

Notes to tables

Tables S-48 to S-51: Foreign liabilities and assets of South Africa

Details of South Africa's foreign liabilities and assets as at the end of 1965 are shown for the first time in tables S-48 to S-51. The major changes in these liabilities and assets during the year 1965 are summarised below.

Foreign liabilities. South Africa's total foreign liabilities increased by R305 million at the end of 1964 to R3,440 million at the end of 1965. This increase of 9.7 per cent represents the greatest increase in the total foreign liabilities in any one year since 1956 when the Bank first started with its surveys of foreign liabilities and assets. The increase in the foreign share of the reserves of foreign-controlled South African resident organisations accounted for R92 million of the total increase while all other foreign liabilities together increased by R213 million.

Approximately two-thirds of the total increase of R305 million is classified as direct investment and one-third as non-direct. In the case of direct investment, the above-mentioned increase in reinvested profits made the major contribution to the total increase while an increase of R78 million in the foreign liabilities of the central Government and banking sector provides the main reason for the increase in South Africa's non-direct investment foreign liabilities.

About 59 per cent of South Africa's total foreign liabilities are due to the United Kingdom and these

liabilities increased by a further R121 million during 1965 to R2,025 million at the end of that year. Changes in reserves (reinvested profits) amounted to R63 million. Smaller increases occurred in respect of all other major countries or areas, especially the U.S.A. (R58 million) and France (R26 million). Due to repayments on loans, South Africa's liabilities to International Organisations decreased by R12 million to R130 million at the end of 1965.

Foreign assets. South Africa's total foreign assets decreased by R5 million from R1,390 million at the end of 1964 to R1,385 million at the end of 1965. The foreign assets held by the South African central Government and banking sector, however, decreased by R33 million, mainly due to the decrease of R36 million in the country's total gold and foreign exchange reserves as shown in the balance of payments for 1965. The total foreign assets of the South African private sector increased by R28 million.

Foreign assets held by the South African private sector as portfolio investment decreased slightly by R2 million to R216 million at the end of 1965, while direct investment in foreign countries increased from R497 million to R527 million during the year. The major increase occurred in the form of the South African share in the reserves of foreign organisations controlled from South Africa.