

South African Reserve Bank
Suid-Afrikaanse Reserwebank

Quarterly Bulletin Kwartaalblad



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Owing to the rounding of figures, the sum of the separate items will sometimes differ from the total shown.

- ... denotes not available
- denotes value equal to nil or less than half the digit shown
- * denotes preliminary figures

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Algemene opmerkings

Weens die afronding van syfers sal die som van die onderskeie poste soms verskil van die totaal wat aangetoon word.

- ... dui aan nie beskikbaar nie
- dui aan 'n waarde gelyk aan nul of minder as die helfte van die eenheid aangetoon
- * dui voorlopige syfers aan

Quarterly economic review

General observations

Certain interesting short-term changes in economic activity are revealed by a closer look at the most recent statistics including those relating to the first quarter of 1970 and in some cases also to April and May. From the available information it would appear that the marked acceleration in general economic activity, which was the main feature of economic developments during most of 1969, abated towards the end of 1969 and early in 1970. This change was not entirely unexpected in view of the fact that most economic indicators showed such exceptionally high rates of increase during the second half of 1968 and the larger part of 1969 that available productive resources could hardly be expected to sustain these rates of increase for an indefinite period. Despite the slower rate of increase in economic activity, the danger of undue inflationary tendencies is still very imminent as the labour situation remains tight and certain sectors of the economy are still under considerable pressure.

Mainly owing to a levelling off in profits, the rate of increase in the gross domestic product at current prices, which accelerated to very high levels in the second and third quarters of 1969, slowed down during the fourth quarter of 1969 and the first quarter of 1970. Gross domestic expenditure showed similar tendencies and in this case the rate of increase also declined during the two recent quarters. Although direct estimates of real gross domestic product and expenditure unfortunately are not available on a quarterly basis, it would appear that price rises contributed much to the very high rates attained during the second and third quarters of

1969, but that the decline in these rates was also reflected, although to a lesser extent, in the real gross domestic product and expenditure. As the rates of increase of both the gross domestic product and gross domestic expenditure slowed down to the same extent, gross domestic expenditure continued to exceed the gross national product for the fourth consecutive quarter and a considerable deficit was again shown on the current account of the balance of payments during the first quarter of 1970. Although this was the fourth quarter in which a large deficit was recorded on the current account, inventory accumulations exceeded the total deficit for the whole period and may thus relieve future pressure on the balance of payments and domestic resources. However, the excess of demand over supply of goods and services and the tight labour situation have already exerted considerable upward pressure on prices, as reflected in an increase in the seasonally adjusted consumer price index (excluding the influence of the sales duty) of 3.4 per cent during the twelve months ended April 1970.

Another factor of concern is the distribution of available resources among the different sectors and activities of the economy. The largest part of the available resources are used for fixed property development, government services and infra-structural development, while the manufacturing industry is not expanding at a satisfactory rate. The decline in the rate of increase in gross domestic expenditure during the first quarter of 1970 was due mainly to a levelling off in private consumption expenditure, a decline in private fixed investment, especially in manufacturing, and also in fixed investment by the South African Railways, while current government expenditure and investment by public corporations increased substantially.

In the field of money and banking, the tighter conditions which developed during 1969 were relieved to a certain extent towards the end of 1969 and during the first few months of 1970 by relaxations of the credit ceilings and liquid asset requirements and a downward movement in government deposits. Mainly owing to a substantial increase in the credit to the private sector, and to a lesser extent also to the government sector, the rate of increase in the quantity of money and near-money began to accelerate again towards the end of 1969 and during the first quarter of 1970 and the ratio of money and near-money to gross domestic product consequently increased during these two quarters. The relaxations enabled banks to extend further credit for purposes of production in manufacturing and agriculture. Upward pressure continued to exist on interest rates on long-term deposits, but these rates were kept at 7 per cent at the request of the South African Reserve Bank. Easier conditions prevailed, however, in the market for short-term funds as a result of the high liquidity preference of the public and the decline in government deposits.

The main features of the capital market remained the downward movement of stock exchange prices, the continued exceptional buoyancy of the property market and the tight conditions prevailing in the market for fixed-interest-bearing securities. The latter situation led to upward adjustments in yields such as those on company debentures, which increased to $9\frac{1}{2}$ per cent, and on securities of local authorities and public corporations which reached a level of $7\frac{3}{4}$ to 8 per cent. Official recognition was given to the upward pressure on these rates when the Reserve Bank raised the yield on long-term government stock to 7 per cent effective from the 26th May.

National accounts¹

Slower rate of increase in gross domestic product

The rate of growth in the gross domestic product at current prices, which reached a very high level during the second and third quarters of 1969, slowed down during the fourth quarter of 1969 and the first quarter of 1970.

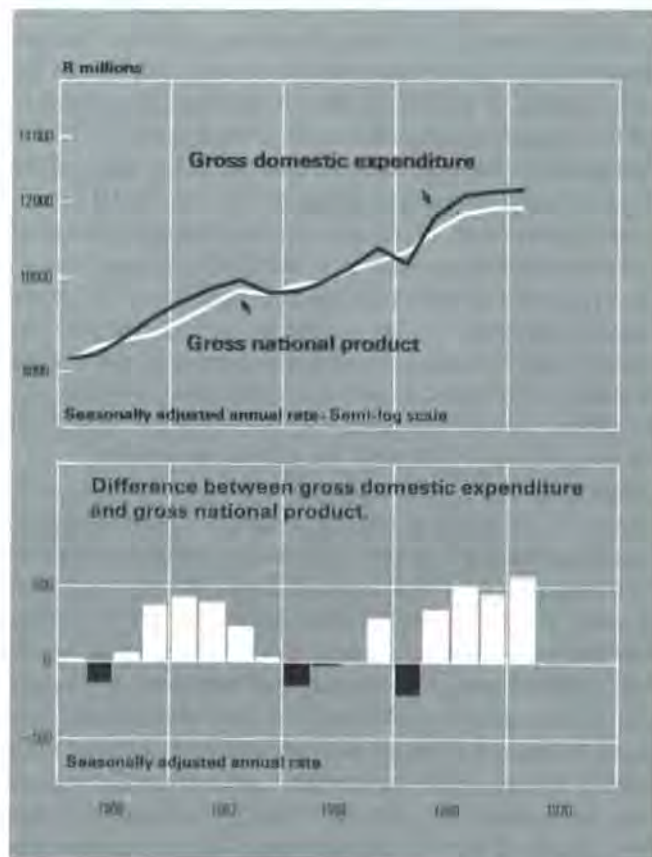
During the first quarter of 1970, the largest contributions to the increase in gross domestic product were made by manufacturing, agriculture and general government and other services, while the value added by commerce and financial services showed little change and that of transport, storage and communication and mining declined slightly. For the economy as a whole, higher salaries and wages accounted for the entire in-

crease in the gross domestic product during the last two quarters, as other income (mainly profits) remained at the level reached in the third quarter of 1969.

Slowing down in rate of increase in gross domestic expenditure

Quarterly estimates of gross domestic expenditure reveal changes similar to those of the gross domestic product. After attaining an exceptionally high rate of increase during the second and third quarters of 1969, gross domestic expenditure at current prices increased at a lower rate during the fourth quarter of 1969 and the first quarter of 1970. All components of expenditure, except current government expenditure, which continued to increase rapidly, contributed to the slowing down in the rate of increase in gross domestic expenditure.

As the gross national product also slowed down from its exceptionally high rate of increase recorded in the second and third quarters of 1969, gross domestic expenditure continued to exceed gross national product during the first quarter of 1970, with the result that a considerable deficit was again recorded on the current account of the balance of payments. Although this was the fourth consecutive quarter in which gross domestic expenditure exceeded gross national product by a fairly large amount, the difference during this whole period was mainly accounted for by inventory accumulations. To the extent that the latter represent additions to stra-



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.

tegic and other stocks over and above the normal increase in inventories associated with higher domestic production, they may relieve future pressure on the balance of payments and on domestic factors of production.

Levelling-off in private consumption expenditure

After increasing at a relatively high rate of between 10 and 11 per cent during both 1968 and 1969 as a whole, private consumption expenditure levelled off towards the end of 1969 and during the first quarter of 1970. This decline in the rate of increase is not only revealed by the quarterly estimates of private consumption expenditure, but also by monthly data on the value of retail sales and new motor cars sold which either levelled off or declined towards the end of 1969 and during the first quarter of 1970.

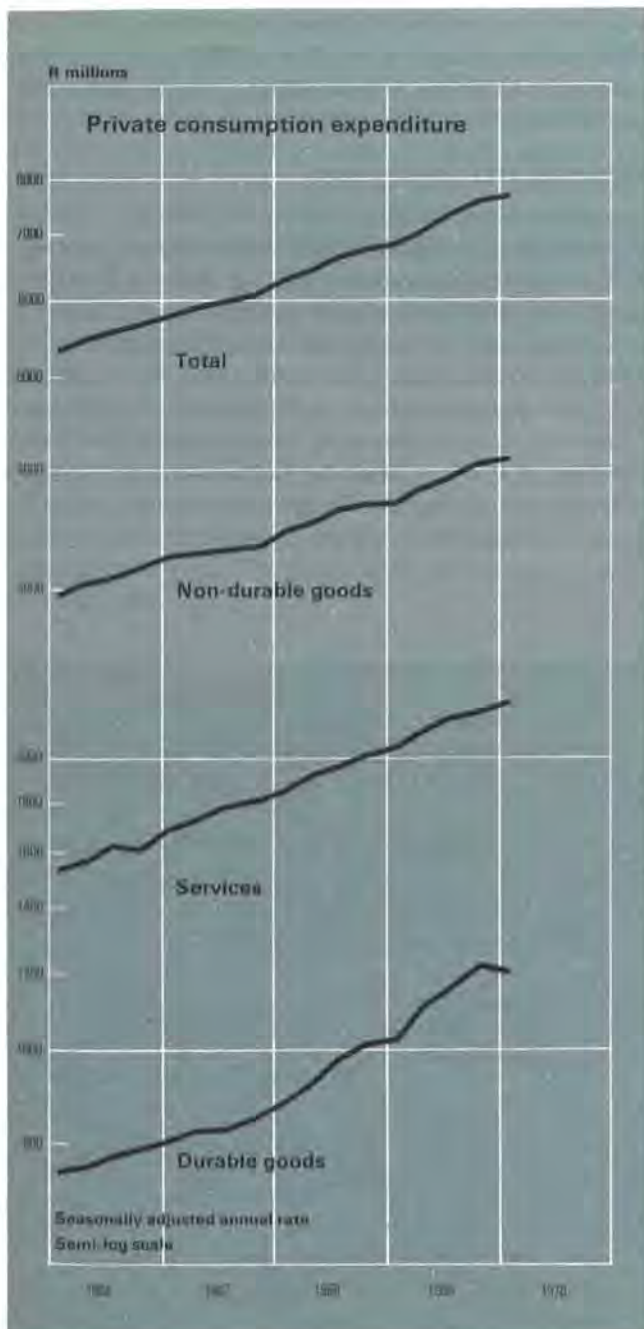
Although the reasons for the levelling-off tendency in consumption expenditure are not obvious, various factors, such as the very high rates of increase recorded in 1968 and the first three quarters of 1969, the fall in share prices, the decline in the rate of increase in salaries and wages, the higher liquidity preference of the public and the possibility that a degree of saturation may have been reached in respect of certain consumer goods, may, however, have contributed to this decline. However, the significance of a short-term decline in the rate of increase in consumption expenditure should not be over-emphasised. In this regard it should be noted that no significant change was made to the existing fiscal and monetary policy measures to curb consumption expenditure and changes that were made were more in the nature of relaxation.

Substantial further rise in current government expenditure

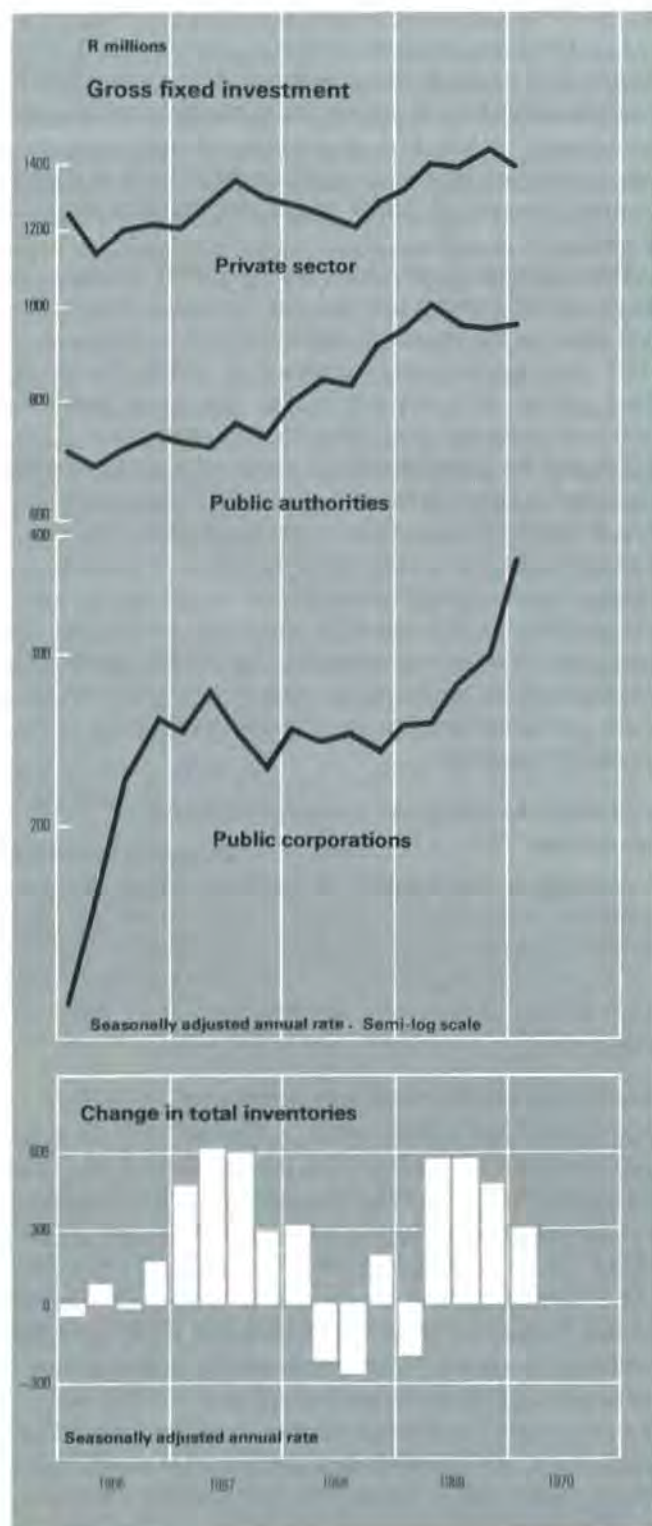
In contrast to the levelling-off tendency of private consumption expenditure, current expenditure by the general government continued to increase at a very fast rate during the first quarter of 1970, following upon the exceptionally high rate of 16 per cent attained during 1969.

Slower rate of increase in fixed investment

After fixed investment had increased by $10\frac{1}{2}$ per cent during 1969, the rate of increase declined during the first quarter of 1970. The smaller rate of increase was the net result of a decline in fixed investment by the private sector, a levelling-off in capital expenditure by public authorities and a substantial increase in capital outlays, mainly on plant, machinery and equipment, by public corporations. Fixed investment by public authorities levelled off after the second quarter of 1969 mainly as a result of a continuous decline in the capital outlays by the South African Railways. The fact that expenditure on machinery, plant, equipment and buildings and construction by the private sector did not continue the strong



upward tendency of the preceding five quarters may be accounted for by decreased expenditure by mining and manufacturing, little change in expenditure by agriculture and on residential buildings and a smaller increase in investment by commerce, private transport and finance.



Further net addition to inventories

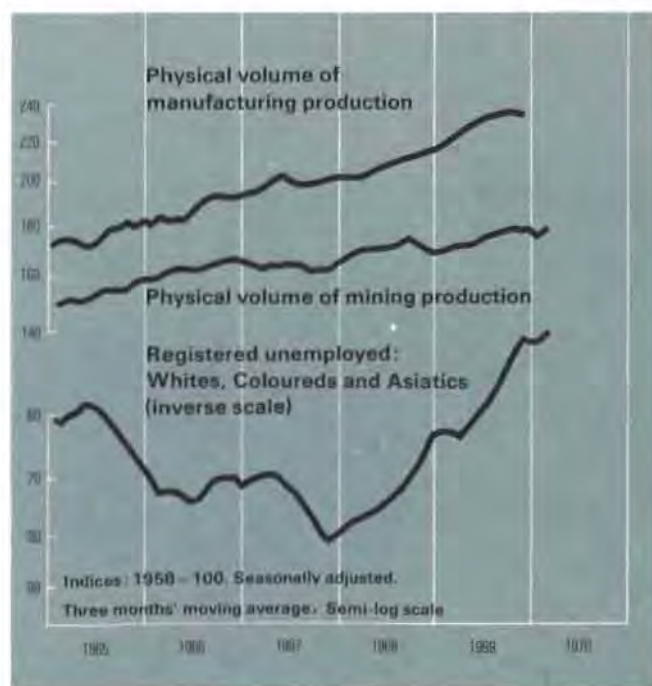
As during the preceding three quarters, a further net addition to inventories was recorded during the first quarter of 1970 mainly in the form of manufacturing and wholesale stocks and inventories of public corporations. The net addition to inventories during the first quarter of 1970 taken at a seasonally adjusted annual rate, amounted to nearly R300 million and brought the increase in total inventories for the last four quarters to more than R450 million. As the ratio of total inventories to the gross domestic product increased slightly over the past twelve months, the present level of inventories may be regarded as relatively high.

Gross domestic saving

According to preliminary estimates, gross domestic saving declined during the first quarter of 1970 due mainly to a sharp decline in personal saving which outweighed the increase in corporate saving.

Production and employment

After accelerating substantially in the course of 1969, manufacturing production declined during the last two months of 1969. Notwithstanding this decline, the average index of the physical volume of manufacturing production was 10.5 per cent higher in 1969 than in 1968. It is particularly noteworthy that the decline in production during the last two months of 1969 was reflected in each of the major components of the index of total production, including a significant decline in the production of machinery. However, according to preliminary indications, it would appear that the index of



total production increased again in January and February 1970. Similar fluctuations occurred in the average hours worked in manufacturing, which, after declining substantially in November and December, increased sharply in January and February. Unfilled orders, on the other hand, continued to increase throughout 1969.

Total mining production fluctuated around a horizontal level during the first quarter of 1970, mainly as a result of a slight decline in gold mining production, while other mining production showed a substantial increase. The production of iron ore and copper contributed most to this increase.

The latest employment indices showed somewhat divergent tendencies for different sectors of the economy. Employment in manufacturing continued to increase and mining employment levelled off further, while employment in construction, which rose substantially during the last two years, levelled off from November 1969 and employment in the South African Railways continued its downward movement which started in the fourth quarter of 1969. In accordance with the rise in total employment, the seasonally adjusted number of registered unemployed Whites, Coloureds and Asiatics declined further during the first quarter of 1970 to reach a very low level of only 8,738 in March 1970.

The further decline in unemployment and the rise in employment in certain sectors of the economy certainly contributed to increased economic activity generally, but did not alleviate the shortage of different types of labour, in particular that of skilled labour. According to the statistics available in respect of average salaries and wages paid during January and February 1970, significant further increases occurred reflecting the tight labour situation.

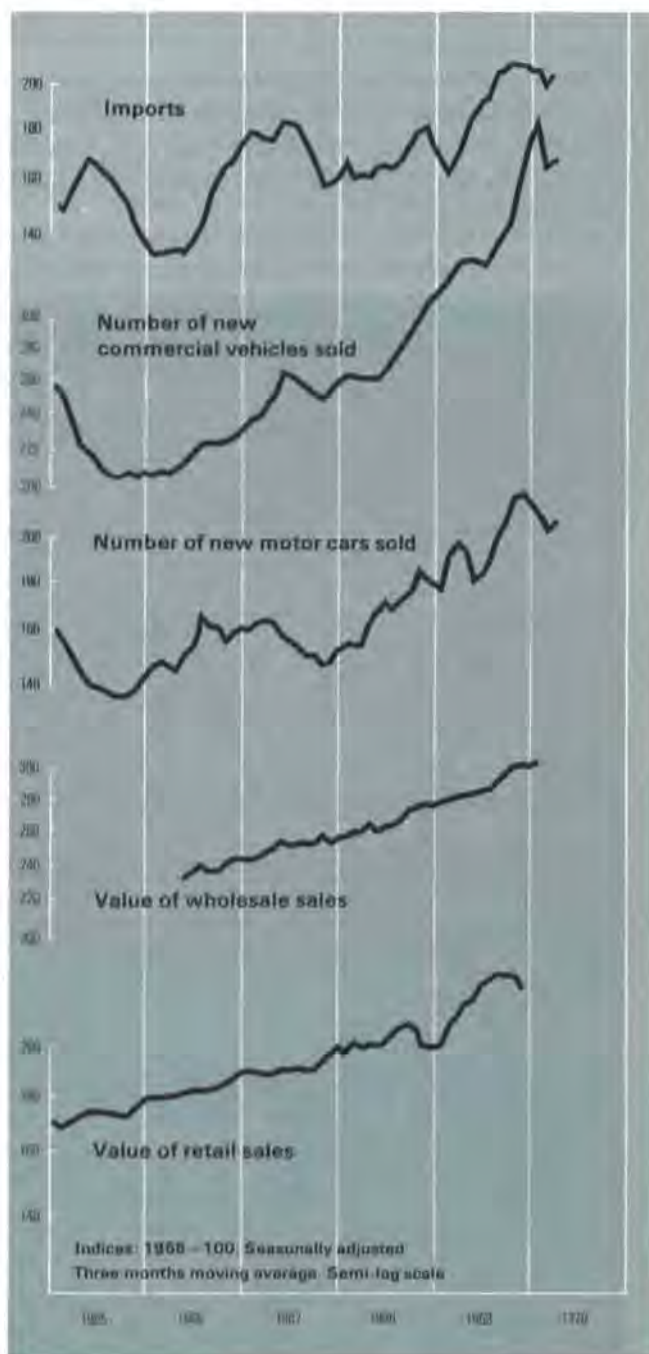
General economic indicators

According to the movements in certain general economic indicators, it would appear that the substantial *acceleration* in general economic activity, which was the outstanding feature of economic developments during the greater part of 1969, did not continue in all sectors of the economy during the last quarter of 1969 and the first quarter of 1970. A slower rate of increase was noticeable in the seasonally adjusted series for bank debits, revenue earning traffic of the South African Railways, despatched rolled and drawn steel products, the number of new motor cars sold, the number of new commercial vehicles sold and merchandise imports. During April, however, significant increases occurred again in the latter three series.

The series for the value of retail sales, which has now become available based on a larger sample than before, may be regarded as an important indicator of trends in private consumption expenditure, which is the main component of gross domestic expenditure. According to the seasonally adjusted index (available until December

1969), the value of retail sales increased markedly during the first seven months of 1969, but levelled off during the rest of 1969. All the categories of retail sales contributed to this levelling-off tendency.

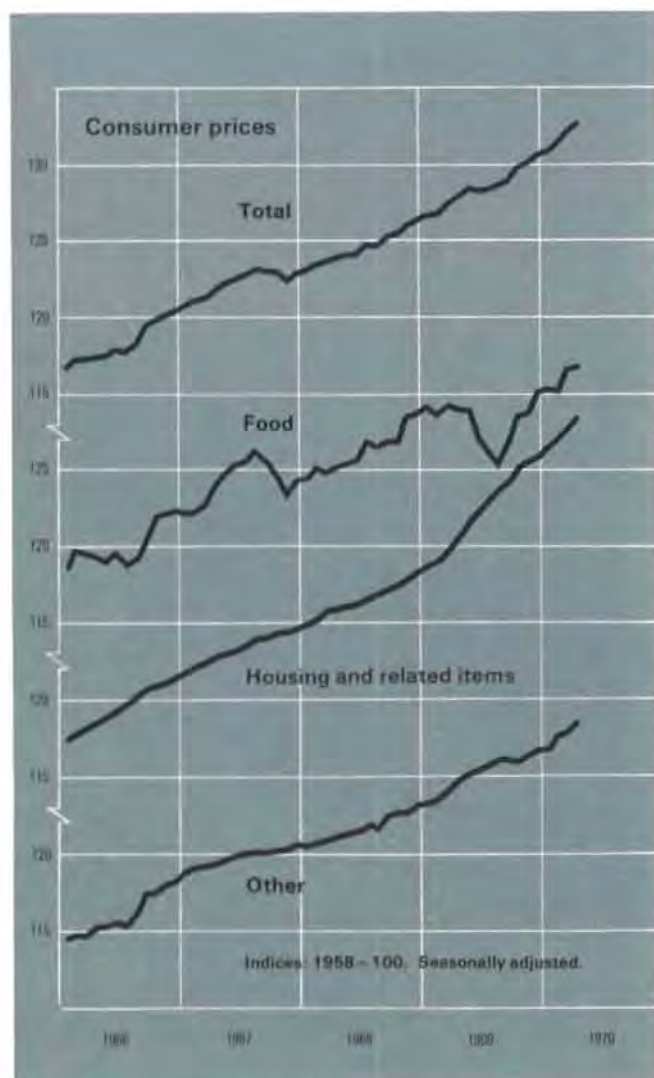
Very buoyant conditions continued to prevail in the building and construction sector of the economy as reflected in further increases in hours worked, sales of building materials and real estate transactions. Contrary to the buoyancy of the real estate market, the share market remained bearish and further substantial declines occurred in share prices during the first few months of 1970.



Prices

During the twelve months ended April 1970, the seasonally adjusted consumer price index (as adjusted to eliminate the irregular inclusion of house rent and domestic servants' wages) increased at a rate of 3.9 per cent, and by 3.4 per cent if the effect of the sales duty is excluded. The latter increase was still higher than the rate of increase of 3.2 per cent during the preceding twelve months. Increased prices of "housing and related items" made the largest contribution to the rise in consumer prices during the twelve months ended April 1970, while prices of food and medical services also showed significant increases. It should also be noted that the rate of increase in the seasonally adjusted consumer price index showed a noticeable acceleration during the first four months of 1970.

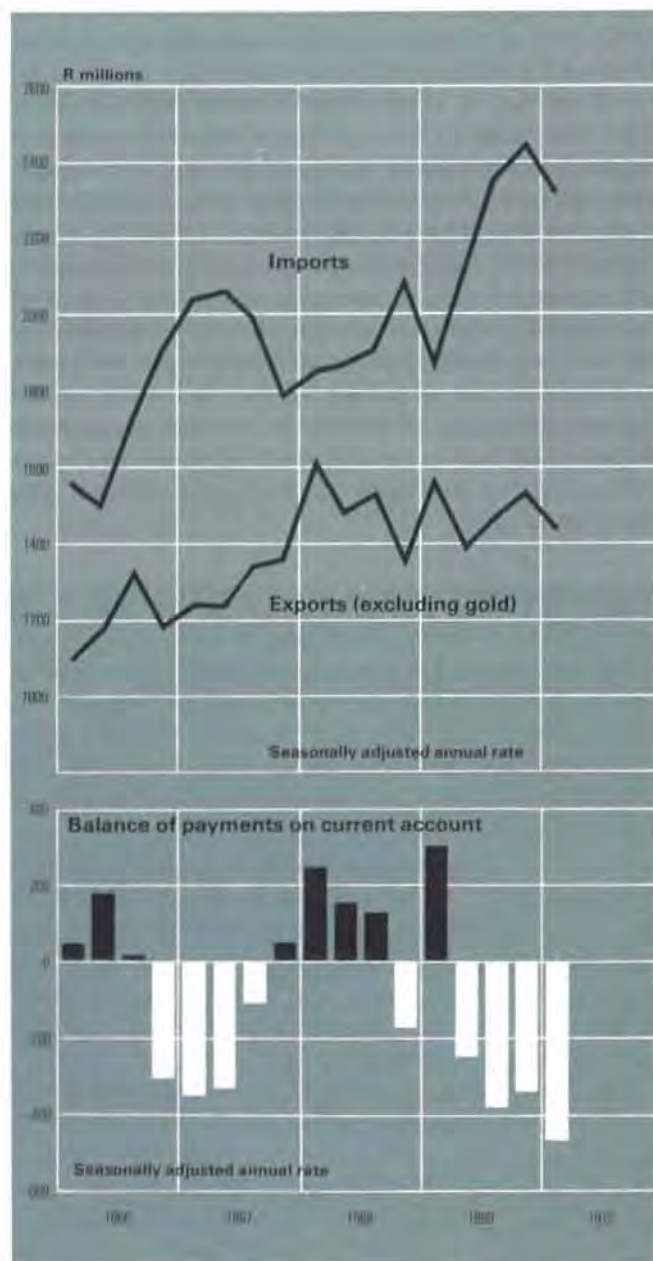
Wholesale prices increased less than consumer prices and for the twelve months ended March 1970 the seasonally adjusted index rose by 2.4 per cent, compared with an increase of 1.9 per cent during the preceding twelve months.



Balance of payments

Large deficit on current account

During the first quarter of 1970, the current account of the balance of payments showed a large deficit of R139 million, following on deficits of R78 million, R109 million and R46 million during the previous three quarters, respectively. Taken at a seasonally adjusted annual rate, the deficit on the current account amounted to R535 million during the first quarter of 1970, compared with R342 million during the previous quarter. The further deterioration in the current account was the net result of a substantial decline in both merchandise exports and net gold output and a significant increase in net service payments, which considerably exceeded the decline in imports.



After increasing very rapidly during the preceding three quarters and contributing largely to the deficits on the current account, merchandise imports, taken at a seasonally adjusted annual rate, declined from a record level of R2,456 million in the fourth quarter of 1969 to R2,320 million during the first quarter of 1970. Although the decline in imports may be ascribed partly to a slackening in demand in general, it may also be associated with factors such as the disappearance of the uncertainty about the marketing of South Africa's gold and thus of a possible tightening of import control.

Merchandise exports, taken at a seasonally adjusted annual rate, declined from a level of R1,529 million in the fourth quarter of 1969 to R1,375 million during the first quarter of 1970. This was caused mainly by a decrease in the value of diamond sales and exports of base metals and textiles, which outweighed the moderate increase in agricultural exports.

The total net gold output, as defined for balance of payments purposes, decreased from R225 million during the fourth quarter of 1969 to R192 million during the first quarter of 1970. This decline, which contributed materially to the deterioration in the current account, was due to the lower premium earned on gold sales on the free market and to substantial sales to the International Monetary Fund at the fixed price of 35 dollars per fine ounce.

Service payments increased from a seasonally adjusted annual rate of R819 million in the fourth quarter of 1969 to R861 million in the first quarter of 1970, mainly because of higher dividend and interest payments to foreigners as a result of the large capital inflow of 1968. As service receipts on the same basis declined from R411 million to R407 million over the same period, net service payments contributed to the large deficit on the current account.

Further inflow of capital

A further net inflow of capital amounting to R99 million was recorded during the first quarter of 1970, compared with an inflow of R44 million during the fourth quarter of 1969. The central government and banking sector obtained loans to a net amount of R21 million of which the central government received R19 million, while the private sector's net inflow was R78 million. Of this net capital inflow to the private sector no less than R51 million represented long-term capital, while short-term capital, including errors and unrecorded transactions, amounted to R27 million.

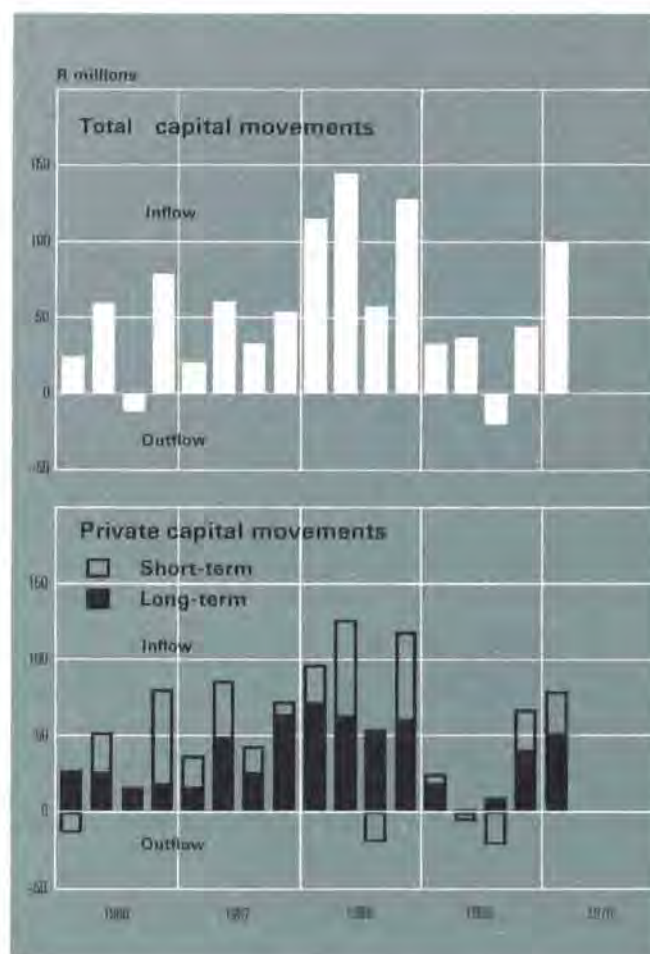
Slight decline in gold and foreign exchange reserves

The deficit on the current account of R139 million and the net capital inflow of R99 million resulted in a decline of R40 million in the gold and foreign exchange reserves during the first quarter of 1970. This decline does not, however, take into account the initial allocation of special drawing rights amounting to R24 million, with the result that the total gold and foreign exchange reserves de-

clined only by R16 million to a total of R1,025 million at the end of March 1970. During the first quarter, the government's holdings (mainly in the form of South Africa's super gold tranche at the International Monetary Fund which increased by R16 million to R89 million at the end of March) increased by R15 million, while the holdings of the Reserve Bank declined by R24 million and those of the other monetary banks by R7 million.

Developments during April and May

According to the monthly figures of the Department of Customs and Excise, which are not adjusted for balance of payments purposes, imports rose sharply from a seasonally adjusted annual rate of R2,188 million in March to R2,554 million in April. Exports, taken at a seasonally adjusted annual rate, also increased from R1,451 million to R1,556 million over the same period. The gold and foreign exchange reserves of the Reserve Bank declined by R12 million during April, but increased by R48 million during May. The latter increase included the drawing of R71 million of South Africa's super gold tranche with the International Monetary Fund which naturally led to a decline by the same amount in the Government's holdings of foreign exchange reserves.

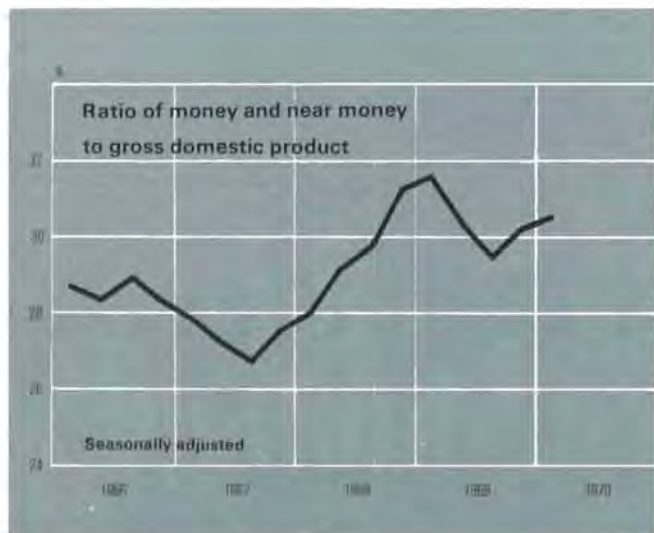


Monetary and banking situation

Slight rise in rate of increase of money and near-money

Owing to seasonal factors, the total quantity of money and near-money decreased from R3,805 million at the end of December 1969 to R3,744 million at the end of March 1970, i.e. by R61 million. However, this decline changes to an increase of no less than R118 million if seasonal movements are eliminated. Thus, the seasonally adjusted annual rate of increase of 12.8 per cent during the first quarter of 1970 showed a slight acceleration compared with a rate of 9.3 per cent during the fourth quarter of 1969 and an increase of 10.3 per cent during 1969.

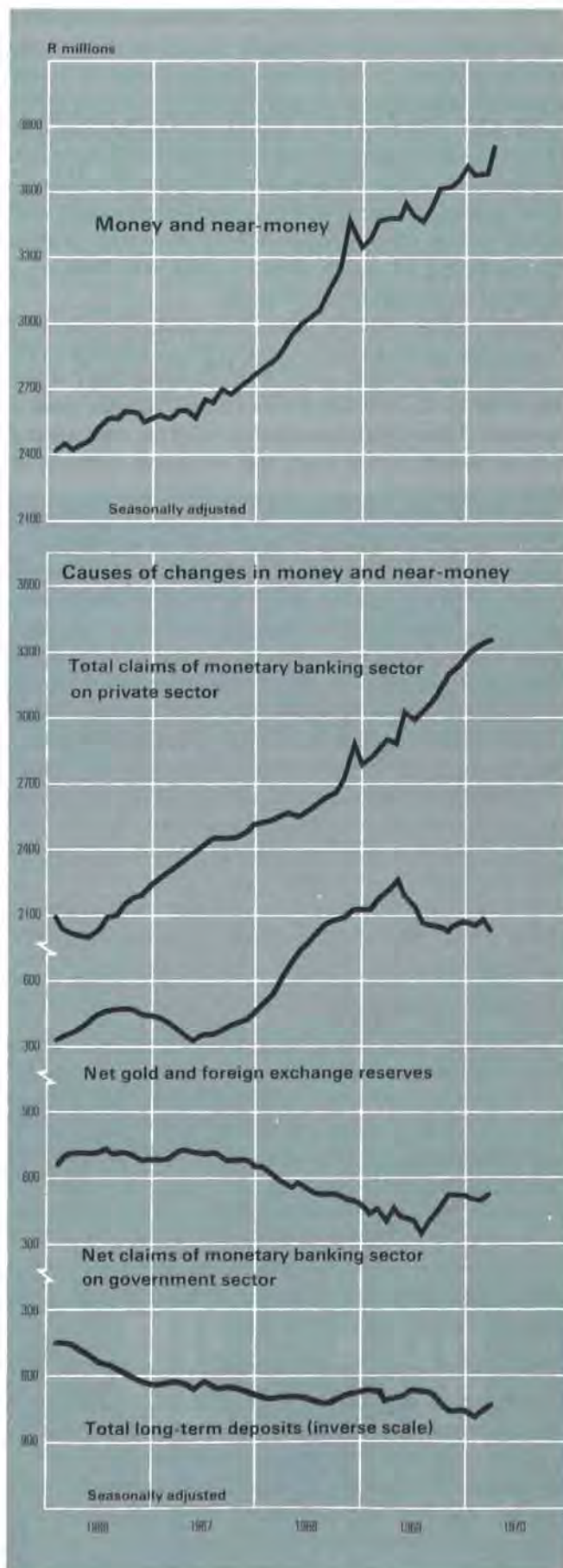
At the same time, the rate of increase in the gross domestic product declined during the fourth quarter of 1969 and the first quarter of 1970, with the result that the ratio of money and near-money to the gross domestic product, which had decreased from 31.6 per cent in the first quarter of 1969 to 29.5 per cent in the third quarter of 1969, increased again to 30.2 per cent in the fourth quarter of 1969 and to 30.5 per cent in the first quarter of 1970.



Causes of changes in money and near-money

As the accompanying table shows, all factors, with the notable exception of bank credit to the private sector, contributed to the decline in money and near-money during the first quarter of 1970. The substantial *increase* in money and near-money *after adjustment for seasonal movements* resulted mainly from the continued large increase in bank credit to the private sector coupled with a small rise in bank credit to the government sector and a decline in long-term deposits of the private sector.

The seasonally adjusted total of bank credit to the government sector, which increased by R175 million between July and November 1969, declined by R52



Causes of changes in money and near-money
R millions

	Not seasonally adjusted		Seasonally adjusted	
	4th Qtr. 1969	1st Qtr. 1970	4th Qtr. 1969	1st Qtr. 1970
Net gold and foreign exchange reserves	41	-41	23	-54
Claims on the government:				
Gross claims	54	-44	...	...
Deposits (increase—, decrease+)	67	-63	...	...
Net claims	121	-107	67	10
Claims on the private sector	104	100	119	77
Long-term private deposits (increase—, decrease+)	-31	-1	-50	28
Other assets and liabilities (net)	-50	-12	...	...
Total change in money and near-money	184	-61	84	118

million to the end of February, but increased again by R46 million in March, and thus brought the total increase since July 1969 to R170 million. Government deposits decreased by R90 million from July 1969 to March 1970. During April, government deposits with the Reserve Bank and the National Finance Corporation declined further by R47 million.

Sharp rise in bank credit to the private sector

Although the increase of R100 million in *total* claims on the private sector during the first quarter of 1970 was slightly less than the increase of R104 million during the fourth quarter of 1969, credit extended by commercial banks, merchant banks and monetary hire-purchase and general banks increased at a considerably faster rate during the first quarter of 1970 than during the fourth quarter of 1969. In fact, their claims on the private sector increased by R163 million during the first quarter of 1970, compared with an increase of R101 million during the fourth quarter of 1969. The discounts and advances of commercial banks contributed R148 million to the former increase. This acceleration in bank credit during the first quarter of 1970 occurred mainly in January, partly as a result of the raising of the ceiling on the banks' discounts and advances by a further 5 per cent as from the beginning of 1970.

A further increase in the ceiling on the banks' discounts and advances, amounting to three per cent of the total as at 31st March 1965, effective from 1st June 1970, was announced by the Reserve Bank on 25th May. This increase was effected to enable the banks to expand production credit for manufacturing and agriculture. Banks accordingly were requested to ensure that credit under this concession would be granted for this purpose only.

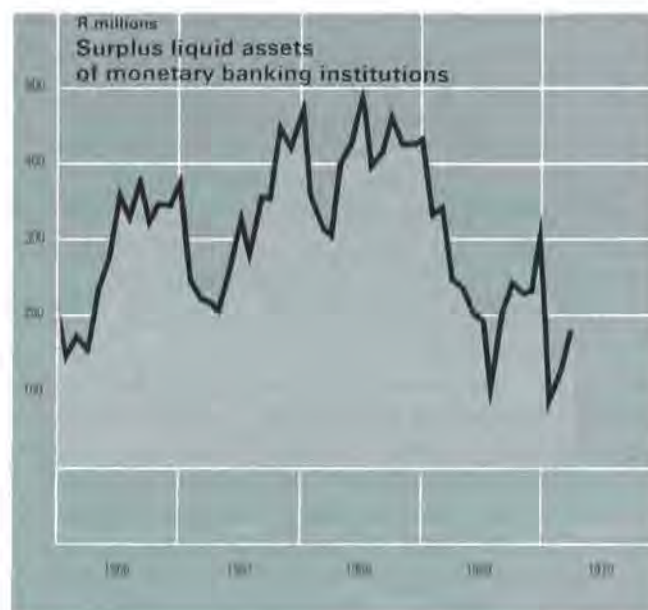
Changes in claims on the private non-bank sector
(Not seasonally adjusted)
R millions

	1968		1969		1970	
	2nd Half	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.
Investments and deposits	67	-1	3	67	8	-24
Discounts and advances:						
South African Reserve Bank, Land Bank and discount houses	60	-36	-22	79	12	-42
Other monetary banks:						
Commercial banks	51	138	76	30	53	148
Merchant banks	14	11	2	12	5	6
Other	15	23	14	-8	26	13
Sub-total	80	173	92	35	84	166
Total claims	207	136	74	181	104	100

It is notable that the rate of increase in bank credit to the private sector started accelerating from about the middle of 1968, and since then total bank credit to the private sector has increased by just over R800 million, or about 31 per cent. This increase compares with an increase of R708 million, or 23 per cent, in the total quantity of money and near-money over the same period. The fact that money and near-money as well as bank credit to the private sector increased on average by more than R100 million per quarter during the last seven consecutive quarters, indicates that a shortage of money and credit could hardly have hampered expansion in any sector of the economy.

Relatively low level of excess liquid assets of monetary banks

Mainly owing to the seasonal increase in government deposits and the higher liquid asset requirements, the



surplus liquid assets of monetary banks declined by R216 million during January 1970 to reach a level of only R85 million at the end of that month, the lowest level recorded since the implementation of the new Banks Act of 1965. Although the reduction in the liquid asset requirements from 48 to 45 per cent of their short-term liabilities to the public contributed to a reduction in required liquid assets of R134 million during February, the excess liquid assets of monetary banks increased by only R41 million during that month. During the period March and April their excess liquid assets increased further by R15 million and amounted to R140 million, or 2.9 per cent of their liabilities to the public, at the end of April 1970.

In terms of the announcement by the Reserve Bank on 25th May, referred to earlier, the liquid asset requirement for all banking institutions in respect of their medium-term liabilities to the public was reduced from 30 to 28 per cent as from the date of certification of their monthly statements for May.

Money market conditions and interest rates

The fluctuations in government deposits also affected conditions in the money market, which tightened considerably in January and February, before easing slightly in March and April. Thus, the Treasury bill tender rate increased to 4.44 per cent on the 23rd January, remained unchanged for three consecutive weeks and then declined to 4.34 per cent on the 26th March. It remained close to this level until the middle of May. The easing in money market conditions may, to a large extent, be associated with an increase in the net claims of the Reserve Bank and the National Finance Corporation on the government amounting to R167 million from the end of February to the 15th May.

Despite the fluctuations in government deposits and its influence on money market conditions and interest rates, the discount houses tended to keep their total asset portfolio at a relatively stable level in the vicinity of R390 million. When call money placed with them declined, they borrowed from the Reserve Bank and thus managed to keep their investment portfolio intact. As a result, the discount houses were fairly heavy borrowers from the Reserve Bank throughout the first four months of 1970 with the average weekly Reserve Bank advances to them amounting to R67 million over this period.

Deposit interest rates

The relatively low levels of surplus liquid assets of banks and the sharp rise in their lending during the first few months of 1970 tended to cause further upward pressure on deposit interest rates. At the same time, upward revisions of rates on deposits of less than 12 months' original maturity were necessarily limited by the 7 per cent maximum interest rate on deposits of one year and more to be maintained according to the request of the

Reserve Bank in December 1969. Although the pattern of the highest rates showed few further changes during March and April, a narrowing of the range between highest and lowest rates offered did occur in various cases. At the end of April the following rates were offered:

	31 days	88-91 days	6 months	12 months
	%	%	%	%
Commercial banks	5-5 $\frac{1}{4}$	5 $\frac{1}{2}$ -5 $\frac{3}{4}$	6-6 $\frac{1}{2}$	7
Merchant banks	5 $\frac{1}{4}$ -5 $\frac{1}{2}$	5 $\frac{3}{4}$	6 $\frac{1}{4}$ -6 $\frac{1}{2}$	7
Hire-purchase banks	4 $\frac{3}{4}$ -5 $\frac{3}{4}$	5 $\frac{3}{4}$ -6 $\frac{1}{4}$	6 $\frac{1}{2}$ -6 $\frac{3}{4}$	7
General banks	5-5 $\frac{1}{2}$	5 $\frac{1}{4}$ -6	6-6 $\frac{1}{2}$	7

Towards the end of April banks and building societies gave an undertaking to the Reserve Bank that they would maintain interest rates on deposits of twelve months and longer until the end of August this year. The building societies undertook to discontinue the issuance of fully paid-up fixed period shares of original maturities of five years and more at the rate of 7 $\frac{3}{4}$ per cent, while all banks and building societies with total assets not exceeding R10 million, excepting subsidiaries of larger banks, were allowed to pay 7 $\frac{1}{4}$ per cent on deposits of twelve months and longer.

In accordance with the upward pressure on deposit interest rates, secondary market rates on 30 and 90 day negotiable certificates of deposit continued to move higher from their November levels, although a levelling-off tendency was noticeable from February onwards. The buying yields of discount houses on 30-day negotiable certificates of deposits reached a peak of 6.1 per cent in the middle of March, while that on 90-day negotiable certificates of deposit fluctuated at a level of about 6.6 to 6.7 per cent from February to April, and reached a record of 6.9 per cent on 5th May 1970.

Government finance

The excess of total issues over total receipts (excluding borrowing) of the Exchequer amounted to R347 million during the financial year ended 31st March 1970, compared with a deficit of R353 million during the previous year, notwithstanding the fact that total issues of the Exchequer increased by no less than 24 per cent. The smaller deficit occurred mainly as a result of an increase of 21 per cent in Exchequer receipts and the inclusion of the South West Africa Account, which added net receipts of about R33 million in the form of reserve funds transferred to the Exchequer. Exchequer receipts benefited from increases of R75 million in income tax receipts and R51 million in customs and excise duties compared with the previous year. The sales duty contributed R95 million to the Exchequer and was only R3 million short of the amount shown in the budget.

Although the Exchequer experienced considerable difficulty in borrowing from the private non-bank sector

compared with the year before, it nevertheless succeeded in reducing its net indebtedness to the banking sector by R54 million during 1969/70. This reduction was, however, substantially lower than the decline of R201 million recorded in 1968/69. The Public Debt Commissioners contributed no less than R290 million to the Exchequer and net foreign loans amounted to R51 million during the year 1969/70, compared with R232 million and R20 million, respectively, during the previous year. The Exchequer obtained only R60 million from the private non-bank sector in 1969/70, as against R301 million during the previous year.

A further complicating factor in the financing of the Exchequer's deficit in 1970/71 is the fact that the Public Debt Commissioners did not carry over any balance from 1969/70, as was the case in previous years, but invested all available funds on 31st March 1970. Investments by the Public Debt Commissioners with the Exchequer during 1969/70 were concentrated in two months, namely in April 1969 and March 1970. In view of the absence of a carry-over from 1969/70, investments by the Public Debt Commissioners during 1970/71 may be concentrated mainly in March 1971, so that the Exchequer could to a larger extent be dependent on the private non-bank sector to finance its shortfall during the current financial year.

During 1969/70 all components of Exchequer borrowing from the private non-bank sector declined. Owing to the consolidation of company loan levies and income

tax and the reduction in the rate payable by individuals, loan levy receipts amounted to R23 million only, compared with R87 million in 1968/69. Tax-free Treasury bonds contributed a net amount of R1 million as against R60 million the year before and issues of government stock yielded only R44 million compared with R152 million in 1968/69.

During October 1969 R81 million or 77 per cent of the total amount of stock due for redemption was not converted and had to be repaid in cash, while new issues offered during February brought in only R7 million from the private non-bank sector. During April 1970 practically the entire stock issue which fell due for redemption was converted, while an amount of about R14 million representing 32 per cent of the total stock which fell due in May 1970 was repaid in cash. An amount of no less than R324 million still has to be converted in the 1970/71 financial year.

Capital market

Share market

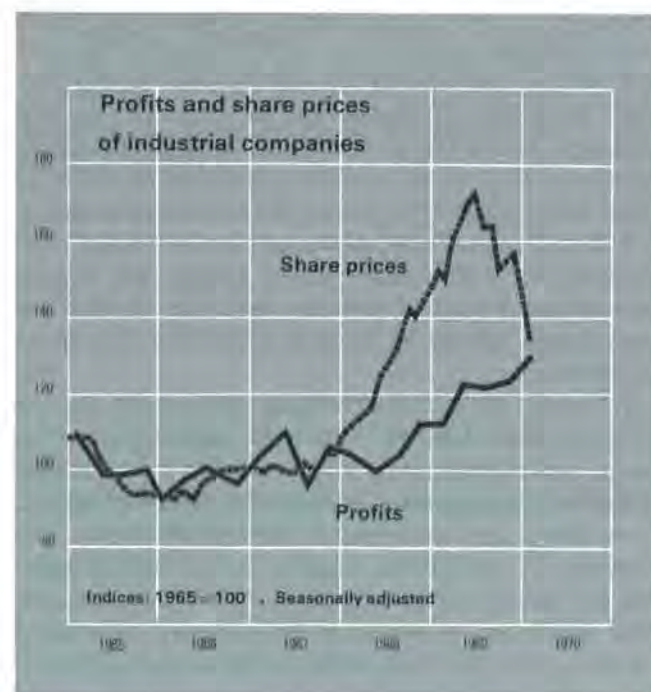
After the sharp decline in the prices of all classes of shares from May to December 1969, the prices of gold mining shares and of mining financial shares increased moderately during the first quarter of 1970. The prices of industrial and commercial shares and of industrial financial shares, however, still declined markedly during January and February, but tended to stabilize during March. It would appear that most classes of shares registered gains during April, but a downward movement developed again in May.

A comparison between the movement of profits and share prices of industrial companies reveals that the

Exchequer finance R millions

	April 1968 to March 1969	April 1969 to March 1970
Total net receipts	1,683	2,142
Total net issues	2,036	2,488
Total deficit (excluding borrowing)	353	347
Financing:		
Change in net indebtedness to:		
Foreign sector	20	51
Private non-bank sector	301	60
Public Debt Commissioners	232	290
Sub-total	553	401
Monetary banking sector:		
Change in holdings of government securities	121	-65
Change in Exchange balance ¹	-322	10
Sub-total	-201	-54
Total financing	353	347

¹After adjustment for the investment abroad of the proceeds of foreign loans, and for transfers to the Stabilization Account and to the I.M.F. Deposit Account in respect of super gold tranche drawings. Increase—, decrease+.



indices representing these two variables diverged towards the end of 1967, when the Sterling devaluation triggered off the unprecedented boom on the Johannesburg Stock Exchange, but nearly converged again during the first quarter of 1970. Under normal circumstances it may be expected that share prices will again move in conformity with changes in profits.

The number of shares traded on the Johannesburg Stock Exchange, which had declined sharply from May to December 1969, remained at a relatively low level during the first four months of 1970, namely at the average level recorded during the last quarter of 1969.

The average yield on gold mining shares increased from 8.5 per cent in December 1969 to 9.4 per cent in January 1970 and then declined to 8.7 per cent in April 1970. The average yield on industrial and commercial shares, however, rose from 4.1 per cent in December to 4.5 per cent in February and, according to preliminary indications, remained virtually unchanged during March and April and increased again in May.

As might have been expected in view of the relatively unattractive conditions for raising capital on the stock exchange, new share issues declined to a very low monthly average of less than R3 million during the first quarter of 1970, compared with a monthly average of R34 million during 1969. It may be noted, however, that companies succeeded in attracting more than R700 million through new issues of shares during 1968 and 1969, so that the sluggishness of private fixed investment in manufacturing during that period could hardly be ascribed to conditions on the stock exchange.

Unit trusts

Unit trusts again experienced an outflow of funds during the first quarter of 1970 and net repurchases of units amounted to R47 million, compared with R18 million during the last quarter of 1969. Of the former amount R29 million represented net repurchases during February. The slight improvement of the mood on the stock exchange during March and further concessions by the Minister of Finance on the 18th March served to reduce gross repurchases of units from R33 million in February to R16 million in March. At the same time, sales of units increased to R10 million during March, the highest level recorded since September last year, so that net repurchases amounted to only R7 million during the former month.

In terms of the concessions announced by the Minister, the statutory minimum investment to be maintained by unit trusts in government stock, namely $7\frac{1}{2}$ per cent of the market value of their portfolios, would, if necessary, be suspended in appropriate cases. This followed an agreement reached in November 1969 that the Government would be prepared to buy government stock held in excess of the statutory minimum if the cash position of a trust had to be supplemented for the purpose of repurchasing units. In addition, it was

announced in March that the management company of a unit trust would, if necessary, be required to build up progressively its investment in the units of the trust to a minimum amount equal to 10 per cent of the market value of the trust's portfolio.

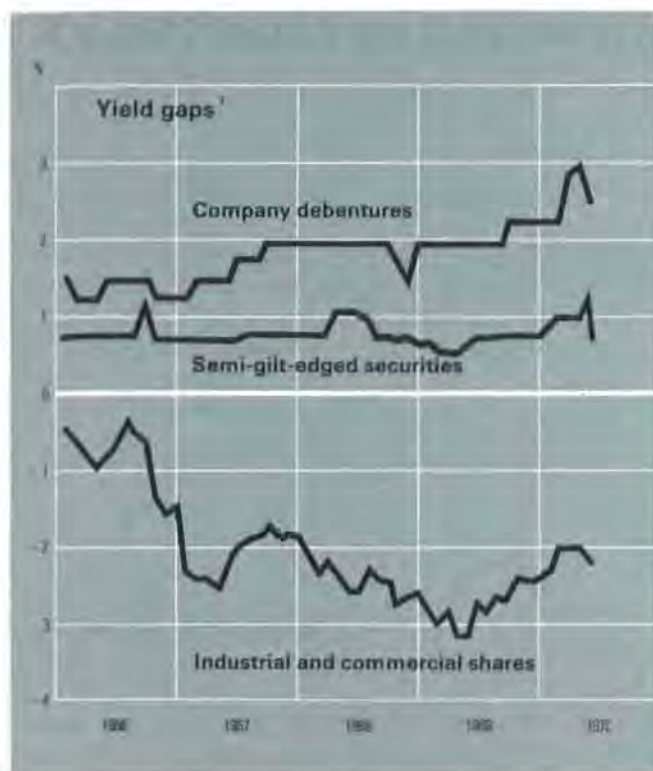
The trusts' cash and deposit holdings declined by R39 million during the first quarter to a level of R41 million at the end of March. To supplement their cash holdings, the trusts sold government stock and other approved securities to a net amount of R8 million. Excess holdings of approved securities above the statutory minimum nevertheless still amounted to R58 million at the end of March, of which R35 million was accounted for by excess holdings of government stock. Together with the minimum statutory holdings of government stock of R37 million, the trusts' total holdings of such stock amounted to R72 million which, in terms of the Minister's concession, could be liquidated for the purpose of repurchasing units.

The outflow of funds and the further decline in share prices during the first quarter of 1970 reduced the market value of the trusts' net assets from R691 million at the end of 1969 to R532 million at the end of March 1970 and the index of selling prices of units (June 1965=100) declined from 216 in December 1969 to 178 in March 1970. The average yield on units increased from 2.0 to 2.6 per cent during the corresponding period.

Market for fixed-interest securities

Yields on new issues of long-term semi-gilt-edged stock issued during March 1970 were fixed at 7.5 per cent, compared with the previous level of about 7.3 per cent. Notwithstanding this increase, two public issues of R19.5 million during March received subscriptions of only R15.7 million from the public, leaving the underwriters with an amount of R3.8 million. Persistent upward pressure on long-term interest rates thus remained and was reflected in the conditions of new loans floated in May and June which offered effective yields to redemption of 7.7 and 8 per cent, respectively.

Official recognition of the upward pressure on long-term yields came when the Reserve Bank, after the usual consultation with the Treasury, increased the rate quoted for transactions in government stock with a maturity of 15 years or longer from $6\frac{1}{2}$ to 7 per cent, with effect from 26th May. The rate for securities with a maturity of 3 years was kept unchanged at a level of $5\frac{1}{4}$ per cent and the necessary adjustments were effected to the rates for securities with maturities of between 3 and 15 years. The increase in the yield on long-term government stock led to a narrowing of the yield gap between semi-gilt-edged and gilt-edged stock from a level of 1.2 per cent, recorded earlier in May, to 0.7 per cent. During the period 1960 to 1969 the relevant yield gap on average amounted to



*The three yield gaps shown on the graph represent the differences between the yield on long-term government stock and the yield on company debentures, semi-gilt-edged securities and industrial and commercial shares, respectively. The latter is negative and therefore referred to as the reverse yield gap.

0.6 per cent. In relation to the yield on industrial and commercial shares, the increase in the yield on long-term government stock resulted in a widening of the reverse yield gap to 2.5 per cent.

Yields on new company debentures and notes also tended to rise further during the first quarter of 1970 and a yield of as much as 9.5 per cent was recorded in March. This brought the yield gap between company debentures and government stock to 3 per cent, but the subsequent increase in the yield on government stock in May reduced this margin to 2½ per cent.

Building societies

The inflow of funds to the building societies during the first quarter of 1970 amounted to R117 million and exceeded the relatively high figure of R107 million registered during the fourth quarter of 1969. Increases of R61 million in deposits and R56 million in share capital accounted for this inflow. Net issues of tax-free shares during this period amounted to R21 million, while a similar amount represented net issues of fixed-term paid-up shares, which proved to be a popular investment outlet after the rate on these shares had been raised to 7½ per cent in August 1969. The total amount invested in the fixed-period shares actually increased from a mere R0.3 million at the end of July 1969 to R73 million at the end of March 1970. However, in conformity with the agreement between the Reserve Bank and the banking institutions to maintain a maximum rate of 7 per cent on deposits of twelve months and longer, the building societies decided to discontinue temporarily the issuance of these shares as from the 13th May.

Mortgage and other loans outstanding increased by R76 million during the first quarter of 1970, compared with R71 million during the fourth quarter of 1969. However, the average monthly amount of new advances granted during the first quarter was about R6 million less than the average of R66 million for the last quarter of 1969.

Notwithstanding the substantial amount of new lending by the societies during the first quarter, the increase in their resources was sufficient to allow a further addition of R20 million to their holdings of liquid assets and other prescribed investments. At the end of March 1970 their excess holdings of such investments above the statutory minimum amounted to R172 million. Despite their relatively liquid position, the societies had not by the end of March 1970 invested to any notable extent in property development companies, as provided for by an amendment to the Building Societies Act in 1969.

Note to Tables

Attention is once again drawn to the fact that revisions to some of the figures appearing in the Quarterly Bulletin are effected once a year in the June issue. All the seasonally adjusted series have been revised not only to take into account changing seasonal patterns but also as a result of revisions of the basic data. National accounts and balance of payments figures for 1969 are not revised in this issue as usual, but will be revised in a later issue.

Kwartaallikse ekonomiese oorsig

Algemene opmerkings

Sekere interessante korttermynveranderings in ekonomiese bedrywigheid word weerspieël deur 'n noukeurige ontleding van die jongste statistiek, insluitende dié wat betrekking het op die eerste kwartaal van 1970 en in sommige gevalle ook dié ten opsigte van April en Mei. Uit die beskikbare inligting wil dit voorkom asof die sterk versnelling in ekonomiese bedrywigheid, wat die vernamekste kenmerk van ekonomiese verwickelinge gedurende die grootste gedeelte van 1969 was, aan die einde van 1969 en vroeg in 1970 afgeneem het. Hierdie verandering was nie heeltemal onverwags nie, veral in die lig van die feit dat die meeste ekonomiese aanwysers gedurende die tweede helfte van 1968 en die grootste gedeelte van 1969 sulke besonder hoë toenamekoerse getoon het dat daar noulks van die beskikbare produksiebronne verwag kon word om hierdie hoë koerse van toename vir 'n onbepaalde tydperk te handhaaf. Nieteenstaande die laer koers van toename in ekonomiese bedrywigheid is die gevaar van dreigende inflasionistiese neigings nog steeds aanwesig aangesien arbeidstoestande stram bly en sekere sektore van die ekonomie ook nog steeds onder aansienlike druk verkeer.

Hoofsaaklik as gevolg van 'n meer gelyke verloop in winste het die koers van toename in die bruto binnelandse produk teen heersende pryse, wat tot baie hoë peile in die tweede en derde kwartale van 1969 versnel het, gedurende die vierde kwartaal van 1969 en die eerste kwartaal van 1970 verlangsaam. Bruto binnelandse besteding het soortgelyke neigings getoon en in hierdie geval het die koers van toename ook in die laaste twee kwartale afgeneem. Alhoewel direkte ramings van reële bruto binnelandse produk en besteding ongelukkig nie op 'n kwartaallikse basis beskikbaar is nie, wil dit tog voorkom asof toenames in pryse veel bygedra het tot die baie hoë koerse wat in die tweede en derde kwartale van

1969 behaal is, maar dat die afname in hierdie koerse ook, alhoewel in 'n geringer mate, in die reële bruto binnelandse produk en besteding weerspieël is. Aangesien die toenamekoerse van sowel die bruto binnelandse produk as die bruto binnelandse besteding in dieselfde mate verlangsaam het, het bruto binnelandse besteding voortgegaan om die bruto nasionale produk vir die vierde agtereenvolgende kwartaal te oorskry en 'n aansienlike tekort is weer gedurende die eerste kwartaal van 1970 op die lopende rekening van die betalingsbalans aange-teken. Alhoewel dit die vierde kwartaal was waarin 'n groot tekort op die lopende rekening voorgekom het, het toevoegings tot voorrade die totale tekort vir die hele periode oorskry en mag dit dus toekomstige druk op die betalingsbalans en binnelandse produksiefaktore verlig. Die oorskot van vraag bo aanbod van goedere en dienste en die stram arbeidstoestande het egter reeds aansienlike opwaartse druk op pryse uitgeoefen soos weerspieël word in die styging van 3-4 persent in die seisoens-aangesuiwerde verbruikersprysindeks (uitsluitende die invloed van die verkoopreg) gedurende die twaalf maande geëindig April 1970.

'n Verdere faktor wat tot besorgdheid aanleiding gee, is die verdeling van beskikbare produksiefaktore tussen die verskillende sektore en aktiwiteite van die volkshuishouding. Die grootste gedeelte van die beskikbare produksiefaktore word aangewend vir ontwikkeling van vaste eiendomme, regeringsdienste en die ontwikkeling van die infrastruktuur, terwyl die vervaardigingsnywerheid nie teen 'n bevredigende koers uitbrei nie. Die afname in die koers van toename in bruto binnelandse besteding gedurende die eerste kwartaal van 1970 is hoofsaaklik te wyte aan 'n afplating in private verbruiksbesteding, 'n afname in private vaste investering—veral in fabriekswese—en ook in vaste investering deur die Suid-Afrikaanse Spoorweë, terwyl lopende owerheidsbesteding en investering deur die openbare korporasies aansienlik toegeneem het.

Op die gebied van die geld- en bankwese is die stram toestande wat gedurende 1969 ontwikkel het, in 'n sekere mate teen die einde van die jaar en die eerste paar maande van 1970 verlig deur verslapping van die kredietplafon en die likwiede batevereistes en 'n afwaartse beweging in regeringsdeposito's. Hoofsaaklik as gevolg van 'n aansienlike toename in krediet aan die private sektor, en in 'n mindere mate ook aan die regeringsektor, het die koers van toename in die hoeveelheid geld en kwasi-geld weer begin versnel teen die einde van 1969 en gedurende die eerste kwartaal van 1970 en het die verhouding van geld en kwasi-geld tot die bruto binnelandse produk gevolglik gedurende hierdie twee kwartale toegeneem. Die kredietverslappings het die banke in staat gestel om verdere krediet vir fabrieks- en landbouproduksie beskikbaar te stel. Opwaartse druk op rentekoerse op langtermyn deposito's het voortgeduur maar hierdie koerse is op 7 persent gehou op versoek van die Suid-Afrikaanse Reserwebank. Minder stram toestande het egter in die mark vir korttermyn fondse geheers as gevolg van die publiek se hoë likwiditeitsvoorkeur en die daling in regeringsdeposito's.

Die vernaamste kenmerke van die kapitaalmark was nogeens die afwaartse beweging in aandelepryse, die buitengewone lewendigheid van die eiendomsmark en die stram toestande in die mark vir vaste-rentedraende effekte. Laasgenoemde toestand het gelei tot opwaartse aanpassings in opbrengskoerse soos dié op maatskappy-skuldbriewe, wat gestyg het tot $9\frac{1}{2}$ persent, en op effekte van plaaslike owerhede en openbare korporasies wat 'n peil van $7\frac{3}{4}$ tot 8 persent bereik het. Amptelike erkenning is aan hierdie opwaartse druk op koerse verleen toe die Reserwebank die opbrengskoerse op langtermynstaatseffekte met ingang 26 Mei tot 7 persent verhoog het.

Nasionale rekeninge¹

Stadiger koers van toename in bruto binnelandse produk

Die groeikoers van die bruto binnelandse produk teen heersende pryse, wat 'n baie hoë peil gedurende die tweede en derde kwartale van 1969 bereik het, het gedurende die vierde kwartaal van 1969 en die eerste kwartaal van 1970 verlangsaam.

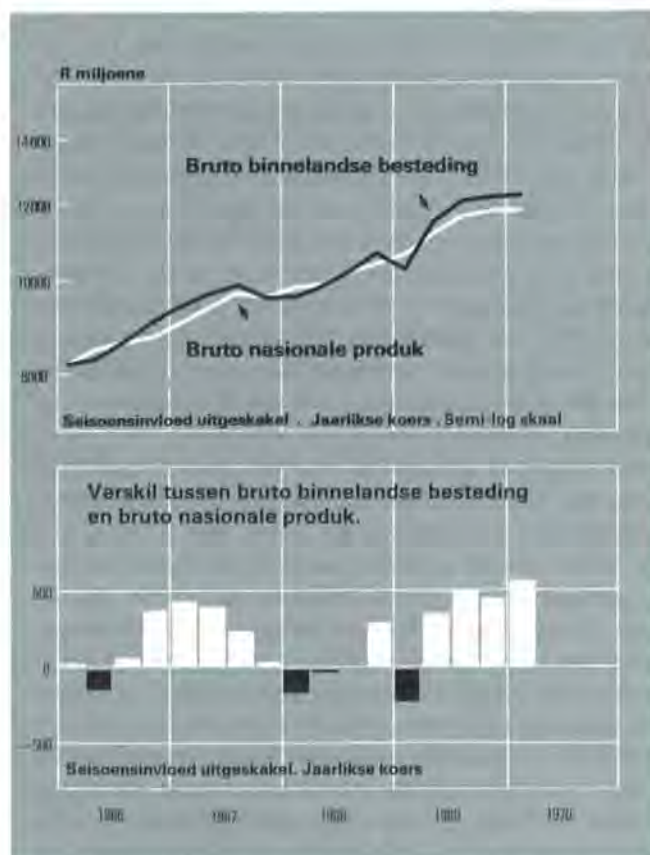
Gedurende die eerste kwartaal van 1970 is die grootste bydraes tot die toename in die bruto binnelandse produk deur fabriekswese, landbou en algemene regerings- en ander dienste gelewer, terwyl die toegevoegde waarde van handel en finansiële dienste min verandering getoon het en dié van vervoer, opberging en kommunikasie en

mynbou effens afgeneem het. Vir die volkshuishouding as geheel was hoër salarisse en lone uitsluitlik vir die toename in die bruto binnelandse produk gedurende die laaste twee kwartale verantwoordelik, aangesien ander inkome (hoofsaaklik winste) op die vlak wat gedurende die derde kwartaal van 1969 bereik is, gebly het.

Verlangsamings in die koers van toename in die bruto binnelandse besteding

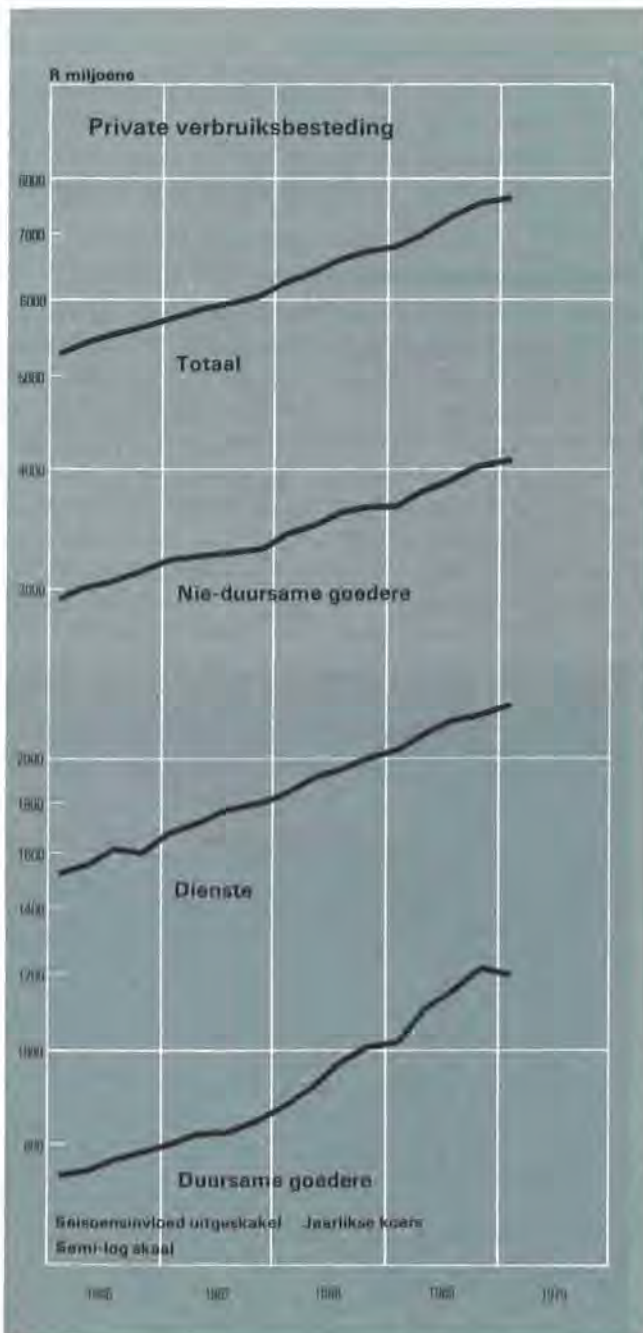
Kwartaallike ramings van die bruto binnelandse besteding toon veranderinge soortgelyk aan dié van die bruto binnelandse produk. Nadat dit 'n besondere hoë koers van toename gedurende die tweede en derde kwartale van 1969 bereik het, het die bruto binnelandse besteding teen heersende pryse gedurende die vierde kwartaal van 1969 en die eerste kwartaal van 1970 teen 'n laer koers toegeneem. Al die komponente van besteding, behalwe lopende owerheidsbesteding wat voortgegaan het om baie vinnig toe te neem, het tot die verlangsamings in die koers van toename in die bruto binnelandse besteding bygedra.

Aangesien die bruto nasionale produk ook 'n verlangsamings getoon het van die besondere hoë koers van toename gedurende die tweede en derde kwartale van 1969, het die bruto binnelandse besteding voortgegaan om die bruto nasionale produk gedurende die eerste kwartaal van 1970 te oorskry, met die gevolg dat 'n aansienlike tekort weer eens op die lopende rekening



¹Die ontleding in hierdie deel van die oorsig is hoofsaaklik gebaseer op die Reserwebank se kwartaallike ramings van die nasionale rekeninge, ná 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.

van die betalingsbalans voorgekom het. Ofskoon dit die vierde opeenvolgende kwartaal was waarin die bruto binnelandse besteding die bruto nasionale produk met 'n redelike groot bedrag oorskry het, was die verskil gedurende hierdie hele periode hoofsaaklik aan toevoegings tot voorrade toe te skryf. In die mate waarin laasgenoemde toevoegings tot strategiese en ander voorrade, bo en behalwe normale stygings in voorrade wat met verhoogde binnelandse produksie verband hou, verteenwoordig, mag dit toekomstige druk op die betalingsbalans en binnelandse produksiefaktore verlig.



Gelyke verloop in private verbruiksbesteding

Nadat dit teen 'n relatief hoë koers van tussen 10 en 11 persent gedurende sowel 1968 as 1969 in geheel toegeneem het, het private verbruiksbesteding meer gelyk verloop teen die einde van 1969 en gedurende die eerste kwartaal van 1970. Hierdie afname in die koers van toename word nie alleen deur die kwartaal-likse ramings van private verbruiksbesteding getoon nie, maar ook deur die maandelikse gegewens van die waarde van kleinhandelsverkope en nuwe motors verkoop wat teen die einde van 1969 en gedurende die eerste kwartaal van 1970 òf gelyk verloop òf afge- neem het.

Ofskoon die redes vir die meer gelyke verloop van private verbruiksbesteding nie voor die hand liggend is nie, kon verskeie faktore, soos die baie hoë toename-koerse wat gedurende 1968 en die eerste drie kwartale van 1969 aangeteken is, die daling in aandelepryse, die afname in die koers van toename in salarisse en lone, die groter likwiditeitsvoorkeur van die publiek en die moontlikheid dat 'n mate van versadiging in die geval van sekere verbruiksgoedere bereik is, egter tot hierdie afname bygedra het. Die belangrikheid van 'n kortter-myndaling in die koers van toename in verbruiksbesteding moet egter nie oorbeklemtoon word nie. In hierdie verband kan opgemerk word dat geen wesentlike verandering aan die bestaande fiskale en monetêre maatreëls om verbruiksbesteding te beperk, aangebring is nie en die verandering wat wel aangebring is meer verslappend van aard was.

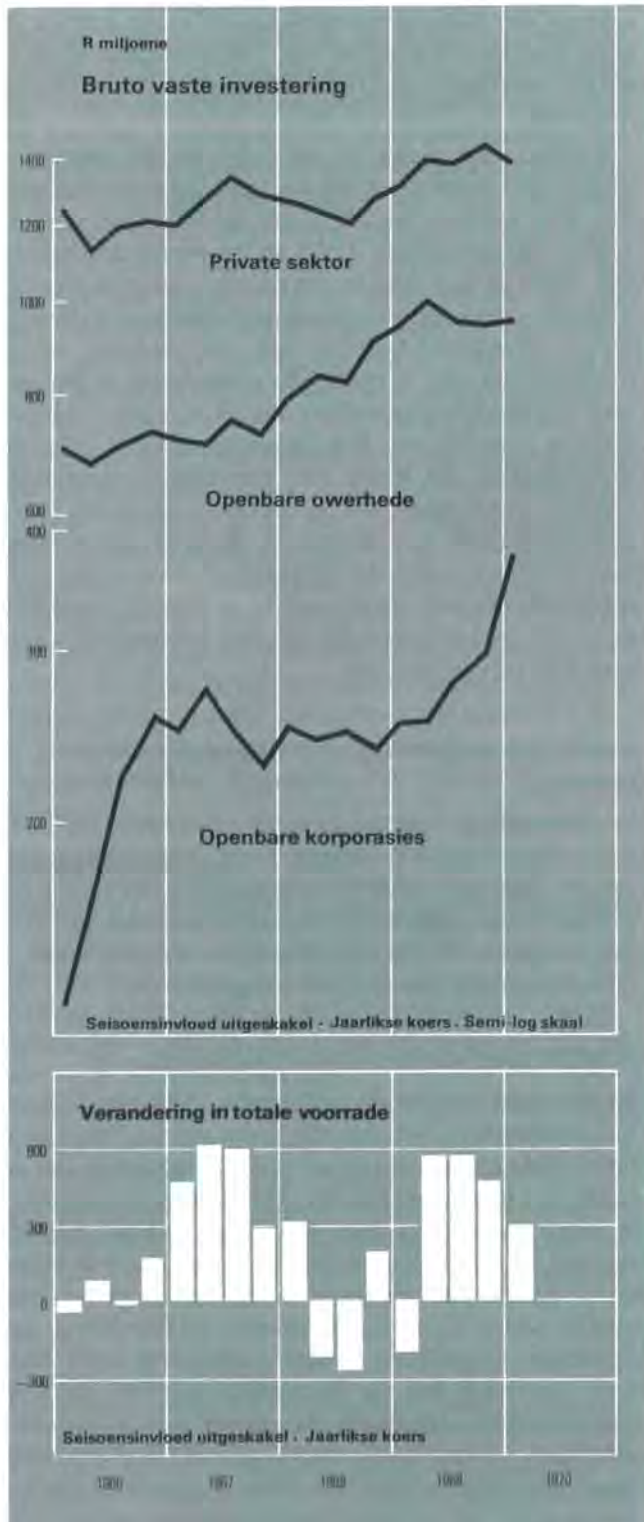
Aansienlike verdere styging in lopende owerheidsbesteding

In teenstelling met die neiging van private verbruiksbesteding om gelyk te verloop, het die lopende besteding van die algemene owerheid voortgegaan om teen 'n baie vinnige koers gedurende die eerste kwartaal van 1970 toe te neem, ná die buitengewoon hoë koers van 16 persent wat gedurende 1969 aangeteken is.

Stadiger koers van toename in vaste investering

Nadat vaste investering gedurende 1969 met 10½ persent toegeneem het, het die koers van toename gedurende die eerste kwartaal van 1970 afgeneem. Die laer koers van toename was die netto gevolg van 'n afname in vaste investering deur die private sektor, 'n gelyke verloop in kapitaalbesteding deur openbare owerhede en 'n aansienlike toename in kapitaalbesteding, hoofsaaklik aan masjinerie, installasies en toerusting, deur openbare korporasies. Vaste investering deur openbare owerhede het na die tweede kwartaal van 1969 gelyk verloop hoofsaaklik as gevolg van 'n volgehoue afname in die kapitaalbesteding deur die Suid-Afrikaanse Spoorweë. Die feit dat die besteding aan masjinerie, installasies, toerusting en geboue en konstruksie deur

die private sektor nie die sterk opwaartse neiging van die voorafgaande vyf kwartale voortgesit het nie, kan toegeskryf word aan verminderde uitgawe deur mynbou en fabriekswese, min verandering in die besteding deur die landbou en aan woongeboue en 'n kleiner toename in die investering deur die handel, private vervoer en finansies.



Verdere netto toevoeging tot voorrade

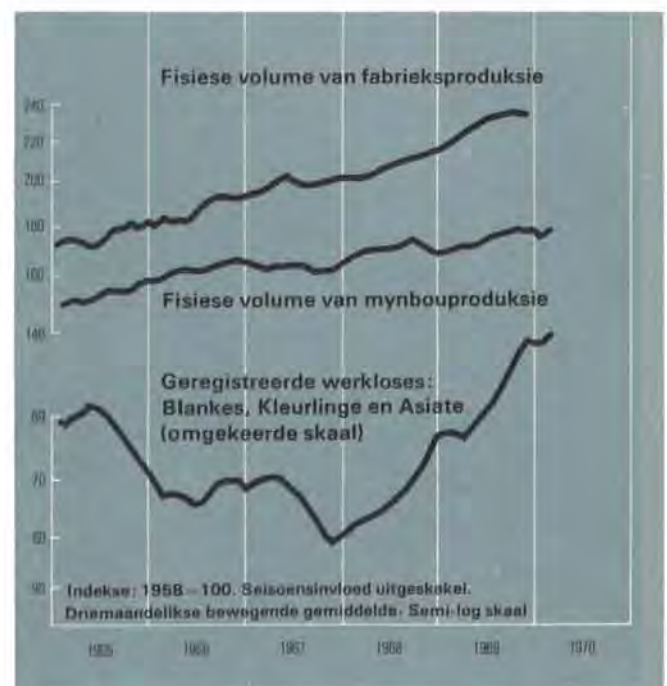
Soos gedurende die voorafgaande drie kwartale, het 'n verdere netto toevoeging tot voorrade gedurende die eerste kwartaal van 1970 plaasgevind, hoofsaaklik in die vorm van nywerheids- en groothandelsvoorrade en voorrade van openbare korporasies. Die netto toevoeging tot voorrade gedurende die eerste kwartaal van 1970, het teen 'n seisoensaangesuiwerde jaarcoers gereken nagenoeg R300 miljoen bedra en die toename in totale voorrade vir die laaste vier kwartale op meer as R450 miljoen te staan gebring. Aangesien die verhouding van totale voorrade tot die bruto binnelandse produk oor die afgelope twaalf maande effens toegenem het, kan die huidige vlak van voorrade as relatief hoog beskou word.

Bruto binnelandse besparing

Volgens voorlopige ramings het bruto binnelandse besparing gedurende die eerste kwartaal van 1970 afge neem, hoofsaaklik as gevolg van 'n skerp afname in persoonlike besparing wat die toename in maatskappybesparing oortref het.

Produksie en werkverskaffing

Nadat dit in die loop van 1969 aansienlik versnel het, het fabrieksproduksie gedurende die laaste twee maande van 1969 gedaal. Nieteenstaande hierdie daling, was die gemiddelde indeks van die fisiese volume van fabrieksproduksie 10.5 persent hoër in 1969 as in 1968. Dit is veral opmerklik dat die daling in produksie gedurende die laaste twee maande van 1969 in elk van die hoofgroepe van die indeks van totale produksie weerspieël is, insluitende 'n betekenisvolle daling in die produksie van masjinerie. Volgens voorlopige aandui-



dings wil dit egter voorkom asof die indeks van totale produksie in Januarie en Februarie 1970 weer toegeneem het. Soortgelyke skommelings het in die gemiddelde ure gewerk in fabriekswese voorgekom, wat, nadat dit aansienlik in November en Desember gedaal het, skerp in Januarie en Februarie toegeneem het. Onvoltooide bestellings, aan die ander kant, het regdeur 1969 voortgegaan om toe te neem.

Totale mynproduksie het rondom 'n horisontale vlak gedurende die eerste kwartaal van 1970 geskommel, hoofsaaklik as gevolg van 'n effense daling in goudmynbrouproduksie, terwyl ander mynbouproduksie 'n aansienlike toename getoon het. Die produksie van ystererts en koper het die meeste tot hierdie toename bygedra.

Die jongste werkverskaffingsindekse toon ietwat uiteenlopende neigings vir verskillende sektore van die volkshuishouding. Werkverskaffing in fabriekswese het voortgegaan om toe te neem en dié in mynbou het gelyk verloop, terwyl werkverskaffing in konstruksie, wat gedurende die afgelope twee jare aansienlik gestyg het, vanaf November 1969 gelyk verloop het, en werkverskaffing in die Suid-Afrikaanse Spoorweë sy afwaartse beweging wat in die vierde kwartaal van 1969 'n aanvang geneem het, voortgesit het. In ooreenstemming met die styging in totale werkverskaffing het die seisoensaangesuiwerde aantal geregistreerde werklose Blankes, Kleurlinge en Asiate gedurende die eerste kwartaal van 1970 verder gedaal tot 'n baie lae vlak van slegs 8,738 in Maart 1970.

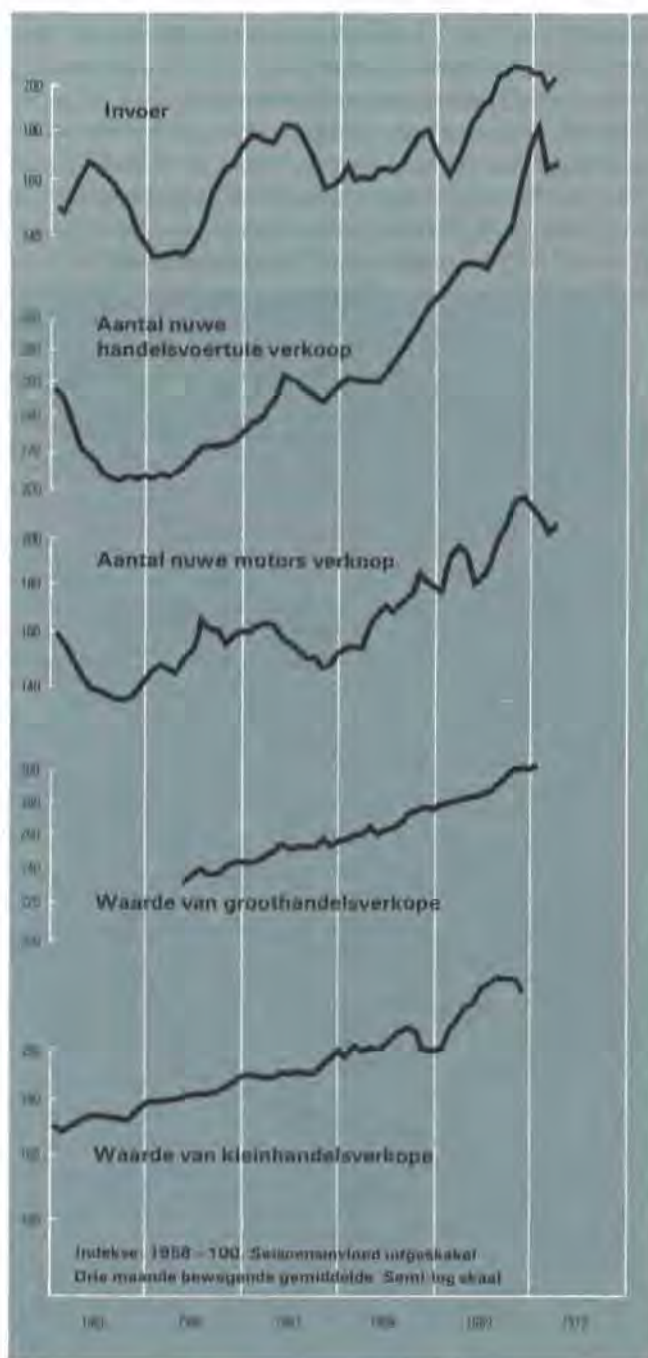
Die verdere daling in werkloosheid en die styging in werkverskaffing in sekere sektore van die volkshuishouding het ongetwyfeld tot verhoogde ekonomiese aktiwiteit in die algemeen bygedra, maar het die tekort aan verskillende soorte arbeid, in besonder dié van geskoolde arbeid, nie verlig nie. Volgens beskikbare statistiek ten opsigte van gemiddelde salarisse en lone wat in Januarie en Februarie 1970 betaal is, het verdere betekenisvolle toenames plaasgevind, wat 'n weerspieëling van die stram toestande op die arbeidsmark is.

Algemene ekonomiese aanwysers

Volgens die bewegings in sekere algemene ekonomiese aanwysers wil dit voorkom asof die aanmerklike *versnelling* in algemene ekonomiese bedrywigheid wat die uitstaande kenmerk van ekonomiese verwickelinge gedurende die grootste gedeelte van 1969 was, nie in alle sektore van die ekonomie gedurende die laaste kwartaal van 1969 en die eerste kwartaal van 1970 voortgesit is nie. 'n Stadiger koers van toename is waarneembaar in die seisoensaangesuiwerde reekse vir bankdebette, inkomstedaende verkeer van die Suid-Afrikaanse Spoorweë, versendings van gewalste en getrokke staalprodukte, die aantal nuwe motors verkoop, die aantal nuwe handelsvoertuie verkoop en goedere-invoer. Gedurende April het betekenisvolle toenames egter weer in laasgenoemde drie reekse plaasgevind.

Die reeks vir die waarde van kleinhandelsverkope, wat nou op 'n groter steekproef as vroeër beskikbaar gekom het, kan beskou word as 'n belangrike aanwyser van neigings in private verbruiksbesteding, wat die hoofkomponent van bruto binnelandse besteding is. Volgens die seisoensaangesuiwerde indeks (beskikbaar tot Desember 1969), het die waarde van kleinhandelsverkope gedurende die eerste sewe maande van 1969 skerp toegeneem, maar gedurende die res van 1969 gelyk verloop. Alle klasse van kleinhandelsverkope het tot die neiging om meer gelyk te verloop bygedra.

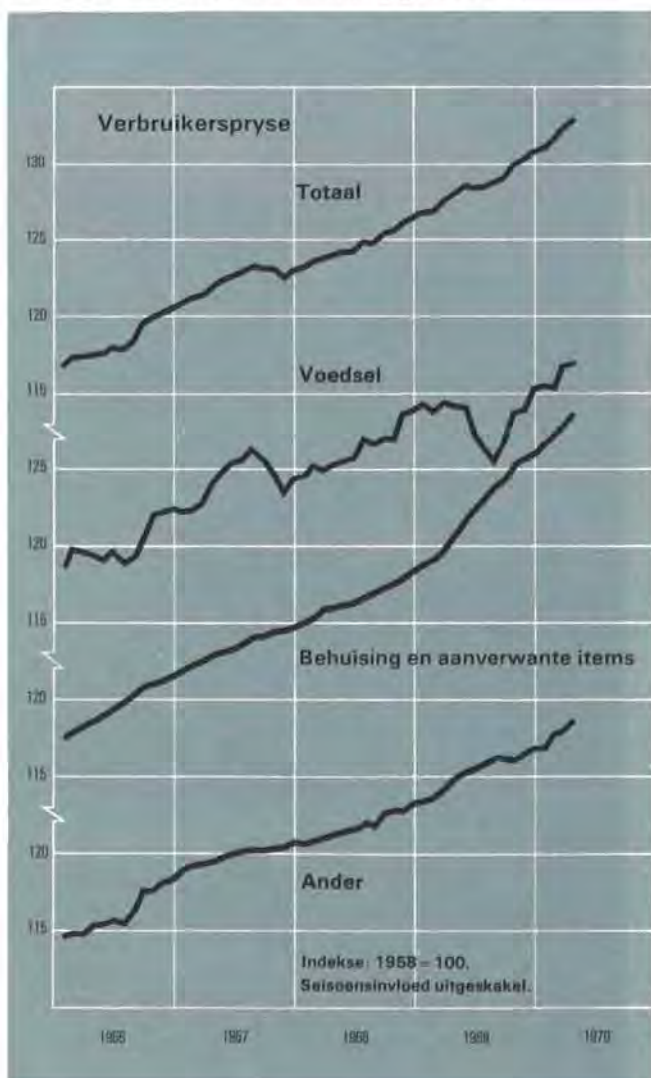
Besonder lewendige toestande het in die bou- en konstruksiesektor van die ekonomie voortgeduur, soos weerspieël in verdere toenames in ure gewerk, verkope



van boumateriaal en transaksies in vaste eiendom. In teenstelling met die lewendigheid van die mark in vaste eiendom, het die aandelemark bedruk gebly en verdere aansienlike dalings in aandeelpryse het gedurende die eerste paar maande van 1970 voorgekom.

Pryse

Gedurende die twaalf maande geëindig April 1970 het die seisoensaangesuiwerde verbruikersprysindeks (soos aangepas om die onreëlmatige insluiting van huishuur en huisbediendelone uit te skakel) gestyg teen 'n koers van 3.9 persent, of met 3.4 persent indien die invloed van die verkoopreg uitgesluit word. Laasgenoemde styging was egter nog groter as die koers van toename van 3.2 persent in die voorafgaande twaalf maande. Hoër pryse van „behuising en verwante items” het die grootste bydrae tot die styging in verbruikerspryse gedurende die twaalf maande geëindig April 1970 gemaak, terwyl die pryse van voedsel en mediese dienste ook beduidende stygings getoon het. Dit is ook opmerklik dat die koers van toename in die seisoensaangesuiwerde verbruikersprysindeks gedurende die eerste vier maande van 1970 'n merkbare versnelling getoon het.

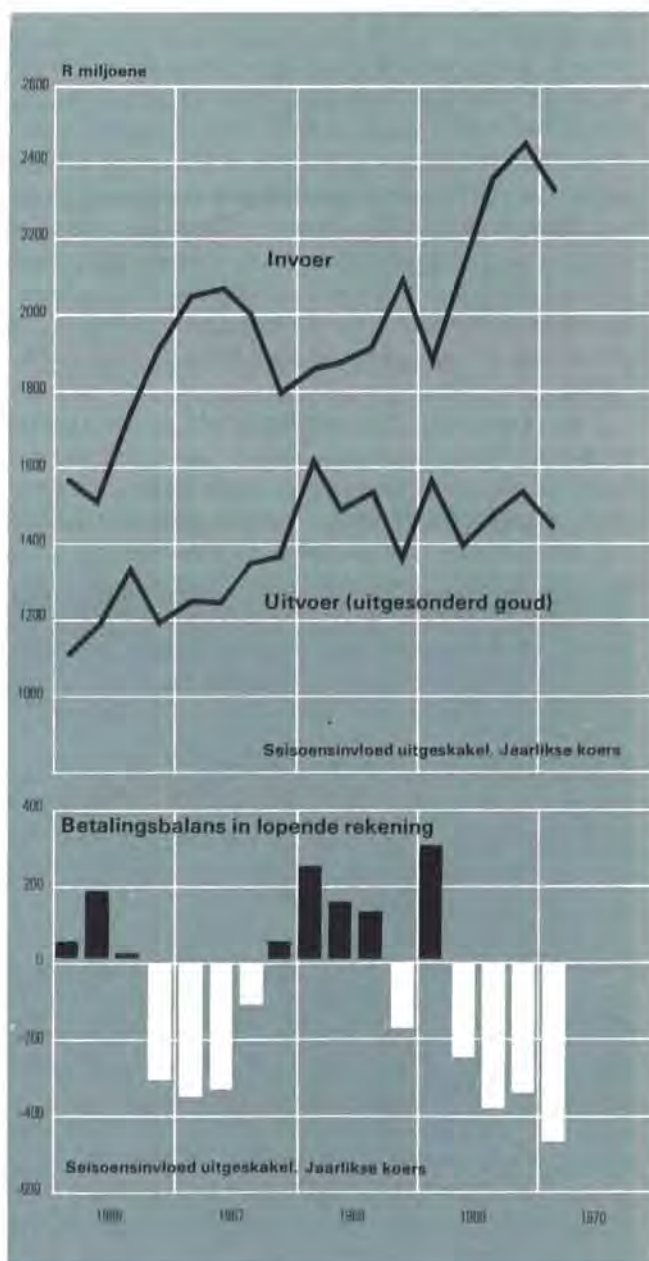


Groothandelspryse het minder as verbruikerspryse gestyg en gedurende die twaalf maande geëindig Maart 1970 het die seisoensaangesuiwerde indeks met 2.4 persent gestyg, vergeleke met 'n toename van 1.9 persent gedurende die voorafgaande twaalf maande.

Betalingsbalans

Groot tekort op lopende rekening

Gedurende die eerste kwartaal van 1970 het die lopende rekening van die betalingsbalans 'n groot tekort van R139 miljoen getoon, wat gevolg het op tekorte van R78 miljoen, R109 miljoen en R46 miljoen gedurende die voorafgaande drie kwartale onderskeidelik. Teen 'n seisoensaangesuiwerde jaar koers het die tekort op die lopende rekening R535 miljoen gedurende die eerste kwartaal beloop, vergeleke met R342 miljoen gedurende



die voorafgaande kwartaal. Die verdere verswakking in die lopende rekening was die netto resultaat van 'n aansienlike afname in sowel goedere-uitvoer as netto goudproduksie en 'n betekenisvolle toename in netto betalings vir dienste, wat aansienlik groter was as die vermindering in invoer.

Nadar dit vinnig gedurende die voorafgaande drie kwartale toegeneem het en in 'n groot mate tot die tekort op die lopende rekening bygedra het, het goedere-invoer teen 'n seisoensaangesuiwerde jaar koers vanaf die rekord peil van R2,456 miljoen in die vierde kwartaal van 1969 tot R2,320 miljoen gedurende die eerste kwartaal van 1970 afgeneem. Alhoewel die afname in invoer gedeeltelik aan 'n verslapping in vraag in die algemeen toegeskryf kan word, hou dit ook verband met faktore soos die verdwyning van die onsekerheid met betrekking tot die bemaking van Suid-Afrikaanse goud en dus met 'n moontlike verskerping van invoerbeheer.

Goedere-uitvoer, teen 'n seisoensaangesuiwerde jaar koers, het vanaf R1,529 miljoen in die vierde kwartaal van 1969 tot R1,375 miljoen in die eerste kwartaal van 1970 gedaal. Dit is hoofsaaklik veroorsaak deur 'n afname in die waarde van diamantverkope en in die uitvoer van basiese metale en tekstiele, wat baie groter as die matige toename in die uitvoer van landbouprodukte was.

Die totale netto goudproduksie, soos vir betalingsbalansdoeleindes gedefinieer, het van R225 miljoen gedurende die vierde kwartaal van 1969 tot R192 miljoen gedurende die eerste kwartaal van 1970 gedaal. Hierdie afname, wat in 'n groot mate bygedra het tot die verswakking in die lopende rekening, kan toegeskryf word aan die laer premie wat verdien is op goudverkope op die vrye mark en aan aansienlike verkope aan die Internasionale Monetêre Fonds teen die vaste prys van 35 dollar per fyn ons.

Betalings vir dienste het teen 'n seisoensaangesuiwerde jaar koers van R819 miljoen in die vierde kwartaal van 1969 tot R861 miljoen in die eerste kwartaal van 1970 toegeneem, hoofsaaklik vanweë hoër betalings vir dividende en rente aan buitelanders as gevolg van die groot kapitaalinvloeiing in 1968. Aangesien ontvangste vir dienste, op dieselfde basis geneem, van R411 miljoen tot R407 miljoen oor dieselfde periode gedaal het, het netto betalings vir dienste ook tot die groot tekort op die lopende rekening bygedra.

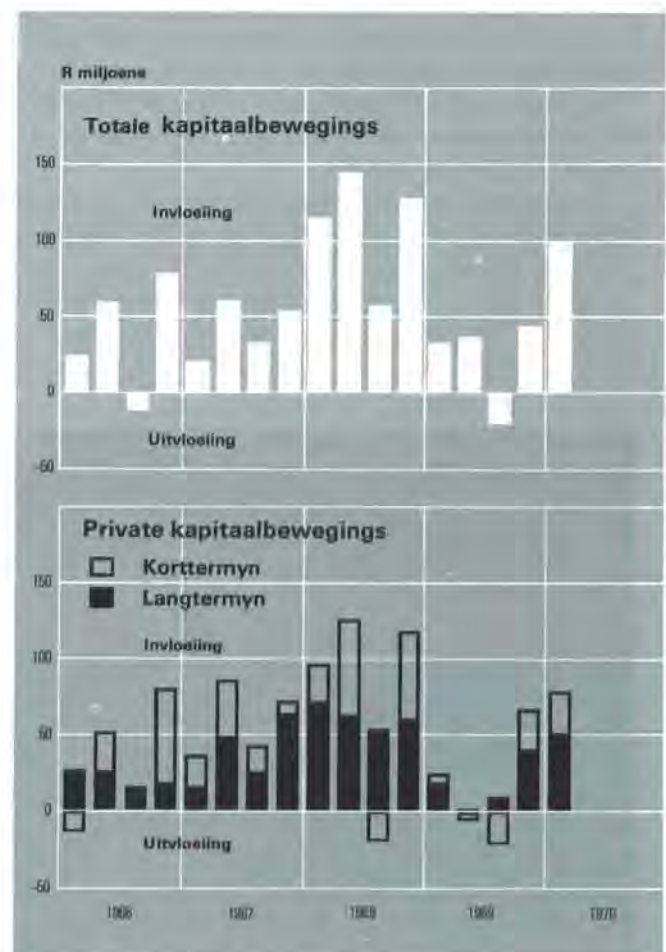
Verdere invloeiing van kapitaal

'n Verdere netto kapitaalinvloeiing van R99 miljoen is gedurende die eerste kwartaal van 1970 aangeteken, vergeleke met 'n invloeiing van R44 miljoen gedurende die vierde kwartaal van 1969. Die sentrale regering en banksektor het buitelandse lenings tot 'n netto bedrag van R21 miljoen verkry, waarvan die sentrale regering R19 miljoen ontvang het, terwyl die private sektor se invloeiing R78 miljoen bedra het. Van hierdie netto kapi-

taalinvloeiing na die private sektor het nie minder nie as R51 miljoen langtermynkapitaal verteenwoordig, terwyl korttermynkapitaal, insluitende foute en onaangetekende transaksies, R27 miljoen beloop het.

Klein afname in goud- en buitelandse valuta-reserwes

Die tekort van R139 miljoen op die lopende rekening en die netto kapitaalinvloeiing van R99 miljoen het tot gevolg gehad dat die goud- en buitelandse valuta-reserwes met R40 miljoen gedurende die eerste kwartaal van 1970 gedaal het. Hierdie daling neem egter nie die aanvanklike toekenning van spesiale trekkingsregte van R24 miljoen in aanmerking nie, met die gevolg dat die totale goud- en buitelandse valuta-reserwes slegs met R16 miljoen gedaal het tot 'n totaal van R1,025 miljoen aan die einde van Maart 1970. Gedurende die eerste kwartaal van 1970 het die reserwes wat deur die regering gehou word (hoofsaaklik in die vorm van Suid-Afrika se super-goudtranché-posisie by die Internasionale Monetêre Fonds wat met R16 miljoen tot R89 miljoen aan die einde van Maart toegeneem het) met R15 miljoen gestyg, terwyl die goud- en buitelandse valuta-reserwes van die Reserwebank met R24 miljoen gedaal het en die valuta-reserwes van die monetêre banke met R7 miljoen afgeneem het.



Verwikkelinge gedurende April en Mei

Volgens die maandsyfers van die Departement van Doeane en Aksyns, wat nie vir betalingsbalansdoeleinde aangepas is nie, het invoere skerp vanaf 'n seisoens-aangesuiwerde jaarcoers van R2,188 miljoen in Maart tot R2,554 miljoen in April gestyg. Uitvoere, teen 'n seisoens-aangesuiwerde jaarcoers, het ook van R1,451 miljoen tot R1,556 miljoen oor dieselfde periode toegeneem. Die goud- en buitelandse valuta-reserwes van die Reserwebank het gedurende April met R12 miljoen gedaal, maar gedurende Mei met R48 miljoen toegeneem. Laasgenoemde toename sluit die trekking van R71 miljoen van Suid-Afrika se super-goudtranche by die Internasionale Monetêre Fonds in wat uiteraard weer 'n vermindering tot dieselfde bedrag in die valuta-reserwes wat deur die regering gehou word, tot gevolg gehad het.

Monetêre en banktoestand

Geringe styging in die koers van toename van geld en kwasi-geld

As gevolg van seisoensfaktore het die totale hoeveelheid geld en kwasi-geld van R3,805 miljoen aan die einde van Desember 1969 tot R3,744 miljoen aan die einde van Maart 1970, d.w.s. met R61 miljoen, gedaal. Hierdie daling verander egter na 'n toename van nie minder nie as R118 miljoen indien seisoensbewegings uitgeskakel word. So het die seisoens-aangesuiwerde jaarlikse koers van toename van 12.8 persent gedurende die eerste kwartaal van 1970 ook 'n effense versnelling getoon vergeleke met die koers van 9.3 persent gedurende die vierde kwartaal van 1969 en 'n toename van 10.3 persent gedurende 1969.

Terselfdertyd het die koers van toename in die bruto binnelandse produk gedurende die vierde kwartaal van 1969 en die eerste kwartaal van 1970 gedaal, met die gevolg dat die verhouding van geld en kwasi-geld tot die bruto binnelandse produk, wat vanaf 31.6 persent in die eerste kwartaal van 1969 tot 29.5 persent in die derde

kwartaal van 1969 afgeneem het, in die vierde kwartaal van 1969 weer tot 30.2 persent en in die eerste kwartaal van 1970 tot 30.5 persent gestyg het.

Oorsake van veranderinge in geld en kwasi-geld

Soos die bygaande tabel toon, het alle faktore, met die opmerklieke uitsondering van bankkrediet aan die private sektor, gedurende die eerste kwartaal van 1970 tot die afname in geld en kwasi-geld bygedra. Die aansienlike toename in geld en kwasi-geld ná aansuiwering vir seisoensbewegings was hoofsaaklik die gevolg van die volgehoue groot styging in bankkrediet aan die private sektor gekoppel aan 'n klein toename in bankkrediet aan die regering en 'n daling in langtermyndeposito's van die private sektor.

Oorsake van veranderinge in geld en kwasi-geld R miljoene

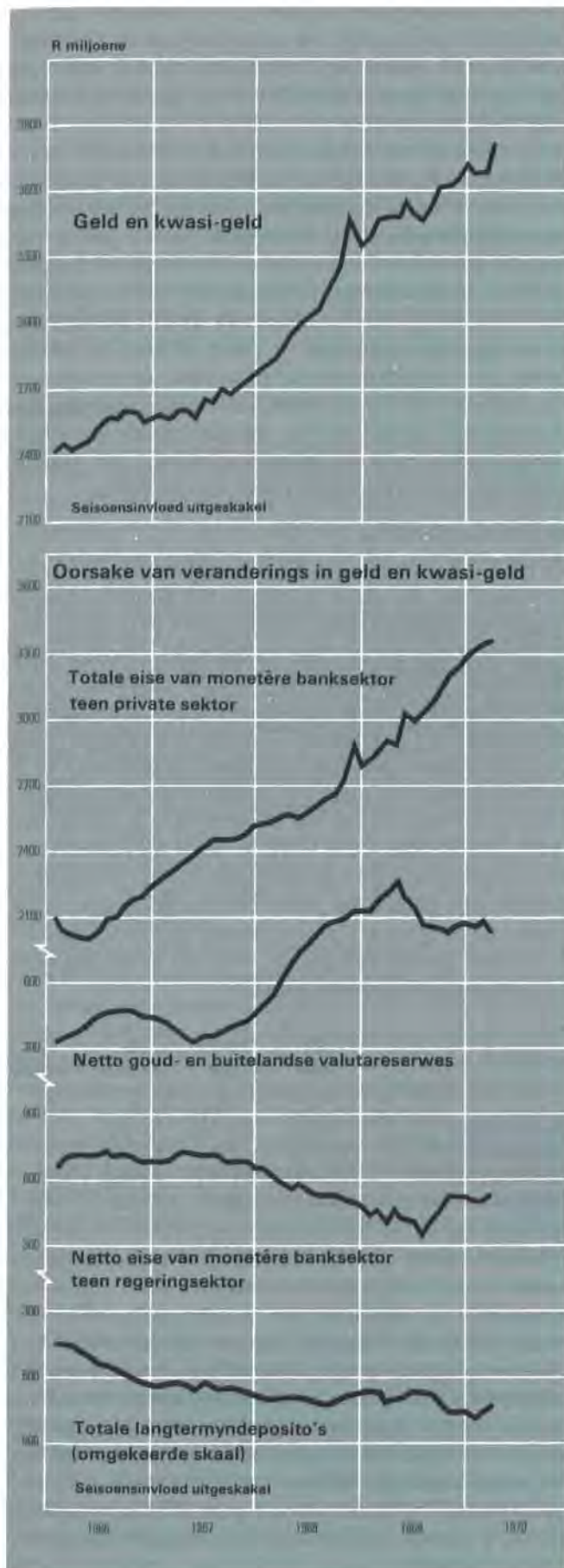
	Seisoensinvloed nie uitgeskakel nie		Seisoensinvloed uitgeskakel	
	4e kw. 1969	1e kw. 1970	4e kw. 1969	1e kw. 1970
Netto goud en buitelandse valuta-reserwes	41	-41	23	-54
Eise teen die regering:				
Bruto eise	54	-44	...	...
Deposito's (toename-, afname+)	67	-63	...	...
Netto eise	121	-107	67	10
Eise teen die private sektor	104	100	119	77
Langtermyn private deposito's (toename-, afname+)	-31	-1	-50	28
Ander bates en laste (netto)	-50	-12	...	...
Totale verandering in geld en kwasi-geld	184	-61	84	118

Die seisoens-aangesuiwerde totaal van bankkrediet aan die regeringsektor, wat tussen Julie en November 1969 met R175 miljoen toegeneem het, het tot aan die einde van Februarie met R52 miljoen gedaal maar in Maart weer met R46 miljoen gestyg en daardeur die totale styging sedert Julie 1969 op R170 miljoen te staan gebring. Die regeringsdeposito's het vanaf Julie 1969 tot Maart 1970 met R90 miljoen gedaal. Gedurende April het die regeringsdeposito's by die Reserwebank en die Nasionale Finansiële korporasie met 'n verdere R47 miljoen gedaal.

Skerp styging in bankkrediet aan die private sektor

Hoewel die toename in die totale eise teen die private sektor van R100 miljoen gedurende die eerste kwartaal van 1970 ietwat kleiner was as die toename van R104 miljoen gedurende die vierde kwartaal van 1969, het die krediet wat deur die handelsbanke, aksepanke en monetêre huurkoop- en algemene banke verleen is,





gedurende die eerste kwartaal van 1970 teen 'n aansienlik sneller koers toegeneem as gedurende die vierde kwartaal van 1969. In werklikheid het hul eise teen die private sektor gedurende die eerste kwartaal van 1970 met R163 miljoen toegeneem, in vergelyking met 'n toename van R101 miljoen gedurende die vierde kwartaal van 1969. Die diskonteringe en voorskotte van die handelsbanke het R148 miljoen tot eersgenoemde styging bygedra. Hierdie versnelling van die toename in bankkrediet gedurende die eerste kwartaal van 1970 het hoofsaaklik in Januarie voorgekom, gedeeltelik as gevolg van die verhoging van die plafon op die diskonteringe en voorskotte van die banke met 'n verdere 5 persent vanaf die begin van 1970.

**Veranderings in eise teen die private nie-banksektor
(Seisoensinvloed nie uitgeskakel nie)**

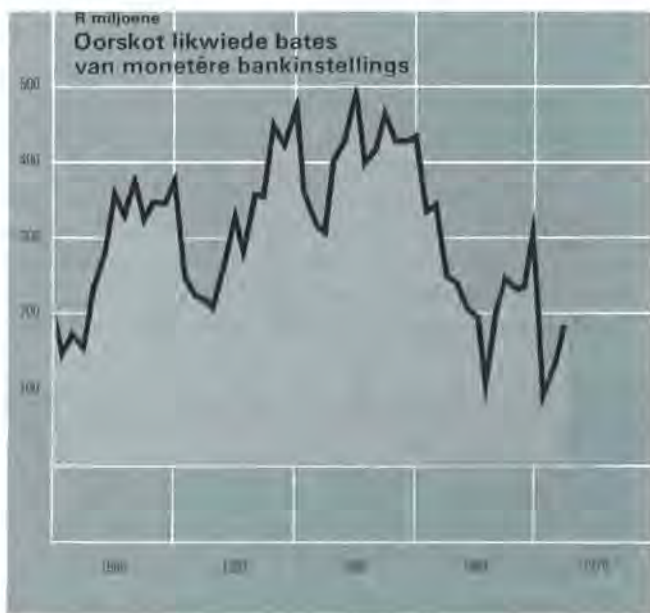
	R miljoene					
	1968	1969	1970			
	2e helfte	1e kw.	2e kw.	3e kw.	4e kw.	1e kw.
Beleggings en deposito's	67	-1	3	67	8	-24
Diskonteringe en voorskotte:						
Suid-Afrikaanse Reserwebank,						
Landbank en						
diskontohuise	60	-36	-22	79	12	-42
Ander monetêre banke:						
Handelsbanke	51	138	76	30	53	148
Aksepbanke	14	11	2	12	5	6
Ander	15	23	14	-8	26	13
Sub-totaal	80	173	92	35	84	166
Totale eise	207	136	74	181	104	100

'n Verdere verhoging van die plafon op die diskonteringe en voorskotte van die banke, wat drie persent van die totaal daarvan soos op 31 Maart 1965 bedra het en vanaf 1 Junie 1970 in werking getree het, is op 25 Mei deur die Reserwebank aangekondig. Hierdie verhoging is aangebring om die banke in staat te stel om produk-krediet aan die nywerheid en die landbou uit te brei. In ooreenstemming hiermee is die banke versoek om toe te sien dat krediet kragtens hierdie toegewing slegs vir hierdie doel toegestaan sou word.

Dit is opvallend dat die koers van toename in bankkrediet aan die private sektor vanaf omstreeks die middel van 1968 begin versnel het, en sedertdien het die totaal aan bankkrediet aan die private sektor met net meer as R800 miljoen, of ongeveer 31 persent, toegeneem. Hierdie toename kan vergelyk word met 'n styging van R708 miljoen, of 23 persent, in die totale hoeveelheid geld en kwasi-geld oor dieselfde tydperk. Die feit dat sowel geld en kwasi-geld as bankkrediet aan die private sektor oor die afgelope sewe opeenvolgende kwartale gemiddeld met meer as R100 miljoen per kwartaal gestyg het, dui daarop dat 'n tekort aan geld en krediet nouliks uitbreiding in enige sektor van die volkshuishouding kon belemmer het.

Betreklik lae peil van oorskot-likwiditeit van monetêre banke

Hoofsaaklik as gevolg van die seisoenstoename in regeringsdeposito's en die hoër likwiede-batevereistes, het die oorskot likwiede bates van monetêre banke gedurende Januarie 1970 met R216 miljoen gedaal en aan die einde van daardie maand 'n peil van slegs R85 miljoen bereik, die laagste peil wat sedert die inwerkingstelling van die nuwe Bankwet van 1965 aangeteken is. Hoewel die verlaging van die likwiede-batevereistes van 48 tot 45 persent van hul korttermynverpligtings teenoor die publiek tot 'n vermindering van R134 miljoen in die vereiste likwiede bates gedurende Februarie bygedra het, het die oorskot likwiede bates van monetêre banke gedurende daardie maand met slegs R41 miljoen gestyg. Gedurende die tydperk Maart en April het hul oorskot likwiede bates verder toegeneem met R15 miljoen en aan die einde van April 1970 R140 miljoen, of 2.9 persent van hul verpligtings teenoor die publiek, bedra.



Kragtens die aankondiging van die Reserwebank op 25 Mei, waarna voorheen reeds verwys is, is die likwiede-batevereiste vir alle bankinstellings ten opsigte van hul middeltermynverpligtings teenoor die publiek vanaf die datum van sertifisering van hul maandopgawes vir Mei vanaf 30 tot 28 persent verlaag.

Geldmarktoestand en rentekoerse

Die skommelings in regeringsdeposito's het ook die toestand in die geldmark, wat in Januarie en Februarie aanmerklik vernou het voordat dit in Maart en April ietwat verruim het, beïnvloed. So het die skatkiswissel-tenderkoers tot 4.44 persent op 23 Januarie gestyg, vir drie weke onveranderd gebly en daarna tot 4.34 persent op 26 Maart gedaal. Dit het tot die middel van Mei naby hierdie peil gebly. Die verruiming van die

toestand op die geldmark kan in 'n groot mate verbind word met 'n toename in die netto eise van die Reserwebank en die Nasionale Finansiële korporasie teen die regering, wat vanaf die einde van Februarie tot 15 Mei R167 miljoen bedra het.

Ondanks die skommelings in regeringsdeposito's en die invloed daarvan op die toestand op die geldmark en op rentekoerse, het die diskontohuise geneig om hul totale bateportefeulje op 'n betreklik stabiele peil te hou in die omgewing van R390 miljoen. Wanneer die daggeld wat by hulle gedeponeer is, gedaal het, het hulle by die Reserwebank geleen en sodoende daarin geslaag om hul beleggingsportefeuljes in stand te hou. As gevolg hiervan het die diskontohuise dwarsdeur die eerste vier maande van 1970 in betreklik aansienlike mate van die Reserwebank geleen en het die gemiddelde weeklikse bedrag van die Reserwebankvoorskotte aan hierdie instellings oor hierdie tydperk R67 miljoen bedra.

Deposito-rentekoerse

Die betreklik lae peile van die oorskot likwiede bates van die banke en die skerp styging in hul kredietverlening gedurende die eerste paar maande van 1970 het geneig om verdere opwaartse druk op deposito-rentekoerse te veroorsaak. Terselfdertyd is verdere opwaartse hersienings van die koerse op deposito's met 'n oorspronklike looptyd van minder as 12 maande uit die aard van die saak beperk deur die maksimum rentekoers van 7 persent op deposito's van een jaar en langer wat, ooreenkomstig die versoek van die Reserwebank in Desember 1969, gehandhaaf moes word. Hoewel die patroon van die hoogste koerse gedurende Maart en April min verdere veranderinge getoon het, het 'n vernouing van die marge tussen die hoogste en laagste koerse wat aangebied is, in verskeie gevalle voorgekom. Aan die einde van April is die volgende koerse aangebied:

	31 dae	88-91 dae	6 maande	12 maande
	%	%	%	%
Handelsbanke	5-5 $\frac{1}{4}$	5 $\frac{1}{2}$ -5 $\frac{3}{4}$	6-6 $\frac{1}{2}$	7
Aksepbanke	5 $\frac{1}{4}$ -5 $\frac{1}{2}$	5 $\frac{3}{4}$	6 $\frac{1}{4}$ -6 $\frac{1}{2}$	7
Huurkoopbanke	4 $\frac{3}{4}$ -5 $\frac{1}{4}$	5 $\frac{3}{4}$ -6 $\frac{1}{4}$	6 $\frac{1}{2}$ -6 $\frac{3}{4}$	7
Algemene banke	5-5 $\frac{1}{2}$	5 $\frac{1}{4}$ -6	6-6 $\frac{1}{2}$	7

Teen die einde van April het banke en bouverenigings teenoor die Reserwebank onderneem dat hulle hul rentekoerse op deposito's van twaalf maande en langer tot die einde van Augustus vanjaar sou handhaaf. Die bouverenigings het onderneem om die uitreiking van ten volle opbetaalde vastetermynaandele met oorspronklike looptye van vyf jaar en langer teen die koers van 7 $\frac{3}{4}$ persent te staak, terwyl alle banke en bouverenigings met totale bates wat R10 miljoen nie te bowe gaan nie, met uitsondering van filiale van groter banke, toegelaat is om 7 $\frac{1}{4}$ persent op deposito's van twaalf maande en langer te betaal.

In ooreenstemming met die opwaartse druk op deposito-rentekoerse, het die sekondêre markkoerse op verhandelbare depositosertifikate van 30 en 90 dae voortgegaan om vanaf hul November-peil te styg, hoewel 'n neiging tot 'n meer gelyke verloop vanaf Februarie opgemerk kon word. Die koop-rendementskoerse van die diskontohuise op verhandelbare depositosertifikate van 30 dae het in die middel van Maart 'n hoogtepunt van 6.1 persent bereik, terwyl dié op verhandelbare depositosertifikate van 90 dae vanaf Februarie tot April rondom 'n peil van ongeveer 6.6 persent tot 6.7 persent geskommel het en op 5 Mei 1970 'n rekord van 6.9 persent bereik het.

Staatsfinansies

Die oorskot van totale uitreikings bo ontvangstes (uitgesonderd lenings) van die Skatkis het gedurende die boekjaar geëindig 31 Maart 1970 R347 miljoen bedra, vergeleke met 'n tekort van R353 miljoen gedurende die vorige jaar, nieteenstaande die feit dat totale uitreikings van die Skatkis met nie minder nie as 24 persent gestyg het. Die kleiner tekort het hoofsaaklik voorgekom as gevolg van 'n toename van 21 persent in skatkis-ontvangstes en die insluiting van die Suidwes-Afrika-rekening, wat 'n netto ontvangste van ongeveer R33 miljoen bygedra het in die vorm van reserwefondse wat na die Skatkis oorgeplaas is. Skatkisontvangstes het die voordeel getrek van 'n toename van R75 miljoen in inkomstebelastingontvangstes en R51 miljoen in doeane- en aksynsregte vergeleke met die vorige jaar. Die verkoop het R95 miljoen tot die Skatkis bygedra en was slegs R3 miljoen minder as die bedrag wat in die begroting aangetoon is.

Hoewel die Skatkis aansienlike probleme ondervind het om van die private nie-banksektor te leen, vergeleke met die vorige jaar, is nietemin gedurende 1969/70 daarin geslaag om die netto skuldposisie teenoor die banksektor met R54 miljoen te verminder. Hierdie verlaging was nogtans aansienlik laer as die daling van R201 miljoen in 1968/69. Die Staatskuldkommissaris het nie minder nie as R290 miljoen tot die Skatkis bygedra en netto buitelandse lenings het R51 miljoen gedurende 1969/70 beloop, vergeleke met onderskeidelik R232 miljoen en R20 miljoen gedurende die vorige jaar. Die Skatkis het slegs R60 miljoen van die private nie-banksektor in 1969/70 verkry teenoor R301 miljoen gedurende die vorige jaar.

'n Verdere kompliserende faktor vir die finansiering van die Skatkestekort in 1970/71, is die feit dat die Staatskuldkommissaris geen saldo vanaf 1969/70 oorgedra het soos die geval in vorige jare was nie, maar alle beskikbare fondse op 31 Maart 1970 belê het. Beleggings deur die Staatskuldkommissaris by die Skatkis gedurende 1969/70 was in twee maande gekonsentreer, naamlik in April 1969 en Maart 1970. Weens die gebrek aan 'n oordrag vanaf 1969/70, kan beleggings deur

Skatkisfinansies R miljoene

	April 1968 tot Maart 1969	April 1969 tot Maart 1970
Totale netto ontvangstes	1,683	2,142
Totale netto uitreikings	2,036	2,488
Totale tekort (uitgesonderd lenings)	353	347
Finansiering:		
Verandering in netto skuldposisie teenoor:		
Buitelandse sektor	20	51
Private nie-banksektor	301	60
Staatskuldkommissarisse	232	290
Sub-totaal	553	401
Monetêre banksektor:		
Verandering in besit aan staatspapier	121	-65
Verandering in skatkissaldo ¹	-322	10
Sub-totaal	-201	-54
Totale finansiering	353	347

¹Na aansuiwering vir die belegging in die buiteland van die opbrengs van buitelandse lenings en vir oordragte na die Stabilisasie-rekening en na die I.M.F.-depositorekening ten opsigte van super-goud-tranché-trekkings. Toename—, afname+.

die Staatskuldkommissaris gedurende 1970/71 hoofsaaklik in Maart 1971 gekonsentreer word, sodat die Skatkis in 'n groter mate van die private nie-banksektor afhanklik kan wees vir die finansiering van sy tekort gedurende die huidige boekjaar.

Gedurende 1969/70 het alle komponente van skatkis-lenings van die private nie-banksektor afgeneem. Vanweë die konsolidasie van leningsheffings en inkomstebelasting op maatskappye en die verlaging van die koers betaalbaar deur individue, het ontvangstes van leningsheffings slegs R23 miljoen bedra, vergeleke met R87 miljoen in 1968/69. Belastingvrye Tesourie-obligasies het 'n netto bedrag van R1 miljoen bygedra vergeleke met R60 miljoen die vorige jaar en uitgiftes van staats-effekte het slegs R44 miljoen opgelewer, vergeleke met R152 miljoen gedurende 1968/69.

Gedurende Oktober 1969 is R81 miljoen of 77 persent van die totale bedrag aan effekte wat aflosbaar was, nie omgesit nie maar in kontant terugbetaal terwyl nuwe uitgiftes wat gedurende Februarie aangebied is, slegs R7 miljoen vanaf die private nie-banksektor opgelewer het. Gedurende April 1970 is feitlik die totale effekte-bedrag wat afgelos moes word, omgesit, terwyl 'n bedrag van ongeveer R14 miljoen, wat 32 persent verteenwoordig van die effekte wat in Mei 1970 gedelg moes word, in kontant terugbetaal is, 'n Bedrag van nie minder nie as R324 miljoen moet nog gedurende die boekjaar 1970/71 omgesit word.

Kapitaalmark

Aandelemark

Ná die skerp daling in die pryse van alle klasse aandele vanaf Mei tot Desember 1969, het die pryse van goudmynaandele en van mynfinansieringsaandele gedurende die eerste kwartaal van 1970 matig toegeneem. Die pryse van nywerheids- en handelsaandele en van nywerheidsfinansieringsaandele het egter gedurende Januarie en Februarie nog aansienlik gedaal, maar gedurende Maart geneig om te stabiliseer. Dit wil voorkom asof die meeste klasse van aandele gedurende April stygings getoon het, maar gedurende Mei het daar weer 'n afwaartse beweging ontstaan.

'n Vergelyking tussen die beweging van winste en aandelepryse van nywerheidsmaatskappye bring aan die lig dat die indekse van hierdie twee veranderlikes teen die einde van 1967 uiteen begin loop het toe die Sterlingdevaluasie die ongeëwenaarde oplewing op die Johannesburgse Effektebeurs aan die gang gesit het, maar gedurende die eerste kwartaal van 1970 weer feitlik bymekaar gekom het. Onder normale omstandighede kan verwag word dat aandelepryse weer in ooreenstemming met veranderinge in winste sal beweeg.

Die aantal aandele verhandel op die Johannesburgse Effektebeurs, wat vanaf Mei tot Desember 1969 skerp afgeneem het, het gedurende die eerste vier maande van 1970 op 'n relatief lae vlak gebly, naamlik op die gemiddelde van die vlak wat gedurende die laaste kwartaal van 1969 bereik is.

Die gemiddelde opbrengskoers op goudmynaandele het vanaf 8.5 persent in Desember 1969 na 9.4 persent in Januarie 1970 toegeneem en het daarna tot 8.7 persent in April 1970 gedaal. Die gemiddelde opbrengs-

koers op nywerheids en handelsaandele het egter vanaf 4.1 persent in Desember tot 4.5 persent in Februarie gestyg en volgens voorlopige aanduidings feitlik onveranderd in Maart en April gebly, en weer in Mei gestyg.

Soos verwag kon word, vanweë die relatief ongunstige toestande vir die opneem van kapitaal op die effektebeurs, het nuwe aandele-uitgifte gedurende die eerste kwartaal van 1970 tot 'n baie lae maandelikse gemiddelde van minder as R3 miljoen gedaal vergeleke met 'n maandelikse gemiddelde van R34 miljoen gedurende 1969. Dit is egter opmerklik dat maatskappye gedurende 1968 en 1969 daarin geslaag het om meer as R700 miljoen deur middel van nuwe uitgifte van aandele op te neem sodat die traagheid van vaste investering in die fabriekswese gedurende daardie tydperk beswaarlik aan toestande op die effektebeurs toegeskryf kan word.

Effektetrusts

Effektetrusts het gedurende die eerste kwartaal van 1970 weer eens 'n uitvloeiing van fondse ondervind en netto terugkope van onderaandele het R47 miljoen bedra, vergeleke met R18 miljoen gedurende die laaste kwartaal van 1969. Van eersgenoemde bedrag verteenwoordig R29 miljoen netto terugkope gedurende Februarie. Die geringe verbetering in die toestand op die effektebeurs gedurende Maart en verdere toegewings aan effektetrusts deur die Minister van Finansies op 18 Maart het bygedra om die bruto terugkope van onderaandele vanaf R33 miljoen in Februarie tot R16 miljoen in Maart te verminder. Terselfdertyd het die verkope van onderaandele gedurende Maart tot R10 miljoen toegeneem, die hoogste vlak wat sedert September verlede jaar bereik is, met die gevolg dat netto terugkope gedurende eersgenoemde maand slegs R7 miljoen bedra het.

Ingevolge die toegewings wat deur die Minister aangekondig is, kan die statutêre minimum belegging deur die effektetrusts in staatseffekte, nl. $7\frac{1}{2}$ persent van die markwaarde van hul portefeuljes, waar nodig, in gepaste gevalle opgeskort word. Dit volg op 'n ooreenkoms wat in November 1969 bereik is en waarvolgens die regering bereid sou wees om die oorskot aan staatseffekte gehou bo die statutêre minimum te koop indien die kontant van 'n effektetrust aangevul moet word met die doel om onderaandele terug te koop. Hierbenewens is daar ook in Maart aangekondig dat die bestuursmaatskappy van 'n effektetrust indien nodig verplig sou word om sy belegging in die onderaandele van die effektetrust progressief te vermeerder tot 'n bedrag gelykstaande aan 'n minimum van 10 persent van die markwaarde van die trust se portefeulje.

Die trusts se kontant en deposito's het gedurende die eerste kwartaal met R39 miljoen afgeneem tot 'n peil van R41 miljoen aan die einde van Maart. Ten einde hul besit aan kontant aan te vul, het die effektetrusts staatseffekte en ander goedgekeurde effekte tot 'n netto bedrag van R8 miljoen verkoop. Die oorskot besit aan goedgekeurde



effekte bokant die statutêre minimum het desnieteenstaande aan die einde van Maart nog R58 miljoen bedra, waarvan R35 miljoen uit 'n oorskot besit aan staatseffekte bestaan het. Tesame met die minimum statutêre besit aan staatseffekte van R37 miljoen, het die effektrusts se totale besit aan sodanige effekte R72 miljoen bedra wat, ingevolge van die Minister se toegewing, te gelde gemaak kan word vir die doel om onderaandele terug te koop.

Die uitvloeiing van fondse en die verdere daling in aandelepryse gedurende die eerste kwartaal van 1970 het die markwaarde van die trusts se netto bates verminder vanaf R691 miljoen aan die einde van 1969 tot R532 miljoen aan die einde van Maart 1970 en die indeks van verkoopspryse van onderaandele (Junie 1965 = 100) het vanaf 216 in Desember 1969 tot 178 in Maart 1970 gedaal. Die gemiddelde opbrengskoers op onderaandele het gedurende die ooreenstemmende tydperk vanaf 2.0 tot 2.6 persent gestyg.

Die mark vir vaste-rentedraende effekte

Opbrengskoerse op nuwe uitgiftes van langtermyn-semi-prima-effekte wat gedurende Maart 1970 uitgereik is, is vasgestel op 7.5 persent, vergeleke met die vorige peil van ongeveer 7.3 persent. Nieteenstaande hierdie verhoging het twee openbare uitgiftes ten bedrae van R19.5 miljoen gedurende Maart aansoeke van slegs R15.7 miljoen van die publiek ontvang, wat die onderskrywers met 'n bedrag van R3.8 miljoen gelaat het. Volgehoue opwaartse druk op langtermyn-rentekoerse was dus steeds teenwoordig en is weerspieël in die voorwaardes van nuwe lenings wat gedurende Mei en Junie uitgeskryf is en waarop effektiewe opbrengskoerse tot aflissing van 7.7 en 8.0 persent onderskeidelik aangebied is.

Amptelike erkenning is aan die opwaartse druk op langtermynopbrengskoerse verleen toe die Reserwebank, na die gebruikelike oorlegpleging met die Tesourie, die koers wat gekwoteer word vir transaksies in staatseffekte met 'n looptyd van 15 jaar of langer met ingang 26 Mei vanaf $6\frac{1}{2}$ tot 7 persent verhoog het. Die koers op effekte met 'n looptyd van 3 jaar is onveranderd op $5\frac{1}{2}$ persent gehou en die nodige aanpassings aan koerse op effekte met looptye tussen 3 en 15 jaar is aangebring. Die verhoging in die opbrengskoers van langtermynstaatseffekte het tot 'n vernouing in die rendementsgapings tussen semi-prima- en prima-effekte vanaf 1.2 persent, wat vroeër in Mei gegeld het, tot 0.7 persent, gelei. Gedurende die tydperk 1960 tot 1969 was die betrokke rendementsgapings gemiddeld 0.6 persent. Vergeleke met die opbrengskoers op nywerheids- en handelsaandele, het die verhoging in die opbrengskoers op langtermynstaatseffekte 'n verhoging in die omgekeerde rendementsgapings tot gevolg gehad.

Opbrengskoerse op nuwe skuldbriewe van maatskappye het ook geneig om gedurende die eerste kwartaal van 1970 verder te styg en 'n opbrengskoers van



¹Die drie rendementsgapings wat op die grafiek aangetoon word, verteenwoordig die verskille tussen die rendement op langtermynstaatseffekte en die rendement op maatskappy skuldbriewe, semi-prima effekte en nywerheids- en handelsaandele onderskeidelik. Laasgenoemde is negatief en word derhalwe na verwys as die omgekeerde rendementsgapings.

soveel as 9.5 persent is gedurende Maart aangebied. Dit het die rendementsgapings tussen maatskappy-obligasies en staatseffekte op 3 persent te staan gebring, maar die daaropvolgende verhoging in die opbrengskoers op staatseffekte in Mei het hierdie marge na $2\frac{1}{2}$ persent verminder.

Bouverenigings

Die toevloeiing van fondse na bouverenigings het gedurende die eerste kwartaal van 1970 R117 miljoen bedra en het die relatief hoë syfer van R107 miljoen wat gedurende die vierde kwartaal van 1969 aangeteken is, oorskry. Toenames van R61 miljoen in deposito's en R56 miljoen in aandelekapitaal was vir die toevloeiing verantwoordelik. Netto uitgiftes van belastingvrye aandele gedurende die tydperk het R21 miljoen bedra, terwyl die netto uitgifte van opbetaalde vaste-termynaandele, wat ná die verhoging van die rentekoers daarop tot $7\frac{3}{4}$ persent gedurende Augustus 1969 'n gewilde beleggingsveld geblyk te wees het, 'n soortgelyke bedrag bedra het. Die totale bedrag belê in vaste-termynaandele het in werklikheid van 'n skamele R0.3 miljoen aan die einde van Julie 1969 tot R73 miljoen aan die einde van Maart 1970 toegeneem. In ooreenstemming met die ooreenkoms tussen die Reserwebank en die bankinstellings om 'n maksimum koers van 7 persent op deposito's van twaalf maande en langer te handhaaf, het die bou-

verenigings egter besluit om die uitreiking van hierdie aandele tydelik te staak met ingang 13 Mei.

Verband- en ander lenings uitstaande het met R76 miljoen gedurende die eerste kwartaal van 1970 toegeneem, vergeleke met R71 miljoen gedurende die vierde kwartaal van 1969. Die gemiddelde maandelikse bedrag van nuwe voorskotte toegestaan gedurende die eerste kwartaal was egter ongeveer R6 miljoen minder as die gemiddelde van R66 miljoen gedurende die laaste kwartaal van 1969.

Nieteenstaande die aansienlike bedrag aan nuwe lenings toegestaan deur die bouverigings gedurende die eerste kwartaal, was die toename in hul middele voldoende om ook 'n verdere toename van R20 miljoen in hul besit aan likwiede bates en ander voorgeskrewe beleggings moontlik te maak. Hul oorskotbesit aan voorgeskrewe beleggings bo die wetlike minimum het aan die einde van Maart 1970 R172 miljoen bedra. Ondanks hul relatief likwiede posisie, het die bouverenigings teen die einde van Maart 1970 nog nie in 'n merkbare mate in eiendomsontwikkelingsmaatskappye, soos gemagtig deur 'n wysiging van die Bouverenigingswet gedurende 1969, belê nie.

Opmerking oor Tabele

Die aandag word weer eens gevestig op die feit dat sommige van die syfers wat in die Kwartaalblad verskyn, een keer per jaar in die Junie-uitgawe hersien word. Alle reekse waarvan die seisoensinvloed uitgeskakel is, is hersien, nie alleen om veranderde seisoenspatrone in ag te neem nie maar ook as gevolg van hersiening van die basiese gegewens. Nasionale rekeninge- en betalingsbalanssyfers ten opsigte van 1969 is nie soosgebruiklik in hierdie uitgawe hersien nie maar sal in 'n later uitgawe hersien word.