11		2 678				78				102	
3. Capital transfers	39	99												
4. Gross capital formation ⁴				54	3 097						105		156	
5. Net lending (+)/net borrowing (-) (S)	61 251		481		6 132				2 300				6 002	
6. Net financial investment (+) or (-) (U)		61 251		481	6 132						2 300		6 002	
7. Net incurrence of financial liabilities (Total S 9 – 32)	47 599		47 234		50 936		25 914		77 991				75 780	
8. Net acquisition of financial assets (Total U 9 – 32)		108 850		47 715	57 068		25 914		80 291				81 782	
9. Gold and other foreign reserves	18 649			18 649										
10. Cash and demand monetary deposits ⁵		-1 495	35 911	-1 748	17 392	-1 786		-1 986	1 531				34 633	
11. Short/medium-term monetary deposits ⁵		-819		4 674	61 797			-2 685	2 684				45 186	
12. Long-term monetary deposits ⁵		1 784		6 535	-28 553			-3 994	-3 979				-25 087	
13. Deposits with other financial institutions	416	-2				68			-8 612	9 312			416	
14. Deposits with other institutions	-482					-15 096	25 914	70	22 204	70			13 136	
15. Treasury bills	-3 966			-571		-480		-1 493	90				3 070	
16. Other bills	4 121	-12		8 369	1 194	-1 272		953	322		4 057		-705	
17. Bank loans and advances	4 615		-373	3 488	4 449	36 712				4	13 540			
18. Trade credit and short-term loans	3 504	33 903	609	173	-7 306	-18 507			-1 909	-1 905	-5 161		2 211	
19. Short-term government bonds	-86			-63		-564		-74					6 161	
20. Long-term government bonds	7 702	34 163				-7 325		17 870	19 551				8 596	
21. Non-marketable government bonds ⁶		122		-21 958										
22. Securities of local governments						-301		1	465				-20	
23. Securities of public enterprises	-612	-1 214	-7 437			-7 617		3 118	-2 660	1 531			4 412	
24. Other loan stock and preference shares	8 145				-498	8 069		-1 033	4 652	-1 916			9 997	
25. Ordinary shares	36 232	11 154			8 212	-1 149		9 814	44 113	432			25 249	
26. Foreign branch/head office balances														
27. Long-term loans	7 237	6 077	14 023	-1	500				15 222	11 725			3 631	
28. Mortgage loans	100					18 841			95	188			-336	
29. Interest in retirement and life funds ⁷		412				87			31 672					
30. Amounts receivable/payable	-15 635	14 803	14	17 392	-16 435	17 396		1 844	2 866	18 782			-22 702	
31. Other assets/liabilities	-22 341	9 974	4 487	12 776	9 888	29 744		3 509	17 296	-16 261	23 719		-26 050	
32. Balancing item					296	248			2	-87	3		-16	

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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 2013¹

R millions

General government				Corporate business enterprises								Sectors
Central and provincial governments		Local governments		Public sector		Private sector		Households, etc.		Total		
S	U	S	U	S	U	S	U	S	U	S	U	
-30 686		-16 468		1 748		18 360		10 272		59 995		1. Net saving ⁴
8 981		6 846		14 044		64 972		14 424		112 136		2. Consumption of fixed capital ⁴
	11 569	7 722		292		100	14	3 554	25	11 707	11 707	3. Capital transfers
	13 211	14 205		34 854		90 196		16 253		172 131		4. Gross capital formation ⁴
-46 485		-16 105		-18 770		-6 778		11 972		-		5. Net lending (+)/net borrowing (-) (S)
	-46 485	-16 105		-18 770		-6 778		11 972		-		6. Net financial investment (+) or (-) (U)
79 156		2 322		15 264		144 155		21 170		587 521		7. Net incurrence of financial liabilities (Total S 9 – 32)
	32 671	-13 783		-3 506		137 377		33 142		587 521		8. Net acquisition of financial assets (Total U 9 – 32)
	39 257	1 307		-155		-20 218		3 963		18 649	18 649	9. Gold and other foreign reserves
	-5 353	-1 307		12 983		-3 990		10 424		53 303	53 303	10. Cash and demand monetary deposits ⁵
	-5 773	809		-3 300		5 518		-1 066		61 797	61 797	11. Short/medium-term monetary deposits ⁵
		-5 139		-2 686		19 394		6 289		-28 553	-28 553	12. Long-term monetary deposits ⁵
	4 200					105	959	134		9 728	9 728	13. Deposits with other financial institutions
7 741							3 159			25 607	25 607	14. Deposits with other institutions
	-308			109	-74	949	3 157			3 775	3 775	15. Treasury bills
-193		1 395		-1 089		9 584		8 268		10 430	10 430	16. Other bills
	977	-7 066	-1 392	954	3 614	31 769	3 524	7 317	113	40 200	40 200	17. Bank loans and advances
19 879					14 333					22 711	22 711	18. Trade credit and short-term loans
53 189					-11 964					19 793	19 793	19. Short-term government bonds
-22 862										60 891	60 891	20. Long-term government bonds
										-1 026	-22 862	21. Non-marketable government bonds ⁶
		145								145	145	22. Securities of local governments
	180			2 896					159	-3 622	-3 622	23. Securities of public enterprises
	-5	-2	-23	10 035	306	7 737	1 269		-2	23 230	23 230	24. Other loan stock and preference shares
	4 163			17 533	-588	58 568	28 221			120 977	120 977	25. Ordinary shares
-527	15 530	671	18	3 953	2 460	14 531	10 729	437	131	53 797	53 797	26. Foreign branch/head office balances
			-6	-486		12 047		6 739		18 594	18 594	27. Long-term loans
	-424				12		5 272		26 313	31 672	31 672	28. Mortgage loans
21 929	-19 773	-141		-8 193	-11 733	2 457	35 687	-1 610	-5 170	30 610	30 610	29. Interest in retirement and life funds ⁷
		7 240	-8 038	-10 336	-6 536	6 453	44 427	19	-7 120	36 425	36 425	30. Amounts receivable/payable
		80	-12	-112	-178	-45	269			224	224	31. Other assets/liabilities
												32. Balancing item

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KB231

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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

Flow of funds for the fourth quarter 2013¹

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	35 983		528		16 348				2 908		7 313	
2. Consumption of fixed capital ⁴			12		2 841			80		104		
3. Capital transfers	40	101										
4. Gross capital formation ⁴				44	3 472				101		174	
5. Net lending (+)/net borrowing (-) (S)	35 922		496		15 717			2 887		7 243		
6. Net financial investment (+) or (-) (U)		35 922		496	15 717				2 887		7 243	
7. Net incurrence of financial liabilities (Total S 9 – 32)	23		17 573		35 275		17 297	50 570		39 099		
8. Net acquisition of financial assets (Total U 9 – 32)		35 945		18 069	50 992		17 297	53 457		46 342		
9. Gold and other foreign reserves	-31			-31								
10. Cash and demand monetary deposits ⁵		8 408	6 770	1 947	29 915	16 707	-8 285	-9 885		-3 510		
11. Short/medium-term monetary deposits ⁵		6 946		-6 456	30 299		1 576	-1 240		-2 626		
12. Long-term monetary deposits ⁵		-4 742		-7 348	-34 408		-3 249	-9 057		-21 588		
13. Deposits with other financial institutions	-2 554	94				-40		1 489	11 289	-2 554		
14. Deposits with other institutions	-2 644					-15 670	17 297	-188	-188	10 612		15 076
15. Treasury bills	-250			-1 021		4 255		-251		-129		
16. Other bills	32 522			30 245	61	1 822		1 101		133	-1 538	-7 708
17. Bank loans and advances	28 371		-801	1 572	3 327	56 148		3		3 476		
18. Trade credit and short-term loans	-12 132	33 109	1 237	-146	24 426	2 134		5 678	-6 993	-5 112	-907	
19. Short-term government bonds	17			-134		-3 682		-396		-2 203		
20. Long-term government bonds	-7 991	-16 498				3 560		12 286		25 179		20 192
21. Non-marketable government bonds ⁶		-726		22 224								
22. Securities of local governments						914				-1 245		-72
23. Securities of public enterprises	7 653	137	-425			1 141		1 331		8 378	130	-990
24. Other loan stock and preference shares	-853	374			722	5 245		-514	38	27 590	138	5 510
25. Ordinary shares	12 053	-21 590			1 233	1 263		9 342	-152	50 059		41 893
26. Foreign branch/head office balances												
27. Long-term loans	-7 766	13 065	13 675		3 454			-213	-8 649	6 209	862	
28. Mortgage loans	-270					1 308			-81	725	1 193	
29. Interest in retirement and life funds ⁷		-138				-2 348		7 743				
30. Amounts receivable/payable	-21 688	8 086	875	-5 380	16 768	-5 227		20 303	-18 802	13 796	6 589	
31. Other assets/liabilities	-24 414	9 420	-3 758	-17 403	-40 392	-16 404		4 293	17 268	-13 585	9 739	-2 515
32. Balancing item					-130	-134		90	-195	247	-171	

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National financial account (continued)

Flow of funds for the fourth quarter 2013¹

R millions

General government				Corporate business enterprises								Sectors Transaction items
Central and provincial governments		Local governments		Public sector		Private sector		Households, etc.		Total		
S	U	S	U	S	U	S	U	S	U	S	U	
-3 970		-19 708		-3 219		7 326		-7 633		35 876		1. Net saving ⁴
9 088		6 947		14 536		65 835		14 613		114 056		2. Consumption of fixed capital ⁴
	15 296	10 784		77		94	14	4 442	26	15 437	15 437	3. Capital transfers
	14 200		14 641		30 056		71 257		15 987		149 932	4. Gross capital formation ⁴
-24 378		-16 618		-18 662		1 984		-4 591		-		5. Net lending (+)/net borrowing (-) (S)
	-24 378		-16 618		-18 662		1 984		-4 591			6. Net financial investment (+) or (-) (U)
58 036		20 329		2 704		43 710		37 765		322 381		7. Net incurrence of financial liabilities (Total S 9 – 32)
	33 658		3 711		-15 958		45 694		33 174		322 381	8. Net acquisition of financial assets (Total U 9 – 32)
										-31	-31	9. Gold and other foreign reserves
	-157		1 670		442		12 869		16 479	36 685	36 685	10. Cash and demand monetary deposits ⁵
	-490		5 622		-9 126		30 346		5 747	30 299	30 299	11. Short/medium-term monetary deposits ⁵
	12 090		-795		-3 327		2 095		1 513	-34 408	-34 408	12. Long-term monetary deposits ⁵
			5 047		-983		6 694		-1 012	8 735	8 735	13. Deposits with other financial institutions
	3 707					23	797		154	14 488	14 488	14. Deposits with other institutions
-2 717							-5 821			-2 967	-2 967	15. Treasury bills
				673	35	-8 193	-2 103			23 525	23 525	16. Other bills
41		-1 029		210		10 327		13 795		57 720	57 720	17. Bank loans and advances
	1 256	3 723	-810	1 085	-1 806	757	-7 076	720	1 621	20 382	20 382	18. Trade credit and short-term loans
-6 409							23			-6 392	-6 392	19. Short-term government bonds
52 800							90			44 809	44 809	20. Long-term government bonds
20 636									-862	20 636	20 636	21. Non-marketable government bonds ⁶
		-27					376			-27	-27	22. Securities of local governments
				2 653					14	10 011	10 011	23. Securities of public enterprises
		-135	18	1 833	353	35 920	-913			37 663	37 663	24. Other loan stock and preference shares
				2 888	124	44 238	-20 831			60 260	60 260	25. Ordinary shares
-1 518	12 513	107	-1	-1 444	5 195	3 110	-6 216	1 261	106	16 875	16 875	26. Foreign branch/head office balances
			-8	358		-1 723		3 322		2 412	2 412	27. Long-term loans
					-27		3 288		6 968	7 743	7 743	28. Mortgage loans
-4 797	4 739	8 170		-5 874	-6 463	-11 755	29 088	-2 317	851	13 481	13 481	29. Interest in retirement and life funds ⁷
		9 390	-7 024	131	-367	-28 365	2 573	20 984	1 595	-39 417	-39 417	30. Amounts receivable/payable
		130	-8	191	-121	-629	528			-101	-101	31. Other assets/liabilities
												32. Balancing item

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Notes to tables

Labour: Employment in the non-agricultural sectors – Table S–134

Table S–134 captures enterprise-surveyed formal non-agricultural employment, split into public- and private-sector employment. Previously, employment in the electricity, gas and water sector had been included in the private sector. However, since employment in that sector comprises largely public-enterprise employees, it has now been moved from the private sector to the public sector, resulting in minor revisions to the total private- and public-sector employment indices.

Labour: Labour costs in the non-agricultural sectors – Table S–135

Table S–135 captures enterprise-surveyed formal non-agricultural remuneration per worker, split into public- and private-sector remuneration per worker. Previously, remuneration per worker in the electricity, gas and water sector had been included in the private sector. However, since employment in that sector comprises largely public-enterprise employees, it has now been moved from the private sector to the public sector, resulting in minor revisions to the private- and public-sector remuneration per worker indices.