

Quarterly economic review

General observations

During 1969 the rate of growth in the South African economy showed a substantial further acceleration. According to the national accounts and other data which have now become available for 1969, a rate of increase of no less than 12 per cent was recorded in the gross domestic product, and although this rate included price rises as a result of various special factors such as the upward adjustment of salary and wage scales, the premium on gold sales and the introduction of the sales duty, the gross domestic product in real terms nevertheless increased by slightly more than 7 per cent.

This high rate of growth of the economy was recorded despite a relatively tight labour situation, and was made possible mainly by the utilization of surplus capacity, increased labour productivity through training, mechanisation and rationalisation. These factors led to substantial increases in profits of manufacturing and other concerns. Except for the effect of special factors influencing the price level, the economic growth was achieved without an undue rise in the general level of prices. In fact, the index of consumer prices increased by only 2.6 per cent if the influence of the sales duty is excluded.

The increased economic activity stemmed from substantial rises in all the components of gross domestic expenditure, namely private consumption expenditure and fixed investment by both the private and public sector, current expenditure by the government and an accumulation of inventories. However, although an increase in fixed investment, particularly by the private sector, may be regarded as a welcome feature of economic developments in 1969, the allocation of capital outlays by type of assets and among the different sectors may not be the most desirable for sound

economic growth in future. The larger part of the investment went to buildings and constructions, mainly in the public sector and in the sector commerce, finance and private transport and in residential buildings, while investment in machinery and equipment and in the manufacturing sector as such remained sluggish. It would appear, however, that the latter showed signs of a revival towards the end of 1969.

As a result of the large increases in all the components of domestic expenditure, imports increased rapidly and this together with a levelling off in exports, resulted in a deficit on the current account of the balance of payments. Although a small net inflow of capital partly neutralized the effect of the deficit on the current account, the total gold and foreign exchange reserves declined somewhat in 1969. However, in view of the settlement reached on the marketing of South Africa's gold and with total gold and foreign exchange reserves still at a comfortably high level of well over R1,000 million at the end of 1969, South Africa's balance of payments position remained relatively strong.

In the financial sphere, significant changes also occurred in 1969 and in general conditions appeared to be more normal than a year ago. The authorities succeeded in slowing down the rate of increase of money and near-money held by the private non-bank sector from a rise of 21 per cent in 1968 to 10 per cent in 1969. The excess liquid assets of the banking system also declined significantly in the course of 1969. These changes were mainly brought about by a reversal in 1969 of the strong upward movement of the gold and foreign exchange reserves which occurred during the previous years.

Owing to various upward adjustments to the credit ceilings, bank credit to the private sector increased by almost R500 million in 1969, while net bank credit to

the government sector, which had shown a negative influence on money and near-money since 1966, rose fairly strongly towards the end of 1969 and contributed to the increase in money and near-money.

The capital market scene also changed markedly after the prices on the Johannesburg Stock Exchange had started to move downwards in May 1969. At the end of 1969 industrial and commercial share prices reached the level of a year earlier while all other classes of shares were on average considerably lower than at the end of 1968. As a result of the decline in share prices, the public's exceptional interest in investments with the unit trusts in 1968 and early in 1969, declined and the trusts experienced an outflow of funds during the last few months of 1969. In these circumstances the general public's asset preferences changed significantly and this resulted in a substantial flow of interest-bearing funds to the building societies and banks, in particular in the second half of 1969. At the same time the squeeze on the surplus liquid assets of banks, the relaxation of bank credit and a strong demand for housing loans led to keen competition among the banks and building societies for funds, with the result that upward adjustments were made to certain interest rates.

In contrast to the success of the building societies and the banks in attracting more funds, the public authorities, public corporations and private companies borrowing through stock and debenture issues were unable fully to satisfy their borrowing requirements, despite upward adjustments to yields on new issues of stock and debentures. It would appear, therefore, that the switching of funds from the stock exchange and unit trusts was due mainly to a shift in the asset preferences of individuals rather than institutional investors which are the main supporters of fixed interest securities. A shortage of long-term capital in the public and private sectors therefore continued to exist despite the relatively high level of interest rates.

National accounts¹

High rate of increase in domestic product

According to preliminary estimates, the gross domestic product at current prices increased from R10.4 billion in 1968 to no less than R11.6 billion in 1969, i.e. by approximately 12 per cent, compared with an increase of 7 per cent during the previous year. This high rate of increase may, however, to a certain extent be ascribed to price rises due to various special factors, such as the introduction of the sales duty, increases in salary and wage scales in the public sector, the gold premium

realised on gold sales on the free market and increases in prices of private services during the course of 1969. Nevertheless, even with the exclusion of these and other price influences, the real gross domestic product still increased by the high rate of slightly more than 7 per cent during 1969, as against a rate of increase of just under 3½ per cent during the previous year. This high rate of growth in 1969 brought the average annual rate of real growth in the gross domestic product during the nineteen sixties to about 6 per cent, which is one half per cent higher than the target rate set by the Economic Development Programme. Moreover, this high rate of economic growth did not give rise to an undue increase in the cost of living.

In view of the relatively tight labour situation which prevailed, the high rate of increase in the real gross domestic product during 1969 was made possible by the utilisation of surplus capacity built up during the private investment boom of 1963 to 1966, increased labour productivity through training, mechanisation and rationalisation in general. It is provisionally estimated that the contribution to the real gross domestic product by the most important sector, namely manufacturing, increased by as much as 11 per cent during 1969. Both profits and salaries and wages rose significantly last year.

The quarterly estimates of gross domestic product at current prices, showed relatively high rates of increase during the second and third quarters of 1969 and a slower rate during the fourth quarter. These changes in the rates of increase were primarily attributable to price factors, so that the real gross domestic product increased more steadily throughout 1969.

Acceleration in gross domestic expenditure

Despite the high rate of increase in gross domestic product during 1969, gross domestic expenditure, i.e. the total of outlays on buildings, constructions, plant, machinery and equipment, changes in inventories, private consumption expenditure and current expenditure by general government increased even more rapidly at a rate of 14½ per cent, as against 4½ per cent in 1968. This excess of domestic expenditure over the domestic product resulted in a deficit on the current account of the balance of payments. Although the substantial increase in gross domestic expenditure was attributable partly to an accumulation of inventories amounting to R286 million in 1969, the rate of increase in the total of the other components of gross domestic expenditure, namely, fixed capital outlays and private and public consumption expenditure, also showed a significant acceleration from 9 per cent in 1968 to 11 per cent in 1969.

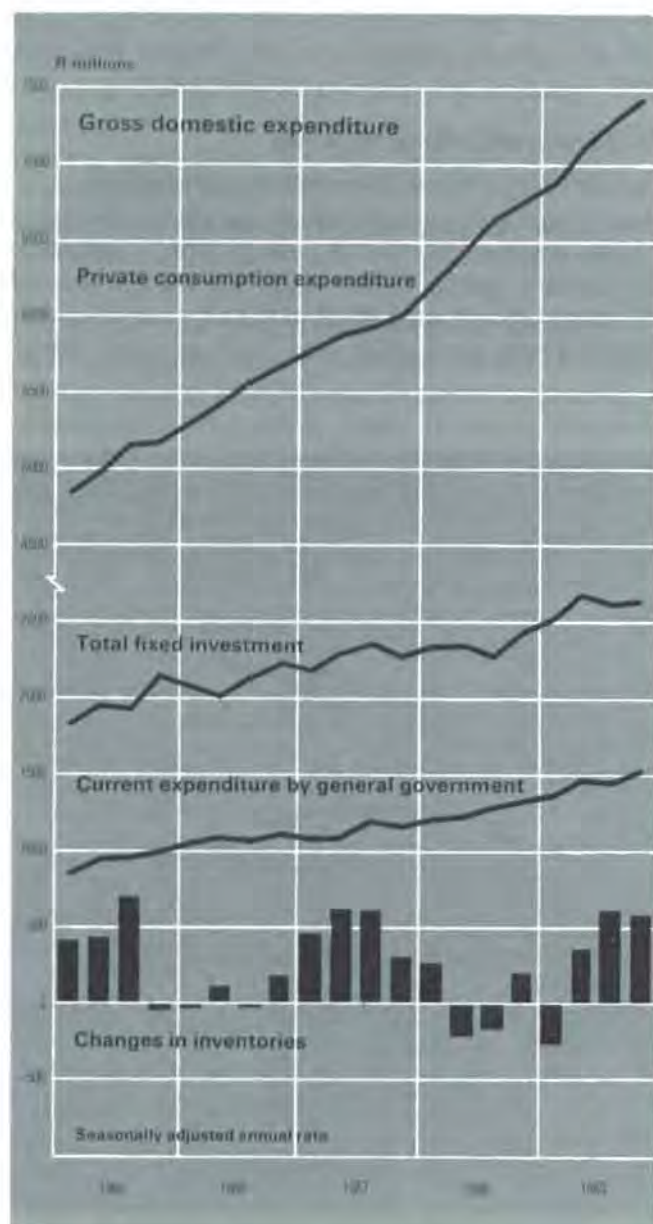
Quarterly fluctuations in the rate of increase of gross domestic expenditure in the course of 1969 were also, as in the case of the gross domestic product, to a large extent caused by price changes.

¹The analysis in this section of the Review is largely based on the Reserve Bank's quarterly estimates of the national accounts, *after adjustment for seasonal tendencies*. Since these figures are not yet judged reliable enough for publication, the analysis of quarterly developments is confined to pointing out broad tendencies.

Further substantial increase in private consumption expenditure

Private consumption expenditure, which constitutes about three-fifths of total gross domestic expenditure, continued to be one of the main expansionary forces in the economy and increased by no less than 10½ per cent and 10 per cent in 1968 and 1969, respectively. In real terms, i.e. after adjustment for price increases, private consumption expenditure increased by about 6½ per cent during 1969, compared with an increase of 8 per cent during the previous year.

Expenditure on services, which rose by 12 per cent, made the largest contribution to the increase in private consumption expenditure during 1969, while expenditure on durable goods increased by 11 per cent and expenditure on non-durable goods by 8½ per cent.



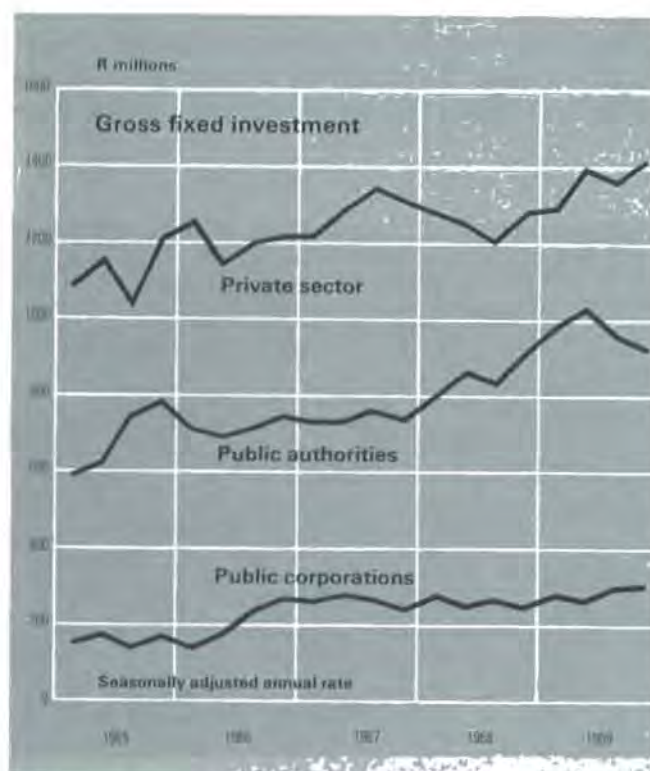
A feature of the quarterly figures for consumption expenditure during 1969 was the sharp acceleration in the second quarter followed by a slower rate of increase in the third and fourth quarters. Expenditure on non-durable goods and on services showed similar changes, while the rate of increase in expenditure on durable goods accelerated throughout the four quarters of 1969.

Pronounced rise in current government expenditure

After increasing by 11 per cent in 1968, current expenditure by general government increased further by 16 per cent in 1969. This increase consisted of a rise of 12½ per cent in salaries and wages and an estimated increase of as much as 23 per cent in expenditure on goods and other services. If allowance is made for price increases and upward adjustments to salary and wage scales, the current expenditure by general government at constant prices still increased at a relatively high rate of 10 per cent in 1969.

Revival in fixed capital outlays

Gross domestic fixed investment increased by no less than 10½ per cent in 1969, as against an increase of only 3½ per cent in 1968. An increase of about 13½ per cent in expenditure on buildings and construction contributed mainly to the rise in 1969, while expenditure on machinery, plant and equipment increased by only 3½ per cent.



The three main sectors, namely, the private sector, public authorities and public corporations all contributed to the increase in fixed investment in 1969. Capital outlays by public corporations, which account for only a small proportion of total fixed investment, increased by 10 per cent during 1969, while that of public authorities rose by 13 per cent in 1969, following on an increase of 15½ per cent in 1968. The contributors to the rise in capital outlays by public authorities were the central government with an increase of 28½ per cent and the provincial administrations and local authorities both with 18 per cent. Fixed capital outlays by the South African Railways and Harbours, on the other hand, declined by no less than about 11½ per cent during the year, after it had risen by 15 per cent during 1968. This decline occurred mainly in the third and fourth quarters of 1969, when the total capital outlays of all public authorities also showed a decline.

Fixed investment by the private sector showed a marked change between 1968 and 1969 and increased by no less than 9½ per cent in 1969, as against a decline of 2½ per cent the previous year. Although this revival in private fixed investment was a most welcome feature of developments during 1969, its composition according to type of asset and the sectors involved was perhaps at present not the ideal allocation of capital for sound future economic growth. Expenditure on buildings and constructions, for example, increased by 13 per cent, as against an increase of only 2 per cent in expenditure on machinery and equipment. Moreover, capital outlays in the different sectors also showed divergent tendencies. While expenditure on residential buildings, for example, increased by 17 per cent during 1969 and fixed capital outlays by the sector commerce, private transport and financial institutions increased by as much as 33 per cent, the mining sector by 6 per cent, the agricultural sector by 1 per cent, fixed capital outlays

by manufacturing in contrast declined by 10 per cent. Although this was the second successive year in which a decline in fixed capital outlays by manufacturing occurred, a change was noticeable in the quarterly figures which started to move horizontally from the third quarter of 1968. In actual fact, a relatively strong increase was observed in capital outlays by manufacturing in the fourth quarter of 1969.

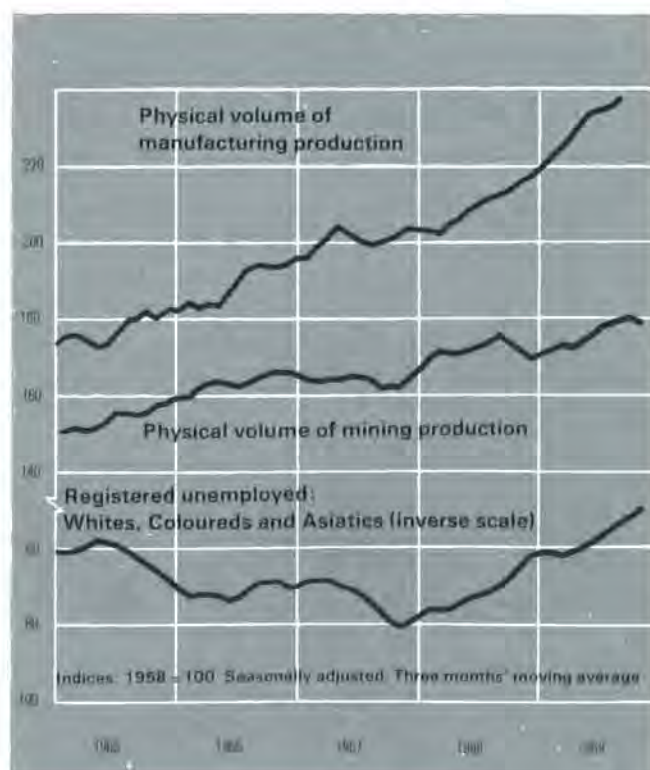
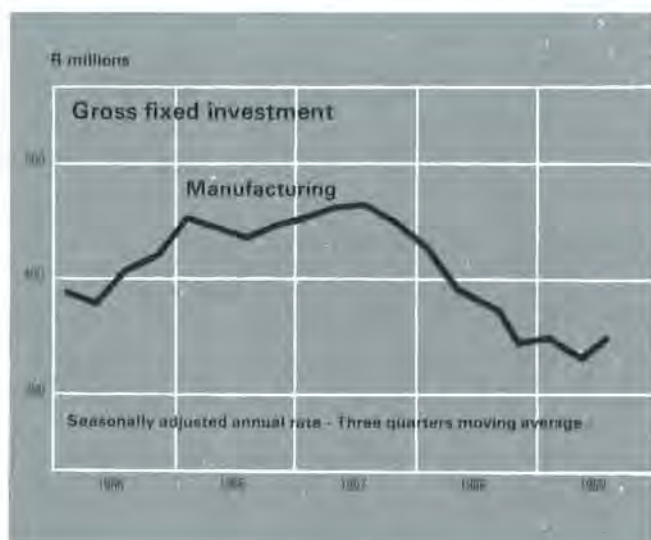
Increase in gross domestic saving

Notwithstanding the fact that gross domestic saving increased by as much as 12 per cent during 1969, compared with a decline of 6½ per cent during 1968, it was still insufficient for the financing of gross domestic investment. The deficit was made up by a net inflow of capital from abroad and a decline in the official gold and foreign exchange reserves. Corporate saving, which increased by approximately 30 per cent contributed most to the increase in domestic saving in 1969, while personal saving, the current surplus of public authorities and provision for depreciation also showed moderate rises.

Production and labour situation

Substantial increase in manufacturing production

Manufacturing production, which started to increase at a faster rate from the first quarter of 1968, accelerated considerably during 1969. Thus, the average level of the seasonally adjusted index of the physical volume of manufacturing production was 11·1 per cent higher



during the first ten months of 1969 than during the corresponding period in 1968, as against an increase of 4.3 per cent between 1967 and 1968. The largest contributions to the increase in manufacturing production in 1969 were made by the production of metal products, transport equipment, chemical products, and textiles, clothing and footwear.

The rise in manufacturing production was coupled with an increase in over-time worked and in the value of unfilled orders. The average monthly over-time was 10.8 per cent of the ordinary hours worked during the first eleven months of 1969, compared with 10.0 per cent during the corresponding period of 1968, while the value of unfilled orders was 9.7 per cent higher during the first ten months of 1969 than during the same period in 1968.

Moderate rise in mining production

The index of the physical volume of mining production increased by 2.2 per cent during 1969, as against an increase of 4.8 per cent during the previous year. The increase during 1969 consisted of a small rise in gold production and an increase of 5.8 per cent in other mining production. The latter increase represents a levelling off in the rate of increase in mining production other than gold after sharp rises during the preceding three years.

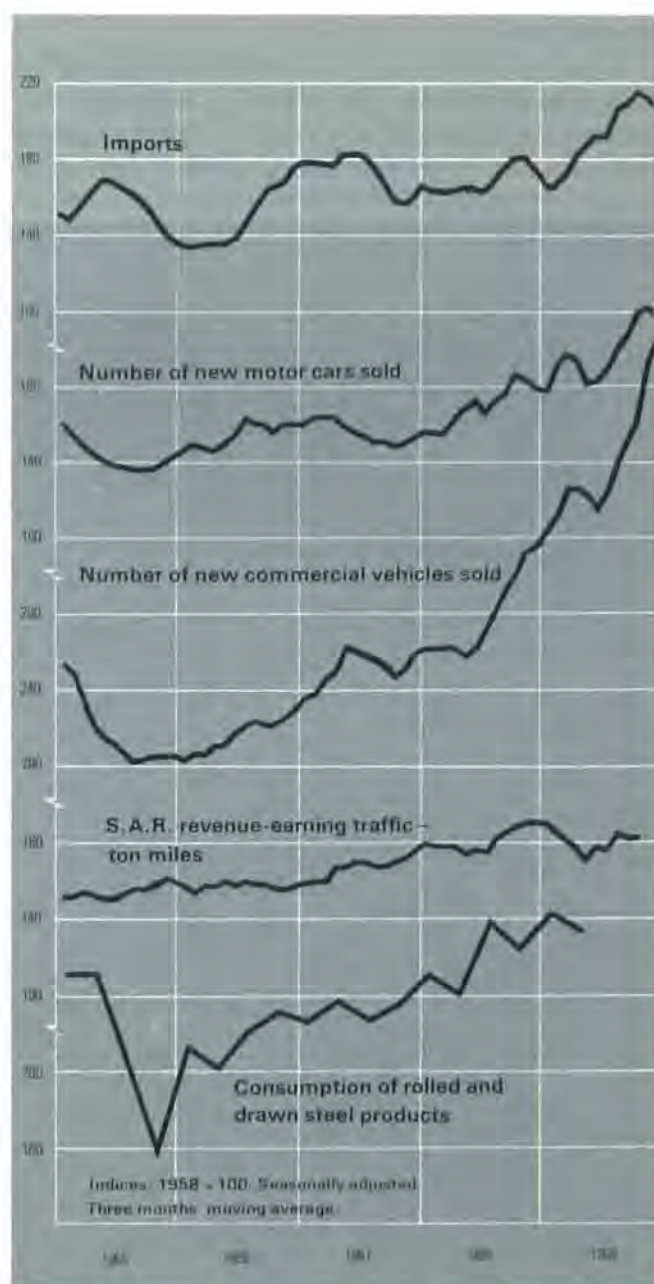
Increase in employment and tight labour situation

Non-agricultural employment was 4.2 per cent higher during the first nine months of 1969 than during the corresponding period in 1968. Divergent tendencies were, however, observed in different sectors of the economy. Employment in construction and manufacturing showed rises of 14.5 per cent and 6.2 per cent, respectively, for the first eleven months of 1969, while, for the calendar year, the following increases occurred: Post Office 7.3 per cent, South African Railways and Harbours 0.3 per cent, whereas mining recorded a decline of 0.1 per cent. In accordance with the substantial increase in total employment the seasonally adjusted number of unemployed Whites, Coloureds and Asiatics declined further from 11,740 in December 1968 to 9,470 in December 1969.

The rise in employment was not, however, sufficient to meet the shortage of skilled labour with the result that the average of salaries and wages for non-agricultural employees increased further by nearly 6 per cent, if the first nine months of 1969 are compared with the same period the previous year. The largest increases occurred, in the case of all non-agricultural workers, in the South African Railways and Harbours, public authorities and commerce, while for White employees only, the highest increase occurred in the construction sector, followed by the South African Railways and Harbours.

General economic indicators

The strong acceleration in economic activity during 1969 was also reflected in substantial rises in a selected number of economic indicators. Compared with the corresponding months of 1968, merchandise imports increased by 14 per cent in 1969, the number of new commercial vehicles sold by 30 per cent, the number of new motor cars sold by 18 per cent, the value of wholesale sales by 10 per cent, despatched rolled and drawn steel products by 19 per cent, the physical volume of construction as measured by hours worked by 17 per cent, the value of building plans passed by 26 per cent and the value of wholesale sales of building materials by 12 per cent.



The three main sectors, namely, the private sector, public authorities and public corporations all contributed to the increase in fixed investment in 1969. Capital outlays by public corporations, which account for only a small proportion of total fixed investment, increased by 10 per cent during 1969, while that of public authorities rose by 13 per cent in 1969, following on an increase of $15\frac{1}{2}$ per cent in 1968. The contributors to the rise in capital outlays by public authorities were the central government with an increase of $28\frac{1}{2}$ per cent and the provincial administrations and local authorities both with 18 per cent. Fixed capital outlays by the South African Railways and Harbours, on the other hand, declined by no less than about $11\frac{1}{2}$ per cent during the year, after it had risen by 15 per cent during 1968. This decline occurred mainly in the third and fourth quarters of 1969, when the total capital outlays of all public authorities also showed a decline.

Fixed investment by the private sector showed a marked change between 1968 and 1969 and increased by no less than $9\frac{1}{2}$ per cent in 1969, as against a decline of $2\frac{1}{2}$ per cent the previous year. Although this revival in private fixed investment was a most welcome feature of developments during 1969, its composition according to type of asset and the sectors involved was perhaps at present not the ideal allocation of capital for sound future economic growth. Expenditure on buildings and constructions, for example, increased by 13 per cent, as against an increase of only 2 per cent in expenditure on machinery and equipment. Moreover, capital outlays in the different sectors also showed divergent tendencies. While expenditure on residential buildings, for example, increased by 17 per cent during 1969 and fixed capital outlays by the sector commerce, private transport and financial institutions increased by as much as 33 per cent, the mining sector by 6 per cent, the agricultural sector by 1 per cent, fixed capital outlays

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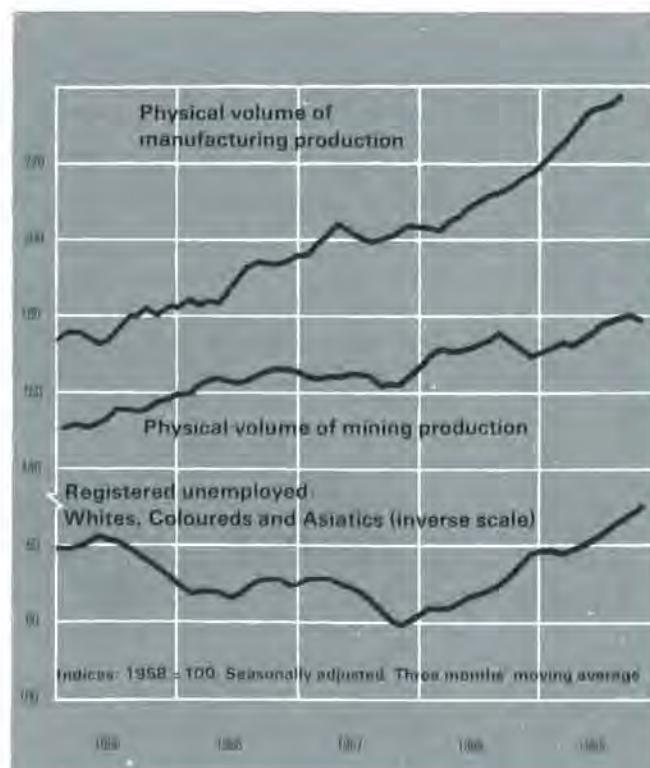
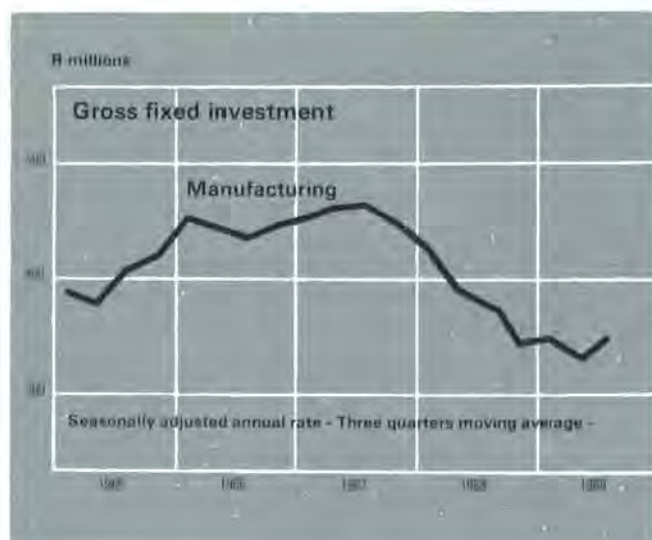
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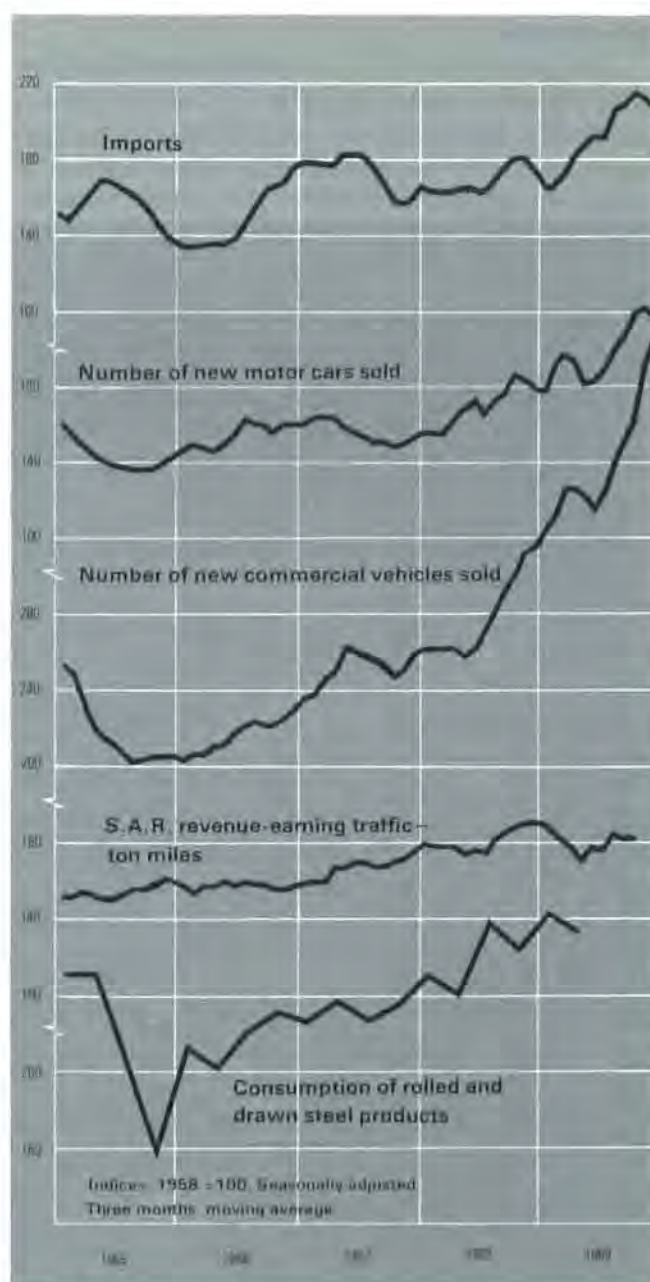
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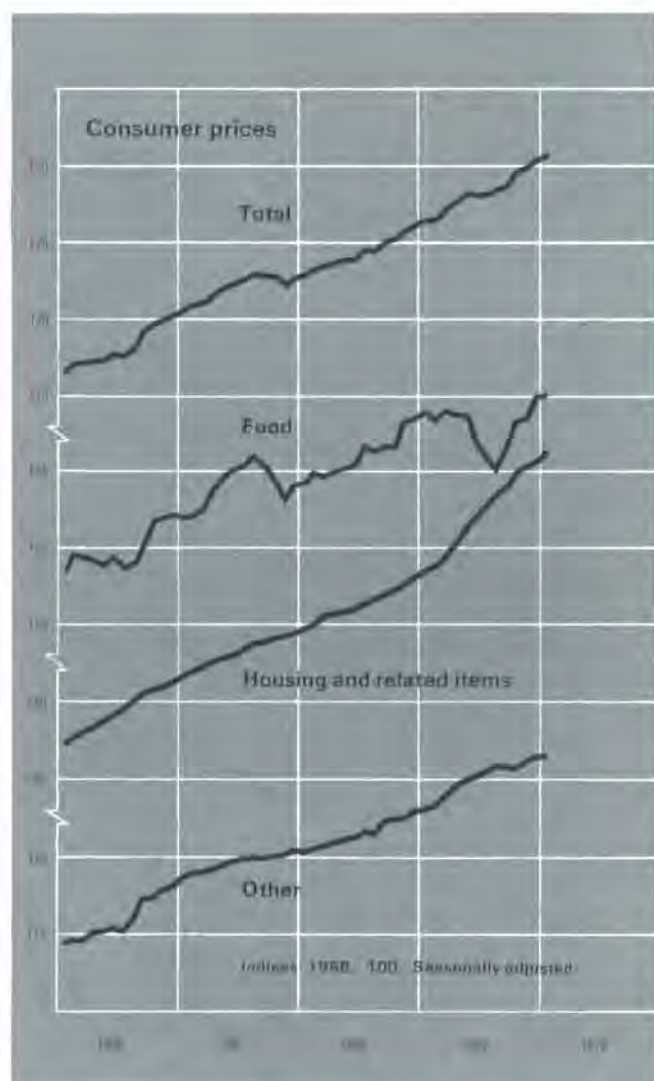
The strong acceleration in economic activity during 1969 was also reflected in substantial rises in a selected number of economic indicators. Compared with the corresponding months of 1968, merchandise imports increased by 14 per cent in 1969, the number of new commercial vehicles sold by 30 per cent, the number of new motor cars sold by 18 per cent, the value of wholesale sales by 10 per cent, despatched rolled and drawn steel products by 19 per cent, the physical volume of construction as measured by hours worked by 17 per cent, the value of building plans passed by 26 per cent and the value of wholesale sales of building materials by 12 per cent.



The activity on the Johannesburg Stock Exchange decreased considerably during the second half of 1969, but the property market remained very buoyant and the value of real estate transactions increased by 57 per cent between 1968 and 1969.

Prices

After increasing by 2.9 per cent during 1968, the seasonally adjusted index of consumer prices increased by 3.3 per cent between December 1968 and December 1969. The prices of housing and related items showed the largest rate of increase, namely 5.9 per cent, while food prices rose by only 1.0 per cent over the year. According to estimates, the sales duty contributed 0.7 per cent to the rise of 3.3 per cent in the price index of total consumer goods with the result that the index rose by 2.6 per cent without the influence of the sales duty.



The seasonally adjusted index of wholesale prices increased by 2.3 per cent during 1969. Prices of agricultural products increased by 1.4 per cent, those of imported goods rose by 1.9 per cent, while the prices of all other goods for domestic use showed an increase of 2.7 per cent. If the estimated effect of the sales duty is excluded, the prices of all wholesale goods rose by 1.4 per cent during 1969.

Balance of payments

Deficit on current account

According to provisional estimates, the current account of the balance of payments showed a deficit of R160 million during 1969, compared with a surplus of R90 million during 1968. The deterioration in the balance on current account was the net result of a substantial increase in merchandise imports and a moderate rise in service payments, which was partly offset by an increase in net gold output. Merchandise exports and service receipts showed little change.

During the course of 1969, the current account of the balance of payments changed from a surplus of R73 million during the first quarter, to deficits of R78 million, R109 million and R46 million for the last three quarters of the year, respectively. The deficit on the current account, taken at a seasonally adjusted annual rate, declined slightly from R384 million in the third quarter to R342 million in the fourth quarter.

Sharp increase in merchandise imports

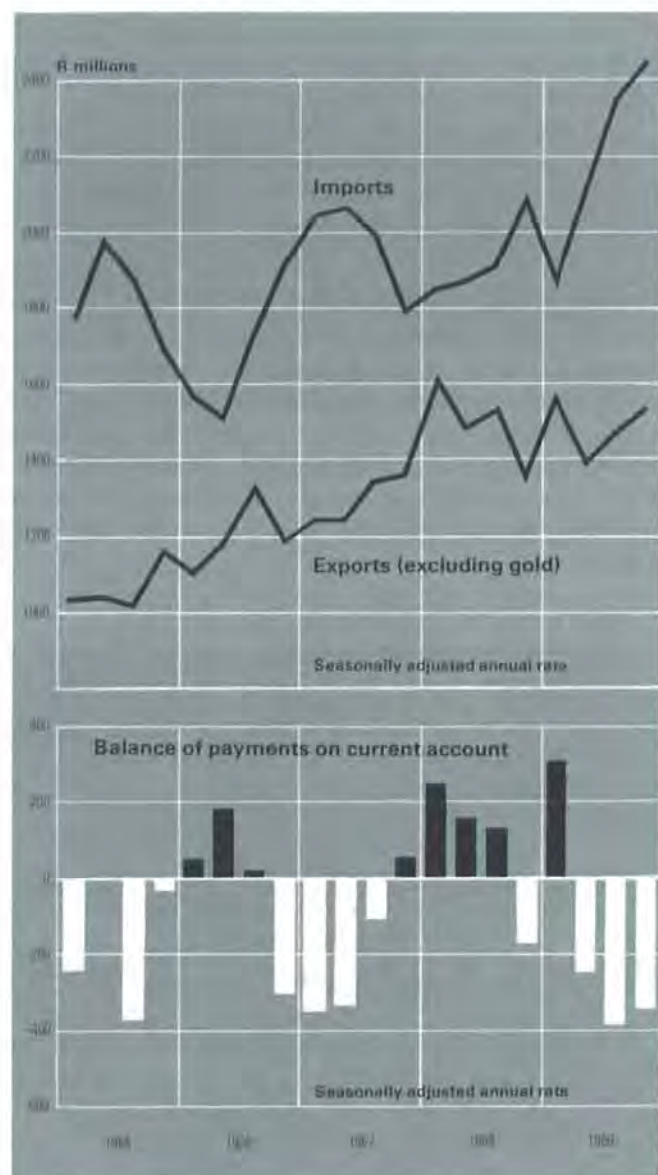
The general acceleration in economic activity and the high level of domestic demand led, under the relatively free import system, to a substantial rise in merchandise imports from R1,930 million in 1968 to R2,200 million in 1969, i.e. an increase of 14 per cent. Taken at a seasonally adjusted annual rate, merchandise imports increased in each of the last three quarters of 1969 from the relatively low figure of R1,870 million in the first quarter to R2,456 million in the fourth quarter. Although imports of intermediate and consumption goods also increased, capital goods contributed most to the rise in imports.

The high import figure for the fourth quarter may to a certain extent be associated with the uncertainty which existed in connection with the marketing of gold and with the possibility of using import restrictions to safeguard the diminishing exchange reserves. This uncertainty disappeared as a result of the gold marketing settlement, which was announced on 31st December, and the statement by the Minister of Economic Affairs in December 1969 that the Government had decided not to use import control under Article XII of the General Agreement on Tariffs and Trade in future. (The latter statement as well as the letters relating to the new gold marketing arrangement, are published elsewhere in this Bulletin.)

Little change in merchandise exports

During 1969 merchandise exports remained on approximately the same level as in the previous year and amounted to R1,490 million. Taken at a seasonally adjusted annual rate, merchandise exports reached a peak of R1,562 million in the first quarter of 1969, then declined sharply to R1,395 million in the second quarter, before increasing again to R1,478 million in the third quarter and to R1,529 million in the fourth quarter.

Although total exports showed little change in 1969, the figures for different products fluctuated significantly. In particular, the value of agricultural products exported declined sharply in 1969, but this decline was offset by large increases in the exports of precious and semi-precious stones and base metal products.



Increase in net gold output

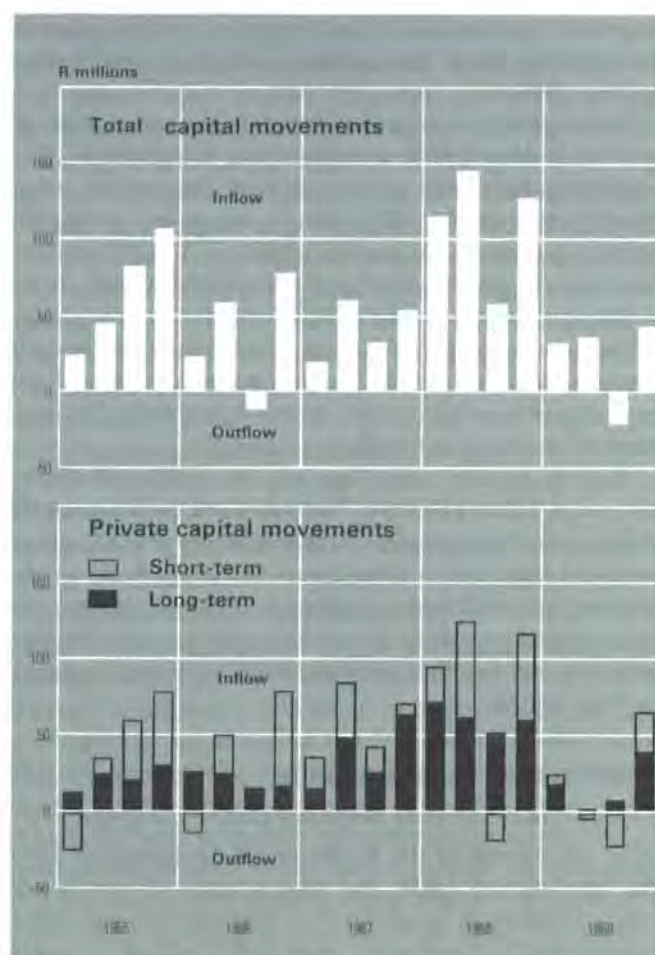
Although the physical volume of gold production showed almost no change, the value of net gold output, as defined for balance of payments purposes, increased by R78 million to R847 million in 1969. This resulted from the higher proceeds of the sale of gold on the free market.

Changes in other current transactions

Owing mainly to higher freight and insurance payments associated with the increase in imports, total service payments rose by about R43 million during 1969. As service receipts did not change much, net service payments to the rest of the world contributed to the deterioration in the balance on current account in 1969. Net transfer receipts showed a decline of R10 million in 1969, after it had increased sharply in 1968.

Further inflow of capital

Although much less than the inflow of R446 million obtained in 1968, a further net inflow of capital amounting to R93 million was recorded in 1969. This inflow consisted of an amount of R74 million to the private sector and R19 million to the central government and



banking sector. Almost the whole inflow to the private sector represented long-term capital.

After showing inflows during the first and second quarters of 1969 and an outflow of R21 million during the third quarter, a net inflow of capital amounting to R44 million was recorded in the fourth quarter. As the government and banking sector showed a net outflow of capital of R22 million during the fourth quarter, a net inflow of R66 million was received by the private sector consisting of R41 million long-term capital and R25 million short-term capital, including errors and unrecorded transactions.

Decline in gold and foreign exchange reserves

After increasing by the record amount of R536 million in 1968, South Africa's total gold and foreign exchange reserves declined by R59 million in 1969. This decline was the net result of an increase of R52 million in the exchange holdings of the central government, a decline of R105 million in the gold and foreign exchange reserves of the Reserve Bank and a decline of R6 million in the exchange holdings of the rest of the banking sector. The exchange reserves of the central government consisted mainly of South Africa's super gold tranche position with the International Monetary Fund, which increased by R67 million in 1969, and foreign securities obtained by the Public Debt Commissioners from the Reserve Bank in exchange for locally registered government securities, which declined by R7 million during 1969.

The decline in the gold and foreign exchange reserves started in May 1969, after reaching a peak of R1,230 million in April, and continued until September, when it amounted to R1,035 million. However, during the fourth quarter it increased again to R1,041 million, mainly as a result of an increase of R28 million in the exchange holdings of the central government, consisting of an increase of R50 million in South Africa's super gold tranche position with the International Monetary Fund and a decline of R22 million in the Public Debt Commissioners' holdings of foreign securities.

During January and February, the gold and foreign exchange reserves of the Reserve Bank declined by R2 million after the inclusion in the reserves of R24 million received from the International Monetary Fund in the form of Special Drawing Rights in January. During the same period, however, South Africa's super gold tranche position with the International Monetary Fund increased by R16 million.

Monetary and banking situation

Slower rate of increase in money and near-money

After increasing at the exceptionally rapid rate of 20·7 per cent during 1968, the total quantity of money and near-money rose at about half that rate during 1969, namely by 10·3 per cent, or by R357 million, to reach

Changes in money and near-money, 1969

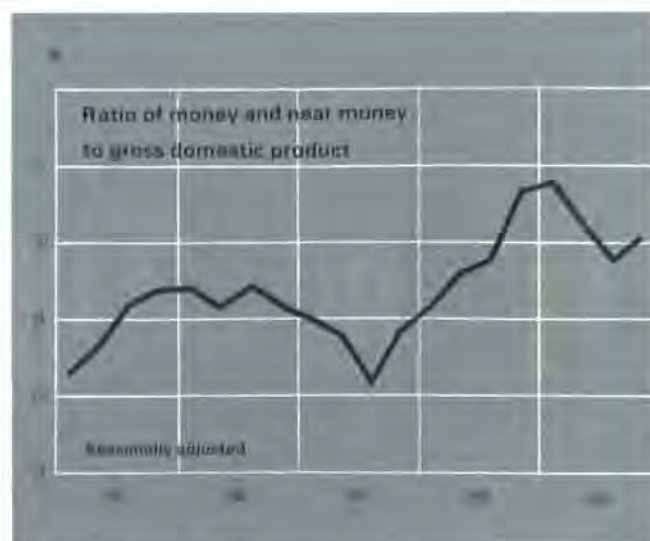
	Not seasonally adjusted	Seasonally adjusted	
	R millions	R millions	Percentage
First quarter	-42	142	4·2
Second quarter	90	-4	-0·1
Third quarter	124	131	3·8
Fourth quarter	184	77	2·1
Year 1969	357	346	10·3

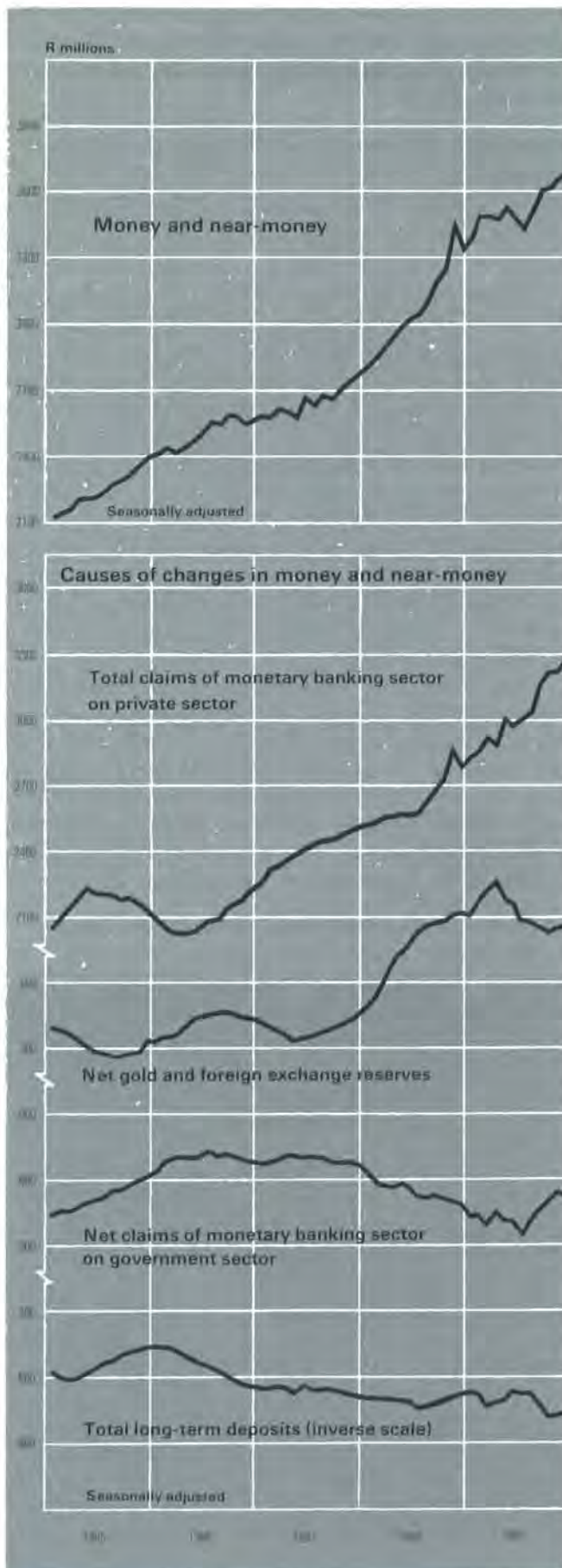
a level of somewhat over R3,800 million at the end of 1969. Coupled with the sustained acceleration in general economic activity, this slower rate of increase in money and near-money resulted in only a slight increase in the ratio of money and near-money to gross domestic product from 29·6 per cent in 1968 to 30·4 per cent in 1969. However, on a seasonally adjusted quarterly basis this ratio declined from a relatively high level of 31·5 per cent during the fourth quarter of 1968 and 31·6 per cent during the first quarter of 1969 to 30·1 per cent during the fourth quarter of 1969.

Contrary to the almost uninterrupted strong upward trend of money and near-money during 1968, the increase during 1969 occurred more irregularly, as is shown by the accompanying table.

Causes of changes in money and near-money

The monetary banking sector's claims on the private sector (i.e. bank credit to the private sector) was the most important single cause of the rise in money and near-money during 1969, as the accompanying table shows. This was in contrast to 1968, when the very substantial increase in the net gold and foreign exchange reserves contributed most to the rise in money and near-money.





Causes of changes in money and near-money
Not seasonally adjusted
 R millions

	1968	1969				
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
Net gold and foreign exchange reserves	475	101	-77	-119	41	-54
Claims on the government sector:						
Gross claims	191	-33	24	-1	54	44
Deposits (increase—, decrease+)	-394	-139	37	32	67	-3
Net claims	-203	-171	61	31	121	41
Claims on the private sector	279	136	74	181	104	494
Long-term deposits (increase—, decrease+)	11	-67	38	-30	-31	-90
Other assets and liabilities	30	-40	-6	61	-50	-35
Total change in money and near-money	592	-42	90	124	184	357

The fluctuations in the changes in money and near-money in the course of 1969, referred to above, may be ascribed to irregular movements in the net gold and foreign exchange reserves and the net claims on the government sector. The net gold and foreign exchange reserves continued their strong upward movement until April 1969 and then declined very rapidly during the second and third quarters of the year, before rising again slightly during the fourth quarter. The net claims on the government sector continued on a downward trend until July 1969 (not apparent from quarterly data), and then increased during the rest of the year. Contrary to these fluctuations, bank credit to the private sector increased throughout the year and contributed almost R500 million to the creation of money and near-money in 1969.

Sharp increase in bank credit to private sector

An analysis of the increases in bank credit to the private sector, as shown in the accompanying table, reveals that discounts and advances, other than cash credit advances of the Land Bank, accounted for the major part of the increase in bank credit during 1969, in contrast to 1967 and 1968 when investments contributed a notably larger share of the increases in bank credit. The increase of R420 million in discounts and advances during 1969 consisted mainly of an increase in the discounts and advances of commercial banks (R232 million), merchant banks (R31 million) and monetary hire-purchase and general banks (R43 million) and a rise of R78 million due to an increase in net remittances in transit.

Changes in claims on the private non-bank sector
Not seasonally adjusted
R millions

	1969						
	1967	1968	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Cash credit advances of the Land Bank	162	-66	-50	-18	77	-12	-3
Other discounts and advances	-45	206	187	88	37	108	420
Investments	160	113	-10	2	74	10	76
Deposits	2	26	9	1	-7	-2	1
Total	279	279	136	74	181	104	494

The increase in discounts and advances of commercial banks, merchant banks and monetary hire-purchase and general banks was aided by several increases in the ceiling on these discounts and advances during the latter part of 1968 and in the course of 1969. The relaxations brought the ceiling to 110 per cent of the March 1965 figure as from the 1st September 1969 and to 115 per cent as from the 1st January 1970. As regards the latter increase, it was decided that the earlier concessions in respect of agriculture, smaller business enterprises and credit for certain strategic purposes would remain outside the new ceiling. The ceiling applicable to certain investments of monetary banks with the private sector was raised by 15 per cent to 115 per cent of the level of 31st March 1968 as from the 12th February 1970.

Fluctuations in excess liquid assets of monetary banks

Mainly as a result of changes in government deposits and in liquid asset requirements, the excess liquid assets of monetary banks showed marked fluctuations during the second half of 1969 and early in 1970. Thus, the excess liquid assets of monetary banks, which had declined to a relatively low level of less than R100 million, or 2.3 per cent of their total liabilities to the public, at the end of July 1969, increased again during the remainder of the year and amounted to R286 million, or 5.8 per cent of the banks' liabilities to the public, at the end of 1969. However, owing to the seasonal shift of funds to the government sector during January 1970 and a substantial increase in discounts and advances during December, the banks' surplus liquid assets declined to only about R85 million, or 1.8 per cent of their liabilities to the public, at the end of January 1970.

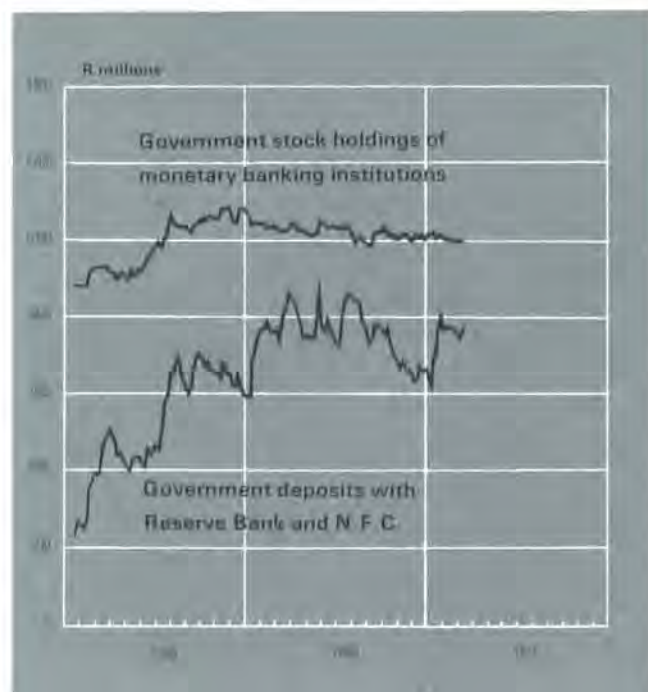
In these circumstances, it was decided by the Reserve Bank, after the usual consultation with the Treasury, to make a downward adjustment to the liquid asset requirements of all banking institutions. Effective from the date of certification of the banks' returns for the month

ended 31st January 1970 (i.e. approximately from the 21st February), the liquid asset requirement in respect of short-term liabilities to the public was reduced from 48 to 45 per cent.

Changes in money market conditions and short-term interest rates

The fluctuations in government deposits also affected conditions in the money market, which eased from August to November 1969 and tightened again during December 1969 and early in 1970. Thus, the Treasury bill tender rate, after declining from 4.77 per cent on the 8th August to 4.34 per cent on the 28th November 1969, rose slowly during December and the first half of January to reach 4.44 per cent on the 23rd January. It remained at this level until the 13th February before declining again to 4.40 per cent on the 20th February. Other money market rates showed similar fluctuations. The rate quoted by discount houses on negotiable certificates of deposit with a maturity of 120 days, for example, declined to 6.0 per cent towards the end of November 1969 and then rose to as much as 7.0 per cent in the middle of February 1970, before declining slightly again thereafter.

These changes in money market conditions were also reflected in the changes in the call money with the discount houses. After increasing to R406 million on 5th December, it declined sharply to R247 million on 31st January 1970 and then rose again to R378 million on 20th February 1970. As might be expected, credit accommodation to the discount houses by the Reserve Bank fluctuated in the opposite direction as



their call money and increased to R122 million at the end of January, before it was repaid on 20th February.

Shifts in interest-bearing deposits and changes in deposit interest rates

The decline in the excess liquid assets of monetary banks until July 1969, and the increase in the ceilings on their credit extension, led to keen competition for funds between the various banking institutions and the building societies. This competition became more intense as building societies adjusted their deposit interest rates upwards to 7 per cent in July and their rate on tax-free shares to $6\frac{1}{2}$ per cent in August. Under these circumstances, the banks also offered higher rates on their deposits during June, July and August and some upward pressure on deposit rates, and therefore on lending rates, continued to exist during the last months of 1969 and early in 1970.

As the mortgage rate of building societies on dwelling houses was already relatively high at $8\frac{1}{2}$ per cent, and so also the minimum lending rate of commercial banks at $7\frac{1}{2}$ to 8 per cent, the monetary authorities did not consider further adjustments to these rates desirable under the prevailing economic conditions. Consequently, the Reserve Bank requested all banking institutions early in December 1969 not to offer more than 7 per cent on deposits of twelve months and longer. In February 1970 the pattern of rates quoted by commercial banks was as follows:

31 days	5 to $5\frac{1}{4}$ per cent
88-91 days	$5\frac{1}{2}$ to $5\frac{3}{4}$ per cent
6 months	6 to $6\frac{1}{2}$ per cent
12 months	7 per cent

The reduced attractiveness of equity investments and the higher interest rates offered in the second half of 1969, resulted in a substantial flow of funds to banks and building societies. Thus, in spite of the much reduced rate of increase in money and near-money in 1969 as compared with 1968, the total increase in interest-bearing investments with all banking institutions (commercial banks, merchant banks and hire-purchase, savings and general banks) and building societies, excluding deposits and shares held by the banks and the building societies themselves, amounted to approximately R650 million, as against about R520 million in 1968. Indeed, during the second half of 1969 the increase in interest-bearing deposits and building society shares amounted to no less than R435 million, of which the building societies received R215 million or about 50 per cent.

Government finance

During the calendar year 1969, total Exchequer issues exceeded total receipts (excluding borrowing) by R336 million, compared with a total deficit of R357 million during 1968. The smaller deficit on the Exchequer

account during 1969 resulted mainly from a substantial increase in income tax receipts, especially from companies, which, in turn, may be associated with higher company profits. Thus, although Exchequer issues increased at a rate of 11 per cent, Exchequer receipts increased by 14 per cent.

Regarding the financing of the Exchequer's deficit, the accompanying table clearly shows a substantial decline during 1969 in the amount borrowed from the private non-bank sector and the Public Debt Commissioners. The decline of R188 million in the contribution made by the private non-bank sector may be ascribed largely to smaller investments in tax-free Treasury Bonds and a reduction in loan levy receipts, while the decline in the contribution by the Public Debt Commissioners to a large extent reflects the net withdrawal of funds from the Commissioners in particular by the Defence Special Equipment Account and the provincial administrations.

The smaller contributions made by the private non-bank sector and the Public Debt Commissioners to the financing of the Exchequer deficit in 1969 resulted in a significant change from 1968 to 1969 in the net indebtedness of the Exchequer to the monetary banking sector. In 1968 the latter declined by R213 million, while it showed a decline of only R25 million in 1969. Furthermore, if changes in the deposits of provincial

Exchequer finance R millions

	1968	1969
Total net receipts	1,712	1,951
Total net issues	2,068	2,288
Total deficit (excluding borrowing)	357	336
Financing:		
Change in net indebtedness to:		
Foreign sector	-4	32
Private non-bank sector	332	144
Public Debt Commissioners ¹	242	186
Sub-total	570	361
Monetary banking sector:		
Change in holdings of government securities	158	-38
Change in Exchequer balance ²	-372	13
Sub-total	-213	-25
Total financing	357	336

¹After adjustment for investments by the Exchequer with the Public Debt Commissioners.

²After adjustment for the investment abroad of the proceeds of foreign loans, investments with the Public Debt Commissioners and for transfers to the Stabilization Account and to the I.M.F. Deposit Account in respect of super gold tranche drawings. Increase—, decrease+.

administrations and other governmental bodies outside the Exchequer are also taken into account, the net claims of the monetary banking sector on the government sector actually increased by R41 million during 1969.

As was pointed out under the discussion of money and banking trends, this deterioration in the financing of government expenditure actually became evident from August 1969. However, during January 1970 a larger than usual seasonal inflow of taxes led to a large increase in government deposits and consequently to a reduction in the net indebtedness of the government sector to the monetary banking sector.

Capital market

Continued decline in share prices

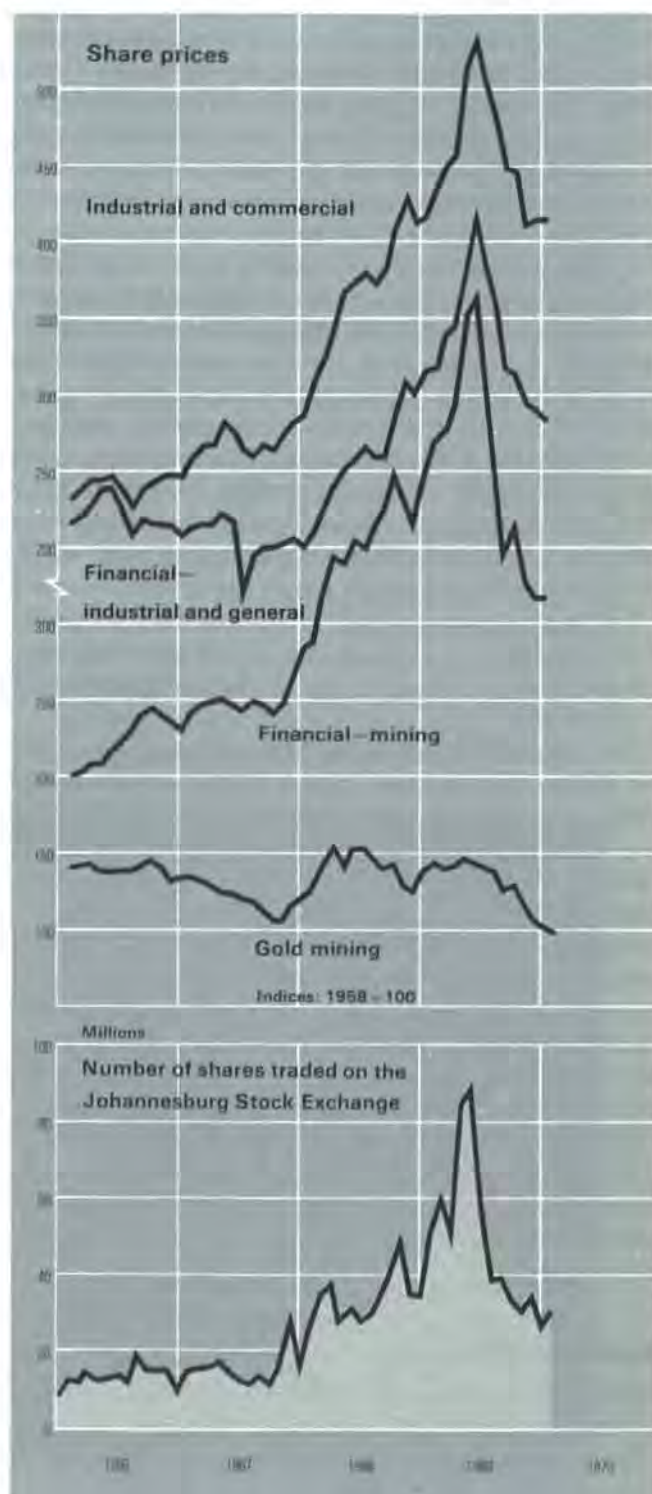
After rising to peak levels in May 1969, the prices of all classes of shares declined sharply during the subsequent five months and then showed a moderate downward drift during November and December, followed by a further pronounced downward movement in January 1970. The prices of shares other than industrial and commercial shares were on average considerably lower in December 1969 than at the end of 1968, while prices of industrial and commercial shares recorded the same level at the end of 1969 as at the end of 1968. The number of shares traded on the Stock Exchange, which had also reached record levels in May 1969, fell off sharply during subsequent months.

After declining from 6.0 per cent at the end of 1968 to 5.7 per cent in May 1969, the average yield on gold mining shares increased to 8.5 per cent in December 1969. In the case of industrial and commercial shares, the average yield amounted to 4.1 per cent in December 1969, compared with 3.4 per cent in May 1969 and 3.9 per cent in December 1968.

New share capital raised

Notwithstanding the sharp decline in share prices after May 1969, new issues of share capital continued at a high level throughout 1969. Preliminary figures indicate

that a record amount of new share capital was raised during 1969, namely about R410 million, which exceeded the total for 1968 by about R100 million and brought the total for the two years to well over R700 million. Although new share issues during the fourth quarter still amounted to R80 million, a marked decline in the number of new issues became evident during this period and in December the amount of new share issues also fell to an insignificant figure.



Share price movements
Percentage change

	Dec. 1968 to May 1969	May 1969 to Dec. 1969	Dec. 1968 to Dec. 1969
Gold mining shares	4.2	-29.1	-26.1
Financial shares:			
Mining	29.3	-37.9	-19.7
Industrial and general	31.8	-31.3	-9.4
Industrial and commercial shares	28.3	-22.4	-0.5

Unit trusts

After the very large inflow of funds to the unit trusts during the first five months of 1969, net sales of units declined sharply during June and July, while the trusts became net repurchasers of units to an amount of R23 million during the last five months of 1969. The proceeds of net sales of units nevertheless amounted to R413 million during 1969 as a whole, compared with R204 million during 1968. On account of declining share prices after May 1969, the market value of the trusts' net assets did not fully reflect the inflow of funds to them and it amounted to R691 million at the end of 1969 or R319 million more than at the end of 1968.

The substantial net sales of units during the first five months of 1969 raised the trusts' cash and deposit holdings from R36 million at the end of 1968 to R194 million at the end of May 1969. Subsequently, these holdings declined to R80 million at the end of 1969 as a result of net repurchases of units and net investments in securities. As the trusts' prescribed investment requirements are based on the market value of their portfolios, the decline in the market value of their security holdings reduced the amount to be invested in approved securities. Thus, although the trusts had sold approved securities to a net amount of R14 million during the last five months of 1969, the excess holdings of such securities still amounted to R49 million at the end of 1969, of which R34 million represented excess holdings of government stock.

Reflecting the developments on the Stock Exchange during 1969, the index of selling prices of units increased from 216 in December 1968 to 298 in May 1969 and then declined again to 216 in December 1969. The average yield on units amounted to 2.0 per cent in December 1969, compared with 1.4 per cent in May 1969 and 2.0 per cent in December 1968.

The market for fixed-interest securities

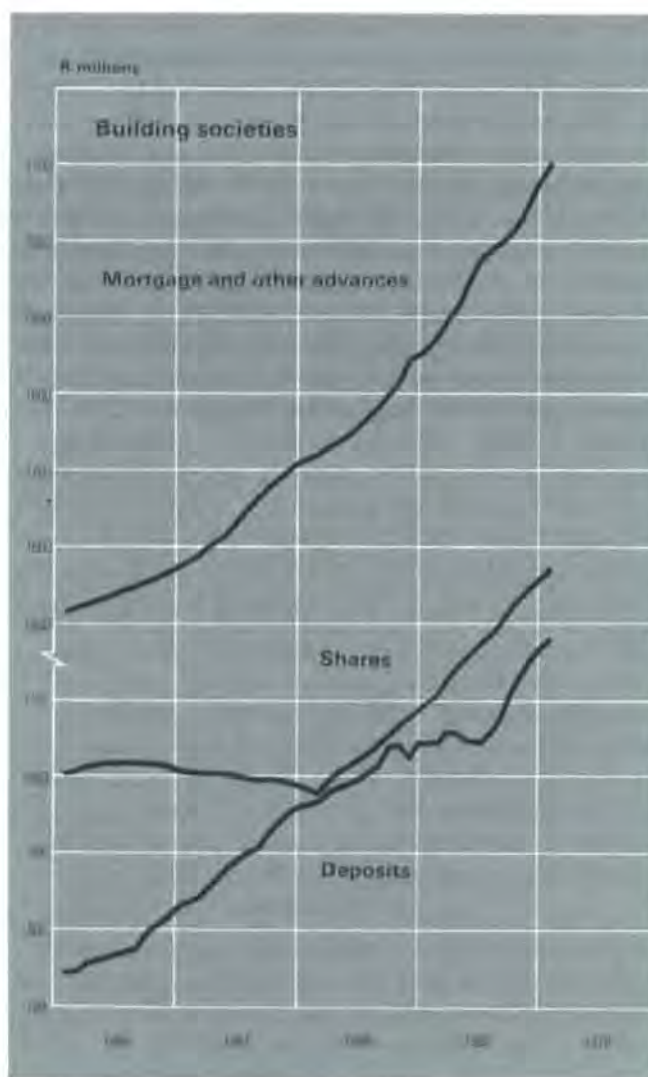
New issues of fixed-interest securities were well supported during the first half of 1969, notwithstanding the high level of activity in the equity market. However, conditions in the market for fixed-interest securities tightened noticeably from the middle of 1969 onwards. Thus, the yield on new long-term issues of semi-gilt-edged stock increased from about 7.1 to 7.3 per cent during the third quarter and even at the higher yields the relevant borrowers were unable to satisfy completely their borrowing requirements. As a result of these developments, some of the issues scheduled for the fourth quarter were postponed. Further upward pressure on these yields was confirmed by new issues scheduled for the first quarter of 1970. The predominant yield on new company debentures and notes increased from $8\frac{1}{4}$ to $8\frac{1}{2}$ per cent during the second quarter of 1969 and rose further to $8\frac{3}{4}$ per cent during the third quarter. Although new issues were limited during the

fourth quarter, announcements of forthcoming issues also pointed to a strong further upward pressure on the relevant yields.

During 1969 the yield on government stock with a maturity of 25 years and longer remained unchanged at $6\frac{1}{2}$ per cent, but on the 8th January 1970 the Reserve Bank changed the rates for maturities between 15 and 25 years to $6\frac{1}{2}$ per cent. Compared with yields on equities, such as the yield on industrial and commercial shares, the reverse yield gap narrowed slightly over the year, namely from 2.6 to 2.4 per cent, after it had widened to as much as 3.1 per cent in May 1969.

Building societies

Building societies experienced a record inflow of funds during 1969 and their resources increased by no less than R296 million, compared with R188 million during 1968. Of the former amount, R107 million was received during the last quarter and R211 million during the second half of 1969. The increased flow of funds to building societies during the second half of 1969 fol-



flowed upon an increase from $6\frac{1}{2}$ to 7 per cent in the rate on fixed deposits during the second half of July and an increase from 6 to $6\frac{1}{2}$ per cent in the rate on tax-free shares early in August. In addition, the limits applicable to individual holdings of tax-free shares and savings deposits were both raised to R10,000 from R6,660 and R6,000, respectively. But the main contributory factor to the increase in building society resources was a reversal of the flow of funds to the Stock Exchange and unit trusts, after share prices had declined sharply. Not only did the societies benefit from this change, but fixed and savings deposits with all banking institutions also increased substantially during the second half of last year. Investments in building society shares contributed most to the increase in the resources of the building societies during 1969 and amounted to R172 million, of which R69 million represented investments in tax-free shares. Fixed deposits and savings deposits increased by R71 million and R52 million, respectively, during the same period.

The increase in the resources of the building societies was not fully reflected in the amount by which mortgage and other loans outstanding increased during 1969. The relevant increase of R227 million or 12 per cent in loans outstanding was nevertheless substantially higher than the corresponding figure of R143 million for 1968 which represented an increase of 8 per cent. New mortgage advances granted, however, increased noticeably towards the end of 1969 and amounted to R199 million during the fourth quarter as against a quarterly average of R129 million for the first three quarters. As a result of the discrepancy between the increase in resources and the increase in mortgage and other loans outstanding, the societies were left with ample scope to increase their holdings of liquid assets and other prescribed investments. A net addition of R69 million, of which R52 million was invested during the fourth quarter, was made to their holdings of prescribed investments during 1969 and this raised their excess holdings above the statutory minimum to R161 million at the end of 1969, after the excess had declined to R73 million at the end of June 1969.

Kwartaallikse ekonomiese oorsig

Algemene opmerkings

Die groeikoers van die Suid-Afrikaanse volkshuishouding het gedurende 1969 'n aanmerklike verdere versnelling getoon. Volgens die nasionale rekeninge en ander gegewens wat nou ten opsigte van 1969 beskikbaar is, is 'n koers van toename van nie minder nie as 12 persent aangeteken in die bruto binnelandse produk en alhoewel hierdie koers prysstygings as gevolg van verskeie spesiale faktore soos die opwaartse aanpassing van salaris- en loonskale, die premie op goudverkope en die instelling van die verkoopreg ingesluit het, het die bruto binnelandse produk in reële terme nogtans met effens meer as 7 persent toegeneem.

Hierdie hoë groeikoers van die volkshuishouding is aangeteken ten spyte van relatief stram arbeidsmarkstoestande en is hoofsaaklik moontlik gemaak deur die benutting van surplus kapasiteit, hoër arbeidsproduktiwiteit deur middel van opleiding, meganisasie en rasionalisasie. Hierdie faktore het tot aansienlike toenames in die winste van vervaardigings- en ander ondernemings gelei. Afgesien van die effek van die spesiale faktore wat die pryspeil beïnvloed het, is die ekonomiese groei bereik sonder 'n buitensporige styging in die algemene peil van pryse. Die verbruikersprysindeks het met slegs 2.6 persent gestyg indien die invloed van die verkoopreg uitgeskakel word.

Die verhoogde ekonomiese aktiwiteit het voortgespruit uit aansienlike stygings in al die komponente van bruto binnelandse besteding, naamlik private verbruiksbesteding en vaste investering deur sowel die private as openbare sektor, lopende besteding deur die owerheid en 'n opbouing van voorrade. Alhoewel 'n toename in vaste investering, veral deur die private sektor, as 'n welkome kenmerk van ekonomiese ontwikkelings in 1969 beskou kan word, mag die verdeling van kapitaalbesteding volgens tipe bate en tussen die verskillende sektore egter nie die mees wenslike uit die oogpunt van toekomstige ekonomiese groei wees nie. Die grootste gedeelte van die investering het gegaan na geboue en konstruksies, hoofsaaklik in die openbare sektor en die sektor handel, finansies en private vervoer en woongeboue, terwyl investering in masjinerie en

toerusting en investering deur die vervaardigingssektor traag gebly het. Laasgenoemde het egter teen die einde van 1969 skynbaar tekens van herlewing getoon.

As gevolg van die groot toenames in al die komponente van binnelandse besteding, het invoere vinnig toegeneem en dit het, tesame met 'n meer gelyke verloop in uitvoere, 'n tekort op die lopende rekening van die betalingsbalans tot gevolg gehad. Alhoewel 'n klein netto kapitaalinvloeiing gedeeltelik die uitwerking van die tekort op die lopende rekening geneutraliseer het, het die goud- en buitelandse valuta-reserwes gedurende 1969 ietwat afgeneem. In die lig van die ooreenkoms wat bereik is aangaande die bemaking van Suid-Afrika se goud en met die totale goud- en buitelandse valuta-reserwes nog op 'n hoë peil van meer as R1,000 miljoen aan die einde van 1969, het Suid-Afrika se betalingsbalansposisie egter betreklik sterk gebly.

In die finansiële sfeer het ook betekenisvolle veranderinge in 1969 plaasgevind en in die algemeen skyn toestande nou meer normaal te wees as 'n jaar gelede. Die owerhede het daarin geslaag om die koers van toename in die geld en kwasi-geldbesit van die private nie-banksektor vanaf 21 persent in 1968 tot 10 persent in 1969 te laat afneem. Die oorskot likwiede bates van die bankstelsel het ook in die loop van 1969 beduidend afgeneem. Hierdie veranderinge is hoofsaaklik teweeggebring deur 'n ommeswaai in 1969 van die sterk opwaartse beweging van die goud- en buitelandse valuta-reserwes wat in die voorafgaande jare plaasgevind het.

As gevolg van verskeie opwaartse aanpassings van die kredietplafonne het bankkrediet aan die private sektor met bykans R500 miljoen in 1969 toegeneem, terwyl netto bankkrediet aan die regeringsektor, wat sedert 1966 'n negatiewe invloed op geld en kwasi-geld gehad het, teen die einde van 1969 redelik skerp gestyg het en tot die toename in geld en kwasi-geld bygedra het.

Die kapitaalmarktoneel het ook aansienlik verander nadat pryse op die Johannesburgse Effektebeurs in Mei 1969 begin daal het. Aan die einde van 1969 het die pryse van nywerheids- en handelsaandele die peil van 'n jaar gelede bereik, terwyl alle ander klasse aandele gemiddeld aansienlik laer was as aan die einde van

1968. As gevolg van die afname in aandelepryse het die publiek se buitengewone belangstelling in effektetrusts gedurende 1968 en vroeg in 1969, afgeneem en die trusts het 'n uitvloeiing van fondse gedurende die laaste paar maande van 1969 ondervind. In hierdie omstandighede het die algemene publiek se voorkeure vir bates aanmerklik verander en dit het 'n aansienlike vloed van rentedraende fondse na die bouverenigings en banke, veral in die tweede helfte van 1969, tot gevolg gehad. Terselfdertyd het die druk op die surplus likwiede bates van die banke, die verslapping van bankkrediet en 'n sterk aanvraag na huislenings tot skerp mededinging om fondse tussen die banke en bouverenigings gelei, met die gevolg dat opwaartse aanpassings in sekere rentekoerse gemaak is.

In teenstelling met die sukses van die bouverenigings en banke om meer fondse te trek, was die openbare owerhede, openbare korporasies en private maatskappye wat deur middel van die uitreiking van effekte en obligasies leen, nie in staat om hulle totale leningsbehoefte ten volle te bevredig nie, ten spyte van opwaartse aanpassings in die opbrengskoerse op nuwe uitgifte van effekte en obligasies. Dit wil dus voorkom asof die omskakeling van fondse vanaf die effektebeurs en effektetrusts hoofsaaklik toe te skryf was aan 'n verandering in die batevoorkeure van individue eerder as in dié van institusionele beleggers wat die vernaamste ondersteuners van vaste-rentedraende beleggings is. 'n Tekort aan langtermynkapitaal in die openbare en private sektor het dus voortgeduur ondanks die relatief hoë peil van rentekoerse.

Nasionale rekeninge¹

Hoë koers van toename in binnelandse produk

Volgens voorlopige ramings het die bruto binnelandse produk teen heersende pryse vanaf R10.4 biljoen in 1968 tot nie minder nie as R11.6 biljoen in 1969, dit wil sê met ongeveer 12 persent, toegeneem in vergelyking met 'n toename van 7 persent gedurende die vorige jaar. Hierdie hoë koers van toename kan egter in 'n groot mate aan prysstygings weens verskillende spesiale faktore soos die instelling van die verkoopreg, toenames in salaris- en loonskale in die owerheidsektor, die premie op goudverkope op die vrye mark gerealiseer en toenames in die pryse van private dienste gedurende die loop van 1969 toegeskryf word. Nietemin, selfs met die uitsluiting van hierdie en ander prysinvloede, het die reële bruto binnelandse produk nog met die hoë koers van effens meer as 7 persent gedurende 1969 toegeneem, vergeleke met net minder as 3½ persent gedurende die vorige jaar. Hierdie hoë groeikoers in

1969 het die gemiddelde jaarlikse reële koers van toename in die bruto binnelandse produk gedurende die sestigerjare op ongeveer 6 persent te staan gebring, wat 'n half persent hoër is as die koers wat deur die Ekonomiese Ontwikkelingsprogram ten doel gestel is. Boonop het hierdie ekonomiese groeikoers nie aanleiding gegee tot 'n oormatige styging in die lewenskoste nie.

In die lig van die relatief stram arbeidstoestande wat geheers het, is die hoë koers van toename in die reële bruto binnelandse produk gedurende 1969 moontlik gemaak deur die benutting van surpluskapasiteit wat deur die private investeringsoplewing van 1963 tot 1966 opgebou is, verhoogde arbeidsproduktiwiteit deur middel van opleiding, meganisasie en rasionalisasie in die algemeen. Dit word voorlopig beraam dat die bydrae tot die reële bruto binnelandse produk deur die belangrikste sektor, naamlik fabriekswese, met soveel as 11 persent gedurende 1969 toegeneem het. Sowel winste as salarisse en lone het verlede jaar betekenisvol gestyg.

Die kwartaallike ramings van die bruto binnelandse produk teen heersende pryse het betreklik hoë koerse van toename gedurende die tweede en derde kwartale van 1969 en 'n stadiger koers gedurende die vierde kwartaal getoon. Hierdie veranderinge in die koerse van toename was hoofsaaklik aan prysfaktore toe te skryf, sodat die reële bruto binnelandse produk meer gelykmatig dwarsdeur 1969 toegeneem het.

Versnelling in bruto binnelandse besteding

Ten spyte van die hoë koers van toename in die bruto binnelandse produk gedurende 1969, het bruto binnelandse besteding, dit wil sê die totaal van besteding aan geboue, konstruksies, installasies, masjinerie en toerusting, veranderinge in voorrade, private verbruiksbesteding en lopende besteding deur die algemene owerheid, selfs vinniger teen 'n koers van 14½ persent toegeneem, vergeleke met 'n koers van toename van 4½ persent in 1968. Hierdie oorskryding deur binnelandse besteding van die binnelandse produk het 'n tekort op die lopende rekening van die betalingsbalans tot gevolg gehad. Alhoewel die aansienlike toename in bruto binnelandse besteding deels aan 'n opbouing van voorrade ter waarde van R286 miljoen in 1969 toegeskryf kan word, het die koers van toename in die totaal van die ander komponente van bruto binnelandse besteding, naamlik vaste kapitaalbesteding en private en openbare verbruiksbesteding, ook 'n betekenisvolle versnelling vanaf 9 persent in 1968 tot 11 persent in 1969 getoon.

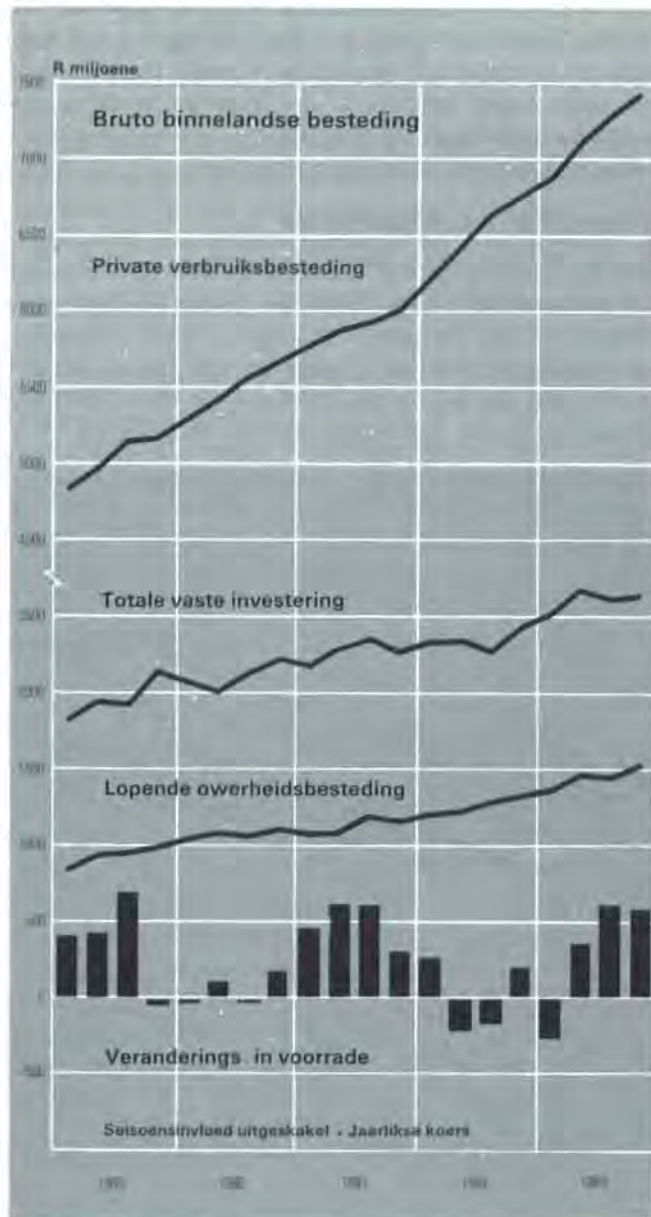
Kwartaallike skommelings in die koers van toename van die bruto binnelandse besteding gedurende die loop van 1969 is ook, soos in die geval van die bruto binnelandse produk, in 'n groot mate deur prysveranderinge veroorsaak.

¹Die ontleding in hierdie deel van die oorsig is hoofsaaklik gebaseer op die Reserwebank se kwartaallike ramings van die nasionale rekeninge, *na uitskakeling van die seisoensinvloed*. Aangesien hierdie syfers nog nie as betroubaar genoeg vir publikasie beskou word nie, word die ontleding van die kwartaallike verwickelinge tot die beskrywing van breë tendense beperk.

Verdere aansienlike toename in private verbruiksbesteding

Private verbruiksbesteding, wat ongeveer drie-vyfdes van die totale bruto binnelandse besteding uitmaak, het voortgegaan om een van die vernaamste uitbreidende kragte in die volkshuishouding te wees en het met nie minder nie as $10\frac{1}{2}$ persent en 10 persent in 1968 en 1969 onderskeidelik, toegeneem. In reële terme, dit wil sê ná aansuiwering vir prysstygings, het private verbruiksbesteding met ongeveer $6\frac{1}{2}$ persent gedurende 1969 toegeneem, vergeleke met 'n styging van 8 persent gedurende die vorige jaar.

Die uitgawe aan dienste, wat met 12 persent gestyg het, het die grootste bydrae tot die vermeerdering in private verbruiksbesteding gedurende 1969 gelewer, terwyl die uitgawe aan duursame goedere met 11 persent en die uitgawe aan nie-duursame goedere met $8\frac{1}{2}$ persent toegeneem het.



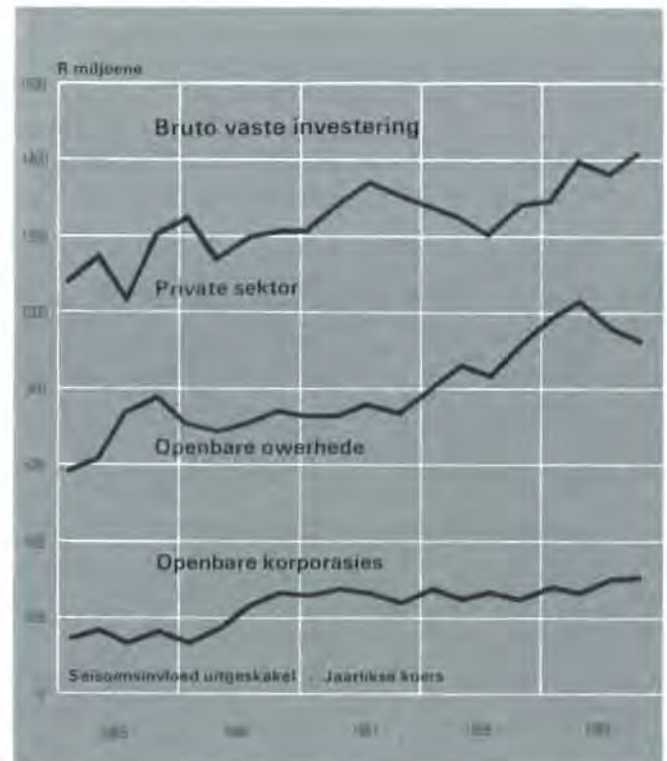
'n Kenmerk van die kwartaallike verbruiksbestedingsyfers gedurende 1969 was die skerp versnelling in die tweede kwartaal, gevolg deur 'n stadiger koers van toename in die derde en vierde kwartale. Die uitgawe aan nie-duursame goedere en aan dienste het soortgelyke veranderinge getoon, terwyl die koers van toename in die uitgawe aan duursame goedere dwarsdeur die vier kwartale van 1969 versnel het.

Skerp styging in lopende owerheidsbesteding

Nadat dit in 1968 met 11 persent toegeneem het, het die lopende besteding deur die algemene regering verder met 16 persent in 1969 gestyg. Hierdie toename het uit 'n styging van $12\frac{1}{2}$ persent in salarisse en lone en 'n beraamde toename van soveel as 23 persent in die uitgawe aan goedere en ander dienste bestaan. Indien voorsiening vir prysstygings en opwaartse aanpassings aan salaris- en loonskale gemaak word, het die lopende besteding deur die algemene regering teen konstante pryse nogtans teen 'n relatief hoë koers van 10 persent in 1969 toegeneem.

Oplewing in vaste kapitaalbesteding

Bruto binnelandse vaste investering het in 1969 met nie minder nie as $10\frac{1}{2}$ persent toegeneem, teenoor 'n toename van slegs $3\frac{1}{2}$ persent in 1968. 'n Toename van ongeveer $13\frac{1}{2}$ persent in die besteding aan geboue en konstruksies het hoofsaaklik tot die styging in 1969 bygedra, terwyl besteding aan masjinerie, installasies en toerusting met slegs $3\frac{1}{2}$ persent toegeneem het.



Die drie hoofsektore, naamlik die private sektor, openbare owerhede en openbare korporasies, het almal tot die toename in vaste investering in 1969 bygedra. Kapitaalbesteding deur openbare korporasies, wat slegs 'n klein gedeelte tot totale vaste investering bydra, het met 10 persent in 1969 toegeneem, terwyl dié van openbare owerhede met 13 persent in 1969 toegeneem het, nadat dit met $15\frac{1}{2}$ persent gedurende 1968 gestyg het. Die bydraers tot die styging in kapitaalbesteding deur die openbare owerhede was die sentrale regering met 'n toename van $28\frac{1}{2}$ persent en beide die provinsiale administrasies en plaaslike owerhede met toenames van 18 persent elk. Vaste kapitaalbesteding deur die Suid-Afrikaanse Spoorweë en Hawens, daarenteen, het met nie minder nie as $11\frac{1}{2}$ persent gedurende die jaar afgeneem, nadat dit met 15 persent in 1968 toegeneem het. Die afname het hoofsaaklik in die derde en vierde kwartale van 1969 plaasgevind toe die kapitaalluitgawes van die openbare sektor in totaal ook gedaal het.

Vaste investering deur die private sektor het tussen 1968 en 1969 opmerklik verander en met nie minder nie as $9\frac{1}{2}$ persent in 1969 toegeneem, vergeleke met 'n daling van $2\frac{1}{2}$ persent in die vorige jaar. Hoewel die oplewing in private vaste investering 'n baie welkome ontwikkeling in 1969 was, is die verdeling daarvan volgens tipe bate asook volgens die sektore daarby betrokke tans miskien nie die ideale toedeling van kapitaal vir bestendige toekomstige ekonomiese groei nie. Uitgawes aan geboue en konstruksies het byvoorbeeld met 13 persent toegeneem, teenoor 'n toename van slegs 2 persent in die uitgawes aan masjinerie en toerusting. Verder het die kapitaalbesteding van die verskillende sektore ook uiteenlopende neigings getoon. Terwyl die besteding aan woongeboue, byvoorbeeld, met 17 persent, en vaste kapitaalbesteding deur die sektor handel, private vervoer en finansiële instellings met soveel as 33 persent, mynbou met 6 persent en landbou met 1 persent toegeneem het, het die vaste

kapitaalluitgawes deur fabriekswese in teenstelling hiermee met 10 persent gedaal. Hoewel dit die tweede agtereenvolgende jaar was waarin vaste investering deur fabriekswese 'n daling getoon het, is 'n veranderde neiging vanaf die derde kwartaal van 1968 uit die kwartaalsyfers merkbaar toe dit horisontaal begin verloop het. Trouens, 'n sterk toename in vaste kapitaalbesteding deur fabriekswese is in die vierde kwartaal van 1969 waargeneem.

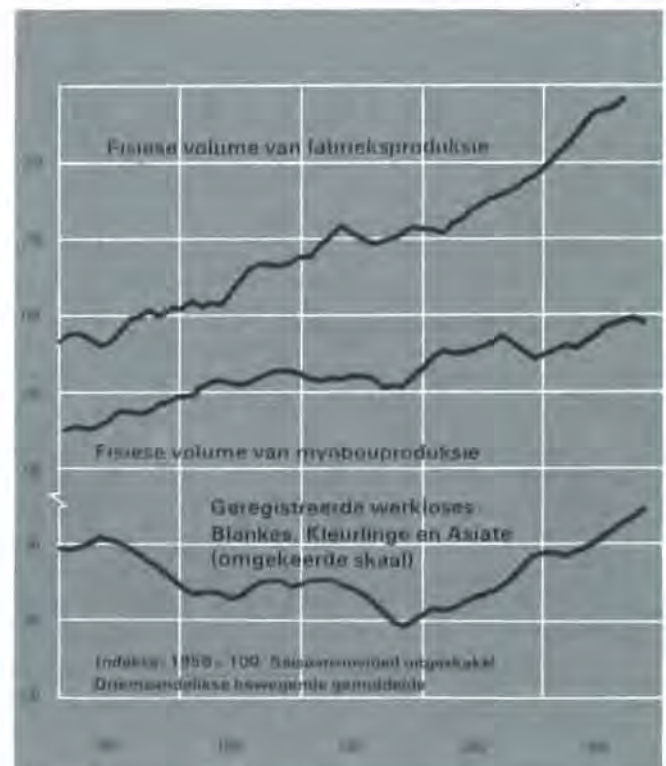
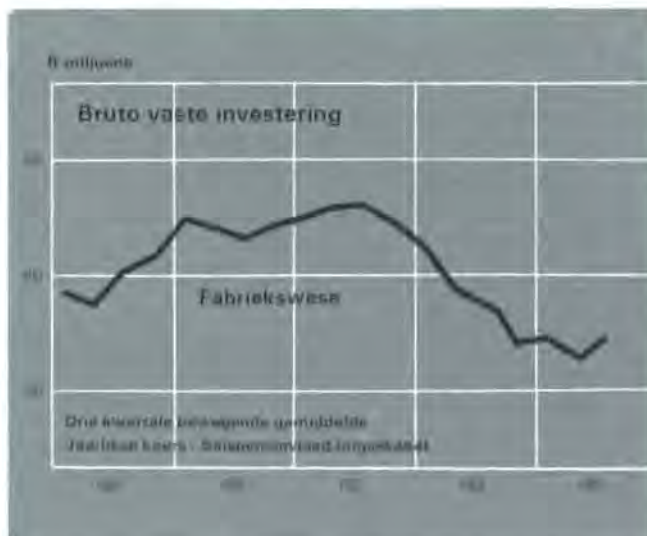
Toename in bruto binnelandse besparing

Nieteenstaande die feit dat bruto binnelandse besparing met soveel as 12 persent in 1969, vergeleke met 'n afname van $6\frac{1}{2}$ persent gedurende 1968, toegeneem het, was dit steeds onvoldoende vir die finansiering van bruto binnelandse investering. Die tekort is aangevul deur 'n netto kapitaalinvloeiing uit die buiteland en 'n daling in die amptelike goud- en buitelandse valuta-reserwes. Maatskappybesparing, wat met ongeveer 30 persent toegeneem het, het die meeste tot die toename in binnelandse besparing in 1969 bygedra, terwyl persoonlike besparing, die lopende surplus van openbare owerhede en voorsiening vir waardevermindering ook matige toenames getoon het.

Produksie en arbeidstoestande

Aansienlike toename in fabrieksproduksie

Fabrieksproduksie, wat vanaf die eerste kwartaal van 1968 begin het om teen 'n vinniger koers toe te neem, het gedurende 1969 aanmerklik versnel. Die gemiddelde vlak van die seisoensaangesuiwerde indeks van die fisiese volume van fabrieksproduksie was gevolglik 11·1



persent hoër gedurende die eerste tien maande van 1969 as gedurende die ooreenstemmende tydperk in 1968, teenoor 'n toename van 4.3 persent tussen 1967 en 1968. Die grootste bydraes tot die toename in fabrieksproduksie in 1969 is deur die produksie van metaalprodukte, vervoertoerusting, chemiese produkte en tekstiele, klerasie en skoelsel, gelever.

Die styging in fabrieksproduksie het met 'n toename in oortyd gewerk en in die waarde van onvoltooide bestellings gepaard gegaan. Die gemiddelde maandelikse oortyd gewerk was 10.8 persent van die gewone ure wat gedurende die eerste elf maande van 1969 gewerk is, vergeleke met 10.0 persent gedurende die ooreenstemmende tydperk van 1968, terwyl die waarde van onvoltooide bestellings 9.7 persent hoër was gedurende die eerste tien maande van 1969, as gedurende dieselfde tydperk in 1968.

Matige styging in mynbouproduksie

Die indeks van die fisiese volume van mynbouproduksie het met 2.2 persent gedurende 1969 toegeneem, teenoor 'n toename van 4.8 persent gedurende die vorige jaar. Die toename gedurende 1969 het uit 'n klein styging in goudproduksie en 'n toename van 5.8 persent in ander mynbouproduksie, bestaan. Laasgenoemde toename verteenwoordig 'n afplatting in die volume van ander mynbouproduksie as goud, na skerp stygings gedurende die voorafgaande drie jare.

Toename in werkverskaffing en stram arbeidstoestand

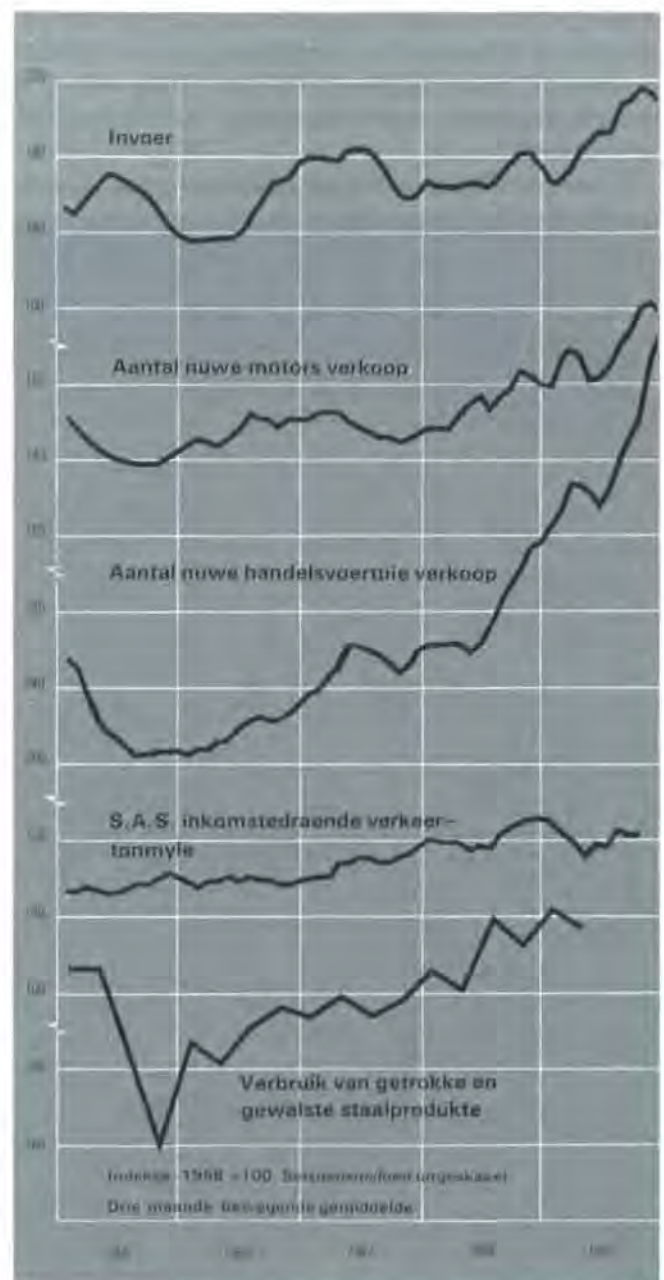
Werkverskaffing, uitsonderd dié in die landbou, was gedurende die eerste nege maande van 1969 4.2 persent hoër as gedurende die ooreenstemmende tydperk in 1968. Uiteenlopende neigings is egter in verskillende sektore van die volkshuishouding waargeneem. Werkverskaffing in konstruksie en fabriekswese het onderskeidelik stygings van 14.5 persent en 6.2 persent vir die eerste elf maande van 1969 getoon terwyl daar gedurende die kalenderjaar toenames van onderskeidelik 7.3 persent en 0.3 persent in die geval van die Poskantoor en die Suid-Afrikaanse Spoorweë en Hawens en 'n daling van 0.1 persent in die geval van mynbou voorgekom het. In ooreenstemming met die aanmerklike toename in totale werkverskaffing het die seisoensaangesuiwerde aantal werklose Blankes, Kleurlinge en Asiate verder van 11,740 in Desember 1968 tot 9,470 in Desember 1969, gedaal.

Die styging in werkverskaffing was egter nie voldoende om in die tekort aan geskoolde arbeid te voldoen nie, met die gevolg dat indien die eerste nege maande van 1969 met dieselfde tydperk van die vorige jaar vergelyk word, die gemiddelde van salarisse en lone van nie-landbouwerknemers verder met byna 6 persent toegeneem het. Die grootste toenames het, in die geval van alle nie-landbouwerkers, in die Suid-Afrikaanse Spoorweë en Hawens, openbare owerhede en handel

plaasgevind, terwyl vir Blanke werknemers alleen die grootste toename in die konstruksiesektor, gevolg deur die Suid-Afrikaanse Spoorweë en Hawens, voorgekom het.

Algemene ekonomiese aanwysers

Die kragtige versnelling in ekonomiese aktiwiteit gedurende 1969 is ook in aansienlike stygings in uitgesoekte ekonomiese aanwysers weerspieël. In vergelyking met die ooreenstemmende maande van 1968, het goedere-invoere met 14 persent in 1969 toegeneem, die aantal nuwe handelsvoertuie verkoop met 30 persent, die aantal nuwe motors verkoop met 18 persent, die waarde van groothandelsverkope met 10 persent, versendings van gewalste en getrokke staalprodukte met 19 persent, die fisiese volume van konstruksie soos gemeet deur



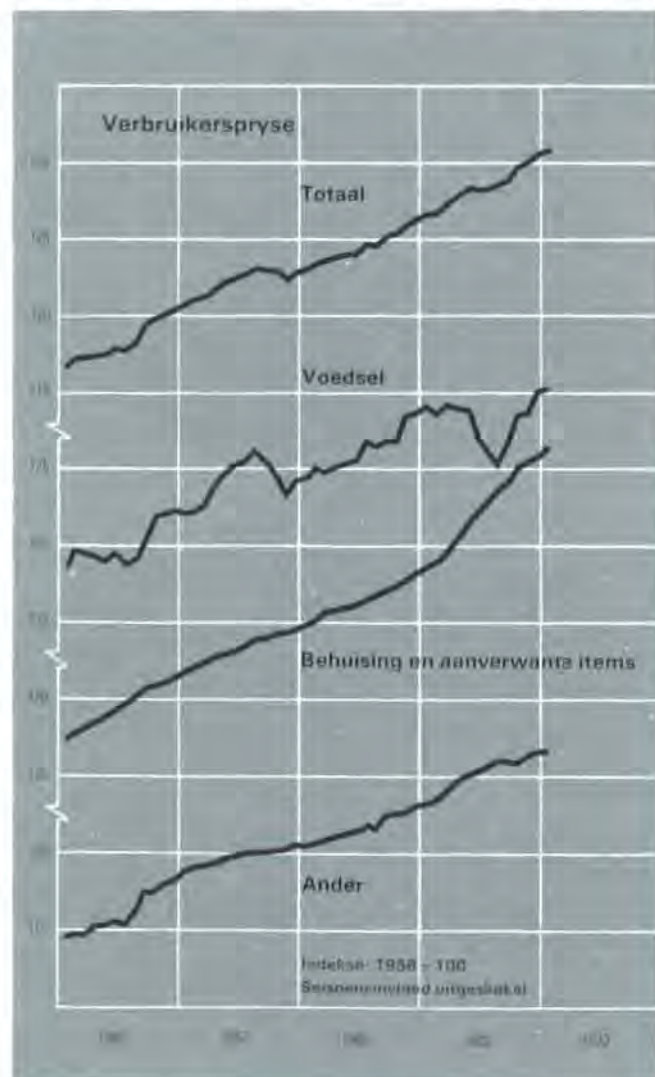
ure gewerk met 17 persent, die waarde van bouplanne goedgekeur met 26 persent en die waarde van groot-handelsverkope van boumateriaal met 12 persent.

Die aktiwiteit op die Johannesburgse Effektebeurs het gedurende die tweede helfte van 1969 aanmerklik afgeneem, maar die eiendomsmark het baie lewendig gebly en die waarde van transaksies in vaste eiendom het met 57 persent tussen 1968 en 1969 toegeneem.

Pryse

Nadat dit met 2.9 persent gedurende 1968 gestyg het, het die seisoensaangesuiwerde indeks van verbruikers- pryse met 3.3 persent tussen Desember 1968 en Desember 1969 toegeneem. Die pryse van behuising en verwante items het die grootste koers van toename getoon, naamlik 5.9 persent, terwyl voedselpyryse met slegs 1.0 persent oor die jaar gestyg het. Volgens skattings het die verkoopreg 0.7 persent tot die styging van 3.3 persent in die prysindeks van alle verbruikersgoedere bygedra, sodat die indeks met 2.6 persent gestyg het, indien die invloed van die verkoopreg uitgeskakel word.

Die seisoensaangesuiwerde indeks van groothandels-



pryse het gedurende 1969 met 2.3 persent toegeneem. Pryse van landbouprodukte het met 1.4 persent toegeneem, die van ingevoerde goedere met 1.9 persent, terwyl die pryse van alle ander goedere vir binnelandse aanwending 'n toename van 2.7 persent getoon het. Indien die beraamde invloed van die verkoopreg uitgesluit word, het die pryse van alle groothandelsgoedere met 1.4 persent gedurende 1969 gestyg.

Betalingsbalans

Tekort op lopende rekening

Volgens voorlopige ramings het die lopende rekening van die betalingsbalans 'n tekort van R160 miljoen gedurende 1969 getoon, vergeleke met 'n oorskot van R90 miljoen gedurende 1968. Die verswakking in die saldo op lopende rekening was die netto resultaat van 'n aansienlike toename in goedere-invoer en 'n matige styging in betalings vir dienste, wat gedeeltelik deur 'n toename in netto goudproduksie vergoed is. Goedere-uitvoer en ontvangstes vir dienste het min verandering getoon.

Gedurende die loop van 1969 het die lopende rekening van die betalingsbalans omgeswaai vanaf 'n surplus van R73 miljoen gedurende die eerste kwartaal, tot tekorte van R78 miljoen, R109 miljoen en R46 miljoen vir die laaste drie kwartale van die jaar, onderskeidelik. Die tekort op lopende rekening, teen 'n seisoensaangesuiwerde jaarkoers, het effens afgeneem vanaf R384 miljoen in die derde kwartaal tot R342 miljoen in die vierde kwartaal.

Skerp toename in goedere-invoer

Die algemene versnelling in ekonomiese bedrywigheid en die hoë peil van binnelandse vraag het, onder die relatiewe vrye invoerstelsel, 'n aansienlike toename in goedere-invoer vanaf R1,930 miljoen in 1968 tot R2,200 miljoen in 1969 tot gevolg gehad, d.w.s. 'n toename van 14 persent. Teen 'n seisoensaangesuiwerde jaarkoers het goedere-invoer in al drie die laaste kwartale van 1969 toegeneem, vanaf die relatief lae syfer van R1,870 miljoen in die eerste kwartaal tot R2,456 miljoen in die vierde kwartaal. Alhoewel die invoer van intermediêre en verbruiksgoedere ook toegeneem het, het kapitaalgoedere die grootste bydrae tot die styging in invoer gemaak.

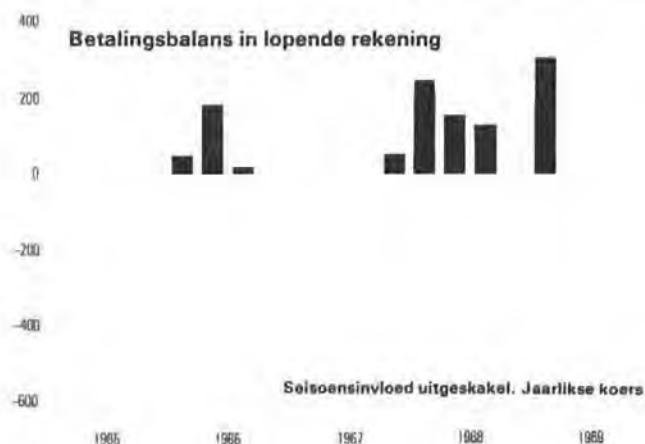
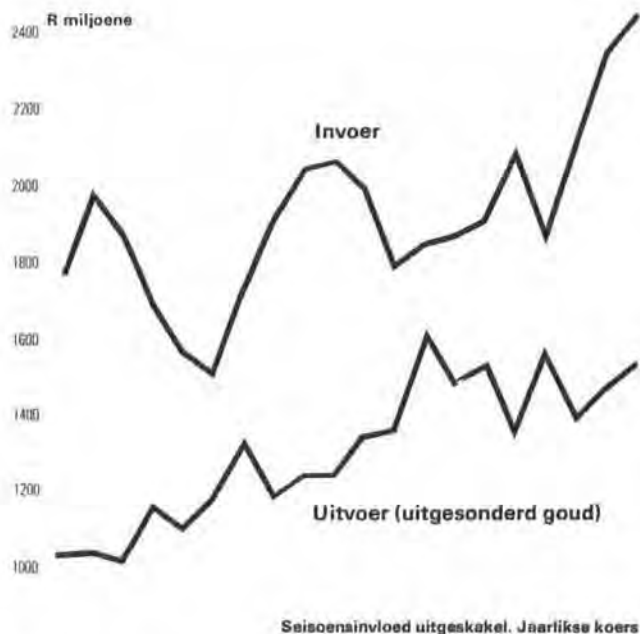
Die hoë invoersyfer vir die vierde kwartaal kan in 'n sekere mate toegeskryf word aan die onsekerheid wat in verband met die bemerking van goud bestaan het en aan die moontlikheid om invoerbepelings te gebruik ten einde die verminderde buitelandse valuta-reserwes te beveilig. Hierdie onsekerheid het verdwyn as gevolg van die ooreenkomstige aangaande goudbemerking wat op 31 Desember aangekondig is en die verklaring deur die Minister van Ekonomiese Sake in Desember 1969 dat die Regering besluit het om in die toekoms nie meer invoerbeheer onder die bepalinge van Artikel XII van die

Algemene Ooreenkoms oor Tariewe en Handel toe te pas nie. (Laasgenoemde verklaring sowel as die briewe wat op die nuwe goudbemarkingsreëlings betrekking het, word elders in die Kwartaalblad gepubliseer.)

Klein verandering in goedere-uitvoer

Gedurende 1969 het goedere-uitvoer op ongeveer dieselfde vlak as in 1968 gebly en het R1,490 miljoen bedra. Teen 'n seisoensaangesuiwerde jaarkoers, het goedere-uitvoer 'n hoogtepunt van R1,562 miljoen in die eerste kwartaal van 1969 bereik, daarna skerp tot R1,395 miljoen in die tweede kwartaal gedaal, voordat dit weer tot R1,478 miljoen in die derde kwartaal en tot R1,529 miljoen in die vierde kwartaal gestyg het.

Alhoewel totale uitvoer gedurende 1969 baie min verander het, het die uitvoere van sekere produkte betekenisvol geskommel. In besonder het die waarde van landbouprodukte uitgevoer in 1969 skerp gedaal, maar hierdie daling is deur groot toenames in die uit-



voer van edel en halfedelgesteentes en onedelmetaal-produkte geneutraliseer.

Toename in netto goudproduksie

Alhoewel die fisiese volume van goudproduksie feitlik geen verandering getoon het nie, het die waarde van netto goudproduksie, soos vir betalingsbalansdoeleindes gedefinieer, in 1969 met R78 miljoen tot R847 miljoen toegeneem. Dit was die gevolg van die hoër opbrengste uit verkope van goud op die vrye mark.

Veranderings in ander lopende transaksies

Hoofsaaklik as gevolg van hoër vrag- en versekerings-betalings, wat in verband staan met die toename in invoer, het totale betalings vir dienste met ongeveer R43 miljoen gedurende 1969 gestyg. Aangesien ontvangstes vir dienste nie veel verander het nie, het netto betalings vir dienste aan die res van die wêreld bygedra tot die verswakking in die saldo op lopende rekening in 1969. Netto oordragontvangste het in 1969 met R10 miljoen afgeneem nadat dit skerp in 1968 gestyg het.

Verdere invloeiing van kapitaal

Alhoewel dit baie minder bedra het as die invloeiing van R446 miljoen wat in 1968 aangeteken is, het 'n verdere invloeiing van R93 miljoen kapitaal in 1969 voorgekom.



Hierdie invloeiing het bestaan uit 'n bedrag van R74 miljoen na die private sektor en R19 miljoen na die sentrale regering en banksektor. Feitlik die hele invloeiing na die private sektor het uit langtermynkapitaal bestaan.

Nadat invloeiings gedurende die eerste en tweede kwartaal van 1969 en 'n uitvloeiing van R21 miljoen gedurende die derde kwartaal voorgekom het, is 'n netto invloeiing van kapitaal ten bedrae van R44 miljoen gedurende die vierde kwartaal aangeteken. Aangesien die regering en banksektor 'n netto uitvloeiing van kapitaal van R22 miljoen gedurende die vierde kwartaal getoon het, is 'n netto invloeiing van R66 miljoen deur die private sektor ontvang, wat bestaan het uit R41 miljoen langtermynkapitaal en R25 miljoen korttermynkapitaal, insluitende foute en onaangeleëde transaksies.

Afname in goud- en buitelandse valuta-reserwes

Nadat dit met 'n rekord bedrag van R536 miljoen in 1968 gestyg het, het Suid-Afrika se totale goud- en buitelandse valuta-reserwes met R59 miljoen in 1969 gedaal. Hierdie afname was die netto resultaat van 'n toename van R52 miljoen in die valuta-reserwes van die sentrale regering, 'n afname van R105 miljoen in die goud- en buitelandse valuta-reserwes van die Reserwebank en 'n afname van R6 miljoen in die valuta-reserwes van die res van die banksektor. Die valuta-reserwes van die sentrale regering het hoofsaaklik uit Suid-Afrika se super-goud-tranché-posisie by die Internasionale Monetêre Fonds bestaan, wat in 1969 met R67 miljoen toegeneem het, en buitelandse effekte wat deur die Staatskuldkommissaris van die Reserwebank verkry is in ruil vir plaaslik geregistreerde staatseffekte, wat met R7 miljoen gedurende 1969 gedaal het.

Die daling in die goud- en buitelandse valuta-reserwes het in Mei 1969 begin, nadat dit 'n hoogtepunt van R1,230 miljoen in April bereik het, en het voortgeduur tot September toe dit R1,035 miljoen bedra het. Gedurende die vierde kwartaal het dit egter weer tot R1,041 miljoen toegeneem, hoofsaaklik as gevolg van 'n toename van R28 miljoen in die valuta-reserwes van die sentrale regering, wat bestaan het uit 'n toename van R50 miljoen in Suid-Afrika se super-goud-tranché-posisie by die Internasionale Monetêre Fonds en 'n daling van R22 miljoen in die besit van buitelandse effekte deur die Staatskuldkommissaris.

Gedurende Januarie en Februarie het die goud- en buitelandse valuta-reserwes van die Reserwebank met R2 miljoen gedaal, nadat R24 miljoen wat van die Internasionale Monetêre Fonds in die vorm van Spesiale Trekkingsregte ontvang is, in Januarie in die reserwes ingesluit is. Gedurende dieselfde tydperk het Suid-Afrika se super-goud-tranché-posisie by die Internasionale Monetêre Fonds egter met R16 miljoen toegeneem.

Monetêre en banktoestand

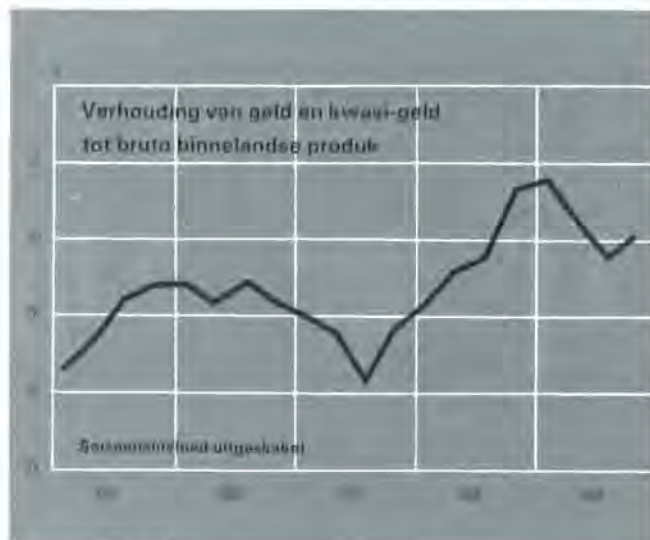
Stadiger koers van toename in geld en kwasi-geld

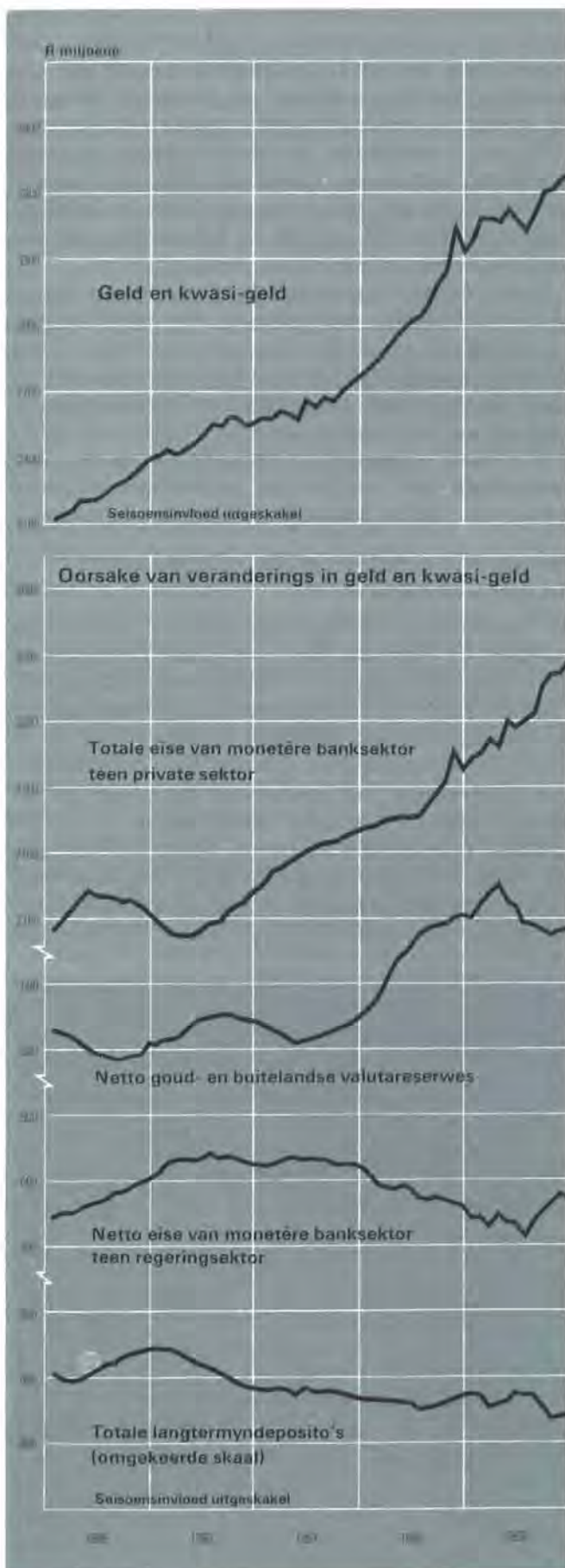
Nadat dit gedurende 1968 teen die buitengewoon vinnige koers van 20·7 persent toegeneem het, het die totale hoeveelheid geld en kwasi-geld gedurende 1969 teen slegs ongeveer die helfte van daardie koers gestyg, nl. met 10·3 persent of R357 miljoen, waardeur dit aan die einde van 1969 'n peil van ietwat meer as R3,800 miljoen bereik het. Gekoppel aan die volgehoue versnelling van die algemene ekonomiese bedrywigheid, het hierdie stadiger koers van toename in geld en kwasi-geld slegs 'n geringe styging in die verhouding van geld en kwasi-geld tot die bruto binnelandse produk, nl. van 29·6 persent in 1968 tot 30·4 persent in 1969, tot gevolg gehad. Op 'n seisoensaangesuiwerde kwartaal-likse grondslag het hierdie verhouding egter van die betreklik hoë peil van 31·5 persent gedurende die vierde kwartaal van 1968 en 31·6 persent gedurende die eerste kwartaal van 1969 tot 30·1 persent gedurende die vierde kwartaal van 1969 gedaal.

In teenstelling met die byna ononderbroke sterk opwaartse neiging van geld en kwasi-geld gedurende 1968, het die toename gedurende 1969 meer onreëlmatig verloop, soos in die bygaande tabel getoon word.

Veranderings in geld en kwasi-geld, 1969

	Seisoens- invloed nie uit- geskakel nie	Seisoens- invloed uitgeskakel	Persentasie
	R miljoene	R miljoene	
Eerste kwartaal	-42	142	4·2
Tweede kwartaal	90	-4	-0·1
Derde kwartaal	124	131	3·8
Vierde kwartaal	184	77	2·1
Jaar 1969	357	346	10·3





Oorsake van veranderings in geld en kwasi-geld

Die eise van die monetêre banksektor teen die private sektor (d.w.s. bankkrediet aan die private sektor) was die belangrikste enkele oorsaak van die styging in geld en kwasi-geld in 1969, soos die bygaande tabel toon. Dit vorm 'n teenstelling met 1968, toe die baie aansienlike styging in die netto goud- en buitelandse valuta-reserwes die meeste tot die styging in geld en kwasi-geld bygedra het.

Die skommelings in die veranderings in geld en kwasi-geld in die loop van 1969 waarna hierbo verwys is, kan aan die onreëlmatige verloop van die netto goud- en buitelandse valuta-reserwes en die netto eise teen die regeringsektor toegeskryf word. Die sterk opwaartse beweging van die netto goud- en buitelandse valuta-reserwes het tot April 1969 voortgeduur, waarna dit gedurende die tweede en derde kwartale van die jaar baie vinnig gedaal het voordat dit gedurende die vierde kwartaal weer effens gestyg het. Die netto eise teen die regeringsektor het tot Julie 1969 voortgegaan om 'n afwaartse neiging te toon (wat nie uit die kwartaallike gegewens blyk nie), en daarna gedurende die res van die jaar gestyg. In teenstelling met hierdie skommelings het bankkrediet aan die private sektor dwarsdeur die jaar gestyg en in 1969 nagenoeg R500 miljoen tot die skepping van geld en kwasi-geld bygedra.

Skerp styging in bankkrediet aan die private sektor

'n Ontleding van die toenames in bankkrediet aan die private sektor, soos in die bygaande tabel getoon, bring aan die lig dat diskonteringe en voorskotte, met

Oorsake van veranderings in geld en kwasi-geld
Seisoensinvloed nie uitgeskakel nie
R miljoene

	1968	1969				Totaal
		1e kw.	2e kw.	3e kw.	4e kw.	
Netto goud- en buitelandse valuta-reserwes	475	101	-77	-119	41	-54
Eise teen die regeringsektor:						
Bruto eise	191	-33	24	-1	54	44
Deposito's (toename-, afname+)	-394	-139	37	32	67	-3
Netto eise	-203	-171	61	31	121	41
Eise teen die private sektor	279	136	74	181	104	494
Langtermyn deposito's (toename-, afname+)	11	-67	38	-30	-31	-90
Ander bates en laste	30	-40	-6	61	-50	-35
Totale verandering in geld en kwasi-geld	592	-42	90	124	184	357

uitsondering van die kaskredietvoorskotte van die Landbank, gedurende 1969 vir die grootste deel van die toename in bankkrediet verantwoordelik was, in teenstelling met 1967 en 1968 toe beleggings 'n aanmerklik groter bydrae tot die stygings in bankkrediet gelewer het. Die toename van R420 miljoen in diskonteringe en voorskotte gedurende 1969 het hoofsaaklik bestaan uit 'n toename in die diskonteringe en voorskotte van handelsbanke (R232 miljoen), aksepbanke (R31 miljoen) en monetêre huurkoop- en algemene banke (R43 miljoen) en 'n styging van R78 miljoen as gevolg van 'n toename in netto remises in transitio.

Die toename in die diskonteringe en voorskotte van handelsbanke, aksepbanke en monetêre huurkoop- en algemene banke is deur verskeie verhogings van die plafon op hierdie diskonteringe en voorskotte gedurende die laaste deel van 1968 en in die loop van 1969 aangehelp. Die verhoging het die plafon vanaf 1 September 1969 op 110 persent, en vanaf 1 Januarie 1970 op 115 persent, van die syfer van Maart 1965 te staan gebring.

Met betrekking tot laasgenoemde verhoging is besluit dat die vroeëre toegewings ten opsigte van die landbou, kleiner sake-ondernemings en krediet vir sekere strategiese doeleindes buite die nuwe plafon sou bly. Die plafon wat op sekere beleggings van monetêre banke by die private sektor van toepassing is, is vanaf 12 Februarie 1970 met 15 persent tot 115 persent van die peil daarvan soos op 31 Maart 1968 verhoog.

Veranderings in eise teen die private nie-banksektor Seisoensinvloed nie uitgeskakel nie R miljoene

	1969						
	1967	1968	1e kw.	2e kw.	3e kw.	4e kw.	Jaar
Kaskredietvoorskotte van die Landbank	162	-66	-50	-18	77	-12	-3
Ander diskonteringe en voorskotte	-45	206	187	88	37	108	420
Beleggings	160	113	-10	2	74	10	76
Deposito's	2	26	9	1	-7	-2	1
Totaal	279	279	136	74	181	104	494

Skommelings in oorskot likwiede bates van monetêre banke

Hoofsaaklik as gevolg van veranderings in regeringsdeposito's en in die likwiede batevereistes, het die oorskot likwiede bates van monetêre banke gedurende die tweede helfte van 1969 en vroeg in 1970 duidelike skommelings getoon. So het die oorskot likwiede bates van monetêre banke, wat aan die einde van Julie 1969 tot die betreklik lae peil van minder as R100 miljoen of 2.3 persent van hul totale verpligtings teenoor die

publiek gedaal het, gedurende die res van die jaar weer gestyg en aan die einde van 1969 R286 miljoen of 5.8 persent van die banke se verpligtings teenoor die publiek bedra. As gevolg van die seisoensverskuiwing van fondse na die regeringsektor gedurende Januarie 1970 en 'n aansienlike toename in diskonteringe en voorskotte gedurende Desember, het die oorskot likwiede bates aan die einde van Januarie 1970 tot slegs ongeveer R85 miljoen of 1.8 persent van hul verpligtings teenoor die publiek gedaal.

Onder hierdie omstandighede het die Reserwebank, ná die gebruikelike oorlegpleging met die Tesourie, besluit om 'n afwaartse aanpassing te maak in die likwiede batevereistes vir alle bankinstellings. Met ingang van die datum van sertifisering van die banke se opgawes vir die maand geëindig 31 Januarie 1970 (d.w.s. vanaf ongeveer 21 Februarie) is die likwiede batevereiste ten opsigte van korttermynverpligtings teenoor die publiek vanaf 48 tot 45 persent verminder.

Veranderings in die toestand op die geldmark en korttermyn-rentekoerse

Die skommelings in regeringsdeposito's het ook die toestand op die geldmark, wat vanaf Augustus tot November 1969 verruim het en gedurende Desember 1969 en vroeg in 1970 weer vernou het, beïnvloed. So het die skatkiwisseltenderkoers, nadat dit vanaf 4.77 persent op 8 Augustus tot 4.34 persent op 28 November 1969 gedaal het, gedurende Desember en die eerste helfte van Januarie stadig gestyg en op 23 Januarie 4.44 persent bereik. Dit het tot 13 Februarie op hierdie peil gebly voordat dit op 20 Februarie weer tot 4.40 persent gedaal het. Ander geldmarkkoerse het soortgelyke skommelings getoon. So het die koers wat



deur die diskontohuise op verhandelbare deposito-sertifikaat met 'n looptyd van 120 dae gekwoteer is, by teen die einde van November 1969 tot 6.0 persent gedaal en daarna tot nie minder nie as 7.0 persent in die middel van Februarie gestyg voordat dit daarna weer effens gedaal het.

Hierdie ontwikkelings in die geldmarktoestand is ook weerspieël in die veranderinge in daggeld gehou by die diskontohuise. Nadat dit toegeneem het tot R406 miljoen op 5 Desember het dit skerp gedaal tot R247 miljoen op 31 Januarie 1970 en daarna weer toegeneem tot R378 miljoen op 20 Februarie 1970. Soos verwag kon word, het die kredietakkommodasie aan die diskontohuise deur die Reserwebank in die teenoorgestelde rigting geskommel as hulle daggeld en het toegeneem tot R122 miljoen aan die einde van Januarie voordat dit op 20 Februarie terugbetaal is.

Verskuiwings in rentendraende deposito's en veranderinge in rentekoerse op deposito's

Die daling in die oorskot likwiede bates van monetêre banke tot Julie 1969, en die verhoging van die plafon op hulle kredietverlening het tot skerp mededinging vir fondse deur die verskillende bankinstellings en die bouverenigings gelei. Hierdie mededinging het verder verlewendig toe die bouverenigings hulle rentekoerse op deposito's na 7 persent in Julie en hulle koerse op belastingvrye aandele na $6\frac{1}{2}$ persent in Augustus opgeskuiw het. In hierdie omstandighede het die banke ook hoër koerse op hulle deposito's gedurende Junie, Julie en Augustus aangebied en 'n mate van opwaartse druk op depositokoerse, en dus ook uitleenkoerse, het in die laaste maande van 1969 en vroeg in 1970 voortgeduur.

Aangesien die verbandkoers van bouverenigings vir woonhuise alreeds relatief hoog was op die peil van $8\frac{1}{2}$ persent en so ook die minimum uitleenkoers van handelsbanke op $7\frac{1}{2}$ tot 8 persent, het die monetêre owerhede nie verdere aanpassings in hierdie koerse wenslik geag onder die heersende ekonomiese toestand nie. Die Reserwebank het gevolglik alle bankinstellings vroeg in Desember 1969 versoek om nie meer as 7 persent op deposito's van twaalf maande en langer aan te bied nie. In Februarie 1970 was die patroon van koerse aangebied deur die handelsbanke soos volg:

31 dae	5 tot $5\frac{1}{4}$ persent
88-91 dae	$5\frac{1}{2}$ tot $5\frac{3}{4}$ persent
6 maande	6 tot $6\frac{1}{2}$ persent
12 maande	7 persent

Die verminderde aantreklikheid van aandeelbeleggings en die hoër rentekoerse wat in die tweede helfte van 1969 aangebied is, het 'n aansienlike toevloeiing van fondse na die banke en bouverenigings tot gevolg gehad. Ten spyte van die aansienlik verminderde koers van toename in geld en kwasi-geld gedurende 1969 in vergelyking met 1968, het die totale toename in rente-

draende beleggings by alle bankinstellings (handelsbanke, aksepbanke en huurkoop- spaar- en algemene banke) en bouverenigings, uitgesonderd deposito's en aandele deur die banke en bouverenigings self gehou, met ongeveer R650 miljoen toegeneem, vergeleke met ongeveer R520 miljoen in 1968. Gedurende die tweede helfte van 1969 het die toename in rentendraende deposito's en bouverenigingaandele inderdaad nie minder nie as R435 miljoen bedra, waarvan die bouverenigings R215 miljoen, of ongeveer 50 persent, ontvang het.

Staatsfinansies

Gedurende die kalenderjaar 1969 het totale skatkisuitreikings totale ontvangstes (uitgesonderd lenings) met R336 miljoen oorskry, vergeleke met 'n totale tekort van R357 miljoen gedurende 1968. Die kleiner tekort op die skatkisrekening gedurende 1969 het hoofsaaklik gespruit uit 'n aansienlike toename in inkomste-belastingontvangstes, veral van maatskappye, wat op sy beurt met hoër maatskappywinste in verband gebring kan word. Hoewel skatkisuitreikings teen 'n koers van 11 persent gestyg het, het skatkisontvangste met 14 persent toegeneem.

Sover dit die finansiering van die skatkistekort betref, toon die bygaande tabel duidelik 'n aansienlike afname gedurende 1969 in die bedrag wat van die private nie-banksektor en die Staatskuldkommissaris geleen is. Die afname van R118 miljoen in die bydrae wat deur

Skatkisfinansies R miljoene

	1968	1969
Totale netto ontvangstes	1,712	1,951
Totale netto uitreikings	2,068	2,288
Totale tekort (uitgesonderd lenings)	357	336
Finansiering:		
Verandering in netto skuldposisie teenoor:		
Buitelandse sektor	-4	32
Private nie-banksektor	332	144
Staatskuldkommissaris ¹	242	186
Sub-totaal	570	361
Monetêre banksektor:		
Verandering in besit aan staatspapier	158	-38
Verandering in skatkissaldo ²	-372	13
Sub-totaal	-213	-25
Totale finansiering	357	336

¹Na aansuiwering vir beleggings van die Skatkis by die Staatskuldkommissaris.

²Na aansuiwering vir die belegging in die buiteland van die opbrengs van buitelandse lenings, beleggings by die Staatskuldkommissaris en vir oordragte na die stabilisasie-rekening en na die I.M.F.-depositorekening ten opsigte van super-goud-tranché-trekkings. Toename-, afname+.

die private nie-banksektor gemaak is, kan grootliks toegeskryf word aan kleiner beleggings in belastingvrye Tesourie-obligasies en 'n afname in leningsheffingontvangstes, terwyl die daling in die bydrae van die Staatskuldkommissaris in 'n groot mate die netto onttrekking van fondse by die Kommissaris, in besonder deur die Rekening vir Spesiale Verdedigingstoerusting en die provinsiale administrasies, weerspieël.

Die kleiner bydrae van die private nie-banksektor tot die finansiering van die skatkistekort gedurende 1969 het 'n opvallende verandering tussen 1968 en 1969 in die netto skuldposisie van die Skatkis teenoor die monetêre banksektor tot gevolg gehad. Gedurende 1968 het laasgenoemde met R213 miljoen gedaal, terwyl dit in 1969 met slegs R25 miljoen afgeneem het. Indien veranderinge in die deposito's van die provinsiale administrasies en ander regeringsliggame buite die Skatkis ook in berekening gebring word, het die netto eise van die monetêre banksektor teen die regeringsektor in werklikheid gedurende 1969 met R41 miljoen gestyg.

Soos reeds in die bespreking van neigings in geld en die bankwese aangetoon is, het hierdie agteruitgang in die finansiering van regeringsuitgawes in werklikheid vanaf Augustus 1969 merkbaar geword. Gedurende Januarie 1970 het 'n meer as seisoenale toevloeiing van belastinge egter tot 'n groot toename in regeringsdeposito's gelei met 'n gevolglike vermindering in die netto skuldposisie van die regeringsektor teenoor die monetêre banksektor.

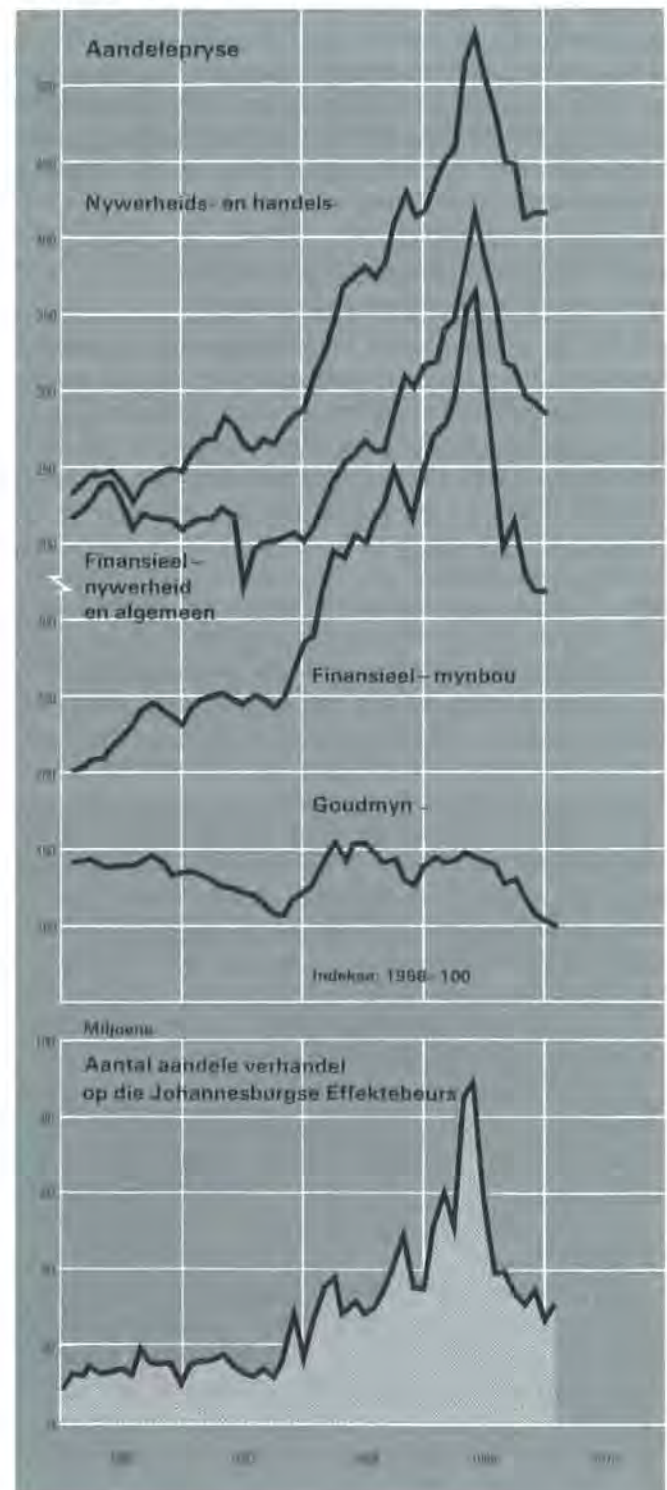
Kapitaalmark

Volgehoue daling in aandelepryse

Nadat dit tot rekordhoogtes gedurende Mei 1969 gestyg het, het die pryse van alle klasse aandele gedurende die daaropvolgende vyf maande skerp gedaal en toe gedurende November en Desember 'n matige afwaartse neiging getoon wat gedurende Januarie 1970 deur 'n verdere skerp afwaartse beweging gevolg is. Die pryse van ander aandele as nywerheids- en handelsaandele, was gemiddeld aansienlik laer in Desember 1969 as aan die einde van 1968, terwyl die pryse van nywerheids- en handelsaandele aan die einde van 1969 op dieselfde peil was as aan die einde van 1968. Die aantal aandele op die effektebeurs verhandel, wat ook

'n rekordpeil in Mei 1969 bereik het, het gedurende die daaropvolgende maande skerp afgeneem.

Nadat die gemiddelde opbrengskoers op goudmynaandele vanaf 6.0 persent aan die einde van 1968 tot 5.7 persent in Mei 1969 gedaal het, het dit tot 8.5 persent in Desember 1969 toegeneem. In die geval van nywerheids- en handelsaandele was die gemiddelde opbrengskoers 4.1 persent in Desember 1969, vergeleke met 3.4 persent in Mei 1969 en 3.9 persent in Desember 1968.



Bewegings in aandelepryse
Persentasieverandering

	Des. 1968 tot Mei 1969	Mei 1969 tot Des. 1969	Des. 1968 tot Des. 1969
Goudmynaandele	4.2	-29.1	-26.1
Finansiële aandele:			
Mynwese	29.3	-37.9	-19.7
Nywerheid en algemeen	31.8	-31.3	-9.4
Nywerheids- en handelsaandele	28.3	-22.4	-0.5

Nuwe aandelekapitaal opgeneem

Nieteenstaande die skerp daling in aandelepryse ná Mei 1969, het nuwe uitgiftes van aandelekapitaal regdeur 1969 teen 'n hoë peil voortgeduur. Voorlopige syfers dui daarop dat 'n rekordbedrag aan nuwe aandelekapitaal, naamlik ongeveer R410 miljoen, gedurende 1969 opgeneem is, wat die totaal vir 1968 met ongeveer R100 miljoen oorskry en die totaal vir die twee jare op heelwat meer as R700 miljoen te staan gebring het. Alhoewel nuwe kapitaaluitgiftes gedurende die vierde kwartaal nog R80 miljoen bedra het, het 'n merkbare afname in die aantal nuwe uitgiftes gedurende hierdie tydperk waarneembaar geword en in Desember het die bedrag aan nuwe kapitaaluitgiftes tot 'n onbeduidende syfer gedaal.

Effektetrusts

Na die baie groot toevloeiing van fondse na die effekte-trusts gedurende die eerste vyf maande van 1969, het die netto verkope van onderaandeel gedurende Junie en Julie skerp gedaal, terwyl die trusts netto terugkopers van onderaandeel tot 'n bedrag van R23 miljoen gedurende die laaste vyf maande van 1969 geword het. Die opbrengs van netto verkope van onderaandeel het desteenstaande R413 miljoen gedurende 1969 as geheel bedra, vergeleke met R204 miljoen gedurende 1968. As gevolg van die daling in aandelepryse ná Mei 1969, het die markwaarde van die trusts se netto bates nie die toevloeiing van fondse na hulle ten volle weer-speël nie en het dit R691 miljoen aan die einde van 1969, of R319 miljoen meer as aan die einde van 1968, bedra.

Die aansienlike netto verkope van onderaandeel gedurende die eerste vyf maande van 1969 het die trusts se besit aan kontant en deposito's vanaf R36 miljoen aan die einde van 1968 tot R194 miljoen aan die einde van Mei 1969 verhoog. Daarna het hierdie besit tot R80 miljoen aan die einde van 1969 gedaal as gevolg van netto terugkope van onderaandeel en netto beleggings in sekuriteite. Aangesien die trusts se voorgeskrewe beleggingsvereistes op die markwaarde van hulle portefeuljes gebaseer word, het die daling in die markwaarde van hulle beleggings die bedrag wat in goedgekeurde effekte belê moet word, verminder. Alhoewel die trusts goedgekeurde effekte tot 'n netto bedrag van R14 miljoen gedurende die laaste vyf maande van 1969 verkoop het, het hul oorskotbesit aan goedgekeurde effekte nog R49 miljoen aan die einde van 1969 bedra, waarvan R34 miljoen 'n oorskot aan staatseffekte verteenwoordig het.

In ooreenstemming met die ontwikkelings op die effektebeurs het die indeks van verkooppryse van onderaandeel vanaf 216 in Desember 1968 tot 298 in Mei 1969 toegeneem en het daarna weer tot 216 in Desember 1969 gedaal. Die gemiddelde opbrengskoers op onderaandeel het 2.0 persent in Desember

1969 bedra, vergeleke met 1.4 persent in Mei 1969 en 2.0 persent in Desember 1968.

Die mark vir vaste-rentedraende effekte

Nuwe uitgiftes van vaste-rentedraende effekte is gedurende die eerste helfte van 1969 goed ondersteun, nieteenstaande die hoë peil van aktiviteit op die aandele-mark. Toestande in die mark vir vaste-rentedraende effekte het egter vanaf die middel van 1969 opmerklik vernou. So het die opbrengskoers op nuwe langtermynuitgiftes van semi-prima-effekte vanaf ongeveer 7.1 tot 7.3 persent gedurende die derde kwartaal toegeneem en selfs teen die hoër opbrengskoerse was die betrokke leners nie in staat om hul leningsbehoefte ten volle te bevredig nie. As gevolg van hierdie ontwikkelings is sommige van die uitgiftes wat vir die vierde kwartaal beplan is, uitgestel. Verdere opwaartse druk op hierdie opbrengskoerse is deur nuwe uitgiftes wat vir die eerste kwartaal van 1970 beplan word, bevestig. Die oorheersende opbrengskoers op nuwe skuldbriewe van maatskappye het vanaf $8\frac{1}{4}$ tot $8\frac{1}{2}$ persent gedurende die tweede kwartaal van 1969 toegeneem en het verder tot $8\frac{3}{4}$ persent gedurende die derde kwartaal gestyg. Alhoewel nuwe uitgiftes gedurende die vierde kwartaal beperk was, het aankondigings van komende uitgiftes ook op 'n verdere sterk opwaartse druk op die betrokke opbrengskoerse gedui.

Gedurende 1969 het die opbrengskoers op staats-effekte met 'n looptyd van 25 jaar en langer onveranderd op $6\frac{1}{2}$ persent gebly, maar op 8 Januarie 1970 het die Reserwebank die koerse op effekte met looptye van tussen 15 en 25 jaar na $6\frac{1}{2}$ persent verander. Vergeleke met die opbrengskoers op gewone aandele, soos die opbrengskoers op nywerheids- en handelsaandele, het die omgekeerde rendementsgaping gedurende die jaar effens vernou, naamlik vanaf 2.6 tot 2.4 persent, nadat dit tot soveel as 3.1 persent in Mei 1969 vergroot het.

Bouverenigings

Bouverenigings het 'n rekord toevloeiing van fondse gedurende 1969 ondervind en hulle middele het met nie minder nie as R296 miljoen toegeneem, vergeleke met R188 miljoen gedurende 1968. Van die eersgenoemde bedrag is R107 miljoen gedurende die laaste kwartaal en R211 miljoen gedurende die tweede helfte van 1969 ontvang. Die groter toevloeiing van fondse na die bouverenigings gedurende die tweede helfte van 1969 het gevolg op 'n verhoging vanaf $6\frac{1}{2}$ tot 7 persent in die koers op vaste deposito's gedurende die tweede helfte van Julie en 'n verhoging vanaf 6 tot $6\frac{1}{2}$ persent in die koers op belastingvrye aandele vroeg in Augustus. Daarbenewens is die perke wat van toepassing is op die individuele besit aan belastingvrye aandele en spaar-deposito's albei verhoog tot R10,000 vanaf onderskei-

delik R6,660 en R6,000. Maar die vernaamste bydraende faktor tot die toename in die bouverenigings se middele was 'n omkering in die vloeiing van fondse na die effektebeurs en die effeketrusts, nadat aandelepryse skerp gedaal het. Nie alleen is die bouverenigings deur hierdie verandering bevoordeel nie, maar vaste en spaardeposito's by alle bankinstellings het gedurende die tweede helfte van die jaar ook aansienlik toegeneem. Beleggings in bouvereniging aandele het die grootste bydrae tot die toename in die middele van die bouverenigings gedurende 1969 gelewer en het R172 miljoen bedra, waarvan R69 miljoen beleggings in belastingvrye aandele verteenwoordig het. Vaste deposito's en spaardeposito's het met onderskeidelik R71 miljoen en R52 miljoen gedurende dieselfde tydperk toegeneem.

Die toename in die middele van die bouverenigings is nie ten volle weerspieël in die bedrag waarmee die verband- en ander lenings uitstaande gedurende 1969 toegeneem het nie. Die betrokke toename van R227

miljoen, of 12 persent, in uitstaande lenings was nogtans aansienlik hoër as die ooreenstemmende syfer van R143 miljoen vir 1968, wat 'n toename van 8 persent verteenwoordig het. Nuwe verbandvoorskotte toegestaan het teen die einde van 1969 egter merkbaar toegeneem en het R199 miljoen gedurende die vierde kwartaal bedra, vergeleke met 'n kwartaallikse gemiddelde van R129 miljoen vir die eerste drie kwartale. As gevolg van die verskil tussen die toename in die middele en die toename in die verband- en ander lenings uitstaande, is die bouverenigings met genoeg ruimte gelaat om hul besit aan likwiede bates en ander voorgeskrewe beleggings te verhoog. 'n Netto toevoeging van R69 miljoen, waarvan R52 miljoen gedurende die vierde kwartaal belê is, is tot hulle besit aan voorgeskrewe beleggings gedurende 1969 gemaak en dit het hul oorskotbesit aan voorgeskrewe beleggings bo die wetlike minimum tot R161 miljoen aan die einde van 1969 laat styg, nadat hierdie oorskot tot R73 miljoen aan die einde van Junie 1969 afgeneem het.

