

Quarterly economic review

General observations

After slowing down moderately towards the end of 1969 and the beginning of 1970, the South African economy accelerated to higher rates of growth in the second and third quarters of 1970 with the result that a satisfactory growth rate may again be expected for 1970. At the same time, the economy became more overheated as the total domestic monetary demand for goods and services exceeded the domestic supply by a substantial margin and thus exerted considerable pressure on production resources, particularly on the limited supply of certain types of labour and capital. With this imbalance between the domestic demand for and the domestic supply of goods and services, employers were competing keenly for the limited supply of labour by bidding up salaries and wages. This situation differs materially from that in many other countries where salaries and wages are forced up by powerful labour unions which, with their strong bargaining position, can demand salary and wage increases in excess of the rise in labour productivity even if total domestic demand is sluggish. These countries are therefore experiencing a type of inflation commonly referred to as wage-push inflation, while the South African situation may be described more appropriately as a demand-pull inflation. This inflationary situation led to price rises that are unduly high for South Africa, but nevertheless not as high as the rates which have recently been quoted in public.

Notwithstanding the overall imbalance between domestic demand for and supply of goods and services and the consequent large deficit on the current account of the balance of payments, the distinct revival of fixed investment by the private manufacturing sector is gratifying. The latter development may lead to more balanced growth in future particularly if this could coincide with

a lowering of the exceptionally high level of outlays on non-manufacturing building and construction. At present, however, all the major components of gross domestic expenditure are contributing to the excessive total monetary demand. The most pronounced increases have occurred, however, in current government and private consumption expenditure, while the rate of increase in certain types of capital outlays by the private and public sectors have also been very high. Moreover, the fact that private consumption has increased so rapidly and has been financed to a considerable extent by bank and other types of credit, has led to a low level of personal saving in relation to personal disposable income, which, in turn, has aggravated the general shortage of capital and the consequential upward pressure on interest rates.

In the light of these circumstances, the authorities decided to curtail consumer credit by introducing more stringent requirements in respect of the purchase of certain durable consumer goods and at the same time decided to maintain restrictions on bank credit, in particular for purposes of consumer spending. The Reserve Bank also again requested the banks to comply with the guidelines previously issued to them regarding the types of credit which should be given top priority such as credit for production and export purposes at the expense of credit for consumption expenditure, speculation and non-essential imports.

Capital market conditions remained tight and considerable upward pressure was experienced on long-term interest rates in the third quarter of 1970. In this quarter rates of about 10 per cent and 8.9 per cent were offered by companies and semi-governmental bodies, respectively, and successful flotations of debentures and stocks were made at these rates. However, at 7 $\frac{3}{4}$ per cent, the Government was not fully successful with its long-term government stock issue in October.

National accounts*

Gross domestic product

After increasing sharply during the second quarter of 1970, the gross domestic product at current market prices increased further during the third quarter of 1970, although at a slower rate than in the previous quarter. Substantial increases in the value added by manufacturing, commerce, general government services, and transport, storage and communication during the third quarter were to a certain extent offset by marked declines in the value added by agriculture and non-gold mining. The decline in the contribution of agriculture was caused by adverse weather conditions and declines in the export prices of major agricultural products, e.g. wool and fruit, while lower producers' prices realised *inter alia* for copper and diamonds were mainly responsible for the sharp decline in the value added by non-gold mining.

Contrary to developments during the second quarter of 1970, when both salaries and wages and "other income" (i.e. profits and net interest and rent payments) contributed about equally to the increase in gross domestic product, salaries and wages accounted for the entire increase during the third quarter. Increases in the "other income" of manufacturing and commerce in particular were offset by declines in the "other income" of agriculture and non-gold mining.



Substantial further increase in gross domestic expenditure

As during both the first and second quarters of 1970, gross domestic expenditure during the third quarter of 1970 rose faster than gross national product. This tendency was reflected in a further substantial increase in the deficit on the current account of the balance of payments. Increases in all the major components of gross domestic expenditure, namely private consumption expenditure, current expenditure by general government, capital outlays on plant, machinery, equipment and building and construction by both the public and private sectors, as well as inventory accumulation, contributed to the further substantial increase in gross domestic expenditure.

Further sharp increase in private consumption and current government expenditure

After it had risen at an exceptionally high rate during the second quarter, private consumption expenditure showed a further substantial increase during the third quarter of 1970. The latter increase was the result mainly of sharp increases in expenditure on durable goods, particularly on new motor cars, and on non-durable goods, while spending on services increased at a slower rate. Expenditure on durable consumer goods increased on average by no less than 17 per cent if the first three quarters of 1970 are compared with the corresponding period in 1969, and according to the available information it was to a large extent financed by bank and other types of credit. In October 1970, the authorities, therefore, instituted more stringent requirements in respect of hire-purchase and other types of consumer credit for certain durable consumer goods.

Current government expenditure, which declined during the second quarter, showed a pronounced increase during the third quarter of 1970 and was on average 11 per cent higher during the first three quarters of 1970 than during the corresponding period a year ago.

Further increase in gross domestic fixed investment and distinct revival of capital outlays by private manufacturing

Despite a decline in fixed investment by public corporations and local authorities, total fixed investment increased further during the third quarter of 1970 as a result of marked increases in capital outlays by the central government, the South African Railways, the provincial administrations and the private sector. Sub-

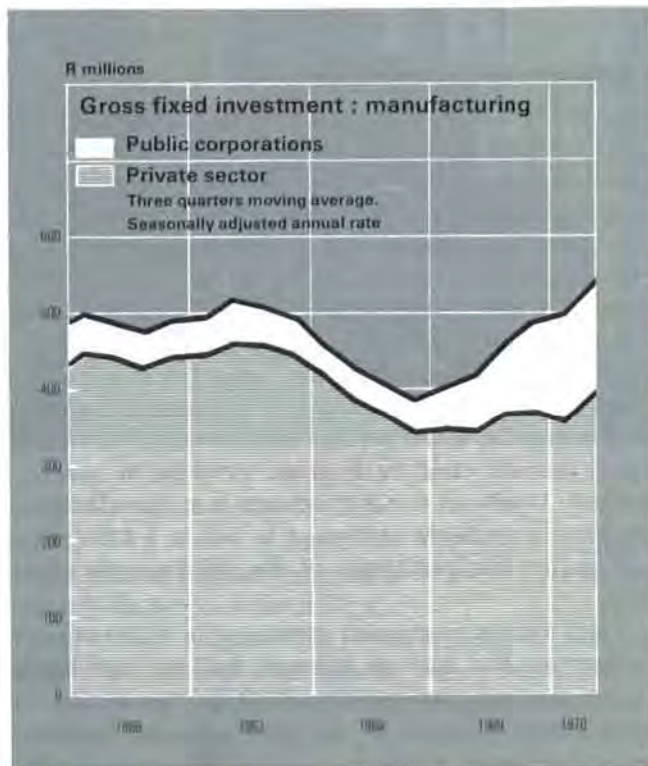
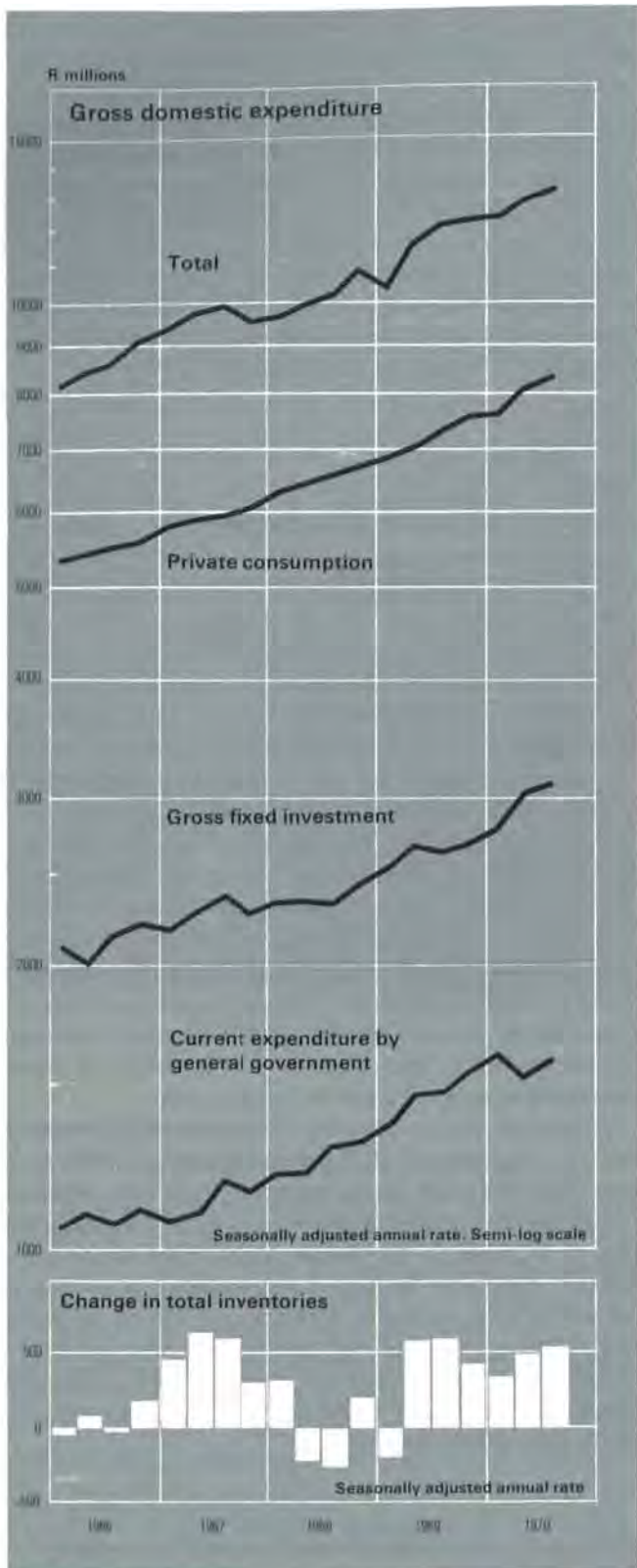
*The analysis in this section of the Review is largely based on the Reserve Bank's quarterly estimates of the national accounts, *after adjustment for seasonal tendencies*. Since these figures are not yet judged reliable enough for publication, the analysis of quarterly developments is confined to pointing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

stantial increases in capital outlays on plant, machinery and equipment by the South African Railways and the private sector were offset by a marked decline in these investments by public corporations, with the result that the increase in total fixed investment was to a large extent accounted for by an increase in outlays on building and construction.

In the case of the private sector, the increase in fixed investment resulted from substantially higher capital outlays by the manufacturing sector, although contributions were also made by the mining sector and the sector commerce, private transportation and financial institutions. With the strong increase in capital expenditure by the private manufacturing sector during both the second and third quarters of 1970, it would now appear, in retrospect, that this investment probably started to revive moderately during the second half of 1969, and that it gained considerable momentum in 1970. In fact, the average quarterly level of fixed investment by private manufacturing during the first three quarters of 1970 was about 14 per cent higher than during the corresponding period in 1969. Furthermore, increases were observed in almost all branches of manufacturing, but particularly in non-metallic mineral products, rubber products, and paper and paper products.

Continued net addition to inventories

A further relatively large net addition to inventories, mainly in the form of industrial and commercial (inclu-



ding diamond) stocks, was recorded during the third quarter of 1970. This was the sixth consecutive quarter in which an increase occurred, and brought the total accumulation of inventories over the eighteen months to more than R700 million. The inventory build-up over this period was also a reflection to some extent of the sharp rise of imports and the deficit experienced on the current account of the balance of payments over the corresponding period, which was approximately of the same magnitude as the inventory accumulation. The extent to which this stockpiling was in excess of normal requirements, and the extent to which it represented imported goods, will determine the possible future relief of pressure on the balance of payments and on domestic factors of production.

Insufficient domestic saving

According to preliminary indications, gross domestic saving declined markedly during the third quarter of 1970. Personal and corporate saving and the current surplus of general government declined noticeably, while provision for depreciation increased moderately. This brought personal saving to an abnormally low level as a percentage of personal disposable income. As the shortfall in domestic saving during the third quarter was not counterbalanced by the net inflow of capital from abroad, the gold and foreign exchange reserves were once again drawn upon in order to finance domestic investment. It is therefore not surprising that the Government has appointed a special committee to study the savings media of the Government and the promotion of savings in general.

Production and employment

After tending to level off towards the end of 1969 and during the first quarter of 1970, the seasonally adjusted index of the volume of manufacturing production rose to a substantially higher level in the four months up to July 1970. This higher level of production can be ascribed mainly to an increase in the production of non-durable goods. Total production during the first seven months of 1970 was on average 6.0 per cent higher than during the corresponding period of the previous year. The rise in manufacturing production after the first quarter of 1970 was confirmed by a rise in total hours worked, and by a slight increase in overtime worked. Unofficial surveys indicate that manufacturing production probably continued to rise at a satisfactory rate during the remainder of the third quarter of the year.

Total mining production continued to increase up to September and was on average 4.9 per cent higher during the first nine months of 1970 than during the corresponding period of the previous year. Divergent tendencies were, however, recorded for gold and other

mining production over this period. Whereas the former showed little change until May and then increased to a noticeably higher level in the following four months, the latter increased during the first four months of 1970 and then tended to level off.

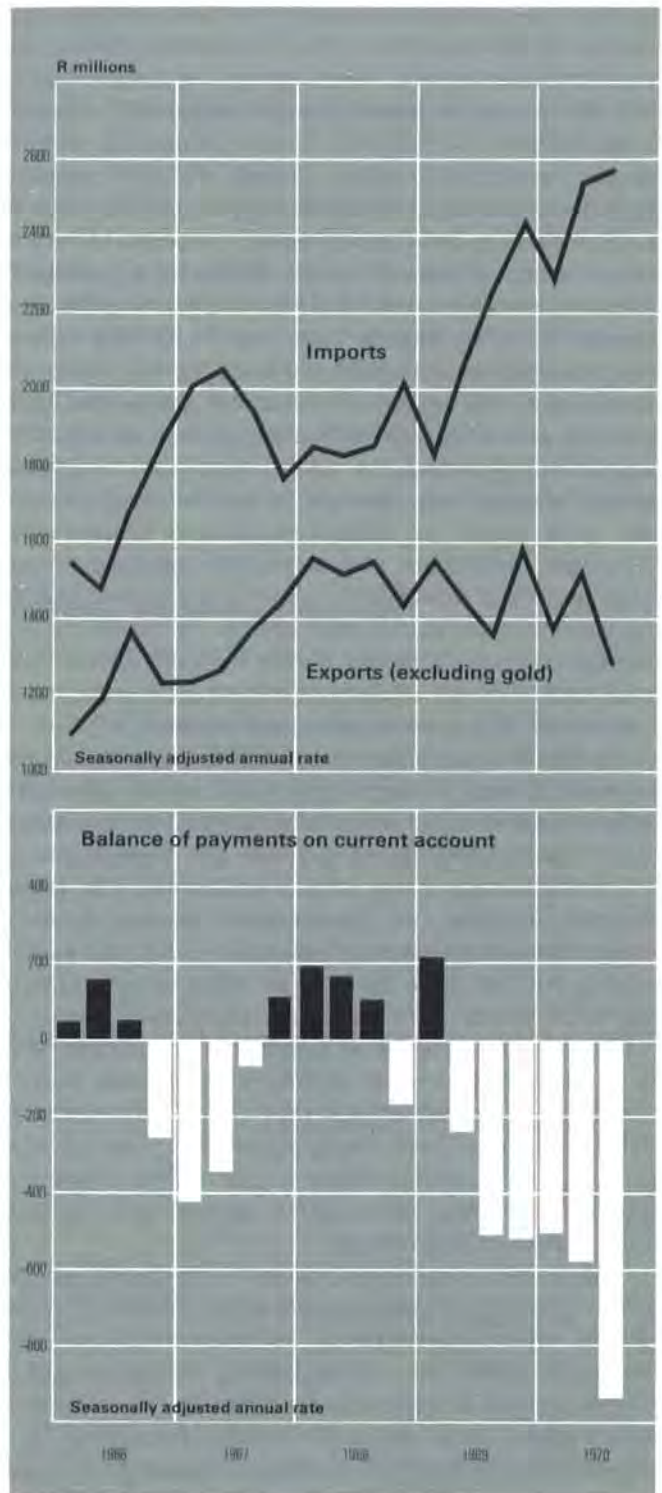
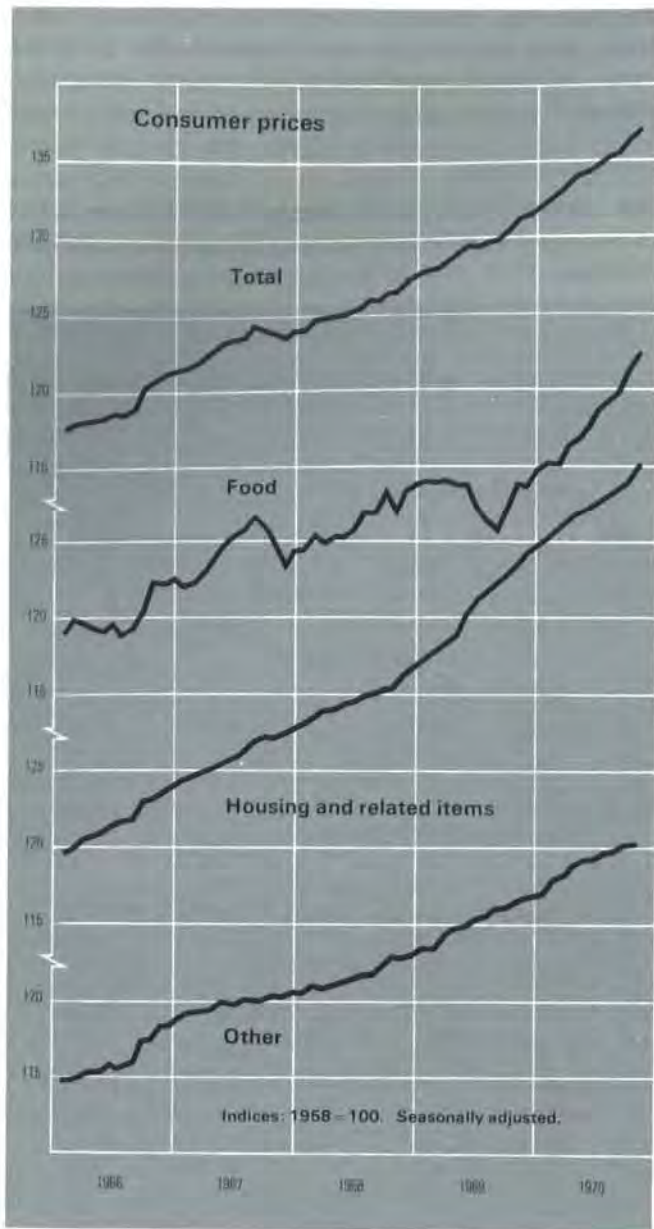
Employment showed a further increase during the third quarter according to information available for sectors such as construction, mining, the South African Railways, and the Post Office, and this rise was also reflected in a decline in the number of registered unemployed Whites, Coloureds and Asiatics to a figure of 8,183 at the end of September. This unemployment figure represents slightly less than $\frac{1}{2}$ per cent of the total number of Whites, Coloureds and Asiatics employed in non-agricultural sectors. The shortage of labour was also reflected in a noticeable increase in average salaries and wages in the second quarter and further rises are expected owing to the salary and wage increases already announced in the public and private sectors.

Prices

Judging by the behaviour of the consumer price index, inflationary conditions continued to prevail in the South African economy during the first ten months of 1970. After increasing at the already high rate of 3.5 per cent during 1969, the consumer price index (after adjustment for incomparabilities and seasonal variations*) accelerated even further to an annual rate of 4.6 per cent between December 1969 and October 1970. This increase was mainly attributable to the behaviour of food prices which moved horizontally during the first five months of 1969 and then declined substantially until August 1969, before increasing at an exceptionally high rate up to October 1970. From December 1969 to October 1970 food prices increased at an annual rate of 7.1 per cent mainly as a result of substantial increases in the prices of vegetables. "Housing and related items" increased at an annual rate of 4.8 per cent between December 1969 and October 1970, while all other items rose at an annual rate of 3.3 per cent.

Wholesale prices behaved similarly and accelerated from an increase of 2.3 per cent during 1969 to a seasonally adjusted annual rate of 3.6 per cent between December 1969 and September 1970. Although the rate of increase in the prices of all three major components rose substantially, it was particularly evident in the prices of agricultural, forestry and fishing products and in respect of imported goods. The latter increased at an annual rate of 3.0 per cent between December 1969 and September 1970, compared with an increase of 1.9 per cent during 1969.

*Details of the adjustments concerned are given in the "Notes to tables" in this *Bulletin*.



Balance of payments*

Progressively larger deficit on current account

For the sixth consecutive quarter, the current account of the balance of payments showed a substantial deficit. During the third quarter of 1970 the deficit amounted to no less than R222 million and brought the total deficit for the first nine months of the year to R502 million. At a seasonally adjusted annual rate the deficit on current account increased progressively and amounted to an exceptionally high figure of well over R900 million in the third quarter, compared with almost R600 million re-

corded during the second quarter and just over R500 million in the first quarter of 1970.

This further deterioration in the balance on current account during the third quarter was attributable in particular to a substantial decline in merchandise exports from a seasonally adjusted annual figure of R1,522 million during the second quarter to R1,279 million

*The balance of payments data now exclude Botswana, Lesotho and Swaziland and relate to the Republic and South West Africa only. See "Notes to tables".

during the third quarter and was caused largely by a decline in the value of exports of diamonds, agricultural products and textiles. Service payments to the rest of the world also increased from a seasonally adjusted annual figure of R1,019 million during the second quarter to R1,128 million during the third quarter, mainly as a result of higher freight rates payable to foreign carriers and the high level of imports. Merchandise imports increased slightly further to a seasonally adjusted annual rate of R2,571 million during the third quarter from the already high level of R2,545 million in the second quarter. With the exception of a moderate increase in the imports of chemical goods and base metals, and a partially offsetting decline in transport equipment imported, the other categories of imported goods showed little change during the third quarter. Net gold output, as defined for balance of payments purposes, and taken at a seasonally adjusted annual rate, increased from R847 million in the second quarter to R862 million in the third quarter. Although service receipts increased slightly during the third quarter, this was approximately offset by a corresponding decline in net transfer receipts from the rest of the world.

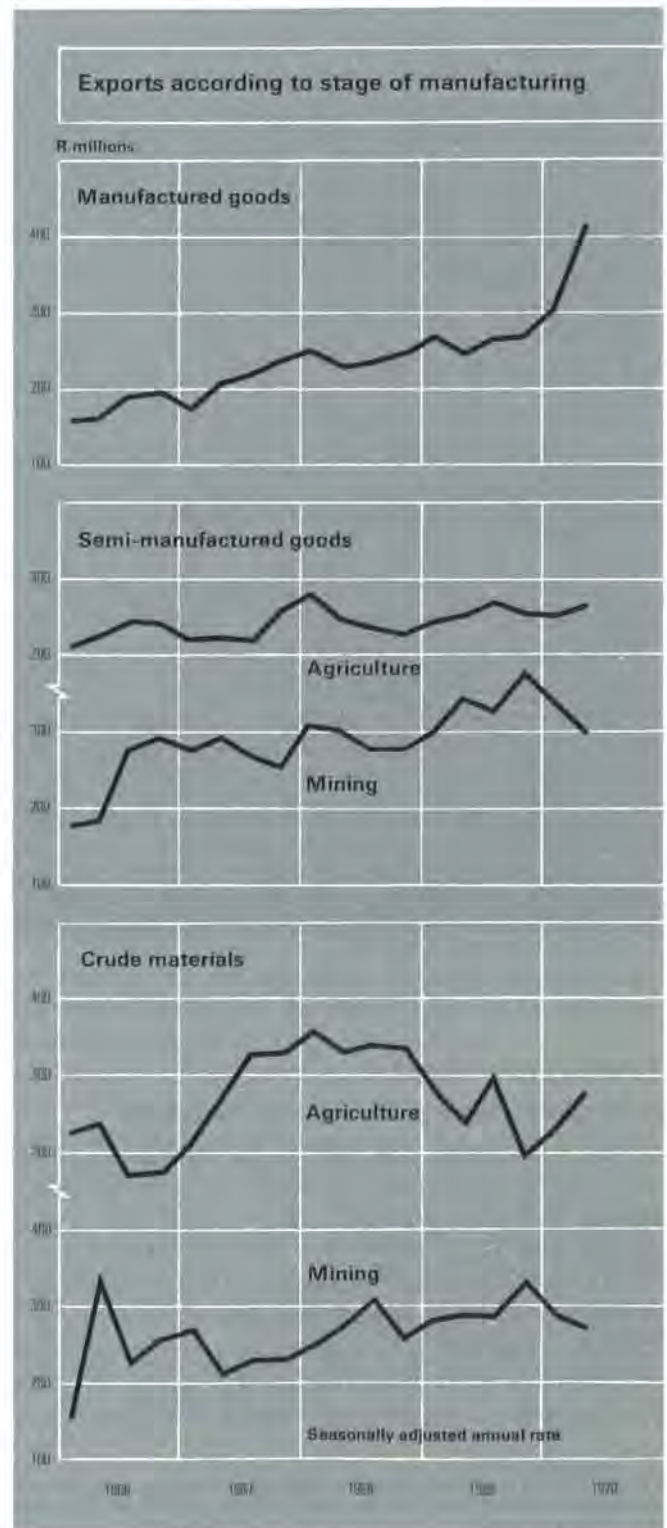
For the first three quarters of 1970 the deficit on the current account, amounting to R502 million, showed a marked rise from the deficit of only R119 million during the corresponding period in 1969. The deterioration in the current account was accounted for mainly by a substantial increase in merchandise imports from a seasonally adjusted annual rate of about R2,050 million during the first three quarters of 1969 to no less than R2,470 million during the corresponding period of 1970, i.e. an increase of approximately 20 per cent. A moderate decline in merchandise exports from a seasonally adjusted annual rate of R1,450 million to R1,390 million over the corresponding period also contributed to the increase in the deficit, while net service payments, net transfer receipts and net gold output showed little change.

The acceleration in imports up to the second quarter of 1970 was particularly evident in the imports of capital goods, which increased by as much as 27 per cent compared with the corresponding period in 1969. Significant rises were also recorded in the imports of intermediary and consumer goods. According to a classification of exports into categories consisting of raw materials (agriculture and mining), semi-manufactured goods (agriculture and mining) and manufactured goods*, the last mentioned showed a strong upward movement during the first two quarters of 1970, while raw materials and semi-manufactured goods originating in mining declined fairly sharply mainly due to price

declines. After showing a declining tendency for nearly two years, agricultural raw materials also increased during the first half of 1970, but this may be a temporary revival.

Net capital inflow

Net capital inflow amounted to R69 million, R151 million and R95 million during the first, second and



*This classification is based on the Department of Customs and Excise's product classification and was recently compiled by the Reserve Bank.

third quarters, respectively. For the first nine months of 1970 the net capital inflow amounted, therefore, to the substantial figure of R315 million. During the third quarter the net inflow to the private sector was R61 million and to the central government and banking sector R34 million.

The net inflow of capital to the private sector was divided about equally between long- and short-term capital during both the second and third quarters. During the third quarter long-term capital amounted to R32 million, while short-term capital, including errors and unrecorded transactions, accounted for R29 million. The long-term capital consisted largely of loans obtained abroad, although there was also a slight increase in the net purchases by foreigners of securities listed on the Johannesburg Stock Exchange, i.e. from R2 million in the second quarter to R13 million in the third quarter. An increase in trade credits was again mainly responsible for the inflow of short-term capital. Largely because of drawings on foreign loans by the central government, the central government and banking sector had a net inflow of long-term capital of R29 million during the third quarter compared with an inflow of only R5 million in the form of short-term capital.

Sharp decline in gold and foreign exchange reserves

In contrast with the first two quarters, the net capital inflow during the third quarter was substantially smaller than the deficit on the current account with the result that the gold and foreign exchange reserves declined sharply by R127 million. This fall was reflected in net declines of R95 million, R15 million and R17 million in the reserves of the Reserve Bank, the rest of the banking sector and the central government, respectively. The decline of R17 million in the exchange holdings of the central government resulted from a drawing on South Africa's super gold tranché with the International Monetary Fund, which was naturally also reflected as an increase in the exchange holdings of the Reserve Bank. This brought South Africa's super gold tranché to a negligible amount of R0.3 million at the end of September.

Although South Africa's gold and foreign exchange reserves declined by R163 million during the first three quarters of 1970 as the net result of a decline of R187 million owing to balance of payments transactions and an allocation of special drawing rights amounting to R24 million, the reserves were still at the relatively high level of R906 million at the end of September.

Developments after September

During October the gold and foreign exchange reserves of the Reserve Bank declined by R13 million, and by a further R48 million up to 27th November.

According to the monthly figures of the Department of Customs and Excise, which are not compiled on a comparable basis to the quarterly balance of payments

figures, imports taken at a seasonally adjusted annual rate increased from R2,711 million in September to R2,974 million in October. Exports increased moderately from a seasonally adjusted annual rate of R1,422 million in September to a figure of R1,492 million in October. Factors that may have contributed to the exceptional rise in imports are the high rate of increase in total domestic expenditure, renewed uncertainty regarding international currencies and the unwarranted fear that the South African authorities may tighten import control. Regarding the latter, the Minister of Economic Affairs on 19th November announced that the Government is not considering stricter import control measures, but that the importation of non-essential consumer goods is considered to be an irresponsible wastage of the country's foreign exchange reserves.

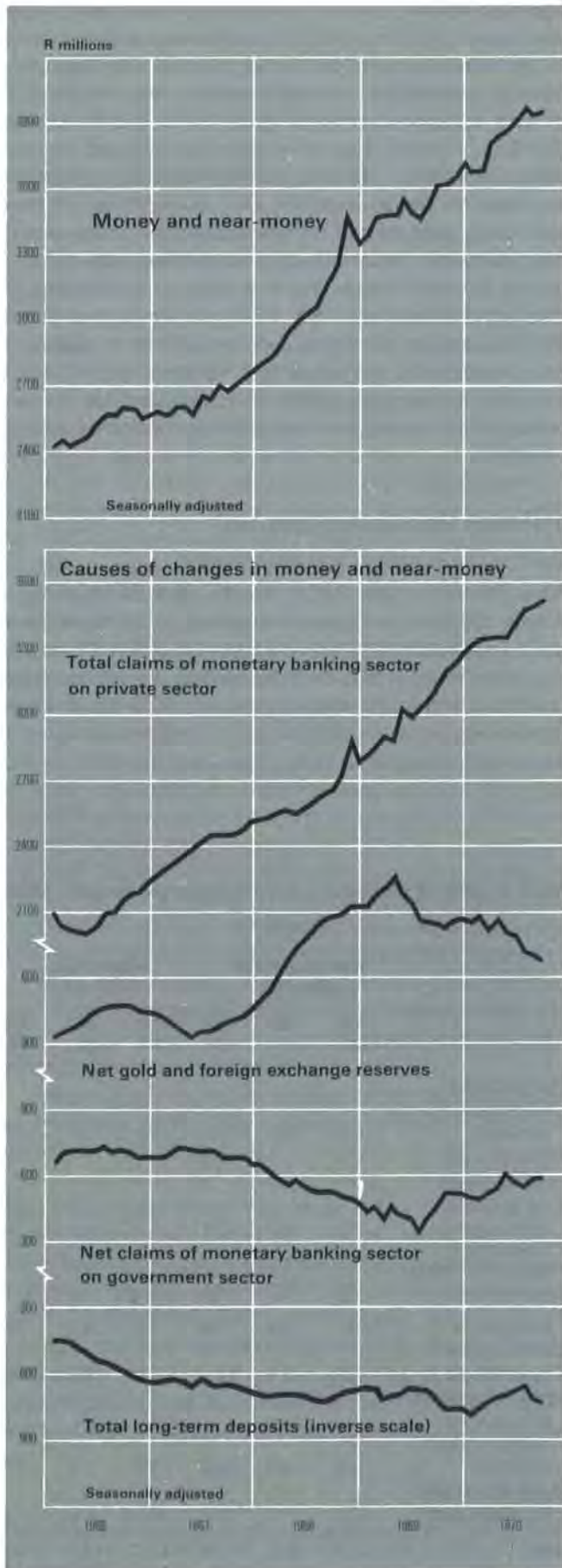
Monetary and banking situation

Further rise in money and near-money

After increasing by R106 million and R116 million during the first and second quarters of 1970, respectively, the seasonally adjusted total quantity of money and near-money rose by R43 million during the third quarter. For the first nine months of 1970 it had therefore increased at an annual rate of 9.6 per cent, compared with an increase of 10.3 per cent in 1969.

Main causes of changes in money and near-money, 1970

	R millions					
	Not seasonally adjusted			Seasonally adjusted		
	1st qtr.	2nd qtr.	3rd qtr.	1st qtr.	2nd qtr.	3rd qtr.
Net gold and foreign exchange reserves	-43	-39	-119	-56	-24	-107
Claims on the government sector:						
Gross claims	-45	51	97	...	...	...
Government deposits (increase-, decrease+)	-63	82	-89	...	...	...
Net claims	-107	133	8	10	49	26
Claims on the private sector	99	51	117	76	68	106
Long-term private deposits (increase-, decrease+)	-1	60	-26	28	71	-47
Other assets and liabilities (net)	-22	-4	59	...	...	...
Total	-74	200	39	106	116	43



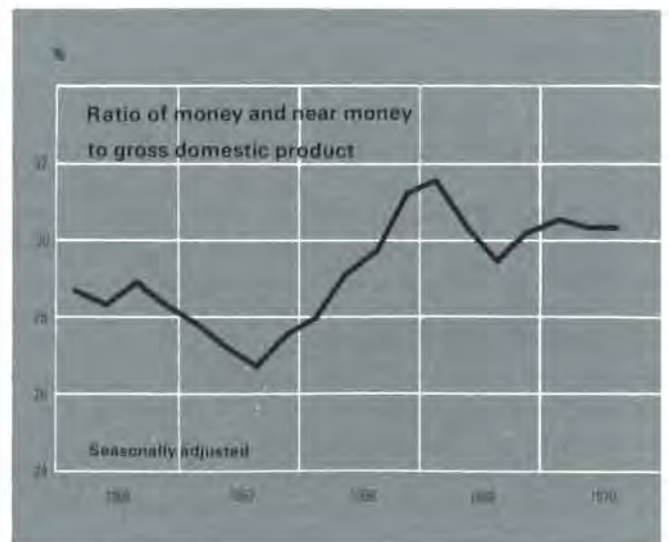
The further increase in money and near-money during the third quarter was the net result of a large increase in bank credit to the private sector and a moderate increase in net bank credit to the government, which were partly offset by a substantial decline in the net gold and foreign exchange reserves and a shift in the deposits with the banking sector from medium-term to long-term. Regarding the increase in net bank credit to the government sector, it should be noted that the government's net foreign borrowing augmented both government deposits and the net gold and foreign exchange reserves during June, September and October.

The above-mentioned increase in the private non-banking sector's holdings of money and near-money was approximately matched by the rate of increase in the gross domestic product. The ratio of money and near-money to the gross domestic product thus levelled off during the first three quarters of 1970 and was 30.3 per cent in the second and third quarters.

Continued sharp increase in bank credit to the private sector

The substantial further increase in bank credit to the private sector during the third quarter of 1970, amounting to R117 million, or 3.4 per cent, was largely accounted for by a less than seasonal increase of R47 million in Land Bank cash credits and by an increase of R103 million in the discounts and advances of commercial banks (R86 million) and monetary hire-purchase and general banks (R17 million) (excluding changes in remittances in transit). According to preliminary information, the discounts and advances of the commercial banks increased further by nearly R30 million during October 1970.

During the first nine months of 1970, the discounts and advances (including net remittances in transit) of



commercial banks, merchant banks and monetary hire-purchase and general banks increased by R244 million (11 per cent), compared with R299 million (16 per cent) during the corresponding period of 1969. By contrast, these banks increased their investments with the private sector by only R12 million (less than 3 per cent), despite the increase of 15 per cent in the investment ceiling allowed by the Reserve Bank in February 1970 to give more scope for the extension of medium-term credit particularly to the manufacturing sector.

Relatively low surplus liquid assets of monetary banks

After declining seasonally from 5.2 per cent at the end of June 1970 to 2.9 per cent at the end of July, the excess liquidity ratio of the monetary banks remained at relatively low levels, namely 3.6 per cent at the end of August and 2.7 per cent at the end of September. Mainly as a result of the usual seasonal shift of funds from the private sector to the government during July and the substantial decline in the net gold and foreign exchange reserves during the third quarter, the actual liquid asset holdings of the monetary banks decreased by R102 million during the third quarter to give an amount of excess liquid assets of R138 million at the end of September.

Tighter money market conditions

The reduction in the liquid asset holdings of the monetary banks was also reflected in a substantial decline in total call loans to the discount houses from R374 million at the end of June to R207 million at the end of September with the result that the Reserve Bank's advances to the discount houses increased from R17 million at the end of June to R189 million at the end of September. This level of Reserve Bank accommodation represented about 45 per cent of the discount houses' total portfolio of over R400 million. In order to discourage excessive and too frequent reliance on Reserve Bank credit, a progressively increased penalty rate was applied by the Reserve Bank. Early in July a penalty rate of $\frac{1}{4}$ per cent above Bank Rate was charged, but this was increased progressively to 2 per cent above Bank Rate towards the middle of September. This penalty rate induced the discount houses to reduce their indebtedness to the Reserve Bank to R73 million at the end of October. It was achieved mainly through the reduction in their government stock holdings (largely because they did not convert their stock which fell due on 1st October) and their holdings of Treasury bills, bankers' acceptances and negotiable certificates of deposit.

Higher money market interest rates

The Treasury bill tender rate, which did not rise significantly during the seasonal tightening of money market

conditions in July, subsequently increased during the remainder of the third quarter from 4.32 per cent on 17th July to 4.44 per cent on 16th October, where it has remained up to 20th November.

Other money market interest rates showed more pronounced fluctuations. The discount houses' call money rate was increased to levels well above the Treasury bill rate, namely to about 5 per cent and higher from about the middle of September to the first two weeks of November. Buying rates on 30 and 90 days' negotiable certificates of deposit were raised to 7.50 per cent during the week beginning 18th September, before they declined to 6.00 and to 7.25 per cent on 13th November.

Government finance

As shown in the accompanying table, the Exchequer Account's deficit of R74 million for the first half of the current fiscal year is R27 million less than for the corresponding period of the previous year. During the first half of the present fiscal year Exchequer receipts rose at a higher rate than was anticipated in the Budget, while total issues increased at a slightly smaller rate than expected for the whole year.

In the financing of the Exchequer deficit limited support was received from all domestic sectors and the Treasury thus resorted to foreign borrowing rather than using bank credit. In addition to foreign loans obtained by the

Exchequer finance

R millions

	1969 Apr. to Sept.	1970 Apr. to Sept.
Total net receipts	995	1,125
Total net issues	1,095	1,198
Total deficit (excluding borrowing)	101	74
Financing:		
Change in net indebtedness to:		
Foreign sector	2	76
Private non-bank sector	59	10
Public Debt Commissioners	130	3
Sub-total	191	90
Monetary banking sector:		
Change in holdings of government securities	—	87
Change in Exchequer balance*	-90	-103
Sub-total	-90	-16
Total financing	101	74

*Increase—, decrease+. Including transfers to the Stabilization Account and to the I.M.F. deposit account in respect of super gold tranché drawings.

Reserve Bank for the Government amounting to about R19 million, the Exchequer raised R76 million abroad and thus reduced its net indebtedness to the banking sector by R16 million during the first half of the present fiscal year. At the same time, domestic support for stock made available for public subscription during October proved to be disappointing. Applications from sources other than the Public Debt Commissioners and the banking sector totalled R1.7 million for the 5½ per cent short-term issue and R16.6 million for the 7¾ per cent long-term stock. Moreover, up to 1st November only about 60 per cent of the total stock which fell due for redemption during the current fiscal year was converted, while total net investments in government stock by the private non-banking sector amounted to only R19 million.

Capital market

Continued upward pressure on long-term interest rates

During the third quarter of 1970 the capital market was characterised by continued upward pressure on long-term interest rates as a result of the excess of the demand for over the supply of loanable funds. After subsidies had been announced on the anticipated higher interest costs for home owners, exporters and farmers in the 1970/71 Budget, official recognition could be given to higher long-term interest rates. Thus on the 12th August the Reserve Bank released the banks from their undertaking to maintain interest rates on deposits at a maximum of 7 per cent and at the same time the yield on long-term government stock was raised from 7 per cent (the rate to which it had been increased on 26th May 1970) to the very high rate of 7¾ per cent. Subsequently the yield on new issues of long-term semi-gilt-edged securities increased from about 8 to 8.9 per cent before declining again to 8.8 per cent in September, while that on company debentures increased from about 9½ to 10 per cent. At these higher rates loans by companies, municipalities and public corporations could be floated successfully, but the central government was able to raise only a limited amount of new funds from the private non-banking sector through its issue of long-term stock in October 1970.

Contrary to the upward movement of rates on fixed-interest securities, most equity yields declined during the third quarter. In the case of industrial and commercial shares the average yield declined from 5.7 per cent in June to 5.3 per cent in September. Compared with the yield on long-term government stock, there was thus a widening of the reverse yield gap from 1.3 per cent in June to 2.5 per cent in September. The yield gap between semi-gilt-edged securities and government stock showed a slight increase in the third quarter, while that between company debentures and govern-

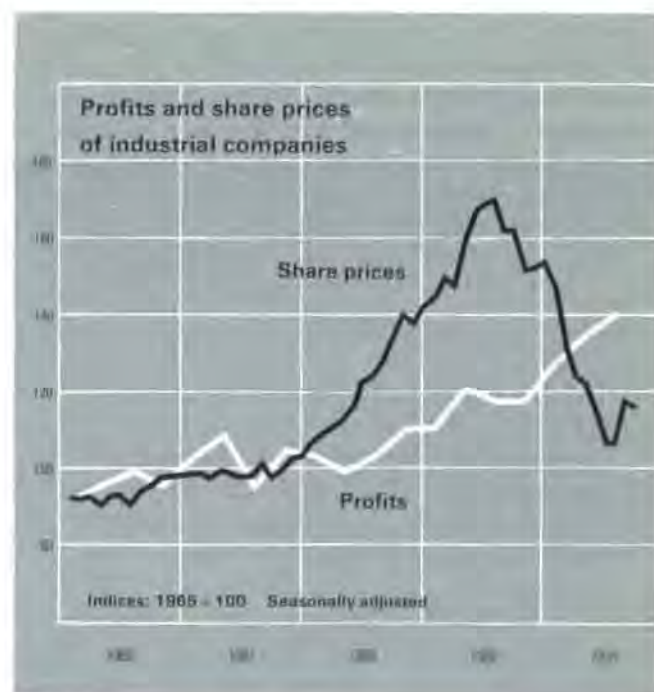
ment stock declined by ¼ per cent. With the sluggish conditions in the share market, companies resorted to borrowing rather than using equity issues as a means of raising capital. If the R28 million raised by a particular gold mining company is excluded, new share issues during the third quarter amounted to a modest R3 million, as against an amount of R27 million raised in the form of debenture flotations.

Temporary stabilisation of share prices

Conditions in the share market appeared to have been more stable during the third quarter of 1970. Although the turnover remained at a low level, the prices of all the major classes of shares increased during this period. Industrial financial share prices increased by 6 per cent, mining financial and industrial and commercial share prices by 5 per cent, and gold mining share prices by 4 per cent. The prices of most classes of shares increased slightly further during October but apparently a general downward drift occurred again during November.

Decreased outflow of funds experienced by unit trusts

The outflow of funds experienced by the unit trusts from the beginning of the last quarter of 1969 declined noticeably during the third quarter of 1970. Net repurchases of units during this period amounted to R8 million, compared with R47 million and R19 million respectively during the first and the second quarter of this year. To finance these repurchases, the unit trusts sold government stock and other approved securities to the amount of R10 million, while their holdings of



cash and deposits also decreased by R3 million. At the end of September excess holdings of approved securities above the statutory minimum nevertheless still amounted to R32 million, of which R27 million consisted of excess holdings of government stock.

Net repurchases of units actually declined to only R0.2 million in September and, with the easing of the drain on their resources, the unit trusts in this month became net investors in securities for the first time since January this year. Net purchases were confined mainly to ordinary shares and, as net sales of shares were also much smaller during July and August, this development possibly contributed to the more stable conditions in the share market during the third quarter. The indications are, however, that notwithstanding the slight further rise in most classes of share prices during October, repurchases of units by the unit trusts increased again during that month.

Reflecting the smaller outflow of funds and the increase in share prices during the third quarter, the market value of the unit trusts' net assets increased from R414 million at the end of June to R430 million at the end of September. The index (June 1965=100) of selling prices of units accordingly showed a slight rise from 152 in June to 153 in September and the average yield on units also increased from 3.2 per cent to 3.3 per cent over the same period.

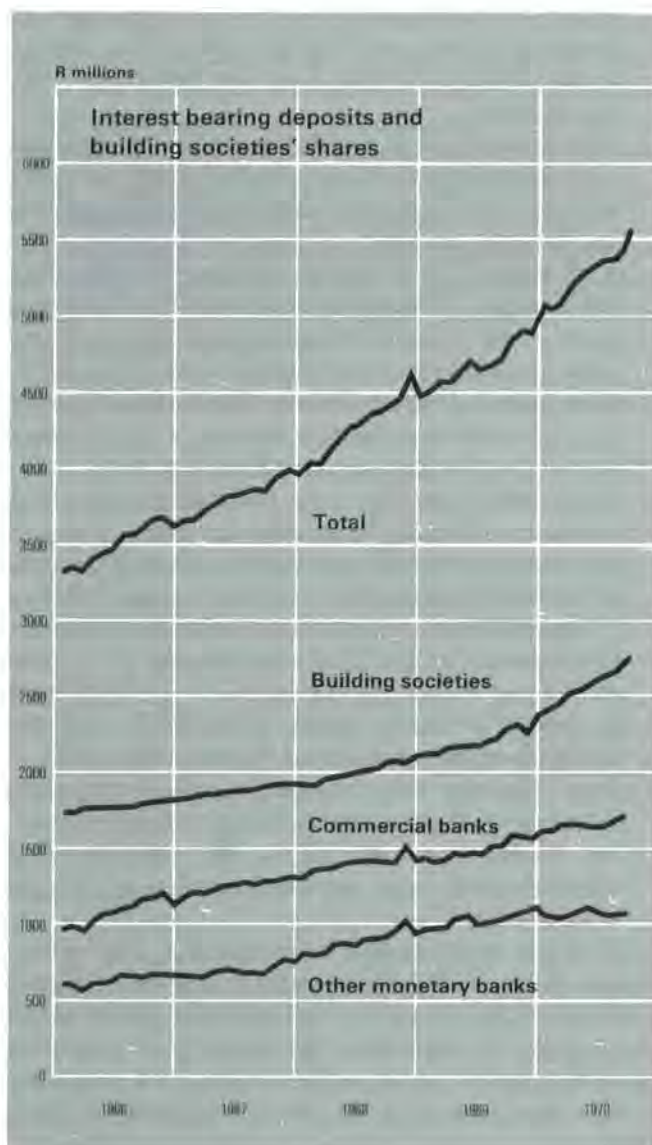
Building societies

The flow of funds to the building societies reached a new record during the third quarter of 1970 owing to a substantial increase in September and amounted to R144 million, compared with R117 million and R94 million, respectively, for the first and the second quarters of the year. Savings deposits increased by R38 million during the third quarter and reflected the usual seasonal rise during September. Fixed deposits and share capital increased by R41 million and R66 million, respectively, and also showed significant increases in September, after interest rates had been increased in August.

The resources of building societies not only increased substantially in absolute terms during the third quarter, but also relative to the increase in interest-bearing deposits of the private sector with monetary banking institutions. The relevant increase amounted to 5 per cent, compared with 3 per cent for monetary banking institutions. During the first three quarters of the year the corresponding increases amounted to 15 per cent and 5 per cent, respectively.

With the increased inflow of new funds in the third quarter, the building societies were able to extend new mortgage loans at the same high rate as that recorded during the first six months of 1970. New loans of R185 million were granted as against a quarterly average of R186 million for the first two quarters of the year. Their commitments in respect of new advances granted but

not yet paid out also decreased only marginally from R229 million at the end of June to R226 million at the end of September. Actual mortgage loans outstanding increased by R100 million and, compared with the increase in their resources, left the building societies with scope to make further additions to their holdings of liquid assets and other prescribed investments during the period under review. Liquid asset holdings increased by R18 million and other prescribed investments by R8 million. This further net investment brought their holdings of excess prescribed investments above the statutory minimum to R181 million at the end of September.



Kwartaallikse ekonomiese oorsig

Algemene opmerkings

Na 'n matige verlansaming teen die einde van 1969 en die begin van 1970 het die Suid-Afrikaanse volkshuishouding tot hoër groeikoerse in die tweede en derde kwartale van 1970 versnel met die gevolg dat 'n bevredigende groeikoers weer vir 1970 as geheel verwag kan word. Terselfdertyd het die volkshuishouding meer oorverhit geraak aangesien die totale binnelandse monetêre vraag na goedere en dienste die binnelandse aanbod in 'n baie groot mate oorskry het en sodoende aansienlike druk op produksiefaktore, in besonder die beperkte aanbod van sekere tipes arbeid en kapitaal, veroorsaak het. Met hierdie onewewigtigheid tussen die binnelandse vraag na en binnelandse aanbod van goedere en dienste het werkgewers sterk meegeding vir die beperkte beskikbare arbeid deur al hoër en hoër salarisse en lone aan te bied. Hierdie toestand verskil aanmerklik van dié in baie ander lande waar salarisse en lone opgedruk word deur sterk vakbonde wat, met hulle sterk bedingingsposisie, salaris- en loonsverhogings kan eis bo die toename in arbeidsproduktiwiteit, selfs as totale binnelandse vraag traag is. Hierdie lande ondervind derhalwe 'n soort van inflasie wat normaalweg na verwys word as loondrukinflasie terwyl die Suid-Afrikaanse toestand meer toepaslik as vraagtrekinflasie beskryf kan word. Hierdie inflasionistiese toestand het gelei tot prysstygings wat oormating hoog vir Suid-Afrika is, maar nogtans nie so hoog is as die koerse wat onlangs in die openbaar gekwoteer is nie.

Nieteenstaande die globale onewewigtigheid tussen binnelandse vraag na en aanbod van goedere en dienste en die gevolglike groot tekort op die lopende rekening van die betalingsbalans, is die duidelike herlewing in vaste investering deur die private fabriekswese verblydend. Laasgenoemde ontwikkeling mag lei tot meer gebalanseerde groei in die toekoms veral as dit kon saamval met 'n verlaging in die buitengewoon hoë peil

van besteding aan geboue en konstruksie deur die nie-vervaardigingsektore. Al die vernaamste komponente van bruto binnelandse besteding dra egter tans tot die oormatige totale monetêre vraag by. Die opmerklikste toenames het egter voorgekom in lopende owerheidsbesteding en private verbruiksbesteding, terwyl die koers van toename in sekere tipes kapitaalbesteding deur die private en openbare sektore ook nog baie hoog was. Die feit dat private verbruik so vinnig gestyg het en in 'n groot mate deur bank- en ander soorte krediet gefinansier is, het boonop tot 'n lae peil van persoonlike besparing in verhouding tot persoonlike beskikbare inkome gelei, wat weer, op sy beurt, die algemene tekort aan kapitaal en die gevolglike opwaartse druk op rentekoerse vererger het.

In die lig van hierdie omstandighede het die owerhede besluit om verbruikerskrediet te beperk deur die instelling van strenger maatreëls ten opsigte van aankope van sekere duursame verbruiksgoedere en terselfdertyd besluit om die beperkings op bankkrediet, in besonder vir verbruiksbesteding, te behou. Die Reserwebank het ook die banke weer versoek om te voldoen aan die riglyne wat voorheen aan hulle gestel is ten opsigte van die soorte krediet, soos krediet vir produksie- en uitvoerdoeleindes, wat die hoogste voorkeur moet kry ten koste van krediet vir verbruiksbesteding, spekulasie en nie-noodsaaklike invoere.

Kapitaalmarktoestande het stram gebly en aansienlike opwaartse druk is gedurende die derde kwartaal van 1970 op langtermynrentekoerse ondervind. Gedurende hierdie kwartaal is koerse van ongeveer 10 persent en 8.9 persent onderskeidelik deur maatskappye en semi-staatsinstellings aangebied en suksesvolle uitgiftes van skuldbriewe en effekte is teen hierdie koerse gemaak. Teen $7\frac{3}{4}$ persent was die regering nie heeltemal suksesvol met sy uitgifte van langtermynstaatseffekte gedurende Oktober nie.

Nasionale rekeninge*

Bruto binnelandse produk

Nadat dit gedurende die tweede kwartaal van 1970 skerp toegeneem het, het die bruto binnelandse produk teen heersende markpryse gedurende die derde kwartaal van 1970 verder gestyg, maar teen 'n stadiger koers as gedurende die vorige kwartaal. Aansienlike toenames in die toegevoegde waarde van fabriekswese, handel, algemene owerheidsdienste, en vervoer, opberging en kommunikasie gedurende die derde kwartaal is in 'n sekere mate deur aanmerklike afnames in die toegevoegde waarde van landbou en nie-goudmynbou geneutraliseer. Die daling in die bydrae van landbou is deur ongunstige weerstoestande en dalings in uitvoerpryse van belangrike landbouprodukte, soos wol en vrugte, veroorsaak, terwyl laer produsentepryse behaal vir, onder andere, koper en diamante hoofsaaklik vir die skerp daling in die toegevoegde waarde van nie-goudmynbou verantwoordelik was.

In teenstelling met ontwikkelings gedurende die tweede kwartaal van 1970, toe sowel salarisse en lone as „ander inkome” (dit wil sê winste en netto rente- en huurbetalings) ongeveer eweveel tot die toename in die bruto binnelandse produk bygedra het, was salarisse en lone uitsluitlik vir die styging gedurende die derde kwartaal verantwoordelik. Toenames in die „ander inkome” van veral fabriekswese en die handel is deur

afnames in die „ander inkome” van landbou en nie-goudmynbou geneutraliseer.

Aansienlike verdere toename in bruto binnelandse besteding

Net soos gedurende beide die eerste en tweede kwartale van 1970, het die bruto binnelandse besteding gedurende die derde kwartaal van 1970 vinniger as die bruto nasionale produk gestyg. Hierdie neiging is in 'n verdere aanmerklike toename in die tekort op die lopende rekening van die betalingsbalans weerspieël. Toenames in al die vernaamste komponente van bruto binnelandse besteding, naamlik private verbruiksbesteding, lopende besteding deur die algemene owerheid, kapitaalbesteding aan installasies, masjinerie, toerusting en geboue en konstruksiewerke deur beide die openbare en private sektore, sowel as voorraad-investering, het tot die verdere aansienlike toename in die bruto binnelandse besteding bygedra.

Verdere skerp toename in private verbruiksbesteding en lopende owerheidsbesteding

Nadat dit teen 'n buitengewoon hoë koers gedurende die tweede kwartaal gestyg het, het private verbruiksbesteding 'n verdere aansienlike toename gedurende die derde kwartaal van 1970 getoon. Laasgenoemde toename was die gevolg van skerp stygings in die besteding aan duursame goedere, veral aan nuwe motors, en aan nie-duursame goedere, terwyl die besteding aan dienste teen 'n stadiger koers toegeneem het. Die uitgawe aan duursame goedere het gemiddeld met nie minder nie as 17 persent gedurende die eerste drie kwartale van 1970 vergeleke met die ooreenstemmende tydperk gedurende 1969 toegeneem en volgens beskikbare inligting is dit in 'n groot mate deur bank- en ander vorms van krediet gefinansier. In Oktober het die owerhede derhalwe strenger vereistes ten opsigte van huurkoop- en ander klasse verbruikerskrediet vir sekere duursame goedere ingestel.

Lopende owerheidsbesteding, wat gedurende die tweede kwartaal gedaal het, het gedurende die derde kwartaal van 1970 'n skerp styging getoon en was gedurende die eerste drie kwartale van 1970 gemiddeld 11 persent hoër as gedurende die ooreenstemmende tydperk 'n jaar gelede.

Verdere toename in bruto binnelandse vaste investering en duidelike herlewing van kapitaaluitgawes deur private fabriekswese

Nieteenstande 'n afname in vaste investering deur openbare korporasies en plaaslike owerhede, het totale



*Die ontleding in hierdie deel van die oorsig is hoofsaaklik gebaseer op die Reserwebank se kwartaalike 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 kwartaalike verwikkelinge tot die beskrywing van breë tendense beperk.

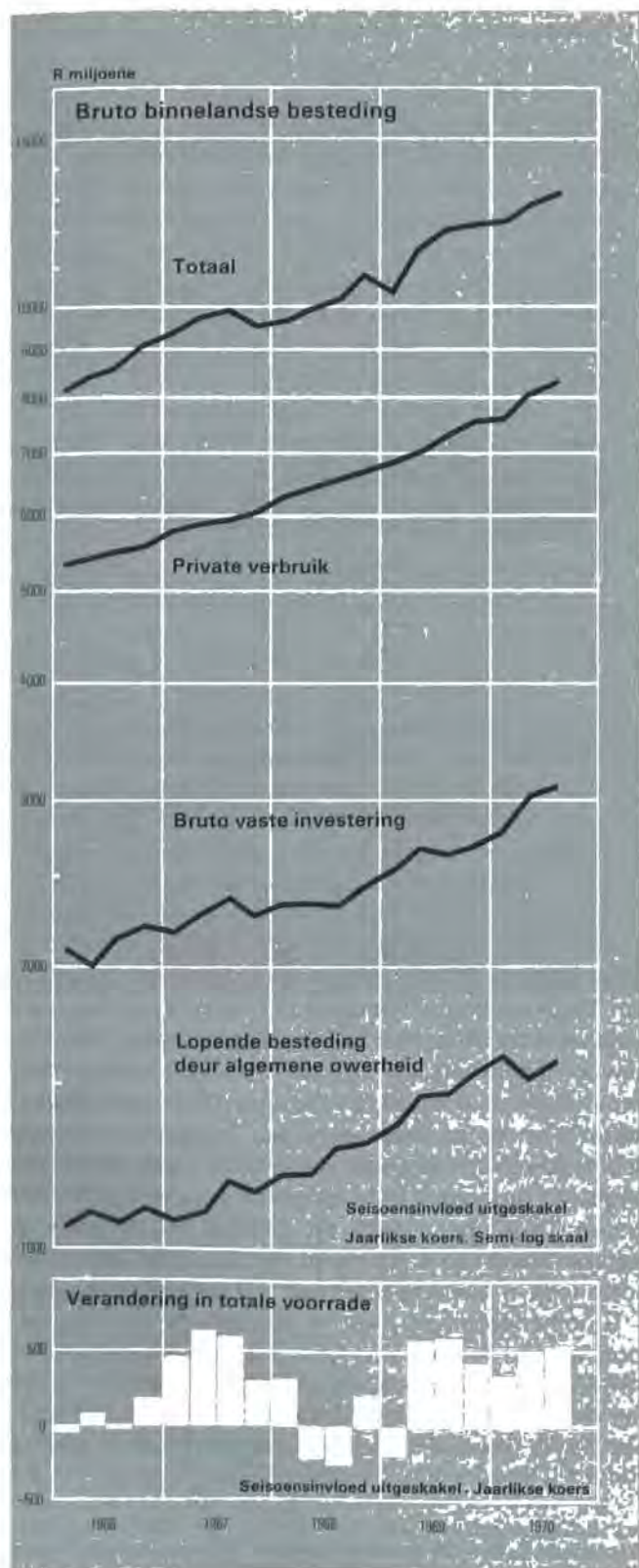
vaste investering gedurende die derde kwartaal van 1970 verder toegeneem as gevolg van aanmerklike toenames in die kapitaalbesteding van die sentrale regering, die Suid-Afrikaanse Spoorweë, provinsiale administrasies en die privaatsektor. Aansienlike toenames in die kapitaaluitgawe aan installasies, masjinerie

en toerusting deur die Suid-Afrikaanse Spoorweë en die privaatsektor is deur 'n aanmerklike afname in hierdie soort investering deur openbare korporasies geneutraliseer, met die gevolg dat die toename in totale vaste investering in 'n groot mate tot geboue en konstruksiewerke beperk was.

In die geval van die privaatsektor, is die toename in vaste investering hoofsaaklik deur aansienlik hoër kapitaaluitgawes deur fabriekswese veroorsaak, alhoewel bydraes ook deur mynbou en die sektor handel, private vervoer en finansiële instellings gemaak is. Met die sterk toename in die kapitaaluitgawes deur private fabriekswese gedurende die tweede sowel as die derde kwartaal van 1970 wil dit nou by 'n terugblik voorkom asof hierdie investering moontlik gedurende die tweede helfte van 1969 matig begin herleef het, en dat dit gedurende 1970 aansienlik in stukrag toegeneem het. Trouens die gemiddelde kwartaallikse peil van vaste investering deur private fabriekswese gedurende die eerste drie kwartale van 1970 was ongeveer 14 persent hoër as gedurende die ooreenstemmende periode in 1969. Trouens toenames is waargeneem in bykans alle vertakkings van die fabriekswese, maar in besonder in die hoofgroepe nie-metaalhoudende minerale produkte, rubberprodukte, en papier en papierprodukte.

Volgehoue netto toevoeging tot voorrade

'n Verdere relatiewe groot netto toevoeging tot voorrade, hoofsaaklik in die vorm van nywerheids- en handelsvoorrade (insluitende diamantvoorrade) is gedurende die derde kwartaal van 1970 aangeteken. Dit was die



sesde opeenvolgende kwartaal waarin 'n toename voorgekom het en het die totale opbouing van voorrade gedurende die agtien maande op meer as R700 miljoen te staan gebring. Die voorraadopbouing gedurende hierdie tydperk is ook in 'n sekere mate 'n weerspieëling van die skerp styging in invoer en die tekort op die lopende rekening van die betalingsbalans gedurende die ooreenstemmende tydperk wat van ongeveer dieselfde omvang as die voorraadopbouing was. Die mate waarin hierdie opbouing oormatig was bo normale vereistes, en die mate waarin dit ingevoerde goedere verteenwoordig, sal die moontlike toekomstige verligting van druk op die betalingsbalans en binnelandse produksiefaktore bepaal.

Onvoldoende binnelandse besparing

Volgens voorlopige aanduidings het bruto binnelandse besparing gedurende die derde kwartaal van 1970 aanmerklik gedaal. Persoonlike en maatskappybesparing en die lopende surplus van die algemene owerheid het merkbaar gedaal, terwyl die voorsiening vir waardevermindering matig toegeneem het. Dit het persoonlike besparing as 'n persentasie van persoonlike beskikbare inkomste op 'n abnormale lae peil te staan gebring. Aangesien die tekort in binnelandse besparing gedurende die derde kwartaal nie ten volle deur die invloeiing van buitelandse kapitaal teengewerk kon word nie, moes daar weer eens op die goud- en buitelandse valutareserwes getrek word ten einde die binnelandse investering te finansier. Dit is derhalwe nie verrassend dat die regering 'n spesiale komitee aangestel het om die besparingsgeleenthede van die regering en die bevordering van besparing in die algemeen te bestudeer nie.

Produksie en werkverskaffing

Nadat dit teen die einde van 1969 en gedurende die eerste kwartaal van 1970 geneig het om meer gelyk te verloop, het die seisoensaangesuiwerde indeks van die volume van fabrieksproduksie tot 'n aansienlike hoër vlak in die vier maande tot Julie 1970 gestyg. Hierdie hoër peil van produksie kan hoofsaaklik aan 'n toename in die produksie van nie-duursame goedere toegeskryf word. Totale produksie gedurende die eerste sewe maande van 1970 was gemiddeld 6.0 persent hoër as gedurende die ooreenstemmende tydperk van die vorige jaar. Die styging in fabrieksproduksie na die eerste kwartaal van 1970 is deur 'n toename in die totale ure gewerk en 'n geringe toename in oortyd gewerk, bevestig. Nie-amptelike opnames dui daarop dat fabrieksproduksie waarskynlik voortgegaan het om teen 'n bevredigende koers gedurende die res van die derde kwartaal van die jaar te styg.

Totale mynbouproduksie het voortgegaan om tot September toe te neem en was gemiddeld 4.9 persent hoër gedurende die eerste nege maande van 1970 as

gedurende die ooreenstemmende tydperk van die vorige jaar. Uiteenlopende neigings is egter ten opsigte van goud- en ander mynbouproduksie oor hierdie tydperk waargeneem. Waar eersgenoemde min verandering tot Mei getoon het en toe tot 'n opmerklik hoër peil in die volgende drie maande toegeneem het, het laasgenoemde gedurende die eerste vier maande van 1970 toegeneem en daarna geneig om gelyk te verloop.

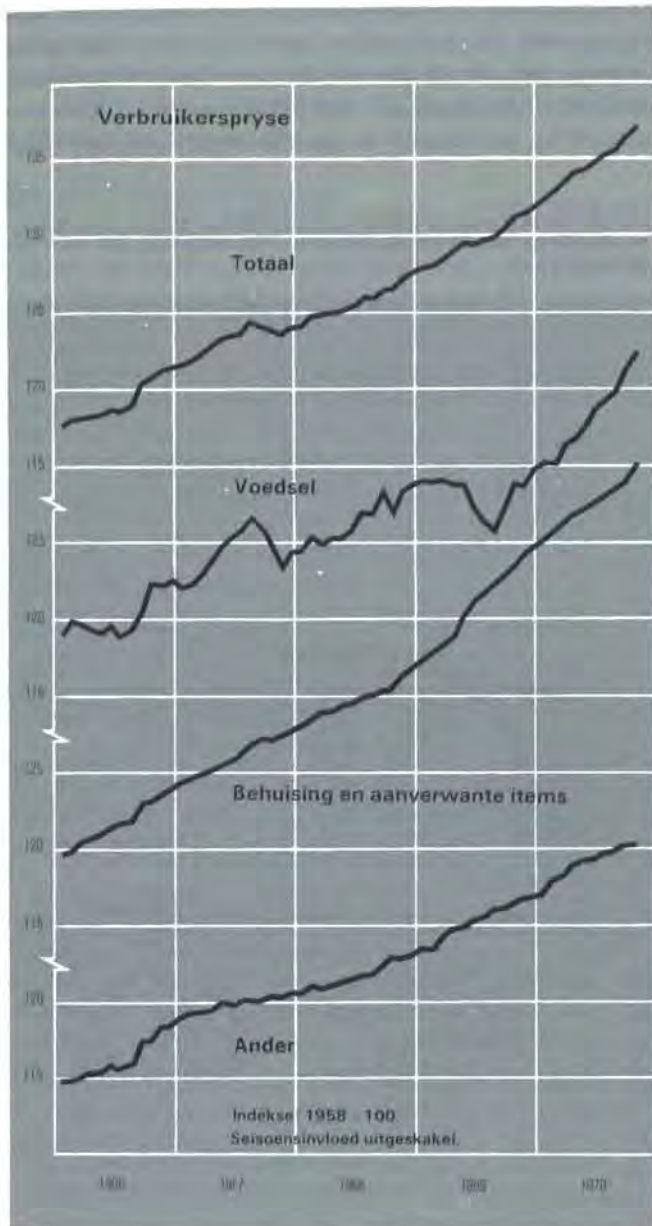
Werkverskaffing het 'n verdere toename gedurende die derde kwartaal getoon geoordeel aan die hand van inligting beskikbaar vir sektore soos konstruksie, mynbou, die Suid-Afrikaanse Spoorweë en die Poskantoor en hierdie styging is ook weerspieël in 'n afname in die aantal geregistreerde werklose Blankes, Kleurlinge en Asiate tot 'n syfer van 8,183 aan die einde van September. Hierdie werkloosheidsyfer verteenwoordig effens minder as $\frac{1}{2}$ persent van die totale aantal Blankes, Kleurlinge en Asiate wat in die nie-landbousektore werksaam is. Die tekort aan arbeid is ook in 'n opmerkbare toename in gemiddelde salarisse en lone in die tweede kwartaal weerspieël en verdere stygings word verwag as gevolg van die salaris- en loonsverhogings wat reeds in die openbare en private sektore aangekondig is.

Pryse

Geoordeel volgens die gedrag van die verbruikersprysindeks, het inflasionistiese toestande in die Suid-Afrikaanse volkshuishouding gedurende die eerste tien maande van 1970 voortgeduur. Nadat dit teen die hoë koers van 3.5 persent gedurende 1969 toegeneem het, het die verbruikersprysindeks (na aansuiwerings vir onvergelykbaarhede en seisoensbewegings*) selfs verder versnel na 'n jaarlikse koers van 4.6 persent tussen Desember 1969 en Oktober 1970. Hierdie toename was hoofsaaklik aan die gedrag van voedselpryse toe te skryf, wat gedurende die eerste vyf maande van 1969 horisontaal beweeg het, daarna tot Augustus 1969 aansienlik gedaal het, voordat dit teen 'n buitengewoon hoë koers tot Oktober 1970 toegeneem het. Vanaf Desember 1969 tot Oktober 1970 het voedselpryse teen 'n jaarlikse koers van 7.1 persent gestyg hoofsaaklik as gevolg van aansienlike toenames in die pryse van groente. „Behuising en verwante poste“ het tussen Desember 1969 en Oktober 1970 teen 'n jaarlikse koers van 4.8 persent gestyg, terwyl alle ander poste teen 'n jaarlikse koers van 3.3 persent gestyg het.

Groothandelspryse het 'n soortgelyke verloop getoon en van 'n toename van 2.3 persent gedurende 1969 na 'n seisoensaangesuiwerde jaarlikse koers van 3.6 persent tussen Desember 1969 en September 1970, versnel. Alhoewel die koers van toename

*Besonderhede van die betrokke aansuiwerings word verskaf in die „Opmerkings oor tabelle“ in hierdie *Kwartaalblad*.



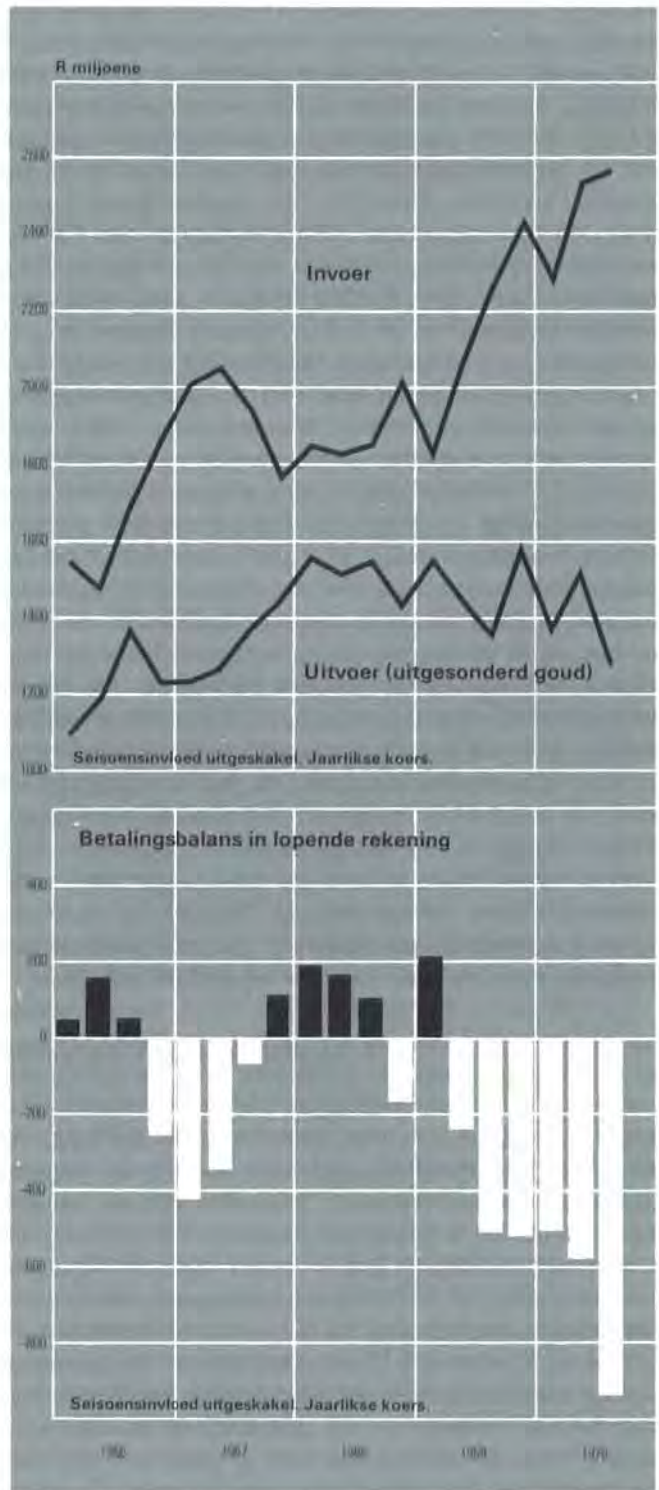
in die pryse van al drie hoofkomponente aansienlik gestyg het, was dit veral opmerklik in die pryse van landbou-, bosbou- en visseryprodukte en ingevoerde goedere. Laasgenoemde het tussen Desember 1969 en September 1970 teen 'n jaarlikse koers van 3.0 persent gestyg vergeleke met 'n styging van 1.9 persent gedurende 1969.

Betalingsbalans*

Progressiewe groter tekort op lopende rekening

Vir die sesde opeenvolgende kwartaal het die lopende rekening van die betalingsbalans 'n aansienlike tekort getoon. Gedurende die derde kwartaal van 1970 was die tekort nie minder nie as R222 miljoen wat die totale

*Die betalingsbalansgegewens sluit nou Botswana, Lesotho en Swasiland uit en het slegs betrekking op die Republiek en Suidwes-Afrika. Kyk „Opmerkings oor tabelle”.



tekort vir die eerste nege maande van die jaar op R502 miljoen te staan gebring het. Teen 'n seisoensaange-suiwerde jaarlikse koers het die tekort op die lopende rekening progressief toegeneem en die besonder hoë bedrag van ruim meer as R900 miljoen in die derde kwartaal bedra, vergeleke met bykans R600 miljoen gedurende die tweede kwartaal en net meer as R500 miljoen in die eerste kwartaal van 1970.

Hierdie verdere verswakking in die saldo op lopende

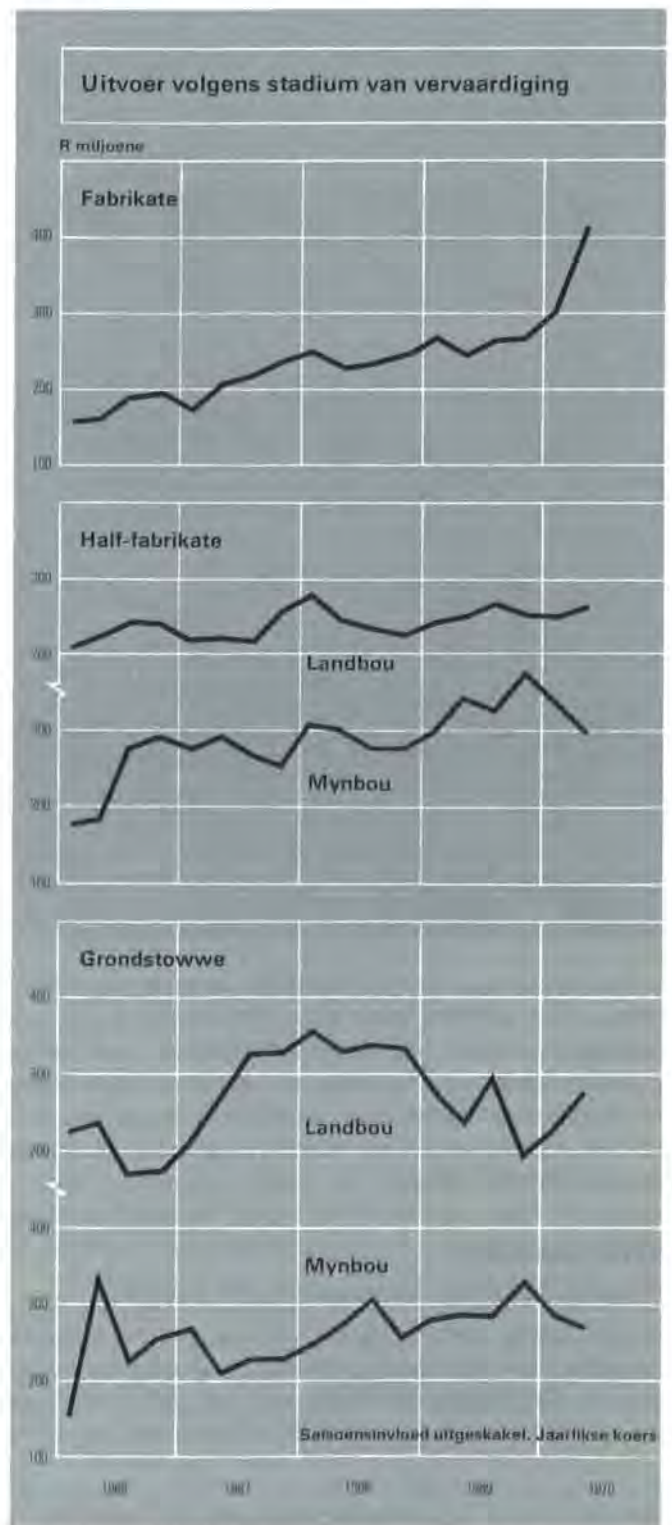
rekening gedurende die derde kwartaal was veral toe te skryf aan 'n aansienlike afname in goedere-uitvoer wat vanaf 'n seisoensaangesuiwerde jaar koers van R1,522 miljoen gedurende die tweede kwartaal tot R1,279 miljoen gedurende die derde kwartaal gedaal het en is grotendeels veroorsaak deur 'n daling in die waarde van die uitvoer van diamante, landbouprodukte en tekstielgoedere. Dienstebetalings aan die res van die wêreld het ook vanaf 'n seisoensaangesuiwerde jaarlikse koers van R1,019 miljoen gedurende die tweede kwartaal tot R1,128 miljoen gedurende die derde kwartaal toegeneem, hoofsaaklik as gevolg van hoër vragtariewe betaalbaar aan buitelandse vaartuie en die hoë vlak van invoer. Goedere-invoer het ietwat verder tot 'n seisoensaangesuiwerde jaarlikse koers van R2,571 miljoen gedurende die derde kwartaal toegeneem, vanaf die reeds hoë vlak van R2,545 miljoen in die tweede kwartaal. Met die uitsondering van 'n matige toename in die invoer van chemiese produkte en basiese metale en 'n gedeeltelik teenwerkende vermindering in vervoertoerusting ingevoer, het die ander klasse van ingevoerde goedere gedurende die derde kwartaal min verandering getoon. Die netto goudproduksie, soos vir betalingsbalansdoeleindes gedefinieer en teen 'n seisoensaangesuiwerde jaarlikse koers gereken, het vanaf R847 miljoen in die tweede kwartaal tot R862 miljoen in die derde kwartaal toegeneem. Alhoewel ontvangstes vir dienste gedurende die derde kwartaal effens gestyg het, is dit prakties deur 'n ooreenstemmende vermindering in netto oordragontvangstes van die res van die wêreld geneutraliseer.

Vir die eerste drie kwartale van 1970, het die tekort op die lopende rekening ten bedrae van R502 miljoen 'n skerp styging getoon vergeleke met die tekort van slegs R119 miljoen gedurende die ooreenstemmende tydperk in 1969. Hierdie verswakking in die lopende rekening is hoofsaaklik veroorsaak deur 'n aansienlike toename in goedere-invoer, nl. vanaf 'n seisoensaangesuiwerde jaarlikse koers van ongeveer R2,050 miljoen gedurende die eerste drie kwartale van 1969 tot nie minder nie as R2,470 miljoen gedurende die ooreenstemmende periode van 1970, d.w.s. 'n toename van ongeveer 20 persent. 'n Matige afname in goedere-uitvoer vanaf 'n seisoensaangesuiwerde jaarlikse koers van R1,450 miljoen tot R1,390 miljoen oor die ooreenstemmende tydperk het ook bygedra tot die toename in die tekort terwyl netto dienstebetalings, netto oordragontvangste en netto goudproduksie min verandering getoon het.

Die versnelling van invoere tot die tweede kwartaal van 1970 was veral opmerklik in die invoer van kapitaalgoedere wat vergeleke met die ooreenstemmende tydperk van 1969 met nie minder nie as 27 persent toegeneem het. Betekenisvolle stygings is egter ook in die invoer van intermediêre en verbruiksgoedere aangeteken. Volgens 'n klassifikasie van uitvoere in groepe wat bestaan uit grondstowwe (landbou en

mynbou), half-fabrikate (landbou en mynbou) en fabrikate* het laasgenoemde groep 'n sterk opwaartse neiging gedurende die eerste twee kwartale getoon, terwyl grondstowwe en half-fabrikate van 'n mynbou-oorsprong, hoofsaaklik as gevolg van prysdalings, rede-

*Hierdie klassifikasie is gebaseer op die Departement van Doeane en Aksyns se produktelklassifikasie en is onlangs deur die Reserwebank opgestel.



lik skerp afgeneem het. Nadat dit 'n dalende neiging vir amper twee jaar getoon het, het die uitvoer van landbougrondstowwe ook gedurende die eerste helfte van 1970 gestyg, maar dit mag miskien 'n tydelike oplewing verteenwoordig.

Netto invloeiing van kapitaal

Die netto invloeiing van kapitaal het R69 miljoen, R151 miljoen en R95 miljoen gedurende die eerste, tweede en derde kwartaal onderskeidelik beloop. Vir die eerste nege maande van 1970 het die netto kapitaalinvloeiing dus die aansienlike bedrag van R315 miljoen beloop. Gedurende die derde kwartaal het die netto invloeiing na die private sektor R61 miljoen en dié na die sentrale regering en banksektor R34 miljoen beloop.

Die netto invloeiing van kapitaal na die private sektor was nagenoeg gelyk tussen lang- en korttermynkapitaal vir beide die tweede en derde kwartaal verdeel. Gedurende die derde kwartaal het langtermynkapitaal R32 miljoen beloop, terwyl korttermynkapitaal, insluitende foute en onaangetekende transaksies, vir R29 miljoen verantwoordelik was. Die langtermynkapitaal het hoofsaaklik bestaan uit lenings wat in die buiteland verkry is, alhoewel daar ook 'n geringe toename was in die netto buitelandse aankope van effekte wat op die Johannesburgse Effektebeurs genoteer is, naamlik vanaf R2 miljoen in die tweede kwartaal tot R13 miljoen in die derde kwartaal. 'n Toename in handelskrediete was weer eens grootliks vir die invloeiing van korttermynkapitaal verantwoordelik. Hoofsaaklik as gevolg van trekkings op buitelandse lenings deur die sentrale regering, het die sentrale regering en banksektor 'n netto invloeiing van langtermynkapitaal van R29 miljoen gedurende die derde kwartaal gehad, vergeleke met slegs R5 miljoen in die vorm van korttermynkapitaal.

Skerp afname in goud- en buitelandse valutareserwes

In teenstelling met die eerste twee kwartale, was die netto kapitaalinvloeiing gedurende die derde kwartaal aansienlik kleiner as die tekort op die lopende rekening, met die gevolg dat daar 'n skerp afname van R127 miljoen in die goud- en buitelandse valutareserwes was. Hierdie vermindering is weerspieël in afnames van R95 miljoen, R15 miljoen en R17 miljoen in die reserwes van die Reserwebank, die res van die banksektor en die sentrale regering onderskeidelik. Die daling van R17 miljoen in die valutareserwes van die sentrale regering is die gevolg van 'n trekking op Suid-Afrika se super goudtranche by die Internasionale Monetêre Fonds en word natuurlik ook weerspieël as 'n toename in die valutareserwes van die Reserwebank. Dit het Suid-Afrika se super goudtranche op die onbeduidende bedrag van R0.3 miljoen aan die einde van September te staan gebring.

Alhoewel Suid-Afrika se goud- en buitelandse valutareserwes met R163 miljoen gedurende die eerste

drie kwartale van 1970 gedaal het, as die netto resultaat van 'n daling van R187 miljoen voortspruitende uit betalingsbalanstransaksies en 'n toekenning van spesiale trekkingsregte ten bedrae van R24 miljoen, was die reserwes aan die einde van September nog steeds op 'n betreklik hoë vlak van R906 miljoen.

Ontwikkelings na September

Gedurende Oktober het die goud- en buitelandse valutareserwes van die Reserwebank met R13 miljoen en tot 27 November met 'n verdere R48 miljoen gedaal.

Volgens die maandelikse gegewens van die Departement van Doeane en Aksyns, wat nie op 'n vergelykbare basis met die kwartaallikse betalingsbalansgegewens saamgestel word nie, het invoere teen 'n seisoensaangesuiwerde jaarlikse koers van R2,711 miljoen in September tot R2,974 miljoen in Oktober toegeneem. Uitvoere het matig vanaf 'n seisoensaangesuiwerde jaarlikse koers van R1,422 miljoen in September tot R1,492 miljoen in Oktober gestyg. Faktore wat tot die buitengewone styging in invoere kon bygedra het, is die hoë koers van toename in totale binne-landse besteding, hernieude onsekerheid aangaande internasionale geldeenheide en 'n ongegronde vrees dat die Suid-Afrikaanse owerhede invoerbeheer mag verskerp. In laasgenoemde verband het die Minister van Ekonomiese Sake op 19 November aangekondig dat die Regering nie strenger invoerbeheermaatreëls oorweeg nie, maar dat die invoer van nie-noodsaaklike verbruiksgoedere as 'n onverantwoordelike vermorsing van die land se buitelandse valutareserwes beskou word.

Monetêre en banktoestand

Verdere styging in geld en kwasi-geld

Nadat dit gedurende die eerste en tweede kwartale van 1970 met onderskeidelik R106 miljoen en R116 miljoen toegeneem het, het die seisoensaangesuiwerde totale hoeveelheid geld en kwasi-geld gedurende die derde kwartaal met R43 miljoen gestyg. Gedurende die eerste nege maande van 1970 het dit dus teen 'n jaarlikse koers van 9.6 persent toegeneem, in vergelyking met 'n toename van 10.3 persent in 1969.

Die verdere toename in geld en kwasi-geld gedurende die derde kwartaal was die netto resultaat van 'n groot toename in bankkrediet aan die private sektor en 'n matige toename in bankkrediet aan die regeringsektor wat gedeeltelik geneutraliseer is deur die aansienlike daling in die netto goud- en buitelandse valutareserwes en 'n verskuiwing in die deposito's by die banksektor vanaf middeltermyn na langtermyn. Met betrekking tot die toename in netto bankkrediet aan die regeringsektor behoort opgemerk te word dat die netto buitelandse lenings van die Regering gedurende Junie, September en Oktober sowel die regeringsdeposito's as die netto goud- en buitelandse valutareserwes opgestoot het.



Hooforsaake van veranderings in geld en kwasi-geld, 1970

R miljoene

	Seisoensinvloed nie uitgeskakel nie			Seisoensinvloed uitgeskakel		
	1e kw.	2e kw.	3e kw.	1e kw.	2e kw.	3e kw.
Netto goud- en buitelandse valuta-reserwes	-43	-39	-119	-56	-24	-107
Eise teen die regeringsektor:						
Bruto eise	-45	51	97	...	...	...
Regeringsdeposito's (toename-, afname+)	-63	82	-89	...	...	...
Netto eise	-107	133	8	10	49	26
Eise teen die private sektor	99	51	117	76	68	106
Langtermyn private deposito's (toe- name-, afname+)	-1	60	-26	28	71	-47
Ander bates en laste (netto)	-22	-4	59	...	...	...
Totaal	-74	200	39	106	116	43

Die bogenoemde toename in die private nie-banksektor se besit aan geld en kwasi-geld is by benadering deur die koers van toename in die bruto binnelandse produk geewenaar. Die verhouding van geld en kwasi-geld tot die bruto binnelandse produk het derhalwe gedurende die eerste drie kwartale van 1970 meer gelyk verloop en het in die tweede en derde kwartale op 30·3 persent gestaan.

Voortgesette skerp styging in bankkrediet aan die private sektor

Die aansienlike verdere styging in bankkrediet aan die private sektor gedurende die derde kwartaal van 1970,



wat R117 miljoen of 3·4 persent bedra het, is grotendeels verklaar deur 'n kleiner as seisoenale styging van R47 miljoen in kaskrediete van die Landbank en 'n toename van R103 miljoen in die diskonteringe en voorskotte van handelsbanke (R86 miljoen) en monetêre huurkoop- en algemene banke (R17 miljoen) (met uitsluiting van veranderings in remises in transito). Volgens voorlopige inligting het die diskonteringe en voorskotte van die handelsbanke gedurende Oktober 1970 verder gestyg met byna R30 miljoen.

Gedurende die eerste nege maande van 1970 het die diskonteringe en voorskotte (insluitende netto remises in transito) van handelsbanke, aksepanke en monetêre huurkoop- en algemene banke met R244 miljoen (11 persent) toegeneem, vergeleke met R299 miljoen (16 persent) gedurende die ooreenstemmende tydperk van 1969. In teenstelling hiermee het hierdie banke hul beleggings by die private sektor met slegs R12 miljoen (minder as 3 persent) vermeerder, ten spyte van die verhoging van 15 persent van die beleggingsplafon wat in Februarie 1970 deur die Reserwebank toegestaan is om meer geleentheid vir die verlening van middeltermynkrediet, in die besonder aan die fabriekswese-sektor, te skep.

Betreklik lae oorskot-likwiede bates van monetêre banke

Nadat dit seisoenaal gedaal het vanaf 5·2 persent aan die einde van Junie 1970 tot 2·9 persent aan die einde van Julie, het die oorskot-likwiditeitsverhouding van die monetêre banke op 'n betreklik lae peil gebly, nl. 3·6 persent aan die einde van Augustus en 2·7 persent aan die einde van September. Hoofsaaklik as gevolg van die gewone seisoensverskuiwing van fondse vanaf die private sektor na die regering gedurende Julie en die aansienlike daling in die netto goud- en buitelandse valuta-reserwes gedurende die derde kwartaal, het die werklike besit aan likwiede bates van die monetêre banke gedurende die derde kwartaal met R102 miljoen gedaal, waardeur die bedrag aan oorskot-likwiede bates aan die einde van September op R138 miljoen te staan gekom het.

Strammer toestand op die geldmark

Die vermindering van die likwiede batebesit van die monetêre banke is ook in 'n aansienlike afname in die totale daggeldlenings aan die diskontohuise, vanaf R374 miljoen aan die einde van Junie tot R207 miljoen aan die einde van September, weerspieël, as gevolg waarvan die voorskotte van die Reserwebank aan die diskontohuise vanaf R17 miljoen aan die einde van Junie tot R189 miljoen aan die einde van September gestyg het. Hierdie peil van akkommodasie deur die Reserwebank was gelyk aan ongeveer 45 persent van die diskontohuise se totale portefeulje van meer as R400 miljoen. Ten einde oormatige en te gereelde steun op Reserwebankkrediet te ontmoedig, is

'n progressief verhoogde strafkoers deur die Reserwebank toegepas. In die begin van Julie is 'n strafkoers van $\frac{1}{4}$ persent bo Bankkoers bereken, maar dit is progressief tot $\frac{1}{2}$ persent bo Bankkoers teen die middel van September verhoog. Hierdie strafkoers het die diskontohuise daartoe beweeg om hul skuld aan die Reserwebank tot R73 miljoen aan die einde van Oktober te verminder. Dit is hoofsaaklik bewerkstellig deur vermindering van hul besit aan staatseffekte (grotendeels deurdat hulle nie hul effekte wat op 1 Oktober verval het, omgesit het nie) en van hul besit aan skatkiswissels, bankaksepte en verhandelbare deposito-sertifikate.

Hoër geldmarkrentekoerse

Die skatkiswissel-tenderkoers, wat gedurende die seisoenale vernouing van die toestand op die geldmark gedurende Julie nie beduidend gestyg het nie, het daarna gedurende die res van die derde kwartaal vanaf 4·32 persent op 17 Julie tot 4·44 persent op 16 Oktober gestyg en het tot 20 November op hierdie peil bly staan.

Ander geldmarkrentekoerse het meer opvallende skommelings getoon. Die daggeldkoers van die diskontohuise is tot heelwat bo die skatkiswisselkoers verhoog, nl. tot ongeveer 5 persent en hoër vanaf omstreeks die middel van September tot die eerste twee weke van November. Die aankoopkoerse op verhandelbare depositosertifikate van 30 en 90 dae is gedurende die week wat op 18 September begin het tot 7·50 persent verhoog voordat dit weer tot onderskeidelik 6·00 en 7·25 persent op 13 November gedaal het.

Staatsfinansies

Soos in die bygaande tabel aangetoon word, was die tekort van R74 miljoen op die Skatkisrekening gedurende die eerste helfte van die lopende boekjaar R27 miljoen minder as in die ooreenstemmende tydperk van die vorige jaar. Gedurende die eerste helfte van die huidige boekjaar het skatkisontvangste teen 'n koers gestyg wat hoër was as wat in die Begroting verwag is, terwyl totale uitreikings teen 'n koers toegeneem het wat ietwat laer was as wat vir die jaar in geheel verwag word.

In die finansiering van die skatkisstekort is beperkte steun van alle binnelandse sektore ontvang en die Tesourie het hom derhalwe tot buitelandse lenings gewend eerder as om van bankkrediet gebruik te maak. Bo en behalwe buitelandse lenings ten bedrae van R19 miljoen wat die Reserwebank vir die regering verkry het, het die Skatkis R76 miljoen oorsees verkry en dit het sy netto skuldposisie teenoor die banksektor met R16 miljoen gedurende die eerste helfte van die huidige boekjaar verminder. Terselfdertyd was die plaaslike ondersteuning vir effekte wat gedurende Oktober vir inskrywing aan die publiek oopgestel is, te-

Skatkisfinansies

R miljoene

	1969 Apr. tot Sep.	1970 Apr. tot Sep.
Totale netto ontvangstes	995	1,125
Totale netto uitreikings	1,095	1,198
Totale tekort (uitgesonderd lenings)	101	74
Finansiering:		
Verandering in netto skuldposisie teenoor:		
Buitelandse sektor	2	76
Private nie-banksektor	59	10
Staatskuldkommissarisse	130	3
Sub-totaal	191	90
Monetêre banksektor:		
Verandering in besit aan staatspapier	—	87
Verandering in Skatkissaldo*	-90	-103
Sub-totaal	-90	-16
Totale finansiering	101	74

*Toename-, afname+. Met inbegrip van oordragte na die Stabilisasierekening en na die I.M.F.-depositerekening ten opsigte van super-goud-tranché-trekkings.

leurstellend. Aansoeke deur ander instansies as die Staatskuldkommissarisse en die banksektor het R1.7 miljoen vir die korttermynuitgifte teen $5\frac{1}{2}$ persent en R16.6 miljoen vir die langtermynuitgifte teen $7\frac{3}{4}$ persent beloop. Daarbenewens is tot op 1 November slegs ongeveer 60 persent van die totale effekte wat gedurende die lopende boekjaar gedelg moes word, omgesit, terwyl totale netto beleggings in staatseffekte deur die private nie-banksektor slegs R19 miljoen bedra het.

Kapitaalmark

Volgehoue opwaartse druk op langtermynrentekoerse

Gedurende die derde kwartaal van 1970 is die kapitaalmark gekenmerk deur 'n voortgesette opwaartse druk op langtermynrentekoerse as gevolg van die oorskot van die vraag na bo die aanbod van uitleenbare fondse. Nadat subsidies op die verwagte hoër rentelas vir huiseienaars, uitvoerders en boere in die 1970/71-Begroting aangekondig is, kon daar amptelike erkenning aan hoër langtermynrentekoerse verleen word. Gevolglik het die Reserwebank op 12 Augustus die banke van hul onderneming om depositokoerse op 'n maksimum van 7 persent te handhaaf, vrygestel en terselfdertyd die opbrengskoers op langtermynstaatseffekte vanaf 7 persent (die koers waarna dit op 26 Mei 1970 verhoog is) tot die baie hoër koers van $7\frac{3}{4}$ persent, verhoog. Daarna het die opbrengskoers op nuwe uitgiftes van langtermyn-semi-prima-effekte gestyg vanaf 8 tot 8.9 persent voordat dit weer gedaal het tot 8.8 persent in September terwyl die opbrengskoers op

maatskappy-obligasies vanaf ongeveer $9\frac{1}{2}$ tot 10 persent gestyg het. Teen hierdie hoër koerse kon lenings deur maatskappye, munisipaliteite en openbare korporasies suksesvol geplaas word, maar die sentrale regering kon deur middel van sy uitgifte van langtermynseffekte gedurende Oktober 1970 slegs 'n beperkte bedrag aan nuwe fondse vanaf die private nie-banksektor trek.

In teenstelling met die opwaartse beweging van koerse op vasterentedraende effekte, het die meeste opbrengskoerse op aandele gedurende die derde kwartaal gedaal. In die geval van nywerheids- en handelsaandele het die gemiddelde opbrengskoers vanaf 5.7 persent in Junie tot 5.3 persent in September afgeneem. Vergeleke met die opbrengskoers op langtermynstaatseffekte, was daar dus 'n vergroting in die omgekeerde rendementsgaping vanaf 1.3 persent in Junie tot 2.5 persent in September. Die rendementsgaping tussen semi-prima-effekte en staatseffekte het 'n geringe styging in die derde kwartaal getoon, terwyl dié tussen maatskappy-obligasies en staatseffekte met 'n $\frac{1}{4}$ persent gedaal het. Met die trae toestande op die effektebeurs het maatskappye hulle eerder tot lenings as uitgiftes van aandele gewend as 'n metode om kapitaal op te neem. Indien die R28 miljoen opgeneem deur 'n besondere goudmynmaatskappy buite rekening gelaat word, het nuwe uitgiftes van aandele gedurende die derde kwartaal 'n skamele R3 miljoen bedra teenoor 'n bedrag van R27 miljoen wat in die vorm van obligasie-uitgiftes verkry is.

Tydlike stabilisasie van aandelepryse

Toestande op die aandelemark het gedurende die derde kwartaal meer stabiel voorgekom. Alhoewel die



omset op 'n lae peil gebly het, het die pryse van al die vernaamste klasse aandele gedurende hierdie tydperk gestyg. Die pryse van finansiële nywerheidsaandele het met 6 persent gestyg, dié van finansiële mynaandele en nywerheids- en handelsaandele met 5 persent en dié van goudmynaandele met 4 persent. Die pryse van meeste klasse aandele het gedurende Oktober effens gestyg maar klaarblyklik weer afwaarts beweeg gedurende November.

Verminderde uitvloeiing van fondse ondervind deur effektetrusts

Die uitvloeiing van fondse wat vanaf die begin van die vierde kwartaal van 1969 deur die effektetrusts ondervind is, het gedurende die derde kwartaal van 1970 aansienlik afgeneem. Netto terugkope van onderaandele gedurende hierdie tydperk het R8 miljoen bedra, vergeleke met onderskeidelik R47 miljoen en R19 miljoen gedurende die eerste en die tweede kwartaal van die jaar. Ten einde hierdie terugkope te finansier, het die effektetrusts staatseffekte en ander goedgekeurde effekte ten bedrae van R10 miljoen verkoop, terwyl hul besit aan kontant en deposito's ook met R3 miljoen afgeneem het. Aan die einde van September het die oorskotbesit aan goedgekeurde effekte bo die wetlike minimum nietemin nog R32 miljoen bedra, waarvan R27 miljoen uit 'n oorskotbesit aan staats-effekte bestaan het.

Netto terugkope van onderaandele het in werklikheid in September tot slegs R0.2 miljoen gedaal, terwyl die effektetrusts, met die vermindering in die dreinering van hulle fondse, gedurende daardie maand vir die eerste keer sedert Januarie vanjaar netto beleggers in sekuriteite geword het. Netto aankope was hoofsaaklik beperk tot gewone aandele en aangesien netto verkope van aandele ook aansienlik laer in Julie en Augustus was, het hierdie ontwikkeling moontlik ook tot die meer stabiele toestande in die aandelemark gedurende die derde kwartaal bygedra. Daar is egter aanduidings dat, nieteenstaande die geringe styging in die pryse van meeste klasse van aandele gedurende Oktober, die terugkope van onderaandele deur die effektetrusts gedurende Oktober toegeneem het.

As weerspieëling van die kleiner uitvloeiing van fondse en die styging in aandelepryse gedurende die derde kwartaal, het die markwaarde van die effektetrusts se netto bates vanaf R414 miljoen aan die einde van Junie tot R430 miljoen aan die einde van September toegeneem. Die indeks (Junie 1965=100) van verkooppriese van onderaandele het gevolglik 'n geringe styging vanaf 152 in Junie tot 153 in September getoon, en die gemiddelde opbrengskoers op onderaandele het ook vanaf 3.2 persent tot 3.3 persent gedurende dieselfde tydperk toegeneem.

Bouverenigings

Die toevloeiing van fondse na die bouverenigings het gedurende die derde kwartaal van 1970 'n nuwe hoogtepunt bereik as gevolg van 'n aansienlike toename in September en het R144 miljoen bedra, vergeleke met onderskeidelik R117 miljoen en R94 miljoen gedurende die eerste en die tweede kwartaal van die jaar. Spaar-deposito's het gedurende die derde kwartaal met R38 miljoen toegeneem en het die gewone seisoenstyging gedurende September weerspieël. Vaste deposito's en aandeelkapitaal het onderskeidelik met R41 miljoen en R66 miljoen toegeneem en het ook betekenisvolle toenames in September getoon, nadat rentekoerse in Augustus verhoog is.

Die middele van die bouverenigings het gedurende die derde kwartaal nie alleen aansienlik in absolute terme toegeneem nie, maar ook in verhouding tot die toename in die rentedraende deposito's van die private sektor by monetêre bankinstellings. Die betrokke



toename het 5 persent bedra vergeleke met 3 persent in die geval van die monetêre bankinstellings. Gedurende die eerste drie kwartale van die jaar het die ooreenstemmende toenames onderskeidelik 15 persent en 5 persent bedra.

Met die groter toevloeiing van nuwe fondse gedurende die derde kwartaal was die bouverenigings in staat om nuwe verbandlenings toe te staan teen dieselfde hoë peil wat gedurende die eerste ses maande van 1970 aangeteken is. Nuwe lenings ten bedrae van R185 miljoen is toegestaan teenoor 'n kwartaallike gemiddelde van R186 miljoen gedurende die eerste twee kwartale van 1970. Hul verpligtings ten opsigte van nuwe lenings toegestaan, maar nog nie uitbetaal nie, het ook slegs effens afgeneem vanaf R229 miljoen aan die einde van Junie tot R226 miljoen aan die einde van September. Die werklike verbandlenings uitstaande het met R100 miljoen toegeneem en, vergeleke met die toename in hul middele, is die verenigings ruimte gelaat om gedurende die tydperk onder beskouing verdere toevoegings tot hul besit aan likwiede bates en ander voorgeskrewe beleggings te maak. Likwiede bates het met R18 miljoen vermeerder en ander voorgeskrewe beleggings met R8 miljoen. Hierdie verdere netto beleggings het hul oorskotbesit aan voorgeskrewe beleggings bo die wetlike minimum op R181 miljoen aan die einde van September te staan gebring.