

Note on the flow of funds in South Africa's national financial account for the year 2019

by S Madonsela and B Khoza¹

Introduction

The national financial account shows the flow of funds among institutional sectors of both real and financial transactions. The flow of funds represents the linkages between institutional sectors' sources of funds, such as savings and borrowings, and the uses, such as investment in financial and non-financial assets.

South Africa's national financial account for 2019 reflected the continuation of the longest downturn in economic activity on record as well as low consumer and business confidence, culminating in a technical recession from the second half of the year. Economic conditions were also affected by drought and severe power outages.

This note reflects the impact of economic conditions on the various institutional sectors' transactions. The quarterly national financial accounts for 2019 are appended to this note, and the annual summary is published on pages S–48 and S–49 of this *Quarterly Bulletin*.

Sectoral financing balances

Gross saving for the economy as a whole, which comprises net saving and the consumption of fixed capital, equates gross capital formation. Gross saving in the South African economy of all domestic institutional sectors increased from R701 billion in 2018 to R740 billion in 2019, while gross capital formation was 2.1% higher in 2019. Private non-financial business enterprises accounted for the largest share of both gross saving and gross capital formation in 2019, at 56.2% and 53.9% respectively. The capital formation by public non-financial business enterprises increased by 6.1% from 2018 to 2019. The net borrowing position of South Africa from the foreign sector decreased from R173 billion in 2018 to R153 billion in 2019.

Table 1 Financing balances,¹ 2018 and 2019

R millions

	2018				2019			
	Gross saving	Net capital transfers	Gross capital formation ²	Net lending (+)/net borrowing (-) ³	Gross saving	Net capital transfers	Gross capital formation	Net lending (+)/net borrowing (-)
Foreign sector ⁴	172 961	-236	-	172 725	153 177	-244	-	152 933
Financial intermediaries	116 818	-	23 288	93 530	130 269	-	41 936	88 333
General government...	-1 123	-17 053	145 767	-163 943	-11 960	-98 807	137 193	-247 960
Non-financial business enterprises								
Public	56 926	1	127 410	-70 483	53 633	75 728	135 228	-5 867
Private	461 713	2 235	479 911	-15 963	502 291	1 979	481 500	22 770
Households ⁵	67 101	15 053	98 020	-15 866	65 695	21 344	97 248	-10 209
Total	874 396	0	874 396	0	893 105	0	893 105	0

Surplus units (+) deficit units (-)

1. 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.
2. Gross capital formation consists of fixed capital formation and changes in inventories, before providing for consumption (depreciation) of fixed capital.
3. Net lending/borrowing equals gross saving *plus* net capital transfers *less* gross capital formation.
4. A positive amount reflects a surplus for the rest of the world and is therefore a deficit on South Africa's current account of the balance of payments. A negative amount reflects a deficit for the rest of the world and a surplus on South Africa's current account of the balance of payments.
5. This includes unincorporated business enterprises and non-profit institutions serving households.

Source: SARB

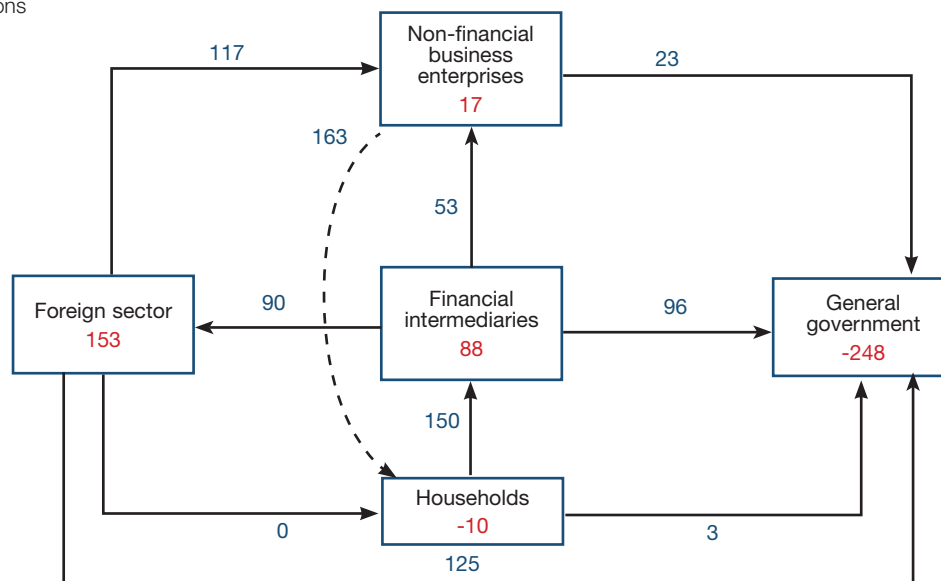
1 The views expressed are those of the authors and do not necessarily reflect the view of the South African Reserve Bank (SARB). The SARB would like to express its sincere appreciation to all the reporting organisations – government departments as well as financial and other public and private sector institutions – for their cooperation in providing the data used for the compilation of South Africa's financial accounts.



Figure 1 shows the inter-sectoral flow of funds among the main sectors of the economy in 2019. The foreign sector's net lending position of R153 billion mirrored a domestic shortfall of the same amount. The general government sector recorded an all-time high net borrowing position of R248 billion, which contributed to an increase in government debt. General government sourced funding from financial intermediaries and the foreign sector to finance this shortfall. The foreign sector and financial intermediaries also channelled R170 billion to non-financial business enterprises, mainly through loans, financial derivatives and shares. Households sourced R163 billion from non-financial business enterprises and, in turn, financial intermediaries received R150 billion from households.

Figure 1 Net inter-sectoral flow of funds, 2019*

R billions



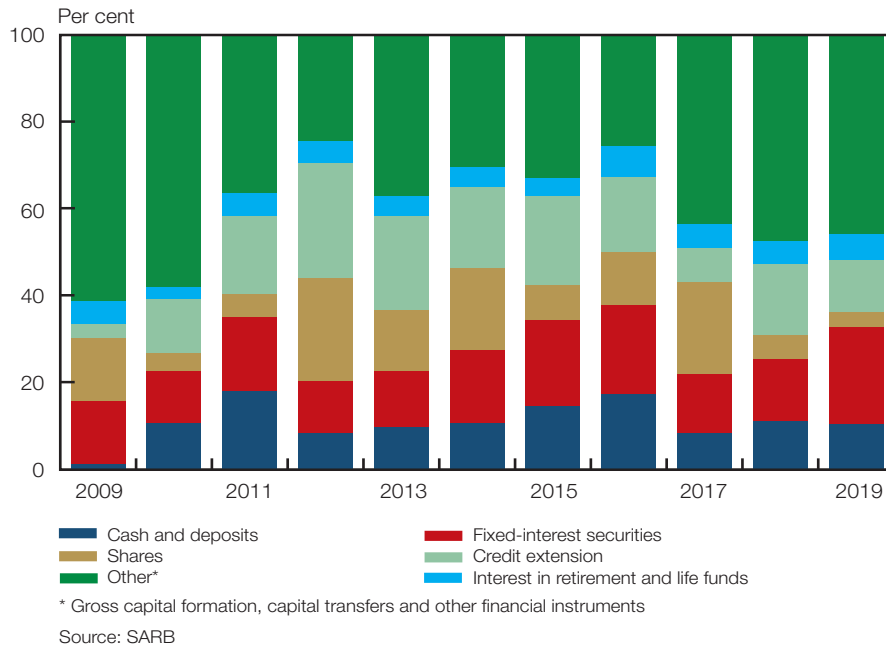
* The numbers may not balance perfectly due to rounding off. The numbers inside the boxes represent the net lending (+) or borrowing (-) positions of the sectors, and those outside the boxes illustrate inter-sectoral flow of funds and the direction of flows. To calculate the net lending or net borrowing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

Source: SARB

2 Total flows reflect the net acquisition of financial assets plus gross capital formation plus capital transfers.

Figure 2 shows the total flows² by different asset classes for all institutional sectors. The contribution of fixed-interest securities increased from 14.3% in 2018 to 22.4% in 2019 due to general government's all-time high net borrowing requirement. The contribution of cash and deposits, credit extension and shares of 10.3%, 11.8% and 3.5% respectively in 2019, all decreased from 2018. However, interest in retirement and life funds increased from 5.5% in 2018 to 6.2% in 2019. Gross capital formation contributed 31.2% to total flows in 2019 and accounted for most of the 'other' category in Figure 2.

Figure 2 Contribution of asset classes to total flows



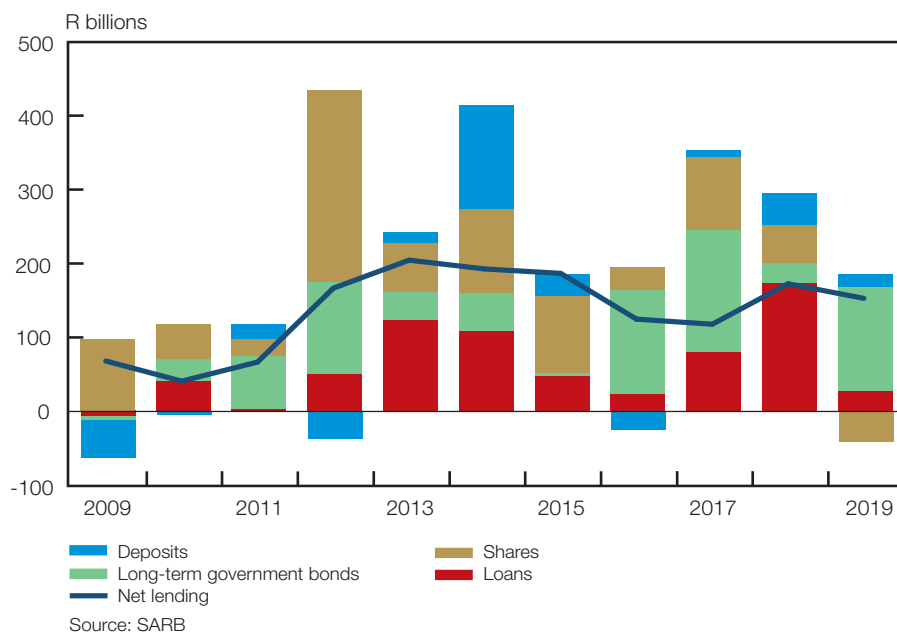
Sectoral analysis

The institutional sectors with surplus funds seek appropriate investments, while those with deficit positions require suitable funding. This section shows these outcomes per financial instrument which, among others, inherently reflect market participants' risk-return assessments, funding costs and general economic conditions.

Foreign sector

Funding from the foreign sector balances the domestic saving-investment gap. Non-residents' net lending position declined from R173 billion in 2018 to R153 billion in 2019. Non-residents channelled these funds into the South African economy through a mix of financial instruments, including bonds, loans and deposits. Net purchases of domestic long-term government bonds, which increased notably to R142 billion in 2019, from R28.4 billion in 2018, were encouraged by favourable interest rate differentials. Net sales of shares of R41.4 billion in 2019 reflected

Figure 3 Non-residents' net funding by selected instruments





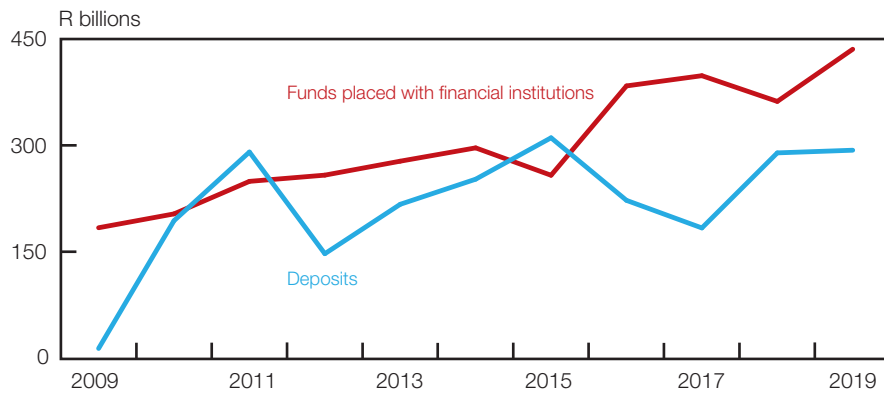
3 Financial intermediaries comprise the monetary authority, banks and non-bank financial institutions (excluding the Public Investment Corporation (PIC)).

foreign investors' concerns about domestic economic growth prospects and lack of progress with structural reforms. The amount of loans extended decreased from R173 billion in 2018 to only R27.4 billion in 2019. Funds injected into the domestic banking sector in the form of deposits amounted to R16.7 billion in 2019 compared with R44.2 billion in 2018.

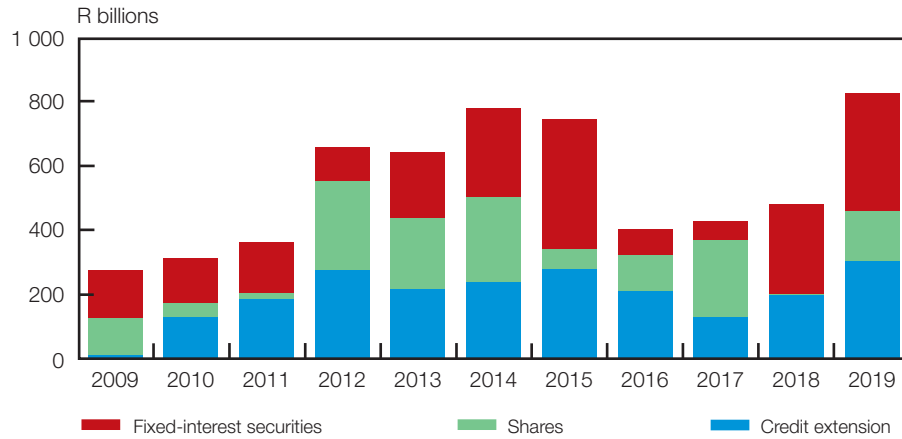
Financial intermediaries³

Total funds intermediated between surplus and deficit units through financial intermediaries increased from R744 billion in 2018 to R955 billion in 2019. Financial intermediaries sourced funding largely through funds placed by investors of R436 billion in 2019, which included premiums and contributions, compared with R362 billion in 2018. In addition, the banking sector received deposits of R293 billion in 2019, up from R290 billion in 2018. Financial intermediaries, in turn, channelled these funds to other institutional sectors in need of funding through various financial assets, such as loans, shares and fixed-interest securities.

Figure 4 Net incurrence of financial liabilities through selected instruments by financial intermediaries



Net acquisition of financial assets through selected instruments by financial intermediaries



Source: SARB

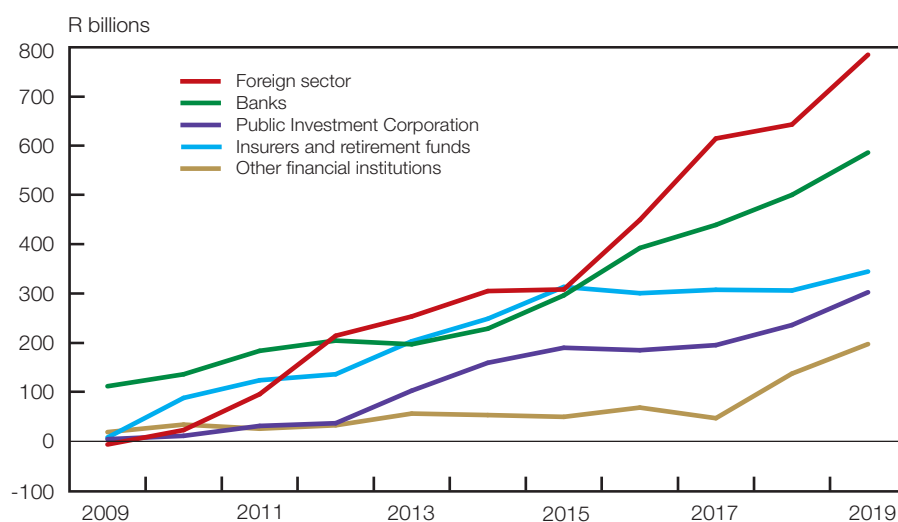
Intermediaries acquired fixed-interest securities of R367 billion, enabling especially general government to fund the deficit. Credit extension was higher at R305 billion in 2019 compared with R199 billion in 2018. Intermediation through domestic shares amounted to R154 billion in 2019.

General government

The general government sector issued a significant amount of debt instruments in 2019 to fund the borrowing requirement. The *2019 Medium Term Budget Policy Statement* highlighted the deterioration of public finances with subdued economic activity leading to large revenue shortfalls, while interest payments increased.

Capital spending by general government decreased from R146 billion in 2018 to R137 billion in 2019 as budget constraints intensified along with increased support for state-owned companies. General government's net borrowing position increased to an all-time high of R248 billion in 2019 or 4.9% of GDP, compared with 3.4% in 2018. The borrowing requirement was financed through the net issuance of long-term government bonds of R347 billion, of which R76.1 billion was raised in the international bond market, short-term government bonds of R34.4 billion and Treasury bills of R44.2 billion. The accumulated value of these financial assets held by the foreign sector, banks as well as insurers and retirement funds amounted to R785 billion, R586 billion and R345 billion respectively in 2019. The general government sector repaid loans of R48.8 billion, while deposit holdings increased by R18.1 billion in 2019.

Figure 5 Cumulative net investment* in national government instruments by main institutional sector



* Cumulative from 2009

Source: SARB

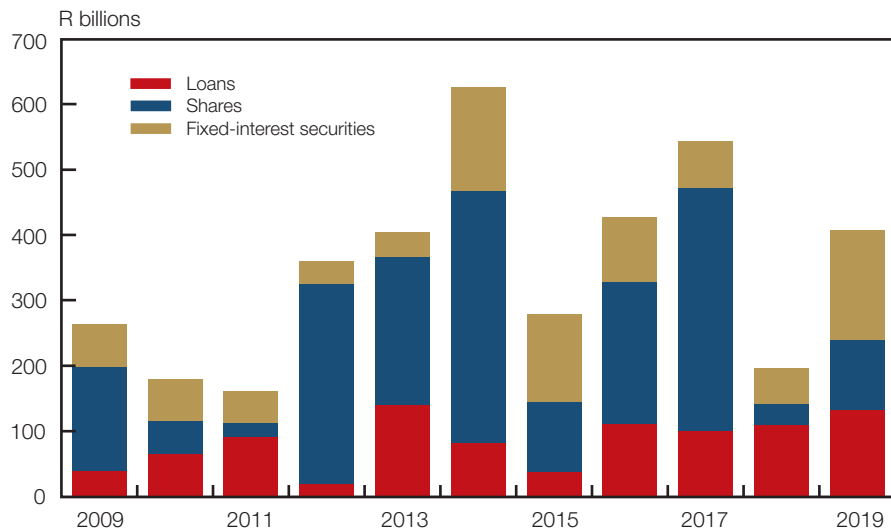
Non-financial public and private corporate business enterprises

The challenging economic environment in 2019 and low business confidence constrained the expansion in gross capital formation by both public and private non-financial enterprises, which increased only marginally to R617 billion in 2019, from R607 billion in 2018. The increase was mostly due to spending on computers and related equipment by private non-financial business enterprises.

Public non-financial business enterprises continued to be a net borrower in 2019, with the net incurrence of financial liabilities exceeding the net acquisition of financial assets. While the net issuances of securities by public enterprises of R10.8 billion in 2019 were less than the R24.7 billion in 2018, the net issues of all fixed-interest securities by both public and private business enterprises increased from R55.6 billion in 2018 to R169 in 2019. Non-financial business enterprises, both public and private, borrowed R132 billion through loans, while the value of shares issued amounted to R107 billion in 2019. Non-financial business enterprises invested in various financial assets, including deposits of R79.5 billion, funds placed with other financial institutions of R74.2 billion and a somewhat increased exposure to financial derivatives of R169 billion in the review period.



Figure 6 Non-financial corporate business enterprises' net incurrence of financial liabilities

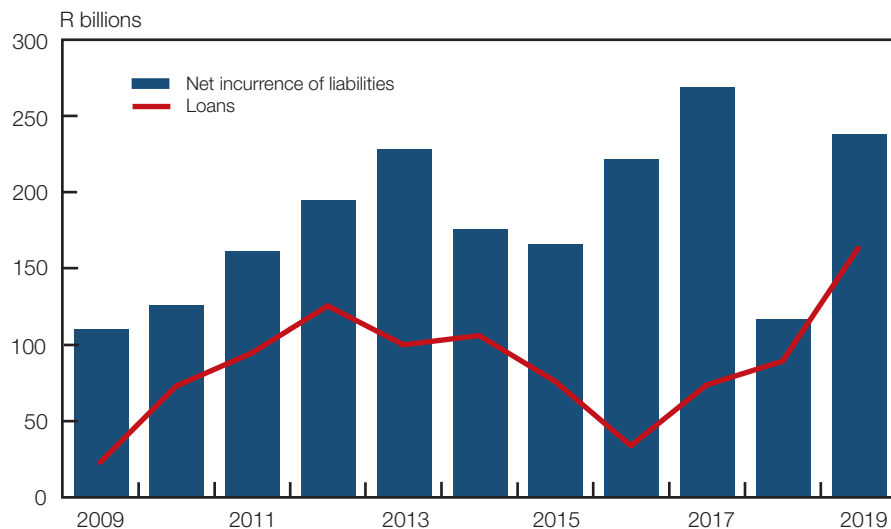


Source: SARB

Households

The increase in the household sector's accumulation of liabilities in 2019 mostly reflected credit extended to the sector of R163 billion compared with R88.9 billion in 2018. This credit supplemented income at a time when household finances were vulnerable due to rising unemployment, slower growth in real disposable income and low confidence. Demand for mortgage loans, which increased slightly from only R39.5 billion in 2018 to R49.6 billion in 2019, was dampened by weak activity in the real estate market along with stagnant house prices. Amid this uncertainty, household deposits increased by R104 billion in 2019. Despite less employment across key labour-intensive sectors, interest in retirement and life funds of R151 billion in 2019 was still more than the R119 billion in 2018.

Figure 7 Households' financial liabilities



Source: SARB

Summary

The flow of funds in 2019, as portrayed in the national financial account, reflected the impact of adverse developments in global trade, severe power outages, drought, low consumer and business confidence, and weak economic activity which turned into a technical recession in the second half of the year. The main highlights were:

- Net lending from the foreign sector of R153 billion in 2019 reflected the domestic shortfall and balanced the domestic saving-investment gap.
- Non-residents' net purchases of domestic long-term government bonds of R142 billion in 2019 were supported by favourable interest rate differentials.
- Non-residents' net sales of shares of R41.4 billion in 2019 reflected investors' concerns about domestic economic growth prospects and lack of progress with structural reforms.
- Capital spending by general government decreased as budget constraints intensified along with increased support for state-owned companies.
- The general government sector's net borrowing requirement increased to an all-time high and contributed to an increase in government debt.
- Gross capital formation by both public and private non-financial business enterprises increased only marginally.
- Public non-financial business enterprises continued to be net borrowers.
- The increase in the household sector's liabilities mostly reflected credit extended to the sector.
- Household deposits increased strongly amid uncertainty.

References

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National financial account

Flow of funds for the first quarter 2019¹

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	57 944		1 448		4 763		-48		4 478		12 771	
2. Consumption of fixed capital ⁴			158		4 124		8		194		1 175	
3. Capital transfers.....	43	106										
4. Gross capital formation ⁴				317	13 817		9		219		1 057	
5. Net lending (+)/net borrowing (-) (S).....	57 881		1 289		-4 930		-49		4 453		12 889	
6. Net financial investment (+) or (-) (U).....		57 881		1 289	-4 930		-49		4 453		12 889	
7. Net incurrence of financial liabilities (Total S 9 – 32).....	9 187		-19 668		124 886		26 886		95 513		81 973	
8. Net acquisition of financial assets (Total U 9 – 32).....		67 068		-18 379	119 956		26 837		99 966		94 862	
9. Gold and other foreign reserves.....	-34 244			-34 244								
10. Cash and demand monetary deposits ⁵		-1 826	-14 703	9 500	-7 047	-1 114		1 782		-1 772		10 999
11. Short/Medium-term monetary deposits ⁵		-4 759		28 708	5 825			999		-2 469		9 356
12. Long-term monetary deposits ⁵		-3 525		1 015	53 704			4 619		4 063		39 798
13. Funds placed with other financial institutions.....	334	-29				4 265		1 976		1 230	48 206	334
14. Funds placed with other institutions.....	2 526					1 675	26 886	992	992	21 196		1 351
15. Treasury bills.....	-339			2 013		-11 839				-62		521
16. Other bills.....	13 739			9 323	881	3 749		908		-12		1 527
17. Bank loans and advances.....	34 298		813	-297	399	112 041					24 713	
18. Trade credit and short-term loans.....	27 122	61 882	-343	-25 000	4 719	21 493			5 917	383	-1 681	-630
19. Short-term government bonds.....				58		11 371		18 447		6 373		9 934
20. Long-term government bonds.....		35 690				-5 245		-12 853		5 759		-16 895
21. Non-marketable debt of central government ⁶												
22. Securities of local governments.....						-129				-483		29
23. Securities of public enterprises.....	1 508	618				2 672		-353		-988	18	-1 077
24. Other loan stock and preference shares.....	9 702	-1 011			-1 344	16 631		-1 440	-239	13 842	2 045	13 528
25. Ordinary shares.....	19 956	-2 815			3 162	11 534		5 148	71	73 517		42 579
26. Foreign branch/head office balances.....												
27. Long-term loans.....	7 982	12 131	6 206	-3	3 682				-36	-3 545	880	261
28. Mortgage loans.....	168					17 831				230	-136	577
29. Interest in retirement and life funds ⁷		7 456				-321			43 097			
30. Financial derivatives.....	-40 900	-42 954			-9 251	-3 172			-197	1 735	-72	-47
31. Amounts receivable/payable.....	124		212	178		-4 162			23 012	-13 345	1 026	-3 309
32. Other liabilities/assets.....	-32 789	6 210	-11 853	-9 630	70 117	-56 993		6 612	22 672	-5 514	6 730	-13 730
33. Balancing item.....					39	-331			224	-172	244	-244

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 2019¹

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		
-14 988		-2 064		-13 914		17 739		-39 744		28 385			1. Net saving ⁴
17 962		6 206		26 953		100 320		18 044		175 144			2. Consumption of fixed capital ⁴
	44 282	17 837		18 041		458	15	8 052	28	44 431	44 431		3. Capital transfers
	18 782	17 385		31 863		95 928		24 152		203 529			4. Gross capital formation ⁴
-60 090	-60 090	4 594		-783		22 574		-37 828					5. Net lending (+)/net borrowing (-) (S)
		4 594		-783		22 574		-37 828					6. Net financial investment (+) or (-) (U)
24 145		13 055		11 308		148 741		83 133		599 159			7. Net incurrence of financial liabilities (Total S 9 – 32)
	-35 945	17 649		10 525		171 315		45 305		599 159			8. Net acquisition of financial assets (Total U 9 – 32)
	-32 832	9 874		-5 462		-7 155		-3 744		-34 244	-34 244		9. Gold and other foreign reserves
	-34 977	9 384		3 331		-11 979		8 231		-21 750	-21 750		10. Cash and demand monetary deposits ⁵
	-7 737	-882		-137		7 906		8 584		5 825	5 825		11. Short/Medium-term monetary deposits ⁵
	5 154	-731		578		32 258		8 659		53 704	53 704		12. Long-term monetary deposits ⁵
						95		131		48 540	48 540		13. Funds placed with other financial institutions
-6 140										30 499	30 499		14. Funds placed with other institutions
										-6 479	-6 479		15. Treasury bills
										14 793	14 793		16. Other bills
931		1 304		-160		333				111 744	111 744		17. Bank loans and advances
-24 659	5 867	-317	4	297	3 012	42 179	25 782	29 075	-10 484	82 309	82 309		18. Trade credit and short-term loans
46 183					136					46 183	46 183		19. Short-term government bonds
6 592										6 592	6 592		20. Long-term government bonds
218									218	218	218		21. Non-marketable debt of central government ⁶
		-102								-102	-102		22. Securities of local governments
	3 613			1 330						2 856	2 856		23. Securities of public enterprises
	1 104			4 107	260	33 913	5 270			48 184	48 184		24. Other loan stock and preference shares
	5 291			10 254	-264	85 054	-16 493			118 497	118 497		25. Ordinary shares
													26. Foreign branch/head office balances
-3	26 193	53		18 998	2 806	6 077	6 621	531	-94	44 370	44 370		27. Long-term loans
				338		4 361		13 907		18 638	18 638		28. Mortgage loans
							2 091		33 871	43 097	43 097		29. Interest in retirement and life funds ⁷
				-1 297	749	37 829	29 801			-13 888	-13 888		30. Financial derivatives
1 023	-7 621			-20 416	5 370	-17 687	14 207	3 910	-114	-8 796	-8 796		31. Amounts receivable/payable
		12 094		-9 003	109	-64 339	81 437	14 921	49	8 550	8 550		32. Other liabilities/assets
		23		-1	37	-710	529			-181	-181		33. Balancing item

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

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KB231

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

National financial account

Flow of funds for the second quarter 2019¹

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	31 909		1 553		10 345		101		8 630		7 685	
2. Consumption of fixed capital ⁴			160		4 358		8		190		1 187	
3. Capital transfers.....	41	101										
4. Gross capital formation ⁴				96	11 190		8		172		932	
5. Net lending (+)/net borrowing (-) (S).....	31 849		1 617		3 513		101		8 648		7 940	
6. Net financial investment (+) or (-) (U).....		31 849		1 617	3 513		101		8 648		7 940	
7. Net incurrence of financial liabilities (Total S 9 – 32).....	-14 438		-30 441		160 559		20 360		68 133		44 729	
8. Net acquisition of financial assets (Total U 9 – 32).....		17 411		-28 824	164 072		20 461		76 781		52 669	
9. Gold and other foreign reserves.....	-7 674			-7 674								
10. Cash and demand monetary deposits ⁵		-719	-20 951	-13 927	35 603	49		10 604		934		-8 971
11. Short/Medium-term monetary deposits ⁵		-7 499		-33 208	1 038			-6 126		2 385		-49 185
12. Long-term monetary deposits ⁵		5 944		-1 015	82 893			10 506		8 003		54 243
13. Funds placed with other financial institutions.....	132	-17				3 703		370		3 225	40 878	132
14. Funds placed with other institutions.....	-23 191					-20 499	20 360	639	639	9 187		-541
15. Treasury bills.....	-469			-1 066		29 499				-315		691
16. Other bills.....	-11 343			-8 454	210	-2 287		3 027		458		12 759
17. Bank loans and advances.....	28 541		-443	675	680	40 715					-8 054	
18. Trade credit and short-term loans.....	60 450	28 776	-771	32 060	3 708	23 985			1 495	13 728	10 879	32 158
19. Short-term government bonds.....				148		-6 979		-111		-5 098		-52
20. Long-term government bonds.....		-6 995				24 573		18 562		28 711		22 977
21. Non-marketable debt of central government ⁶		-394										
22. Securities of local governments.....						-270		6		1 698		65
23. Securities of public enterprises.....		5 954				980		-1		417		-492
24. Other loan stock and preference shares.....	-4 841	2 014			-1 716	425		-1 454	5 903	-3 480	1 959	719
25. Ordinary shares.....	1 125	16 307			7 549	4 384		-1 531	66	39 861		-25 021
26. Foreign branch/head office balances.....												
27. Long-term loans.....	-8 920	5 424	-7 916	-1	-389				-290	1 398	494	862
28. Mortgage loans.....	-923					27 932				-310	1 474	439
29. Interest in retirement and life funds ⁷		-2 539				-6			42 369			
30. Financial derivatives.....	-31 046	-31 548			17 671	36 359			-553	1 090	3 602	4 281
31. Amounts receivable/payable.....	1 031	44	-972	110		1 443			-3 112	-9 829	2 325	4 423
32. Other liabilities/assets.....	-17 310	2 659	612	3 528	13 234	50		-14 030	21 462	-15 211	-8 621	2 887
33. Balancing item.....					78	16			154	-71	-207	295

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KB230

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National financial account (continued)

Flow of funds for the second quarter 2019¹

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	
-4 754		-16 846		-12 865		19 402		22 163		67 323			1. Net saving ⁴
17 796		6 712		27 353		101 780		18 312		177 856			2. Consumption of fixed capital ⁴
	23 248	161		18 396		511	15	4 281	26	23 390	23 390		3. Capital transfers
	17 952		17 208		36 006		138 502		23 113		245 179		4. Gross capital formation ⁴
-28 158		-27 181		-3 122		-16 824		21 617					5. Net lending (+)/net borrowing (-) (S)
	-28 158		-27 181		-3 122		-16 824		21 617				6. Net financial investment (+) or (-) (U)
130 792		4 004		14 300		139 331		55 916		593 245			7. Net incurrence of financial liabilities (Total S 9 – 32)
	102 634		-23 177		11 178		122 507		77 533		593 245		8. Net acquisition of financial assets (Total U 9 – 32)
	20 821		-11 134		1 232		7 019		8 744	-7 674	-7 674		9. Gold and other foreign reserves
	62 108		-11 676		-3 130		13 467		33 902	14 652	14 652		10. Cash and demand monetary deposits ⁵
	4 274		194		1 029		3 575		-3 860	1 038	1 038		11. Short/Medium-term monetary deposits ⁵
	7 856		-562		-23		18 930		15 252	82 893	82 893		12. Long-term monetary deposits ⁵
						-530			636	41 010	41 010		13. Funds placed with other financial institutions
32 601										-2 722	-2 722		14. Funds placed with other institutions
	31						3 323			32 132	32 132		15. Treasury bills
				-188		17 070	215			5 749	5 749		16. Other bills
-405		2 759		-49		11 548		6 813		41 390	41 390		17. Bank loans and advances
31 274	486	761	-2	-820	-3 096	6 994	-9 093	2 547	-2 485	116 517	116 517		18. Trade credit and short-term loans
-12 092										-12 092	-12 092		19. Short-term government bonds
87 828										87 828	87 828		20. Long-term government bonds
-454									-60	-454	-454		21. Non-marketable debt of central government ⁶
		-90					-1 589			-90	-90		22. Securities of local governments
				6 856					-2	6 856	6 856		23. Securities of public enterprises
	2 503					9 959	10 537			11 264	11 264		24. Other loan stock and preference shares
				275		37 008	12 023			46 023	46 023		25. Ordinary shares
													26. Foreign branch/head office balances
-636	-5 020	47	3	4 721	-672	7 120	-6 208	1 213	-342	-4 556	-4 556		27. Long-term loans
				5		16 951		10 554		28 061	28 061		28. Mortgage loans
							8 523		36 391	42 369	42 369		29. Interest in retirement and life funds ⁷
				286	-1 621	63 226	44 625			53 186	53 186		30. Financial derivatives
-7 324	9 575			6 626	17 469	-10 672	6 168	30 803	-10 698	18 705	18 705		31. Amounts receivable/payable
		352		-3 309	-14	-19 587	10 895	3 986	55	-9 181	-9 181		32. Other liabilities/assets
		175		-103	4	244	97			341	341		33. Balancing item

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

National financial account

Flow of funds for the third quarter 2019¹

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	63 381		1 344		-3 625		106		7 114		10 958	
2. Consumption of fixed capital ⁴			161		4 480		8		193		1 202	
3. Capital transfers.....	44	103										
4. Gross capital formation ⁴				105	4 988		9		86		1 109	
5. Net lending (+)/net borrowing (-) (S).....	63 322		1 400		-4 133		105		7 221		11 051	
6. Net financial investment (+) or (-) (U).....		63 322		1 400	-4 133		105		7 221		11 051	
7. Net incurrence of financial liabilities (Total S 9 – 32).....	-13 818		134 856		83 079		39 238		32 910		37 507	
8. Net acquisition of financial assets (Total U 9 – 32).....		49 504		136 256	78 946		39 343		40 131		48 558	
9. Gold and other foreign reserves.....	77 164			77 164								
10. Cash and demand monetary deposits ⁵		1 873	87 269	1 928	-5 055	5 036		3 045		-3 892		3 569
11. Short/Medium-term monetary deposits ⁵		21 636		20 000	61 930			-1 482		-2 999		28 539
12. Long-term monetary deposits ⁵		15 839			11 619			161		5 193		-21 029
13. Funds placed with other financial institutions.....	1 497	201				2 047		5 415		894	45 373	1 497
14. Funds placed with other institutions.....	-47 852					-47 852	39 238	655	655	35 701		325
15. Treasury bills.....	-2 701			-1 303		-2 276				-672		-400
16. Other bills.....	21 909			28 836	-124	503		2 424		63		10 323
17. Bank loans and advances.....	-12 135		1 104	9 725	9 714	1 960					-1 779	
18. Trade credit and short-term loans.....	-40 931	-46 840	1 528	-20 333	-59 685	-26 876			7 660	180	-3 577	1 625
19. Short-term government bonds.....				-63		2 745		-275		-2 522		-27
20. Long-term government bonds.....		72 760				35 415		20 285		13 950		10 832
21. Non-marketable debt of central government ⁶												
22. Securities of local governments.....						-509				1 133		-192
23. Securities of public enterprises.....		-2 790		-20		7 577		-5 824		-2 113	664	-3
24. Other loan stock and preference shares.....	8 856	-1 027			242	13 178		-5 029	-1 084	10 474	1 275	10 749
25. Ordinary shares.....	-28 364	-29 298			1 090	-2 562		17 986	126	-42 830		-5 005
26. Foreign branch/head office balances.....												
27. Long-term loans.....	12 170	20 965	40 158	3	4 141				125	-4 112	1 893	2 266
28. Mortgage loans.....	-365					25 973				241	-447	-1 311
29. Interest in retirement and life funds ⁷		8 851				114			44 397			
30. Financial derivatives.....	-34 845	-37 892			86 793	33 810			305	347	265	-156
31. Amounts receivable/payable.....	506	52	146	-3		-523			5 162	14 897	-1 718	1 070
32. Other liabilities/assets.....	31 273	25 174	4 651	20 322	-27 440	31 139		1 982	-24 327	15 898	-4 332	5 664
33. Balancing item.....					-146	47			-109	300	-110	222

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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 2019¹

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	Sectors	
-53 338		-9 837		-11 482		44 027		13 759		62 407			1. Net saving ⁴
17 901		6 772		27 844		102 512		18 451		179 524			2. Consumption of fixed capital ⁴
	29 137	10 985		13 852		427	16	3 976	28	29 284	29 284		3. Capital transfers
	17 214	16 533		37 013		140 595		24 279		241 931			4. Gross capital formation ⁴
-81 788		-8 613		-6 799		6 355		11 879					5. Net lending (+)/net borrowing (-) (S)
	-81 788	-8 613		-6 799		6 355		11 879					6. Net financial investment (+) or (-) (U)
151 774		7 521		-11 866		28 713		53 078		542 992			7. Net incurrence of financial liabilities (Total S 9 – 32)
	69 986	-1 092		-18 665		35 068		64 957		542 992			8. Net acquisition of financial assets (Total U 9 – 32)
	35 146	-4 530		1 393		31 910		6 736		77 164	77 164		9. Gold and other foreign reserves
	-24 978	2 329		743		-8 742		26 884		82 214	82 214		10. Cash and demand monetary deposits ⁵
	6 711	1 040		3 776		3 566		-3 638		61 930	61 930		11. Short/Medium-term monetary deposits ⁵
		69		-340		24 244		12 843		11 619	11 619		12. Long-term monetary deposits ⁵
	3 466							84		46 870	46 870		13. Funds placed with other financial institutions
18 856						338				-7 621	-7 621		14. Funds placed with other institutions
	31			229		14 673	-5 493			16 155	16 155		15. Treasury bills
-361		17		-2 744		5 173		12 696		36 687	36 687		16. Other bills
-20 331	1 792	-2		-3 321	-36	-18 113	-32 161	19 026	4 903	11 685	11 685		17. Bank loans and advances
-142										-117 746	-117 746		18. Trade credit and short-term loans
153 242										-142	-142		19. Short-term government bonds
146									146	153 242	153 242		20. Long-term government bonds
		-102					-534			146	146		21. Non-marketable debt of central government ⁶
	-24			-3 868					-7	-102	-102		22. Securities of local governments
	2 503			6 674	4	20 809	5 920			-3 204	-3 204		23. Securities of public enterprises
				-4 073		-97 398	-66 910			36 772	36 772		24. Other loan stock and preference shares
3	40 158	53		3 328	-459	9 763	16 356	3 542	-1	-128 619	-128 619		25. Ordinary shares
				-450		14 168		11 997		75 176	75 176		26. Foreign branch/head office balances
							-1 316		36 748	24 903	24 903		27. Long-term loans
				-4 049	5 441	51 802	98 721			44 397	44 397		28. Mortgage loans
				-11 694	-9 581	-4 101	2 896	10 146	-15 181	100 271	100 271		29. Interest in retirement and life funds ⁷
361	5 181			8 076	-19 454	31 182	-54 041	-4 329	-4 560	-1 192	-1 192		30. Financial derivatives
		7 370		26	-152	417	-154			22 124	22 124		31. Amounts receivable/payable
		185								263	263		32. Other liabilities/assets
													33. 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 2019¹

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	-57		1 041		18 072		113		5 113		14 555	
2. Consumption of fixed capital ⁴			161		4 583		8		191		1 203	
3. Capital transfers.....	40	102										
4. Gross capital formation ⁴				135	6 346		9		100		1 232	
5. Net lending (+)/net borrowing (-) (S).....	-119		1 067		16 309		112		5 204		14 526	
6. Net financial investment (+) or (-) (U).....		-119	1 067		16 309		112		5 204		14 526	
7. Net incurrence of financial liabilities (Total S 9 – 32).....	-103 511		-48 458		-11 552		31 281		-76 687		-5 635	
8. Net acquisition of financial assets (Total U 9 – 32).....		-103 630	-47 391		4 757		31 393		81 891		8 891	
9. Gold and other foreign reserves.....	-9 876			-9 876								
10. Cash and demand monetary deposits ⁵		-4 373	-12 464	25 999	44 275	8 378		-15 473		3 042		-13 363
11. Short/Medium-term monetary deposits ⁵		829		-13 500	27 454			10 954		2 597		-5 016
12. Long-term monetary deposits ⁵		-6 671			-58 081			-13 227		-4 120		-29 524
13. Funds placed with other financial institutions	-604	182				1 223		5 133		60	3 554	-604
14. Funds placed with other institutions.....	-566					4 190	31 281	645	645	22 202		1 007
15. Treasury bills.....	2 678			18		-7 914		4 546		-24		-77
16. Other bills.....	-22 381			-25 017	-2 347	56		8 623		-699		11 845
17. Bank loans and advances.....	-30 302		-1 483	-4 361	-5 080	-32 784			-77		3 478	
18. Trade credit and short-term loans.....	-22 549	-32 068	-2 033	-1 209	21 243	-8 570			8 981	33 859	-9 156	-14 423
19. Short-term government bonds.....				13		6 502		1 369		-7 359		-74
20. Long-term government bonds.....		40 189				10 150		16 621		-241		32 557
21. Non-marketable debt of central government ⁶		-394										
22. Securities of local governments.....						-22		18		3 255		21
23. Securities of public enterprises.....		2 178		-45		2 004		-1 471		2 660	164	1 166
24. Other loan stock and preference shares.....	23 428	-1 315			-1 153	28 228		-3 083	-881	12 963	2 788	5 427
25. Ordinary shares.....	-8 486	-25 607			-4 913	4 503		26 384	143	42 111		10 606
26. Foreign branch/head office balances.....												
27. Long-term loans.....	15 236	-22 896	-39 406	-2	-3 175				397	6 345	2 558	1 475
28. Mortgage loans.....	-227					37 671				67	-163	248
29. Interest in retirement and life funds ⁷		-704				625			47 052			
30. Financial derivatives.....	-52 263	-50 837			-64 411	-8 932			-825	-667	-316	-9
31. Amounts receivable/payable.....	-1 105	-86	838	96		-17 411			11 278	-3 830	-3 788	4 525
32. Other liabilities/assets.....	3 506	-2 057	6 090	-19 507	34 477	-22 855		-9 646	9 731	-29 998	-4 566	2 828
33. Balancing item.....					159	-285			243	-332	-188	276

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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 fourth quarter 2019¹

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	
7 438		-15 633		-18 551		13 681		-3 860		21 912		1. Net saving ⁴
17 910		6 803		28 295		102 830		18 570		180 554		2. Consumption of fixed capital ⁴
	42 328	11 205		25 439		643	14	5 143	26	42 470	42 470	3. Capital transfers
	16 354	15 765		30 346		106 475		25 704		202 466		4. Gross capital formation ⁴
-33 334		-13 390		4 837		10 665		-5 877				5. Net lending (+)/net borrowing (-) (S)
	-33 334	-13 390		4 837		10 665		-5 877				6. Net financial investment (+) or (-) (U)
39 609		13 986		-2 367		53 747		46 332		90 119		7. Net incurrence of financial liabilities (Total S 9 – 32)
	6 275	596		2 470		64 412		40 455		90 119		8. Net acquisition of financial assets (Total U 9 – 32)
	1 111	764		2 258		9 395		14 073		-9 876	-9 876	9. Gold and other foreign reserves
	-586	1 002		8 787		16 177		6 210		31 811	31 811	10. Cash and demand monetary deposits ⁵
	-6 297	-1 014		-81		643		2 210		27 454	27 454	11. Short/Medium-term monetary deposits ⁵
		-155		-182		-1 302		-1 405		-58 081	-58 081	12. Long-term monetary deposits ⁵
	4 257							76		2 950	2 950	13. Funds placed with other financial institutions
						1 017				32 377	32 377	14. Funds placed with other institutions
-1 157								4 972		1 521	1 521	15. Treasury bills
	31			-304		19 096		-775		-5 936	-5 936	16. Other bills
-4 755		-678		-2 229		-11 233			15 214	-37 145	-37 145	17. Bank loans and advances
-32 742	9 604	-457		92	-358	-21 292	-42 716		217	-57 696	-57 696	18. Trade credit and short-term loans
451										451	451	19. Short-term government bonds
99 276										99 276	99 276	20. Long-term government bonds
-455										-61	-455	21. Non-marketable debt of central government ⁶
		-90						-3 362		-90	-90	22. Securities of local governments
	35			6 441				78		6 605	6 605	23. Securities of public enterprises
	2 503			-37	-265	32 382	12 069			56 527	56 527	24. Other loan stock and preference shares
				1 664		74 301	4 712			62 709	62 709	25. Ordinary shares
-663	-25 174	42	-1	-9 110	962	-4 729	1 966	1 808		-37 042	-37 042	26. Foreign branch/head office balances
				-396		25 591				37 986	37 986	27. Long-term loans
							3 030			47 052	47 052	28. Mortgage loans
				4 792	-3 346	44 123	-5 109			-68 900	-68 900	29. Interest in retirement and life funds ⁷
-20 346	20 791			-134	-5 257	-13 554	-6 932	10 257	-8 450	-16 554	-16 554	30. Financial derivatives
		15 112		-2 860	-73	-91 639	71 659	5 655	-14 845	-24 494	-24 494	31. Amounts receivable/payable
		57		-286	25	-316	-15			-331	-331	32. Other liabilities/assets
												33. Balancing item

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